

# COMMUNICATION

## TELCO NEWS

JUNE 2011



Dear Members

You are encouraged to attend the NBN Function on 28 June 2011 (see below). Country members seeking assistance with travel or accommodation costs should contact the union office on 9600 9100.

**JOAN DOYLE**  
Branch Secretary  
0419 345 134

**VAL BUTLER**  
Telco Organiser  
0408 766 444

## NBN/TRAINING/JOBS-FUNCTION

The Branch is organising an NBN/Training function to help members seeking work and/or a career in the NBN National Broadband Network of the future.

The function is jointly organised by the union and the industry training board (EPIC) Telecoms.

Several registered training organisations will have stands or displays on show to give members an idea of training courses/services available, representatives of the NBN Co will be in attendance and the union will report on the various activities taking place which are aimed at assisting members with training/jobs and decent working conditions.

**The function will take place at 7.30PM on Tuesday 28<sup>th</sup> of June 2011 at the Collingwood Town Hall, Hoddle Street, Collingwood.**

All interested members and potential members are invited and very welcome. Please return the information sheet enclosed in the reply paid envelope to enable us to cater for attendees.

**RSVP** Email: [cdptvic@cepu.asn.au](mailto:cdptvic@cepu.asn.au)  
Phone: (03) 9600 9100

Fax: (03) 9600 9133  
Mail: PO Box 1052, Nth Melbourne Vic 3051

**YES I will be attending the NBN/TRAINING/JOBS function at the Collingwood Town Hall**

\_\_\_\_\_  
Name [please print]

\_\_\_\_\_  
Contact Phone No.

## PICM

It is a forced ranking process and we can clearly demonstrate that whether by accident or design the process is inherently discriminatory (older workers, injured workers, workers with family responsibilities and the union rep are more likely to be PICM'd).

1. The PICM Process is a 'blame the worker' process and it seeks to blame CFW's for the poor state of the CAN, these skilled workers are forced to 'band-aid' the network and are penalised on CC Points if they do a good job. This is a perverse outcome and causes great distress to workers who just want to solve the customers' problems.
2. It is a 'presumed guilty' process and in our experience and once again backed up by evidence it is never an 'investigation' and in most instances the manager goes with a prepared outcome letter (Warning, Final Written etc:)
3. The process is procedurally unfair in that no written copy of allegations is provided to the subject of the PICM, and no record of interview is provided, they have to take their own notes (this reinforces the 'us & them' nature of the process). It is very difficult for a 'support person' to take notes and represent a member. This has led to a lot of 'underground' recording of meetings where people have been bullied into attending alone and feeling the only thing they can do is go along and record it to protect themselves.
4. Based on evidence the purpose of the meeting is often misrepresented in that the subject is told that it is a 'quick chat' or a 'catch up' then they get to the meeting to face off against two or three managers and it is actually a PICM.
5. Managers have illegitimately used PICM's to settle clashes of personality or to bully individuals whom they clash with.
6. PICM is a bizarre process even from a managerial point of view, it marries two completely different processes, Performance Management (which is the 'can't do', most performance issues are beyond the individual and are almost always systemic and institutionalized and beyond the control of the employee) and Conduct Management (which is the 'won't do', these are issues within the control of the individual worker and are actually rare). No other company marries the two processes together to effectively create a situation whereby the employee is always to blame. This has led directly to Telstra's cultural problems and high levels of customer complaint because for years they have used PICM to avoid any responsibility for the systemic problems.
7. Based on survey evidence employees have no faith in the process. It has spawned many jokes and is largely ridiculed. It has created deep mistrust between the management and employees, even from those who have not been PICM'd.
8. It is a clear and demonstrable straight line between PICM and the high level of complaint to the TIO. Telstra sets unfair, unattainable targets both in the CFW & Call Centre workforce. Employees find ways to take 'short cuts' to get the job done to meet the unfair target in order to avoid being PICM'd. The customers are disgruntled and frustrated and feel they have no option but to complain to the TIO.

## **PICM UNDER REVIEW**

The union will have input into Telstra's current Review of its Performance Management and Conduct Management (PICM) system.

The Boston Consulting Group has been hired by Telstra to undertake this review using a methodology called T (Fix) which Telstra has developed in consultation with the company.

The T(Fix) methodology involves talking to stakeholders, including managers employees and unions, about their experiences with the PICM system.

The union has been invited to nominate officials (including Val Butler) to participate in this process. Given the difficulties our members have experienced with PICM over the years, the union believes it will be able to offer valuable insight into the system.

## **PERFORMANCE MANAGEMENT IN TELSTRA: KNOW YOUR RIGHTS**

In the meantime, it is important that members understand their current rights in relation to issues of performance assessment and conduct management.

Telstra's current policy puts team leaders and managers under specific obligations in relation to performance management. It states that: **"Your management of performance must be applied consistently and fairly to all employees."**

So what is fair?

The union cannot oppose systems which provide positive advice to employees on how to improve their performance. It can oppose the recording and use of irrelevant information for the purpose of individual performance appraisals e.g.

