E-BULLETIN Telecommunications

#19. Friday, 17 October 2014

1. CWU disputes Telstra Wideband reorganisation

The CWU is disputing Telstra's decision to eliminate a number of CFW7 jobs as part of its reorganisation of its Wideband teams.

Optical fibre testing: a Band 7 or Band 4 function?

The CFWs involved perform fibre testing, a function which Telstra now wants to have carried out by staff at CFW4 level. Obviously this represents a major downgrade of the function and an attack on the current classification system.

The union met with Telstra on Thursday 16 October to outline its objections to this move and to the redundancies that will flow from it.

Telstra has agreed to provide more detailed information about the functions being performed by the members of the new "hybrid" teams. The CWU will be looking in particular at the job descriptions for the CFW4 roles in the teams.

Telstra says that such "hybrid" teams already exist in some states. Any members able to provide information on current practice in this area, especially in relation to fibre testing, should contact their state branch.

2. Telstra implements GES redundancies

Telstra has notified the CWU that it is proceeding to cut 68 positions from the Professional Services section of Global Enterprise Services (GES).

The cuts are part of the nearly 700 redundancies from GES first announced in late July, 203 of which were to come from Professional Services. Of those, the CWU understands that more than half were contractors, leaving about 90 Telstra positions to be eliminated. The current tranche obviously represents the bulk of these redundancies.

Telstra will be conducting the redundancy process in line with the Group Selection Process (SWAG) provided for in the Enterprise Agreement but it will also be considering requests for voluntary redundancy.

The CWU has asked for Telstra to provide it with information about both the number of the final redundancies which were voluntary and about the number of the employees who were successfully redeployed.

We are concerned first and foremost about the impact of these redundancies on our members. But the union is also opposed to the ongoing loss of skills out of Telstra, especially from growth areas like NES, and the transfer of such skilled work overseas.

Any members affected by these job cuts and wanting advice about their rights and options under the SWAG process should contact their state branch.

3. Unions at loggerheads with ACMA over EA

As has been expected, negotiations for a new Enterprise Agreement (EA) with the Australian Communications and Media Authority (ACMA) have been moving slowly because of the straitjacket imposed on bargaining by the federal government.

The government has laid down harsh policy guidelines for all Commonwealth departments and agencies in an attempt to drive down the wages and conditions of its own employees.

These involve compulsory productivity "offsets" for any wage rises – even ones that don't keep pace with increases in the cost of living.

At the last negotiation meeting, the unions involved – the CWU, CPSU and Professionals Australia – rejected all the offsets i.e. cuts to conditions proposed by ACMA in the "streamlined" agreement they tabled. The proposal is now available on the ACMA intranet.

So far, no agreement has been reached in any federal department or agency since the new guidelines were introduced. In a sign of the times, union members in the biggest federal public sector agency, the Commonwealth Government's Department of Human Services (DHS), are expected soon to vote in a protected industrial action ballot.

The major union in DHS, the CPSU, applied for the ballot earlier this month, saying the agreement being offered by DHS was one of the "ugliest we have seen." It offered wage rises well below CPI and proposed a range of cuts to key conditions such as personal leave, hours of work and higher duties allowance.

Wage rises have yet to be discussed in the ACMA negotiations but the signs are not good. Unions will be meeting with their ACMA members in the week beginning Monday 20 October to discuss future options.

CWU members wanting further information should contact Dave Smithwick in the Divisional Office at dsmithwick@cwu.org.au.

4. New industry body to address telco skill needs

A new industry body is being set up to address the question of skills need in the telecommunications industry, especially in relation to the NBN roll-out.

The Australian Digital and Telecommunications Industry Association (ADTIA) aims to bring together representatives of telco carriers, major contractors such as Downer and Thiess, equipment suppliers and workforce supply companies in an attempt to identify skills and training issues facing the telecommunications workforce.

ADTIA wants to help address industry skill needs.

According to the new ADTIA co-chair, Hugh Ragg, these issues include the challenges to skill development and recognition posed by the growth of sub-contracting in the industry.

“Many telecommunications workers still do not have industry-recognised and current technical skills and are part of a mobile and transient workforce, which makes it difficult for them to undertake ..training,” industry newsletter, Communications Day, quotes Ragg as saying.

Other issues the ADTIA says it hopes to address will be quality assurance, which Ragg claims is costing the industry millions of dollars through reworks, and safety processes – a major challenge for the NBN roll-out.

The CWU welcomes an increased focus by industry on these problems. But as the union has consistently pointed out, they are part and parcel of the pyramid contracting structure that has spread across the industry over the last decade and a half and which is now at the centre of the NBN construction model.

The fundamental question that ADTIA will have to address is whether this structure is compatible with the development of the skilled, stable, productive and safe workforce it wants to foster – or whether it is time for companies such as Downer and Thiess and Telstra and Optus to start to engage more permanent employees.

5. Telstra Super wins Fund of the Year award

Telstra Super has been named Fund of the Year by ratings agency, SuperRatings.

The SuperRatings Fund of the Year Award recognises the fund that has the best value end-to-end retirement solution, including both accumulation and pension products.

“In a constantly changing superannuation environment, Telstra Super has had an amazing year, performing consistently well across all of SuperRatings’ key assessment criteria,” SuperRatings chief executive Adam Gee said.

“This includes a long history of outstanding investment returns, coupled with competitive fees.”

The fund’s balanced strategy achieved a return of 15.81 per cent over the 12 months to 30 June 2014, while over a five-year time frame the option returned 10.69 per cent.

It also took out the category of Super of the Year, recognising the best value for money accumulation product.

The results put Telstra among an elite group of funds that have achieved consistently high rating.

