# House Standing Committee on Infrastructure and Communications

# Inquiry into the role and potential of the National Broadband Network

# Submission by the Communications, Electrical and Plumbing Union

# (Communications Division)

# February 2011

The Communications Division of the Communications, Electrical and Plumbing Union (CEPU) welcomes the opportunity to comment on the potential impacts of the National Broadband Network (and related developments) on Australian society.

The union supports the development of our national communications capacities through the extension of optical fibre into the telecommunications fixed access network and has long been an advocate for such investment. We have no doubt that the creation of a national high speed broadband platform, such as the National Broadband Network (NBN) will provide, has the potential to enhance the service offerings in the sectors identified in the Inquiry's terms of reference.

However, we also are aware that the NBN project is itself the expression of more sweeping changes that are re-shaping societies and economies at both national and global levels – the emergence of the "digital economy". Digitalisation has the potential to unleash new productive forces, as has already been amply demonstrated by the growth of the Internet and the new services it has enabled. But the ability of societies to benefit from this potential will depend on their investment not only in physical infrastructure but also in human capabilities – on their support for innovation, on the development of their national skills base and on their ability to manage the impact of structural change on employment opportunities.

The CEPU Communications Division is the largest union representing employees in the telecommunications and postal sectors, both of which are experiencing rapid change as the digital revolution gathers pace. In our view, the employment and training issues facing these sectors, while not specifically within the Inquiry's terms of reference, warrant the Committee's attention. Without a national workforce development strategy which reflects the character and needs of the digital economy, the opportunities represented by the NBN will not be fully realised.

#### 1.Telecommunications: building the NBN and the digital skills base.

#### 1.1. The NBN skills shortfall.

The Communications Division considers that the NBN project has created an opportunity – and a need - for a more systematic approach to skill formation in the telecommunications sector than has existed in the industry in recent years.

Changes to industry structure over the last two decades – most notably deregulation and the privatisation of Telstra – have, we believe, resulted in a diminished industry training effort, at least beyond the minimum required for regulatory purposes (Certificate II).

Telstra has wound back its internal training programmes and other companies have relied to a large degree on the skills of previously Telstra-trained employees to supply skill needs. This source of skilled labour is now drying up as the generation of workers trained within Telstra nears retirement age.

At the same time there has been a reluctance in the industry to train employees who may subsequently be "poached" by competitors before companies have the chance to recoup their training investment.

Last but not least, the outsourcing of many construction and maintenance functions by Telstra (and other telcos) has led to a change in the composition of the telecommunications field workforce which now contains a significant number of sub-contractors. While typically these workers are nominally "independent" (i.e. incorporated for tax purposes), most are in fact dependent contractors employed on a piece rate basis and operating on slim margins. For many, investment in training to refresh and/or upgrade skills may not be a realistic option.

Together, these trends have led to a decline in the delivery of structured telecommunications training, especially to trade and para-professional levels (Certificate III and above). As a result, the NBN project now faces the likelihood of skill shortages, especially in regional areas.

A degree of uncertainty still surrounds both the demand and supply of labour for the actual NBN build. Various estimates of the number of directly employed workers have been offered, ranging from an initial figure of 25,000 through to the 15-20,000 figure being used in more recent NBN Co briefings. These numbers will no doubt be further refined once the construction process proper begins. They will also be subject to variation depending on decisions about deployment strategies (e.g. aerial or underground; opt-in or opt-out for initial connection; location of network termination device).

These unknowns mean it is difficult to make a precise assessment of the extent of the likely skill shortfall. The problem is compounded by shortcomings in the available data on current

workforce capabilities, as discussed at 1.3.1. below. Estimates range however from between 7,000 to 10,000 telecommunications and electrical technicians and over 12,000 ICT professionals across the IT, electrical and telecommunications industries.<sup>1</sup> These figures imply that a major training effort will be required in the coming period.

The CEPU believes that this effort will need to be coordinated –and possibly funded – nationally if current NBN roll-out targets are to be met.

Failure to achieve such coordination is likely to result in a reliance on temporary migration to meet skill shortages. Apart from denying local workers the opportunity to acquire skills, such an approach would lessen the opportunity to use the NBN roll-out as a means of developing longer-term digital workforce capabilities.

