communication workers union
CWUnion National

E-BULLETIN Telecommunications

#18. October 2016

1. Telstra to boost field workforce

Telstra will engage 1,000 new Communications Technicians to meet the shortfall it is facing in its field workforce operations.

According to Customer Service Delivery (CSD) Executive Director Brian Harcourt, 600 of the new workers have commenced training and 140 have already "hit the field". The plan is to bring all 1,000 on stream by the beginning of next year.

Just over half of those new jobs will be in NSW with 151 in Queensland, 110 in Victoria and Tasmania and about 100 in South Australia. Western Australia will get 43 new technicians.

The CWU always welcomes the creation of new jobs in the industry and, right now, in Telstra in particular. Telstra field workforce employees are at present overstretched due to Telstra's "just-in-time" resourcing of its field operations, including its NBN contracts.

But there is a sting in the tail.

It appears that fewer than 200 of these jobs will be within Telstra and these will be 2 year fixed term positions at Band 2 and Band 3 level. The rest of these new roles will be filled by workers sub-contracted to ISGM, Telstra's external supplier of install/maintain labour.

The CWU has previously expressed concerns about the adequacy of the training provided to ISGM contractors and, more broadly, about the whole model which sees young people provided with minimal training and then expected to turn themselves into (supposedly) independent contractors.

We will be pursuing these issues with both Telstra and ISGM.

2. Job losses: Telstra Operations shake-up continues

The reshaping of Telstra Operations continues, with Telstra reportedly having identified more than enough volunteers for redundancy to meet the target it set itself several weeks ago.

At the end of August, Telstra said it was seeking up to 120 volunteers for redundancy from Networks Delivery, Telstra Operations. At the time, the CWU commented that the company would probably find these volunteers, given the low level of morale among sections of the Telstra workforce. That seems to have been a correct assessment.

Wideband Design

At the same time, as reported in E-bulletin #17, Telstra is looking to shed some 53 positions in Wideband Design.

While Telstra says that there is no outsourcing involved in this specific move, there is no doubt that it is part of a broader restructuring that has seen Wideband work outsourced to "industry partners" such as Visionstream and Indian multinational Cyient.

The CWU is continuing to consult with members in Wideband Design over both the immediate impacts and longer term implications of this latest move. The union is particularly interested in the question of current work volumes and how they are being dealt with at both state and national levels. Members are encouraged to contact their state branches if they can assist in this matter.

A further meeting with Telstra on the Wideband proposal is scheduled for Tuesday 4 October.

3. Telstra destroying secure regional jobs, says CWU

Victorian CWU officials have slammed Telstra's proposal to cut jobs in Ballarat, saying that CEO Andy Penn seemed intent on destroying secure local employment by outsourcing and offshoring.

Telstra will cut 19 Wideband Design positions in Ballarat and while it is currently proposing to absorb the work internally, CWU officials believe the move is part of a wider plan which will see more Wideband functions outsourced to both local and multinational companies as part of a cost-cutting drive.

Such companies themselves commonly use sub-contracting arrangements to lower their own costs.

Wideband Design encompasses a variety of tasks, but predominantly involves all the preliminary work for building the newer data networks (mainly fibre) that Telstra provides for a variety of regional Victorian telecommunications projects such as at trotting and greyhound tracks, hospitals and schools.

It also includes work for other telcos such as Optus, for Southern Cross TV and for nbn POI (Point of Interconnect) sites.

"This is largely regional work and is best done locally," Victorian CWU secretary John Ellery said.

"The Australian government has to get serious about the loss of secure Australian high tech jobs," he said.

"It needs to create some form of disincentive to these Australian companies' utilising these cost cutting tactics."

Meanwhile, Ballarat MP Catherine King said she was concerned that Telstra continues to cut regional staff, particularly in Ballarat.

"This is just part of a continuing trend of job losses from Telstra in the city and it is very worrying, Ms King said. "If Telstra is serious about being part of Ballarat's future it needs to clearly demonstrate some certainty about plans for its workforce here."

4. CWU wins upgrade for Telstra member

The CWU has been successful in securing a banding upgrade for a Telstra member whose work involves testing for HFC faults.

