



TELSTRA Grievance Debate 9 October 2006

Ms GRIERSON (Newcastle) (4.47 pm)—I rise to comment on the announcement of Telstra's new network last Friday and to bring to the attention of the House a range of problems in the communications portfolio still facing the people of Newcastle. Whilst Telstra's announcement is welcome it is long overdue, particularly in terms of broadband services—an investment that the government should have made a long time ago. They should have actually put some real funding into our telecommunications infrastructure. It should also hopefully end the absurd situation where people in suburbs of Newcastle, the sixth largest city in Australia, cannot access high-speed broadband services.

Telstra says that affordable mobile broadband services will be available to 98 per cent of the Australian population. I sincerely hope that includes people in areas like Coral Sea Avenue, Shortland and the journalist I just spoke to from North Lambton, who are unable to access ADSL broadband services. I am also thinking of those people in nearby areas who signed up to the old wireless broadband network and found the service so poor that they may as well have been on dial-up. I will be watching closely to see that the new network delivers affordable and high-speed broadband services to those people.

It needs to be stated that Telstra's reaction to calls for a fair pay deal for the phone technicians is something that also deserves our scrutiny. Two weeks ago in Newcastle at a rally with Sharan Burrow of the ACTU and Shane Murphy of the CEPU I met the workers who are affected by Telstra's unilateral cuts to pay rates. The classification of a rural job was changed, which had the effect of cutting the rate for such a job from \$105 to just \$80. It is estimated that this would cut the yearly pay of each worker by up to \$25,000. This was announced the same day that we discovered the CEO of Telstra had received a 25 per cent pay rise, taking his annual salary to almost \$9 million.

The changes for the phone technicians are completely unacceptable, and the workers are desperate for a fair deal. The problem is, because they are subcontracted through a company called Downer Engineering, Telstra has up to now denied all responsibility for the pay cut. It is simply not good enough

for Telstra and Downer to hide behind a contract whilst workers suffer. I have written to the parties to this dispute, as well as the relevant ministers, urging them to do all they can to sort this mess out. Downer claims it is forced to pass on Telstra's changes to the workers in order to keep their contract. If Telstra passes the cuts onto Downer and Downer passes the cuts onto the workers, the workers sure as hell do not have anyone else to pass these cuts onto.

As independent contractors they are responsible for their own superannuation, holidays, sick leave, equipment, insurance and transport. Sadly, this is where the workers then had to make their cuts. Like many of the independent contractor truck drivers I met earlier this year, many of the independent contractor phone technicians in this dispute simply are not putting their superannuation away any more. This is a terrible situation to put workers in. We all know how important superannuation has been to the retirement futures of Australians since compulsory super was introduced by the Labor Party in 1987, yet here we have the futures of these workers and their families being put in jeopardy because they simply cannot afford to put aside provision for super due to these rate cuts in their pay.

Meanwhile, with its independent contractors bill, the Howard government is trying to push more and more workers into just such a situation. The bill will leave independent contractors even more at the whim of those that they work for, especially when they do all of their work for the one employer, as is the case with phone technicians. It will mean even less power for workers to fight unilateral pay cuts and even more workers being forced to choose between feeding their families now and putting their superannuation away for the future.

It is not just the workers who will suffer if they are not given a fair go. Many of them told me that they would simply stop repairing faults in rural and remote areas because the lower rate of pay for that service will not cover what it actually costs them to do the job. This means even less of a response to calls for assistance with phone faults in regional areas. Residents waited for over a week to get basic phone services reconnected in my electorate after a storm last month. I fear that if Telstra and Downer maintain these new lower rates service standards will slip even further.

It is not just Telstra which is having repair problems. Last week, a frustrated Optus customer contacted my office to complain that his phone and broadband services had not been repaired, even though he had first reported the fault on 30 August. It has now been five weeks and five days that he has been waiting for somebody to do something about it, despite speaking to almost 50 different customer service people, technicians and complaints officers in both Optus and the office of the Telecommunications Industry Ombudsman. Meanwhile, the family has been trying to use their phone and internet for their work and their study and to make travel arrangements. These are simple, everyday things for which we all now use broadband

internet. It is an absolutely essential service. I have been advised this morning that fortunately progress has been made on fixing their service, but my constituents should not have had to wait five weeks for this to occur.

I have to agree with the concerns my constituents raised about the ability of the ombudsman to make Optus fix the faults and about what will happen to Telstra repair services once the government fully privatises it. With the government today launching another \$20 million advertising blitz for its full sale of Telstra, it is a timely reminder of what a sell off of the Australian people this sell off of Telstra really is.

With the launch last Friday of the new Postal Industry Ombudsman, I am also reminded of how standards slipped after the outsourcing of postal services in the Newcastle suburb of Stockton in 2001. To give some credit to Australia Post and their workers, they appear to have sorted out some of the problems there. Certainly, I am receiving fewer complaints since changes were made to the contract and the delivery run late last year. But I am not sure if this is due to better service or if it is just that people are resigned to accept their fate and are not making those complaints. I certainly hope that it is because of service improvements. We continue to monitor the situation, and will be making Stockton residents aware that the Postal Industry Ombudsman is now operational if they continue to have problems.

However, the trend of outsourcing certainly appears to have led to service levels taking a dive in Australia Post over the past few years. Figures from the minister indicate that complaints to Australia Post from the postcode which includes Stockton tripled between 2000 and 2001 and between 2001 and 2005 the number of complaints doubled again. And it is not just Stockton. Over the same period, complaints to Australia Post across the state of New South Wales jumped by 30 per cent and complaints Australia wide jumped by 11 per cent. Complaints to the ombudsman over that period reflect a similar trend, with an increase Australia wide of 32 per cent.

We should perhaps stop and reflect on why this is so. With privatisation and outsourcing, it is often the case that workers' rates are squeezed as low as possible. In the case of the Telstra technicians I referred to earlier, they say that the rates are so low that they simply cannot do the job. With the Stockton postal service, we saw in the early days massive shortcuts being taken in delivery, with instances of whole bags of mail being dumped instead of being delivered. We have to make sure that the workers involved in contracting arrangements are being paid enough to do a proper job.

We also have to ensure that the workers doing the jobs are trained to do those jobs. How many of the problems in the early days of the Stockton mail privatisation can be attributed to the delivery people lacking training? What structures are in place to train the next generation of phone technicians now that we have these subcontracting arrangements in place? In fact, no-one is training them. The days of working for a service delivery organisation and

receiving training as you move through that organisation appear to be long gone, and this is a real concern. We already have a massive skills crisis in this country, and the last thing that we need is for organisations such as Australia Post and Telstra to withdraw completely from the training field.

It is symptomatic of this out of touch government that the education minister is sticking her nose into state school curricula and reporting systems while the skill crisis deepens. While vigilance on service delivery in the communications portfolio is needed more than ever, Minister Coonan is tied up trying to sell a dud package of media laws to her National Party Senate colleagues. This government needs to get back to basics. It is completely out of touch with the needs of ordinary Australians in their daily lives. Service delivery is a government responsibility and it is being neglected. Telstra's new network has been built in spite of, not because of, the government. I look forward to this network improving broadband access in Newcastle. I also look forward to supplementing it with the national fibre-to-the-node network that Labor will build after this arrogant government is thrown out at the next election.