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TELECOMMUNICATIONS
E-BULLETIN
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Telstra Design restructure: a downgrade of skills?

Monday April 24, 2017

CWU members are telling the union that they are opposed to the changes that Telstra has said it will introduce in the Design area.

On 11 April, Telstra notified the CWU and its employees that it intended to proceed with a restructure which will see the rationalisation of a number of work functions and the outsourcing of a portion of current design work to "industry partners".

The changes will result in a net loss of 55 jobs.

CWU concerns are focussed on the following questions:

The classification of the Designer role as a Band 6. Much of this work, depending on its complexity and scope, is currently performed at Band 7 level.

- The classification of the Appraiser role as Band 7 when currently the work is performed by Band 8s.
- The implications of the restructure for current salary levels and superannuation payments. The wording of the current EA offers no certainty on salary maintenance.
- The availability of genuine redeployment opportunities for those living outside the eastern capitals.

The CWU met with Telstra on these issues on several occasions, most recently on 7 April. While there was agreement on the grading of some roles at that meeting, there was no agreement on the Designer and Appraiser roles. The CWU reserved its position until Telstra had further clarified the scope of these roles in their Success Profiles and the CWU had tested them against the Core Job Descriptions.

The CWU is continuing to meet with members with a view to making further representations to Telstra or, if necessary, taking the matter to the Fair Work Commission.

CFW grading dispute: FWC to arbitrate

The CWU remains in dispute with Telstra over the grading of Service Delivery field technicians as CFW4s when they are performing what the union believes is complex for business customers.

When the E-Bulletin last reported on this case in early March (E-Bulletin #3), Telstra had been told by the Fair Work Commission (FWC) to make available documentation relevant to the case.

But when the initial date for handling over the material arrived, Telstra told the FWC that it didn't consider its production necessary. Vice

CFW grading dispute: FWC to arbitrate (cont)

President Catanzariti took a different view and issued an order that relevant documents be produced.

The matter will now go to arbitration on 29 May where it will be heard by Commissioner Johns. Members will be advised of developments.

CWU still at odds with Optus on service desk restructure

The CWU's dispute with Optus over the restructure of its help desk work is still being dealt with in the Fair Work Commission.

Last year, Optus amalgamated a number of its help desk functions into a Single Service Desk with new roles which the CWU believes involve an enlarged range of activities and responsibilities. Optus, however, provided no training and no extra pay for staff filling these roles.

Following the lodging of a dispute by the CWU over these issues, the Fair Work Commission directed Optus to conduct a review of the job description and remuneration of the service desk analyst role.

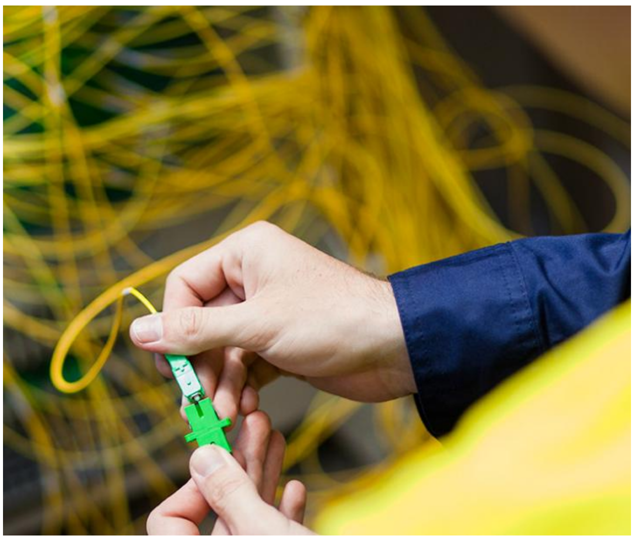
It also required Optus to inform the CWU of any training that had been conducted for those occupying the new role.

Optus has now complied with these directions but has not changed its view about the banding level of the new jobs. They have also provided details of the training it has provided.

The CWU continues to have concerns in both areas, however. Feedback from members suggests that the training offered has been minimal. The CWU also has concerns about the grading review.

We have communicated these views to Optus prior to a report-back meeting before the Commission which will probably occur in early May.

Silcar Communications Enterprise Agreement



The CWU will meet with Silcar Communications (now part of Visionstream) on 27 April in an attempt to finalise negotiations for a new Enterprise Agreement (EA).

These negotiations have now been running since mid-2016 and while no formal vote has yet been taken, employees have repeatedly indicated that they are not happy with the proposals that have been made to date.

