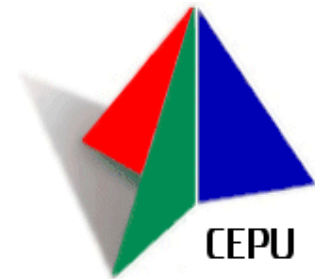


E-BULLETIN Telecommunications

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1. Telstra bullying exposed
2. Leaked Bendigo Sales centre survey backs up Four Corners claim
3. Call centre conditions "grim".
4. Telstra objects to Government's AWA "fairness test".
5. Broadband decision means second best for bush
6. Broadband roll-out: marginal electorates first in line?
7. Telstra calls for USO review
8. Deutsche Telekom strike: resolution close?
9. Workers forced to raid super funds to stay afloat.
10. New ACTU Secretary elected

Telstra bullying exposed

CEPU members who work in Telstra know first hand how the work environment in the company has deteriorated in recent years. Members are frequently reporting instances of bullying and harassment as the company tries to squeeze more and more out of its employees.

This week, the ABC let the rest of Australia see what is going on. Its *Four Corners* programme featured interviews, mostly with former Telstra employees and/or their families, about the stress that has become part and parcel of working in Telstra.

The programme revealed training programmes that encourage staff to label their fellow workers as "submarines" and "savages" if they don't shape up to increasingly unrealistic performance targets, intrusive monitoring of both call centre workers and field staff and a management that talks about "shooting" employees who don't adapt to Telstra's brave new world.

"If you can't get the people to go there," Chief Operating Officer Greg Wynn is quoted as saying "and you try once, and you try twice - which is sometimes hard for me, but I do believe in a second chance - then you just shoot them and get them out of the way."

Employees don't "get it": management

Sales manager, John Rolland, said that the real problem was not the Telstra culture but the fact that some Telstra employees just didn't "get it".

They get it all right, John. So do the dozens of other employees and ex-employees whose calls jammed the ABC switchboard when the programme went to air. Telstra staff members are fed up with the attacks on their rights, their dignity and their health that are fast becoming the norm in Telstra.

Comments on the programme are still coming in to the ABC's website. You can check them out at

www.abc.net.au/4corners/content/2007/s1952054.htm.

Leaked Bendigo Sales Centre survey backs up *Four Corners* claims

Telstra has tried to hose down the fire caused by the revelations in the *Four Corners* investigation into working conditions in the company. But an employee survey conducted at the Bendigo Sale Centre has since found its way into the hands of the ABC and it reinforces the *Four Corners* findings.

Verbatim comments from staff include:

"I've never in all the time I've been with Telstra.....felt so much pressure"

"Morale at the centre is terrible"

"I believe that customer service is suffering"

"Not once in this survey has the employee's family responsibilities been discussed.."

There is "a worrying authoritarian trend in staff relations".

It seems as though there's more than just one or two members of Telstra staff who don't "get it" where Telstra's management culture is concerned.

And it's not just employees that are suffering. The survey shows staff are worried about the way customers are also getting short changed as Telstra drives its workforce harder and harder.

You can view the whole report on

www.abc.net.au/4corners/content/2007/telstra_bendigo.pdf.

Call centre conditions "grim"

As several people posting comments on the *Four Corners* web page pointed out, Telstra is not the only company that doesn't provide a decent workplace for its employees. A survey of Australian call centres released just days after the ABC programme found that they are one among the worst places anyone can have to work in – so bad, in fact, that employers are having huge problems holding staff.

The report said that in the 300,000-seat industry, between 16,000 and 20,000 vacancies stayed unfilled every three months. That just could be related to the fact that, according to the survey, call centre workers are badly paid, bored and lack flexibility in their working conditions.

One interesting fact that the report noted was that the average base salary (i.e. without incentive or bonus payments) in the industry was \$40,749 this year. In comparison, Telstra's base rate for an Inbound Sales Consultant on an AWA is \$37,500. No wonder Telstra likes AWAs and no wonder staff feel they are under the hammer to achieve the targets that will give them the extra \$7,500 that is the typical "incentive" component of the Telstra contracts.

