

## E-BULLETIN Telecommunications

### #6. Friday, 19 April 2013

1. Optus prepares for more off-shoring.
2. Broadcast Australia negotiations.
3. CWU pursues tester issues.
4. Excelior case goes before Federal Court
5. Coalition releases broadband policy.
6. Coalition broadband policy: will the CAN support VDSL?
7. More evidence of NBN skill shortages.
8. Workplace relations: Coalition emerging from the long grass.
9. May Day 2013

### 1. Optus prepares for more off-shoring

In what now appears to be an ongoing cost-cutting regime, Optus is preparing to send some functions from its Optus Business unit off-shore.



### Stop Offshoring

Optus says preparation for the move is still in its early stages but has identified multi-national outsourcing company [24]7 as its “industry partner” in the exercise. [24]7 is headquartered in California but runs its call centres out of Asia (China, India the Philippines) and Central America (Guatemala, Nicaragua).

Optus has indicated to the CWU that it is reviewing back of house operations in a range of areas across Optus Business to determine what functions can be outsourced and what retained. According to the

company no one area will be fully outsourced but some functions from each may be.

The CWU understands that Optus Business currently employs over a thousand full time employees not a huge number. The union considers that Optus may find there are limited opportunities for cutting back on these numbers if the company is to provide the level of service needed to retain business customers, some of whom at any rate require all services to be performed here in Australia.

To date, however, the number of positions that will be affected remains unclear. Optus has indicated that it will not be until June or July that it will have any final estimates of job losses.

It goes without saying that the CWU opposes this transfer of jobs out of Australia which is being undertaken for no obvious reason other than cost-cutting. But it is equally clear that stopping such trends will require concerted action at the government level. The CWU will continue to push for Australian governments to adopt measures (such as tax incentives) to keep local jobs.

In the meantime, any CWU members in Optus Business who think they may be affected by the cuts should contact the union for advice on their rights and future options.

## 2. Broadcast Australia negotiations

Representatives of the CWU National Office met with Broadcast Australia (BA) in Sydney last week to begin negotiations for a new Enterprise Agreement (EA).

Earlier this year, BA circulated a draft agreement as part of its consultation with staff. The union raised a number of concerns with the proposed EA which will be followed up at a further meeting scheduled for 1 May.

The CWU has proposed that this meeting should include BA members from each state. We hope to have all states represented and some may be on telephone. We will also have Radio Australia involvement.

The CWU did seek that BA assist to make this a face- to-face meeting but they refused.

Broadcast Australia has requested that the CWU present a "log of claims" before the May meeting and CWU members who have not had input into union discussions or wish to raise new issues should contact their state branch now.



Some of the matters already raised are:

- The consultation clause is inadequate and is likely to be refused by the Fair Work Commission (FWC)
- The conciliation clause is also inadequate
- The right to representation is limited
- Compulsory 45 hour week
- 8 week reconciliation period and TOIL arrangements
- Travel Allowance incidentals only after 5 days
- Super co-contributions.

The CWU pay claim or the EA has not yet been discussed. E-bulletin #7 will report of progress in these negotiations.

## 3. CWU pursues tester issues

The CWU is continuing to pursue a number of related issues that have arisen from Telstra's attempts to reorganise and, we believe, downgrade tester functions.

We have now filed in the Melbourne Magistrates Court on behalf of testers who we believe are being underpaid. These are members who have come onto the new Enterprise Agreement only to find themselves placed (and paid) at Band 5 level rather than at Band 7.

The Job Descriptions that underpin the Workstream banding system only allows testers to be assigned to Band 5 temporarily while they are becoming fully competent. The members in question have been performing testing work for years and should be placed at Band 7.

Meanwhile the CWU has also taken the issue of tester redundancies to the Fair Work Commission. As a result of the reorganisation of lower level testing functions reported on in E-bulletin #5 (Project Cayenne), a number of testers in Melbourne have been made redundant without having been given the opportunity to organise swaps.

In this matter Telstra has agreed to review the processes that led to the members being made redundant. Discussions between the CWU and Telstra on the swap option are ongoing.

## 4. Excelior case goes before Federal Court

The CWU's appeal over a decision last year affecting telecommunications trainees has now been heard by the Federal Court.

As previously reported, the case involves an argument between the CWU and a group training company, Excelior, over whether trainees travelling significant distances to attend training are entitled to travel allowance (TA).

The trainees are covered by the Telecommunications Services Award which clearly provides for telecommunications workers to receive TA. But Excelior's lawyers have mounted a series of ingenious arguments to say that this provision does not apply to trainees. And last year a Federal Magistrate agreed with them.

The CWU appealed the decision and the Federal Court has now heard the submissions of both the CWU and Excelior on the matter.

The CWU believes it has a strong case, but as the original decision shows, judgements in such matters often turn on fine interpretations of wording rather than on what E-bulletin readers may regard as common sense.

