communication workers union
CWUnion National

E-BULLETIN Telecommunications

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1. Global Services offshoring: Telstra leads skills drain

The CWU has condemned Telstra's proposal to offshore nearly 700 jobs from its Global Services business.

The union was notified of the proposal after Close of Business on Wednesday 23 July after details of the plan had already appeared in the media. A meeting with Telstra, in line with the consultation requirements of the Enterprise Agreement, is scheduled for Monday 28.

CWU President Len Cooper said the union was shocked at the scale of the job losses, especially since they were coming from a growth area of the Telstra business and meant the offshoring of skills which are increasingly central to modern economies.

"Telstra is leading the way in draining Australia of skilled technical jobs," he said.

"There is a growing awareness worldwide of the importance of Information and Communications Technology (ICT) skills to national growth and productivity."

"In fact, only last week, Telstra CEO David Thodey was out urging Australians to be more innovative in the digital space and emphasising the importance of education in the core areas of science and technology."

"But who's going to commit themselves to years of training in ICT when they see the jobs that should be open to them being shipped offshore?"

"David Thodey should put his money where his mouth is when it comes to supporting the development of the digital economy workers of the future."

2. Telstra proceeds with dispatch reorganisation – with modifications

Telstra will modify some aspects of its proposal to centralise and automate scheduling and dispatch functions. But the changes will not be enough to prevent redundancies in the area.

Telstra has advised the CWU that as a result of consultation with employees and with the CWU it will now retain 15 more Field Dispatch Officer (FDO) roles than originally planned.

It is also reconsidering the location of the key site for Southern region and is seeking a centralised Melbourne CBD site that will be accessible for a greater number of employees affected by the proposal than either the Burwood or Werribee sites would be.

Both Burwood and Werribee sites will be retained while the search for a new site is being undertaken. If a suitable site is not found, the Burwood site will be used.

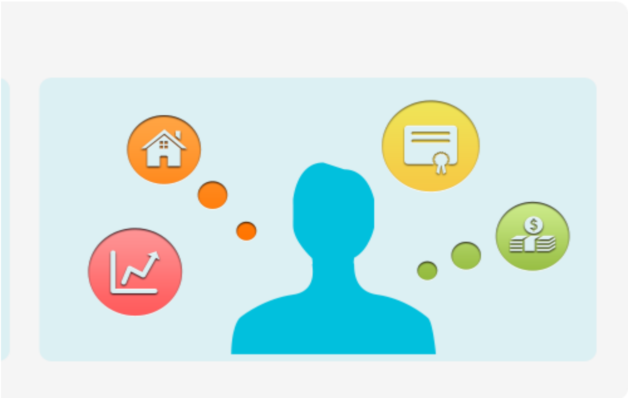
Overall, however, there will still be a reduction of 159 roles while 101 new roles will be created under the new structure.

That means at least 58 redundancies and possibly many more, depending on how many people can be redeployed.

3. Telstra Super offers options to Defined Benefit members

Telstra Super is offering members of its Defined Benefit fund (Telstra Super Division 2) the option of transferring to its accumulation fund, Telstra Super Corporate Plus (Defined Contribution).

An initial outline of the offer has been sent to all members of the Defined Benefit fund. Each member will also be receiving an individualised information pack which should arrive by mid-August.



Telstra and Telstra Super will be holding joint information sessions on the offer in the coming months which will provide fund members with the opportunity to get further one-on-one advice about the implications of any decision to change funds.

In the case of Telstra, no recommendation will be made to employees as to whether to take up the offer.

Advice will be limited to the way the change will interact with current pay structures, including the superannuation guarantee component of Fixed Remuneration.

Telstra Super is also taking a neutral position as it recognises that the appropriate decision for individual fund members will depend on each person's particular circumstances – age, length of service, overall financial position and so on.

For the same reasons, the CWU is not making any recommendation to its members as to choice of fund. The union does however strongly recommend that members seek individual financial advice before making a decision.

The key factor to bear in mind is that moving from a defined benefit fund to an accumulation fund involves transferring risk from the fund to the individual. Market fluctuations do not affect your defined benefit –for better or for worse - but can have a significant impact on the final level of your holdings in an accumulation fund.

4. Telstra to outsource fleet roles

Telstra has notified the CWU that it proposes to outsource a number of fleet management roles to an external provider.

The proposal involves outsourcing of billing and credit management functions and would result in a reduction of 53 Telstra jobs and one contractor role.