As CWU members may be aware, the correct banding of testers has been disputed on a number of occasions in recent years.

In this case the CWU was confident that the correct classification level was CFW 5 despite Telstra's insistence that it was a CFW 4

The member brought the issue to the union after a number of failed attempts to have the issue taken seriously by his team leader.

Whilst the union's first attempts at engaging with Telstra about the matter were met with resistance, perseverance secured the reclassification of the member's banding together with a considerable sum of back pay.

Telstra does not give ground easily on such issues but, as this case shows, where a good case exists the CWU can get wins for members.

5. What next? Telstra sends HR jobs offshore

As Telstra pursues its Global Operating Model, there appears to be no limit to the functions which are being relocated offshore, including "human resources" (i.e. staff) management.

Following consultations earlier this month, Telstra has now notified the CWU and other Telstra unions that it intends to proceed with a restructure that will see the loss of 108 positions as work is transferred to a Global People Services Centre in the Philippines.

Under the plan, not only first level administrative tasks such a work code changes and payroll queries would be carried out offshore but also key functions like recruitment.

All internal recruitment and recruitment support for all temporary and permanent Band 2-4 roles will transferred to the Global People Services Centre.

Not even Telstra Learning has been spared, although Telstra has given no clear details about what work may in future performed offshore. The CWU does understand, however, that programmes related to NBN work (including, presumably, those funded by the $100 million Commonwealth payment) are not included in this restructure.

The CWU and other unions are concerned not only with the job losses, but with the implications of this offshoring for employee privacy. It is also difficult to have confidence in an internal recruitment and redeployment process that is being conducted remotely by agents who may or may not have any understanding of the practical details of roles, skills and locations.

Telstra is already failing to make use of its existing skill base, with redeployment rates below target. It is hard to see how this move will help.

6. Lend Lease: EA negotiations begin

Negotiations for a new agreement with Lend Lease have begun, with the first bargaining meeting held on Thursday 22 September. The meeting was attended by representatives of both the CWU and the ETU (the Electrical Division of the larger CEPU), along with a number of individual employee representatives.

The first part of the meeting was taken up with explaining the framework for bargaining as established by current workplace laws. This was particularly important given the relatively large number of employee representatives, many of whom may not been involved in bargaining before.

The rest of the meeting was spent in familiarising the parties with the content of the proposed agreement.

The draft presented represents a quite dramatic simplification of an earlier agreement covering telecommunications work (the Bilfinger Berger Services Telecommunications – Installation and Maintenance Agreement) that was negotiated by Lend Lease subsidiary Bilfinger Berger (later known as Conneq Infrastructure Services). It was approved in 2010.

At present, Lend Lease employees in Victoria doing telco work are still employed under that agreement while in NSW and Queensland there is no current Enterprise Agreement in place. The CWU understands that employees in these states are operating under various arrangements, all underpinned by the Electrical Contracting Award.

Negotiating a new agreement that brings all employees onto one set of conditions while leaving no-one worse off will be a challenge, one which will require a collective approach by bargaining representatives. That is just one reason why the CWU is urging all Lend Lease employees who will be covered by the agreement to join the union now.

While the CWU recognises that the law allows individual employees to act as bargaining reps, the fact remains that employees only have real bargaining power if they are united and speak with one voice.

If you are a Lend Lease employee and not already a member, contact the CWU now at cwu@cwu.org.au to get the contact details for your relevant branch.

7. Silcar Communications employee consultations

Silcar Communications (now part of Visionstream/Ventia) will hold a number of employee consultation sessions in the coming weeks to report on progress in the negotiations for a new Enterprise Agreement.

The consolidation of a number of former Leighton's companies over recent years culminated in the formation of Ventia in 2015, trading under the Visionstream banner. The company is now wanting to align conditions across its workforce as much as possible using, it would appear, the current Visionstream Field Workforce Agreement as the benchmark.

The aim is to create the basis for a single agreement when the Field Workforce comes up for renegotiation in 2018.

The problem is that that in a number of key areas the current Silcar Communications Agreement is providing much better conditions than the Field Workforce Agreement e.g. a 36 ¾ hour rather than a 38 hour week, all overtime paid at double time and better redundancy payments.

