

# E-BULLETIN Telecommunications

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## 1. Telstra to outsource more network functions

Telstra has notified the CWU that it proposes to send a further range of network functions to an “industry partner” in India.

The move would result in a net loss of 116 jobs from Telstra, with 128 existing Telstra jobs being sent offshore and 12 new ones being created.

In a letter received 6 February, Telstra indicates that the move will affect some Network Infrastructure Operations (NIO) Level 3 response functions, Network Assurance Operations (NAO) incident management and Network Service and Facilities (NS&F) change process compliance.

At the time of going to press, no formal discussion of the proposal had been held with Telstra. A meeting is scheduled for Monday 10 February.

Further details will be reported to members as they become available.

## 2. CWU meets with Telstra on Sensis sale

The CWU met with Telstra on 30 January to discuss the impacts of the sale of Sensis on members' jobs.



US private equity company Platinum Equity paid \$454 million for 70% of the directories-based company in a deal announced earlier last month.

Telstra will retain elements of the operation which relate to its current regulatory obligations – the production of white pages and the provision of directory assistance.

Telstra has told the CWU that the sale will have no immediate impacts on current Sensis employees. However there are 149 people within Telstra who currently perform work for Sensis whose roles will be made redundant. (This group does not include employees handling directory inquiries.)

Telstra has indicated that the affected employees will be offered positions within Sensis. But they will need to consider this offer carefully.

Employees transferring from Telstra to Sensis as part of the sale arrangements will initially be covered by the transfer of business provisions of the Fair Work Act and so preserve their current pay and entitlements. However this protection only lasts until a new Enterprise Agreement is negotiated in Sensis.

With a new Sensis agreement due to be negotiated later this year and the current agreement already having conditions that are in several respects inferior to those in Telstra, it is unlikely that transferring employees will find themselves as well off in their new jobs for long.

The CWU also believes that Platinum Equity has a history of radically restructuring those companies it acquires. This could mean redundancies in Sensis further down the line.

Any CWU member facing the choice between accepting redundancy from Telstra or transferring to Sensis should seek advice from the union before making a final decision.

### 3. Award modernisation update

During 2013, the E-bulletin reported on several occasions on the progress of award negotiations with both Telstra and Optus.

The negotiations have been part of the award modernisation process which provides for the option of specific enterprise awards. The CWU has supported the creation of modern enterprise awards in both Telstra and Optus on the basis of the special position these two companies occupy in a highly concentrated industry and with a view to protecting members' current conditions.

The Fair Work Commission has already said that Telstra should have a specific enterprise award. It has not yet considered this question in relation to Optus.

#### Optus

Negotiations for an Optus award have now been concluded and Optus has applied to the Fair Work Commission for the award to be "made". The CWU has given in principle support to the application while reserving its right to argue for certain provisions to be strengthened.

Importantly, given the current industrial relations climate, the proposed award preserves the 40 weeks redundancy pay

entitlement.

#### Telstra

In the case of Telstra, negotiations have not formally concluded but are reaching that point with Telstra indicating that it will not agree to a number of union proposals, in particular the inclusion of redundancy provisions above those set by the National Employment Standards (maximum payout 16 weeks).

Telstra members need to be aware that their current entitlements are guaranteed by the Enterprise Agreement, not by the Telstra awards which contain no payout entitlements.

All the same, the CWU argued that the new modern award should provide a payout schedule in excess of the NES, given Telstra's strong position in the industry. Telstra has rejected this proposal.



*The Fair Work Commission will make the final decision about the content of the Telstra and Optus awards.*

It also wishes to

- exclude Retail from the Enterprise Award
- remove provision for the extra holiday day (the “Telstra day”)
- move to NES provisions for sick/family leave i.e. 10 days rather than 15.

Again members should note that even if Telstra is successful, it will not mean any automatic change to current conditions. It does mean however that there will be a weaker “safety net” in these areas when it next comes to bargaining.

In the end, the content of the new award will be decided by the Fair Work Commission. At this stage, no formal application has been made to the FWC to consider the matter. Members will be kept informed of future developments.

#### 4. OHS: Dexbond sealant still an issue for Telstra

The CWU has again urged Telstra to discontinue use of the Customer Access Network sealant Dexbond following an incident in NSW where an employee suffered exposure to the chemical product.

