

Over 1,000 jobs to be axed at New Zealand Post

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More than 1,000 mail deliverers and retail staff face losing their jobs by 2015 after New Zealand's National Party-led government last week gave NZ Post approval to cut deliveries from six to three days a week and replace Postshops, including its KiwiBank branches, with self-service kiosks or other business outlets.

NZ Post CEO Brian Roche warned that without changes, the company could require a government subsidy of up to \$30 million a year, due to declining postal volumes. While parcel post has climbed since 2006, letter volumes have dropped by 30 percent over the same period. Roche earlier described the fall as "a global phenomenon," which was forcing postal operators around the world "to make adjustments."

On October 29, the *Dominion Post* expressed the cold calculations of the ruling elite. It declared: "The reality is that if the work they do is rapidly disappearing, then their services will increasingly no longer be needed. As a taxpayer-owned business, NZ Post has a duty to maximise its profits and the dividends it delivers to governments."

In fact, the cuts, which have been planned for months, are aimed at destroying the jobs, wages and working conditions of postal workers in order to further gut NZ Post as a public service. NZ Post is already highly profitable, making a net after-tax profit of \$121 million for the year to June. Like the British Royal Mail, it is most likely being pared down in preparation for privatisation, following the current partial sales of three power companies and Air New Zealand.

The National government has presided over mounting attacks on the public sector, demanding improved "outputs" as it drastically reduces spending. NZ Post is governed by a "Deed of Understanding" under the 1998 Postal Service Act that, until now, required it to provide a five-or-six day a week delivery at a fixed

stamp price. The changes to the deed follow previous decisions to privatise parts of the service and a clamour from business that NZ Post scrap its "social" obligations. Business NZ head Phil O'Reilly said last January that businesses would suffer "very little" from any cuts because most had not been relying on mail for years.

The NZ Post threat is part of a fresh wave of job losses over the past month. All 120 workers at the Rotorua-based sawmill Tachikawa Forest Products are losing their jobs after receivers KordaMentha decided it was not feasible to sell the mill. Another 86 jobs will go from the Silver Fern Farms Shannon fellmongery, which is to be closed by new owners Lowe Corporation. In the South Island, the proposed closure of Independent Fisheries' Woolston processing plant puts another 200 jobs at risk.

NZ Post currently employs 7,000 staff in its mail division, including 2,200 "posties." In June, the company announced the closure of three mail processing centres in Wellington, Waikato and Dunedin, as well as several satellite locations, at a cost of 500 jobs.

The axing of the Wellington sorting centre at Petone accompanies the closure of NZ Post's nearby Datamail facility, announced in February. The centre, which produced bills and targeted mail, was mothballed due to the purchase of new printing technology. Seventy jobs have been axed in Wellington and 30 in Auckland. Only two Datamail sites remain. The company also eliminated 80 to 100 corporate roles, or about 6 percent, from its Wellington and Auckland offices in July.

Remaining NZ Post workers face an onslaught on wages and conditions. In pay negotiations earlier this year, the unions agreed to a one-off payment of \$500

and a paltry 1 percent increase in 2014. One worker at the Petone centre told the WSWS that the company was “very aggressive,” wanting to remove penalty payments and reduce redundancy payments, plus other conditions.

In every case, the unions have collaborated in imposing closures and mass sackings. NZ Post CEO Roche said he would not reveal how many jobs would be lost “ahead of talks with unions,” but “they would significant.” He told Radio NZ’s “Checkpoint” program on October 26 that the cuts would be “worked through methodically” with the Engineering, Printing and Manufacturing Union (EPMU) and Postal Workers Union (PWU).

The unions have already agreed to the changes and will work with management to suppress any opposition by workers. The EPMU declared as early as February that it accepted a “restructuring” of NZ Post. The PWU similarly declared that it recognised “the changes facing NZ Post,” while pledging to meet with management to “discuss the future job prospects of those employees who chose to leave before being made redundant.”

The Labour Party and the Greens have also agreed to the restructuring. Labour’s spokesman for state-owned enterprises, Clayton Cosgrove, said in February it was “appropriate” that NZ Post “look at its business model.” Greens co-leader Russel Norman told Radio NZ that “clearly the volumes are dropping and I think NZ Post is just trying to adjust to that commercial reality.” Neither the Maori nationalist Mana Movement nor any of the pseudo-left organisations has uttered a word against the closures.

The newly-installed Labour leader David Cunliffe has said nothing about the NZ Post sackings. During a visit to the Shannon fellmongery last week, he gave the green light for further mass sackings across the economy. He offered the sop of a “community task force” to “develop solutions to keep people in the area,” whenever a major closure or redundancy “can’t be stopped.”

NZ Post workers should take a stand and initiate a struggle to defend all jobs and conditions. This requires a complete break with the trade unions, the establishment of independent rank-and-file committees and a turn to other sections of workers in New Zealand and internationally facing similar attacks.

Such a campaign will inevitably involve a political struggle against NZ Post management, the National government and the unions on the basis of a fight for a workers’ government and socialist policies. This includes placing the postal system and other essential utilities, along with the banks and major private corporations, under the democratic control and public ownership of the working class, as part of the socialist reorganisation of society.

Karen, who has worked for NZ Post in Wellington for 36 years, spoke to the WSWS.

“It is time that we all stood up and protested big time, like they’re doing in France at the moment over the tax that they’re bringing in for truck drivers. We need to be organising the revolution, I think. Our CEO is on a million dollars a year. When they’re at the top, they get huge bonuses and it just makes me so angry.

“[Prime Minister John] Key has \$52 million. Why should he have that and we can’t even get a living wage? I’m on less than \$500 a week by the time I’ve paid my tax. It’s hardly anything. We could lose our house if we can’t pay the mortgage. I’m already having to dig into other things to pay it. We go without and we have no social life.”

Commenting on the EPMU’s refusal to oppose the job cuts, Karen said: “They are doing a lot behind the scenes but it’s not saving our jobs at the end of the day. I think we need to be organising mass protests to give them the message in parliament.

“It’s not just us facing job cuts. I mean, the Colgate factory [in Petone, Wellington] shut up shop and made a whole lot of people redundant about five years ago. And that was a bustling place. Every day you read in the paper about layoffs—and it’s not just one or two. I just wonder where it’s all going to end up.”



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