

Australia Post executives handed massive bonuses while workers face real wage cuts, worsening conditions

Jim Franklin
28 November 2024

Australia Post recently announced a loss of \$88.5 million for the 2023–24 financial year, substantially below the \$155.5 million forecast. The result, achieved through a massive restructuring operation aimed at slashing labour costs by 17 percent by 2026, prompted the state-owned mail service’s board to hand out major bonuses to senior management.

Chief Executive Officer Paul Graham will take home \$965,031 in bonuses, for a total of \$2.69 million, while other general executive managers will also receive generous bonuses, along with 338 lower-tier managers whose salaries range between \$250,000 and \$845,000.

For workers, the story is completely different. The “Post26” restructuring has resulted in real wage cuts, the closure of many post offices around the country, the destruction of more than 400 middle-management jobs and the introduction of a New Delivery Model (NDM) that drastically increases the workload of postal workers.

At the same time, the level of service provided to the community has been substantially lowered, with letters now delivered only every second weekday. The cost of postage stamps has been increased from \$1.20 to \$1.50, along with large rises in the price of parcel delivery.

This has been carried out through a tripartite management-union-government operation. Last December, in line with the demands of management, the federal Labor government pushed through legislative changes removing the requirement for everyday delivery.

Conscious that this was a red line for workers after the disastrous Alternative Delivery Model (ADM), the Communications Workers Union (CWU) leadership worked with management to devise a new model that

nominally fit within the parameters of “one beat, one postie”—that is, that one delivery worker covers the same route each day.

The reality of the New Delivery Model (NDM), which the CWU has played the lead role in implementing, is that beats have been enlarged and posties are delivering more, bigger and heavier, parcels, significantly increasing the workload.

The massive executive bonuses are supposedly based in part on Australia Post meeting key performance indicator (KPI) targets. Notably, one that was not achieved, according to the company’s 2024 annual report, was “safety performance.”

The Total Recordable Injury Frequency Rate (TFIFR), which measures the number of serious injuries per million hours worked, increased to 23.5 from 22.4 in 2023. The annual report noted, “an increase in Body Stressing claims from aging workers performing manual labor in a highly industrial setting and a rise in Postal Delivery Officers being impacted by third-party vehicle accidents were key contributors to the higher claims.”

In other words, postal workers are being injured at an alarming rate, as a direct result of the increase in parcel handling and delivery as workers are manually handling larger and larger volumes.

The reference to “third-party vehicle accidents” is an attempt to whitewash the reality—the shift in focus from letters to parcels, and the elimination of walking beats, is moving more and more postal workers from footpaths to roads, placing them in harms’ way.

The report also notes that the “reduction in support roles led to lower hours from low-risk roles,” that is, the sacking of hundreds of office and retail workers has

contributed to the increased TFIFR, because a greater proportion of the jobs that remain are in high-risk areas.

The CWU leadership is virtually silent on this. Their only mention of the 30 percent rise in “injuries from a third-party on the road” was an October 9 statement endorsing “Australia Post’s campaign,” which consists of nothing more than a hollow appeal for drivers to be more careful.

The FY24 result also comes off the back of a sell-out enterprise agreement (EA) rammed through by the CWU in August that handed management everything it wanted. While the top brass receive massive bonuses for overseeing a financial loss, postal workers have been given a paltry nominal wage rise of 4 percent per annum for three years.

This is woefully inadequate under conditions of a massive cost-of-living crisis that has seen the purchasing power of workers reduced by 9 percent since 2020. But the CWU leadership insisted the deal, which also locked workers into the NDM, was the best workers could ask for, due to the “financial headwinds” facing Australia Post.

The FY24 result has brought into sharper focus the real reason for the Post26 restructuring and the introduction of the NDM. It is to make the workforce pay for the losses of Australia Post, ensure its return to profitability and transform the company into a parcel delivery service, in preparation for full or partial privatisation.

It is also in line with the Labor government’s broader drive to increase “productivity”—i.e., exploitation—throughout the working class and further impose its pro-corporate austerity agenda.

Australia Post workers must oppose this attack and build a counteroffensive to win decent wages, improve their working conditions and safety. To conduct such a struggle, postal workers will need to build rank-and-file committees in every workplace, democratically controlled by workers and independent of the CWU or any other union.

As the Postal Workers Rank-and-File Committee (PWRFC) wrote in opposition to the sellout EA:

Rank-and-file committees should reject all calls by the company and the union for sacrifice, or the lying claim that keeping

Australia Post profitable will protect jobs and conditions. Workers’ needs must not be subordinated to the interests of finance capital and the demand of the ruling class that essential public services must turn a profit.

To defeat the “Post 26” restructuring operation and fight for improved wages and conditions, Australia Post workers will need to take up a political struggle against Labor, management and the union bureaucracy.

Postal workers around the world are facing similar attacks on their living standards and wages. At Canada Post, more than 50,000 postal workers have entered the second week of a national strike for a new work contract and are in a bitter fight against management and the Canadian government. The government, which owns the postal service, is demanding the end of everyday delivery, the selling off of postal offices and the elimination of thousands of full-time jobs.

In almost identical fashion to the CWU in Australia, the Canadian Union of Postal Workers (CUPW) is seeking to tie Canadian postal workers to the corporate interests of the government and management. CUPW president Jan Simpson has candidly admitted, “We recognise the challenges our employer is facing, and our goal is not to simply make demands, but to work together towards solutions.”

Defeating this pro-corporate program requires a fight for a new political perspective that rejects the dominance of corporate profit interests over every aspect of society.

This means breaking with the corporatist program of the unions and fighting to unite all postal and delivery workers, in Australia and internationally, along with broader sections of the working class, in the struggle for a workers’ government and a socialist program. Australia Post must be placed under full public ownership and democratic workers’ control, along with the banks and major corporations.



To contact the WSWs and the Socialist Equality Party visit:

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