

# E-BULLETIN Postal

#7. Friday, 9 May 2014



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## 1. Audit Commission calls for Post privatisation

The Commission, chaired by former Business Council leader Tony Shepherd, has called for the privatisation of Australia Post. The Business Council is strongly backing the privatisation of AP.

The report says *“AP is likely to experience significant pressure on its profitability due to the ongoing decline in letter volumes. This presents a major risk to the Budget and a risk to the continued delivery of postal services to the public without reform of Australia Post’s community service obligations and cost structure, and/or privatisation.”*



The report also says AP Post has put forward a proposal to take over and modernise the delivery of a range of government services, particularly those delivered by the Department of Human Services. The scoping study would need to examine community service obligations in letter delivery and other ‘reserved’ services

The proposal focuses on the integration of DHS service points within AP’s network of over 4,400 retail outlets and its role as a trusted provider of third party services. All DHS functions, other than strategic policy development, would be integrated into AP. According to the report, 334 Centrelink service centres, 126 rehabilitation centres and 139 standalone Medicare offices would be amalgamated into AP’s network. In addition, 334 new ‘Supercentres’ would be established to offer DHS and AP services.

AP would bring improved convenience for clients by developing digital alternatives – initially through acquiring the myGov platform operated by DHS – and through the Australia Post Digital Mailbox. The proposal is predicated on a one-off investment cost of \$1.5billion to \$2billion and AP has projected it to deliver net benefits of \$1 billion to \$1.2 billion annually.

**The proposal claims to deliver total staffing reductions of about 9,000 people, with 5,000 from DHS and 4,000 from AP (that’s more than 12% of AP employees), resulting in some \$700 million of lower costs.**

The AP proposal would be rolled out over five years from 2015. At this time, the Commission has not undertaken a detailed verification of the estimates of costs and benefits of the proposal provided by AP.

Privatisation will certainly be resisted by your union. Any attempt to privatise AP would attract a lot of opposition especially from rural Australia where the post office is the backbone of a small town. But even in the city the general public is not ready to have anybody else delivering to their door. See our “Hands Off Aussie Post” web site - [www.handsoffaussiepost.org.au](http://www.handsoffaussiepost.org.au)

## 2. Audit Report proposes other cuts

The Abbott government's Commission of Audit has also revealed proposed cuts to benefits and assistance. The commission has recommended:

- The real value of the minimum wage be cut every year for ten years and then scrapped altogether.
- Students pay more for their tertiary education.
- Medicare be dismantled and the long-standing policy of free universal health care abandoned.
- Elderly Australians be made to pay the price for inflated property values by making many of them ineligible for the aged pension.
- Young unemployed people be forced to relocate to areas where there is (supposedly) work or lose their benefit.
- Cuts to family tax benefits foreign aid and the homeless.
- 15,000 jobs will be lost from the Commonwealth public service.

The report's recommendations are a kick in the guts not only for the gains made by Australian working people over more than a century but for the very idea of a just and egalitarian society. They will be resisted by the labour movement and should be rejected by all fair-minded Australians.



## 3. Members criticise changes to APSS – FAS freeze for many for years

CWU members have criticised changes to the APSS defined benefit scheme as very significant in terms of affect on super payouts and widespread in their impact on number of employees.

### One member says:

I work as a Technician (PTO 7).

- My base salary is (rounded) \$ 81,500.00
- My (AWOTE) super salary is \$105,000.00
- My FAS is \$100,000.00

I have 19 yrs service, after a quick calculation:

After 19 yrs x 100,000 x 0.143= \$271,700

After 20 yrs x 100,000 x 0.143 = \$286,000 No AWOTE)

After 20 yrs x 104,000 x 0.143 = \$297,440 With 4% AWOTE

This change will have a very significant affect on my Super payout. I don't think a lot of the members understand just how significant this change is for them. I congratulate the national office of the union for raising this issue.

At my centre 4 out of 4 posties will be affected says a CWU delegate Lew Chapman, Atherton DC in Qld. That's a 100% hit for those on the bottom of the salary ladder. I personally will not see any above inflation rise in my super salary until 2018 which will drastically affect my retirement outcome.

