

E-BULLETIN Telecommunications

#3. Friday, 4 March 2016

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1. Optus: more job losses in the wind

Optus has publicly denied press reports that it intends to cut over 1000 jobs from its business, but it's clear that job losses are in the wind.

According to a story in *The Australian* on 1 March, internal documents leaked from the company show that Optus is planning to reduce staff numbers in customer service, networks and corporate support areas. It is suggested in the article that the cuts are designed to offset costs the company has incurred acquiring the rights to sports content ie the English Premier League.

When contacted by the CWU, Optus said that the *The Australian* report was inaccurate but did not deny that an internal reorganisation was being planned.

It would appear that one target is its retail distribution network (including that of Virgin mobile), with some of its worst performing stores being targeted for closure.

The CWU has told Optus that whether that reorganisation means job losses of 1000 or 10, employees and their union representatives shouldn't be hearing about it from the media before any formal consultation has taken place.

We have also expressed the view that any cuts, especially to customer facing staff numbers, will be self-defeating for the business.

Optus' move into high end sports content is part of the company's repositioning of itself in the market as a multi-service company able to exploit the opportunities offered by modern platforms, both fixed and mobile. And while the jury is still out on whether the revenues generated by the EPL play will compensate for the costs of the rights (\$189m over three years) some of the signs are positive.

Recent research done by Roy Morgan has found that out of the 1.67 million Australian EPL viewers, 77% have fixed broadband in their homes and some 20% of them are very or fairly likely to switch internet provider in the next 12 months. Of mobile EPL viewers, 18% were likely to switch.



There is little doubt that the EPL deal offers Optus an opportunity to enlarge its customer base.

But high quality customer service will be a key to success in this and other similar ventures. Optus needs to think twice before it cuts back on the resources needed to build and sustain growth in these areas.

2. Telstra performance principles: quarterly consultation

The CWU met with Telstra on Thursday 3 March to discuss the company's performance assessment and management procedures.

Under the Telstra Enterprise Agreement, Telstra is obliged to consult with the CWU and other Telstra unions on a quarterly basis about performance principles, performance pay arrangements and other relevant issues as they apply at an organisational, as opposed to individual, level.

At the 3rd March meeting, Telstra indicated that it was not planning any major changes to the current system such as the use of My Future to set agreed goals and the 5 point rating system against which performance is measured.

It is, however, planning to develop new procedures in the performance support area. Telstra says the aim here is to develop tools and processes to allow local managers to play a more direct role in performance management. More information on what these changes may actually involve should be available in the coming weeks.



From the union side, the CWU and others raised a number of problems with the current system:

- Differences between business units in the way the current 5 point rating system is used and understood, particularly as it relates to the old ratings (Meets Expectations etc);
- Uncertainties among members about how My Future works, including how the personal goals an employee might identify relate to company goals;
- Goals being set by management that aren't achievable within ordinary working hours and which effectively require the performance of unpaid overtime;
- Employees being expected to achieve goals in circumstances where elements of the job are beyond their control (e.g. network degradation);
- Use of performance measures for conduct/disciplinary purposes.

Telstra says it is willing to address such problems if the unions can point to areas where they are occurring.

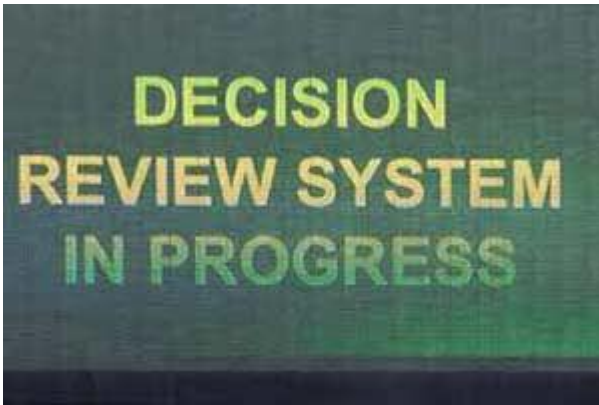
The CWU relies on members to provide it with specific examples of unfair and unrealistic performance measures and of improper forms of performance management. Contact your state branch if you can help.

3. Telstra redeployment processes: Review Period coming up

We are now approaching the time when the first of the employees redeployed under the Telstra Enterprise Agreement 2015-2018 will have had three months in their new roles.

That means that any employee who has been put into a job that he or she doesn't believe is suitable can ask for a review of the decision.

