communication workers union
CWUnion National

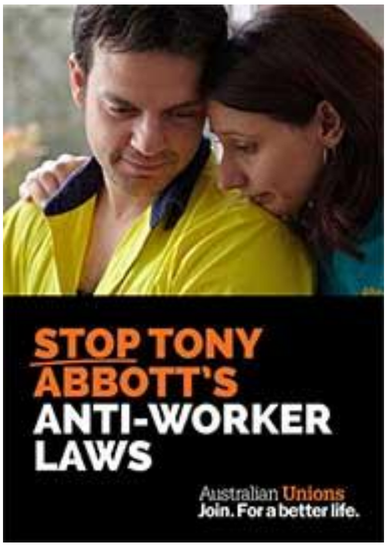
E-BULLETIN Telecommunications

#20. Friday, 31 October 2014

1. Abbott government proposes new bargaining rules

The federal government wants to introduce new laws that will make it harder for working people to win pay rises and to maintain decent working conditions through bargaining.

If passed, they will change the grounds rules for our bargaining with companies like Telstra and Optus, where the CWU is due to negotiate new agreements next year.



Employment Minister Abetz is proposing changes to the Fair Work Act that will:

- Require negotiators to demonstrate that they have considered productivity improvements when striking new Enterprise Agreements.
- Require the commission to be satisfied that bargaining claims are "realistic and sensible'' before the tribunal can approve an application to take protected industrial action.

The first requirement may sound reasonable. Unfortunately, "productivity improvements" is Abbott government code for major trade-offs of conditions in return for modest – or non-existent – wage rises.

Anyone in any doubt need only look at what the government is trying to impose on commonwealth public sector workers. As reported in recent E-bulletins, the government is insisting that its own employees' conditions be cut back, in return for wage rises which in some cases are below inflation (i.e. real wage cuts).

That's what it would like to do to everyone.

As for the second requirement, who is to say what is "realistic and sensible"? Or what claims are "excessive"?

For Abetz, of course, the answer is simple. Any wage claim above inflation (i.e. a real wage increase) is unrealistic or excessive unless off-set by a reduction in conditions – longer working hours, for instance, or cuts to penalty rates.

Any other approach, Abetz says, will simply lead to companies being driven to the wall by competitors.

This is simply a recipe for a race to the bottom, not for real productivity gains which flow from such things as innovation, investment and skill development – from working smarter, not longer and for less reward.

CWU members, especially those in Telstra and Optus, will be watching the progress of these proposals closely. They need to be added to the list of those which the union movement is already seeking to have defeated in the Senate (see article below).

2. Stop Abbott's anti-worker laws!

Abbott government legislation currently before the Senate represents an attack of workplace rights and workers' living standards, unions say.

The proposed changes to the Fair Work Act would:

- Re-open the door to the unfair individual contracts of the Howard era.
- Allow employers to avoid industrial disputes by simply refusing to bargain.
- Allows employers to write their own "greenfields" agreements.
- Restricts unions' rights to enter the workplace to speak to members.

The Australian Council of Trade Unions (ACTU) is calling on all union members, their friends and families to help defeat these moves by lobbying the eight cross-bench senators about the issue.

If three of them vote against the government's proposals, the changes will be defeated.

Go to http://www.australianunions.org.au/stop_abbotts_laws.

3. CWU meets with Telstra on Wideband issues

The CWU has been continuing to pursue issues arising out of the proposed reorganisation of Wideband teams, including the related redundancies of a number of CFW7 members.

The union met with Telstra on 22nd October to put its view that Telstra was in breach of the current classification system by getting CFW4 employees to perform certain tasks (fibre splicing) which are properly part of the CFW7 job description.

For its part, Telstra argued that fibre splicing could and did fit within the CFW4 role and that CFW7s were consequently no longer needed as part of the team structure.

It was agreed that there would be further investigation of the actual work being performed by the CFW7s and the union has been providing feedback from members. As a result, Telstra has now modified its original proposal and will retain 2 of the original 6 CFW7 positions targeted for redundancy.

It will also retain all the CFW4 jobs in Adelaide which were originally to be lost.

The CWU is now considering any further response to the decision.

4. GES redundancies continue

The CWU has received further notifications of the implementation of redundancies in Telstra Global Enterprise and Services (GES).

The redundancies are being carried out through the group selection process (SWAG) with 125 jobs to go from over 200 across a number of business areas including Cloud, Customer Project Management and MNS Fulfilment.

The CWU and other Telstra unions met with Telstra on 29 October to discuss the implementation process, including the timing of the further redundancies scheduled to occur between now and next November.

Unions expressed a concern that these not be notified in the run up to Xmas or soon after to minimise disruption to employee's end-of-year planning.

Telstra has indicated that employees who have not yet been notified of a SWAG process but who are in scope for one are unlikely to receive such notice until at least mid-January and probably not until February.

The CWU also queried Telstra about what redeployment opportunities there were for GES employees. The large number of high level technical staff being made redundant is of particular concern, especially given Telstra's ambitions to reinvent itself as a cutting-edge service innovator. In the Fulfilment area, for instance, two thirds of the jobs being lost are at TW7/TPW7 level or above.