The CWU met with Telstra on Thursday to seek more information on the proposal. We raised a number of issues relating to future responsibilities for selection of vehicles and arrangements for servicing them. Telstra has told the CWU that responsibility for choice of vehicles will remain with Telstra.

In relation to maintenance, Telstra has subsequently written to the CWU stating that under this proposal Telstra's existing network of maintenance providers will be maintained, with no loss of coverage (i.e. no extra distances to be travelled for maintenance purposes).

At the meeting the CWU also sought assurances that health and safety responsibilities would be clearly defined in any outsourcing arrangements.

Telstra says that Health and safety requirements and responsibilities will be would be dealt with through the outsourcing contract, with the new provider required to adhere to and ensure compliance with Telstra's HS&E policies, guidelines and direction. These HS&E requirements would be fully detailed in the contract and be subject to ongoing monitoring.

5. CWU meets with Telstra on NBN training

The CWU met with Telstra on 24 July for the quarterly report on progress in implementation of the $100 million NBN training deed.

Under the terms of the deed, the CWU and other Telstra unions receive quarterly briefings on the retraining of Telstra employees who are in danger of being made redundant as a result of the NBN project. The meetings are also attended by representatives of the Department of Communications.

Telstra reported that a number of factors, including peak load requirements and the change to a new NBN construction model, has affected parts of the training programme.

But training had still being delivered across a wide range functions including fibre design, fibre scoping, and optical fibre testing as well as in customer premises-related work such as NBN domestic cabling and the Telstra Platinum roles.

Telstra reported that it is still assessing the range and degree of training it will have to provide to meet any new NBN-related work it undertakes such as the 1000-node FTTN trial and work providing lead-ins to premises already "passed" by, but not actually connected to, the NBN.

The company said it hopes to have a clearer idea of the extent of its enlarged role in the NBN build, and hence of training requirements, sometime in the last quarter of 2014.

Telstra has previously reported that it has had a good response from field staff to its offers of training, especially for the Telstra Platinum roles. A new variant of this role, with fewer IT components but requiring some knowledge of audio and video platforms is also currently being developed and may suit some CTs better than the current Telstra Platinum work.

Members wanting to participate in this programme and experiencing any difficulty getting suitable training should report the issue to their state union branch.

6. FWC to conciliate Telstra award modernisation issues

The CWU appeared before the Fair Work Commission (FWC) on Wednesday 23 July in relation to progress in developing a modern enterprise award to cover Telstra employees.

The conference was held before Deputy President Smith who heard a summary of the differences between Telstra and the Telstra unions and agreed to set a timetable for conciliation.

The CWU and other Telstra unions have been discussing the new award with Telstra for over 18 months and have still not reached agreement on some fundamental issues.

For this reason, the unions proposed that the FWC be approached to see if it would offer guidance on these questions.

Unresolved issues include:

- Whether or not all Telstra employees will be covered by the award. (Telstra wants Retail employees excluded.)
- The ongoing relevance of the current Redundancy Award (as opposed to the former Telstra Redundancy Agreement which now forms part of the Enterprise Agreement).
- Some aspects of hours of work provisions (but not the 36 ¾ hour week, which is agreed).
- Personal leave entitlements.

While the FWC will eventually decide these matters, it is obviously better if an agreed position can be put to the Full Bench by the parties concerned.

For this reason, the CWU will be continuing to try to reach agreement on these matters wherever possible.

7. NBN contracts to encourage direct employment

New contracts between NBN Co and its prime contractors will encourage greater direct employment according to media reports.

NBN Co CEO Bill Morrow has been quoted in *The Australian* (11 July) as saying that the contracts would contain a range of incentives and penalties designed to help achieve greater consistency and efficiency in the NBN construction process.

This will include measures designed to reduce reliance on sub-contractors and to ensure a stable supply of workers as the pace of the roll-out increases.

It is not clear just how this is to be achieved. But a new emphasis on having all FTTP prime contractors actually complete connections to each premises they pass (rather than leaving some in the too hard basket) may affect the make-up of their overall work forces. Having an end-to-end internal construction capability is likely to be the most efficient and cost-effective way of achieving this objective.

Of course, as the CWU has long argued, and as Morrow acknowledges, the other fundamental requirement to get the project moving is contract prices that appropriately reflect the cost of skilled labour.

“We have an obligation to build the NBN as quickly and cheaply as possible but we also know that if we don’t pay a fair price for them to be able to pay for good labour then this won’t be built,” Morrow told *The Australian*.

