

# Australia: Unions to collaborate in Australia Post restructuring

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Just three months after shutting down pre-Christmas industrial action by postal workers against Australia Post's ongoing destruction of jobs and conditions, the trade unions have signed a memorandum of understanding with management, pledging their support for the government-owned company's restructuring.

Signed last month by the Communication Electrical and Plumbers Union (CEPU) and the Community and Public Sector Union (CPSU), the document commits the unions to assist Australia Post to "run a profitable postal service in an increasingly global market place". The memorandum also states: "The CEPU and CPSU recognise that there are business challenges facing Australia Post and that workplace changes are necessary."

New CEO Ahmed Fahour is yet to release details of his plans for Australia Post, but sweeping changes are clearly in store. Announcing his appointment last December, Australia Post Chairman David Mortimer said Fahour would "write the next chapter" in the corporation's history, involving "ambitious new strategies".

The memorandum of understanding is the result of backroom negotiations between management and the unions after Australia Post's aggressive tactics sparked national industrial action last December. Around 20,000 postal workers, including postmen, drivers and sorters, walked off the job or were involved in rolling stoppages in a dispute over a new enterprise agreement. Australia Post had stalled negotiations since the previous agreement expired in December 2007.

In addition to seeking a pay increase, workers

demanded provisions to counter the franchising and contracting out that has destroyed full-time jobs, an end to the erosion of penalty rate payments, and a halt to company-appointed doctors sending injured workers back to work before they were fully recovered.

When staff imposed work bans, the management escalated the conflict by standing workers down, triggering picket lines and stoppages. Fahour was appointed amid strike-breaking preparations by the company, including the use of scab labour and legal action under the federal Labor government's draconian industrial relations laws. Then the unions stepped in to shut down all industrial action.

The walkouts expressed the pent-up hostility of workers over decades of concessions that the unions have delivered through previous enterprise agreements. For example, private contractors now deliver all parcels, together with about 7 percent of standard mail. About 5,000 contracts for delivering parcel and mail have been awarded. Last September, Australia Post inflamed the situation by changing 2,350 mail deliverers' starting times in several states, from 6 am to a later time, in order to avoid paying a 15 percent penalty rate. The change reduced workers to a weekly base pay of just \$782.12, or \$20.43 an hour.

Far from addressing these issues, the unions have paved the way for even deeper inroads into pay and working conditions. Among the "consultation principles" outlined in the memorandum of understanding to be "embedded" within a new work agreement, are that the company must be able to "operate the business efficiently, determine the allocation of resources, and implement both large and

small change programs in an efficient, timely and cost effective manner”. Deliberately vague commitments to “minimise negative impacts on employees, wherever possible” are included to distract from the main thrust of the agreement, which is to clear the way for “large and small change programs”. The memorandum also foreshadows further out-sourcing, insisting that Australia Post must be able to “explore means of protecting and expanding its business opportunities”.

Having shut down all industrial action, the unions have now made a no-strike pledge. The memorandum of understanding commits the CPSU and CEPU “not to organise or take any industrial action while negotiations progress in a timely manner to reach a new agreement”. In other words, they will crack down hard on any opposition by workers to the retrograde deal being put together. This pledge is in line with the Rudd government’s industrial relations system, which prohibits virtually all industrial action and enshrines the role of unions as industrial policemen.

On pay, the memorandum of understanding includes a pledge by Australia Post to issue two nominal wage increases in 2010, totalling a 4 percent rise. This is consistent with the wage component of the previous agreement that expired in 2007, in which annual 4 percent increases barely covered cost of living increases.

On workplace health and safety, Australia Post said it would no longer include targets for “Lost Time Injury Frequency Rate” as part of bonus payments for its managers. It insisted, however, that Lost Time Injury Frequency Rate figures would continue to be a “corporate key performance indicator”. In other words, the drive to prematurely force workers back to work after suffering an injury will continue, but directed by head office rather than individual managers.

The memorandum of understanding provides for a summit to be held this month between the unions and senior executives to “apprise the unions of the current state of the business and Australia Post’s future strategies for dealing with current business pressures”. The summit is a step toward a formal partnership that officially recognises the policing role of the unions in

collaboration with management. In the short-term, Fahour is tasked with reversing a sharp drop in pre-tax profit for 2008–09, during the global financial crisis, which was largely due to a decline in business mail. The \$381 million profit was down from the record high of \$592 million the previous financial year.

CEPU national president Ed Husic—who this month was endorsed as a Labor candidate for the forthcoming federal election—hailed the memorandum as a “great platform to bring everyone together to help get an agreement between us”. Last year, Husic welcomed Fahour’s appointment, describing him as “a respected business figure, astute and considered” and saying the union was keen to work with him to “help cement a productive, long-term working relationship”.

In order to defend themselves against the plans being drawn up by Australia Post and the unions, postal workers have to make their own preparations to defend their basic rights. Rank-and-file committees independent of the unions are needed to wage a political struggle against the pro-market agenda of management and the industrial relations regime of the Rudd government. Such a struggle requires a turn to other sections of workers facing similar attacks and has to be based on a socialist program to refashion society to meet the needs of the majority, not the profits of a few.



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