

Australia: Telstra announces 1,400 job cuts

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Telstra, Australia's largest telecommunications company, announced last week that it is axing up to 1,400 jobs across its national operations by the end of the year, in the latest of a series of pro-market restructures that have eliminated thousands of positions.

Virtually every section of the company's workforce is set to be affected by the sackings, which will begin next month. Around 90 percent of the job cuts will take place in New South Wales and Victoria, where the company's headquarters are located. Staff were reportedly informed of the overhaul in a text message sent on the morning of June 14.

Up to 349 of the redundancies will reportedly be in Telstra's Operations unit, which handles the business' front line activities including infrastructure management and customer service. Some 259 of those will be in Customer Service Delivery, with an estimated 149 in Field Service Delivery, largely in regional areas.

Maintenance, call centre, construction and technician jobs are among those that will be destroyed. At least 500 of the sackings have not been allocated, meaning that virtually the entire workforce has the threat of job cuts hanging over their heads.

The announcement has sparked warnings of a further deterioration in the quality of telecommunications services, and a deepening of the jobs crisis confronting workers across the sector.

The unions that cover Telstra have made clear that they will do nothing to oppose the restructure, instead declaring that they favour consultation and redeployments.

The Communication Workers Union (CWU), a division of the Communication Electrical and Plumbing Union (CEPU), declared that they had been "ambushed." The union incredulously claimed that it was taken unawares by the sackings, despite continuous

job cuts by the telecommunications giant over the past five years.

At the same time, on the day of the announcement, the Australian Broadcasting Corporation reported that the union had confirmed it would not take any industrial action.

The union cited federal Fair Work legislation which prohibits strike action outside of bargaining periods for a new Enterprise Agreement. The CEPU, however, along with all of the other major unions, supported the introduction of the draconian industrial laws by the last Labor government following the 2007 election. The union, as in previous restructures, was given a back-room briefing by Telstra last Thursday.

The Community and Public Sector Union, which also covers some of Telstra's employees, made clear that it did not oppose the sackings, posting a notice on its website that stated: "Our network of organisers, delegates and industrial experts have the knowledge and experience to minimise the impact of job losses on members." The union claimed that it could ensure workers received the redundancy payments they are entitled to.

The role of the unions in collaborating in round after round of redundancies has seen up to 6,000 jobs destroyed since 2013.

In February, Telstra revealed that it had eliminated almost 1,100 positions across its national operations over the previous six months. That followed at least 411 job cuts at its Australian call centres in 2015. Almost 80 of those were in the regional Victorian town of Ballarat, which suffers from widespread youth unemployment.

The previous year, the telecommunications giant announced that it was destroying 800 jobs at Sensis, a directory and marketing company, before selling a majority-stake to a US private equity firm for almost half a billion dollars. In August 2013, Telstra revealed

its largest round of job cuts in recent history, with 2,251 positions axed over the previous financial year.

All in all, successive rounds of redundancies and layoffs have seen the company's workforce fall from over 48,000 in 2001, to around 32,000 prior to the latest cuts.

The unions have repeatedly launched nationalist campaigns against Telstra's outsourcing of jobs to India, the Philippines and elsewhere. This has been aimed at diverting attention from the role of the unions in enforcing the sackings and dividing workers, who operate an inherently global industry, along national lines.

The nationalism peddled by the unions has also served to obscure the roots of the unending restructuring in the relentless drive of the privately-owned telecommunications companies to deliver the highest rates of return for their shareholders, by continuously slashing costs.

Telstra's latest sackings are part of a broader restructure, aimed at cutting expenses by \$1 billion over the next five years, amid intense competition in the sector. Alongside the job cuts, a number of the business' departments will be amalgamated, streamlined and renamed.

The move follows a half-year fall in profits to last February of 14.4 percent, from \$2.09 billion to \$1.79 billion, along with an overall three percent drop in revenue, including a decline in mobile and fixed-line products. In the second half of last year, Telstra secured 200,000 new customers, down by 35,000 for the same period in 2015. The comparable figure for the first half of 2013 was 739,000.

In a symptom of broader nervousness over the prospect of declining market share, Telstra's stock price registered its biggest single-fall in five years last April, following an announcement by private equity firm TPG that it was planning to build Australia's fourth major mobile services provider.

The National Broadband Network, once fully operational, is also expected to affect the company's revenue, with customers moving off Telstra's fixed-line accounts as it is rolled-out. Telstra has warned that this could create a \$2–3 billion earnings hole by 2020.

The company's main competitors are also slashing jobs. In April, Optus announced 320 staff cuts, following around 480 last year and 350 in 2014. A

number of the telecommunications firms are reportedly seeking to automate ever-larger sections of their operations, and expand into new digital operations, amid fears their traditional business model is not viable in the long-term.

The gutting of Telstra's workforce has been facilitated by the actions of successive governments, Labor and Liberal-National alike, along with the trade unions.

It was a federal Labor government that in 1991 corporatised Telstra, which was then called Telecom, by transforming it from a service provider to a profit-oriented company. The Labor governments of Bob Hawke and Paul Keating, from 1983 to 1996, backed by the unions, cleared the way for the wholesale privatisation of state-assets, including Telstra, which was later sold off by the Liberal-National government of John Howard.



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