These have basically consisted of a mixture of cash buy-outs and "ring fencing" (i.e. short-term continuity) of current conditions the company wants to change.

The aim is to bring the conditions in Silcar Communications close to those in the Visionstream

Visionstream announced job cuts (cont)

Customer Workforce Agreement with a view to having just one agreement covering both groups of workers from late 2018.

Silcar indicated earlier this year that its most recent offer on the main items under negotiation was its final one. Since then discussions have focussed on a range of other issues such as travel allowances, rest breaks, call back and standby.

At the last meeting, held on 21 March, there was an agreement on many but not all of these matters.

It is now likely however that, following the 27 April meeting, the EA will be put to employees for a vote even if full agreement has not been reached.

Government abolishes 457 visas—but problems remain

The 457 visa system is to be scrapped and replaced with a new two-tiered system which the Turnbull government says will help ensure that "Australian jobs will be filled by Australians, wherever possible."

But unions have warned that key weaknesses in the temporary skilled migration system remain.

Under the new arrangements announced on 18 April:

- The current 457 visa scheme will be abolished;
- The new scheme will create a 2 year temporary visa designed to target critical skill shortage areas. Applicants will have to have previous work experience;
- About one third (200) of current job classifications will be removed from the temporary visa list, including several in the telecommunications sector.
- A 4 year visa will also be available, but applicants will require higher English language skills and be subject to a criminal check.
- Both visas will be subject to labour market testing (i.e. seeking local workers first) and a requirement to pay market rate

The government's move comes with an admission that the current system has been totally discredited by evidence of employer rorts and worker exploitation. But the union movement has warned that tighter controls will be needed to stop such employer behaviour.

In particular, "market testing" i.e. the identification of skill gaps will still rely too much on employers themselves and is hard for government to monitor.

Unions have also pointed out that some of the worst recent examples of temporary worker exploitation have involved people on student and working visas, not just 457s.

"Unions want to see a full tripartite review mechanism for work visas and rigorous labor market testing, ACTU President Ged Kearney said.

Training, permanent employment the keys to skill shortage issues

The federal government has moved to re-cast the current 457 vis programme because it recognises that it is on the nose.

But it has a long way to go if it wants to address the longer-term problems of skill shortages in Australia.

That will involve getting Australia's employers to invest in training.

And it will also require a move away from the government's ideologically-driven support for individual contracting in favour of permanent employment.

In the communications industry, the demands of the NBN project revealed shortages in a number of skill areas, notably in design and, more recently, in all areas of HFC-related work.

But 8 years after the project was first announced, 457 visa workers are still being sought and used in areas such as fibre splicing, jointing and network design.

The fact is there has been more than enough time for the companies involved in the NBN to train a local workforce—except of course that they have preferred to avoid those costs, either through importing labour or through trying to push the costs onto workers themselves through what is effectively sham contracting.

The government has now removed a number of telecommunications occupations from the temporary skilled migration list—Telecommunications Jointer, Telecommunications Technician and Telecommunications Network Planner.

The CWU is aware of 457 workers being sought for these positions as recently as March this year, so if any local shortages do exist in these areas employers will have to start paying to train local workers—which is as it should be.

As part of its 457 visa announcement, the federal government has also flagged the establishment of a training fund to which employers contribute. The CWU welcomes this move in principle. Though the devil will as usual be in the detail.

But until the corrosive impacts of sham contracting on workforce training and development are recognised and addressed, Australia will still not have the skills it needs to prosper in the future.

Government announces head of new union-monitoring body

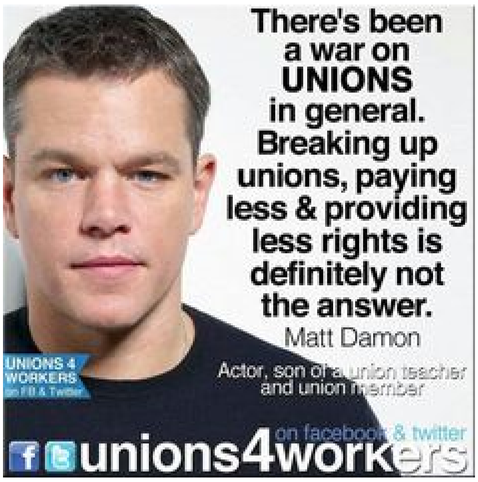
The federal government has announced the head of the Registered Organisations Commission (ROC), the Turnbull government's new union watch dog.