#### **1.2.** Current activities and capacities.

#### 1.2.1. NBN Co.

NBN Co has indicated that it has been conducting its own skills and training analysis for construction, operation and maintenance of the NBN. The CEPU understands that it is intended that this analysis will form the basis of the competencies and qualifications expected of the workforce employed by NBN Co's principal contractors and sub-contractors. An initial framework, based on endorsed VET training packages in the telecommunications, electrical and construction sectors, is thus being developed. This will provide a basis and impetus for a renewed focus on training in the telecommunications industry.

It remains unclear, however, how the required training will be delivered and funded. It is not anticipated that NBN Co will involve itself directly in such training, except to audit training outcomes for the purposes of quality control.

Moreover there is a danger that a reliance on contracting and sub-contracting, such as the CEPU anticipates will characterise the NBN build, will undermine the goal of skill development. Cost pressures on all sections of the NBN contracting pyramid can be expected to be intense but inevitably it is those at the bottom of the hierarchy – the small "independent" contractors – who feel these pressures most sharply. The likely result is training short-cuts with all their negative implications for work quality, safety and national capability.

The CEPU considers that the responsibility for ensuring that these workers have access to appropriate training cannot simply be passed on down the line to the sub-contractors themselves. Steps need to be taken at federal government level to identify, coordinate and possibly extend training options for all NBN workers, as discussed at 1.3.4.

<sup>&</sup>lt;sup>1</sup> Impact of the Digital Economy and the National Broadband Network on Skills, Innovation and Business Skills Australia, January 2011, p.19.

#### 1.2.2. RTOs

The current capacity of Registered Training Organisations (RTOs) to deliver relevant training has not been assessed, but anecdotal evidence suggests that there may be a significant shortfall of trainers qualified to deliver the training required by NBN Co.

Availability of training resources may also be an issue. The latest training package for the telecommunications industry (ICT10), which incorporates NBN-related skills, is relatively new and funding may be needed to ensure the timely development and standardisation of related curriculum.

#### 1.2.3. Telstra NBN training.

As part of the overall agreement on telecommunications industry restructuring, the federal government has made \$100 million available to Telstra for retraining elements of its workforce to have NBN-related skills. This represents a recognition by government of the disruptive impacts of the NBN project on sections of the current telecommunications workforce, most immediately those who work on the copper network.

The CEPU welcomes any initiative designed to support its telecommunications members as the industry transitions to its new structure. We believe, however, that these monies can also play a part in the wider workforce development strategy that we believe is needed for the industry. In particular the union considers Telstra should be encouraged to identify longer-term employment opportunities and skill needs for its workforce, not just the shortterm requirements associated with the NBN build.

Further we would note that the grant to Telstra highlights the problems facing the other section of the telecommunications workforce whose fate is tied to the copper network – the 5,000+ sub-contractors that currently provide operations and maintenance services for the Telstra Customer Access Network (CAN). The union believes a funding mechanism needs to be identified to allow these workers to upgrade their skills so as to allow them to participate in both the NBN build and the post-build environment if they so wish.

#### **1.3.** Towards a digital workforce development strategy.

The CEPU has concentrated in the above discussion on the skill requirements of the NBN build as this is the issue of most immediate concern for our members. However, as indicated in our initial comments, the union recognises that if utilisation of the NBN is to be

maximised, development of relevant "e-Skills"<sup>2</sup> across all national industries and their workforces is necessary.

This will require coordination within and between:

- state and federal governments,
- the different education sectors and their institutions and
- industries and their workforce representatives.

Consideration of the full dimensions of this task is beyond the scope of this submission. The CEPU believes however that certain immediate measures can be identified which should form part of a national digital workforce plan encompassing both the supply and demand side of the NBN project i.e. both the build/maintenance/operation and the utilisation of the network.

#### **1.3.1.** Improved data collection on ICT skills and employment.

The lack of accurate data on the current Information and Communications Technology (ICT) workforce has been a source of frustration to the union and other industry members involved in labour market policy issues for many years. Data from the Australian Bureau of Statistics (ABS) is based on industry and occupational definitions which do not always match the actual jobs performed in the workplace or the current terminology used to describe them.<sup>3</sup> This represents a fundamental obstacle to the development of evidence-based policy in this area.

The union acknowledges that this situation reflects, at least in part, a blurring of definitional boundaries due to both the dynamic nature of the ICT sector and the growing pervasiveness of ICT across the whole economy. In our view, however, this is simply an argument for ensuring that the ABS is adequately resourced to review its categories and collect data on a more regular basis.

