



GEN 13/128
7.0-002

25 November, 2013.

Senate Environment & Communications Legislation Committee,
Parliament House,
CANBERRA. ACT. 2600.
By email: ec.sen@aph.gov.au

Dear Senator,

RE: INQUIRY INTO AUSTRALIA POST BY THE SENATE ENVIRONMENT & COMMUNICATIONS LEGISLATION COMMITTEE

Attached for your information is our revised submission for the above Inquiry. Please replace our earlier submission forwarded on Friday, 22nd November 2013 with the submission attached hereto.

Our submission makes a number of key points:

1. Senior Australia Post management have lost their way in a number of key areas. The Communications Division of the CEPU is no longer able to proudly claim on behalf of our members that Australia has the world's best postal service.
2. There are a number of factors that have caused this these include:
 - i. A staff hiring freeze introduced last year with no consultation with the union whatsoever.
 - ii. The abandonment at the long standing 'clear floor policy' whereby every item of mail in a delivery centre would be delivered.
 - iii. Pay cuts in real terms over the past 4 years leading to issues with staff retention and requirement.
 - iv. Discriminatory rates of pay to workers doing the same job again leading to issues with staff retention.
 - v. Recent announcements of cuts to existing services in regional and rural New South Wales and Victoria with no consultation whatsoever with local government, business or the public in those areas.
 - vi. Chronic understaffing in retail outlets leading to ever increasing queues and many reports of unpaid additional hours and overtime by our members. Postal managers have reported having to work on a Saturday when the outlet is closed to catch up with paperwork, all unpaid time.
 - vii. Health and safety concerns from posties regarding the excessive times spent outside on delivering mail due to chronic understaffing.

Level 9
365 Queen St
Melbourne Victoria 3000
Australia
Phone (03) 9001 9920
fax (03) 9642 0333
e-mail cwu@cwu.org.au
web www.cwu.org.au
Len Cooper
Divisional President
Dan Dwyer
Divisional Secretary
ABN 22 401 014 998

2.

- viii. Hundreds of mail rounds left undelivered on a daily basis due to a lack of staff and fatigue issues with those remaining staff under pressure to get the mail out.
- ix. The general undermining of a great brand owned by the people of Australia by a CEO and Executives whose pay and bonus borders on obscene levels.

Notwithstanding the above, we still believe that Australia Post has a bright future and that declining mail volumes are best managed in a measured way and not with knee jerk reactions. We submit that the loss of direction in key areas can be reversed and that the recommendations in our submission conclusion would help to get Australia Post back on track.

Yours faithfully,

Dan Dwyer,
DIVISIONAL SECRETARY.

Enc.

MO:mp



**CEPU – Communications Division submission to Senate inquiry into
the performance of Australia Post and Licensed Post Offices by the
Environment and Communications Legislation Committee**

25th November 2013

**CEPU Communications Division
Level 9 365 Queen Street
Melbourne VIC 3000**

1 Introduction

This submission has been prepared by the Communications Electrical and Plumbing Union (CEPU) Communications Division.

The CEPU Communications Division (the union) is the major union that represents members who are employed by Australia Post.

2 Relevance to Terms

The Terms of Reference of the inquiry invite comment, among other things, on the overall performance, importance and role of Australia Post in Australian communities, and the challenges it faces in the immediate and longer term; and on any related matters.

In summary the union submits in relation to the above terms that:

- There is no justification for reducing mail delivery in regional/rural areas or for staff cuts. Cutting the delivery schedule will overload workers on the days when mail is delivered, back log sorting centres and isolate regional/rural and remote communities reliant on the mail for communication.
- Post offices, sorting and delivery centres are still central to commerce, public life and social affairs in regional and rural Australia.
- Australia Post presents a far more pessimistic outlook than that provided by international postal experts of letter volumes declines in order to close post offices, reduce the workforce, and do all the other draconian things Australia Post wants to do.

- Our members are delivering fewer letters but small parcels and packets have replaced the declining volume of traditional letters.
- Most posties are working harder than ever but will receive a total of 1.5% into salary this year which is again another pay cut in real terms making it four years in a row that Australia Post MD & CEO Ahmed Fahour has delivered such a cut.
- Our retail members in post offices are increasingly under pressure. Many offices run short staffed. People do unpaid time.
- The automatic time standards which Australia Post puts into its systems to staff post offices lead to hours being cut and eventually the post office is closed.
- Post offices should be staffed according to the time it actually takes to perform the work.

