

Australia: Telstra to destroy 10,000 contract jobs over two years

Oscar Grenfell**10 June 2019**

Telstra, Australia's largest telecommunications company, announced last Tuesday that it will eliminate 10,000 contract positions over the next two years. This follows its unveiling in June last year of a plan to destroy 9,500 permanent jobs by 2022.

The company has claimed that it will hire an additional 1,500 workers, meaning that the net reduction of permanent positions would be 8,000. It is likely, however, that many of the new employees will be based overseas, enabling Telstra to pay poverty-level wages and further slash labour costs.

The mass sacking, involving the rapid scrapping of almost 19,500 jobs, is the largest in Australian corporate history. It is part of an offensive, being enforced by state and federal governments, Labor and Liberal-National Coalition alike, and the corporatised trade unions, against the jobs, wages and conditions of workers across the country.

In Tuesday's announcement, Telstra chief executive Andrew Penn signaled that the contract positions would be rapidly eliminated. "Given the uncertainty this creates I have therefore been keen to get most of the changes and most of the reductions behind us as quickly as possible," he said.

Penn touted an "extensive program of support" that is supposedly in place for the workers who lose their jobs. When it announced its restructure in June 2018, Telstra stated that it would establish a "transition program" to "assist" sacked workers, but funding is a paltry \$50 million.

Contractors, moreover, do not have even the limited rights of permanent employees. They often lack basic entitlements, including long-service leave and holiday pay, and will not receive redundancy payments on a par with permanent workers.

In a separate announcement late last month, Telstra

signalled that it would destroy 6,000 of the permanent positions to be abolished by the end of June.

The company has already sacked 4,700 workers since June 2018, and will eliminate another 1,300 jobs over the coming weeks. The sackings thus far have reportedly hit office workers and call centre operators, along with some staff in frontline customer service roles.

Penn has also flagged further job cuts over the coming period, in addition to those that have already been announced.

The far-reaching restructure has only been able to proceed as a result of the support of the trade unions, which have suppressed any opposition from workers and sought to ensure an "orderly" retrenchment of jobs.

Community and Public Sector Union (CPSU) Deputy National President Brooke Muscat complained that the latest job cuts showed a "lack of strategic focus." "Instead of being ready for our digital future, they are flailing," she said.

Other union officials have made similar comments but have no fundamental opposition to the restructure and huge job losses.

In June last year, for instance, Alex Jansen, the New South Wales state secretary of the Communication Workers Union, condemned Telstra for allegedly failing to inform the unions of the sackings before they were publicly announced.

Last year CPSU Deputy National President Rupert Evans promoted the illusion that Telstra could be pressured to provide the "skills and training employees need to shift into new role."

Since then, the unions have called no strikes or taken any action to oppose the layoffs. Instead they initiated a petition, and have directed workers to make futile appeals to the federal Coalition government and the

Labor opposition to come to their aid.

In negotiations for a new enterprise agreement covering some Telstra workers, the Communications Electrical Plumbing Union has barely mentioned the job cuts. Instead they have called for a pitiful 12 percent pay rise over three years and organised a handful of isolated stoppages and token work bans.

The union is helping Telstra to carry out a sweeping overhaul of its entire business, under a plan dubbed “Telstra22.” The company is writing off \$500 million worth of back-office equipment and seeking to digitise its customer service and management operations. Telstra is also splitting its retail and infrastructure activities, in an attempt to boost share prices.

The restructure is partly motivated by intensifying competition within the telecommunications sector, resulting from the emergence of digital technologies that undermine existing business models. Telstra and its chief rival, Optus, have been competing for dominance of the new 5G market to be rolled out over coming years. Last December, Telstra announced that it was beginning to trial a new 5G network.

The sackings at Telstra are part of a broader corporate offensive against jobs, including in “white collar” industries. In December 2017, the National Australia Bank announced that it would destroy 6,000 jobs over three years. In April, mining company BHP began moves to eliminate 200 staff from its Perth office.

In every instance, the unions have facilitated the job destruction.

At Telstra, the unions have enforced a continuous offensive against jobs and conditions for over three decades.

In 1991, the unions backed the federal Labor government’s corporatisation of the company, which was then publicly-owned. The move, which was part of a broader pro-business overhaul of the economy by Labor and the unions, set the stage for the telecommunications company to be fully privatised by the Coalition government of John Howard in 2005.

At the same time, the unions have overseen a continuous reduction in jobs at the company. In 2001, the company’s workforce numbered more than 48,000. At the beginning of last year, the figure was around 30,000. With the recently announced layoffs, Telstra’s workforce will have been more than halved within 20 years.

The record makes clear that a struggle in defence of jobs and against the mass sackings can only take place through a rebellion against all of the unions.

New organisations, including independent rank-and-file committees, are required to break the isolation enforced by the unions. Such committees need to turn to other sections of workers in Australia and internationally who face similar attacks and to develop a unified industrial and political campaign to defend all jobs and improve wages and conditions.

Above all, a new political perspective is needed, based on the fight for a workers’ government and socialist policies, including placing Telstra and the telecommunications sector, along with the banks and other major corporations, under public ownership and democratic workers’ control.



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