

# Australia: Telstra workers should vote “NO” to regressive union-management deal

Noel Pemberton, Martin Scott  
13 April 2022

Following nine months of closed-doors negotiations with Australia’s largest telecommunications provider Telstra, the Communications Workers Union (CWU), a division of the Communications Electrical and Plumbing Union (CEPU), is backing a new set of enterprise agreements (EAs) that will deliver sub-inflationary wage “rises” and pave the way for further restructuring.

The union announced on April 6 that it would “not advocate a NO vote” in the ballot, which opened today. This can only be interpreted as an endorsement of the regressive deal. In order to test the waters, the CWU conducted an online poll of members late last month, which asked a variety of questions, including whether workers wanted to take industrial action. The CWU has only reported the results of one question, claiming 23.5 percent of respondents said the union should call for a “NO” vote. How many Telstra workers actually participated in the poll has not been reported.

The purpose of this anti-democratic operation, in which the opposition of almost one quarter of the workforce to the deal is considered irrelevant, is to convince workers that the offer on the table is the best they can expect, and that there is no support among their colleagues for a fight. The dubious poll, moreover, is being used by the union to suggest that its sell-out deal already has a quasi-mandate, when it does not.

Telstra is offering a wage “rise” of 2.5 percent payable in October this year and 3 percent in October 2023. This is well below the consumer price index (CPI) increase of 3.5 percent for 2021, which is forecast to be above 4 percent in 2022. Furthermore, the official CPI is itself far lower than the rapidly rising cost of living. Last year, the cost of basic goods and services increased by 4.5 percent, while automotive fuel soared by 32.3 percent, even before the US-NATO conflict with Russia over Ukraine.

The CWU and Telstra are trying to cover over this grubby pay deal by counting the federal government’s scheduled annual 0.5 percent superannuation guarantee increase as part of overall pay. In other words, Telstra workers will be forced to sacrifice their superannuation increase entitlement to prop

up their basic wage.

The union admits that the wage deal is inferior but tries to justify this by implying it is the best agreement on offer. In an April 4 newsletter, the CWU stated: “Whilst many other companies within our industries have agreed to our claims for a CPI guarantee for wage increases, Telstra has continued to refuse to make the same commitment.” Workers should reject this defeatist perspective!

The CWU insists the deal is a “win” because it contains “a rollover of all existing terms and conditions.” In fact, the new EAs will introduce “flexible shift arrangements, including split shifts and preferred hours arrangement.” The union claims that any new shift arrangement can only be “proposed” by the employee, not management. The reality is, these “flexible” arrangements exist to provide the company with a round-the-clock workforce and nothing in the new EAs will protect workers from being pressured to “propose” shift arrangements that line up with the demands of management.

The union-management deal will formalise the recent division of the workforce into four new “business units,” each of which will now sign a separate EA. The aim is to atomise the workforce and further constrain workers’ already limited rights to oppose attacks on their jobs, pay and conditions. Under Australia’s draconian Fair Work Act, upheld by the unions, Telstra workers will be barred from defending the rights of their colleagues in the other business units.

The breaking up of Telstra is part of a major restructure of the company’s workforce and business model. Under “T22,” Telstra’s four-year, \$2.7 billion cost-cutting operation launched in June 2018, over 8,000 permanent positions were axed along with 1,600 jobs of indirectly employed workers.

The CWU continued its longstanding working relationship with Telstra during the three-year “T22” restructure, suppressing any opposition among workers to the mass destruction of jobs.

While those technicians who kept their jobs were forced to

accept a real pay cut during the “T22” restructure and the COVID-19 pandemic, Telstra boosted its profit in the 2021 financial year to \$1.9 billion after an on-market share buyback of around \$1.35 billion. Net profit increased by 3.4 percent.

As a part of “T22,” Telstra announced plans in March last year to split its workforce into four business units, InfraCo-Fixed, InfraCo-Towers, ServeCo and Telstra International. In an attempt to attract investment capital, Telstra is now transitioning to “T25,” which includes plans to cut a further \$500 million in costs.

The “T25” restructure will inevitably mean further attacks on the jobs and working conditions of Telstra employees. The record of the CWU demonstrates that it will seek to impose every demand of Telstra and its wealthy shareholders. Over the past decade, the union has overseen and enforced the destruction of tens of thousands of permanent jobs, and the massive growth of insecure contract positions.

The federal Liberal-National government announced in March that it will grant \$10.9 million to be split between Telstra, Optus and TPG Telecom to upgrade a total of 544 cellular base stations in rural and regional areas, using public money to increase the profitability of Telstra and the other providers.

Negotiations over a new EA are also underway at TPG. The company is attempting to impose a major assault on pay and conditions. In addition to a wage “increase” of just 2 percent per annum, TPG plans to slash overtime rates and extend “ordinary hours,” meaning workers will not receive penalty rates if any part of their shift falls between 7 a.m. to 11 p.m. Monday to Friday, 7 a.m. to 7 p.m. Saturday, or 9 a.m. to 6 p.m. Sunday. TPG also wants to be able to stand down employees without pay for any reason outside the company’s control.

Despite the massive scale of these attacks, the CWU has issued only a single statement this year about the TPG EA negotiations. Workers should be warned that silence from the union is a sign that a major sell-out is being prepared.

The CWU, as with all unions, is not concerned with the interests of workers. Their role is to enforce the demands of management and suppress the opposition of workers to the continuous assault on their jobs, pay and conditions, while advancing the interests of the privileged union bureaucracy.

The Socialist Equality Party urges Telstra workers to vote “NO” on the union-management EA, which will cut pay in real terms and prepare the ground for further attacks through the “T25” restructuring.

In order to fight this assault, Telstra workers must make a conscious break with the CWU, which through its “neutral” position is working with the company to ram through a sell-

out deal.

Workers must form their own organisations, rank-and-file committees, completely independent of the unions, at every workplace. Through these committees, Telstra workers can link up with other workers and contractors, including at TPG, Optus and NBNCo, to mount a unified struggle for decent wages and conditions, and secure jobs throughout the telecommunications industry and the working class more broadly.

Workers throughout the country, like their class brothers and sisters around the world, confront a deepening assault on their standard of living, as prices rise rapidly while wages and social spending are slashed to finance the escalation of military spending and to recoup the massive bailouts of big-business during the pandemic.

The attacks at Telstra are a warning of what is to come more broadly. In the current federal election campaign, Labor, backed by the unions, and the Liberal-Nationals are pitching themselves to the corporate elite as the best vehicle to impose stepped-up pro-business restructuring throughout the economy.

This underscores the need for an independent political movement of the working class, directed against Labor, the Liberal-Nationals and the profit system they defend.

The alternative to endless restructuring is the fight for a workers’ government that would implement socialist policies, including placing public utilities, such as communication, and the major banks and corporations under public ownership and democratic workers’ control. Entities such as Telstra must be operated to meet the needs of workers, and of society as a whole, not the profit interests of corporate executives and ultra-wealthy shareholders.

*Authorised by Cheryl Crisp for the Socialist Equality Party, Suite 906, 185 Elizabeth Street, Sydney, NSW, 2000.*



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**