

# CommsWire

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## TELECOMS GOOD PLACE TO GET PAID WELL: SURVEY



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# TELECOMS PROFESSIONALS SALARY PROSPECTS IMPROVE: REPORT

Many telecommunications professionals are in line for salary increases with more than half of the employers in the sector indicating they will consider a lift in salaries – but only by around 3% - in their next reviews.

According to the latest salary guide from recruitment firm Hays, 52% of IT & telecommunications employers will give their staff a pay rise of less than 3% in their next review.



And based on a survey of more than 3,000 organisations, the Hays Salary Guide shows a further 32% will increase salaries between 3 to 6 per cent while 8 per cent will raise them by 6 per cent or more.

Compared to their last review, when 14% of IT & telecommunications employers gave no increases and 12% increased by 6% or above, Hays says the findings show that more professionals will receive an increase but fewer will

receive a raise at the higher level of 6% and above.

But, according to Hays, despite this, the IT & telecommunications industry remains more generous than most – and on average and across all industries, 18% of employers will give staff an increase of 3 to 6%, while just 6% will increase by 6% or more.

Hays says, however, that ICT workers have even higher expectations for a salary increase, with 19% expecting to receive 6% or more.

And, Hays says ICT employees have also prioritised a pay rise.

Two-thirds (67%) say a salary increase is their number one career priority this year and, if their employer doesn't offer a pay rise, almost half (48%, up from 45% last year) will request one.

“The demand for constant, on-demand access to products and services drove significant change across all sectors and industries this past year, with subsequent projects increasing the need for talent in a market already suffering from skill shortages,” says Adam Shapley, senior regional director of Hays Information Technology (below).



“One example was increased demand for candidates with an elastic skill set across all CSIRT functions, penetration testing and information security.

Given demand, cyber security salaries became more competitive.

“Another resulted from the increasing number of organisations that transferred their data to the Cloud.”

Shapley says developers with certifications and commercial experience working with cloud platforms are now often able to command higher salaries.

“With organisations continually shifting their focus to meet changing consumer expectations, UX/UI Designers and Service Designers are in high demand.

“Salary increases for Front-end and Java developers illustrate how tight the competition for talent is,” Shapley notes.

“The continued adoption of Agile project management methodologies across the public and private sectors also fuelled demand, in turn increasing salaries for project professionals experienced and qualified in Agile principles.”

The Hays Salary Guide also found:

- 53% of employers expect to increase permanent ICT staff levels in the next 12 months, far exceeding the 14% who say they’ll decrease
- Meanwhile 33% expect to increase their use of temporary and contract ICT staff, exceeding the 20% who anticipate decreasing in this area
- 35% of organisations now employ temporary and contract staff in their ICT department on a regular ongoing basis. Another 44% employ them for special projects or workloads.

**Peter Dinham**



## TELSTRA SHARES TAKE ANOTHER HIT, FALL TO SEVEN-YEAR LOW

The shares of Australia's biggest telco, Telstra, hit a seven-year low on Tuesday following a big drop on Monday after the company said its earnings for the current financial year would come in at the bottom end of guidance – between \$10.1 billion and \$10.6 billion.

The company's shares fell 4.9% to \$2.87 on Tuesday as analysts warned that there were no obvious solutions to the problems faced by the telco, the *Australian Financial Review* [reported](#).



The downgrade of the expected results was [announced](#) by chief executive Andy Penn on Monday, saying the company was facing a difficult trading period ahead due to the “challenging dynamics” of the rollout of the national broadband network and increasing pressure on its margins from competitors.

Penn issued his warning in remarks to a JP Morgan summit in Boston where he also

stressed that increased competition in the market, and the NBN, had eaten into profits.

The *AFR* cited analysts as saying they needed clarity on how Telstra would handle the growing price competition in mobile services, the effect of TPG's entry into the mobile market, how the big telco would react to the increasing loss of revenue to the NBN market and how it would deal with the increasing investment by Optus in network quality.

