Australian communication workers face new impasse

Telstra demands deeper cuts

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Despite 12 months of negotiations between Australian communications carrier Telstra and the Communication Electrical and Plumbers Union (CEPU), the company has not budged on its demands for sweeping concessions on jobs, outsourcing and working conditions. Management has also rejected the union's claim for a 16 percent wage increase over two years.

CEPU officials admitted at membership meetings last week--the first called since discussions began on a new national work agreement one year ago--that the protracted talks had produced nothing. Instead, the company had hardened its position.

Telstra's demands include:

- A new span of working hours to lengthen the work day and cut overtime payments
- Non-shift workers to work on Saturdays for normal rates
- The abolition of a raft of allowances and penalties payments in return for a once-off cash payment
- Reduced sick pay and call-out provisions.

While the negotiations were in progress, Telstra pressed ahead with its agenda to axe jobs and outsource major services. At the stopwork meetings workers heard for the first time that a deal was almost complete to hand over the entire Network Consumer Division (NCD) to a private company. Up to 1,500 jobs will be affected in New South Wales alone.

Only last year the union overrode workers' opposition and pushed through the 'Tullamarine Agreement' that slashed 12,000 jobs in the company's Consumer and Commercial Division. At the same time the union did nothing to oppose the privatisation of one third of Telstra.

In fact, under the banner of 'international competitiveness' CPEU has directly collaborated in restructuring Telstra. The union has used job shedding schemes that it developed with the previous Labor government, such as voluntary redundancy packages and consultation committees to help Telstra destroy jobs and working conditions, while stifling opposition by workers.

In mid-1996 Telstra announced Project Mercury, a plan to shed 25,000 jobs--one-third the workforce--in three years. Since then jobs have disappeared at the rate of 1,000 per month, while the union has divided workers section by section, pressed them to take redundancy payoffs and struck agreements to impose outsourcing.

Despite this record, workers at the meetings did not raise any criticism of the union leadership. They endorsed an official resolution for rolling stoppages under the control of the union's national executive. The union leadership's aim is to use threat of industrial action to pressure Telstra to maintain the union-management consultation mechanisms as the best means to achieve further cuts.

For years the union told Telstra workers that their future lay in rallying behind the company, sacrificing their conditions to make Telstra competitive against its international rivals. But after achieving vast increases in productivity to return record profits, Telstra workers are faced with even greater attacks.

At last week's meetings, union leaders did not even mention the current wave of corporate buy-outs and mergers transforming the face of global telecommunications. Nor did they refer to the collapse of Telstra's own global ventures. Yet it is precisely these developments that are determining Telstra's ruthless cost-cutting drive.

Three recent mergers or joint ventures have created giant global combines commanding billions of dollars in assets. AT&T, America's largest telephone company, has joined forces with Europe's biggest communications provider, British Telecom. Their joint venture will operate in 237 countries, with sales of $10 billion and operating profits of $1.7 billion forecast for the year 2000.

Ameritech, the largest foreign investor in European telecommunications, with customers in 15 countries and assets valued at $8 billion, has merged with SBC, which has investments in France, Switzerland and the United Kingdom. Another giant, WorldCom, has united with America's second largest long-distance communications company, MCI Communications. The new formation commands assets of $37 billion.

Under these conditions national providers, such as Telstra, have little future. In the latest *Business Weekly Review*, communications consultant Paul Budde comments: 'Telstra now has no chance of being a regional player. Organisations like AT&T, BT and WorldCom will become so strong they will gobble it up. In five to 10 years, I don't think there will be a Telstra.'

Telstra's demise is well underway. As a condition of its joint venture with BT, AT & T must withdraw its interests in WorldPartners, an alliance with other communications companies. Only weeks before, Telstra had paid an undisclosed sum, believed to be over $100 million, for 10 percent equity in WorldPartners. Communication analysts say AT & T's withdrawal could scuttle the alliance and leave Telstra out in the cold.

Added to this are Telstra's other failures in the world arena. A confidential 55-page Telstra report entitled *Project Stocktake*, recently leaked to the *Financial Review*, reveals that in 1994 the company invested up to $4 billion in start-up operations in India, Indonesia, China and Indo-China. It forecast a $1.5 billion a year return on investments. However, the venture has returned only $250 to $300 million. About $160 million of this came from one source: Vietnam.

Communication workers around the world have already paid a heavy price for accepting the perspective promoted by the unions: that of harnessing themselves behind their 'own' national employers. The result has been a downward spiral of conditions. The global operations of the transnational corporations make it imperative for workers to unite their struggles across national borders and develop their own global strategy.

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