

# ON THE LINE

## *Australia Post TECHNICAL Members Edition*

### **1. Late News: Post Fair Work Agreement Approved**

Late Thursday past Fair Work Australia (FWA) approved the Australia Post Fair Work Agreement 2010.

FWA Vice President Lawler issued a decision approving the Agreement to operate from 28 October 2010. The expiry date for the new agreement is 31 July 2013.

### **2. CEPU says new IR approach delivers for Australia Post**

The CEPU has welcomed the news of a solid profit for Australia Post despite declining mail volumes – saying it is a credit to the hard work of Australia Post employees and a new, collaborative approach to industrial relations from Australia Post management.

Australia Post has announced a \$103 million pre-tax profit for the 2009-10 financial year; against a 4.2% decline in mail volumes. Australia Post's decision to end a period of industrial conflict by consulting with unions and respecting its workforce has paid off.

New Managing Director Ahmed Fahour's approach of genuine engagement with unions and employees – which has included frank

discussions about the financial position of the corporation and declining mail volumes – has been greatly appreciated by employees.

The financial results follow the recent strong endorsement of a new Fair Work Agreement (FWA) between Australia Post and the CEPU.

The key features of the FWA protect job security, in part through redeployment and retraining into new and emerging areas, as the postal service adapts to a new environment where electronic communications rapidly undermine mail volumes.

Australia Post has shown its commitment to job security in this time of flux through a \$20 million fund to retrain and redeploy surplus employees due to changing conditions or restructuring.

The CEPU is calling on the Federal Government to contribute to this fund as well to support workers through this time of transition.

### **3. Australia Post Annual Report – the numbers**

Earlier this week Australia Post released its Annual Report, announcing that despite declines in letter volumes of 4.2% it had achieved a pre-tax profit of \$103 million for the 2009-10 financial year with a net profit of \$89.5 million.

Revenue for the year was \$4.87 billion (down 2.3%).

During the year Post employees handled 5.1 billion letters delivered to more than 10.7 million addresses with 96.1% of domestic letters delivered on time or early. Financial and agency services processed over \$77 billion in payments.

#### **4. Post Annual Report – Chairman and MD comment**

##### **David Mortimer**

Australia Post Chairman, David Mortimer, said the corporation had been heavily impacted by the global shift towards digital communications. He said that electronic substitution is now affecting mail volumes worldwide and Australia Post had implemented a number of measures during 2010 to prepare the business for ongoing challenges in its traditional core markets.

“At the start of this year, the Board identified three key priorities that would help stabilise the business and encourage growth: establishing harmonious industrial relations; tackling costs by reducing overheads; and securing a letter price increase,” said Mr Mortimer.

“We managed to achieve all these objectives by the end of the financial year, and there were clear signs that our financial performance is now improving”.

“In April, Ahmed announced the corporation’s Future Ready business renewal program, which involves transforming Australia Post into a more customer-focused, high performing and financially viable business.”

##### **Ahmed Fahour**

“Despite experiencing the worst mail volume decline in our history and absorbing rising costs due to inflation,

our net cash was \$500.7 million, consistent with last year’s figure. This preserved cash balance means we’ve maintained the strength in our balance sheet.”

“The Board was clear in its direction to stabilise the business and identify new areas of revenue growth,” said Mr Fahour. The first part of this was to create four new strategic business units: Postal Services; Retail Services; Distributions & Express; and e-Services.

“We’ve set about laying the foundation for the future by expanding our capabilities in eServices, distribution and logistics, and leveraging our retail network as a shopfront for government and financial services.”

A full copy of the Australia Post Annual Report for 2009-10 can be viewed at <http://auspost.com.au>

#### **5. Are you a member of Australia Post Superannuation Scheme (APSS)?**

Do you want to know more about your superannuation in the APSS but don’t know where to start? To assist members to get in contact and learn more about super APSS has sent to all members of the fund information about making contact to learn about the benefits of being a member of the fund.

APSS provides each member of the fund with a Benefit Statement once a year providing you with details about your APSS membership. You are also provided with an Annual Report providing general information about the activities of APSS for the year.

For members wishing to make contact with the fund you can call APSS on 1300 360 373 between 9.00 am. And 7.00 p.m. Monday to Friday or you can go to the website at [www.apss.com.au](http://www.apss.com.au).

## **6. Consultation required before introduction of new sorting machines**

Following a trial of Solystic small letter sorting machines Australia Post has advised the CEPU that it intends to install 25 of these machines nationally. Rollout of equipment is expected to commence at Airport West DC (the trial site) during February 2011 and completed nationally by mid 2011. The process involves First Article Testing conducted at Airport West and site acceptance testing at all other sites before the machines are commissioned for operational use.

Australia Post claim that the new equipment will enable sequence sorting of an additional 1150 rounds nationally (currently 1611 sequenced rounds). When combined with Bar-code sorter sequencing Post expects to sequence approximately 4100 rounds nationally.

Clearly there are a number of issues that need to be addressed with the union and its members prior to any rollout of this equipment. At this stage there has been a preliminary meeting with Australia Post where the union requested information on the impact of the expanded sequencing capacity on jobs, operator care functions, job design and rotation and technical maintenance support

arrangements. The union is considering its response in relation to the information provided to date and pending the State level consultation which is expected to occur shortly. Members will be kept advised.

## **7. Folding ULD prototypes fail to tick all the boxes**

Initial field testing of the prototypes of three folding ULDs supplied by potential suppliers to Australia Post has concluded. All units have failed to meet several criteria of the Australia Post specifications and require redesign work in order to be acceptable for use in the network. The potential suppliers will now be required to produce two samples of reworked units for review by Australia Post's Engineering Services Group. Potential suppliers will then be asked to undergo a durability test with an external provider.

It seems that many of the issues identified were purely engineering ones that do not affect the operations of the ULDs therefore it will depend on the outcome of the Engineers review whether the reworked units are put back into the network for further trial. Australia Post has agreed to provide an update to the CEPU when further information becomes available.

---

**We welcome your comments and contributions – send us an email and let us know what you think.**

Authorised by Alex Jansen State Secretary (NSW), CEPU T&S (Communications Division), 741 George St, Sydney, NSW 2000