

E-BULLETIN Telecommunications

#2. Friday, 27 February 2015

1. David Thodey departs from Telstra.
2. New Telstra CEO to continue push into Asia: but at what cost to jobs?
3. CWU meets with Telstra on call centre rest breaks.
4. Telstra moves on domestic violence leave.
5. NBN Co negotiations slowed by government interference.
6. Arris beats Cisco for NBN Co HFC contract.
7. Unions to rally against Abbot government policies.
8. International Women's Day: March 8
9. A tale of two leaders.

1. David Thodey departs from Telstra

David Thodey has announced his departure from Telstra. He will be replaced by Andrew Penn, the company's current Chief Financial Officer.

Thodey replaced Sol Trujillo as Chief Executive Officer in 2009 at a time when Telstra's stocks were close to an all-time low – both in terms of its actual share price and in terms of the company's dealings with government, with its customers and with its workforce.

Under Thodey, much has changed.

Telstra has doubled in value, going from a company worth under \$40 billion to one worth over \$80 billion.

It has repaired its relations with government and, far from being brought to its knees by the threats represented by the NBN project, it has negotiated binding agreements with NBN Co which will provide it with rivers of cash for years to come.



Telstra CEO David Thodey will hand over to Andy Penn.

It has built on the foundations created by Trujillo in the mobile market to capitalise on the multiple service opportunities offered by wireless broadband. And it is continuing to develop its presence in regional markets as a supplier to international corporate clients.

But for the Telstra workforce, the results of the Thodey era have been more mixed.

While the industrial relations atmosphere may be less toxic than it was during the bargaining dispute of 2008-2010, job losses have continued, as more and more functions are outsourced, many to offshore "partners".

For the remaining workforce, performance pressures have intensified and electronic monitoring has become more pervasive and intrusive.

The CWU believes that the balance sheet of the Thodey era can't be fully assessed until the costs of these trends, in terms of lost jobs, lost skills and employee morale have been factored into the equation.

2. New Telstra CEO to continue push into Asia: but at what cost to jobs?

Telstra's new CEO, Andrew Penn, is expected to continue in the directions established by David Thodey, in terms of both the internal transformation of Telstra and its expansion into regional markets.

Last year, Penn was given responsibility for Telstra's Asian operations in addition to his role as Chief Financial Officer. Looking back, that move was clearly part of a plan to position Penn as leader of the next stage of Telstra's drive into the region.

Under David Thodey, Telstra has expanded its presence as a managed network services provider to corporates in Asia Pacific. It has established data centres in Hong Kong and Singapore and boosted its capacity in Australia.

And in December it announced it would acquire Pacnet, which owns data centres throughout Asia, including China, and a 46,000 kilometre undersea cable network for \$857 million.

The CWU has always supported, in principle, Telstra's entry into new product markets and into new geographic regions. But in our view, Telstra needs to take its employees with it on this journey, not jettison them in favour of cheaper overseas alternatives.

Last year the restructuring of Telstra's Global Enterprise and Services (GES) operations on a regional basis saw 463 technical jobs – 700 including contractors – offshored to Asia. This work could have been performed here.

So could the network management functions which are being progressively offshored from the Global Operations Centre. There is no logistical or technical justification for the transfer of these skilled jobs out of Australia.

It is time for Telstra to make a reassessment of the impacts of offshoring on its business. The CWU believes it would find that the inefficiencies it creates and the hollowing out of skills it produces outweigh the savings in labour costs it is meant to deliver.

Here is an opportunity for Andy Penn to take a new direction by committing to the retention and development of the skilled domestic workforce Telstra needs to protect its home market, to improve service levels and to ensure the critical mass needed for its further expansion.

3. CWU meets with Telstra on call centre rest breaks

The CWU met with Telstra on Thursday 26 February in response to its decision to reduce rest breaks for Directory Assistance workers.

