

# Unions and Labour Party back New Zealand Post job cuts

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New Zealand Post announced this month that the company will axe over 2,000 jobs in the coming three years. NZ Post CEO Brian Roche earlier refused to reveal the full extent of the cuts before talks with the trade unions, saying only that “they would be significant.” The scale of the job losses, 20 percent of the state-owned enterprise’s workforce, was much greater than anticipated and came as an enormous shock to workers.

The onslaught follows the National-led government’s decision to approve changes to NZ Post’s “Deed of Understanding” to allow postal deliveries to be cut from six days a week to three. NZ Post chairman Michael Cullen told a press conference on November 1 the change reflected “the challenges of new market realities.”

Cullen was deputy prime minister in the 1999-2008 Labour government. He denied that the latest moves paralleled the pro-market restructuring of the Lange Labour government in the 1980s. He noted that 400 Post Shops closed in a single day in February 1988, saying “small towns in New Zealand still bear the scars of those changes.” That is “not going to happen here,” he claimed.

NZ Post’s board and management blamed falling mail volumes for the decision. Cullen said the company’s traditional letter mail business was in “irreversible decline” and had deteriorated to a point “where it would be irresponsible not to take action.” Letter volumes have dropped 30 percent since 2006.

In reality, the extensive restructuring of NZ Post has just one purpose: to drive up profits at the expense of workers and postal services for working people. NZ Post made a net after-tax profit of \$121 million for the year to June but, according to the *Dominion Post*, the changes are needed to ensure the “taxpayer-owned

business” maximises “the profits and the dividends it delivers to governments.”

Like the British Royal Mail, NZ Post is most likely being pared down in preparation for privatisation, following the current partial sales of three power companies and Air New Zealand. The company’s plans include “premium” services such as overnight deliveries, slashing “postie” numbers and replacing bikes with vehicles, transforming specialist Post Shops into kiosks within private business agencies, and the greater use of technology.

The political establishment as a whole backed the decision. Prime Minister John Key bluntly dismissed the loss of 2,000 jobs as the “brutal reality” of fewer letters. Labour Party leader David Cunliffe described the move as “a sledgehammer approach,” but did not oppose the sackings, saying instead that the “massive workforce cut may not be the best response” to the growth of email traffic.

Greens co-leader Russel Norman told Radio NZ: “[C]learly the volumes are dropping and I think NZ Post is just trying to adjust to that commercial reality.” The Maori nationalist Mana Movement and its pseudo-left satellites—Socialist Aotearoa, Fightback and the International Socialist Organisation—remain silent, indicating their complicity.

The Engineering Printing and Manufacturing Union (EPMU) and Postal Workers Union (PWU) both feigned surprise at the announcement. EPMU organiser Joe Gallagher said: “These plans have clearly been in the pipeline for a long time, but the people affected by them, including all New Zealanders who use the postal service, have been kept in the dark.”

In fact, the unions have been central to imposing the cuts. NZ Post CEO Roche told Radio NZ’s “Checkpoint” program on October 26 that the mass

sackings would be “worked through methodically” with the trade unions. Since the beginning of the year, the unions have enforced a series of sackings, closures and wage cuts, suppressing any opposition by workers.

The previous restructuring included the closure in June of mail processing centres in Wellington, Waikato and Dunedin at a cost of 500 jobs, the mothballing of the company’s Wellington and Auckland Datamail facilities, and the elimination of 100 management positions in July. In pay negotiations earlier this year, the unions agreed to a one-off payment of \$500 and a paltry 1 percent wage increase in 2014.

The unions declared from the outset that the changes were inevitable and necessary. The EPMU announced in February that it accepted a “restructuring” of NZ Post. The PWU said 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.”

On November 2, PWU president John Maynard told the *Dominion Post* he agreed there was “definitely an issue of declining mail volumes” and it was “fair enough the company tried to solve the problem.” His only criticism was that the company was proceeding “in a way that’s going to accelerate” the decline. Maynard said he would meet with NZ Post management at the end of the month, and “emphasise the need to look at alternatives.”

NZ Post workers should reject the job losses, destruction of conditions and closures. The NZ Post decisions are not the inevitable consequence of falling mail volumes, but are dictated by the corporate elite to open up every sector of the economy to private profit at the expense of the working class. The enormous advances in technology should allow the provision of low cost, high quality services for all, lessening the workload of workers. But under capitalism, there is a never-ending restructuring that destroys the jobs, conditions and living standards of the working class.

The first step in launching a struggle to defend all jobs, conditions and services is 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. It involves, above all, 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. The postal system and other essential utilities, along with the banks and major private corporations, should be placed under the democratic control and public ownership of the working class, as part of the socialist reorganisation of society.



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