Members will be advised of the outcome of the appeal when it becomes known.

## 5. Coalition releases broadband policy

The Coalition parties released their national broadband policy –or more correctly their fixed wireline policy – on 9 April.

As has been widely reported, the Coalition proposes a recasting of the current National Broadband Network (NBN) model through the use of Fibre-to-the-Node (FTTN) technologies rather than Fibre-to-the-Premises (FTTP) for the majority of locations.



**Fibre is coming - but to where?**

It retains other features of the current NBN plan:

- FTTP for greenfield sites.
- FTTP for hospitals, schools etc (a large proportion of which have fibre already).
- Fixed wireless and satellite for the last 7% of premises.

Within the wireline footprint, the policy anticipates that by the end of the roll-out in 2019 nearly 3 million premises will be served directly by fibre and just under 9 million by FTTN. Fibre will be taken to the “basement” i.e. the Main Distribution Frame in Multi-Dwelling Units (MDUs) rather than to individual apartments.

Under the plan, minimum nationally guaranteed download speeds will initially be 25Mbps (the minimum being set in line with the recently upgraded satellite and terrestrial wireless speeds) rising to 50 Mbps by 2019. The policy forecasts the availability of speeds of up to 100Mbps by 2016.

As the Coalition points out, FTTN technologies are now being widely deployed around the world as a way of delivering high speed broadband without the massive expenses involved in FTTP deployment. Indeed enhanced x DSL (VDSL, VDSL2, vectored VDSL2) technologies are capable of achieving download speeds of up to 250Mbps – in the laboratory.

But each country is different and both the actual speeds that can be delivered over “last mile” copper and the cost of a national roll-out will depend on a range of national particulars – population density, existing and proposed network design and ,not least, the physical condition of those sections of the copper network that will remain in use.

We are yet to see any details of the Coalition’s proposed network architecture – average copper line lengths, number of premises per node – or to have any informed estimate of the costs of copper remediation that will be needed under their plan. Without such detail, arguments about the relative costs of the Labor and Coalition projects remain speculative.

By the same token, however, the current cost per premises passed by the FTTP roll-out remains one of the most tightly held secrets of the industry, though some estimates have put it as high as \$5,000 – higher even than the \$4,000 Coalition estimate which implied a 40% blow-out in the NBN’s budget.

The CWU believes that all such information must be made public so that voters -who will foot the bill for either network – can make a realistic assessment of the choices facing them and of the trade-offs between speed and cost (and hence price) involved in these projects.

Finally, given that labour costs will represent the greater part of the overall cost of either NBN model, the CWU calls on both parties to ensure that both the NBN budget and roll-out strategy support secure employment for appropriately trained and paid communications workers.

## 6. Coalition broadband policy: will the CAN support VDSL?

The release of the Coalition’s broadband policy has immediately triggered a heated debate about the relative merits of Fibre to the Premises (FTTP) and Fibre to the Node (FTTN) platforms in the delivery of (wireline) high speed broadband on a national basis.

While the Coalition does not dispute the superior capacities of fibre, it argues that an FTTN network can meet actual community needs faster and more cheaply than FTTP while still providing an upgrade path to full fibre capacity in future.

The Coalition policy aims to upgrade the greater part of the existing copper network to support minimum download speeds of 25Mbps for nearly 6 million premises over the next 3-4 years and 50 Mbps for some 9 million by 2019.

These speeds are based on VDSL technologies which are currently being widely used in US and European networks.



*Some parts of the CAN are not in good shape.*

While there are as yet no details of the proposed network architecture in the public domain (number of nodes, average “last mile” lengths etc) it is clear that both the actual performance and the final cost of the Coalition’s NBN will depend to a significant degree on the state of the copper section of the network.

The Coalition has said that where the cost of copper remediation makes the exercise uneconomic it will be replaced with fibre. But the billion dollar question is how often this will be the case. Will 10% of the copper access network (CAN) need to be entirely replaced – or 80%. And how will the question be decided, and by whom?

For well over a decade the CWU has drawn policy makers' attention to the degradation of the copper Customer Access Network as a result of both under-investment and ill-conceived maintenance strategies i.e. the Seal the CAN programme of the mid-1990s. The increasing use of contractors on piece rates and the introduction of incentive schemes for Telstra's internal workforce have also led to poor maintenance practices.

On the other hand, large scale CAN remediation programmes (Access Renewal) which saw CAN expenditure double were undertaken in the late 1990s/early 2000s and Telstra continues to spend millions each year on CAN maintenance. And of course more recently installed copper – in pre-fibre estates for instance – should be in good condition.

In short, there is bound to be considerable variation in the state of the copper network which is neither entirely "rooted", as some commentators would have it, nor in mint condition.