Employment Minister Michaelia Cash says that Australian Investment and Securities Commission (ASIC) commissioner Mark Bielecki will lead the organisation. Bielecki is currently the ASIC Commissioner for South Australia as well as performing a number of other legal roles for the organisation.

The appointment of someone from outside the business or industrial relations community is being seen as an attempt by the government to draw the teeth of criticism of the ROC, which is generally expected to

Government announces head of new union-monitoring body

focus more on unions rather than employer associations, even though it will have responsibility for both.



In fact it was because the ROC was clearly designed by the Coalition to target the union movement that it twice failed to get through the Senate before eventually being passed in November last year.

The ROC will have responsibility for matters of union governance including the conduct of elections, financial management and reporting and disclosure and will be responsible for any inquiries or investigations into unions' behaviour in these areas.

The Fair Work Commission (FWC) will continue to have responsibility for registration, amalgamations and deregistration; rules (including eligibility rules); right of entry permits (and training).

It will also have its traditional responsibility for awards and agreements, disputes and appeals.

TPG makes splash with spectrum purchase

Is there room for a fourth mobile network in Australia?

It seems that we are about to find out, with TPG emerging as the main buyer of spectrum recently auctioned by the ACMA. The company has said that it intends to roll out a network to achieve 80% population coverage over the next three years.

TPG paid a whopping $1.26 billion—well above the ACMA reserve—for 2x10MHz of low band 700MHz. It adds this to earlier spectrum purchases in the 2.5GHz and 1800MHz bands bought in 2013 and 2016.

Industry analysts have expressed doubts as to whether the Australian market is large enough to sustain another mobile operator, especially as 5G looms. The costs associated with that generation of mobiles are expected to lead, if anything, to a reduction in the number of players.

On the other hand, TPG is not starting from scratch. It already has extensive fibre backhaul assets and a significant customer base, including some half a million mobile customers (via resale).

And it has shown itself adept at exploiting market and regulatory opportunities in its Fibre-to-the-Basement play in competition with the NBN.

The market, however, remains to be convinced. TPG's share price dropped 18% when it came out of the trading halt it initiated while it raised $400 million towards its network roll-out.

Telstra's share price has also taken a hit, falling some 7% since the TPG move was announced. In the longer term, though, it could be Optus and Vodafone who feel the most heat as four providers compete in a market which may eventually support only two 5G network operators.

More Fibre-to-the-Curb for NBN roll-out

The number of premises served by Fibre-to-the-Curb will be increased by 300,000 as the NBN roll-out continues to evolve.

nbn announced last year that it would provide Fibre-to-the-Curb (FTTC) to 700,000 premises, 400,000 of which where within the Optus HFC footprint.

The move followed the assessment that it would be more cost-effective to deploy the higher speed copper solution than to upgrade the Optus HFC network to the point where it was fit for purpose.

FTTC access networks are capable of delivering Gigabit download speeds and have the advantage over FTTN that they can be back-powered from the customer premises, simplifying deployment.

While nbn has made it clear that it will not be moving to install it in areas where FTTN build has already been rolled out, it is quite possible that it will eventually account for more of the final footprint.

Trials of the platform are currently being held in North Coburg, Victoria.

Calls for NBN write-down continue

Calls for the write-down of the National Broadband Network continue, with the latest coming from respected industry entrepreneur Bevan Slattery, the founder of a number highlight successful telecommunications companies.

Slattery says that up to $30 billion needs to be slashed from the book value of the NBN if the network is to provide affordable services to the community.

With the NBN budget officially somewhere between $49 billion and $54 billion—and with the final cost likely to be somewhere north of $60 billion—Slattery is effectively calling for about half of the cost of the project to be written off.

That would be a lot of taxpayers' money going up in smoke—money that could have been spent on, say, hospitals or schools or…

But, says Slattery, unless that's done the majority of households will only taken up the lower speed tier packages, as they are now. And what's the point of having a Gigabit network, if all people can afford is a 25Mbs service—or even a 12Mbps, slower than ADSL2+.

The pricing structure of NBN services has been a bone of contention within the industry for several years, but its full impacts are only now starting to be felt widely as the NBN roll-out and the take up of services accelerates.

But even if pricing was restructured to make higher speeds affordable to Retail Service Providers and end-customers, there would still be a massive shortfall between what the NBN needs to make to be considered a commercial business and the revenues it can realistically expect to generate.

Calls for NBN write-down continue (cont)

Commonwealth Finance Minister Matthias Cormann says there'll be no write-down on his watch. But sooner or later either Labor or the Coalition will probably have to bite the bullet. It only depends on which party wants to win the 2019 election.

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