

# Australia: Telstra slashes hundreds of jobs at Sensis

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As part of an escalating drive to slash costs, Australia's largest telecommunications provider Telstra announced last week it would axe 20 percent of the workforce at its telephone directory business Sensis, eliminating 648 jobs.

Sensis workers in Sydney and Melbourne will bear the brunt of the restructuring, but jobs will also be cut in other capitals, and in regional centres across the country that are already suffering rising levels of unemployment.

Some 390 of the jobs, including those of editing, graphic design, production and customer service staff, will be outsourced, most probably to cheaper contractors in the Philippines or India.

The company delivered its bombshell announcement at staff meetings at the end of last month, telling distraught workers that the old print-based model of the White and Yellow Pages phone directories "was no longer sustainable". The management said it was making "tough decisions" to increase Sensis's share in the online and mobile search and directory market.

Telstra is relying on the communications unions to confine any opposition by workers to limited protests to let off steam, while they work behind the scenes to facilitate the downsizing.

The Australian Manufacturing Workers Union (AMWU) last week staged a token protest by about 100 workers outside Telstra's office in Melbourne, scattering paper planes made from the Yellow Pages directory. Union officials appealed to Telstra to "reconsider its position" and hold discussions with the unions, and urged the federal Labor government to deny the company access to government-funded projects.

The unions have collaborated closely with Telstra for decades, both before its full privatisation in 2000 and

ever since. They have assisted in destroying thousands of jobs, including through outsourcing and the use of contractors. As a result, Telstra's workforce has been slashed from around 90,000 in the 1980s to just 34,000 by mid-2011.

Prime Minister Julia Gillard had earlier described the Sensis job cuts as "really dreadful news," but her concern was entirely cynical. The Labor government, with the support of the unions, is enforcing the drive by major companies in every sector to restructure their operations to boost productivity and competitiveness, at the expense of the jobs, conditions and entitlements of workers.

The avalanche of job losses over the past 18 months is continuing. During the past two weeks alone, insurer QBE confirmed it would shed 700 jobs, printing company Geon went into liquidation affecting thousands of jobs across Australia and New Zealand, and Hills Gourmet Food Holdings closed its Rosella sauce factory in Sydney at the cost of 70 full-time and 30 casual jobs.

The unions are holding out the false hope that displaced Sensis workers could be redeployed within Telstra, pointing to the company's record half-year profit of \$1.6 billion. That profit, however, is the outcome of savage cost-cutting that is set to continue.

Last August, the company axed 651 jobs from its call centres and outsourced the services as part of its "Project New" restructuring. Those cuts came on top of the axing of 2,000 call centre and back office jobs over the previous 18 months.

Telstra chief executive David Thodey has declared that more job cuts are inevitable at Sensis as it moves "from a print to a digital business" and also flagged further "drastic" job cuts at Telstra over the next five years. Thodey said Telstra had "no option" but to

restructure “to remain competitive against rival telecom companies such as Vodafone and SingTel.”

SingTel has just announced it will axe around 450 jobs in the marketing, IT and networks departments at its Optus subsidiary, citing a slowing growth in the mobile market. The latest Optus cuts are on top of the 962 jobs shed by the company last year. Vodafone slashed 500 office jobs in November, or 10 percent of its workforce.

The unions are blaming Telstra for not maintaining “Australian jobs”, with the AMWU branding it an “unAustralian company”. The Community and Public Sector Union has expressed its “deep concern” about the “off-shoring of Australian jobs to lower wage countries.” The unions are promoting of nationalism to cover up their own collaboration with the job-shedding, even as they continue to work with Telstra to make it “more competitive” at the expense of workers.

The deepening global slump, particularly throughout Europe, is intensifying the increasingly cut-throat competition in the communications industry and the accelerating shift from fixed line telephone services to mobile and Internet devices.

In February, New Zealand’s biggest telecommunications company Telecom Corp lowered its earnings guidance for the year and warned it would axe hundreds more jobs, in line with “global trends”, to compete on broadband pricing and other services.

Swedish telecoms group Ericsson today announced plans to axe up to 12,000 jobs worldwide, out of the company’s total global staff of about 100,000. Ericsson issued a first-quarter trading statement saying it was being hit by the general economic downturn and an “abruptly slower telecom sector”. That followed similar announcements by rivals Motorola, Siemens and Marconi.

Elsewhere in Europe, Orange Poland (Telekomunikacja Polska) recently announced it would cut 1,700 positions, or 8 percent of its workforce, amid reports of falling revenues and the loss of 600,000 fixed line clients. Over the past three years the company has shed more than 5,000 jobs. Last month, German-based Deutsche Telekom, Europe’s largest telecommunications company, eliminated 1,200 jobs.

In the United States, communications giant Verizon slashed 1,700 technician and call centre positions last year, T-Mobile eliminated 1,900 call centre jobs and

AT&T cut over 200. In December, Indian company Tata Communications shed 300 jobs across its global operations.

Telstra workers can only conduct a struggle for their jobs by breaking from the unions and their nationalist perspective and turning to other sections of the working class, in Australia and internationally, facing similar attacks. That requires the establishment of independent rank-and-file committees and a political fight for a workers’ government and socialist policies, including placing telecommunications and other basic industries under social ownership and workers’ control.



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