Community Service Obligations	
Australia Post has failed to meet its 94% CSO	
Overall Letter Service Performance Based on letters delivered in the following areas	
Period from 2/9/13 – 30/9/13	
	Percent on Time
New South Wales	94.3 (+0.8)
Victoria	96.0 (+0.7)
Queensland	88.7 (+1.1)
South Australia	93.0 (+1.2)
Western Australia	92.0 (+1.2)
Tasmania	96.6 (+0.9)
Northern Territory	91.5 (+1.8)
Australian Capital City	93.3 (+1.6)
National Average	93.6 (+0.4)
Period from 1/10/13 – 31/10/13	
	Percent on Time
New South Wales	91.9 (+0.8)
Victoria	95.4 (+0.7)
Queensland	91.2 (+1.0)
South Australia	94.2 (+1.0)
Western Australia	79.2 (+1.3)
Tasmania	96.8 (+0.9)
Northern Territory	92.9 (+1.4)
Australian Capital City	93.2 (+1.4)
National Average	91.9 (+0.4)

- The employment freeze should be lifted immediately.
- Australia Post should commit to top up pay to CPI and the profit share commitment that was promised during the EBA discussions.
- A modest stamp price increase should be supported to help support rural and regional Australia.

3 Submission

Erosion of services, staff cuts

Australia Post has an employment freeze on all new employment across all categories. Post has fewer staff now than it did when Fahour took the reins – 33,000 compared with 35,000 – and there is the strong prospect of more job losses, although the company won't say how many.

A Case in Point

Somewhere in Australia a postwoman is in trouble. Suffering an injury from bullying at work, a degree of chaos in her personal life and unreasonable demands to extend her work hours because of staff cuts and poor management have left her with a psychological injury and feelings that she is subject to unfair treatment.

She is a part-time employee in a delivery centre in a large country town. Almost every day she is expected to work long additional hours and threatened with losing her job when she complains. Even when on various types of leave including bereavement leave and immediately following a work-related motorcycle accident she has been coerced by her manager to return to work.

Elsewhere across Australia postmen have reported being the targets of intentional dog attacks, car swipes and had objects thrown at them from angry residents whose mail is being delayed. These posties also blame staff cutbacks and poor management for the slow mail deliveries.

Australia Post say there is another five years of trying to work out what the organisation is going to look like and how many people we need in that world, but there will be a lot less. (*Financial Review June 2013*) Already significantly understaffed with a number of positions vacant and staff turnover up to 30% in some States such as Western Australia the situation is horrendous and perilous.

A contract postie, in a large regional town in another part of the country said it isn't unusual for up to 7000 homes in one area to miss out on mail in one day, because of staff shortages. He said residents were taking their anger out on the posties. People get upset. He has given up. He is in the process of looking for a new job it's that bad. Indeed it's very dangerous. He said poor management was breaking morale among workers, and said they received little support when an incident happened. He said many were feeling under the pump, with nine delivery vacancies in his centre alone. He said they were being told to be back at the facility by 5pm to keep costs down. "If staff are short, we're told to leave runs behind," he said. "Some days we leave four to five runs behind in one region that includes express envelopes and registered mail. We've actually had people's mail at base for two to three days before they're able to collect it."

Australia Post has a policy of no more than 4 1/2 hours on a motorcycle, but workers say most posties are out for six to seven hours at a time. Members are routinely working 12

hour days with posties spending excessive hours on their motorcycles and retail members working significant levels of unpaid additional hours and overtime.

In another part of regional Australia postal workers say that residents in some of the surrounding suburbs are not receiving their mail for up to four days due to a lack of posties at the local mail centre. Workers are increasingly under pressure. Under Australia Post employment conditions, it is a breach of conduct to discuss with the media any issues relating to the organisation. "Routinely, rounds are being left unprocessed due to insufficient staff. Four days is not an exaggeration," the worker said. "As the town gets bigger, the number of posties is getting smaller and some rounds have no posties allocated at all. Australia Post looks like they are running the mail centre into the ground." A former Australia Post employee said the pressure was mounting on the remaining posties, who were finding it increasingly difficult to meet their targets without breaching safety regulations.

