

E-BULLETIN Postal

#19. Friday, 18 October 2013



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1. Post bumper profits

Australia Post announced a \$312 million profit on Friday. Also announced was a \$244 million dollar dividend to the Federal Government. Ahmed Fahour's remuneration also rose significantly from \$2.88 million to \$4.75 million, the media have reported. These profits are the result of the efforts of workers who keep the mail flowing day after day, week after week. There are a number of troubling aspects to the announcement.

During the EBA Fahour stated on a number of occasions that Australia Post would not be paying a dividend to the Government. We had requested a greater share of the wealth for workers and Fahour insisted there was no more "in the kitty".

Also Ahmed Fahour's increase in salary of approximately 70% borders on obscene for someone who kept talking about wage restraint. Workers will receive a total of 1.5% into salary this year which is again another pay cut in real terms making it 4 years in a row that Fahour has delivered such a cut.

2. Stamp price rise

Australia Post has flagged that it will be seeking a price rise to 70c for a basic postage stamp according to media reports. While your union supports a fair price for what we consider to be the world's best postal system, we suggest Post take a good hard look at how they are sending very mixed messages to the people of Australia.

The bean counters are starting to damage the brand with their desktop decision making. The recent moves to chop existing services in regional and rural Australia are a seemingly politically naive decision. The announcement then of a proposed stamp increase for all Australians is nothing more than a slap in the face to those in regional and rural Australia who will now not only receive a lesser service but actually pay more for it. Further proposals are being flagged for metro areas. The bean counters need to be reigned in before they damage the brand anymore and sour public affection for our great postal service.

3. Comcare decides against Post at Mount Waverley DC

Comcare wrote to the CWU last week, informing of its decision on work groups and Health and Safety Representatives (HSRs) at the Mount Waverley DC/Business Hub in Vic.

E-bulletin readers may recall that the union requested Comcare intervention to decide matters relating to the number and composition of work groups and HSRs at Mount Waverley Delivery Centre/Business Hub due to failed negotiations at the workplace.

The union had put the position that there should be two work groups with a HSR and a DHSR for each work group, or alternatively, one work group with two HSRs and two DHSRs. Australia Post's position was one work group with one HSR and one DHSR – curious for an organisation that claims to put safety first.

With the parties unable to reach agreement the aim of Comcare's investigation was to:

- (i) Determine how best to group workers in a way that most effectively and conveniently enables their health and safety interests to be represented; and
- (ii) Ensure workers have convenient access to their HSR.

The union and the workers at the Mount Waverley workplace provided their views in relation to work groups and HSRs to Comcare. After considering these views and the various representations from Australia Post, Comcare decided:

- *There should be two Work Groups for the workers at the Mount Waverley DC/Business Hub which work in the areas known as Delivery/Retail/Administration and each Work Group should have one HSR and one DHSR.*

In the reasons for its decision Comcare noted that *"of the numerous views received from workers in relation to the potential structure of the work group and HSRs, only two responses indicated satisfaction with the historical arrangement of a single work group with one HSR/DHSR ... a far greater proportion indicating a single HSR/DHSR as being insufficient"*.

Clearly the workers' views were of critical importance in determining the outcome – why Post refused to listen is anyone's guess!

This is a good outcome for members at Mount Waverley - having two work groups rather than a single group will enable workers in the retail business area to have greater access to a HSR and reduce the burden on the HSR in the Postal Delivery area relative to the previous situation.

4. Post plans to reduce SPB rostering on Sundays

The issue of SPB clearances on public holidays and Sundays was previously raised by the union with Australia Post when SPBs were not cleared after 6pm on public holidays in Victoria and Western Australia. The explanation from Australia Post at the time was that this was a one-off arrangement.

As recently as 25th September 2013 in a meeting with CWU assistant secretary, Martin O'Nea, Australia Post denied it was planning to reduce rostering of SPB clearances on Sundays.

Notwithstanding these commitments, a letter arrived late last week advising that Australia Post proposed to introduce a national program of reduced rostering on Sundays. It was not sent to Martin O'Nea who has been dealing with Australia Post on this matter.

Martin has also been talking to members and the media about planned cuts to country postal workers jobs and mail services as is his job.

No one could fail to see a pattern here – your union should not be punished for speaking out. Australia Post is adversely affecting the right of members to be represented by their union.

Clearly, reducing SPB clearances and the associated roster changes will have a significant impact on workers' pay.

The issue was discussed briefly at the National Business Hub Consultative Committee this week, where the Divisional Office requested that Australia Post consult immediately with the union on this matter and that management stop any plans to introduce reduced rosters until proper consultation has occurred. We will keep you advised.

5. Australia Post caught out on spin

The Geelong Advertiser this week asks: Was Australia Post being upfront with Geelong customers about proposed changes to mail-sorting processes in the city?

The question arises after a media statement from Australia Post stated Australia Post would be “maintaining current mail service arrangements for Geelong”.

The statement followed reports in the newspaper last week that Australia Post was considering bypassing the Geelong mail centre and sending mail from the city to a similar facility in Dandenong.



However, only three hours after Australia Post released that statement, it was confirmed that is what would be happening to the Geelong’s mail, reported the Advertiser.

The cost-cutting proposal raised concerns from the union and Corangamite MP Sarah Henderson. “There is no doubt this media statement is misleading and frankly that’s very disappointing,” Ms Henderson said.

It is particularly galling that Australia Post says they have made similar changes already in NSW and it was a “win win”. It isn’t when you consider the impact on staff and services. The fact Australia Post was again not up front here is another example of how badly this organisation behaves.

Your union is working very hard to oppose these changes.

