

Telstra Corporation – answers to questions taken on notice at public hearing of the JCNBN
30 October 2012

In Velocity estates, customers choose the speed of service they receive ie top of the range 100MBps or a lower speed. How does Telstra control the speed delivered to customers? Is it via the modem provided to the customer or does it occur in the network when the service is provisioned? Does the type of modem a customer has impact on the speed they are able to receive?

The network is used to control speeds to the customer, not the modem (CPE).

The modem can impact on the speed that the customer receives. Telstra provides modems that support 100 Mbps. However, if the customer provides their own modem (particularly older versions), then it is possible that it may not support 100 Mbps if it does not meet minimum standards or configured incorrectly.

Does Telstra use pressurised sheath copper in its network? If so, are there any particular maintenance problems associated with pressurised sheath copper?

Telstra does have pressurised cables in the network. These are generally large size copper main cables that connect between Exchange buildings or from an Exchange building through to the Pillar connection points. The cable pressure is used to prevent the entry of water into the cable.

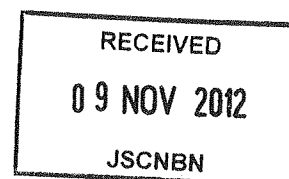
In Telstra there is a system of pressure monitors and gauges connected to these types of pressurised cables throughout the network. This is known as the Cable Pressure Alarm System (CPAS). This network is remotely monitored by Telstra staff and work practices have been developed around this monitoring to proactively protect these cables from failure. While this does add additional activities to maintain these cables, following these practices actually prevents/reduces the reactive maintenance requirements.

The copper that is left—where does that stand on Dr Warren's 'clock'?

The comments that were made by Dr Warren were nearly 10 years ago when broadband over copper was still an emerging technology. Since 2003 there have been ongoing technology developments (eg ADSL2+, VDSL) and investments in our core network that have increased the life expectancy of the copper, enabling it to continue to meet customer demand and expectations as the industry transitions to the NBN. In that time Telstra has invested several billion dollars to maintain and expand the copper network.

Why are the Retraining Funding Deed and Training Plan not publicly available? To what extent can these documents be released?

The Retraining Funding Deed is a bilateral agreement between Telstra and the Department of Broadband, Communications and the Digital Economy. The Training Plan is a confidential document created by Telstra for the purposes of outlining its planned training for a specified period. Both documents contain commercial information of the parties which, as is common practice, is not for public release.



**What is likely to be the geographic spread of available positions for retrained employees?
Will there be positions available in regional areas?**

Telstra does not currently have a view on the question of geography or timing, as the requirement for skills – and hence the retraining requirement and potential positions – is driven by many factors, most of which are outside Telstra’s control and visibility. For example, factors such as NBN Co’s architecture and deployment approach; the timing and geography of NBN Co’s network construction plans; NBN Co’s sourcing strategy for network construction and installation services; and NBN Co’s installation process all are key factors into determining the skill mix requirement.

What is the breakdown of the composition of Telstra’s workforce?

As at 30 June 2012:

	Domestic full time staff headcount	Total Workforce FTE
Telstra Group	30,203	39,972.38
Domestic controlled entities	3,317	3,895.95
Offshore controlled entities		5,210.83
Telstra Corporation	26,886	30,865.60

Can Telstra provide more detail on how it is intended the Training Plan will operate?

Under the terms of the Retraining Funding Deed, Telstra is required to develop a Training Plan which must be consistent with the objectives of the deed; namely:

- to support the availability of an appropriately trained workforce for the National Broadband Network; and
- for Telstra to establish a retraining arrangement for its staff who may otherwise have faced redundancy as a consequence of the rollout of the National Broadband Network.

Each Training Plan spans three financial years and must be approved by the Department. The first Training Plan, which covers the period from 30 April 2012 through to 30 June 2014, was approved by the Department on 25 June 2012.

The Training Plan is commercial in confidence. This is because the detail of the courseware (i.e. the nature of and curriculum for particular courses) and the plan for delivering that courseware (i.e. when Telstra intends to train employees in particular courses) may, in some instances, be commercially sensitive. Telstra can, however, provide a summary of the Training Plan, as follows.

Two categories of employees are eligible to be retrained under the Retraining Funding Deed:

- employees in the “Automatically Eligible Workgroups” (AEW): broadly, the copper/HFC based field workforce, the copper/HFC direct field support workforce, the copper/HFC operations support workforce and the wholesale copper service workforce.

- employees who Telstra is satisfied may face redundancy over time (if not retrained) as a consequence of the decommissioning of the copper network or the deactivation of the HFC network.

The Training Plan deals primarily with employees who are in the AEW, as they can be specifically identified. At this point in time, it is not possible to accurately estimate how many employees may be in the second category outlined above. The number of employees in this category (if any) will depend on a range of factors which are unknown at this time. It is worth noting that employees will only fall into this category, and be eligible for retraining, if their role may be redundant because of NBN rollout. Employees whose roles are redundant for reasons unrelated to the rollout of the NBN (e.g. reduction in call volumes due to more transactions online and/or fewer complaints) would not be eligible for retraining.

Telstra has mapped employees in the AEW to new functions and forecast the skills required to undertake these functions. This forecast is commercially sensitive. However, Telstra is required to give priority to retraining employees in the AEW in NBN related technical, process and system activities. Telstra has identified six retraining categories:

1. planning design and construction of the NBN using FTTP, wireless and satellite technology
2. operational elements, including installation and migration of services from Telstra's existing networks to the NBN
3. operations and maintenance activity on the NBN
4. support for network elements including network transport and interconnect
5. back of house and front of house activities that support customer migration, new connections and customer and network assurance, and
6. installation and maintenance of in-premises products and services.

The Training Plan includes the following:

- a three year high level NBN Retraining Courseware Development Plan, which is reviewed every 12 months. It also sets out Telstra methodology for developing courseware, how it intends to evaluate and review courseware, as well as how health and safety requirements will be incorporated into training and evaluated
- targets for the number of courses that will be developed during each year of the Training Plan.
- an annual delivery plan, which details the number of courses intended to be delivered and the number of people that are planned to attend training during each quarter in each geographical location. This information is commercially sensitive.
- a forecast, for the eight years of the Retraining Funding Deed, of the annual and cumulative planned spend for both courseware development and training delivery. It is intended that actual spend will be tracked against this. The planned spend may be revised, from time to time; and

- for each of the eight years of the Retraining Funding Deed, targets for:
 - total spend on training;
 - the number of courses to be developed/refreshed; and
 - the number of employees who will be retrained in a new skill.

Beyond the first three years of the Plan, these targets are approximate and will be confirmed or revised when the next Training Plan (covering the period 1 July 2014 to 30 June 2017) is submitted.

What projections does Telstra have about future work/employee requirements?

Telstra does not currently have a detailed view on the future work/employee requirements. As highlighted above, the requirement for skills – and hence the retraining requirement and potential positions – is driven by many factors, outside Telstra’s control or visibility. In addition, Telstra and the industry have yet to assess additional requirements that may result from the migration activities resulting from the completion of the standard FSAM, as at this point this has yet to start.