Dexbond is categorised as a “very high hazard” substance by Telstra itself. The Material Safety Data Sheet (MSDS) for the product indicates that its components are carcinogenic and allergenic.



*Skin rashes are among the health hazards associated with exposure to Dexbond.*

Short term effects of exposure can include eye damage, breathing problems and skin rashes. In the longer term there is obviously the danger of cancer.

In the case of the NSW incident, the employee developed a rash after using the product. Although the rash disappeared overnight, the CWU nevertheless regards this as a serious incident which highlights the dangers of the product.

Telstra’s position is that if proper procedures are followed, Dexbond is safe for use. The CWU’s position is that wherever possible hazards should be eliminated from the workplace, not just controlled.

That is workplace health and safety best practice.

According to Telstra, the use of Dexbond is still voluntary. CWU members are strongly advised not to use this product.

#### 5. CWU meets with Visionstream on new EA

The CWU has held preliminary discussions with Visionstream about a new Enterprise Agreement covering its telecommunications operations, including NBN work.

The CWU has a long history with Visionstream which originally was a fully-owned subsidiary of Telstra. It was set up in the mid-1990s to undertake the HFC roll-out and subsequently sold to Leighton’s when that project was completed.

During the following years Visionstream shed most of its full-time employees, preferring instead to use sub-contractors. But the demands of the NBN roll-out have now led the company to increase the number of people it employs directly – in part, no doubt, in an attempt to stabilise its workforce at a time when there are still shortages of some relevant skills.

The CWU has begun the process of drawing up a list of issues to be addressed in the new agreement. Any CWU members with issues they want to bring to the union's attention should contact their relevant state branch.

## 6. Optus wins NBN satellite contract

Optus has won the contract to operate the two NBN Co satellites due to be launched in 2015.

Optus already operates the NBN Interim Satellite Service which provides services to some 44,000 rural and remote premises but that service reached full capacity in December last year with 48,000 services either active or on order.

The new satellites will provide services to around 200,000 premises with download speeds of 25Mbps and uploads of 5Mbps.

The win, through an open tender process, should be good news for Optus employees working in the satellite area. Last year Optus explored the idea of selling off its satellite business, creating considerable uncertainty among staff.

Under the new contract, Optus will provide tracking, telemetry and control services for the NBN satellites, ensuring an ongoing role for the company in an area of the industry in which it has considerable expertise.

It is a five year contract, with the option for an extension up until 2030 – 15 years after the intended launch.

## 7. NBN rates at 1980s levels say contractors

Rates being paid to contractors working on the Tasmanian NBN roll-out were "from the 1980s" according to testimony offered to a Senate committee inquiring into the NBN.

Civil Contractors Federation CEO Tony Cook told a 2 February hearing in Hobart that low rates and uncertain work flow had led to heavy losses by Tasmanian contractors.

Many of the recent problems of the Tasmanian roll-out had been addressed, he said. Work had recommenced after the asbestos-related delays and payments from lead contractor Visionstream were being sorted out.

But many contractors had had their fingers badly burnt and would not be tempted back to the project.

Cook called for changes to the way the construction project is organised, with more commercially viable and longer-term contracts being made available at all levels of the contracting chain.



*Not happy. Many small contractors have suffered big losses on the NBN roll-out both in Tasmania and in the rest of Australia.*

The CWU supports proper pay and conditions for all those working on the NBN roll-out, whether they be direct employees or sub-contractors. The union has been calling for this problem to be acknowledged and addressed for several years.

But the further question to be asked is to what extent the whole sub-contracting model as it currently operates is viable.

Cook said there were currently some 300-400 contracting companies working for Visionstream in Tasmania! Can this be efficient?

How closely can the head contractor coordinate and oversight the activities of these smaller companies? Who is responsible, in practical terms, for quality control, for health and safety and for ensuring training to appropriate standards?

Who ensures the timely availability and deployment of resources – equipment, material, labour – across the whole roll-out area?

The financial distress experienced by hundreds if not thousands of small contractors working on the NBN – not to mention the losses that have hit the principals such as Silcar and Service Stream – point to serious financial and operational problems at the heart of the project.