Telstra objects to Government's AWA "fairness test"

In fact, Telstra likes John Howard's AWAs so much that it wrote to a recent parliamentary inquiry asking for the Government's new "Fairness Test" to be watered down to help the company keep wages low.

In a submission to the Senate, Telstra argued that the Fairness Test would disadvantage it because its AWA system was based on two separate payments – the AWA base payment itself and an incentive payment outside the AWA. Under the Fairness Test only the AWA payment itself will count when the Workplace Authority is deciding whether an AWA is fair. Telstra' says that both components should be counted.

What Telstra doesn't exactly highlight, though, is that employees can't definitely count on this second payment. Firstly, it depends on performance. Secondly it depends on Telstra policy. So it's not guaranteed. So why should it count in any Fairness Test?

Telstra also objects to its awards forming the basis of the test. It argues that making the Telstra enterprise awards the standard will mean it will have to pay 20% more than its competitors. It would like some industry award with lower wage rates to represent the AWA "floor".

But as the figures for Sales Consultants show, Telstra's AWA base rate is in fact well below the industry average wage. All that it has to fear from any "fairness test" is that it might be stopped from leading the downward spiral of wages and conditions in the industry.

Broadband decision means second best for bush.

As widely expected, the Government has awarded all of the funds of its Broadband Connect programme, designed to bring metro-equivalent broadband services to regional and rural Australia, to Opel. Opel is a joint venture between Optus and rural services company, Elders.

The company will receive \$958 million to roll out its services. That's about half as much again as was originally offered when tenders were called for. So what will Australian taxpayers be getting for their money?

Well, it's a bit hard to tell, because the details of Optel's plans are rather vague. They have said that they will be using the wireless technology WiMAX as part of their "solution", but as neither of the companies involved have any licensed WiMAX spectrum, they'll have to use spectrum in the unlicensed range. That immediately poses quality and reliability problems.

Problems, problems

Then there's the question of the bandwidths that Opel will actually be able to offer and over what distances. Communications Minister, Helen Coonan, claimed that Opel would be offering 12Mbps over distances up to 50km, but Opel itself says the distances will be more like 20km. Even that might not be possible, because the fact they are using unlicensed (and so shared) spectrum means they'll have to limit power supply to minimise interference.

There's also the question of equipment. The form of WiMAX that Optel says it will use is not widely used internationally so there could be a problem with both the supply and price of equipment. How closely has the Government looked at the Opel business case?

Policy solution or political fix?

All in all, it's hard to believe that the Federal Government is taking the whole question of regional and rural services seriously. Everyone knows that fibre is a much better platform for broadband service delivery than wireless. And if you want mobility, there's already one 3G service with national coverage already.

But the Government is desperate to get a political "fix" in the broadband area. Tossing \$1 billion to Optus may be designed to take some of the heat out of the national broadband debate while showing that the Government cares about what happens in the "bush". It must be keeping its fingers crossed that rural and regional voters don't wake up to what's going on before election time.

Broadband roll-out: marginal electorates first in line?

Adding to the strong smell of a political "fix" that surrounds the Government's Broadband Connect programme is the revelation about who's going to get the Government-funded network first. It seems that areas where the Government is most at risk in the coming election will be getting priority.

A document leaked from the department of Communications Information Technology and the Arts (DoCITA) show the Government is intending to target a "top 40 priority electorates", all of which are held by the Government. Labor's member for Hunter, Joel Fitzgibbon, said that the list showed exactly how obvious the Government's pork-barrelling was.

"The Hunter region has two rural seats: Hunter and Patterson," he said "Not surprisingly, the marginal seat of Patterson appears on John Howard's priority list. Hunter does not."

Senator Coonan, who is now on the trail of the leak, has called the incident "inconvenient". Yes, indeed. But, she says "It's just, you've got to start somewhere."

Telstra calls for Universal Service Obligation review.

Telstra's immediate response to the Government's announcement of its \$1 billion grant to Optel has been to call for a review of Telstra's own rural and regional obligations. These consist of the Universal Service Obligation (USO) and the Digital Data Obligation (DDO). The first requires Telstra to offer the standard service (voice telephony) and payphones to all Australians, the second to offer a digital data service of at least 64kbps universally. A separate requirement, arising out of one of the Government's reviews of rural services, requires Telstra to maintain a 19.2kbps dial-up internet service throughout Australia.

