

New Zealand Post to sack 750 workers

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NZ Post announced on June 27 that it plans to sack at least 750 staff, claiming it is a necessary response to the historic decline in mail volumes. The announcement follows the closure of NZ Post's Manawatu sorting centre in Palmerston North in March with the loss of 60 jobs.

The planned redundancies, in Auckland and Christchurch, will slash the workforce of 4,500 by 17 percent over five years, impacting mail deliverers, processing and support staff and leadership roles.

Chief executive David Walsh said NZ Post needed a more “commercially sustainable model” and was “working to find the most efficient and cost-effective way to deliver the lower volume of mail for our customers.” He said the number of mail items sent each year has fallen to about 220 million, from over 1 billion 20 years ago, and is expected to drop to 120 million items by 2028.

As is the case internationally, changes to the use of mail and technological improvements have opened the door to an assault on postal services, jobs and working conditions. Thousands of postal workers are currently involved in major struggles against brutal restructuring in Britain, the US and Australia.

In New Zealand the onslaught began in 2013 with the announcement of 2,000 job losses. The then National Party-led government gave NZ Post approval to cut deliveries from six to three days a week and close dedicated PostShops. The cuts were backed by the Labour Party, the Greens and enforced by the Engineering, Printing and Manufacturing Union (EPMU) and the Postal Workers Union (PWU).

Before the cuts, NZ Post employed 7,000 staff including 2,200 mail deliverers. The company closed three mail processing centres in Wellington, Waikato and Dunedin, as well as several satellite locations.

Now the Labour-Greens government is overseeing a new round of restructuring as part of a far-reaching

austerity drive aimed at forcing working people to pay for the worsening economic crisis triggered by the COVID-19 pandemic.

Minister for the Public Service Andrew Little—who led the EPMU until 2011—has said nothing about the announced job cuts or the ongoing degradation of the postal service.

From July 1 this year the cost of sending a standard letter increased by 30 cents to \$2, international postage prices increased and annual PO Box rental fees also rose. NZ Post is also hiking its postage price for bulk mail customers by 30 percent, meaning the cost of sending mail has increased 100 percent in the past five years for these customers.

Following the injection of \$289 million from Labour's 2020 budget, NZ Post boasted of its “shareholder's confidence in its future.” Walsh declared the funding would “allow us to meet the needs of our customers and respond to more online buying and selling. We will now be able to invest and build with confidence.”

Developments with online shopping, particularly since the pandemic, have seen an explosion of parcel delivery services. While NZ Post operates a courier service, it competes in an industry where the highly exploitative private contractor system determines working conditions, wages and costs. These are a direct product of the deregulated labour market imposed by the 1984-90 Labour government and subsequent administrations.

As they have done for decades, the trade unions are acting as direct agents of the management, declaring that cuts are inevitable. The EPMU union (formerly the EPMU) has signed a so-called “Just Transition Agreement” with NZ Post to suppress any opposition and shepherd sacked workers out the door.

The union's “negotiation specialist,” Joe Gallagher deceitfully declared that the process, which has already

been used in the Manawatu closure, “is about workers being treated with fairness, equity, and transparency, so they can focus on things like transferring their skills to other kinds of work, or retraining and upskilling as they explore different options for their futures.”

A worker at a NZ Post courier processing facility in Auckland told the World Socialist Web Site that the union had left workers “high and dry.” He said: “A lot of us don’t have a very high opinion of them. We treat them as another arm of the company and look at them very suspiciously when they come around.”

He said staff at his workplace had been told “nothing” about the job cuts other than the media reports. He said workers he had spoken to “all say the same thing: the company’s gone away from being a service provider to just speaking like a top 500 company, corporate-speak all the time.”

The worker said his section of the company is not affected by the latest cuts, but went through several redundancies about two months ago, which were not publicly reported by the media or the union.

He explained that automation is being used to shed jobs, even though the new address-reading technology often throws up errors. Management continually updates workers about the cost of processing parcels, but “they’re not too concerned about whether it gets to the right address.”

“It is a government entity, so I don’t know where they come up with this idea of needing to make a profit,” the worker said. He noted that in 2004, under a Labour-led government, NZ Post formed a joint venture with private courier company DHL. Eight years later, “DHL pulled out because they couldn’t make money” and NZ Post bought back the whole courier business.

The situation at NZ Post poses the need for 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 Labour.

Such committees are the only means for workers to break the stranglehold of the union apparatus and fight for their own interests. They will also allow postal workers to link up with those in other industries—such as university staff, council workers and teachers, who face hundreds of job cuts and attacks on their wages and conditions and are being sold out by the unions.

In opposition to the national divisions promoted by the trade unions, rank-and-file committees will be able to unite workers in different countries in a common struggle. The postal system is international in scope and the fight to defend jobs and conditions will be immeasurably strengthened by unified global action.

Postal workers in the UK, Germany and Australia are beginning to take matters into their own hands. They have formed rank-and-file committees based on principled opposition to the union leadership. These have affiliated with the International Workers Alliance of Rank-and-File Committees, the only organisation advancing a perspective for workers to unite globally in defence of their class interests.

Above all, a genuine struggle against the NZ Post cuts must be guided by socialist principles. The capitalist demand that such essential services be run as profit-making businesses, at the expense of their workers and those who use the service, must be rejected.

We urge postal and delivery workers to contact the WSWs and Socialist Equality Group (NZ) to discuss the way forward in this fight.



To contact the WSWs and the
Socialist Equality Party visit:

wsws.org/contact