This need arises in relation not only to labour force statistics but to ABS data for the ICT sector as a whole. The last survey of the ICT industry by the ABS (ABS 8126.0) was conducted in respect of financial year 2006-07 and published in 2008. The CEPU understands that it is now the ABS' intention to conduct these surveys at 6 year intervals, a decision that evidently reflects funding cuts to the service. The union fears that data collected on this basis will be virtually useless for policy purposes.

#### **1.3.2.** Prioritising the development of ICT skills in the context of the NBN project.

<sup>&</sup>lt;sup>2</sup> The recent Innovation and Business Skills Australia report, following European precedents, defines e-Skills as those skills (or competencies) which "underpin the adoption, deployment and use of ICTs by a nation, a business or a region." See IBSA *op cit* p.11

<sup>&</sup>lt;sup>3</sup> IBSA *op cit* p.35

As noted above, quantification of the ICT skills base and of skill shortfall is fraught with practical and methodological difficulties, ICT being both an industry in its own right and an enabler of activity across industries. However, skill shortages are consistently reported in the ICT sector while reliance on temporary migration to meet shortfalls appears currently to be on the increase.

The latest data from the Department of Immigration and Citizenship showed the Information, Media and Telecommunications sector to be the third largest user of 457 visas during the period, with applications growing 94% over the 12 months to November 2010.

In particular there was a strong growth in the demand for IT professionals, with the top three occupations for 457 primary visa grants being developer programmer, management consultant and software and applications programmer.

With the NBN project and its flow-on effects set to increase such demand, the CEPU believes the development of the ICT/digital skill base should be high on the list of national policy priorities.

The Federal Government has indicated that a more strategic and coordinated allocation of training funds than has previously existed may be necessary to meet emerging skill shortages in key sectors of the Australian economy. The Critical Skills Investment Fund (CSIF) has been established for this purpose with a budget of \$200 million available to industry for co-funded training initiatives.

The initial focus of the CSIF appears to have been the resources and construction sectors, although the CEPU understands that telecommunications, and more specifically the NBN project, may now be being brought within the CSIF remit. To date, however, neither the telecommunications nor the broader ICT sector appears to be represented on the CSIF Advisory Board.

The CEPU considers that ICT skills/e-Skills are critical skills for any modern economy and at no time more so for Australia than in this present phase of infrastructure development. As emphasised before, without these skills the NBN can neither be built nor utilised within a time-frame that meets the government's policy objectives.

The union therefore recommends that both supply and demand side skills relevant to the NBN be given a high level of priority by the CSIF, with funding in the short-term being allocated to helping meet the expected construction workforce shortfall.

In the medium-to-longer term the union considers that government, in collaboration with industry, needs to put the issue of e-Skills development more firmly on the national agenda, as is being done in other regions. The European Commission (EC), for instance, has been involved in a series of initiatives over the last several years aimed at analysing Europe's e-

Skills needs. It has recently raised this activity to a new level with the launch last year of e-Skills Week, a series of events and discussions designed to raise the public profile of e-Skills and highlight their critical importance for future EU productivity, innovation and competitiveness. The week featured the launch of an e-Skills Manifesto<sup>4</sup>, co-funded by the EC and the European e-Skills Association, which called for a comprehensive training effort across all industry sectors and educational institutions.

#### **1.3.3.** Instituting a whole-of-government approach to e-skills development.

The union is concerned that the current structures of government may impede the timely development of the national training agenda we believe is necessary to implement the government's NBN policies and capitalise on NBN opportunities.

Since early in its inception, industry participants have argued that the NBN project and the wider digital economy issues surrounding it require a whole-of- government approach to ensure effective coordination of policy. Prior to the last federal election, for instance, the Communications Alliance proposed that a Cabinet Committee chaired by the Prime Minister be established "to ensure that policy settings across key Government portfolios are synchronised to harness the full potential of the digital revolution".<sup>5</sup>

The Communications Alliance nominated the Ministers responsible for Communications, Regional Development, Transport, Education, Health, Aged Care, Employment, Energy and Science as those who could be expected to play key roles on the Committee, alongside the Prime Minister. It also suggested that the federal government consider creating a Joint House Committee to examine Digital Economy issues in regional Australia, and making the Digital Economy a priority issue for the Council of Australian Governments (COAG).

The CEPU considers that similar initiatives at government level are needed in relation to education and training for the digital economy, with immediate NBN-related skill needs being a priority. At a minimum, an inter-departmental committee with representatives from DEEWR, DBCDE and DIST should be established, tasked with oversighting co-ordination of ICT/e-Skills policies and initiatives in the context of the government's broader digital economy and innovation agendas.