Telstra notified the CWU on 23rd February that it proposed to introduce changes to rest breaks in its Voice Directory Assistance contact centres in Maryborough, Toowoomba and Melbourne. The proposed changes would mean a reduction in the number of breaks available to the Telstra employees working at these centres.



Currently, Directory Assistance staff get five breaks per shift (2x15 minutes and 3x10 minutes). Telstra wants to bring the breaks into line with those at its other call centres, as provided for by the current Enterprise Agreement (EA). Under that agreement call centre staff, except for those in E000, are entitled to an (unpaid) meal break plus two ten minute (paid) rest breaks.



Rest breaks are designed to protect against overuse injury.

It is obvious that this change represents a major reduction in working conditions for those affected, many of whom are long standing employees of the company.

At the time the current EA was approved, the CWU received many representations from Directory Assistance members concerned about the impacts of work break reductions.

We received assurances from Telstra at that time that no changes would be introduced without full consultation with both staff and the CWU.

Telstra has now initiated that process. The CWU has received details from Telstra about current call handling times, call volumes and performance targets for workers in these centres.

The CWU now seeks further information from affected members about current work conditions. Members should contact their state branch immediately.

4. Telstra moves on domestic violence leave

Telstra has indicated that it is willing to see its new domestic violence leave policy reflected in the next Enterprise Agreement.

In November last year Telstra announced a domestic violence policy that provides up to 10 days paid leave in any one year for employees experiencing domestic violence.

The CWU welcomed the move but pointed out that the new leave would not become an enforceable entitlement unless it was incorporated into an award or agreement.

In a radio interview earlier this month, Telstra's General Manager for Diversity and Inclusion, Troy Roderick, was questioned on this point. In response he said that Telstra was committed to including the policy in the next Enterprise Agreement so that it became an "enduring" entitlement.

This is good news for Telstra employees. As Roderick pointed out, the statistics on domestic violence would suggest that some Telstra employees would have to be dealing with this issue.

One in three women reports experiencing domestic violence at some point in their lives and currently, on average, one woman dies every week in Australia as a result of violence by a partner.

These are shocking statistics which, apart from anything else, clearly affect women's ability to participate in the workforce. Telstra's initiative marks an important step in recognising that domestic violence is a workplace issue and that domestic violence leave should be a basic workplace right, like personal leave and parental leave.



Telstra's Troy Roderick: domestic violence is a workplace issue.

5. NBN Co negotiations slowed by government interference

Negotiations for a new Enterprise Agreement (EA) for NBN Co's technical staff continue to be hampered by federal government interference.

Last year, discussions were progressing well. Then the Abbott government cast its policy net over the process, insisting that any new EA must comply with its general policy for Commonwealth public sector agreements.

These require so-called productivity offsets in return for wage rises – even those that might be below the level of inflation.

As a result, NBN Co has now revised down its wage offer.

It has also indicated that, at this stage, the agreement will contain no provision for back-pay. This too is in line with government policy and is basically designed to starve government employees into submission if they attempt to resist reductions to conditions.

As NBN Co employees have not received a wage rise since 2013, this is unlikely to be acceptable to CWU members.

Finally NBN Co has advised the CWU that it has been told that certain other aspects of the proposed EA such as the consultation clause and the individual flexibility agreement provisions aren't in line with government policy.

NBN Co has undertaken to produce a new draft EA reflecting government policy in these areas. The CWU expects to receive the draft in the coming week.

6. Arris beats Cisco for NBN Co HFC contract

US equipment supplier Arris has beaten Cisco to win a \$400 million NBN Co contract. The contract involves the upgrade of existing Hybrid Fibre Coaxial Cable (HFC) networks as part of NBN Co's multi-technology strategy.

Under the agreement, Arris will install new cable modem termination systems (CMTS) and replace retransmission gear in 230 exchanges over the next three years.

The upgrade is designed to ensure that DOCSIS 3 services, which can support download speeds of up to 100Mbps, are available across the existing HFC infrastructure while providing an upgrade path to higher speed services over DOCSIS 3.1.