A defined benefit scheme such as Post's which is based on final average salary (FAS) pays a disproportionate benefit to those who have climbed the ladder to higher salaries. The vast majority of operational staff who remain at base level or a few steps up only barely stay in front of inflation with regard to their final benefit being sufficient for their needs in retirement.

Scope for additional savings to top up is also limited at these lower salary levels. Women in particular will be affected as they are more likely to have lost penalties for maternity leave and child care reasons. The original design of the scheme would have included the AWOTE indexation to ensure that those who experienced a reduction in salary for super purposes (i.e. temporary or permanent loss of penalties) would at least stay ahead of inflation eroding their benefit, while benefits increased exponentially for the few who could promote further up the ladder. AP's claim of sustainability is a joke when one looks at executive salaries in AP.

## 4. 457 review: stand up for Australian jobs and training opportunities

The Abbott Government is conducting an 'independent' review into the 457 visa program for temporary overseas workers. If the Government and employers get their way, they will deregulate the program, taking away important protections and safeguards that unions have fought for.

- Employers will no longer have to employ Australians first before employing overseas workers.
- Employers will be able to undercut Australian wages and conditions because they will have no obligation to pay market rates
- The 457 visa program will be extended to cover more unskilled occupations, where overseas workers are even more vulnerable to exploitation
- English language standards for overseas workers will be lowered, again creating a more vulnerable workforce.

Unions are calling on the 457 review panel not to water down the current protections and to make recommendations that will ensure Australians get increased opportunities to apply for local jobs before employers seek to fill positions with a temporary overseas workforce.

"Not only must current regulations around the 457 visa program be upheld, we need to strengthen those laws," ACTU Secretary Dave Oliver said. The ACTU is seeking feedback and support on this question from its affiliates and their members. We strongly encourage all members to have their say on this important matter. Please go to the ACTU link and fill out the questionnaire: <http://www.australianunions.org.au/457review>

## 5. Stand up, speak out, come home

The CFMEU has launched a new campaign called "Stand up. Speak out. Come home."

The campaign will tell the real life stories of what happens when workers are unable to speak out about dangers at work. It will show the vital role of the union in taking a stand, and how this is under attack by governments and employers.

The launch kicked off with television ads on Sky News. You can view them now on youtube [here](#) and [here](#). It features workers and families from across our three divisions.

You can also visit and promote the campaign website [www.standupspeakout.org.au](http://www.standupspeakout.org.au) and facebook page <https://www.facebook.com/standupspeakoutcomehome>

## 6. Big Brown waves white flag



*When the fired UPS drivers retraced their routes, they found customers ready to pose in supportive photos and talk on video about what their driver meant to them.*

A relentless grassroots labor-community solidarity campaign, has seen UPS (United Parcel Service USA (*Big Brown*)) wave the white flag and rehire all 250 New York City drivers the company fired last month. The campaign united drivers, elected officials, and even UPS customers.

UPS sacked 250 drivers in March for a work stoppage they had carried out after a driver was fired for starting work too early.

The local union launched a grassroots campaign to mobilize public support. Delegates and union activists passed out bulletins and petitions. An online petition was launched.

The firing of the 250 workers became tabloid fodder. With political pressure and bad PR on the rise, UPS tried to justify the firings as the only responsible business decision. One executive told the *Daily News* that UPS was firing 250 drivers because “we believe we owe it to our customers.”

The union put the question directly to customers. Customers were clear in their support for the drivers.

Supporters nationwide flooded the corporation with phone calls and bombed the UPS Facebook page.

Succumbing to pressure UPS executives met local union leaders and national union officials and hammered out a settlement. All 250 terminations were reduced to 10-day suspensions.

A great result for these New York drivers who were fed up with long hours, increasing production standards, and constant technological surveillance.

(Source: Story by Jane Slaughter Labour Notes April 2014)

## 7. Vale Jim Armstrong



It is with sadness that we inform members of the death of Jim Armstrong, former Assistant Secretary of the APTU Vic Branch. If Jim had a hobby horse over the years that he was a union official, it was occupational health and safety. He served on various Safety committees both State and federal since 1977 up until his retirement. Jim will be remembered for his long and committed service to the APTU and its members and for his genial personality.

The CWU extends its sympathy to Jim’s family for their loss.



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