At the time the Agreement was being negotiated, members expressed deep concern that the mandatory redeployment provisions would be used to deny employees redundancy payouts. It was feared that employees would be placed in roles that were not "suitable" and then performance managed out of the company.



It was in large part these concerns that led the CWU to recommend that members vote NO in the EA ballot.

But the EA was voted up and is now in operation. So it is important that the CWU hears from any members who are not happy with the new role they have been assigned to and who want to have their situation reviewed.

It is important that remembers that under the EA, you only have a one month window in which to ask for such a review ie after three months but no longer than four

months after the date of your appointment to the new role.

The CWU has had some preliminary discussions with Telstra about how these reviews will be conducted. The EA provides that if you and your manager can't agree about the suitability of your role, the issue will be dealt with under Telstra's Internal Resolution Process (IRP). You are entitled to have the CWU present during this process.

But your union can only assist you if it knows what's going on. Members considering asking for a review of their redeployment situation should contact their state branch immediately.

4. CWU meets with nbn on training, contractor payments

On Wednesday 24 February, the CWU met with nbn to discuss a range of issues affecting both employees and contractors working on the NBN roll-out.

The union continues to hear reports of sub-contractors being left in financial limbo by the companies that have engaged them.

This problem was endemic during the earlier phases of the roll-out which saw dozens if not hundreds of small locally-based companies facing hardship because of late payment or non-payment by prime contractors. Unfortunately it has not gone away.



The CWU brought one particular case to nbn's attention but also argued that the company has to own and address this problem more systematically if it is not to undermine the roll-out while at the same time bringing hardship to nbn workers and their families.

The other key workforce issue the meeting covered was training.

Last year the CWU wrote to nbn seeking clarification of details of the training programme the company is developing to meet anticipated skill shortages over the next phase of the NBN build. nbn has said it will need some 4,500 new workers over and above those already engaged on the project.

The CWU is concerned about a number of aspects of this programme.

While it is still not clear whether or not the training involved will be fully or only partly funded by the company itself, the CWU believes that any direct public funding by nbn should be used to encourage permanent employment in the industry, not to perpetuate the pyramid contracting model currently in place.

The union has also asked for more detail about the quality control measures that will be used to ensure that the public gets value for its money in the programme.

The training sector has been beset with scandals in recent years, partly as a result of policies that have encouraged "tick and flick" training – courses that provide accreditation on the basis of minimal attendances and little or no practical experience.

Under the nbn scheme, training subsidies will only be available to those who attend courses offered by nbn approved providers. But the CWU believes that auditing of trainees once they have completed training should also be considered.

nbn has undertaken to respond further to the CWU on all these issues.

5. CWU queries Telstra on 457 visa workers

The CWU is hearing reports that Telstra is using 457 visa workers for work that could be performed by its own employees.

As is typically the case, Telstra has not hired these workers directly. They have been engaged by Cyient, an Indian-based outsourcing company currently engaged by Telstra, evidently to provide both Telstra wideband and NBN design services.



Also typical is the fact that Telstra is evidently requiring its employees to train the 457 visa workers in the specifics of the job.

The CWU has challenged Telstra over this arrangement. We have pointed out that 457 visa workers should be skilled when they arrive i.e. they are supposed to be used to meet a proven local skills shortage.

If training is required then they shouldn't be engaged in the first place. Instead that training should be offered to local workers - ideally, in this case, Telstra employees whose jobs may be at risk as a result of the NBN.

We have also queried whether Cyient has conducted the required market testing to establish that there is a skill shortage in this particular area.

Telstra has now told the CWU that the workers in question represent a minority of the contractors it is engaging, through both Cyient and other provider like Visionstream, to make up for shortfall in internal design capacity.

It says the Cyient 457 visa workers are qualified engineers who are receiving only Telstra-specific training, not training beyond that.

The union is continuing to pursue this issue to ensure that external sources are not used by Telstra to avoid retraining and redeploying its own current employees so they can do such work.

Members with any knowledge of this matter or of similar arrangements should contact their state branch.

6. Employees to vote on ACMA agreement

After nearly two years of negotiations, employees at the Australian Communications and Media Authority (ACMA) are set to vote on a proposed Enterprise Agreement.

The agreement has been negotiated within the framework of Commonwealth government policy which has required agencies such as ACMA to demand trade-offs to conditions in return for meagre wage rises.

The result was a stalemate across much of the public service, with staff unwilling to accept losses of entitlements in return for wage rises below inflation.