6. FWC approves the Decipha Pty Limited Enterprise Agreement

The Fair Work Commission (FWC) has approved the *Decipha Pty Limited Enterprise Agreement 2013-2015* that was negotiated with the CWU. The Agreement covers operations employees who are engaged across the country in Decipha Pty Ltd.

The 3% increase in rates of pay due to employees once the Agreement was approved has already been paid as of 23rd September 2013 after the union put to Decipha that members’ pay increase should not be delayed due to essentially the procedural steps of the approval process.

The FWC noted that the union is to be covered by the Agreement on behalf of its members. This will enable your union to enforce all terms and conditions in the Agreement

While the FWC was satisfied that the Agreement passes the Better Off Overall Test (‘BOOT’) when compared against the current Enterprise Award, it is worth noting that this Award will cease to apply from 31st December 2013 so that for the next Agreement the BOOT will be one of the new modern awards.

This means that we can make the next EBA even better. But we need your help. Bargaining power is everything. Make sure that our bargaining power is stronger with 100% membership. Keep asking your work mates who are not in the union to join.

7. CWU members in Decipha win right to domestic violence leave

Decipha employees have won the right to extra paid leave to help them deal with domestic violence, under a landmark deal for this industry that was negotiated by the CWU in the new Decipha Enterprise Agreement.

Under the deal any Decipha employee experiencing domestic violence will have access to additional paid leave of two days a year.

The Decipha deal allows extra leave beyond the two days leave to be granted, with employees able to use personal/carer's leave as a consequence of domestic violence.

Employees entitled to domestic violence leave will also be able to access flexible work arrangements where appropriate.

As well, the deal includes access to support for victims of domestic violence through the company's employee assistance program.

The introduction of violence leave marks a proper recognition by Decipha of the importance of this issue and the need for employers to offer support to their employees in this area.

AP should offer violence leave, but it hasn't.

A similar claim for paid domestic violence leave was pressed by the union in the Australia Post EBA negotiations. But typical of Australia Post's position on this and many other matters was the following self-serving come back: *'this is not an appropriate matter to be dealt with in the Agreement. AP is satisfied with the support that is provided under its current policy'*.

More than 1 million workers now have access to some form of paid domestic violence leave. The idea of the leave is to give affected employees time to deal with issues such as court orders or counselling.

What gives with Australia Post? Is Australia Post meaner than its business counterparts? Probably not. The difference is that Australia Post has pocketed damn near all its profits, neither recruiting new workers to cover over worked full-time and part-time workers, nor giving decent pay rises, nor improving conditions for those who continue to work for them.

The Union will of course continue to raise this important issue with Australia Post.

8. Superannuation questions that arise from redundancies in Post

We are facing some redundancies in Post and questions arise of course about superannuation. Hence the union sought advice on the following simplified and theoretical questions.

Question 1 - relates to provision that FAS cannot fall and loss of penalties

Q1. - I am full time employee who worked shift work - My FAS (final average salary) last year 2012 was \$50,000 being my base salary and shift penalties. I will now lose my shift penalties and my FAS will fall to \$40,000 this year 2013. What will happen to my FAS?

Answer - A removal of shift penalties etc. will have **no impact** on an employee's FAS. The APSSS has procedures in place to ensure that the FAS cannot go backwards. Even if the employee remains on a salary of \$40k, the salary reported to the APSS will be indexed every year (e.g. in line with Average Weekly Ordinary Time Earnings AWOTE), so the FAS in say 3 years time would be over \$50k. (Note that AWOTE is higher than the current EBA pay rises).

Question 2 - relates to provision that FAS cannot fall - and conversion to part time

Q2. - I am full time employee with 10 year's service - My FAS last year 2012 was \$50,000 being my base salaries and shift penalties. I am now going part time on 25 hours per week and my FAS for this year will be about \$30,000. What will happen to my FAS?

Answer - A move from full time to part time hours will again have **no impact** on an employee's FAS.

The APSS records the **full time equivalent salary** on their administration system, but reduce the defined benefit accrual by the part time service fraction.

As an example: Employee earns \$50k per annum. Full time = 40 hours per week. Employee moves to 20 hours per week. This is equal to a service fraction of 0.5 (i.e. 20/40).

Although the employee is now earning \$25k, the salary for superannuation purposes remains at \$50k.

The reduction in hours is reflected in the multiple accrual for the employee. Instead of increasing at 14.3% p.a. in the APSS, the multiple will increase by $14.3\% \times 0.5 = 7.15\%$ p.a.

9. UK postal workers back strike action on privatisation

Royal Mail staff will strike over the government's privatisation of the firm amid concern about the fate of jobs and working conditions.

Members of the Communications Workers Union (CWU) were balloted on strike action and voted to walk out in the wake of the 500-year-old company's flotation on the London Stock Exchange.

Unions say Royal Mail's privatisation will lead to job losses, a decline in the quality of the service offered, and has been sold off at poor value for taxpayers. "We have said from the beginning that we want an agreement and we still do. The question now is whether this privatised Royal Mail still wants an agreement," said Dave Ward, CWU deputy general secretary.

"We have offered the company a two-week period to reach an agreement and having already had many hours of negotiation, this is achievable if there is a will. The clock is ticking for both sides and we need Royal Mail to work to reach agreement before this deadline.

"What we want is a groundbreaking, long-term, legally binding agreement that not only protects postal workers' job security, pay and pensions - but will also determine the strategy, principles and values of how the Royal Mail Group will operate as a private entity.

"This means there will be no further breakup of the company, no franchising of individual offices or delivery rounds, no introduction of a cheaper workforce on two-tier terms and conditions and no part-time industry." A strike will take place on 4 November if no agreement is reached between unions and Royal Mail bosses before this date.



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