Australia Post has indicated publicly it will move the majority of mail from regional Victoria to its main sorting centre in Dandenong. The decision to abandon next day delivery will hit the Ballarat economy with dozens of jobs likely to be lost at the Ballarat depot," said CEPU Vic Branch secretary Joan Doyle. Should the proposal happen, Ms Doyle expects jobs will be cut from the Ballarat mail centre. "Not only are they abandoning next day delivery for mail posted between Melbourne and Ballarat and between Ballarat and adjoining country towns, but to make matters worse only 94% of mail will be delivered on the second day." Geelong will also suffer slower mail services and lose jobs if mail is diverted to Dandenong for sorting. Five Victorian regions are said to be affected – Bendigo,

Seymour, Geelong, Ballarat and Gippsland would move to Melbourne and lead to job losses and delivery delays. Australia Post said they have made similar changes already in NSW and it was a "win win". It isn't when you consider the impact on postal workers and services.

The Electoral Office of Kennedy has had several complaints relating to delays in receiving post by residents in Ingham and even business owners. Constituents said they weren't receiving mail for up to 10 days after they knew it had been sent. The local real estate agent had tenants contacting them saying that they were receiving inspection and other paperwork after the date of the inspections. Suncorp bank said customers were not receiving statements and policy notices in advance, therefore, were not given much time to pay or renew their policies or accounts. They were told that there was an issue relating to the lack of delivery workers at the Ingham Post Office.

Residents said that two of the delivery workers had resigned from their job on the same day in August and since then no permanent worker had not been put on, leaving residents not receiving post in a timely matter. Ingham has a large elderly population who are accustomed to receiving physical mail and for whom the postie may be the only person they see every day. As long as there is post, at least one human being comes to your home with something for you. The Mayor and the president of Hinchinbrook Chamber of Commerce have now reported that mail delivery has changed from 10 days in a fortnight to 5 days a fortnight. This has caused a lot of concern for the Ingham residents. There has been no public consultation.

There is no justification for reducing mail delivery in regional/rural areas to every

second day or less often in a week or for staff cuts. Cutting the delivery schedule will overload workers on the days when mail is delivered, back log sorting centres and isolate regional/rural and remote communities reliant on the mail for communication.

It's easy to forget how central this institution was and still is to commerce, public life and social affairs in regional and rural Australia.

Conflicting projections, posties working harder

The union has no illusions about the way things are going for paper mail. Traditional mail volumes are going down, possibly faster than expected. Substitution by email is going up, possibly faster than expected. But mail is not dead. This is not a business that is going to go away anytime soon. The Copenhagen Institute for Future Studies "Role of Mail 11" study (2011) reported that surveyed postal and communications experts expect a moderate decline in mail volumes – a 22–26% deterioration by 2020, averaging 2-3% annually. Australia Post presents a far more pessimistic outlook than that provided by international postal experts with predictions of letter volumes down 6.4% on last year. If you want to close post offices, reduce the workforce, and do all the other draconian things Australia Post wants to do, you need a permanent paradigm shift. That is mail volumes are declining so of course it's killing Australia Post - except it's not. Undermining postal services will do much more harm to Australia Post than declining mail volumes.

Individual posties complain that Australia Post is fiddling the figures and that mail volume is going up, not down; that the software used to calculate optimum round times doesn't take reality into account; that

posties are being loaded with heavier bags and being bullied into doing ever longer rounds. A permanent full-time postie in a large capital city said he is working pretty consistently 10 hour days. Spend 5 or more hours on a motorcycle everyday and your wrist, arms, legs and back get sore he said. "Overtime used to be optional once, not anymore." A permanent part-time postie in the same capital city said he is a 5 hour a day worker who is coerced by his team leader and delivery centre manager into doing 8 1/2 hours every day. While he doesn't mind doing extra hours a couple of times a week to help his work mates, he doesn't want to be used by Australia Post as cheap labour. "I'm not getting overtime rates", he said.

If a postie says, "Don't tell me about falling mail volumes, I'm carrying more than ever," a lot of the time they will be correct. Our members are delivering fewer letters but small parcels and packets have replaced the declining volume of traditional letters. Domestic parcel volumes are increasing at an unprecedented rate, up 9.3% in 2012 – 2013. Around 84 % of all small parcels are processed through the delivery centres, with more than two thirds of these now delivered by posties. Our members also deliver mail to an increasing number of households. Most posties are working harder than ever but will receive a total of 1.5% into salary this year which is again another pay cut in real terms making it four years in a row that Australia Post MD & CEO Ahmed Fahour has delivered such a cut. This is despite the fact that Australia Post made \$311.9 million profit after tax, up 10.9% in 2012-2013. Fahour, already one of Australia's highest-paid executives, received a pay increase of 66%. He was paid an unprecedented \$4.8 million in 2013, including a whopping \$1.9 million base salary and more than \$2 million in incentive pay. This is ridiculous. Workers

are paid a pittance. Favour is simply treating our members with contempt.