Citi analysts were quoted as saying: "In our view Telstra needs to be more aggressive with cost-cutting, and could consider more drastic actions including asset sales, tower-sharing agreements and even providing competitors with access to core infrastructure in order to boost wholesale revenues.

"We see 5G providing cost savings due to efficiency gains over 4G; in the current competitive environment this simply allows for continued data limit growth rather than improved profitability.

"Similarly with NBN competition so intense, we think any wholesale price cuts are likely to be competed away rather than delivering margin expansion for retail service providers."

Analysts from UBS said: ""In recent weeks we've seen TPG reveal aggressive new mobile plans, and the industry launch 'unlimited' mobile data plans for the first time.

"Based on status quo, we only see downside to our long-term EPS of 22¢ per share ... upsides [such as NBN failing to respond to technology threats] are long-dated – with potential regulatory/commercial fetters for Telstra."

**Sam Varghese**



# John de Ridder

## Telecommunications Economist

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# 36,000 HOMES TO BE HFC READY BY END OF JUNE: NBN CO

About 36,000 homes across Brisbane, the Gold Coast, Sydney, Melbourne, Adelaide and Perth will be declared "ready to connect" via HFC to the NBN by the end of June.

NBN Co chief network engineering officer Peter Ryan said in a monthly update on Wednesday that this was expected to be the first tranche of HFC connections after the [suspension](#) that was announced in November last year due to technical issues with the state of the Telstra HFC network.



The NBN Co had [said in April](#) that about 38,000 premises would be released by the end of June. No reason was given for the drop of 2000 in the number of premises being ready to connect between that announcement and today's update.

If all goes well with the premises mentioned, then the number of premises connectable via HFC would be increased to an average of 100,000 per month, Ryan said.

There was little new in the update. Ryan repeated the assurance that the HFC network would be upgraded to DOCSIS 3.1 "in the near future".

"We have also injected extra capacity upgrades to the access network and are working towards introducing the super-fast DOCSIS 3.1 standard, which will be capable of delivering 1Gbps peak wholesale download speeds in the near future," he wrote.

Along with the update, a chart of various statistics was provided, listing number of connections, uptime, etc, most of which were gone over when NBN Co issued its third quarter results on 10 May.

A couple of the statistics worth noting:

- NBN Co now claims to have zero downtime.
- The number of faults per 100 homes or businesses per month has gone up to 0.9 from 0.8 a year ago.

**Sam Varghese**

## NBN CO TO GET A NEW CORPORATE AFFAIRS BOSS IN JULY

**NBN Co has appointed former Jobs for NSW advocacy director and Head of Communications at the Police Federation of England and Wales Felicity Ross as its new corporate affairs lead from 18 July.**

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Ross (below) will replace Karina Keisler who announced her resignation in February.

A statement from NBN Co said Ross would bring more than 20 years' experience of managing stakeholder relations and communications in both private and public sectors.



She has expertise in large, high-profile, complex organisations in Australia and overseas, including London's Metropolitan Police at Scotland Yard, the UK Home Office, Serco, Westpac and the NSW Government.

NBN Co chief executive Bill Morrow said: "NBN Co has benefitted greatly from Karina's leadership over the past four years.

"She has built a high-calibre team and has worked hard to inform the conversation internally and across the media, government and industry.

"She has introduced new platforms across social media, employee communications and media engagement, including NBN Co's regional interface, NBN Local.

"Karina has been a passionate advocate for diversity and has been an active spokesperson for NBN Co.

"Felicity will lead the team on its next phase and will continue to report on our progress, clarify the facts, and help manage the reputation of the company.

"She brings significant experience in leadership roles with high-profile brands and challenging environments."

Ross has a post-graduate diploma in Communications Management from London Metropolitan University, and a BA from Macquarie University, Sydney.

