

E-BULLETIN **Postal**

#2. Friday, 21 February 2014



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1. **Black Letter Day**

In a blow to existing services in regional Victoria and New South Wales Australia Post yesterday confirmed that next day delivery services provided for over 30 years would be slashed.

Senior Executives had described next day delivery in a number of regional areas as “over-servicing the customer”. Such language is an alarming example of a culture change within the organisation driven by the CEO Ahmed Fahour.

Your National Office and the Victorian Branch had lobbied against the changes and this led to a boycott of Assistant National Secretary, Martin O’Nea and Victorian Branch Secretary, Joan Doyle by Australia Post.

Your union will continue to fight ANY reductions in services and any moves by the bean counters to undermine the traditional mail services. They are damaging the brand and the long term interests of members and they must be held to account.

We will continue to campaign to have the slashed services restored in regional Victoria and New South Wales.

2. **Hands off Aussie Post HOAP**

We have created a new campaign Hub to counter ongoing talk of privatisation and the moves by Australia Post to reduce existing services in traditional mail areas.

Check out the Hub at handsoffaussiepost.org.au. This Hub will enable us to move quickly when needed and to ensure that your voices are a constant part of the ongoing narrative. Also check out your revamped National website at www.cwu.org.au for latest news and previous E-Bulletins. On it we have links to our Facebook and YouTube channel

3. Australia Post response on StarTrack Christmas Bonus

Readers will be aware that your union wrote to Post seeking clarification of a Christmas bonus in the form of a voucher. Post have responded and advised that the voucher was for \$200 and was in line with "long standing custom and practice". Post noted that StarTrack will "however be reviewing its ongoing approach to the issue to ensure future alignment with Australia Post."

We suggest that Post apply a "highest common denominator approach" and ensure next Christmas that all employees receive a Christmas bonus. We all know how much members earn the right to be shown appreciation at Christmas time when volumes skyrocket.

We will be formerly requesting that Australia Post provide an equivalent one off \$200 voucher to ALL staff in recognition of your hard work over the past year.

4. NSW delivery resurrect clear floor policy as Service Performance Standards drop below 94%

NSW members have advised the National Office that Post management have directed all mail to be cleared on a daily basis. This is due to Post' misguided attempt to stop "over servicing" the customers. The over servicing strategy in NSW led to hundreds of delivery rounds, thousands of mail articles, being left undelivered on a daily basis.

At the same time as the above scenario Post HQ implemented a "staffing freeze" that left a hundred plus PDO positions vacant. The unfilled PDO positions led to high levels of overtime and impacted on attendance and health and safety. The union understands NSW management is now recruiting to backfill these vacant positions.

With PDO positions being filled and clear house policy back in place there may be a chance that Post might meet 94% sometime this year. The National Office represented these matters to Post on a National level and through the FairWork Commission. It's good to see the message finally got through in NSW.

5. NSW relief Posties start on 15% penalty shift

Post has moved NSW Delivery Relief posties onto 6am start times so they incur the 15% allowance. This is to assist in having current employees apply for vacant positions and new recruits stay in the relief positions.

There is a significant amount of vacant relief positions in NSW and all States. The shortfall of the 15% shift penalty is a primary cause for the vacancies. Operationally having reliefs start at 6:30am or later caused a lot of problems with depot bags and getting rounds set up in a reasonable timeframe.

The National Office has written to Post saying all Relief positions across Australia should have a start time that draws the 15% shift penalty.

6. ACCC green light to stamp price increase

The ACCC have indicated that they will not oppose Australia Post's application to increase stamp prices from 60¢ to 70¢ at the end of March. Communications Minister Malcolm Turnbull has 30 days to disallow the move, but it seems a fait accompli.

Your union's position is that the extra revenue will mean Australia Post must commit to maintaining all existing services and putting back in place slashed services in regional Victoria and New South Wales. If anything needs slashing it is the obscene salary of the CEO Ahmed Fahour whose remuneration increased from 2.8 million dollars to 4.7 million dollars between 2012 and 2013. An increase that was the same amount of savings Post achieved by slashing next day delivery in regional Australia.

7. Brazil Post and Poste Italiane to launch joint mobile phone business

Brazil Post has signed an agreement with Poste Italiane to work together to launch a mobile phone service in Brazil.

