

S.The Signal

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GOVERNMENT RELEASES DRAFT NBN LEGISLATION

The Government has released draft legislation covering the ownership and operations of the NBN for public comment.

The legislation is designed to codify the policies that the Government outlined last April when it first announced the \$43 billion project. These include:

- * NBN to be a wholesale-only network;
- * Government to retain majority ownership until the project is deemed to be complete (a period of 8 years has been flagged;
- * Full privatisation within 5 years of completion.

All these policies are contained in the Bill – but they are by no means watertight. The sell down timetable, for instance, can be varied in line with market conditions.

That's a sensible enough provision. The aspect of the Bill that has provoked most comment, however, is the discretion given to the Minister to allow NBN Co to offer services to customers other than retail telecommunications carriers. This would allow NBN Co to offer services to state and federal government departments, for instance – but also, potentially, to any other customer the Minister determines.

The Minister will have an equally free hand on “content” services e.g. movies, games. NBN Co is not supposed to offer these either – unless the Minister determines otherwise.

Commentators have seen these Ministerial powers as putting another card in the Government's hands in its ongoing negotiations with Telstra: “Come to an agreement or we will compete directly

against you for government contracts.” But these provisions might also be read as being designed to allow the Government to vary the NBN business model if its wholesale-only model runs into difficulties.

If this occurs and NBN Co is forced at some time in the future to move higher up the value chain – as many commentators believe it will – it will not only be Telstra which feels the competitive pressure. The squeeze will come on Optus as well and on all the smaller players who have looked to the NBN to boost their own businesses, not compete against them.

TELSTRA BILL IN SENATE

Legislation designed to bring about a radical restructuring of Telstra was introduced into the Senate on 25 February but will not now be dealt with until March.

The Bill contains amendments to telecommunications competition laws designed to strengthen the hand of the ACCC and amendments to consumer protections which tighten up the Universal Service Obligation (USO) and Customer Service Guarantee (CSG) schemes.

But the parts of the Bill that overshadow all others are those that require either the structural or functional separation of Telstra.

These provisions are in turn closely linked to the Government's planned NBN roll-out. They are designed to encourage Telstra to “voluntarily” migrate its wholesale traffic across to NBN Co as its fibre network is rolled out, thus ensuring that the NBN has at least one major customer from Day 1. If such a scheme can't be agreed upon within 90 days of the Bill becoming law, Telstra will face functional separation, divestiture of its

HFC and Foxtel assets and spectrum starvation.

Reaching an agreement on this traffic transfer that meets the needs of NBN Co, Telstra and the Government is proving to be no easy task, with both Telstra CEO David Thodey and Communications Minister Stephen Conroy recently stressing the complexity of the issues.

Given this recognition, it must be asked what purpose is served by bringing on the legislation quickly.

JAMES HARDIE DISASTER COULD HAPPEN AGAIN, BOOK CLAIMS

There is nothing to stop another occupational health disaster like the James Hardie asbestos case, the author of a new book on the scandal claims.

Killer Company, by ABC journalist Matt Peacock, tells how materials manufacturer James Hardie fought for years to avoid accepting responsibility for asbestos-related illnesses and deaths among their workforce. Hundreds of thousands of dollars were spent over many decades hiring lawyers to beat off compensation claims.

All the time, James Hardie knew that asbestos was deadly. Yet no one has ever been charged over the death and injury of the company's estimated 20,000 victims.

While the Prime Minister, Kevin Rudd, has said the book should be compulsory reading, Peacock himself says that Governments need to go further.

"The inadequacy of our laws was really shown up by the Hardie case," he says. "John Reid, the man who presided over James Hardie for 23 years during which time they knew they were causing the deaths of so many workers

has never explained what he did and why."

"James Hardie made lots of money from the suffering of those victims. Why is no one made to answer for this?"

"HARMONISATION" OF OCCUPATIONAL HEALTH & SAFETY LAWS

Occupational health and safety (OHS) laws vary from State to State, but, as E-bulletin readers will know, the Federal Government moved last year to "harmonise" these differences by establishing national laws to cover all workers equally.

The CEPU is concerned that the proposed new legislation will permanently erode workers' rights across the country and has joined the ACTU in a strong campaign to amend it before the changes become law. The CEPU believes the Government should "harmonise" up instead of down i.e. take the best bits of the systems in Australia and combine them.

In particular, the union is concerned that the new legislation will undermine the effectiveness of OH&S representatives. OH&S reps are the backbone of the system that protects workplace safety.