Exactly. But Morrow and the federal government also need to recognise that the creation of that "good labour" involves training and supervision costs and that these need to be factored in to contract prices.

Meanwhile, the CWU obviously welcomes any step which will increase permanent employment on this project.

8. Vertigan reports may spell trouble for TPG

The first of three reports from the federal government's Vertigan inquiry into NBN-related policy questions has now been tabled.

While it does not directly tackle the question of TPG's challenge to current NBN policy, its recommendations could spell trouble for the company's competitive fibre roll-out.

TPG is in the process of building out a Fibre-to-the Building (FTTB) network which will use vectored VDSL to provide high speed broadband to multi-dwelling units within the NBN footprint.

Both NBN Co and Telstra have pointed out that by targeting these profitable sections of the market TPG's actions will undermine NBN Co's ability to provide the cross-subsidies needed to provide broadband access at nationally uniform prices.

Communications Minister Turnbull, on the other hand, does not much like monopolies. That's the policy dilemma.

The report stops short of saying that the TPG roll-out should be stopped. But it does recommend that where vectored VDSL services are being offered the provider should be required to offer competitors access to the service at a wholesale level. The ACCC would also have a say in setting the price for such a service.

TPG's current FTTB service ties customers in to using it exclusively at both wholesale and retail level – a position at odds with the structurally separated NBN model. And of course it sets its own prices.

Industry observers have differing opinions on the likely impact of the Vertigan recommendations on TPG's business case, with some arguing the company would have anticipated such a move anyway.

Time will tell. Meanwhile it will not be until the full set of inquiry reports has been tabled that any changes to the current regulatory landscape are decided on.

9. Penalty rates: unions launch "Save Our Weekends Campaign"

The union movement has launched a campaign to defend penalty rates against the relentless attacks of employers, back by the Abbott government.

The Australian Chamber of Commerce and Industry announced in June it was launching a national campaign to cut Sunday penalty rates in a number of sectors.

ACTU Secretary Dave Oliver launched the union response in Townsville on 24 July. He was joined at the launch by local rugby league star, Brent Taylor, who plays centre for the North Townsville Cowboys.

"Nurses, police, ambos, firefighters, miners, retail and hospitality workers are among the hardworking Australians who sacrifice their weekends away from family and friends," said Mr Oliver.

"They work nights and other unsociable hours and should be paid for that – but the Abbott Government is working hand in glove with business groups to cut penalty rates and lower take home pays."

Legislation before the federal parliament is designed to strip current protections around individual flexibility agreements (IFAs) and make it easier for employers to force workers to give up penalty rates.

The Abbott government has also ordered a Productivity Commission inquiry into workplace laws that will allow employers to intensify their attack on penalty rates.

Mr Oliver urged Townsville residents to get behind the Save our Weekend campaign.

"Over the next four weeks, weekend workers including nurses, paramedics and fire fighters are going to be door knocking homes, holding rallies and community events to encourage people to support the campaign and protect the way of life unions have fought so hard for all Australians to enjoy," said Mr Oliver.

The Save Our Weekends campaign will be rolled out in regional centres around the country.

CWU members can show their support for weekend rates by signing an online petition at: www.australianunions.org.au/weekend_rates

10. Desperate times? Telstra mobilises engineers to clean exchanges

Members have recently brought the E-bulletin's attention to Telstra's latest efforts in the exchange maintenance area.

According to Telstra's own publications, engineers from the Assets and Facilities Management Group have been happily shaking off the shackles of their desk-bound existences and heading out to address the challenge posed by Telstra's dilapidated exchange buildings - "removing graffiti, cleaning toilets, painting, mopping and mowing lawns".

Whew! Getting their hands dirty – literally.

At first the E-bulletin thought that the initiative might have a political dimension, rather like the idea of sending the intellectuals out into the countryside to learn from the toilers in the fields.

On reflection, it seems more likely to be a cost-saving exercise.

Last year, Telstra made a net profit of $3.9 billion, up 12.9% on the previous year's result.

Some estimates suggest that its current NBN agreements could yield it payments of up to $98 billion over the next 55 years.

And yet it relies on volunteers to maintain its exchange buildings, once the pride of the national network.

Hi ho, hi ho. Telstra engineers head off for re-education?

The CWU has repeatedly pointed out to Telstra that the state of its exchanges represents a health and safety risk to employees and contractors alike –one that obviously cannot be dealt with adequately by stunts of this nature.

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We welcome your comments and contributions –
send us an email and let us know what you think via cwu@cwu.org.au
Check out our webpage at www.cwu.org.au

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