

Mr John Stanhope
Chairman
AustraliaPost
Head Office



25 August 2015.

RE: AUSTRALIAPOST MANAGEMENT OF MAIL SERVICES PRICE INCREASES.

Dear Mr Stanhope,

Through a previous letter you will be well aware of this correspondent and customer's views on the advisability and justification or otherwise, of your CEO's ambitious proposals, with your apparent imprimatur as Chairman, for wholesale redundancies conversely counterpointed in ironic contrast by price rises across the board.

As a Sydney Morning Herald reader of the recent profile on your colleague Ahmad Fahour neatly summarised in the letters section (attached for your reference), AustraliaPost's executive management seems intent on a "*strategy of offering a worse service at a higher price*", going on to characterise it as a self-fulfilling "*vicious cycle*".

It is somewhat noticeable, if unsurprising, that almost unanimously readers in the letters column found it difficult to empathize with your colleague whose unwittingly revealing profile painted a picture whose end result one fears will not endear the public relations advisor responsible for this 'media opportunity' to her employer. Unlike postal service employees, journalists whose stock-in-trade is to spot interviewee agendas a mile off, are not as easy to 'manage' and control. This one seems to have backfired badly.

Last time my letter highlighted an unwarranted price increase for which there could be little commercial justification in the order of near 10% , way above CPI, and on that inflated basis bordering on the egregious. We have just received another postal product/service reminder, this time for postal redirections, remarkably reflecting an almost **identical rate of increase** from the previous year's fee. Without suitable justification, for which there is probably none, it is impossible to walk away without the distinct impression that the once 'traditional' annual price hike of @10% has been plucked out of the air by your colleague as one that the customer will wear because he/she is used to that sort of price rise in the past, not for any other plausible reason, completely ignoring that such a rise is wholly out of kilter with not only the most recent annual CPI (@ 2%) and not even the last three years aggregated in total. As Shakespeare wrote, "*Vaulting ambition that o'erleaps itself*"....Vaulting ambition indeed.

This letter will end where it started, by reference to that Herald reader who succinctly summarised probably a great deal of majority public sentiment on the subject of current management thinking within AustraliaPost. That reader spoke of a management 'strategy', if it may be called such, resulting in a "*vicious cycle*". We shall be discontinuing this service in protest, and have little doubt are likely to be one of a very great many others to come if executive management unwisely persist with this short term, some might even characterise it as opportunistic, approach.

2/2.

This is all revenue now lost to your organisation whose responsibility lies not with the rank and file staff and franchise network, doing their best despite, not because of, management; but squarely with Head Office executive thinking.

Our previous letter's last paragraph well anticipates the aforesaid Herald reader's recent comments regarding a self-fulfilling 'vicious cycle': It quite evidently bears repeating:

"we remain deeply concerned by the fashion in which the current executive are driving this publicly venerated organisation, and suggest that these current initiatives show many indications of acting counter-productively with and upon the very constituency whose goodwill and continuing patronage the future existence of the organisation and the salaries it funds are, in the end, entirely dependent...."

'No man is an Island' as the Rev John Donne calls out to us down through the centuries. It is sage advice: Are we all sage enough to acknowledge it?


A longstanding AustraliaPost business customer and Business associate of ours, shared with us that phone calls dealing with customer parcel consignments that either never arrive or else arrive weeks rather than days later, has become once a day over the last three or so years rather than, prior to that, at most once a month: And are now actively considering alternative subcontractors. The reason for this knowledge?.....**three weeks later** a business consignment sent to me by them that only five years ago would have taken at most three DAYS to arrive is still yet to surface. It is impossible for any reasonable customer to accept the justification for any price rises at all in the face of such deplorable management organisation. It is not the coalface front workers to be blamed: Heroically, they do the very best they can within the constraints, the tools and the timelines given them. And from what one reads from some of the other Herald column letters that falls far short of what they have the right to expect.

* In the meantime, seeing no justification for the mail price rises and associated delivery service changes which one may anticipate will reduce our once universally respected postal mail service to third world performance benchmark standards (and at a wholly unacceptable price point for the questionable privilege), we intend to formally lodge a copy of such objection with ACCC. It is noted with some interest that the Herald feature quoted your CEO as saying the price rise application had been lodged with that organisation. Notwithstanding the impression of that step having already been taken through executive management's various communiques over the past while, one deduces that in fact such a step may only have been taken comparatively recently? Interesting!

Sincerely,

Fitzroy Boulting

PO Box 3138
TUROSS HEAD NSW 2537

* please accept this as formal
lodgement of an objection as
stated herewith above. Many thanks.


cc: ACCC

S.M.H. GOOD WEEKEND (22.08.15)

inbox

POST HASTE

Ahmed Fahour wants to get "the brightest executives from all around the economy" working at Australia Post (August 8). These executives will undoubtedly be overpaid, as they will have been head-hunted from the lucrative corporate sector. At the same time, hard-working frontline Australia Post staff contend with low pay (a

recent ad for motorcycle posties advertised a \$15 hourly rate), while Fahour took 78 customers to the London Olympics.

NAME WITHHELD ON REQUEST

I wonder whether Ahmed Fahour ever found the time to read to his little children Hans Christian Anderson's *The Emperor's New Clothes*.
EVE ADDIS
BLACKBURN, VIC

Former Australian Printing Industries Association CEO Bill Healey is correct to characterise Australia Post's strategy of offering a worse service at a higher price as a "vicious cycle". As a small magazine publisher, we have been subject, over nine years, to eight increases in our postal charges, including two increases totalling 8.1 per cent in 2015 alone.

PHIL SANDBERG
CONTENT+TECHNOLOGY
MAGAZINE, DARLINGHURST, NSW

Blame must be apportioned to the shareholders who shot Ahmed Fahour to fame.

Until he falls on his dollar-encrusted sword, I shall continue to recycle my unfranked stamps and avoid the all-too-frequent price rises in the cost of postage.

V. LAUF
BUNGENDORE, NSW

So Ahmed Fahour is a philanthropist? He donates money – government money, our money – to a museum run by his brother, and he's some sort of martyr. He should never have been paid the bonus. The joint he runs loses money.

JOHN QUINN
CHATSWOOD, NSW

What a fascinating man is Ahmed Fahour. What else do you call making almost \$5 million a year to run a company that's leaking money all over the place?

G. HEALEY
CONDELL PARK, NSW

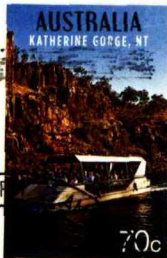
For many years, a single mother from the Camden area left home at 3.30am five days a week to collect parcels from an Australia Post distribution centre 30km away. She returned with her full van and delivered them during the day to grateful customers – she served us well. Contrast her life with

that of Ahmed Fahour and his senior executives. They appear to have no qualms about AP having to sell tens of millions of stamps to cover their wages and entitlements, while the faithful employees eat the scraps from under the table. Will the age of entitlement be ever over for executives in the corporate sector?

NAN HOWARD
CAMDEN, NSW

Write to: GWletters@fairfax.com.au (include your suburb, state, and a daytime phone number). Letters may be edited for clarity and space.

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~~Attn:~~

Mr Michael Cosgrave,
Exec General Manager
Information Regulator
ACCC
c/- GPO Box 3131
CANBERRA ACT 2601



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