Telstra says it is working actively to identify internal redeployment opportunities for these employees. The CWU will monitor this process closely. Any members involved are urged to contact their state branches to help keep the union informed of progress.

5. Optus succeeds in award application

Optus has succeeded in its application to continue to have an enterprise award rather than being covered by several modern industry awards.

The Optus award application was supported by the CWU so as to protect key entitlements like redundancy pay.

The Fair Work Commission, which heard the application, handed down its decision on 21 October.

Under the award modernisation process, all existing enterprise awards ceased to operate at the end of 2013 unless an application was made to modernise them before that date.

In the case of Optus, this would have led to most employees being covered by the Telecommunications Services Award.

The CWU supported Optus' application because it considered that, on balance, modernising the current Optus award provided the best outcome for Optus employees. A key factor for the CWU was preserving the (up to) 40 weeks redundancy entitlement in the Optus award. Under the Telecommunications Services Award employees are only entitled to a maximum of 16 weeks redundancy pay.

At the time of the hearing, the CWU did, however, propose a number of changes to Optus' draft award. These issues, as well as some questions raised by the FWC, have still to be resolved. The union is confident, however, that the end result will not weaken the current award safety net for Optus employees.

6. Visionstream EA voted up

Visionstream employees have voted to accept a new Enterprise Agreement for field staff.

This is the first new Visionstream agreement for many years and the first for over a decade in which the CWU has been involved. Since the early 2000s, Visionstream has relied on non-union agreements to determine conditions for its direct employees. The last of these was made in 2006.

At the same time, it has made extensive use of sub-contractors who still make up the bulk of its total workforce.


The Visionstream EA is its first new agreement since 2006.

This approach may be good for controlling costs but it has left employees at the mercy of the company when it has come to wage rises. There has been no agreement–based wage rise since January 2009.

The new 4-year agreement provides annual rises of 3%, 3% and 4% on top of an initial resetting of pay scales to reflect adjustments to classification structures.

As reported in E-bulletin #18, Visionstream put this EA to the vote before union negotiations were concluded. Visionstream employees have nevertheless clearly endorsed the agreement and the union will apply to be covered by it if it is certified by the Fair Work Commission.

7. Telstra confirms focus on Asia

Telstra has again emphasised the importance of its push into Asia to its future growth.

At an investor day briefing on 23 October, Telstra CEO David Thodey said that Telstra was ready to invest "hundreds of millions" of dollars to expand its presence in Asia.

That could involve Telstra either building or partnering in networks and services in countries in the region, as well as building on its current assets such as its submarine cables and data centres.

The CWU has always supported Telstra's efforts to seek growth opportunities, both through new product offerings and through expansion into regional markets. But the union believes this growth should help support local jobs, not lead to their being sent overseas.

At present Telstra is implementing the Global Enterprise and Services redundancies which it announced earlier this year. Some 700 jobs are being lost, mostly through off-shoring, as part of Telstra's new regional expansion strategy.

At the same time, Telstra now employs 1400 people outside Australia – over and above the many who provide services to Telstra through off-shore call centres in the region. The great majority of these jobs could be performed here, in Australia.

Telstra's financial position is strong, thanks to the commanding position it enjoys in the Australian market. That's all the more reason it should put back into the local economy by supporting jobs and skill development here rather than shipping them overseas.

8. NBN FTTN trial expanded

A further 200,000 premises in Queensland and NSW will get access to the NBN over the next 12 months following the expansion of its FTTN trial in these areas.

The 140 suburbs set to be connected are located in the Central Coast, Newcastle and Lake Macquarie regions in New South Wales as well as the Greater Brisbane, Moreton Bay and Wide Bay Burnett regions in Queensland.

NBN Co is adding another 200,000 premise to its FTTN trial.

Typically, it takes 12 months from the commencement of construction for all premises in an area to be deemed serviceable.

The FTTN roll-out, combined with upgrades to existing Hybrid Fibre/Coaxial Cable (HFC) networks, is designed to help accelerate access to the NBN.

It will need to. The project remains well behind the targets set by the last publicly released Corporate Plan and those targets themselves represented a major scaling down of original projections.

According to NBN Co's 1st Quarter results announcement, the network now extends to 640,000 serviceable premises and has some 267,000 customers. These figures represent significant progress over the last 12 months but they are still well behind the 1,681,000 premises passed and the 551,000 active customers projected for June 2014 in the 2012-2015 Corporate Plan.

NBN Co has now indicated that the next Corporate Plan, which is still under wraps, will set targets of 1 million serviceable homes and approximately 480,000 customers by the end of the 2015 financial year.

These targets are probably achievable. But the distance between these modest goals and the targets of the 2012-2015 plan (3.7 million premises passed by June 2015) is a sobering reminder of the practical difficulties –many of them clearly unforeseen –that have faced this project.