**Sam Varghese**

## DEMS, RUBIO UP IN ARMS AGAINST TRUMP MOVE TO EASE ZTE BAN

Politicians in the US are up in arms over President Donald Trump's move to ease the seven-year export ban imposed on Chinese telecommunications company ZTE, characterising the company as a security threat.

Three Democrat senators wrote to Trump arguing that his move was a bad deal for American workers and for the security of the country.

Meanwhile, Republican Senator Marco Rubio of Florida added his voice, warning against making a "terrible deal", [according to reports](#) from *Reuters* and *The Wall Street Journal*.

Trump announced a change of policy on ZTE [on Sunday](#), tweeting that he had asked the Commerce Department, which imposed a seven-year export ban on the company in April, to help it "get back into business, fast".

He followed that up with a tweet [on Monday](#), defending the change of policy and saying that ZTE bought a big percentage of the components it needed from US companies. In 2017, ZTE paid more than US\$2.3 billion to 211 American suppliers.



The three Democrat Senators — Senate minority leader Chuck Schumer of New York, Ron Wyden of Oregon and Sherrod Brown of Ohio — said in their letter that national security "must not be used as a bargaining chip in trade negotiations".

The US and China have been holding talks in order to try and head off a damaging trade war and are believed to nearing an agreement to give ZTE a reprieve

In return, Beijing is said to have agreed to remove tariffs on some US agricultural products.

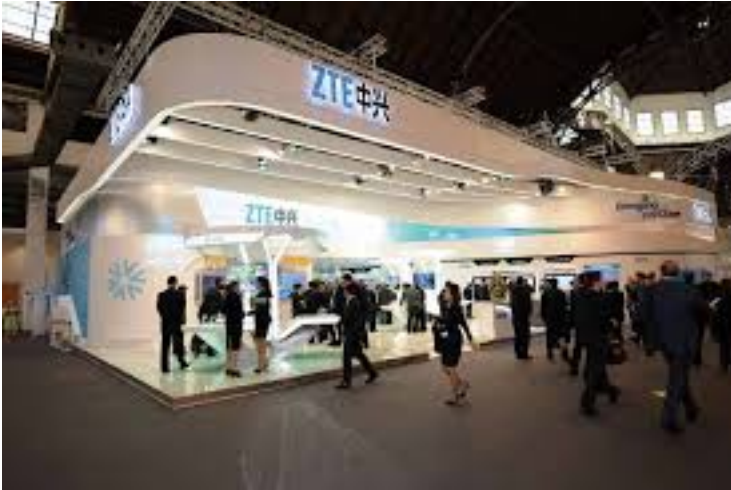
The three Democrat Senators said in their letter: "Offering to trade American sanctions



enforcement to promote jobs in China is plainly a bad deal for American workers and for the security of all Americans.

“Beyond appearing to risk American national security, the statement suggests that the administration is not serious about addressing the many economic challenges China presents.

“The devastating effects of China’s trade policies are clear.”



Rubio said in a tweet that replacing [the ban on ZTE](#) with a fine of between US\$300 million or US\$400 million was not a good deal.

"We have leverage to bring fairness back to relationship with #China whose other tech firms Tsinghua, Huawei, BBK, Yimi (sic) & Lenovo rely on US chips as well," he added.

(Rubio was probably referring to smartphone maker Xiaomi when he wrote Yimi.)

When the US Department of Commerce imposed the ban on ZTE, it said that it was due to alleged false statements made by the company during talks in 2016 over a charge of shipping telecommunications equipment to Iran and North Korea.

As a penalty, US firms cannot sell parts to ZTE for seven years.

ZTE was fined US\$1.19 billion in March 2017 and also agreed to a seven-year suspended export ban, which would take effect if it was found to be in violation of the Export Administration Regulations.

Subsequently, the Department of Commerce claims to have found that statements made by ZTE to the Bureau of Industry and Security were false.

Australia's biggest telco Telstra has taken 22 ZTE devices [off its shelves](#) after the company said it was [halting](#) its main business activities in the US.

**Sam Varghese**

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