

In Brief: Telstra retrenches by shedding 2,600 jobs

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News that Australia's Telstra would cut another 2,600 jobs raised speculation about the nationwide telco's ability to maintain service levels.

Union members warned Thursday that eliminating so many jobs over a two-year period would force Telstra to turn to outside contractors who don't have the experience and skills to maintain the quality of service that customers expect.

At the same time, however, some analysts pointed out that a sizable number of the doomed jobs were in sales and marketing and indicated Telstra might be falling back to its core network business.

"In my opinion it is critical that Telstra really starts to understand that its core business is running the network and not being a sales organization," analyst Paul Budde told the Sunday Herald.

Telstra is in the midst of a long-term push to cut up to 12,000 jobs from its current workforce of 52,000.

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