The agreement came following a bilateral meeting in Brasilia attended by Brazil Post president Wagner Pinheiro de Oliveira and the chief executive of Poste Italiane's mobile phone division, Poste Mobile.

The two companies plan to establish a joint venture that will introduce a mobile phone service to Brazil using a virtual network.

As a mobile virtual network operator (MVNO), the joint venture will not own the wireless communications network through which it will provide mobile phone services to customers, but will buy bulk access to existing network infrastructure at wholesale rates, before selling on phone services to customers at retail rates.

The postal operators are now in the process of talking to wireless telecommunications operators in Brazil, and plans to select a network partner in April. The venture will also have to secure an operating licence.

Brazil Post is expecting to start selling SIM cards and phone credits in its post offices from October 2015, and is planning a second phase of the project, selling phone handsets, from the first half of 2015.

Hopes are for Brazil Post to eventually become one of the largest distributors of mobile phone products in Brazil, with forecasts that the service could be provided to 8m people within five years thanks to the post office network's reach into both urban and rural areas.

Poste Mobile

Brazil Post explained that the venture would follow the model of Poste Italiane's Poste Mobile business in Italy, which was launched in 2007 as an MVNO. It now has 3m customers.

The company said that as well as established expertise, Poste Mobile has proven the reliability and capacity of a service based on a virtual network.

Pinheiro said the agreement with Poste Italiane was the result of a "thorough analysis" of the business.

"Our goal was to deliver to postal customers, through our extensive branch network, a range of comprehensive and affordable mobile communication services, along with value-added solutions that are simple and easy to use," said the Brazil Post president.

"The choice of Poste Italiane as a partner of this project is a natural consequence of the experience of the Italian postal operator's MVNO in its subsidiary Poste Mobile, which is widely considered a best practice in this field."

Brazil Post, which is 100% state-owned, was only granted the powers to set up this kind of joint venture with a foreign company in postal reforms of 2011. Pinheiro said the partnership with Poste Italiane was "perfectly in line" with those reforms intended to modernise his company.

Massimo Sarmi, the Poste Italiane chief executive, said the work with Brazil Post was effectively part of his company's role as a technology consultant for the global industry, in this case sharing expertise in digital communications.

“The joint venture with Brazil Post shows the efficiency of the Poste Mobile business model,” Sarmi said.

“It represents a success story that is easily scalable thanks to the simplicity and effectiveness of operational solutions and high level of innovation.”

Source: Post&Parcel/Brazil Post

8. Abbott wanted pay cuts of up to 40% at SPC

The Abbott government tried to pressure the management of Victorian food processor SPC to cut wages by up to 40% according to recent press reports.

According to *The Age*, SPC Managing Director Peter Kelly was urged by the government last December to put all his employees on the award if he wanted any financial assistance for restructuring.

The report chimes in exactly with the statements of Tony Abbott when he announced he would not offer the company support and pointed to its employees’ above-award conditions.

But awards provide only minimum conditions – and minimum wages schedules. Apart from loss of any negotiated conditions, SPC workers would have suffered heavy pay cuts if the government had had its way.

Pay for a level-two process worker, for instance, would have been cut from about \$50,000 a year to \$33,000. For higher-paid maintenance workers, the falls would have been even more dramatic, dropping from as much as \$85,000 a year to about \$50,000.

As recently as last week, Abbott told parliament that it was not his government’s intention to attack people’s wages.

These reports give the lie to those claims.

9. Wages growth at all-time low

Figures released on 19 February show that Australian wages are growing at their slowest rate on record.

Wages grew by an average 2.6% during 2013, while inflation rose by 2.7%. So in fact real wages are declining – a fact that won’t be news to the many who struggle to meet rising energy and other household costs.

So much for the Abbott government’s arguments that Australian workers, like those at SPC, are being overpaid.

ACTU Secretary Dave Oliver pointed to the figures as showing that the government’s campaign against current working conditions and pay levels was “false and misleading”.

“There is no such thing as a wages blow-out in Australia,” he said.

“On the other hand, at the same time as wages growth is slowing, big corporations are revelling in a bumper profit season, with major employers like Commonwealth Bank, BHP Billiton and Wesfarmers reporting big jumps in earnings and multi-billion dollar profits.”

“This follows the worst unemployment figures in over a decade. We are still waiting for Tony Abbott to step up and fight for jobs.”

“He must urgently spell out a plan for job creation and back up his promise of one million new jobs within five years.”



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