# **1.3.4.** Co-ordination of existing programmes, including VET in schools, to maximise NBN-related training opportunities for both existing workers and youth.

The issues raised above are relevant to all sectors of Australia's education and training system. From the point of view of the CEPU's members and potential members, however, it is the VET sector which is most relevant to providing training and employment

<sup>&</sup>lt;sup>4</sup> See McCormack, *The e-Skills Manifesto: A call to arms*, European Schoolnet, Brussels 2010. Available at http://eskills-week.ec.europa.eu/e-skills\_Manifesto.

<sup>&</sup>lt;sup>5</sup> *New Government must give priority to the digital economy*, Communications Alliance media release 21, 3 September 2010.

opportunities. Training within this sector will also produce the bulk of the NBN construction workforce.

As discussed at 1.2.1, endorsed VET training packages that align to NBN training needs already exist. The challenge lies in ensuring that funding sources are sufficient to actually deliver training. While some part of this funding may be provided by the larger principal contractors to NBN Co, smaller companies further down the contracting chain, including individual sub-contractors, may not have the resources to fund training needs. This opens the door to the twofold danger of non-compliance with required standards, with all its implications for work quality and worker safety, and of industry reliance on temporary migration to make up the skills shortfall.

The CEPU considers this situation may necessitate new funds, such as those allocated through the Critical Skills Investment Fund, being made available to the industry from government. However, it also argues for the efficient use of such existing funding as is available under current labour market programmes and trainee and apprenticeship schemes.

There is, we believe, a need for national coordination of these programmes, job networks and training systems with a view to matching present opportunities to the needs of the NBN roll-out at both national and regional levels. The aims would be:

- the up-skilling of the current telecommunications workforce
- the renewal of that workforce through traineeships, apprenticeships and VET in schools
- development of local and regional capabilities and job opportunities.

The union understands funding for such a co-ordinating role may be available through DEEWR under the current Industry Training Strategies Programme (ITSP). We recommend that an allocation be made for this purpose.

### 2. Postal: supporting structural adjustment in the digital economy.

As noted above, the Federal Government has acknowledged the need to provide support for Telstra employees who may be displaced by the NBN programme and has included a grant of \$100 million to the company for staff retraining as part of an overall agreement for industry restructuring.

This initiative is in line with Labor's record of supporting industry and workers facing the challenge of economic and industrial changes. Some examples of such major government assistance packages are those concerning the automotive industry, TCF, forest industry, structural adjustment packages for regions and many others.

The key imperative for government action has always been to encourage innovation and competitiveness and to assist the workforce in re-training to meet these challenges.

However, while Telstra employees will be provided with such assistance, another large section of the CEPU's membership – those employed by Australia Post – are equally in need of government support to deal with technological and structural change.

#### 2.1. The impacts of e-substitution.

The development of the digital economy – of which the NBN is a part – is transforming postal operations world-wide. Substitution from physical to electronic forms of communication and the resulting decline in mail volumes is presenting a major challenge to the business model of traditional postal operators. These changes are occurring at a time when many of the historic protections offered to the postal service in order to ensure its viability are being progressively dismantled.

In many countries, these circumstances are leading postal operators to restructure their businesses so as to reduce costs while at the same time diversifying their service offerings. Typically this has involved the closure of elements of the existing retail network, based largely as it has been on the handling of physical mail.

In the US, the United States Postal Service (USPS) has recently announced the closure of some 2,000 post offices as from March this year, following on from the closure of nearly 500 branches during 2010. A further 16,000 outlets, representing half of the operator's total, are under review. The moves come after USPS announced a US\$8.5 billion loss for the 2010 financial year despite cost-cutting that saw it shed 105,000 jobs over 2009 and 2010. The losses stemmed in large part from the ongoing decline in first class mail volumes which provide around half of USPS's total revenue.<sup>6</sup>

Similarly in the UK, Royal Mail has for some years been experiencing declining mail volumes and an associated loss of revenue to the point where its viability has been put in doubt. For the first half of fiscal 2010-11, Royal Mail reported a decline in profits of £132 million, a fall of 72% which it attributed primarily to declines in its letters division. The division reported losses of £66 in the 6 months to September 2010, reflecting a fall in letter volumes of around 68 million a day or 5% over the half year.

According to Royal Mail:

The average daily postbag now contains 68 million letters, packets and parcels – 16 million lower than the peak daily volume of 84 million items in 2005, a fall of

<sup>&</sup>lt;sup>6</sup> USPS Media Release November 12, 2010.

