

Submission on behalf of Sensis delegates committee, to Senate Committee enquiry into Telstra licence conditions

1. These are highly skilled, tertiary educated positions

Telstra's directories company Sensis, that produces Yellow and White Pages, is cutting 689 full-time positions, including outsourcing around 390 jobs offshore. Around 100 full time agency temps at Sensis employed by Julia Ross are also getting the sack, some of whom have worked at Sensis for 5 years, with no redundancy entitlements.

Around 200 sales jobs have already gone. Designer's jobs are due to go in September and November, with other positions going between now and then.

High skilled graphic design jobs will go to Wipro in India, high skilled customer service jobs will go to either Wipro or Tele tech in the Philippines. We believe this will reduce quality of design, increase errors in critical information like phone numbers and addresses, and decrease support to fix such errors. In its print products, Sensis is still a monopoly and customers have nowhere else to go.

Sensis claims to be transitioning to a digital business, but is outsourcing the key areas of its online workforce. The print books are still coming out and not expected to be scrapped anytime soon. The work still needs to be done. Sensis is simply seeking to increase its already substantial profits by employing people paid much less – whilst Sensis won't

disclose Wipro salaries, graphic designers in India can be paid up to 15 times less than Sensis staff – see below for example

<http://www.coroflot.com/designsalaryguide/graphic-designer/india/Mumbai>

http://www.ehow.com/about_6620352_graphic-designing-salary-india.html

2. Telstra and Sensis are profitable.

Sensis made around \$690 million EBITDA profit last financial year 2011-12. And Telstra declared a record \$1.6 billion half year profit. Their plan to cut jobs is a cost-cutting exercise aimed at increasing profits. These companies are not about to go out of business. Telstra CEO David Thodey gets \$8million per year. Ex Sensis CEO Bruce Akhurst got a 53% pay increase to around \$3 million before he left, and was paid out over \$1.5 million when he quit.

Sensis claims the outsourcing is not about cost cutting. They claim they can only have a 24/7 customer focused operation if the jobs are based overseas, which we believe to be nonsense.

They have said that the software they need is only available overseas from Wipro, but the outsourcer will use the same software we do. We think it is about cost cutting. We also believe Telstra and Sensis can afford to pay fair wages.

3. Telstra, as a publicly built company, has an obligation to the community from which it profits.

Telstra was built up by tax payer money. There were obligations that came with privatisation – for instance Telstra’s Universal Service Obligation, and the legislative requirement to produce the White Pages.

Producing the directories here in Australia could and should be another obligation. We believe that was an intention of the original legislation when privatisation occurred.

If Telstra cannot afford to retain quality jobs, then who can?

4. Consumer Protection: data security risks to customer's personal and banking details

Production and customer care staff at Sensis have access to both customer identifying details, and financial information, such as direct debit and credit card information.

We have asked for information on how Sensis will insure that outsourcer Wipro will secure the privacy and security of customers information and not been given an answer.

Michael Richardson Sensis General Manager of production, did tell us that

“As discussed during consultation WIPRO will utilise the same systems to perform the functions of YP Print Art and YPOL / WPOL Online Production Specialists.

The functions that they will perform are the same as those that are carried out internally by the above roles today.”

60 staff at Wipro’s call centre in India were found to have participated in a scam where sales staff made up gifts and

other offers that didn't exist, in order to increase sales.

See <http://www.indiaforensic.com/wipro.htm>

It is not difficult to find negative comments from former Wipro employees

See <http://www.mouthshut.com/product-reviews/Wipro-reviews-925004556>

In addition Wipro only recently got over a 4 year ban from the World Bank for offering “improper inducements” to World Bank staff.

See <http://www.indianexpress.com/news/world-banks-4yr-ban-on-wipro-ends/811019/>

Wipro also had to be embarrassed by protesters beating drums to pay its tax in India.

<http://www.thehindu.com/news/cities/bangalore/civic-body-applies-thought-to-force-wipro-to-fork-dues/article4320422.ece>

Sensis claims that Yellow and White pages are “carbon neutral”, as certified by a government program, despite having no idea what the carbon emissions from Wipro are. Is the government able to audit the emissions of overseas companies?

5. The negative Impacts to the local economy of removing these incomes

Many indicators point to an approaching economic down turn. Removing quality jobs from the economy increases Australia's vulnerability to recession, creating a vicious circle, lowering the tax take, and taking wages out of

circulation. The government should be doing all in its power to maintain jobs.

6. This legislative change would come at ZERO cost to the taxpayer

It would cost the government nothing to save these 390 jobs.

7. The Communications Minister appears to have the power to change Telstra licence requirements

http://www.aph.gov.au/Parliamentary_Business/Bills_Legislation/bd/BD9798/98bd176

The Minister's power to direct Telstra

Section 9 of the *Telstra Corporation Act 1991* (TCA) enables the Minister to give such written directions to Telstra as appear to the Minister to be necessary in the public interest.

Even if Adam Bandt's amendment is not voted on in the lower house before the election, the Communications Minister would appear to have the power to change Telstra's licence conditions in the public interest if the above legislation is still current. If the Minister does not wish to use this power we request an explanation as to why saving our jobs would not be in the public interest.

Regards

Sensis AMWU delegates committee

AMWU Delegates

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Disclaimer: This submission is made by Sensis delegates committee on behalf of AMWU members at Sensis, it does not represent the view of Sensis.

