

# Australian union profits from job destruction

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The leadership of the Australian Communications Electrical and Plumbers Union (CEPU) has discovered a gold mine with truly vast reserves. A short while ago the union launched Organised Personnel Placement, its own job placement agency.

OPP provides a service to employers by placing at their disposal communication workers who have been downsized from Telstra, Australia's semi-privatised telecommunications carrier. The policies actively pursued by the union are providing its new agency with no end of raw material to service the needs of its clientele.

In recent years Telstra has implemented a vast job cutting and outsourcing program. CEPU has collaborated with the entire process through voluntary redundancy schemes and an array of 'consultation and participatory' procedures.

When Telstra announced in 1996 that it would slash 23,000 jobs under its Project Mercury Plan it knew that it could rely on the union to divert opposition. The union bureaucracy lived up to expectations and consequently jobs began to be destroyed at the rate of 1,000 a week.

Then, in the wake of Project Mercury, CEPU negotiated the Tullamarine Agreement with Telstra that cleared the way for the destruction of another 12,000 jobs over three years. Now, after a further series of prolonged negotiations, the union has signed off on a new national work agreement that will see even more jobs disappear--classifications are to be amalgamated and demarcation abolished between technicians and lines staff.

The union leaders have told thousands of workers that little could be done to oppose job losses; their only option was to accept a voluntary redundancy package and look elsewhere. The union actively encouraged workers to believe they had a future if they became self-

employed contractors or sank their redundancy payments into small businesses.

But OPP managing marketing director Chris Smith now states that significant numbers of former Telstra workers 'got into trouble' buying into businesses where they had little or no expertise. The plain truth is that many went bankrupt. Some are now on OPP's books.

Senior Victorian CEPU official Len Cooper insisted that the union was 'not really interested in making much money' through its OPP venture. But the union is already boasting that the business has passed the break-even point. Over 400 workers have passed through the agency's doors in just nine months.

There are other benefits for CEPU besides gathering placement fees. According to a spokesman, the union will retain the coverage of those workers it places in a job thus maintaining its dues base. As well, the union will gain 'a foothold in private industry,' opening the way for a further extension of its dues revenue.

Even before CEPU's venture into job placement, the union had sought to profit from the plight of its members. Following the first wave of sackings in 1996 the CEPU leadership struck a deal with Manpower, a contract hire company. Manpower had begun to obtain work contracts from Telstra's outsourcing program but lacked skilled communications staff.

In exchange for being allowed exclusive union coverage of the company's new communications workforce, CEPU encouraged workers previously employed by Telstra on fixed term contracts to join Manpower. The union also agreed to lower rates of pay and inferior working conditions.

CEPU's foray into deals with the body hire business is not an exception as far as modern unions are concerned. The mining union has taken advantage of massive job destruction in the coal mines to set its own contract hire company. The Australian Manufacturing Workers Union runs a similar operation in the Hunter

Valley, an area of exceptionally high unemployment. Indeed, this orientation became the official policy of the Australian Council of Trade Unions at its last congress.

This turn to profit from the unemployment of their own members and to embrace the most exploitative work regimes, including contract labour, is not accidental. It is the outcome of the basic perspective of trade unionism, which continually adapts itself to the requirements of corporate profit.

See Also:

Job cuts fuel giant profits in Australian telecommunications

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