24% in just five years as, like in other countries around the world, customers are using email, websites and, increasingly, social media for communications in place of the traditional letter.  $^{7}$ 

In recognition of the impacts of both competition and e-substitution on Royal Mail's business (and hence on its ability to fund its community service obligations) the UK postal regulator has recently approved an increase in the standard letter rate together with other regulatory relief. The decision is aimed at providing Royal Mail breathing space to pursue its "modernisation" programme which is expected to see, among other things, the closure of some postal outlets and the reduction of deliveries.

Further support for the repositioning of the service has come from government which will provide £1.3 billion in funding over the next four years for the modernisation of the entity's post office network.

Australia is fortunate in that its postal service continued to enjoy healthy growth for most of the last decade with mail volumes and revenues continuing to increase up until 2008. However the impacts of product substitution are now being felt in a major way. Over the last two years the trends which have been evident for some time in overseas markets have emerged here with mail volumes falling in both 2009 and 2010. Domestic letter volumes falling by 4.1% and 4.2% respectively over these periods. Revenues grew slightly in 2009 but fell in 2010 by 2.3%.



Source: Australia Post Annual Report 2009-2010

The Union believes that this is only the beginning of a trend that will continue into the future. While population increases may exert some upward pressure on volumes, this is likely to be more that off-set by the societal shift toward electronic communications. The CEPU considers that Australia Post is now at the cross-roads. While there may be growth in other business products – parcels, financial and other transactional or retail services – a major transformation of the corporation's business will be needed to ensure that its continues to be profitable, to return dividends to government and meets its community

<sup>&</sup>lt;sup>7</sup> Royal Mail Holdings plc *Royal Mail Group results for the six months ended 26 September 2010,* p.10

service obligations while providing a safe and rewarding work environment for its employees.

#### 2.2. Supporting workforce readiness.

In recognition of changing business conditions, Australia Post has now embarked on a 5 year programme – Future Ready – designed to refocus the corporation's operations on growth areas in the new digital environment. In the union's view, this transformation of Australia Post should include the retraining of Post employees to allow them to participate in the repositioning of the company, so that they can be the agents rather than the victims of such change.

In line with this position, the Union successfully insisted on a major re-training commitment from Australia Post in our recent enterprise bargaining agreement. Under this agreement, Australia Post has committed \$20 million over three years to establish a training fund for the retraining of employees redeployed to growth and new areas of business. The Union insisted that this programme be established as a key element of the corporation's commitment to support job security and maximize future employment.

While we believe that this is a major commitment by the corporation given its current financial situation, we believe that approximately \$7million per annum will be inadequate to meeting the demands of retraining the workforce faced with this industry transformation.

This is why we are proposing that the Federal Government join with Australia Post in making a contribution to the retraining of this vital workforce for Australia's future.

The CEPU has written to the Prime Minister and other members of parliament proposing that the Federal Government match Australia Post's allocation of \$20 million over 3 years for this purpose (attached). We urge the Inquiry to support this proposal.

GEN 11/21 3.0-301

18 February 2011

The Hon Julia Gillard, MP, Prime Minister, Parliament House, <u>CANBERRA</u>. A.C.T. 2600.

**Dear Prime Minister** 

#### RE: GOVERNMENT INNOVATION ASSISTANCE TO AUSTRALIA'S POSTAL INDUSTRY

I write on behalf of the nearly 40,000 postal workers across Australia to seek a government contribution to assist these workers address major industrial change to their employment security and working environment.

Australia Post and its workforce have a proud history of responding to the challenges of competitiveness and productivity. Since corporatisation in 1989, Australia Post and its workforce have worked together to build one of the world's most competitive and profitable public postal services. This has resulted in many years of profitability, returning billions in taxation revenue to the government, in addition to over \$5 billion in special dividends. And this has been done through investing in staff and training to ensure that employment within the sector is highly skilled and technologically innovative.

Australia Post is now at the cross-roads. For the first time in many years, Australia Post is suffering the impact of product substitution in a major way. One the major revenues stream of the corporation – letters – is contracting. The Union believes that this is only the beginning of a reduction that will continue into the future. While population increases may increase volumes, the societal trend toward electronic communications will be inevitable. We do recognize that there may be growth in other business products – parcels, financial and other transactional or retail services.

The impact of these pressures on the profitability of Auastralia Post has now become dramatic. Since corporatisation in 1989, the corporation has operated in an environment with rising revenues, delivering healthy profit margins and taxation returns to government. Since 2008 this is no longer the case. While revenue has started to drop, profit before tax has fallen from approximately \$600 million to \$250 million. We anticipate that it will take a major transformation in the business to turn this situation around.



