

Australia: Telstra announces another 9,500 job cuts

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Telstra, Australia's largest telecommunications company, announced last Wednesday it will eliminate 9,500 jobs nationally over the next four years. It claimed it will hire 1,500 new workers, meaning a net reduction of 8,000 positions.

This is among the largest mass sackings in Australian corporate history. It is part of a deepening offensive against the jobs, wages and conditions of the working class, enforced by state and federal governments, Labor and Liberal-National alike, and by the corporatised trade unions.

Telstra's chief executive Andy Penn insisted the cuts would slash "middle management" and streamline the business's operations. Between two and four layers of management are to be eliminated.

The scale of the sackings, however, indicates that much of the company's workforce will be affected, including through forced redundancies. Hundreds of jobs are to be destroyed at Telstra's Sydney headquarters, and sackings are anticipated in capital cities and regional centres across the country.

The company said it is seeking to digitalise many customer service operations, prompting fears that its call centres, which employ hundreds of low-paid workers, may be closed.

The job cuts are part of a broader restructure, dubbed "Telstra 2022," aimed at slashing the company's costs by \$1 billion over four years, including through a 30 percent reduction in labour costs. One quarter of the company's existing staff are to be made redundant. The latest cuts follow a restructure two years ago, to reduce costs by \$1.5 billion, which included 1,800 sackings.

The extent of the job cuts triggered a nervous response from the parliamentary establishment, which fears that growing opposition to the corporate onslaught on jobs and conditions will result in major social and

political struggles.

Liberal-National Prime Minister Malcolm Turnbull declared: "The loss of so many jobs is very, very tough, heartbreaking news for the Australian workers at Telstra." His government's support for the layoffs, however, was made clear by urban infrastructure and cities minister, Paul Fletcher, a former telecommunications executive, who said the sackings were "to be expected."

Labor Party politicians, whose own governments have overseen the destruction of thousands of jobs across manufacturing and industry, cynically shed crocodile tears for the Telstra workers, while tacitly backing the cuts. Victorian Labor Premier Daniel Andrews called for "reskilling" and "retraining" programs, similar to those that were promised in a bid to placate widespread anger over the shutdown of the entire car industry and the accompanying mass sackings.

Telstra announced a bogus "transition program" to "assist" sacked workers, to be funded by a paltry \$50 million.

The unions covering Telstra employees have signalled that, as in every previous restructure, they will impose the sackings.

Alex Jansen, the New South Wales state secretary of the Communication Workers Union, denounced Telstra for allegedly failing to inform the unions of the sackings before they were publicly announced. His concern was that the scale of the restructure threatens the unions' privileged position at the negotiating table, where they bargain away the jobs, wages and conditions of the workers they falsely claim to represent.

The Community and Public Sector Union (CPSU) appealed for the Turnbull government to intervene. As

the CPSU well knows, on every occasion when the government has intervened in an industrial dispute, it has been to suppress strikes and industrial action and ensure the orderly imposition of corporate demands. That includes intervention via the pro-business Fair Work Australia industrial tribunal, created with the support of the unions.

CPSU deputy national president Rupert Evans signalled the unions' basic support for Telstra's cost-cutting agenda, saying the company had a "responsibility to manage their workforce" and develop a "long-term plan that identifies jobs at risk." He promoted the fraud that the company could be pressured to provide the "skills and training employees need to shift into new role."

The unions are seeking to cover up the fact that Telstra's sackings are part of a broader onslaught, amid growing storm clouds over the Australian economy and demands by major shareholders for sweeping corporate restructures.

An article in Wednesday's *Sydney Morning Herald* noted that Telstra's job cuts are part of a "wider war on white collar workers." The National Australia Bank announced 1,000 sackings earlier this year, and job cuts are slated at other major banks.

A day after Telstra's announcement, another 700 job cuts were unveiled at Toys 'R Us. Financial administrators said they could not find a buyer for the retail chain, so its 44 Australian stores will be shut down.

Within the telecommunications sector, intensifying competition between corporate giants and new digital technologies have undermined existing business models. The value of Telstra's shares has plummeted by around \$38 billion over the past three years.

The company is in intense competition with its chief rival, Optus, to secure market dominance of the 5G mobile network, which is scheduled to be rolled-out in the next several years. Telstra is dramatically reducing the number of mobile phone plans it offers and investing heavily in digital technologies. The latest restructure involves splitting its infrastructure operations from its retail activities, in a bid to boost shareholder value.

For years, Telstra has conducted a continuous offensive against its workforce, aided by the unions, which have suppressed workers' opposition time and

again. New job cuts have been announced almost every year over the past decade.

Prior to the latest sackings, Telstra had destroyed some 6,000 jobs since 2013. In 2001, the company's workforce numbered more than 48,000. Before Wednesday's announcement, the figure was around 30,000. If the most recent cuts are imposed, Telstra's workforce will have been more than halved within 20 years.

The unions collaborated with successive governments in preparing the privatisation of Telstra, previously publicly-owned. In 1991, the federal Labor government corporatised Telstra, then called Telecom, with the full support of the unions. The move was part of a broader onslaught by the Labor governments of Bob Hawke and Paul Keating, which deregulated the economy, oversaw the destruction of hundreds of thousands of jobs, and moved to sell off state assets. Telstra was fully privatised in 2005 by the Liberal-National government of John Howard.

The record makes clear that a struggle against Telstra's latest cuts requires a break with the unions, and a political struggle against Labor and Liberal-National governments that represent the interests of the corporate and financial elite. Such a fight can only go forward on the basis of a socialist perspective including placing essential services and infrastructure such as telecommunications under public ownership and the democratic control of the working class.



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