The Government is unlikely to oblige Telstra, especially before an election. The last thing it will want is any suggestion that long-standing service guarantees could unravel as a result of its policies. But this in fact will be the eventual outcome of its decisions.

How can the Government continue to force Telstra to offer services that it is now directly funding another company to deliver?

Deutsche Telekom strike – resolution close?

The five week long strike at Deutsche Telekom (DT) may be nearing an end with negotiations between the company and its major union, Verdi, being resumed last week. Verdi workers went on strike in May over DT plans to move 50,000 field service staff into a new subsidiary with lower pay rates and longer working hours.



Striking Deutsche Telekom workers

The company is reported now to be offering these workers ongoing employment within the parent company up until 2012 but it wants a 9% wage cut in return. Latest reports say that a productivity bonus scheme to off-set these pay cuts is also being discussed with Verdi.

DT has set June 30th as the deadline for its original plan actually transferring the staff so there is pressure on both sides to find a resolution soon.

Workers forced to raid super funds to keep afloat.

Figures recently released show that tens of thousands of workers are being forced to raid their superannuation funds to stay afloat financially. At the same time, wealthy Australians are pouring millions of dollars into their funds as they take advantage of the Government's superannuation changes, due to take effect at the end of this month.

The Australian Prudential Regulation Authority, which has the job of approving applications for early access to superannuation, says that a record 16,500 people applied to withdraw funds last year. Approval can only be granted where people can demonstrate severe hardship.

The number actually approved was double the number five years before. That's despite official unemployment being at record lows. So what's going wrong?

One problem is debt. Australian households now owe \$160 for every \$100 of disposable income, up from \$50 in the early 1990s. A lot of that debt reflects rising house prices, with many now struggling to pay huge mortgages. But the other side of the story is the stagnation of real wages. In fact, as we reported recently, (real) average weekly wages have started to decline under WorkChoices.

Meanwhile, the handful of Australians who have been made multi-millionaires by the property and share market booms are selling up and tucking the money away in super. Billions of dollars have flowed into superannuation funds in the last few months.

These figures are another sign of the two-tiered Australia that a decade of conservative government has created. A raft of policies, from privatisation to cut backs in funding of public services and, above all, anti-union laws have all eaten away at the disposable incomes of working Australians.

We may have (officially) high employment rates but we also increasingly have the working poor – people who despite being employed, at least on some basis, still have to rely on Commonwealth income support payments to survive.

These are the people who are now having to mortgage their future, by using their retirement savings just to survive.

New ACTU Secretary elected.

The new Secretary of the Australian Council of Trade Unions (ACTU) was officially elected to the position earlier this month. He is Jeff Lawrence, the National Secretary of the Liquor, Hospitality and Miscellaneous Workers Union (LHMEU). He was elected unopposed to replace Greg Combet who will be running for a safe Labor seat in the upcoming Federal election. Jeff will officially take up his post when Greg Combet resigns later this year.

Jeff Lawrence has had a long involvement in the Australian union movement. He has been National Secretary of the LHMEU, one of Australia's largest unions, since 1990. He is also a long standing and senior member of the ALP, although he will resign any positions within the Labor Party to ensure that he can act, first and foremost, as the chief representative of the union movement.

In the speech to the recent ACTU organising conference, Lawrence said he wants to see unions build national and international industry-focused campaigns and to mobilise for the election.

Lawrence also:



- called on unions to better reflect the gender and ethnic make-up of society;
- cited "paint icon" Wattyl as the latest company to announce they will require all new employees to sign AWAs;
- expressed concern at the benefits of the economic boom not being shared equitably, citing the record share of the economy going to profits and rises in executive pay

- made it clear he had no confidence in the Workplace Authority's ability to conduct what he called the 'fake' fairness test.

The CEPU congratulates Jeff Lawrence and will be offering him every support in what, no doubt, will continue to be challenging times, whichever Party wins office in the Federal elections.