NBN Co is expected to run commercial pilot trials involving HFC customers by the end of 2015, with full-scale rollouts from March 2016 onwards – in time for the next federal election.

A more detailed rollout plan is expected to be released in the next two months.



7. Unions to rally against Abbott government policies

Next Wednesday, March 4th, union members will rally across Australia to show what they think of the Abbott government's attacks on workers' rights, on social benefits and on employment in Australia.

With Abbot's leadership looking increasingly shaky, now is the time to remind the Coalition that it their policies, not just Tony Abbott's personal peculiarities, that are the problem.



Let's not forget, this is the team that:

- Let the car industry, along with other sections of manufacturing, go to the wall.
- Brought down a budget designed to drive up health care and education costs.
- Set up its hand-picked Commission of Audit to recommend cutting the aged pension, unemployment benefits and superannuation entitlements.
- Wants to change industrial relations laws to make life easier for employers and tougher for their employees.
- Is currently denying tens of thousands of public sector workers a real wage rise.
- Has done nothing to address youth unemployment, arguably the No.1 problem facing us today.

The union movement has scheduled rallies in each state. CWU members are urged to attend where possible and to encourage members of their family and their communities to participate as well.

Rally details are as follows:

VIC	Melbourne	10:00am	Victorian Trades Hall, Cnr Victoria & Lygon Sts, Carlton
NSW	Sydney	12:30pm	Parliament House, Macquarie Street, Sydney
	Newcastle	10:00am	Newcastle Town Hall
SA	Adelaide	12:00pm	Light Square, Currie Street, Adelaide
ACT	Canberra	12:15pm	New Parliament House, Parliament Drive, Canberra
WA	Perth	12:30pm	Parliament House, Harvest Terrace, West Perth
QLD	Brisbane	12:00pm	Parliament House, George Street, Brisbane
	Townsville	4:30pm	340 Ross River Road, Cranbrook
	Mackay	4:30pm	2/21 Milton Street, Mackay
	Gold Coast	1:00pm	Pratten Park, Old Burleigh Road, Gold Coast
TAS	Hobart	12:30pm	Franklin Square, Hobart
	Launceston	8:00am	Prince's Square, Launceston
NT	Darwin	4:30pm	Bennett Park, Darwin
	Tennant Creek	4:30pm	Peko Park, Tennant Creek

8. International Women's Day: March 8

International Women's Day is coming around again.



International Women's Day is a day when women and their supporters celebrate the gains that have been made in seeking gender equity in all spheres of life.

And it is also time to identify the obstacles that remain in the path of women's achieving that goal.

For the union movement, it is a time to renew its commitment to ensuring that women are supported and appropriately rewarded in their working lives.

That means, for a start, ensuring real wage equality. Today in Australia the gender wage gap is over 18% and rising. That reflects in large part the low value put on many jobs performed by women, as well as the difficulties women face in moving into senior roles at their workplaces.

It still falls mostly to women to struggle with balancing work and family responsibilities, particularly the care of the young and the aged. Women also continue to experience sexist discrimination and harassment at work.

And it is women who are overwhelmingly the victims of domestic violence, which is gradually starting to be acknowledged as a workplace issue.

Rallies and other activities to mark International Women's Day will be held around Australia on Sunday 8 March. Check with your state Trades and Labour Council for union-organised or union-sponsored events.

9. A tale of two leaders

People power has struck in Sydney – or person power in this case.

Graphic artist Michael Agzarian felt he had enough of the federal government's policies and decided to take the matter in hand himself.

The result – a 4.5 metre poster erected in an inner-city Sydney suburb, branding the Prime Minister as "Hopeless", a take on a famous Obama poster from his first election campaign.

Mr Agzarian said that the only negative feedback on the poster he had received so far was that Tony Abbott would never be seen wearing a red tie!



Download our CWU phone app



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