COMMUNICATIONS ELECTRICAL

PLUMBING UNION

COMMUNICATIONS DIVISION

ABN 22 401 014 998

Len Cooper Divisional President

Cameron Thiele Divisional Secretary

139-155 Queensberry St [PO Box 472] Carlton South Victoria 3053 Australia

Ph: 03 9349 2100 Fax: 03 9349 1952 E-mail: cddo@cepu.asn.au Web: www.cepuconnects.org



2.

Another key aspect of the postal sector is its social and community service obligations, which are set by regulation. These obligations are important in ensuring that the community is adequately serviced in terms of basic communications. However these obligations set major infrastructure and transport costs on the corporation. This is in addition to the reality of physical delivery requiring major commitments in human resources. These are the major contexts in the competitive transformation of the corporation.

Clearly the imperative is to meet this challenge by ensuring that the corporation and its workforce are able to successfully adapt so they can continue to provide excellent essential services to the Australian community.

It was in recognition of this situation that the Union successfully insisted on a major re-training commitment from Australia post in our recent enterprise bargaining agreement. Under this agreement, Australia Post has committed \$20 million over three years to establish a training fund for the retraining of employees redeployed to growth and new areas of business. The Union insisted that this program be established as a key element of the corporation's commitment to support job security and maximize future employment.

While we believe that this is a major commitment by the corporation given its current financial situation, we believe that approximately \$7million per annum will be inadequate to meeting the demands of retraining the workforce faced with this industry transformation.

This is why we are urging the Federal Government to join with Australia Post in making a contribution to the retraining of this vital workforce for Australia's future.

There is a long history of government's supporting industry and workers facing the challenge of economic and industrial changes. The key imperative for government action has always been to encourage innovation, competitiveness and to assist the workforce in re-training to meet these challenges. The government is also conscious of the need to support the development of Australia's skill base and employment.

Some examples of major government assistance packages are those concerning the automotive industry, TCF, forest industry, structural adjustment packages for regions and many others.

Concerning the forestry industry, industry assistance grants have been made available to workers and businesses directly affected by the provision of, or changes to, Regional Forest Agreements by the Australian Government. Specific programs, incorporating substantial financial and other assistance have been made available to the industry in Tasmanian, Victorian, NSW, Queensland and WA (i.e. the Tasmanian Forest Industry Development Program, Country Sawmills Assistance Program and the Softwood industry Development Program). Over the years, government assistance to innovation and change in this industry has amounted to hundreds of millions of dollars.

One of the best examples of Federal Government assistance to industry innovation and transformation has been its assistance to Australia's automotive industry. Current programs (whether the Green Car Innovation Fund or the Automotive Transformation Scheme) amount to almost \$4 billion in forward commitments. And these funds further leverage billions of dollars in industry investment. Government, Industry and Unions have recognized the vital role that government assistance can have in assisting Australia's industry meet the challenges of industrial change.

3.

In this Union's own sector the government has recognized the value in supporting industry transformations. The development and implementation of the Government's new innovative national broadband network – which this union fully supports – is supported by a \$100 million training fund. This is in recognition of the need to redeploy and retrain Australia's existing telecommunications workforce to meet the workforce needs of building and operating this essential infrastructure commitment. This Union fully supported the establishment of this fund and welcomes the Government's action in this regard.

However we believe that the situation of Australia Post and its workforce is comparable to many of these other examples of government assistance to industry and workers adapting to changing economic and industry conditions. We believe that a modest matching commitment by Government of \$20 million over the next three years (or approximately \$7 million per annum) would assist Australia Post and is workforce meet its industry challenges, maintain itself has a profitable and competitive operation and continue to meet its vital community service obligations. This could be delivered by a comparable reduction in future Australia Post dividends to government. In recent years these dividends have totaled between \$100-200 million per annum.

I urge you to consider this request favorably on behalf of Australia's 40,000 postal workers.

I would be more than happy to make further representations to you on this matter should you require. I look forward to your response.

Yours sincerely,

Cameron Thiele, DIVISIONAL SECRETARY.

сс

The Hon Wayne Swan, MP, Deputy Prime Minister and Treasurer Senator the Hon Stephen Conroy, Minister for Broadband, Communications and the Digital Economy Senator the Hon Kim Carr, Minister for Innovation, Industry, Science and Research

JC:mp