

Labor government plans biggest-ever restructuring of Australia Post

Jim Franklin
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On March 2, federal Finance Minister Katy Gallagher and Communications Minister Michelle Rowland announced the start of a “community consultation process” on a major proposed reorganisation of Australia Post (AP).

What is being discussed by AP management and the top echelon of the Labor government is the most dramatic restructuring of the state-owned postal service in its 214-year history. It would result in the destruction of thousands of jobs and drastically reduce services to the community.

Among the measures under consideration is a reduction in letter delivery frequency from five days a week to once or twice. This would require legislative change to remove the current requirement for AP to serve 98 percent of Australian addresses every business day. Also up for discussion is a substantial increase in the cost of postage.

Following the announcement, the Communications Workers Union (CWU) told members in an email it would make a submission to the government, demanding that any changes to AP must “enhance our community services” and “provide quality, secure jobs.”

No postal worker should be fooled by these weasel words. The fact is, the CWU bureaucracy has been involved in these discussions for months, behind the backs of workers, and is already playing the leading role in implementing the initial stages of the restructure.

Last month, the union’s top bureaucrats, together with AP management, visited depots to tell workers about a trial of a proposed new delivery model, which will take place at the Hornsby facility in New South Wales from April to June. While the meetings were called by management, the union bosses did all the talking, delivering the news in order to shut down opposition from workers to the changes.

The CWU confirmed these plans in a March 1 email, timed to reach workers’ inboxes ahead of the widely reported government announcement. The new model being trialled will recast and expand “beats” (delivery routes) served by Electric Delivery Vehicles (EDVs), motorbikes and pushbikes.

At the Kingsgrove workplace meeting, CWU secretary Shane Murphy told workers that beats would be expanded by as much as 50 percent, although this figure was not included in the email.

Ordinary letters and junk mail will be delivered to half the beat on alternate days, while parcels, large letters and priority mail will continue to be delivered each day along the entire route.

The approach is not new. Under the Alternative Delivery Model (ADM), a failed restructuring attempt introduced in mid-2020 under the phony pretext of COVID-19 safety, workers were given two beats, which they delivered on alternate days, virtually doubling their workload overnight. The ADM could not have been implemented without the full support of the CWU, which, behind the backs of its members, signed a no-strike deal with AP management, preventing workers from legally taking action against the hated model.

Knowing that everyday delivery is a red line for postal workers, and determined to stifle opposition to the proposed model, Murphy insisted in the March 1 email that it is based on the “principle” of “one postie, completing one round, delivering five days per week.”

The reality is that the new model amounts to “ADM 2.0.” What functional difference is there between delivering half of a larger beat on alternate days and delivering one or the other of two smaller beats on alternate days?

The March 1 email explains that the Hornsby trial will be “monitored closely by a CWU Official from each State Branch of the Union.” Their primary concern will be to determine “whether efficiency can be achieved” and “any changes required to supporting infrastructure.”

In other words, an army of CWU bureaucrats from around the country will descend upon the Hornsby facility to ensure the trial proceeds smoothly, without interference from workers, and help management assess whether the new model will deliver the productivity increases demanded by management.

The email claims the union “has secured important job

security commitments—ensuring that no job losses will occur.” Such “commitments” mean nothing. In the very next paragraph, Murphy admits that the new model will likely cause beats to be “impacted by potential efficiency gains,” i.e., some will be eliminated.

Murphy writes that, in this case, “members will be voluntarily redeployed to a permanent role based on parcel delivery duties.” In other words, should your beat be broken up and redistributed, you will be shunted to “parcel delivery duties,” possibly in a different facility. If you disagree, you will be shown the door.

The CWU and AP management know from the experience of the ADM that the introduction of more onerous working conditions, along with forced retraining and relocation, will prompt many postal workers to leave “voluntarily.”

The planned restructuring goes much further than the ADM and will have a devastating impact on Australia Post workers. Labor, in close collaboration with the Communications Workers Union (CWU), is seeking to do what previous Liberal-National governments could not: Permanently remove the regulations standing in the way of long-running efforts to degrade letter mail and transform AP into a highly profitable parcel delivery service.

AP management and the government claim this is necessary because of the decline in the letters business. According to figures in AP’s half-yearly financial report the number of letters delivered has declined 66 percent since its peak in 2008. Despite the result in the letters business, AP still posted a before-tax profit of \$23.6 million, off the back of parcel revenue of \$3.8 billion. Senior AP executives collected bonuses totalling \$28 million in 2022.

Ultimately, the restructuring operations are directed at preparing AP for full or partial privatisation. While the Labor government denies this, AP CEO Paul Graham made clear in a recent interview with the *Australian Financial Review* that “all options are on the table.”

The CWU leadership is fully prepared to enforce this, just as it did at Telstra, the formerly government-owned telecommunications service, resulting in the destruction of thousands of jobs.

AP workers must take a sharp warning. The Labor government’s “consultation process” and the proposed new delivery model are just the beginning of the next assault on jobs and conditions.

This is an international process and Australian postal workers confront the same attacks as their counterparts overseas. The surge in parcel profits experienced during lockdowns early in the pandemic has now plateaued with the removal of public health measures by governments worldwide. Mail carriers around the world are undertaking restructuring operations and are implementing harsh attacks

on wages and conditions.

This has resulted in the outbreak of major struggles involving tens of thousands of postal workers in the UK, Germany and elsewhere. The response of the union bureaucracies has been to do everything possible to stifle and suppress workers’ opposition in order to ram through the cuts demanded by management.

The CWU leadership is determined to ensure that a similar upsurge of the class struggle does not take place here and is preparing to play the same role in Australia, just as it did with the ADM and countless times before.

This poses the urgent need for AP workers to build their own organisations of struggle, rank-and-file committees, in order to break the stranglehold of the union bureaucracy and fight for their own demands. These should not be limited to the defence of existing conditions, but could include a substantial wage rise to meet the soaring cost of living and make up for decades of attacks, and a major increase in staff numbers to reduce workload and allow posties to finish within rostered hours every day.

The Postal Workers Rank-and-File Committee (PWRFC) urges all AP and other delivery workers to contact us today to discuss forming a rank-and-file committee in your workplace. Through the PWRFC, posties can link up with other workers across Australia and around the world in a common struggle against the corporations, governments and union bureaucracies that are perpetrating global assault on the working class.

The struggle to stop the endless restructuring and eventual privatisation of AP poses the need for a fight for socialist demands. These include placing AP, along with other vital public services, and the major corporations and banks, under democratic workers’ control, as part of the reorganisation of society to meet the needs of ordinary people, including a decent well-paid job, instead of the profits of the wealthy elite.

Authorised by Cheryl Crisp for the Socialist Equality Party, Suite 906, 185 Elizabeth Street, Sydney, NSW, 2000.



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