Australia's Telstra imposes 1,400 more sackings as restructure resumes

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Telstra, Australia's largest telecommunications company, has recommenced its drive to eliminate 8,000 jobs by June 30, suddenly informing 1,425 workers at the beginning of January that they are being retrenched.

The massive job shedding is part of the former government-owned company's far-reaching T22 plan, first unveiled in mid-2018. It is aimed at cutting $1 billion in costs, primarily through job cuts and by splitting off old infrastructure assets. The restructure was temporarily halted last year after the outbreak of the COVID-19 pandemic.

At that time, Telstra's chief executive Andy Penn claimed the decision to suspend sackings was "a public-spirited effort." In fact, the delay was motivated purely by Telstra's commercial interests. It required the temporary retention of staff to handle increased capacity and network demand as millions of people began to work from home due to pandemic restrictions.

Communications, Electrical and Plumbing Union (CEPU) national president Shane Murphy rushed to praise Telstra's stay of execution, describing it as a "a big win for workers," who could now "focus on their work."

Telstra's workers were contemptuously informed of the T22 restart by a company email. Telstra boasted that with the latest sackings it had achieved 90 percent of its job destruction target and would eliminate another 800 positions by the end of the financial year.

The CEPU and the Communication Workers Union (CWU), which cover Telstra staff, are seeking to block any struggle in defence of jobs. Murphy responded to the latest announcement by plaintively asking Telstra "to reconsider its position" because the staff reduction could adversely affect company operations.

This grovelling response is in line with the role played by the unions from the outset of T22. They have collaborated with the company at every point to facilitate the restructure and worked to block opposition by workers.

Through a series of union-supported programs, such as the company's so-called assistance employee package, its career transition scheme and vague suggestions of possible redeployment for some sacked workers, combined with severance arrangements, the jobs have been destroyed without any organised opposition.

On the basis of its job destruction, Telstra announced a 16-cent shareholder dividend in a February 11 financial report, despite a sharp decline in half-year earnings. It also unveiled an increased cost reduction target of $2.7 billion for the next financial year. The news saw Telstra share price rise to $3.25, a six-month high.

Telstra reported that its underlying earnings fell by 14.2 percent to $3.3 billion over the previous financial half. In part, the coronavirus pandemic resulted in declines to lucrative international roaming revenues and required additional expenses for customer support. While before-tax profits fell 20 percent compared with the previous year, the company still raked in $1.33 billion, no doubt helped by earlier cuts to jobs and working conditions.

Penn has described the T22 restructure as the "biggest and most complex" since the privatisation of the telco, which began in 1997 under an earlier Liberal-National government and was completed by the Labor Party in 2011. T22 will split Telstra into three legal entities under an umbrella group by December.

InfraCo Fixed will own and operate Telstra's physical infrastructure assets, such as ducts, fibre, data centres, subsea cables and exchanges. InfraCo Towers will own and operate Telstra's physical mobile tower assets, and ServeCo will own and operate its retail business.

The creation of InfraCo will position Telstra for a takeover of the government-owned National Broadband Network (NBN), which was built with massive public funding to supposedly provide higher capacity communications and internet speeds.

Last December, Communications Minister Paul Fletcher telegraphed a future sell off by formally declaring the NBN rollout "complete and fully operational." This fulfilled a legal requirement for the privatisation of NBN, valued at $57 billion.

When asked by the media last October about Telstra's intentions for InfraCo, company chairman John Mullen would not rule out "a merger" with NBN Co once it is privatised, saying "operationally it would make a lot of sense."

InfraCo will own the ducts and pipes the national broadband network runs and for which NBN Co must pay rent. This will give InfraCo a significant advantage over any other potential bidder.

The creation of the three entities creates the conditions for further restructuring and downsizing, a development the communications unions have pledged to support.

In a bulletin last November, CEPU divisional secretary Greg Rayner said "we will actively participate in that process." He said Telstra had indicated it would "engage in a genuine consultation process with your union."

In a "question and answer" bulletin issued on February 8, the CEPU and CWU sought to hose down concerns raised by workers about the impact of T22.

Answering one question, the unions confirmed that all jobs at Telstra would become redundant when the three-way split up is complete, but denied that retrenchments are inevitable. They wrote: "The three subsidiaries are going to have a whole lot of work with no employees to perform it. So, the scenario is one of thousands of jobless ex-Telstra employees and thousands of vacancies in the subsidiaries. As you can see, the solution is in the problem."

To argue that Telstra, which is putting the axe through its workforce, will not utilise the breakup to further downsize is a bid to blind workers to what is being prepared and disarm them in the face of the company's offensive.

The unions claimed: "In our preliminary discussions, Telstra has indicated the subsidiaries will seek to employ the same people from Telstra, to continue doing the same work once they have taken it over." In other words, there is no guarantee that the new entities will employ the same workers.

Telstra's restructuring is part of a broader offensive by the financial elite, being policed by the unions. This includes the now indefinite lockout of Coles workers at its Smeaton Grange warehouse in southwestern Sydney, where the United Workers Union is trying to push through a sell-out agreement for the closure of the facility and the destruction of 350 jobs.

At Australia Post, the CEPU and CWU are presiding over the "Alternative Delivery Model," which has ramped up workloads and prepared the postal service for privatisation.

This offensive is now encountering resistance. The Smeaton Grange workers have rejected the union sell-out operation in multiple ballots. At Australia Post, workers have established an independent rank-and-file committee to organise a struggle against the union-enforced ADM and other attacks on workers.

To fight the assault on jobs and working conditions, Telstra workers also need to break with the corporatist unions. The experiences of the past decades have demonstrated that they function as a police force of management.

The fight against the restructure is not only against the company, but the government, Labor, the unions and the Fair Work industrial laws they use to block any collective action by workers.

This means fighting for a broader political movement of the working class, including by linking up with the Coles and Australia Post workers. That requires a new political perspective, aimed at placing Telstra, Australia Post, the major corporations and the banks under public ownership and democratic workers' control. That is the fight for a workers' government and for socialism.