The legislation puts a number of barriers in their path such as not allowing them to exercise their rights until they are fully trained while at the same time laying out no timetable for training delivery.

The legislation will also weaken the consultation rights that most Australian employees currently enjoy. Under current laws in most States employers must consult workers about OH&S. The proposed laws take a step backwards by the inclusion only requiring

such consultation if it is "reasonably necessary".

More generally, the CEPU is concerned that the laws proposed are not about increasing worker safety so much as reducing administrative red tape i.e. reducing the regulatory burden on employers. At the same time employers only pay 3% of the cost of workplace death, injury and illness - 97% is paid for by the employee and the community.

The Federal Government is missing a great opportunity to create some of the best OH&S conditions in the world and if the legislation is passed in its current form, will never get the chance again!

Contact the Branch for further information about this important campaign to protect your OH&S conditions.

CEPU AND AUST POST AGREE ON STEPS TO MOVE FORWARD ON EBA

CEPU National President Ed Husic met with the new Australia Post Managing Director Ahmed Fahour last week.

The meeting was an opportunity to learn firsthand about the new MD's vision for Australia Post and the challenges the corporation needed to tackle in the coming year.

Discussion was also had about how to bring the parties together to help finalise the EBA negotiations and bring in a new agreement. Proposals are currently being developed to help do just that, and the CEPU looks forward to announcing this to members shortly.

The CEPU has made it clear to the new MD that union members want prompt action to get a new agreement as quickly as possible.

WORKCHOICES #2: COALITION WILL WIND BACK IR CLOCK

Recent statement by Opposition leaders show that Tony Abbott is determined to wind back the industrial relations clock and introduce WorkChoices #2.

In the space of a few weeks, members of Abbot's team have said they will:

Remove unfair dismissal protections for employees in enterprises with fewer than 20 staff:

This would mean some 2.3 million workers –one in four – would lose their current rights and have no protection.

Reintroduce individual workplace agreements. At a recent employer function in Queensland, Abbott told his listeners that the Coalition would seek to reintroduce "statutory non-union contracts."

Target penalty rates. According to Julie Bishop "inflexible conditions such as the penalty rates regime is costing employers more, it is making workers worse off".

Scrap minimum hours requirements for shift workers. The ACTU says the move would threaten the income and job security of 2.5 million casual workers.

In 2007, the Australian voters sent a clear message to the Howard Government about its extreme industrial relations agenda. But it seems that Tony Abbott still doesn't get it. For all his talk about WorkChoices being dead and buried it is clear that he and other members of his team remain deeply committed to the Howard approach.

As the Federal election draws closer, the anti-worker character of the Abbott team will become more

evident but even now working Australians should have no illusions about the Opposition's agenda.

INTERGENERATIONAL REPORT ADDS TO CASE FOR 15% SUPERANNUATION

The Intergenerational Report on the economic impact of Australia's growing aged population has added impetus to the union campaign to lift the superannuation guarantee to 15%. The report predicts that the proportion of the population aged over 65 will have close to doubled by 2050.

The gap between what people have saved and what they need in retirement has blown out by 55% to \$73,000 in the past four years.

ACTU President Sharan Burrow says the report is a wakeup call that retirement incomes will be inadequate for the majority of Australians and urgent action is needed to increase the superannuation guarantee towards a target of 15% by 2015. Unions also want more incentives to encourage workforce participation by women and older people.

AUST POST EXECS IN BONUS BONANZA AS STAFF FACE CAPS

Middle level managers at Post Logistics have had their bonuses capped at 5 per cent while senior managers received bonuses of more than 15 times that amount.

Notwithstanding a record loss of about \$50 million last financial year, senior Australia Post executives who served on the board of the logistics business had bonuses of more than 75 per cent in addition to their base salary, according to figures in the Australia Post annual report.

Meanwhile the business's general manager, Brendan Boyd, informed staff that performance pay

"will be capped at 5 per cent", according to an article published *The Age*.

Graeme John, who left the company at the end of last year, was given a 75.8 per cent bonus as part of a \$2.5 million salary, while the organisation's chief financial officer picked up a 56.7 per cent bonus to bring his salary to \$766,264.

Alec Caselli, who resigned as general manager of Australia Post Logistics last April, still managed to pick up a 10.4 per cent bonus that took his salary to \$469,963.

But Post is taking action to recoup the Post Logistics losses - executive salaries were frozen this financial year, while award employees were being given pay increases of 4 per cent per year!

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