

E-BULLETIN Telecommunications

#4. Friday, 27 March 2015

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1. Reminder: Telstra EA survey

Bargaining for a new Enterprise Agreement (EA) in Telstra is due to start in May.

In preparation for negotiations, the CWU has been sounding out members about their priorities for this round of bargaining. Membership meetings are being held and membership surveys are being circulated by state branches.

So far the issues identified by members as being of most importance are those that might be expected:

- Hours of duty, including the availability of RDOs
- Redundancy entitlements
- Leave .. and of course
- Pay rise.

Members have also identified performance management and assessment, particularly in the field workforce, and opportunities for skill development as areas of particular concern.

Your union needs your feedback as we get closer to the beginning of negotiations. If you have not yet filled out the branch survey please do so now.

Alternatively you can fill out the survey on-line at <https://www.surveymonkey.com/s/NL6WTTG>.



2. CWU opposes rest break changes

The CWU has told Telstra that it continues to oppose changes to rest breaks for directory assistance staff in its Melbourne, Maryborough and Toowoomba call centres.

The changes which will involve a 67% cut in paid rest break time in the centres.



On 26 March Telstra informed the CWU of its decision to proceed with the proposal. Prior to that, the CWU and other Telstra unions had met with Telstra on three occasions to outline their objections to the rest breaks cuts.

Basically the union's position is that the intensity of the work performed by directory assistance staff has not changed to such a degree as to warrant a two thirds reduction in break time.

The CWU has proposed that an independent risk assessment be made in relation to the changes but Telstra has to date rejected this.

The union will now consider what further steps are open to it and its members under both the current Enterprise Agreement framework and under workplace health and safety laws.

3. Optus award modernisation

The CWU met with Optus on 17 March to discuss finalisation of the modern Optus award.

Last year, the Fair Work Commission agreed that Optus should have a modern enterprise award rather than being covered by the modern industry award, the Telecommunications Services Award. But it sent Optus and the CWU off to have further discussions about the award's content.

The CWU supported Optus' application for a modern enterprise award because, on balance, it considered that it would provide better protections in some key areas, especially redundancy.

The Optus award redundancy entitlement is (up to) 40 weeks' pay, the same as that recently inserted into the new Telstra modern award.

The modern industry award, the Telecommunications Services Award, provides a maximum entitlement of only 16 weeks' pay.



Optus is not seeking to change any of the current award entitlements and the CWU is seeking some improvements in a small number of areas. There is also a number of technical requirements relating to the minimum wage rates in the award that need to be addressed.

The CWU is optimistic about these matters being resolved before bargaining for a new enterprise agreement commences later this year. A further meeting with Optus is scheduled for 31 March.

4. NBN agreement still on hold

There has been no further progress in negotiations for a new agreement to cover technical staff at NBN Co.

The current CWU agreement covers staff working at, or in connection with, the Network Operations Centre. However there are also three other Enterprise Agreements (EAs) operating in NBN Co, each covering different sections of the workforce and involving different unions.



All are facing the same difficulties as a result of the federal government's policy of demanding trade-offs for any wage rise, even ones below inflation.

The government also says that there can be no back pay in the new EAs, a policy obviously designed to "starve" staff into accepting cuts to conditions.

Meanwhile, Joe Hockey saves money for his budget!

On 20 March the CWU met with the other unions involved in NBN Co to consider how to progress

negotiations and to examine the options available to employees and their representatives under the Fair Work Act.

Meanwhile, negotiations between individual unions and NBN Co are set to resume. The CWU will next meet with company representatives on Tuesday 31 March.

5. Telstra reports on NBN training

The CWU and other Telstra unions met with Telstra on 25 March for the quarterly report on the training of staff for NBN-related work.

Under the deed finalised with the Commonwealth in 2011, Telstra receives \$100 million to retrain staff who are likely to be made redundant as a result of the NBN project. Telstra may also use the grant to train staff to meet the overall needs of the project, though obviously minimising staff losses should be the first priority.

At the 25 March meeting Telstra reported to the unions and to the Department of Communications on training activities over the first three months of this year.

These have involved continuation of programmes that have been underway for some time, such as training Customer Service Delivery (CSD) staff in NBN installation work, and the development of new programmes that reflect the expanded role that Telstra is now playing in the NBN project.

Newer programmes include:

- expansion of the NBN installation programme to allow Telstra staff to do both the lead-ins and the internal work on customer premises (mainly in relation to commercial premises);
- FTTN planning and design training plus development of an FTTN field inspector role;



As customers transition to NBN-based services there will be new work opportunities for Telstra staff.

- Further development the Digital Office Technology (DOT) training to expand the number of functions that employees can perform in the smart home/smart office environment.

The CWU has long argued that this last area of work represents a major market opportunity for Telstra and a source of ongoing work for our members. We also argued, at the time this \$100 million programme began, for training that would allow staff to work on both sides of the NBN network boundary.

The CWU is pleased to see Telstra moving in these directions as they should provide both present and future opportunities for employees.

