Australia: Telstra union imposes deal eroding conditions and jobs

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The Communication, Electrical and Plumbing Union (CEPU) has pushed through six enterprise work agreements in the partially state-owned communications carrier Telstra, imposing even greater work flexibility and creating the conditions for the destruction of thousands more full-time jobs. The agreements, covering thousands of workers in the company's six business units, are part of an ongoing restructuring program to slash costs and shed jobs in preparation for full privatisation.

In the lead-up to the ballot that closed on December 18, the union worked overtime to break down significant opposition. In the key Infrastructure Services unit, the agreement was narrowly voted down with 51.4 percent against. In four other units, support for the agreements ranged from just 57 percent to 69 percent. In the remaining unit, NTG Business, the vote was 91 percent, largely because the proposed work changes have little impact on existing conditions.

The imposition of the agreements assists the Howard government in selling off the remaining 50.1 percent of the company, a proposal that has suffered several setbacks since being first rejected in the Senate in 1998. In 2000, opposition in the government's own ranks, chiefly from National Party MPs facing a political backlash in their rural-based electorates, together with widespread popular disaffection, forced the government to temporarily back away from the Telstra sale.

In the lead up to the 2001 elections, the government was forced to promise it would hold off on full privatisation until telecommunication services improved in rural and regional areas. Last month, the government again put its plans on hold after a sharp decline in share prices slashed tens of millions of dollars from Telstra's sale value. Under such conditions, a rejection of the latest enterprise agreements would have further disrupted the government's agenda.

Despite its professed opposition to privatisation, the union worked hard to ensure this did not happen. Union officials from the CEPU's various divisions visited job locations and work sites across the country, using a promised 10.4 percent pay increase spread over 30 months, barely enough to compensate for inflation, to sell the deal.

The six agreements, drafted in closed-door union-management meetings, include a "Facilitative Clause" and a new work classification known as "Supplementary Worker". The "Facilitative Clause" empowers Telstra management to vary the length of the working day (currently set at 8.16 hours) to between 6.75 hours and 10 hours over seven days of any week, designating the weekend as part of the normal working week for the first time.

The union rode roughshod over the concerns of workers, including field technicians in the Infrastructure Services division, who have always opposed moves to require weekend working. Even though penalty rates will apply for weekends that fall in a scheduled work period, the changes will impact sharply on workers' family and social life, already under enormous strain. Telstra demands large amounts of overtime to overcome problems caused by staff shortages, and technicians are on almost permanent call.

The introduction of the "Supplementary Worker" will create a part-time workforce literally at management's beck and call. The workers will be employed directly by Telstra for a minimum of 500 hours a year or 10 hours a week, worked in five or ten-hour blocks any time over a seven-day period. Shifts can be cancelled on just 24-hours notice. This will assist management to plug holes in service provision caused by past downsizing and create the conditions for the loss of even more full-time jobs.

To assist the union overcome opposition to the deal, Telstra was forced to give a number of assurances, including a guarantee that existing employees will not be compelled to become supplementary workers. The promise, however, is worthless. The supplementary worker category will allow Telstra to retrench permanent workers without fear of undermining its skills base and reemploy some of them, if need be, as permanent part-time.

Telstra also agreed to pay supplementary workers all existing entitlements on a pro-rata basis. But once the work category is entrenched there is nothing to stop the company abolishing the entitlements at some future date, fully confident of the union's support.

Cynically playing on workers' hostility to contracting out and job losses, the union claimed that the creation of the permanent part-time category would "facilitate the growth of jobs within Telstra" and discourage the company from the further use of contract labour and outsourcing.

The claim merely demonstrates that the CEPU leadership is not interested in the quality of the jobs being introduced, so long as they provide the union with new dues-paying members. Telstra will not be discouraged from utilising contractors. A large part of the company's operations are already dependent on contract labour because of the depletion of the full-time workforce over the past decade.

The CEPU has waged no campaign to oppose the destruction of full-time jobs or the growth of contract labour. On the contrary, over the past 10 years it has helped Telstra impose enterprise agreements accepting both. In the past six years alone, 35,000 full-time jobs have been axed with the union's cooperation. Only last year, 3,500 Telstra call centre jobs were handed over to contractors and agencies without the union lifting a finger in opposition.

Prior to balloting for the latest agreements, officials from the union's New South Wales Postal and Telecommunications (P&T) Division, sensing considerable rank-and-file opposition, especially among the Infrastructure Services workers that it covers, advocated the new agreement be rejected.

While distancing themselves from the national leadership, the P&T officials had no intention of leading a genuine opposition to the agreement. They anticipated that even if they advocated a no vote, the rest of the CEPU officialdom would be able to utilise the prevailing confusion among Telstra workers to push the deal through.

At one job site meeting, a NSW P&T organiser refused to allow a resolution from the floor demanding the removal of the "Facilitative Clause" and the "Supplementary Worker" category from the agreement, claiming both were acceptable with "modifications". Asked what action the division would take if the agreement were rammed through in other states, he replied: "Nothing, when it begins to impact on members' family life and on jobs, we can have the satisfaction of saying, 'we told you so'."

The CEPU national leadership is already moving against the Infrastructure Services workers to intimidate them into accepting the agreement.

Just two days after the end of balloting, CEPU NSW Telecommunications and Services branch secretary Ian McCarthy, speaking for the national leadership, sent out a circular to union members indicating the union's displeasure with the no vote in the Infrastructure Services unit and signalling an offensive to silence opposition to the agreement.

McCarty declared there was "not really" any other way outside of workers accepting the agreement. "Telstra may try another ballot, offering the same deals some time in the future," he stated. "[T]he union has to get a pay rise for those who missed out ASAP" and "we will do this with whatever means are at our disposal".

McCarthy's threatening comments confirm that CEPU acts as the company's industrial arm to enforce the demands of management and the government.