

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates May 2017**

**Communications Portfolio**

**Australia Post**

**Question No: 74**

**Australia Post**

**Hansard Ref: Page 107-108, 24/05/2017**

**Topic: Wages - Letter**

**Senator Dastyari, Sam asked:**

**Senator DASTYARI:** I might put a few things on notice to give you an opportunity to go away and answer them. Correct me on the record later if my understanding of this is wrong. Your view appears to be that you are legally required to enforce a low wage growth policy of two per cent. If that is the case, I am not sure what information you can provide me that allows you to come to that conclusion. There appears to be correspondence between Australia Post and the Public Service Commissioner. From what Ms Corbett said, some of that has already been released to the union. I do not know whether you can provide us with a copy of that on notice as well as other information. Obviously we are not going to have time to go through it now, but you have come to the conclusion that you are bound by it. I would like to get an understanding of why and how you came to that conclusion.

**Mr Blake:** I believe that those letters, at least the key letters, were already provided on notice after the last estimates.

**Senator DASTYARI:** There has been no correspondence since then?

**Mr Blake:** The last letter that we have from the Public Service Commissioner is simply the letter that gave us the exception to make the offer to our employees that they told us covered the things that were really important to them, which were: going through reform we needed to protect the jobs that were impacted—

**Senator DASTYARI:** The bit that fascinates me more about this is the policy around what is and is not required. Could you provide a copy of that final letter? Has there been more correspondence?

**Mr Blake:** I am very happy to provide that on notice.

**Answer:**

Please find attached the following correspondence from the Australian Public Service Commissioner (APSC):

1. Letter from the Australian Public Service Commissioner, John Lloyd PSM, to Ahmed Fahour, Managing Director & Group CEO of Australia Post, dated 30 September 2016; and
2. Letter from the Acting Australian Public Service Commissioner, Stephanie Foster, Ahmed Fahour, Managing Director & Group CEO of Australia Post, dated 28 April 2017.

There has been no further correspondence with the APSC since 28 April 2017.

Rec'd 7/10/2016



**Australian Government**  
**Australian Public Service Commission**

**Australian Public Service Commissioner**

Mr Ahmed Fahour  
Managing Director  
Australia Post  
111 Bourke Street  
Melbourne VIC 3000

Dear Mr Fahour

I understand that the Hon Malcolm Turnbull, when Minister for Communications and the Arts, wrote to you regarding bargaining at the Australian Postal Corporation during 2015.

I am writing to you to follow up, and reaffirm the content of that correspondence regarding the Government's expectation that enterprise bargaining in the Australian Postal Corporation will be in accordance with the *Workplace Bargaining Policy 2015*.

I am advised that we are yet to hear from Australia Post about its bargaining.

The key elements of the Policy require agencies to develop workplace arrangements that:

- do not impose restrictive work practices that confine the operations of the agency;
- do not enhance existing conditions;
- provide remuneration increases of up to an average of 2% per annum; and
- are at least three years in duration.

In addition the bargaining policy requires agencies to seek my approval for:

- any remuneration increases prior to these being put forward to staff; and
- the proposed enterprise agreement prior to putting the agreement to a vote of employees.

I would appreciate if you or a relevant member of your staff made contact to discuss the application of the Policy. My office can be contacted on [REDACTED] to arrange a convenient time.

Alternatively the contact officer for Australian Postal Corporation in the Australian Public Service Commission for bargaining matters is Emma Enzerink who can be contacted on [REDACTED] or via email [REDACTED].

Yours sincerely

John Lloyd PSM  
30 September 2016



**Australian Government**  
**Australian Public Service Commission**

**Australian Public Service Commissioner**

Mr Ahmed Fahour  
Managing Director and CEO  
Australian Postal Corporation  
GPO Box 1777  
Melbourne VIC 3001

Dear Mr <sup>Ahmed</sup>Fahour

I am writing in relation to Australia Post's proposed enterprise agreement. As we have previously advised, Australia Post is covered by the Australian Government's Workplace Bargaining Policy 2015. I attach a link to the Policy, in which the Government clearly stipulates that the Policy applies to all Government agencies, including Government Business Enterprises. I note also your discussions over recent months with the Australian Public Service Commissioner, in which you have sought to clarify the application of the Policy in the context of Australia Post.

I can confirm that the Minister Assisting the Prime Minister for the Public Service, the Senator the Hon Michaelia Cash, and the Minister for Communications, Senator the Hon Mitch Fifield, have granted Australia Post a partial exemption from the Policy.

The bargaining policy specifies that exemptions may only be granted by the relevant Ministers in exceptional circumstances. In the context of Australia Post, the exceptional circumstances present include your very significant record of business transformation in recent years, achieved with the support of its staff and unions in implementing the reform agenda. This has occurred without any lost time due to industrial action. Unlike other bodies covered by the bargaining policy, Australia Post operates in a highly competitive commercial environment and this was taken into account.

The partial exemption granted allows Australia Post to roll over its current agreement without amending existing clauses that would otherwise require changes under the policy.

Other key aspects of the policy still apply to Australia Post. These include the remuneration increase parameters (a maximum of two per cent per annum averaged over the life of the agreement) and the requirement not to enhance existing conditions of employment.

Yours sincerely

Stephanie Foster  
Acting Australian Public Service Commissioner

28 April 2017