

# Australia: Telstra unions call strike over new agreement

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Unions at the Australian telecommunications giant Telstra called a 24-hour strike on February 9 to demand that the company negotiate a new enterprise agreement. Around 8,000 workers reportedly joined the strike, but only small numbers attended rallies outside Telstra offices in capital cities.

The stoppage took place amid signs that Telstra is preparing substantial job cuts. Last month the *Australian Financial Review* reported that the company was considering further downsizing to offset projected falling revenue. "Those told of the retrenchment plan said it raised the possibility of as many as 10,000 job losses by removing 4,000 permanent employees and scaling back contracts and outsourcing arrangements that employ another 6,000," it stated.

The union campaign, however, has been narrowly focussed on securing a seat at the negotiating table with management, not defending the jobs, pay and conditions of Telstra workers. The Communications, Electrical and Plumbing Union (CEPU) and the Community and Public Sector Union (CPSU) have been pressing for discussions since Telstra broke off talks with them last September and began offering non-union Employee Collective Agreements (ECAs) to workers whose union enterprise agreements had expired.

The ECAs clear the way for a two-tier system to force new recruits and workers currently on non-union individual agreements onto lower wages and working conditions. Reportedly, under Part B of the ECAs, pay for these workers could be \$10,000 to \$15,000 a year less. For the remaining workers, the contracts offer a pay rise of 12.5 percent over three years plus so-called performance bonuses of up to 7 percent—which does not even compensate for inflation, given that the last pay increase was nearly 18 months ago.

No mention was made at the rallies of the looming job cuts. Instead, the sole demand was the unions' right to negotiate. CPSU national deputy president Michael Toll told the rally in Sydney: "Telstra is ripping workers off" because "it is denying its employees the choice of a union-negotiated agreement." CEPU organiser Shane Murphy said the campaign would continue "while Telstra refuses to return to the negotiating table".

The unions have not formulated a concrete log of claims, thus leaving them free to strike whatever deals are required by the company. The unions' main concern is to claw back positions for themselves as labour bargaining agencies under the Rudd

government's new industrial relations system.

Since the 1980s, under both Labor and Liberal governments, the unions have facilitated not only the destruction of jobs, but the wholesale destruction of longstanding work practices, as well as the privatisation of Telstra. Telstra's full-time domestic workforce has been slashed from around 90,000 to 34,000.

Now, however, Telstra management sees little need to employ the services of the unions. Precisely because of their previous betrayals, there has been a spectacular collapse in union membership at Telstra—from 95 percent in the 1980s to around 15 percent. Unionised workers have lost their jobs and many others left the union in disgust, while younger workers see no point in joining.

The unions have presided over the erosion of wages through job reclassifications, as well as major cutbacks to conditions. The timing of annual leave and rostered days off (RDOs) is now determined by the employer, and technical field staff can be forced to work overtime. Computerised work distribution systems and GPS instruments constantly monitor individual performance and vehicle movements.

The CEPU and CPSU have not campaigned to defend jobs or conditions. On the contrary, they have worked to contain the opposition of workers to limited protests and encouraged them to accept redundancy packages. Many displaced workers have been forced to seek employment on inferior pay and conditions with the contractors and outsourcing companies that took over Telstra work.

Union leaders try to excuse themselves by claiming it was impossible to wage a fight because of the anti-union legislation of the previous conservative Coalition government. But their failure to defend jobs and conditions did not begin in 1996 under former prime minister John Howard, nor will it end now that he has been replaced by a Labor prime minister.

It was the previous Labor government that laid the basis for the privatisation of Telstra, when the organisation, then called Telecom, was transformed in 1991 from a service provider to a profit-oriented company. The corporatisation was in line with Labor's pro-market agenda, pursued by the Hawke and Keating governments from 1983 to 1996.

In 1993, when Telstra announced the elimination of 23,000 jobs in "Project Mercury" the unions held out the futile hope that the Labor

government and the minor parties in the Senate would intervene to end the plan. The unions' refusal to fight "Project Mercury" helped pave the way for privatisation by the Howard government in 2005. At that time, the unions claimed that Howard's right-wing coalition partners in the National Party could be pressured to oppose the selloff legislation. Once privatised, Telstra announced it would slash a further 12,000 jobs by 2010.

Now the unions are promoting the illusion that the Rudd government's "Fair Work Bill" will provide a framework for defending conditions. The unions will maintain the current campaign until the passage of the Bill, due around the middle of the year, which will require many employers to negotiate with unions. As far as industrial action is concerned, however, the laws will be every bit as regressive as the previous "WorkChoices" legislation.

Labor's Bill retains the anti-strike provisions, which outlaw every form of industrial action, except when bargaining for a new enterprise agreement. The government can also block "protected" industrial action in "essential services" and a government agency, Fair Work Australia, can halt strikes under a broad range of pretexts, including "threatening to cause significant industrial harm to the employer" and "significant damage to the Australian economy".

There is nothing in the legislation's minimum standards to prevent Telstra from carrying through its job- and wage-cutting plans. Last September, the Rudd government urged Telstra to negotiate with the unions, with Workplace Relations Minister Julia Gillard saying that Telstra's refusal "did not fit with the spirit or the letter of Labor's new industrial relations laws". Telstra dismissed Gillard's criticism as "misinformed", pointing out that its ECA "meets or exceeds every one of the government's standards".

Some Telstra workers who spoke to the WSWS at a small rally outside Telstra headquarters in Sydney during the 24-hour strike expressed hopes that a union-negotiated agreement and the abolition of "WorkChoices" would provide some protection from the company's demands. However, Chris, who has worked at Telstra for about 10 years, was critical of the role of the unions.

"I have been through two or three union-negotiated enterprise bargaining agreements in my time. These have delivered pretty poor pay outcomes and involved trading off conditions. Many jobs have gone over that period, yet I have not seen the unions wage a real campaign over this. Things have been allowed to slide to the point that there is not much of a future for workers.

"To tell the truth, this dispute is about the union keeping its foot in the door with the company. As far as I can see, the pay offer made by Telstra of 12.5 percent is not that much different from what the union would be prepared to accept.

"The difference is that Telstra wants to cut out the unions and stop them being signatories to the agreement. I don't care much about the union myself. As far as I am concerned, the officials look after their own interests rather than those of the members. If the union does win the right to sit at the bargaining table, I think we could end up with a worse deal than on offer.

"I am here only because of the principle involved. I don't believe that Telstra has the right to dictate to workers what they should do. I also heard that Telstra wants to put new starters and those who come off AWAs [non-union individual contracts] on worse money and conditions. We have to defend the rights of these workers and of the older workers who are going to be pushed out.

"The union says we have to maintain the campaign until the Labor government brings in new industrial relations laws. I have read something on Labor's new IR laws and they are not that different to the Liberal's WorkChoices. Kevin Rudd is not that much different from Howard. While he tries to differ on a few minor points, on fundamental issues like anti-strike laws he is the same."

Chris commented on the response of the unions and the Rudd government to the global economic crisis.

"I saw what the mining unions did in giving up pay increases altogether at Alcoa. It surprised me a little but nothing shocks me anymore. I'm sure the mining bosses don't take pay cuts. It disgusts me that it is always the workers who have to sacrifice to keep the wheels turning.

"I have seen the multi-trillion dollar bailouts for the banks and corporations in the US. It's outrageous. These were the people who caused the problems in the first place. They say we have to bail them out to save the economy but they will only do the same again.

"The entire system is based on unbridled corporate greed. But governments everywhere say they have to be bailed out. But it's not the governments' money; it is the peoples' money that is being used, yet no one has any say in how this is done."



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