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SUBMISSION TO THE ACCC

FROM

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ON

AUSTRALIA POST'S

DRAFT PRICE NOTIFICATION

ISSUES PAPER

1. The members of our union work predominantly for Australia Post, and a large majority of Australia Post employees in Victoria are members.
 2. We support the price changes proposed by Australia Post.
 3. We however believe that in return for these increases there should be an improvement in customer service standards.
 4. Productivity improvements within Australia Post are among the highest in the nation.
 5. While we would maintain that Australia Post has more middle and senior managers in proportion to many other corporations and that they are perhaps more highly paid than is justified, the base level staff is working very efficiently.
 6. Less Australia Post employees now deliver 31% more items yearly than 10 years ago. They deliver to 24% more delivery points and collect from 17% more Street Post Boxes than 10 years ago.
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A Statistical Snap-shot

	1996/1997	2006/2007	% inc (dec)
CEO's remuneration	\$390,000-\$400,000	\$2.6 million	558
Top 6 executives' remuneration	\$830,000	\$4.75 million	472
Base level employee's wage (AO 1 – 3 rd increment)	\$26,562	\$36,768	38
Mail items handled in the year	4,206 million	5,516 million	31
No of full-time employees	31,111	25,026	(20)
No of part-time employees	6,185	9,498	53
No of others (contractors/licenseses)	8,537	9,218	8
Total persons engaged	45,833	43,742	(5)
Corporate outlets	1,009	846	(16)
Delivery Points	8.2 million	10.2 million	24
SPBs	9,566	11,185	17

7. Australia Post is capable of delivering mail and parcels in a more accurate and timely manner than they do currently.
8. We believe Australia Post has 'dropped the ball' on customer service in their obsession with constant cost-cutting. The union alleges that the system of paying management bonuses if they meet budgets (that are often unrealistic) is getting out of hand in Australia Post and leading to distorted business decisions.
9. The mechanisation and automation of processing functions and the stream-lining of distribution networks over recent years would enable Australia Post to deliver mail more efficiently than they currently choose to do. Management frequently choose to 'carry-over' or store mail and to process it in 'windows' that allow costs to be minimized to the disadvantage of the customer.
10. We believe that to maintain the mail's share of the messaging market that Australia Post needs to provide a fast and accurate service for bulk business mail as well as full-priced mail.
11. We are also concerned that outer suburban, regional and rural Australia's mail is being unnecessarily delayed. For example, in many cases, up until the last few years, Australia Post used to always do better than the advertised "2 business day delivery standard" for country mail. They now tend to deliver only to the service standard.
12. Many of Australia Post's standards are out-dated. It is now time to improve these standards. We would ask the ACCC to recommend an improvement in customer service standards. There are many studies that show that the community appreciates and prefers paper-based messaging. They would like it even more if it was easier to post and delivered in a more accurate and timely fashion.
13. Even in metropolitan areas Australia Post is choosing to deliver the mail later in the day so as to avoid the costs of paying staff penalty rates for starting

early in the morning. This reduction in the labour rate is leading to difficulties in attracting and retaining staff, and to increased work-loads for remaining staff, and therefore to later deliveries.

14. The past striving for excellence in Australia Post is now being replaced with a "cheaper the better" attitude that is taking a toll on customer service.
15. Australia Post is not responsive enough to meeting the needs of the growing population centres. One example of this is the fact that while there are sufficient Street Posting Boxes in inner metropolitan areas, there is a great dearth of SPBs in new housing estates and in convenient places for people commuting by car. Many of these are still being cleared earlier in the day instead of after 6pm. For example, much of the Mornington Peninsula areas that are dormitory suburbs still have their SPBs cleared at 3pm.
16. Australia Post are also not making enough effort to market their communication channels to future generations. This is to the community's disadvantage.
17. In summary, we would agree with the price rises as outlined by Australia Post but we would ask that they be mandated to improve customer service standards bringing these into the 21st century so that people will not be forced to other messaging methods to obtain accurate and timely communications.