The government's decision last year to offer a slightly increased wage deal has resulted in employees in some government departments voting up new agreements. But the signs are that ACMA staff will reject their proposed EA which is still only offering a 6% rise over three years.

CWU members have already told the union that they will not be voting in favour of the proposed agreement and other involved unions will be recommending that their members also vote NO.

The ballot will run from Thursday 3 March 2016 to Wednesday 9 March 2016 inclusive.



7. Wage growth hits record low as unemployment rises

Wage growth in Australia has hit a new low, increasing by only 2.2 per cent in the 12 months to December 2015. And at the same time, unemployment is back up to 6%.



The latest wages figures represent the worst result for workers that's been recorded since the Australian Bureau of Statistics (ABS) started measuring wage growth back in 1998.

It would have been worse in the Great Depression, of course, but that's not much comfort for working people currently struggling to pay mega-mortgages and to meet the rising costs of basic services such as health and education.

Meanwhile, unemployment has remained stubbornly high.

So much for the argument that pushing down workers' earnings, including penalty rates, will create more jobs!

The truth of the matter is that around the world employers are using falls in real wage levels to boost their profits without then ploughing that money back into the economy through investment that creates jobs.

The financial sector is doing the same, using cheap money, available at low and even negative interest rates, to enrich the already rich, creating a huge global financial bubble in the process.

What Australia needs is policies to promote productive investment and at the same time to protect local jobs and boost earnings. Leaving it all up to the Reserve Bank to boost growth through a low interest rate regime obviously isn't working.

8. Labor to introduce worker protection Bill

The federal Labor Party has given notice that it will introduce a Private Member's Bill that is designed to trigger a crackdown on underpayments, sham contracting and exploitation of temporary visa workers.

On 25 February Shadow workplace relations minister Brendan O'Connor announced that he would be introducing the Fair Work Amendment (Protecting Australian Workers) Bill 2016 into the Senate on March 15.

At the same time O'Connor called for bi-partisan support for measures that would deliver critical protections for workers in Australia.

The introduction of the Bill comes in the wake of fresh scandals involving the exploitation of workers at 7-Eleven.

A recent Senate inquiry heard that 7-Eleven workers on student visas were being intimidated, threatened with deportation and even beaten for complaining about underpayments.

The workers were typically working for half the award rate.

The legislation would increase penalties for underpayment for large companies like 7-Eleven but not for small businesses. It also makes clear that the Fair Work Act applies to workers who breach their visa conditions, which is expected to result in more complaints of exploitation.

It includes a new section which introduces two new criminal offences for breaches of the Fair Work involving temporary overseas workers. The offences relate to coercion or a threat within the meaning of the slavery and slavery-like conditions provision in the Criminal Code.

That a company in a wealthy country like Australia could even potentially be employing workers on "slavery-like" conditions is a sign of the times. As ACTU Secretary Dave Oliver said, high profile offenders such as 7-Eleven are just the tip of the iceberg.

"There needs to be bipartisan support for these significant and long-called-for worker protections which lift the corporate veil."



Shadow Workplace Relations Minister Brendan O'Connor: worker protections should have bipartisan support.

9. Senate to inquire into reappearance of Black Lung

The federal parliament will investigate the reappearance of the deadly Black Lung disease, following reports late last year that the disease had made a reappearance in Australia.

Five confirmed cases of Black Lung, which is caused by exposure to coal dust, were reported last year and a sixth in January 2016. But unions fear the number of cases will eventually be much larger as, like asbestos-related diseases, Black Lung can take many years to develop.



The senate inquiry is scheduled to begin this month and will focus in particular on claims that Queensland miners were not all adequately screened for the disease.

Screening has been mandatory in Queensland since 1993 but the state's Department of Resources and Mines, which oversees the programme, has admitted that as many as 150,000 X-rays had not been checked because of a shortage of skilled radiologists.

The Construction, Forestry, Mining and Energy Union (CFMEU) has said it fears up to 1,000 Queensland miners could have undiagnosed Black Lung, as claim predictably enough dismissed as “scaremongering” by the Queensland Resources Council. But the fact is that it could be many years before miners and former miners know whether or not they have been affected.

Meanwhile, Stephen Smyth, the state district president of mining union the CFMEU says, the inquiry will be an opportunity to look at successful prevention in other parts of the world.

“The current Queensland Government have inherited this problem, but it's now time to clean up the mess left behind by previous governments,” Mr Smyth said.

**We welcome your comments and contributions –
send us an email and let us know what you think via
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Check out our webpage at www.cwuwa.org**

Regards,

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