CWU members, past and present, are in a unique position to contribute to this aspect of the NBN debate. The union is interested in hearing members' assessments of current CAN capabilities. Contact your state branch or email the E-bulletin at [cwu@cwu.org.au](mailto:cwu@cwu.org.au).

## 7. More evidence of NBN skill shortages

While debate rages as to the merits of different fibre platforms for high speed broadband delivery (FTTN vs FTTP), evidence continues to emerge of the labour supply problems facing the current NBN roll-out.

Last month NBN Co CEO Mike Quigley indicated that NBN Co would break from its contracted construction model and directly employ a number of fibre splicers to speed the roll-out.

And earlier this month, NBN Co documents leaked to the *Australian Financial Review* revealed that NBN Co would be funding the training of some 60 splicers to the tune of \$4000 each. According to the AFR, the programme is aimed at boosting training specifically in regional areas surrounding Ipswich, Newcastle, Darwin, Geelong and Mandurah.

Meanwhile, further evidence of skill shortages in this area comes from the large number of on-line agency advertisements for splicers, typically offering permanent employment and annual remuneration of up to \$110-120,000.

Splicing Technician – NBN Fibre x 5  
 35 hour base week, time and half, double time  
 60 hours' work  
 Take home \$70 - \$110k  
 Taree / Forster  
 Telecommunication Infrastructures  
 Splicing / testing equipment experience  
 Permanent position

Members currently in secure employment and tempted by these numbers should, however, read the fine print. As the advertisement above indicates, the total earnings being forecast contain a very significant amount of overtime, including, it must be assumed, weekend work.

Members can make their own calculations, but the CWU estimates these figures imply a base salary of some \$45-55,000 a year. An equivalent position in Telstra (CFW4 or 5) would currently earn between \$61,442 and \$69,580.

In 5 months time, the level of demand for splicing implied in these figures may have fallen dramatically, depending on the outcome of the federal election.

## 8. Workplace relations: Coalition emerging from long grass

The Coalition is slowly but surely emerging from the long grass in the area of workplace relations.

Although no detailed policies have been released, leaked documents reveal the Coalition intends to weaken employee and union rights in a number of key areas and so make the preservation of decent and fair conditions more difficult.

According to the documents the Coalition will:

- **Allow individual agreements to run for four years.** Currently individual “flexibility” agreements can be terminated by either an employer or an employee within 28 days of giving notice (or by agreement). This threatens to tie employees up in long-term individual contracts like the old AWAs.
- **Require workers to ask individually for representation in bargaining.** This is a return to the system that operated under John Howard’s Workplace Relations Act. It means that a union does not automatically have a right to represent its members in bargaining i.e. to do what employees have basically created it to do.
- **Cut minimum hours of work for young workers.** Employers, especially in retail, have so far not succeeded in their campaign to slash minimum hours. So the Coalition will do it for them.
- **Restore unilateral “employer greenfield agreements”** where employers can dictate the terms of agreements on new projects or business without the agreement of workers or unions. Just like the old Section 330 of WorkChoices.



*ACTU secretary, Dave Oliver: the Coalition intends to wind back the clock on workplace relations.*

Unions have responded to these proposals by warning that they represent a plan to wind back the clock to the time of John Howard’s WorkChoices regime.

“These policies are acutely one-sided and in the interest of business without any consideration for workers and their representatives,” ACTU Secretary Dave Oliver said.

“The proposal on Greenfields allows an employer to reach an agreement with themselves – a bizarre situation.

There is no need for them to attempt genuine negotiations because they know that at the end of the day what they say goes.”

Mr Oliver said this would mean more power to employers to dictate terms, conditions and employment to the detriment of workers.

## May Day 2013

May Day is coming up!

This year May Day will fall on a Wednesday but in most of Australia it will be marked by rallies and meetings on the weekend either before or after that day.

But whenever it is actually celebrated, 1 May itself remains a day when working people around the world remember what they have achieved since the first international May Day rallies in 1890 - and at what cost.

This May Day is a time to remember the many important gains that Australian workers have made over the decades as well as the challenges they still face.

Shorter working hours, compulsory employer superannuation contributions, government funded health care and equal pay for women doing the same work as men are among the major wins for our labour movement.



On the other side of the ledger we are seeing the growth of insecure employment, of outsourcing and offshoring, trends which undermine the possibility of secure, well paid employment here in Australia.

We are also seeing sustained attacks by employers on penalty rates and on minimum hours provisions which are designed to protect young workers, in particular, from exploitation.

The election of a Coalition government in September would see an intensification of this employer push to boost profits at the expense of workers' living standards.

*May Day may be marked on different days in different states. Check with the CWU about arrangements in your area.*

May Day is a day to remind all those who support that push that the labour movement is alive and kicking and intends to stay that way whoever wins the next federal election.

Check with your state CWU branch or your local Trades and Labour Council about May Day arrangements in your state.



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