6. CWU meets with Telstra on performance principles

The Telstra unions –CWU, CPSU and Professionals Australia (formerly APESMA) – met with Telstra on 26 March to discuss the operation of Telstra’s performance management systems.

Under the current Enterprise Agreement (EA), such consultations are scheduled to take place on a quarterly basis –or more or less often if that is agreed. The CWU last met with Telstra on the issues last year when both the performance pay matrix and the introduction of My Future were discussed.



At the most recent meeting, Telstra provided further information about the use of My Future and about other changes to their approach to performance assessment and management. These involve:

- A change to the grading system, with a numerical range (1-5) replacing the current performance categories (Meets Expectations etc).
- A “success plan” replacing the PDRP.
- A reduction in the number of “goals” against which performance is assessed (from 8 to 5).
- More regular and targeted performance discussions during the 12 month assessment period.

Telstra says its aim is to encourage a more developmental approach to performance management but as the unions pointed out much will depend here on the willingness and ability of local one-up managers to implement such a change.

The proof of the pudding will be in the eating.

The CWU would welcome an approach to performance that emphasised development, through training and mentoring, rather than simply providing management with a crude tool to reward or punish employees. But such an approach should also involve limiting the proportion of an employees pay that is “at risk” through performance assessment.

CWU continues to oppose a system which gives management the wide discretion over pay outcomes that currently exists under Telstra’s Job Family model.

7. Then there were three: TPG makes bid for iiNet

In a move that promises to reshape the local telecommunications industry, fixed broadband provider TPG has made a bid for the current number three broadband operator, iiNet.

If successful, it will create a company that will command the number two spot in this section of the market, relegating Optus to third place. Between them iiNet and TPG have around 1.7 million fixed broadband customers – nearly twice as many as Optus, which continues to make little headway in this area.



Apart from creating headaches for Optus, the merger creates some interesting questions for policy makers. The move, if approved by the ACCC, will represent a further consolidation of the fixed broadband market at a time when a thousand flowers were supposed to bloom over the wholesale-only NBN.

A major rationale for the NBN project was to encourage greater competition at the service level by creating a monopoly fixed network to which all service providers had access on equal terms.

But as industry itself has been pointing out for some years now, the prices set by NBN Co for that access mean that smaller companies may struggle to survive.

Back in 2011, Internode founder, Simon Hackett warned that broadband service providers would need at least 250,000 customers to operate in an NBN world. Since then consolidation has continued, including the acquisition by iiNet of both Internode itself and Canberra-based

TransAct the same year.

Meanwhile, TPG has been buying up fixed networks, acquiring Pipe's assets in 2010 and last year those of AAPT.

iiNet founder Michael Malone is now predicting that there will only be the three wireline internet service providers by the end of 2015, with the M2 Group the only one of the main players at present left to be absorbed.

8. Vodafone next takeover target?

The proposed takeover of internet service provider iiNet by rival TPG has led to speculation about TPG's further ambitions in the market.

The takeover will create a company that would be a new number two in the wireline broadband market. But without a presence in the wireless space, particularly in mobiles, the company's future expansion opportunities will be limited.



That is why some industry insiders are tipping a TPG bid for Vodafone, the number three mobiles player in Australia and a company which has struggled to maintain a secure foothold in the market almost from the time it began operations here back in 1992.

Vodafone's share of mobile subscribers has hovered around 20% for several years and there has long been speculation about whether it had a future in Australia. And according to iiNet founder, Michael Malone, it is not too big a fish for TPG to swallow.

"I've seen some commentators suggest it's worth about a \$1 billion plus the assumption of [its] debt," Malone recently told an industry conference.

"That's something TPG could manage, and [TPG CEO] David Teoh is brave enough to actually attempt something like that."

9. One award should fit all, says big business

Big business has laid its cards squarely on the table on the issue of future working conditions in Australia.

In its submission to the Productivity Commission's review of current workplace laws, the Business Council of Australia (BCA) has proposed a further "simplification" of the current award system with the ultimate goal of having one single award for the whole workforce.

Needless to say, that award would be very simple indeed.

It would not contain casual loadings, overtime and penalty rates or shift loadings. These would be rolled into the Minimum Wage setting process, currently conducted by the Fair Work Commission (FWC). The aim would be to achieve "consistency" across the whole of the workforce.

The "consistent" penalty rate would of course be the minimum rate possible – e.g. a 25% extra loading - and, under the proposal, this would apply to every worker regardless of the time of the shift or the industry involved.

Obviously this is a recipe for a massive decline in conditions for millions of working people.

While it is enterprise agreements that set the actual entitlements of employees in today's system, awards still play a vital role as safety nets, ensuring that where workers lack bargaining power fair basic job standards still apply.

That is why the CWU has devoted so much time and energy to protecting our award conditions in both Telstra and Optus during the award modernisation process.

The work standards set by awards exist today because generations of working people have fought for them and defended them.

The BCA proposal represents an attempt to wipe out this legacy. As such, it stands as a warning of what big business has in store for Australian workers – if it is allowed to get its way.



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