

E-BULLETIN **Postal**

#19. Monday, 27 October 2014



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1. Australia Post's Annual Report shows mail volumes are not falling off a cliff and Post is not going broke

Australia Post released its Annual Report for 2014 this week. The report provides interesting reading.

Figures for the year include:

- Profit after tax \$116 million. This includes \$63 million on corporate restructuring. Underlying profit after tax was \$179.2 million which is up 1.0% on last year. Underlying profit before tax (EBITDA) up by 10.3% to \$518.6 million. These figures indicate Post is still in a strong financial position.
- Revenue increased to \$6.4 billion, up 8.3% on last year. Revenue was \$4.9 billion in 2010.
- Addressed mail volumes dropped 4% last year. This is consistent with the moderate decline expected by the CWU and postal experts. Not 12% as CEO Ahmed Fahour has spruiked over the last few months.
- Domestic parcel volumes up by around 12.8%.
- Parcels and express services earned \$337.5 million (EBITA), up 20.8% on last year. Overall parcel revenue growth up by 16.4%. The Australia Institutes argues that the delivery network for letters is also the foundation for the profitable small parcel delivery business. "The way that Australia Post is presenting its financial accounts conceals the relationship between the 'losses' made delivering letters and the 'profits' made delivering small parcels."
- \$595 million capital investment in future parcels network program. These big investment decisions in parcels and logistics tell us that Post thinks they are going well.
- Retail services earned \$175.6 million which is in line with last year's result.
- Senior executive and director remuneration increased to a whopping \$15 million, up from \$13 million last year. There are now 409 managers being paid over \$195,000 up from 327 the previous year.
- The CEO's share was \$4,631,776. Since starting in 2010 Mr Fahour has been paid close to \$12 million. His salary has steadily climbed each year. Last year he was paid a lump sum of \$436,829 to "restore the value in the managing director and CEO's original contract as a result of erosion through unexpected impacts of legislation with respect to high value superannuation contributions from February 2010".

The Annual Report shows mail volumes are not falling off a cliff and Aussie Post is not going broke.

2. PDOs to deliver small parcels and Express Post articles on Saturdays

It has been agreed at the National Mails/Delivery Consultative Forum that small parcels and Express Post articles will be delivered by PDOs in metropolitan and regional locations from November 29 over four consecutive Saturdays.

It has been proposed to have a reduced roster consisting of 5 hour shifts commencing from 6am. Volunteers will be called for to perform the deliveries.

Local discussions will take place including State Branch officials to facilitate this process.

3. Carving up the business – Information Digital Technology

Post has confirmed that it is going to market to potentially outsource jobs in Information Digital Technology (IDT). Post has also confirmed that some jobs could be done offshore.

But Post is refusing to provide a copy of the scope of the work that has gone to market or say who the potential bidders (5 apparently) are for the work even though these decisions directly affect the jobs of 100 Award employees and 30 contract managers. In fact the 300 people who work in Post's End User Computing service (including 100 Award & 30 managers) potentially all are affected. Apart from job losses there are also very real concerns that sensitive customer information will be exposed when held by an offshore provider.

Post says a decision will not be made until January/February 2015. The CWU has told Post that it wants an opportunity to influence any decisions before they are made – so that jobs can be kept in house.

4. More carving up the business – Post Connect

Post met the CWU this week (21 Oct) on a proposed review of PostConnect that could see the business enter into a joint venture with another business, selling the business or shutting down the business.

Curiously, it was not until the union put the rumours of selling the business that Post came clean on these plans and that they were not talking about just restructuring the business.

PostConnect currently employs 109 employees nationally including 98 people covered by the Australia Post EBA. The majority of jobs are in Vic and NSW. 20+ jobs and the South Australian site have already gone as part of the 900 job cuts. These job cuts have already affected people across all States.

CWU National Secretary, Dan Dwyer demanded that Post advise the union on what opportunities the union will have to influence the decision and where and how that will occur. Post is yet to respond.

In the meantime, Post is planning site visits with the relevant CWU state branch in attendance. This will provide an opportunity for workers to ask questions and express their views about any sell off or shut down of PostConnect.

5. Post work health and safety policy fundamentally flawed

CWU National Office has told Australia Post that its revised Work Health and Safety policy is fundamentally flawed.

The main reasons for this view are as follows:

No preventative strategy in the policy that focuses on work systems.

There are well known risks to worker health and safety in Post. These can be reduced through better design of work systems. Research shows the overwhelming majority of workplace accidents are as a result of poor work environment and poor work processes. But the policy makes no mention of these things.

The focus in the policy is on individual behaviour.

But safe behaviour and safety leadership programs etc will not make inherently unsafe conditions safe. For example, safe behaviour will not make long hours on a motorcycle safe. The working environment is controlled by Post and this should be the focus of policy and improvements. Safe workplaces come from identifying and removing hazards, not enforcing safe behaviours to work around the hazard.

The policy fails to recognise the Australia Post Health and Safety Agreement 2013, the rights of workers and the role of unions in the Agreement.

The Health and Safety Agreement 2013 enables workers to be involved collectively through their union in jointly determining with Post what defines safe and healthy workplaces. The Agreement gives workers vital rights and recognises the important role the union plays in improving people's safety at work. But no mention of the OHS Agreement and the rights contained therein.

The draft policy fails to recognise HSRs.

Australia Post must consult elected HSRs on how it will meet its duty to provide a healthy and safe workplace. HSRs recognise risks often long before management accept the risk even exists. But no mention of HSRs and their rights.

In the union's view, the policy in its current form could not possibly give comfort to the Australia Post Board that health and safety is being properly managed in this known high hazard industry.

6. Australia Post unveils Alexandria Business Hub

Australia Post recently unveiled the new Alexandria Business Hub in NSW, its largest Business Hub site in Australia.

The hub is part of Australia Post's \$595 million Future Parcels Network program. It includes:

- Parcel Delivery Centre and van operations
- Bulk Mail Lodgement Centre
- A new Alexandria Business Hub, 24/7 Parcel Lockers and customer collection point
- An extension to the existing letter delivery facility to enable the consolidation of Waterloo Delivery Centre.



Alexandria Business Hub houses 790 employees – including 375 posties who deliver to 347,000 delivery points daily – and 110 Parcel Contractors.

Employees were involved in a number of working parties in the design and build of the redeveloped site.

7. Union sues Canada Post over plan to end doorstep delivery

Unionists in Canada have launched a major legal challenge against Canada Post's current efforts to adapt to falling letter volumes.

The Canadian Union of Postal Workers (CUPW), revealed that it will file a lawsuit in the Federal Court of Canada claiming that the state-owned postal service does not have the right to refuse to provide doorstep delivery of mail. The challenge will state that only Canada's Parliament has the authority to make such changes to the postal service.

The union which represents around 50,000 postal workers, is joined by groups representing people with mobility issues in launching the challenge suggesting that Canada Post is unlawful in removing doorstep delivery.

Last December Canada Post announced plans to end doorstep mail delivery as part of a five-pronged bid to counter the losses being made by its letter business. Many Canadians already receive their mail via community or centralised mailboxes, rather than delivered to their individual doorstep.

**We welcome your comments and contributions –
send us an email and let us know what you think via cwu@cwu.org.au
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