communication workers union
CWUnion Australia

E-BULLETIN Telecommunications

#3. Friday, 7 March 2014

1. CWU meets with Telstra on Network Delivery redundancies

Telstra has flagged a further 132 redundancies affecting employees in both the wireline and wireless areas in Network Delivery.

The proposed redundancies come on top of the 128 job cuts in Network Assurance Operations (NAO), Network Service and Facilities (NS&F) and Network Infrastructure Operations (NIO) which were reported in E-bulletin #2.

According to Telstra, the cuts are due to a decline in work volumes, largely as a result of scheduled projects being delivered ahead of time. This applies to both the current 4G mobiles roll-out and NBN-related construction work.

Telstra says the cuts also reflect a decline in the ongoing servicing needs of "legacy" 2G and 3G network in line with the growth of 4G capacity.

The CWU has told Telstra that its picture doesn't match reports from the field. Members have told the CWU that they are working large amounts of overtime and that the company is stretched for resources in these areas.

We have asked for detailed breakdown of workloads and projected workflow in those sections of the business in which cuts are proposed.

The CWU has also queried the decision to make these positions redundant at a time when an increased role for Telstra in the future NBN roll-out remains a strong possibility. A number of the positions being targeted are for designers and project managers – the very areas identified by the recent NBN Co review as experiencing skill shortages.

It makes no sense to make employees redundant and then have to chase after their skills in 6 months' time.

But such irrationalities are not only a sign of Telstra's short-sightedness. They also point to an ongoing failure by government to develop a coherent workforce strategy for the NBN roll-out as a whole.

Network designers are in short supply.

2. Been surfing lately? Telstra intends increased GPS monitoring of CTs

In a surprise announcement, Telstra has said that it intends to extend the use of GPS to allow its customers to monitor the movement of Communications Technicians (CTs).


Thinks: Why am I here ....

Telstra CEO David Thodey said that the move was part of its transformation from an old-style incumbent telco into a customer-focussed “Digital First” company.

"We're going to enable you to actually track your field technician en route to come to your home to say he'll be here in five minutes, whether he stops in Dee Why for a surf on the way or whatever," Mr Thodey said in a major speech in Sydney.

Setting aside the apparent slur on his own workforce, what is it exactly that the CEO has in mind?

A Telstra press release issued on the same day as Thodey’s speech says that Telstra is planning

> .. initiatives to better automate job allocation and integrated mapping to get technicians to jobs quicker and more efficiently, while keeping customers updated on the estimated arrival time.

This is not news. As field staff are well aware, Telstra has recently expanded the capacities of its GPS systems in an attempt to achieve more efficient work management and to impose a tighter workplace discipline.

Sending customers an Expected Time of Arrival may be a logical extension of these arrangements. But allowing customers themselves to access real time GPS data on Telstra employees’ movements is another matter.


..when I could be surfing at Dee Why with my CTs?

CWU officials have reacted sharply to Thodey’s speech and are reporting equally strong reactions among members. The union has written to Telstra seeking urgent clarification of the status of the proposal which press reports suggest is already being trialled.

In the meantime, if David Thodey wants the respect of his employees and their support for his transformation strategy he might begin by showing a little more respect and support for them.

3. NBN Co reports on roll-out progress

The NBN roll-out is gathering pace but is still well behind even its revised targets, recently released figures show.

The figures are contained in NBN Co’s half yearly results, released on 21 February. They show clear improvements in the roll-out rate in a number of areas, including brownfields, despite the slow-down that resulted from last year’s asbestos problems.

But the overall picture is still one of slow progress. At the end of December 2013 – the end of the reporting period – NBN Co had only 351,000 premises passed by fibre and of these only a little over 80,000 were activated.

In the wireless space, satellite numbers have peaked for the time being due to capacity problems. And while the fixed wireless roll-out has been ramped up since June 2013, there were still only 6,512 active services on that platform out of a projected market of some 400,000.

Altogether, counting the (maximum) 48,000 premises that can currently be served by satellite, NBN Co had passed a total of 464,906 premises by 31 December 2013. The 2011-13 Corporate Plan's target for June 2013 was 1.7 million.

Various partial explanations for this slow pace have been offered by both supporters and critics of the project over the last few years – the Telstra negotiations, attempts at price gouging by principal contractors, asbestos difficulties, skill shortages, unrealistic sub-contractor rates.

But it is surely time to ask whether there is not a more fundamental problem at the heart of the roll-out. Was it ever realistic to expect a start-up company – one that by definition could have relatively little collective depth and expertise – to succeed with a project of this magnitude?

If the answer is no then a re-think that goes beyond the arguments over the relative merits of FTTN and FTTP is on the national agenda.

4. Telstra throws down fibre challenge

In a move that challenges the federal government to clarify its broadband policy, Telstra has begun trialling Fibre to the Basement (FTTB) services for residential areas.

In September last year, rival provider TPG set a cat among the regulatory pigeons by announcing a plan to roll out fibre to half a million Multi Dwelling Units (MDUs), potentially overbuilding the National Broadband Network (NBN).

It didn't take long for Optus to respond with its own "head-line grab" – as Optus' managing director of networks Vic McClelland himself described it – with the company flagging its own interest in FTTB in mid-December.

The point, of course, is that the NBN is supposed to be a monopoly, at least within its own footprint, bounded by its 121 Points of Interconnection. And a good proportion of the MDUs that TPG is targeting would fall within that footprint.

He seems friendly...Telstra is the largest of the cats among the regulatory pigeons when it comes to FTTB.