- Any authorised leave taken by an employee (sick leave, carer's leave).
- Non-attendance at team meetings due to other work duties (dealing with urgent customer demands, attending training) or because on authorised leave.
- Inclusion of matters beyond the individual employee's control (inefficiencies or failures of work systems).

The union also opposes the use of appraisal criteria which effectively encourage employees to work or take responsibility for work performed outside the working hours set by awards and agreements (unless on overtime, recall etc.).

Members should also be aware that Telstra managers have the power and the responsibility to take individual circumstances into account when managing employee performance. Telstra policy states:

**"You have the flexibility and discretion to apply the managing of unsatisfactory performance procedure according to individual circumstances."**

It is important for members to ensure that any individual circumstances which may have contributed to a failure to meet a performance standard are recorded and clearly communicated to management, preferably in writing.

Members should keep a work diary to ensure that they can tell their side of the story accurately and should be vigilant in correcting any mistakes made by management in the course of a performance appraisal.

Remember too that you have a right to have a union “support person” to be present during interviews and to pursue your case if performance or disciplinary issues cannot be resolved.

## **CONROY RELEASES TELSTRA SEPARATION GUIDELINES**

Guidelines released for discussion by Communications Minister Conroy will determine how Telstra will operate during the transition to the creation of the National Broadband Network (NBN).

Members relying on press reports of these guidelines could be excused for thinking that Telstra is about to undergo a radical reorganisation.

This is not the case. In fact the requirements do not differ substantially than those imposed on Telstra in 2005 prior to its full privatisation.

Under those “operational separation” rules, Telstra was required to operate at least three separate business units – wholesale, retail and networks – and controls were applied to information flows between these areas of the business.

These steps were designed to guarantee “transparency” in the way Telstra dealt with its wholesale customers.

The new guidelines adopt this same structure while also making it clear that the government’s chief objective is the ultimate transfer of Telstra’s fixed network traffic to NBN Co. This is what “structural separation” means in this context – not splitting Telstra into two or more completely separate companies.

The restructuring of the telecoms industry which Labor has initiated will of course eventually mean major changes for the Telstra business and for jobs in the company. But in the short to medium term no sweeping reorganisation is being required by government.

## **SILCAR WINS MAJOR NBN CONTRACT**

As was widely anticipated, Leighton’s joint venture company, Silcar, has been chosen to undertake the next phase of the National Broadband Network (NBN) roll-out.

Silcar will be responsible for construction in Queensland, NSW and ACT over the next two years with an option to extend its contract for a further two.

The initial two year roll-out will pass some 440,000 premises including 9 of the 19 second release sites-extensions to existing works in Kiama, Townsville and Armidale and new sites in Springfield Lakes, Toowoomba and inner northern Brisbane, Riverstone in western Sydney, Coffs Harbour, and Gungahlin in the ACT.

The announcement follows the cancellation of the earlier construction tender amidst suggestions of price gouging by contractors. It would appear from NBN Co public statements that several measures have been taken to bring the Silcar contract price within an acceptable range:

- Transfer of some of the project risk to NBN Co, particularly in relation to the use of existing infrastructure (ducts, power poles). NBN Co will now assume responsibility for ensuring this is fit for purpose.

- Providing an initial monopoly to Silcar in its areas of operation so that it can secure supply arrangements – for instance in relation to labour –in an uncontested environment.
- Creating larger units of construction. The union understands that entire Fibre Serving Areas (FSAs) –typically containing some 77,000 premises - rather than the earlier 3,000 premises “building blocks” may now form the basis for contracts.

Further announcements for the roll-out in other states are expected soon.

The union has a current agreement with Silcar which runs until December 2012.

## **NBN CO TRIMS CONTRACTOR LIST**

NBN Co is moving quickly to select lead contractors for the construction work not won by Silcar.

According to press reports, NBN Co has offered contracts to five further companies: Transfield Services, Syntheo (a Service Stream/Lend Lease joint venture), Vision Stream, ETSA and Monadelphous, a largely WA-based construction company.

With the exception of ETSA, the SA state electricity utility and Monadelphous, a WA-based construction company, the companies have a long-standing presence in the telecommunications sector, having worked as contractors to Telstra over many years.

Telstra itself, of course, is the name conspicuous by its absence from the list. However work will still inevitably flow to Telstra from the project in such areas as duct allocation and cutovers. The union will be engaging in discussion with Telstra to identify NBN-related work opportunities for its Telstra members and related training needs when details of this next phase of the project are fully known.

## **NBN CO STEPS UP RECRUITMENT**

NBN Co has stepped up its internal recruitment as it gears up for the mainland construction roll-out.

The company says it intends to hire a further 1000 staff over the next 12 months. Current staff numbers stand at around 700.

Recruitment will be handled by a number of nominated agencies who successfully tendered for the work. New staff will take up places in the construction, technical operations, telco/IT and corporate areas of the business.

The majority of these positions can be expected to be at the management level. However, any technical staff employed at the company's Network Operations Centre (NOC) will be covered by the Enterprise Agreement negotiated by the union.

## **WORKING AUSTRALIA CENSUS 2011**

Last month the Australian union movement launched a major initiative: the Working Australia Census 2011.