21 Nov 2013

Australia Post has good news for printers: consumers still regard print as an outstanding form of marketing.

Two Australia Post experts will share their research with printers at functions in Sydney and Melbourne.

The survey of 9,000 people asked consumers which channel they regarded as the most effective for marketing messages.

Catalogues and flyers ranked ahead of television, print media and radio, according to the Printing Industries Association of Australia (PIAA).

"This is a good news report for our industry and a great opportunity to push the message to clients that print should be an integral part of any multi-channel communication plan," said chief executive Bill Healey.

Post offices have hours cut, eventually closed

Alongside our posties, our retail members in post offices are increasingly under pressure. Many offices run short staffed. People do unpaid time. The big rise in parcels because of the popularity of online shopping brings foot traffic but has put retail workers under more pressure and exposed to health and safety risks. Parcels not delivered by contractors are returned to post offices. It is not uncommon for big, awkward and heavy parcels to present at post offices. Recently a car gear box turned up as a carded parcel. There is minimal parcel handling equipment and limited storage space in most post offices. Asking workers to get someone to help lift a parcel is not feasible in a busy post office nor is it an acceptable work method.

Last year a Sydney suburban newspaper reported that it took approximately 1 minute to 10 minutes to buy a stamp in 20

post offices in various parts of Sydney including the Central Coast. A NewsLocal poll of 1200 readers found 52% of those surveyed felt it took far too long to buy a stamp at their local post office.

Ten minutes in a typical post office explains why. We enter at 3.25. Two Postal Services Officers (PSOs) are working and 6 people waiting. Shortly after, a third PSO comes on, the queue goes to 5. One customer was already doing a passport application when we entered and did not finish until we had been in the queue for 9 minutes. Another PSO has a person paying multiple bills which occupies about 4.5 minutes (they too were already there when we entered the post office.) The third PSO had a passport application and was still working on it 8.5 minutes later - there is a problem with the quality of the photos and whether the Department of Immigration would accept them. Customers 3, 4, and 5 were served in about 4.5 minutes by one PSO, and we are served by another PSO in about 1 minute. We left the Post Office at 3.35. In all that time the PSOs were working steadily at process tasks. There was a queue of 9 people waiting when we left.

These ordinary every day scenarios typical of post offices across the country do not show up in the data collection methods Australia Post uses for staffing Post Offices. Consequently most post offices run short staffed. People do unpaid time to clear queues after the post office has closed and to perform back office functions. Australia Post uses a time and motion method known as MODAPTS to make it look as though the work times have been worked out 'scientifically' when in fact the union has proven that it is not reliable or accurate. The work is too varied to tie it down to some theoretical numbers. These flawed data collection methods are used to cut hours further. Post offices are eventually closed.

Retail profit again grew to \$200.6 million through 2012-2013. Corporate post offices are important, more important than LPOS. The automatic time standards which Australia Post puts into its systems to staff post offices should be replaced with the times it actually takes to perform the work. Post can afford it.

Conclusion

Australia Post is central to commerce, public life and social affairs in rural, regional and metropolitan Australia. The Australian Government has therefore an important role in ensuring that Australia Post in whole remains a public asset. The erosion of daily deliveries in regional/rural areas such as current proposals for Vic and NSW and ongoing job cuts in response to letter volume declines are unacceptable. Cutting the delivery schedule will overload workers on the days when mail is delivered, back log sorting centres and isolate regional/rural and remote communities reliant on the mail for communication. Service delivery could be improved by an immediate lifting of the employment freeze and the re-introduction of the clear floor policy.

The Union believes that a modest stamp price increase should be supported to help support all existing services with a particular focus on rural and regional Australia.

As well our members are working harder than ever but will receive a total of 1.5% into salary this year which is again another pay cut in real terms. Australia Post should at least commit to top up pay of CPI and engage with the union on the profit share commitment that was promised during the EBA discussions. Australia Post should also commit to equal pay for equal work.