9. Comcare highlights risks of remote and isolated work

October has been Comcare Safety Month and as part of its activities Comcare has been highlighting risk management issues.

Comcare's Safety Month page contains some interesting and important information about risk management for communication workers, especially for those who regularly work in remote or isolated situations.

The definition of remote or isolated covers those who work alone, especially at night (a/hrs Assurance team in Canberra for example), travel long distances (construction and maintenance staff), work in difficult and remote localities (such as mobile towers and repeater stations or at isolated customers premises).

It also covers employees who work unsupervised or unescorted in public environments at any hour where some degree of harassment from members of the public may be experienced.

In all situations there is a shared responsibility of the employer, staff supervisors and the affected employee to ensure that the workplace is free from risk and that all effort is made to minimise the hazards encountered before staff attend.

However in many cases it seems that the employers are prepared to put cost saving before the safety of their staff and where possible transfer the sole responsibility for safety onto the employee.

Working in remote and isolated locations involves particular health and safety hazards.

In 2013 for example, Telstra in its wisdom outsourced its after-hours monitoring of call out techs to India. Not surprisingly there have been examples of miscommunication as a result as the local knowledge of place names and distances to available assistance has been lost.

With fire, flood and accident on remote back roads an ever present possibility, any lack of regular contact and communication could end up costing lives.

As well as that, with fewer external staff on their books now due to downsizing at both Telstra and Optus, these companies are often requiring employees to travel many more hours than normal to a work location and then return.

The Comcare guidelines around driver fatigue state clearly that regular rest breaks are vital if staff are to perform their work and return home safely. Members are urged to access these guidelines and apply them to their own work situations.

More information about Safety Month can be found at http://www.comcare.gov.au/news__and__media/features/safety_month_2014_-_managing_risk_in_the_workplace.

10. USA today: wages fall while profits rise

Figures recently released in the United States show that American workers' wages are declining, even as corporate profits continue to soar.

The US Social Security Administration has just released wage statistics for 2013, and the numbers are startling. Last year, 50 percent of all American workers made less than US$28,031 (AUD$31,773) and 39 percent of all American workers made less than US$20,000.

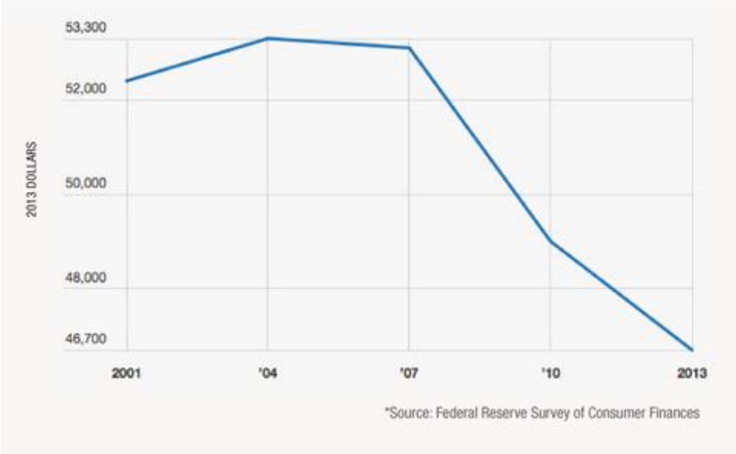
The average yearly wage in America last year was just US$43,041 (AUD$48,786). In Australia, it is $75,603 – nearly twice the US figure.

Of course there are differences in the cost of living between the two countries. But the fact is that American workers have been going backwards, especially since the Global Financial Crisis. Average pay is now some $508 a year less in real terms than it was in 2007, the figures show.

Among other things, the numbers reflect the fact that the jobs that have been created since the crisis pay a lot less than those that were lost. In fact, it has been estimated that the jobs that have been created since the GFC pay an average of 23 percent less than the jobs that were lost.

As a result, total household incomes in the US have plummeted. The data shows that he yearly income of a typical (median) US household dropped by a massive 12 percent, or $6,400, in the six years between 2007 and 2013.

Meanwhile, several US-based multinational corporations have been announcing better-than-expected profits, particularly from their US operations.



US families do it hard: US household median incomes 2001-2013

Major manufacturers with third quarter profits beating Wall Street expectations included: General Electric (up 11 percent to $3.5 billion), Boeing (up 13 percent to $2.4 billion), General Motors (up 50 percent to $1.47 billion) and Caterpillar (up six percent to $1.02 billion).

Several US airlines also posted large third-quarter profits. United Airlines saw its most profitable quarter in history, earning $1.1 billion, or more than double the same period last year.

These results might suggest that a US "recovery" is well underway. In fact they are based on the now familiar formula of wage cutting and offshoring that is driving millions of Americans into poverty. Another recent report found that 1 in every 2 American children lived in families who were beneath or near the poverty line.

The US example stands as a warning to all working people of the threat to living standards that global capital and the "free market" policies that support it represent.

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Check out our webpage at www.cwu.org.au

Dan Dwyer Divisional Secretary

K**en Hardisty** Divisional Assistant Secretary (Telecommunications)