Legislation designed to protect NBN's monopoly from such cherry picking was introduced in 2011. This restricted the ability of carriers to offer infrastructure-based services in competition with NBN Co. A carrier can now only extend its fibre within 1 kilometre of its existing assets and/or upgrade its network to speeds above 25Mbps unless it is willing to offer a wholesale service on terms equivalent to NBN CO's.

It has never been clear just how TPG intended to get round these restrictions. But the company has no doubt been emboldened by Communication Minister Malcolm Turnbull's enthusiasm for infrastructure-based competition.

The trouble with that competition, however, is that it will undermine NBN CO's ability to fund services in the less profitable areas of its operations. And here lies the dilemma for the Coalition.

As Minister, Turnbull has the power to grant TPG an exemption from the anti-cherry picking laws. But as the Prime Minister is becoming fond of saying, why should the government grant favours for one company and not for everyone?

Telstra's move signals the fact that the industry will not wait forever for Turnbull to make up his mind on this issue.

5. Abbott continues war on wages despite strong economy

The Abbott government is continuing blame Australian workers' wages for all and any problems facing the Australian economy, whether it be the collapse of the local car industry or the viability of Qantas.

But recently released figures don't support his arguments.

The National Accounts figures released on 5 March confirm that far from strangling economic growth, the wages share of national income actually fell by 1% over the last year. At the same time, economic growth and labour productivity rose, the latter by a strong 1.9%.

The Accounts show that real unit labour costs are close to the lowest on record.

Unions have pointed to the figures as totally disproving the wages break-out story being run by the federal government.

"The Coalition Government's economic story is utterly unsustainable, and based on politics and not on facts," ACTU President Ged Kearney said.

"The Coalition's war on wages is in fact rubbish and must be called for what it is," said Ms Kearney.

6. iCheat: how Apple avoids paying taxes

Apple has moved an estimated $8.9 billion in untaxed profits out of Australia over the last 10 years, according to a report in the *Australian Financial Review.*

An investigation by the *AFR* found that by moving its profits into a tax haven in Ireland, Apple had been able to avoid paying tax on the majority of its Australian earnings.

Last year, for instance, Apple reported pre-tax earnings in Australia of only $88.5 million after having sent an estimated $2 billion off to Ireland via Singapore. According to the *AFR,* Apple negotiated a secret tax deal with Singapore in 2009.

Last year, Apple sent an estimated $2 billion of its Australian sales earnings to Ireland via Singapore.

While the tax evasion strategies of companies like Apple and Google have received plenty of publicity in recent years, the *AFR* investigation is the first to produce hard numbers about the scale of the tax losses for Australia.

Such practices of course rob the Commonwealth of funds that could be used for social services such as health and education.

The recent G20 meeting in Sydney pledged to address these practices but wide international cooperation will be required to achieve any change.

As long as countries such as Ireland and Singapore find it to be in their interests to do special tax deals with the info-giants, other national economies will continue to be robbed of tax revenues.

7. Performance reviews not delivering

Most performance reviews being conducted by Australian companies aren't delivering the goods, say local Human Resource (HR) specialists.
And in the US, several large companies are moving away from the ranking model that places employees under review somewhere along a bell-shaped curve –some at the top, some at the bottom and most in-between no matter how well they all actually perform.

Local management experts have told the *Australian Financial Review* that performance management systems in Australia are outdated and "chew up time" without actually improving productivity.

PwC Australia's John Williams said that of 100 Australian businesses he had dealt with, there would be only one who thought their system was working "quite well".

Would that be Telstra? If so, the assessment is surely delusional.

Surveys of Telstra staff conducted by the CWU and other Telstra unions have consistently shown that employees do not regard Telstra's performance management systems as fair even when they agree in the abstract with the principle of pay for performance.

And how could they? The ranking system employed by Telstra ensures that some employees will always be placed at the bottom of the heap – and very few at the top - no matter how well they perform.

"Punitive performance management systems have negative effects," says the Australian Human Resources Institute manager, Peter Wilson.

While the top brass – CEOs and their financial officers – love the "hard metrics" of ranking systems, in the workplace the approach is likely to breed cynicism and resentment.

As Telstra continues the push to move employees onto its performance-based Job Family ranking and pay system, it would do well to consider whether it is actually producing the productivity results expected of it.

8. British Telecom creates new apprentice and graduate jobs

In a major contribution to boosting the UK's digital workforce, British Telecom (BT) has announced it will create up to 1500 apprenticeships and graduate jobs.

The majority of them will be in the areas of IT, technology research and engineering, with other training programmes available in business and finance.

BT says it is casting its net across the UK for around 300 top science, technology and business graduates who want to build their careers in the IT and telecom sector. Some 730 apprenticeships will also be offered to school and college leavers in the areas of engineering, software design, IT support, finance and logistics.

BT has also created a new digital media technology apprenticeship that will provide new recruits with experience and skills in web development, digital networks, digital TV and digital media distribution.

BT has also announced its support for the UK employer-led initiative "Movement to Work", aimed at tackling youth unemployment, by pledging to provide up to 1,500 vocational training and work experience placements for out of work youngsters over the next 18 months.

Gavin Patterson, Chief Executive of BT, said: “This is a tough time in the job market, with almost a million young people across the UK struggling to find work. Every company needs to play its part in ensuring that Britain’s future workforce isn’t impaired by long-term unemployment.”

“BT has an exciting future ahead of it, investing in the UK’s high speed broadband infrastructure, and advances in television and digital media. Through new apprenticeships, graduate training and the Movement to Work programme, we want thousands of young people in Britain to share in this future.”

Australia’s young people deserve the same opportunities. With no one Australian ICT company currently undertaking anything on the scale of BT’s programme, it is time for an across-industry commitment to the training of the next generation of ICT professionals and technicians.

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