

# Australia Post and Labor plan to end daily letter delivery as part of major restructure

Jim Franklin  
8 June 2023

In a May 25 Senate Estimates hearing, Australia Post CEO Paul Graham repeated his call for the federal Labor government to remove the legal requirement for everyday delivery. This regulation is what stands in the way of Graham's plan to carry out the largest restructuring operation in Australia Post's history, potentially destroying thousands of jobs.

Graham said the decline in letter volumes by 66 percent since 2008 is threatening the long-term viability of the national mail carrier. Australia Post has reported a \$189 million loss by its letters division in the six months ending December and expects to record an overall loss this financial year, its first since 2015.

Graham declared that the company's "long-term viability is at risk," because "the Performance Standards issued a quarter of a century ago are no longer fit for purpose for Australia Post."

He warned Senate Estimates "there is a risk of needing taxpayer support" for Australia Post, which, while state owned, is operated as a self-sustaining business. The fact that the possibility of government funding for a vital piece of public infrastructure is considered objectionable is indicative of Australia Post's future.

Australia Post plans to offset its profit decline by reducing letter delivery to one or two days a week. This is part of a longstanding push to slash costs and transform the mail carrier into a lucrative parcel delivery business. Ultimately, the purpose of this is to prepare Australia Post for privatisation.

The federal Labor government is completely on board. Through its Postal Services Modernisation initiative, the government is seeking to "improve productivity and revenue in delivery, while managing costs," including through "changes to letter delivery standards."

Labor plans to work with Australia Post to ramp up "productivity," that is, increase the size of delivery rounds and load workers up with an ever-growing number

of parcels.

The removal of the Performance Standards, requiring Australia Post to deliver to 98 percent of addresses in the country, five days a week, will also reduce the speed and reliability of the mail service for customers, especially in remote areas.

While Australia Post and Labor are well-enough attuned to the sentiments of postal workers that they dare not utter the phrase "Alternative Delivery Model (ADM)," this operation is not a repudiation, but an expansion of the ADM, which was disastrous for workers and the company.

This is reflected in Labor's Postal Services Modernisation discussion paper, which notes that the temporary suspension of Performance Standards under the ADM "demonstrated the capacity of the postal delivery network to adapt to new delivery models while ensuring letter services were maintained."

The ADM was instituted in May 2020, when Australia Post management and the then Liberal-National federal government seized upon the COVID-19 pandemic as a pretext to institute sweeping changes across the organisation. They did so with the complete support of the Communications Workers Union (CWU), which signed a 12-month no-strike deal with management to suppress workers' opposition to the hated model.

The ADM doubled the size of delivery rounds and led to a major increase in injuries and mental health issues, as postal workers struggled to deal with unsustainable workloads. Thousands of workers left Australia Post as a result. Australia Post ultimately abandoned the ADM because it failed to deliver the demands of management and big business for reduced costs and faster parcel delivery times.

Labor and Australia Post are relying on the CWU to enforce the latest restructuring operation, just as it did with the ADM.

Ahead of Labor’s legislative changes, the CWU is already collaborating with Australia Post to develop a new delivery model. At depot meetings the union told members that, under the proposed model, delivery routes served by Electric Delivery Vehicles (EDVs), motorbikes and pushbikes would be expanded by as much as 50 percent. Ordinary letters and junk mail would be delivered to half the round on alternate days, while parcels, large letters and priority mail would continue to be delivered each day along the entire expanded route.

A trial is currently underway in Hornsby, where the union’s top bureaucrats are working closely with senior management to determine “whether efficiency can be achieved” through this new model.

The CWU claimed in a March 1 email that it “has secured important job security commitments—ensuring that no job losses will occur.” Such “commitments” mean nothing. In the very next paragraph, Murphy admitted that the new model will likely cause delivery rounds to be “impacted by potential efficiency gains,” i.e., some will be eliminated.

Workers whose beats are broken up and redistributed will be shunted to “parcel delivery duties,” possibly in a different facility. Management and the union know from the experience of the ADM that, confronted with increasingly onerous conditions and ordered to relocate or retrain, many workers will leave “voluntarily,” delivering the cost savings Australia Post seeks.

It is not just delivery workers under threat from the restructure. Australia Post has announced that 400 jobs in middle management will be cut by the end of this month. It is also in the process of shutting down post offices in cities around the country.

Defending the cost-cutting operation, the CWU insists that Australia Post confronts “significant headwinds” and must institute sweeping changes in the face of a major crisis that confronts mail carriers in every country with the decline of letters.

In a further demonstration of the CWU’s total integration into Australia Post management and the Labor government, both Graham and Communications Minister Michelle Rowland were featured as keynote speakers at the union’s conference in March.

The fact that the two individuals spearheading the restructuring operation were cordially invited along to outline their plans underlines the critical role the CWU is intending to play in enforcing whatever changes management demands and stifling any opposition that emerges from workers.

This poses the need for Australia Post workers to build new organisations of struggle, rank-and-file committees democratically controlled by workers, not well-heeled bureaucrats tied by a thousand threads to management and Labor. These committees provide the only means for workers to break the stranglehold of the union apparatus and fight for their own interests.

Australia Post, Labor and the CWU are determined to place the burden of the decline in letters squarely on the backs of postal workers, in line with processes underway globally. Workers at Royal Mail in Britain and Deutsche Post in Germany are in the middle of bitter struggles against management and governments seeking to impose massive wage cuts and attacks on the working conditions of postal workers.

In both countries, workers are running up against union bureaucracies that are doing everything in their power to shut down strikes and ram through rotten deals.

Postal workers in the UK and Germany are beginning to take matters into their own hands. They have formed rank-and-file committees based on principled opposition to the union leadership. In recognition of the global character of their struggles, they have affiliated with the International Workers Alliance of Rank-and-File Committees, the only organisation advancing a perspective for workers to unite globally in the struggle for secure jobs with good pay and conditions.

Critically, this requires a fight against the broader global processes underpinning the assault on the working class, including the massive expansion of military expenditure, as well as the ongoing COVID-19 pandemic.

As part of this global fight, a group of Australia Post workers formed the Postal Workers Rank-and-File Committee in 2021 to take forward the struggle against the ongoing restructuring operation and the total complicity of the CWU in the attacks on our jobs and conditions.

We urge postal and delivery workers in Australia to contact us today to discuss how you can join this fight.



To contact the WSWs and the Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**