These should be acknowledged by both sides of politics and must be dealt with irrespective of the technology mix adopted in the future roll-out.

## 8. Abbott government set to broaden attack on wages and conditions

Back in 2012, Tony Abbott declared that he was the Australian workers' best friend.

But it has not taken long for his government to show its true colours.

Its "hands off" approach to the ongoing decline of Australian manufacturing will mean the loss of tens of thousands of jobs.



And judging from its submission to the Fair Work Commission's review of modern awards, the Coalition is aiming for a reduction of working conditions for all and any award-based workers.

According to the government, the Commission should consider whether certain minimum terms and conditions, including penalty rates, "are still relevant" in "modern workplaces".

This is an echo of the common argument put by the hospitality and retail industries that weekends are really a thing of the past so there is no need to pay compensation for those who work on Saturday and Sunday.

(A strange position for a government whose leader and

Minister for Employment are both regular church go-ers.)

The Government also calls on the Commission to consider current economic conditions and "the impact of employment costs on employers' decisions to hire" when reviewing awards and their related minimum wage rate schedules.

This is code for across the board cuts to wages and entitlements.

Minister for Employment, Eric Abetz, has said that any decisions about the future of penalty rates and other minimum conditions is entirely a matter for the Commission. But there can be no doubt about the signals being sent.

They coincide with an increasingly aggressive campaign by government and sections of the media against employee organisations – the unions – designed ultimately to weaken workers' ability to defend their living standards.

CWU members should be under no illusions about the Coalition's agenda. Get set for a rough ride in 2014 and beyond.

## 9. The meaning of the SPC decision

The Abbott government's decision not to throw a lifeline to Shepparton food processor, SPC Ardmona, has shocked many in regional Victoria and beyond.

For the area itself, the closure of the operation would mean the loss not only of hundreds of jobs at the plant but of thousands, potentially, beyond that: pickers, people working in related storage, packaging and transportation businesses.

And of course there are the growers, many of whom will face ruin if the company folds.

But the significance of the Coalition decision extends well beyond its immediate impacts. As both Tony Abbott and Treasurer Joe Hockey have made clear, it is meant to send a message to all Australians – and particularly Australian workers – about what the future holds under a Coalition government.

It is not a pretty picture.

First there has been the attempt to scapegoat the SPC workers and their union over what Abbott claimed were "extraordinary" and "over generous" conditions.

Never mind that it was subsequently shown that Abbott had got his facts wrong. Or that the typical wage of an Ardmona worker was around \$50,000 a year – well below the national average.

The point, Abbott insisted, was that conditions were well above the relevant award.

Well, yes. That's what collective bargaining is about. The award is a minimum safety net. If bargaining doesn't improve on the award there is not really much reason to do it. And if there is no point in bargaining there is no point in having unions represent you in this pointless activity.

It is not hard to see where this line of thinking may lead.

Then there have been the pronouncement by Joe Hockey that the SPC decision signals the end of the Age of Entitlement. Exactly which entitlements does the Coalition have in mind?

Again while the immediate focus has been the supposedly overgenerous entitlements of the SPC workers (a wet allowance of 58c an hour, rarely paid) the broader message is clearly meant to extend to such long standing conditions as penalty rates, now under savage attack from the business sector.

But social services are in the Coalition's sights as well. After all, the aged pension is an entitlement. So is parental leave. So are publicly funded health and education services.

### NOT ALL PEACHY



**\$74,000 pa**  
Average wage  
in Australia



**\$67,000 pa**  
Average  
manufacturing  
industry wage



**\$50,000 pa**  
Typical  
SPC Ardmona  
wage



**\$16.85/hr**  
Minimum award  
rate for food worker



**\$25/hr**  
Typical SPC  
Ardmona worker

*Source: SMH 1 Feb.*

“The age of personal responsibility has begun” says Hockey, channelling Margaret Thatcher. Expect deep cuts to services in the May budget.

It is not for nothing that Coalition members have portrayed the SPC decision as a “line in the sand”. But the line does not relate simply to industry assistance.

It is, more importantly, a battle line between a government intent on reducing living standards – wages, conditions, services – and those forces, including unions, which are committed to defending them.

The SPC decision marks an important moment in that battle – but it is only the beginning.



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