The census aims to collect as much information as possible on the current attitudes, concerns and priorities of working Australians so that these can shape the future programme for the union movement.

Tens of thousands of people have already participated but the ACTU wants to hear more from technical and trades workers before the census closes in a few weeks time.

Members are urged to participate in this important survey. The ACTU has customised a link for our members at <http://www.workingaustralia.net.au/htdocs/survey.php?job=y31231&par2=20>.

## **RIGHT OF ENTRY CASE:**

Officials from the VIC CEPU Branches have been involved in a long running right of entry case. The case is a precedent setting case in that the CEPU seeks to get access to employees at their workplace to investigate breaches of the Award and EBA.

The case arose because of widespread performance of overtime by Telstra employees where they did not get paid, the overtime in most instances was worked because of the imposition of unfair targets i.e. employees start before start time, work through breaks and work beyond finish time to meet performance targets.

The case has had a number of hearings before FWA and the Federal Magistrates Court. We have won the first round with Fair Work Australia determining the union had the right to interview workers in their workplace i.e at their desks. The matter is listed for further hearing about the substantive matter – the over-time payments in July.

## **TELSTRA SUPER FEE CHANGES**

On 1 July 2011 Telstra Super (TSS) will move to a new fee structure that will mean that some members will pay increased fees while others will pay less. The key driver for this change is that it will introduce a common fee structure across all sections of the fund membership. The member directors of TSS support this move, as it will mean all members will pay the same fees and this will remove a current inequity in the scheme.

The purpose of this paper is to give you some background to the change to enable you to respond to any members who may approach you about this issue. Telstra Super will also be embarking on a major education campaign through **direct mail**, **seminars** and an online **web video** to clearly detail the new fees.

Those members who will pay increased fees will be those who are still employed by Telstra and those who are in the defined benefit scheme with a Voluntary Accumulation Account. Those who will pay less include those members who are no longer employed by Telstra and who remain in the accumulation scheme.

The board of TSS has discussed the issue of fee inequity for some time and decided that with the current Government review of Super and the increasing calls for transparency, (a concept we enthusiastically support) that the current fee structure was indefensible.

***The key things to keep in mind about the fee restructure are:***

TSS is a not-for profit scheme and the fee changes are designed to as close as possible be **revenue neutral**. Any revenues generated are returned to members in the form of maintaining and improving products and services.

All members will pay the **same fees from 1 July 2011**

Members will have the opportunity to **find out more** and discuss the impact of the fee changes through information mailed to them, from the TSS website, from Telstra Super Financial Planning, by contacting the TSS call centre and by attending a TSS seminar. Communication and transparency is a priority.

Fee increases are always going to be contentious however like other not for profit schemes we aim to keep our fees as low as possible.

TSS was the first scheme to introduce our own **Financial Planning** product to ensure members had an option to the high fee alternatives in the private sector. This service remains at no additional cost to members.

Recently negotiated **insurance** enhancements, which will lower premium rates for Income Protection insurance and provide an additional range of benefits, including recognition of same-sex couples.

These changes will keep us **in line with Industry super schemes** that compete with us for members.

The administration fees are deducted over the membership period so members need not be concerned about being slugged when they withdraw from their account on retirement.

All information will be available on the **Telstra Super website**. This will include detailed examples and Fact Sheets as well as a comprehensive video, which explains the fees and how they apply to members accounts.

[www.telstrasuper.com.au/betterfees](http://www.telstrasuper.com.au/betterfees)

### **Background facts**

TelstraSuper Launched. 1 July 1990

85% of members choose to stay with us when they leave employment.

Defined benefit closed in 1999

102,000 fund members

35,000 employer funded members

67,000 personal members

Current Assets \$11 billion

**Financial planning at no extra cost**

Industry leading online member education through a range of web videos

**(www.telstrasuper.com.au/superbites)**

Sophisticated online tool which assists members to plan for retirement

**(www.telstrasuper.com.au/simulator)**

Monthly member e-newsletter which details the performance of the fund and other important issues

Quarterly statements to keep members consistently up to date with their super

Industry leading discount of 12% for health insurance through HCF

Access to banking products through Members Equity Bank

**Ian McCarthy**

*Telstra Super Member Trustee*

## **CEPU MEMBER MEETING**

We are organising a meeting to discuss a number of important issues.

Amongst the issues to be discussed are:

- The union's activities relating to the National Broadband Network rollout.
- The talks with Telstra relating to the 2.5% pay differential between ECA and EBA based employees.
- Early preparation for the next Telstra EBA IN 2012.
- UNION ACTIVITIES IN COMPANIES OTHER THAN Telstra, e.g. Optus, AEGIS, Service Stream, Vodafone, etc.
- General business raised by members.

**12.15pm on TUESDAY 28<sup>th</sup> JUNE 2011**

**COOPERS INN, Heritage Room, 2<sup>nd</sup> Floor, 282 Exhibition Street (Cnr Lt Lonsdale)**

Other meetings and venues will be advised shortly

## **CONTACT DETAILS FOR THE UNION**

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*Authorised: Joan Doyle  
Branch Secretary*