

Australia Post slashes 900 jobs in preparation for privatisation

Keith Morgan
18 June 2014

As a step toward carving up Australia Post for sale, its management last week announced the shedding of 900 jobs, with 70 percent to go in Melbourne, alongside 150 in Sydney and the remainder from other locations.

Australia Post CEO Ahmed Fahour, an ex-corporate banker appointed by the previous Labor government, is paving the way for the implementation of the call for privatisation contained in the current Liberal-National government's recent Commission of Audit report.

Last week's announcement is just an initial instalment in eliminating jobs to make Australia Post an attractive proposition for a corporate buyer. According to an article published in the *Melbourne Age* on June 10, the day the job cuts were announced, the organisation is expected to slash its workforce of 32,000 by 10,000 during the next three years.

The article was written by someone with inside knowledge—Nicholas Reece, a public policy fellow at the University of Melbourne, who was a senior advisor to Labor Prime Minister Julia Gillard. Her government selected Fahour precisely for the purpose of reshaping Australia Post to be sold off.

While Finance Minister Mathias Cormann claimed that the Abbott government had decided not to proceed with privatising the postal service, the preliminary measures are underway.

As he unveiled the 900 job losses, Fahour also announced that he will split Australia Post into two separate businesses—a “Red” retail and shop front entity and a “Blue” parcel delivery entity under the banner of Startrack Couriers.

Australia Post will also ask the government to scrap its legislated Community Service Obligations to deliver mail door to door, five days a week, for 98 percent of the population. This is expected to clear the way to reduce standard mail delivery to three days per week,

with customers forced to pay for extra services.

Acting Prime Minister Warren Truss made plain the government's support for such a restructuring. Interviewed on the ABC-TV's “Insiders” program prior to the announcement, he declared: “Other countries have had to face this issue [five-day delivery] already, and there's no doubt that that will also be the case in Australia.”

Chaired by Tony Shepherd, the former president of the Business Council of Australia (BCA), the audit commission recommended that Australia Post be prepared for sale, along with a long list of other targets. The BCA itself, representing the country's largest corporations, has demanded the full privatisation of the postal service. According to business commentators, Australia Post owns assets worth \$4.7 billion and a sale could generate up to \$3 billion.

Privatisation would open up lucrative operations, including parcel delivery, for private profit. Australia Post still retains a monopoly over mail delivery. This gives it a network that currently undercuts corporate competitors in the growing online shopping market, in which Australia Post holds an 80 percent market share.

The pretext for the decimation of jobs and services is that letter delivery has fallen in volume, leaving that side of the business with unsustainable losses. Yet the letter and parcels operations currently share much of the same sorting, delivery and retail infrastructure. The mail losses have been separated out, and highlighted in the media, as a means of trying to overcome public opposition to privatising postal services.

Even before the 900 job cuts were confirmed, the main trade union covering postal workers, the Communications Electrical Plumbing Union (CEPU), ruled out any fight to defend jobs. Instead, it offered to work with management to facilitate the job losses, in

the name of making Australia Post a “viable” business.

In media interviews, Jim Metcher, secretary of the CEPU’s New South Wales state Postal and Telecommunications Branch, asked only that Australia Post consider finding alternative positions for those being retrenched. “It’s a terrible blow to lose jobs on this scale, but Australia Post is a big and evolving organisation and we’ll be making the case that new roles should be found for people who want to continue their service,” he said.

Metcher also claimed that the Abbott government had decided to delay privatising Australia Post, when in fact definite steps are being taken to prepare for a sale. Well aware of this, the union is offering to work with the management and the government to police the destruction of postal workers’ livelihoods. Metcher, who is also a leading figure in the Labor Party, insisted that “reforms are unavoidable” but must be implemented “in a sensible way.”

The carve-up of Australia Post is part of a global corporate assault on mail services and the jobs and conditions of postal workers. The US Postal Service has shed more than 70,000 jobs in the past two years and more than 170,000 since 2006. Britain’s now privatised Royal Mail has slashed more than 50,000 jobs since 2003. Similar cutbacks have been imposed in Canada and New Zealand, where 1,000 jobs were recently eliminated and postal services reduced to three days a week.

For years, the CEPU has worked hand in glove with Australia Post and successive governments, both Labor and Coalition, to enforce the elimination of jobs and conditions, including penalty shift rates, in the name of making the business “competitive.” With the CEPU’s help, the number of full-time and part time postal workers was cut by 2,396 to 32,000 under the last Labor government, while the number of private contractors, licensees and franchisees remained at about 10,000.

In an effort to cover Labor’s tracks, Labor Leader Bill Shorten joined the CEPU in questioning Fahour’s massive salary package—he was paid \$4.8 million last year. But that was authorised by the previous government, in which Shorten served as a senior minister. Labor’s communications spokesman Jason Clare, another ex-minister, openly defended Fahour’s “very handsome salary,” insisting that it was not the

“real issue” facing Australia Post, which was “the drop in letters.”

As this comment underscores, Labor has no difference with the underlying push to privatise Australia Post. Postal workers confront a bipartisan offensive, enforced by the CEPU, to destroy jobs and conditions and sell off the postal service to satisfy the dictates of the financial and corporate elite.



To contact the WSWS and the Socialist Equality Party visit:

wsws.org/contact