They also send a clear message to those who claim that union representation on superannuation fund boards is not in the interests of fund members. Both the CWU and the CPSU have seats on the Telstra Super board, as does the union movement peak body, the ACTU.

That participation allows the unions to protect and advance the interests of their members in this key area of their financial affairs.

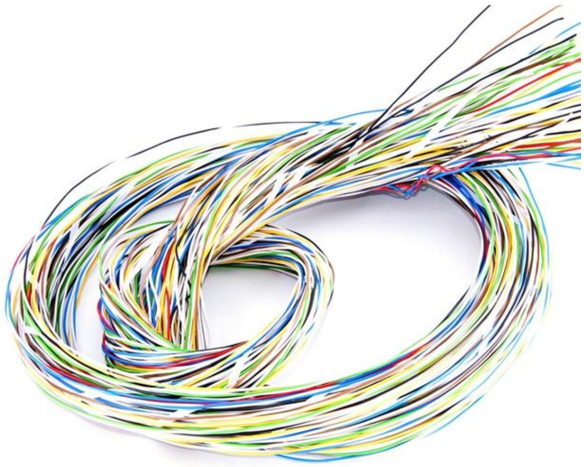
6. Telstra/NBN agreement unlikely to be finalised this year

It now seems that the rewriting of the Telstra agreements with NBN Co may not be finalised this year, contrary to the federal government's timetable.

Communications Minister, Malcolm Turnbull, had initially said he expected the revised agreements, reflecting the government's new Multi Technology Model for the NBN, to be finalised by the middle of 2014. But press reports now suggest that that date could blow out to early 2015.

Speaking after the Telstra Annual General Meeting on 15 October, Telstra CEO David Thodey told Fairfax Media that certain technical and regulatory issues still remained unresolved, including the question of whether TPG and other carriers were going to be allowed to compete with NBN Co.

Telstra has already indicated it would explore the possibility of undertaking its own Fibre-to-the-Basement roll-out if TPG was allowed to do so.



Still to tie the knot: the new deals between Telstra and NBN Co may not be finalised until next year.

Thodey did suggest that Telstra wanted to get enough of the agreements in place to "allow NBN Co to build a sizeable FTTN network next year."

That would be indeed welcome.

At present, uncertainty about the scope of the FTTN roll-out, the place of HFC in the total mix, and the role of Telstra in the implementation of the new NBN model is creating its own inefficiencies at workforce level.

Telstra continues to shed staff who could potentially be used in the roll-out. Meanwhile, uncertainty about skill demands discourages training.

It is in the interests of both workers in the industry and the project itself that a way forward be determined as quickly as possible.

7. Government issues draft response to TPG broadband roll-out

The federal government has issued a draft licence condition designed to protect the NBN from cherry-picking from carriers such as TPG.

The licence condition would require any carrier offering wireline broadband services in competition with NBN Co to offer them to competitors on a wholesale basis and at the same price as NBN Co. The draft stipulates that such carriers would have to offer a Layer 2 access service, providing speeds of 25 Mbps downstream and 5 Mbps upstream for $27 per port per month– the same as NBN Co's current Access Virtual Circuit (AVC) charge.

Perhaps more troublesome for NBN Co's potential competitors is the requirement that they be functionally separated. Functional separation would involve organising wholesale and retail functions into two completely separate companies with their own management structures and, most significantly, their own operating systems.

Such duplication would impose significant costs and potentially change the whole business case of a company such as TPG.

The government is giving industry until 14 November to comment on the proposal.

8. Wireless No.1 threat to NBN says Switkowski

The development of high speed mobile services is the single biggest threat to NBN Co's business, according to the company's chairman, Ziggy Switkowski.

NBN Co Chairman, Ziggy Switkowski: wireless developments the single biggest challenge for the company.

Switkowski told a recent industry conference that the rapid growth of wireless capabilities put added pressure on NBN Co to complete its network roll-out quickly, so that one platform did not, in practice, outpace the other and complementarities were lost.

NBN Co also needs to build scale quickly so that it – and its customers – can reap the benefits of similar economies to those enjoyed by wireless operators.

Switkowski said that as a result of delays renegotiating deals with both Telstra and Optus, there would be no final "NBN 2.0" until 2015, while the major ramp up in construction wouldn't happen until 2016.

"From there," he said "it will be "a race from 2017 to 2020 to get the job done."

But even if that goal is achieved, current NBN target speeds of 100 Mbps by 2020 may not be enough to stem the wireless tide and keep the number of wireless-only households below the 13% on which the NBN Co's commercial plans are based.

9. Unions resist employer push on annual leave

Australian Unions are resisting a push by employer groups that could see workers never taking annual leave.

ACTU President Ged Kearney said around two million Australian workers could be impacted by the employers' push for a clause to be entered into awards allowing annual leave to be cashed out.

The employer move comes during the current review of modern awards being conducted by the Fair Work Commission (FWC).

"Annual leave is for rest and recreation. Exchanging it for cash defeats its purpose," Ms Kearney said.

"The employers say excessive leave is a problem and they need capacity to manage leave accruals. We don't accept that cashing out is the answer," Ms Kearney said.

The CWU agrees that so-called "excessive" leave i.e. the accumulation of large leave balances is a different issue from cashing out and should be dealt with separately in awards and/or agreements.

The union also agrees that a cashing out provision can be a double edged sword for employees. For many employees the prospect of getting some quick cash from leave entitlements may be attractive – but there may be longer term consequences for health and well-being if leave is not taken regularly.

The CWU considers that the issue is best dealt with at the Enterprise Agreement (EA) level, as is the case in the current Telstra EA, rather than in awards. That allows the development of more specific provisions about cashing out and gives employees, through the agreement making process, the chance to have input into those provisions.

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