

# Australia Post workers face further restructuring and privatisation

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Having already suffered a wave of speedup and job losses under the previous Labor government, Australia Post workers are confronting a further restructuring at the hands of the Abbott Liberal-National government in preparation for outright privatisation.

Working conditions inside mail centres are becoming increasingly intolerable as the management, led by chief executive Ahmed Fahour, a former banker appointed by the Labor government, cuts staffing levels and imposes heavier workloads.

Full-scale privatisation of the postal service has been demanded by the Business Council of Australia, representing the country's largest corporations. Its president Tony Shepherd, also chairs the Abbott government's Commission of Audit, which is drafting plans to gut public spending across the board in the May budget.

Any doubts that Australia Post is in the commission's sights were dispelled when Shepherd recently held discussions with Australia Post executives. CEO Fahour has also been on a "fact-finding" mission to the US with Communications Minister Malcolm Turnbull, studying the US Postal Service, which is slashing its workforce by a third, eliminating 220,000 jobs by 2015.

According to business commentators, Australia Post owns assets worth \$4.17 billion and a sale could generate up to \$3 billion. Last year's float of the Royal Mail netted the British government \$3.3 billion.

Privatisation would open up lucrative slices of the postal service, including parcel delivery, for private profit. Australia Post currently retains a monopoly over letter delivery, giving it a delivery network that undercuts corporate competitors in the rapidly growing online shopping market.

In 2012–13, Australia Post lost \$218 million in its letters division, with a further fall in volumes by 17

percent. But it generated an overall profit of \$312 million, thanks to a profit of \$648 million on other businesses, with profits from parcels up by nearly 30 percent to \$355 million. This revenue was boosted by the acquisition of the remaining 50 percent stake in StarTrack, a parcel courier company.

Whatever the Abbott government's final plans, one thing is certain—there will be another wholesale attack on workers' jobs, wages and conditions, as well as the slashing of mail services. Australia Post recently conducted a customer survey, foreshadowing a move to cut mail deliveries to three days a week.

In New Zealand, more than 1,000 jobs are being eliminated after NZ Post cut its postal services to three days a week. The Canadian government has a five-year plan to phase out door-to-door delivery of mail, destroying 6,000 to 8,000 jobs. British postal workers have voted for strike action against the privatised Royal Mail, which is destroying jobs at the rate of 8,000 per year.

A driver at Sydney's Chullora parcels depot said he could tell that the management was getting ready to sell off the postal service. "They are running the business that way," he said. "The mail sorters, especially, are being treated badly. The management is always cutting the staff and yet demanding increased output."

Management was monitoring talkback radio shows and taping conversations of any workers making critical comments about what was happening in Australia Post. "Two workers who were caught, had to apologise," the driver said. Workers who were injured on the job were being pushed back to work by company doctors, even one man with a broken ankle.

The driver pointed to the blatant disparity between the treatment of the workforce and the executives. "We didn't even receive Christmas presents this year, for

the first time, but the CEO got a \$2.3 million bonus.”

Fahour was paid a record \$4.8 million in 2013, including more than \$2 million in incentive pay, making him one of the 40 highest-paid corporate executives in Australia. Fahour received a pay increase of 66 percent, while Australia Post workers received a nominal rise of 1.5 percent, amounting to a real wage cut.

Asked about the role of the Communications Electrical Plumbing Union (CEPU), main union covering Australia Post, the postal driver laughed and replied: “The unions are the third rung of management.”

For years, CEPU has worked hand-in-glove with Australia Post and governments, Labor and Liberal-National alike, to enforce the elimination of jobs and conditions, including penalty shift rates, in the name of making the business “competitive.”

Under the previous Labor government, the number of full-time and part-time postal workers was cut by 2,396, reducing the workforce to less than 32,500, excluding casuals, while the number of private contractors, licensees and franchisees remained at about 10,000.

This offensive accelerated after March 2010, when the CEPU and the Community and Public Sector Union (CPSU)—just three months after shutting down an outbreak of industrial action by postal workers—signed a pact with management to help “operate the business efficiently” and prevent further stoppages.

Since the Abbott government took office last September, CEPU has sought to convince it that the 2010 pact is operating as intended. In a media release last October, CEPU Postal and Telecommunications NSW branch secretary Jim Metcher said: “Post employees are stepping up to the task in making the necessary adjustments that provides the ability for Australia Post to navigate their way through a dramatically changing retail and communications landscape.”

In a submission to the audit commission, CEPU set out “strategies” for Australia Post’s “financial viability,” including support for the latest hike in the postage stamp price from 60 cents to 70 cents, and for extending Australia Post’s retail network further into banking, financial and insurance services. These measures are in reality designed to make the business

more attractive for privatisation.

CEPU last week hosted a “Hands off Aussie Post” rally at a Sydney mail centre addressed by Australian Council of Trade Unions (ACTU) president Ged Kearney. She urged workers to make submissions to a senate inquiry set up by Labor and the Greens into the audit commission. The ACTU’s web site encourages union members to tell the senators “what you value in your community and what you want ruled out from cuts and privatisation.”

Such bogus campaigns are the hallmark of the trade union movement. CEPU is trying to corral postal workers behind a toothless campaign, while working behind the scenes with Australia Post to impose whatever outcome is determined by the Abbott government.

In order to defend themselves against these union-management plans, postal workers need to form rank and file committees, completely independent of the unions, and unite with other sections of workers, and postal workers internationally, in a political struggle for an alternative socialist program, based on social need, not corporate profit.

Socialist Equality Party supporters who recently leafleted the Chullora parcels depot, in order to raise these issues with postal workers, were threatened by security guards who declared they would call the police to arrest them. This incident underscores the anxiety of management, no doubt backed by CEPU, to prevent any informed discussion about what is being prepared in Australia Post. We urge postal workers, and all workers, to defend the basic democratic right to circulate *World Socialist Web Site* articles in the working class.



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