

# Australia Post to close retail outlets as cost-cutting continues

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6 September 2022

Australia Post (AP) last week announced it may close as many as 30 post offices across the country as part of ongoing cost-cutting operations. While the company is yet to announce which stores will be closed, it has said they will be mainly in metropolitan areas.

The Communications, Electrical and Plumbing Union (CEPU) has not issued a statement on the closures, but told the *Daily Mail* it would meet with AP management this week. While AP claims staff from these stores will be redeployed to other stores, there are no guarantees that this will be the case.

The publicly owned mail carrier is also introducing further changes under the union-backed Sustainable Delivery Model (SDM) that will increase the already crushing workload of postal workers.

The return to every-day delivery under the SDM has left many beats or postal delivery rounds vacant, due to the large number of postal workers who have left AP and not been replaced. Relief workers are assigned almost every day to beats that have not been delivered for two to four days. Between letters, parcels and bulk advertising material, this amounts to an impossible workload.

These staff shortages are exacerbated by the ongoing COVID-19 pandemic, which has killed more Australians in August than in any other month. This is the result of the “let it rip” policies adopted by all Australian governments—state, territory and federal, Labor and Liberal-National alike—with the complete collaboration of all the unions, including the CEPU.

The reorganisation of beats carried out by management and the union, along with a handful of workers dragooned into local working groups (LWGs) to provide a facade of rank-and-file involvement, has created delivery rounds that are impossible to complete within rostered hours.

Postal workers are regularly doing three to four hours of overtime each day, just to complete their assigned rounds. An AP worker from south-west Sydney told the *World Socialist Web Site* he was usually only able to deliver half his beat before the end of his shift.

At one stage, the worker said, around 20 workers at the facility were working only rostered hours and bringing mail back to the depot each day. Most posties though, facing the combined pressures of low base wages, the rapidly rising cost of living and the fear of retribution from management, elect to complete their rounds despite the punishing workload and hours.

Beats are now being recast and amalgamated for a second time by AP and the CEPU, placing further burdens on delivery workers.

This is just one aspect of ongoing moves to squeeze every drop of productivity out of postal workers, partly motivated by the desire to claw back a recent 6.1 percent pay increase in workers’ enterprise agreements, supposedly in line with inflation.

AP CEO Paul Graham made this clear last week, stating that the wage increase “places further pressure on our cost base and underscores the need for discipline in all costs as well as productivity improvements.”

The fact is, the 6.1 percent “rise,” labelled a victory by the CEPU, is not a pay increase at all. It falls far short of making up for past losses or the rapidly rising cost of living, which is significantly understated by official inflation figures.

In a recent staff meeting at one Sydney AP facility, a CEPU official told postal workers management was planning to move from full letter sequencing to shelf sequencing. This means workers will be forced to spend extra time at the start of their shifts sorting mail into the correct order before beginning their delivery rounds.

The very fact that it was a CEPU official, standing alongside management, who announced this measure underscores the role played by the union as an enforcer of company demands.

The union official tried to justify change by saying that letter volumes are low and continuing to go down. AP recently reported that letter volumes had declined by 15 percent over the past three years despite an increase in the total number of delivery addresses by 400,000 to 12.6 million.

This ignores the dramatic increase in workloads as parcel volume has exploded, especially since the beginning of the pandemic. While the number of parcels has declined slightly since lockdowns were abandoned, AP has virtually eliminated “streaming” under the SDM agreement. This means workers can no longer hand off excess parcels to van drivers and must deliver them as part of their regular beat.

Shelf sequencing, the union bureaucrat claimed, would “save time,” because the letters would arrive at the facility earlier. This is an outright lie. Postal workers are not standing around in the morning waiting for mail to arrive from sorting facilities.

The claim that shelf sequencing would only take an extra “five or ten minutes” is another lie. The reality is that postal workers regularly face large mail-outs, including council notices, utility bills and election material, meaning this additional sorting will take significantly longer.

The purpose of this change is to allow the diversion of sorting facility workers and machinery away from letters, as one component of a broader shift in focus towards the more profitable parcel division. Ultimately, this is aimed at preparing AP for full or partial privatisation.

The move to shelf sequencing comes after numerous changes introduced in recent months to heighten the monitoring of postal workers. New monitoring technology introduced as part of the SDM agreement has now been rolled out and is in wide use.

This includes “sectioning,” which means postal workers must sort and scan their parcels into timed blocks according to the sequence of their beats. Once the beat is started and the first parcel for delivery scanned, the order and allotted times cannot be changed. The worker is not allowed to deviate from the sequence, including for breaks.

Telematic sensors have been fitted to all motorcycles, electric bicycles and Electric Delivery Vehicles (EDVs). A signal is sent to management if a vehicle is tipped or an unusual motion is detected, including hard braking or acceleration. Postal workers are required to immediately call in to explain any incident that triggers the telematics system into action.

AP CEO Graham spelled out the cost-cutting motivation behind these changes late last month, telling the *Australian Financial Review* (AFR) the company’s letters business was “unsustainable.” Asked whether AP would consider dropping daily deliveries, Graham said, “all options are on the table.”

The comments came as Graham announced record-high revenue of \$8.97 billion for the 2021-22 financial year, including \$7.2 billion from parcels and services, an increase of 11 percent from the previous year. AP posted annual profits of \$55.3 million, a year-on-year decline of 45

percent, in part due to a \$255 million loss in letters.

According to the *Australian*, AP has cut \$207.3 million in costs in the past year and plans to slash a similar amount over the next 12 months.

The SDM is the continuation of the same ongoing restructuring drive that led to the establishment of the earlier Alternative Delivery Model (ADM), under the pretext of safety, early in the COVID-19 pandemic. Under the ADM, workloads were doubled overnight, and many workers left AP due to the unbearable conditions.

This was carried out with the full cooperation of the CEPU, which signed and enforced a no-strike deal with management in order to shut down any opposition from workers.

Lessons must be drawn from these experiences. The CEPU has demonstrated that it is entirely on board with management’s ongoing cost-cutting operation. There is no way forward for AP workers within the framework of this, or any other union.

In order to fight for genuine improvements to wages and conditions and against the endless restructuring and privatisation drive, AP workers need to establish their own organisations of struggle, rank-and-file committees completely independent of the unions, in every facility. Through these committees, they can link up with other workers, including rail workers, nurses and teachers, who all confront union-enforced attacks on their pay and conditions.

The fight against privatisation and cost-cutting at AP is inseparable from a political and industrial struggle to place Australia Post and other essential services under democratic workers’ control as part of the socialist reorganisation of society to meet pressing human needs, not big business profits.

The Postal Workers Rank-and-File Committee calls on all AP and other delivery workers to contact us to discuss this perspective.



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