

Australia: Telstra announces 1,100 more job cuts.

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As part of a relentless, ongoing restructuring of its operations, Australia's largest telecommunications provider Telstra confirmed plans last week to shed a further 1,100 jobs by next June, or around 3 percent of its current workforce.

The privatised former public utility first flagged the job cuts in May when it announced a reorganisation into five groups, including three newly created units—IT Solutions, Networks and Customer Service Delivery.

Most of the jobs will be eliminated from the telco's business unit known as Telstra Operations, which handles the design, construction and operation of the company's networks, together with the delivery of some customer services. The shedding will include fixed network technicians in New South Wales, Victoria, ACT and Tasmania, and staff from the company's media operations and customer service teams.

Telstra's chief operations officer Brendon Riley told the media last week that the latest cull could be followed by cuts across the company's other divisions before the end of this year. "Overall, probably every year we will get a bit smaller," he declared. "I don't know about indefinitely, but certainly for the next few years that will be the case."

Mass downsizing has become a permanent feature of Telstra's agenda. In March this year, Telstra slashed nearly 650 jobs from its directory business Sensis, and in mid-2012, it axed 651 from its call centres, as part of its "Project New" restructuring. These losses came on top of the destruction of 2,000 call centre and back office jobs over the previous 18 months. Between June 2008 and December 2012, Telstra reduced its workforce by around 8,000—from 46,649 to 38,663.

Telstra has been increasingly outsourcing operations offshore to take advantage of lower wages, particularly

in Asia. In July, the company said it would shift part of its back office operations to India, at the cost of 170 jobs. Nearly 400 of the 650 jobs slashed at Sensis, including those of editing, graphic design, production and customer service staff, were outsourced to Asian-based contractors.

The company's restructuring is driven by the intensifying cut throat competition for market share in the worldwide communications industry under conditions of deepening global slump and an accelerating shift from fixed line telephone services to more profitable mobile and Internet devices.

The international scramble to slash costs to gain a competitive edge is a race with no end. Restructuring and downsizing by a major provider in any part of the world becomes a benchmark driving similar attacks on jobs and working conditions across the globe.

Since the beginning of the year, thousands of job cuts have been unveiled, including in Europe by Motorola, Siemens, Marconi, Orange Poland, Swedish telecoms group Ericsson and German-based Deutsche Telekom. Thousands more were axed by US communications companies such as Verizon, T-Mobile and AT&T. In Australia, Telstra's competitors Optus and Vodafone, have eliminated close to 1,000 jobs between them this year.

The displaced Telstra workers are being thrown out of work under conditions of mounting unemployment as employers across Australia continue to shed thousands of jobs.

In August, Australia's official jobless rate increased 0.1 percent to 5.8 percent with the loss of 2,600 full-time jobs and 8,200 part-time jobs. In Tasmania, where Telstra will shed some of the network's technician positions, the unemployment rate jumped from 8.4 percent to 8.6 percent. The national youth

unemployment rate climbed to 17.3 percent, its highest level since October 2010.

However, a more accurate picture of the unemployment situation that displaced workers face is obtained from the Australian Bureau of Statistics' latest data on underemployment. It reveals that 13.7 percent of workers are either unemployed or do not have enough work.

While devastating the lives of workers, Telstra has boosted its profits, both by cutting jobs and by squeezing ever-greater levels of productivity out of its shrinking workforce. For the past five years, Telstra reported net profits of more than \$3 billion annually.

Moreover, the financial markets have signalled approval of the company's restructuring by pushing up its share values. As of September this year, Telstra shares stood at \$4.95, up 13 percent this year and 27 percent in two years. The shareholder beneficiaries are overwhelmingly large investment houses and wealthy individuals.

For the past six years, Telstra's downsizing had the full backing of the former Labor government, supported by the trade unions, which enforced the company's cost-cutting dictates, like those of every other major corporation, from Qantas to General Motors Holden.

The unions have collaborated with Telstra for decades, going back to before its full privatisation in 2000. They have assisted the destruction of thousands of jobs via so-called "voluntary redundancies" and other arrangements enshrined in successive enterprise work agreements to facilitate outsourcing and the growing use of contractors.

The unions have already made clear their readiness to help implement further job shedding. Responding to Telstra's announcement, Communications Electrical and Plumbing Union (CEPU) national secretary Shane Murphy said: "This initial announcement is just the tip of the iceberg. We expect ... that this is the first round in a number of cuts to be announced between now and the end of the financial year." Murphy said the union planned to meet Telstra managers to discuss the job cuts.

Speaking to ABC radio, Murphy said the union would have preferred Telstra to wait to see what National Broadband Network (NBN) contracts the company would obtain under the new Abbott Liberal-National government. "There hasn't been an

announcement from the government yet in relation to NBN and we're certain this is a little bit too soon to announce jobs to go when Telstra is not sure just how many, where and when, and what employees will be needed," he said.

In other words, having worked hand-in-glove with Telstra and the Labor government, the union bureaucracy stands ready to impose the requirements of the incoming Coalition government.



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