Silcar is currently proposing to buy out some of these conditions and will be testing that proposal at the coming meetings.

At this stage though, feedback to the CWU suggests that more money will have to be put on the table for this approach to be attractive to employee.

8. nbn junks Optus HFC in favour of FTTdp

nbn has decided not to use the Optus HFC network as part of its Multi-Technology Mix roll-out. Instead it will introduce Fibre to the Distribution Point (FTTdp) – or Fibre to the Curb (FTTC) as it is also called – in areas where it was intending to use the Optus assets.

nbn flagged its decision to reduce the number of premises that would be served by HFC in its most recent Corporate Plan, released in August. It was not clear at that time, though, that this would involve junking the Optus network altogether.

Presumably the trial Optus HFC upgrade in Redcliffe, Queensland raised the question as to the cost of making those assets nbn-ready.

It is the CWU's understanding that the Optus HFC network has always been less developed than Telstra's with, for instance, larger serving areas.

Optus HFC nodes reportedly serve as many as four times more premises as Telstra's. That would make the necessary extensions to support higher speeds more costly.

Meanwhile, nbn has evidently become more confident in the viability of technologies that take fibre ever closer to the premises. It has increased the number of premises it intends to serve with FTTdp from 300,000 to 700,000 and has indicated that it may extend its use further after further trials.

Meanwhile, Optus will still get the $800,000 million that it was agreed it would receive under the 2011 deal with the then Labor government. That deal, like the original one with Telstra, involved the transfer of customers, not of assets as part of the creation of an NBN monopoly.

And that's what will still happen – it's just that the Optus network will be decommissioned, not utilised, as was the original plan. Telstra HFC, however, is still very much in the mix.

9. Network blues: Vodafone suffers outage

Mobile service provider Vodafone suffered a mass outage on Sunday 25 September with services going off the air for up to 8 hours from around 6pm.

Although the outage saw the re-birth on social media of the Vodafail tag, Vodafone says the problem was due to a "router issue" i.e. a specific equipment failure rather than a network capacity problem, at least in the first instance.

It appears however that once the router failure had affected 4G services, calls defaulting to 2G and 3G platforms then caused network congestion.

In a move becoming all too familiar to mobile users, Vodafone is offering to provide all customers, both pre-paid and post-paid, with an extra 2GB of data in the coming billing month.

10. TPG results highlight NBN pricing issues

Why does a company that has just announced strong yearly results immediately get hit with a 22% drop in its share price?

On 20 September TPG -Australia's No 2 telco in the fixed broadband market- told investors it had increased its revenues by 88% and its net profit by 69% over the last financial year. But markets were not impressed.

One reason, no doubt, was that a large part of this increase came from its takeover of the highly successful service provider iiNet, rather than from "organic" growth (i.e. growth outside acquisitions). But even more worrying to investors is the impact that NBN pricing will have on its future business.

Industry analysts estimate that TPG is facing an increase in the costs in pays for wireline local network access of as much as 40% as its customers are migrated from Telstra copper to the NBN.

Under a price regime set by the Australian Competition and Consumer Commission (ACCC) TPG currently pays an average of some $14.68 a month for access to Telstra's local "loop". But nbn is looking to receive an average wholesale revenue of $43 per user per month this financial year. That's budgeted to rise to $56 by FY20 and perhaps more beyond that.

Retail service providers have been increasingly vocal over the last few years about the threat NBN's pricing presents to their viability but of the major players TPG is particularly vulnerable.

Unlike Telstra and Optus, it does not have a mobile network to offset the impact of NBN wholesale prices on its fixed line business. And it isn't enjoying the steady revenue stream that is flowing to Telstra from nbn under the Definitive Agreements.

TPG has shown itself resourceful in the past and has already indicated it may explore opportunities for wireless bypass of the NBN as other companies are already doing. It has also come out in support of the current mobile players being forced to open up their networks to competitors – a move that would provide another option for broadband service provision other than the NBN.

At present, though, it appears to be playing the role of the canary down the mine – sending an early warning of the dangers facing Retail Service Providers as the pace of migration to the NBN quickens.

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

Regards,

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