

## Australia Post Letter-pricing

I refer to Australia Post's application to increase the price of stamps by 17%. Our union is comprised of approximately 5,000 postal workers in Victoria, and would like to contribute these views on behalf of our members.

While the mail service provided by Australia Post is still 'a bargain', it would not be fair for the community to be asked to pay more for less service.

Australia Post should be required to maintain current levels of service if such a price rise is approved.

Currently, Australia Post is considering down-grading the delivery standard that has been provided to country Victoria for the last 35 years. All of country Victoria has been able to receive next day delivery service. This is now under threat with the plan to limit mail-sorting at the five Country Mail Centres in Victoria (Geelong, Seymour, Ballarat, Bendigo and Gippsland (Morwell) Mail Centres), and to cancel the interchange transport runs between these Centres. This change will lead to the immediate loss of 15 jobs in regional Victoria, and undermine the productivity of regional and rural Victoria. Australia Post state that they hope to save \$2.3 million, but there is no evidence that these savings will be realised as the costs of increased transport costs and the forgone revenue from subsequent reduced mailings have not been factored in to the equation.

In short, we believe the public are willing to pay more but wish to retain their current level of service.

In relation to Question 2.3, our Branch of the union believes attention should be paid to the remuneration of the CEO of Australia Post. The remuneration for this position has increased from \$395,000 in 1996/97 to \$2.9 million in 2007/08 to \$4.75 million in 2012/13. Similarly the remuneration of the executives (excluding the CEO) has increased from \$830,000 in 1996/97 to \$5.3 million in 2007/08 to \$8.23 million in 2012/13.

The obvious comparison is with the US Postmaster General who has almost half a million employees, as opposed to 32,700, and who only gets paid a fraction of the Australia Post CEO's remuneration.

Australia Post over recent years has spent many millions of dollars making middle and senior managers redundant only to employ even more managers (who have little operational knowledge of the industry) with higher remuneration than the previous management. There were 409 employees who received between \$180,000 - \$1,049,999 in 2012/13.

Apart from this huge divide between the pay of the operational staff and the managerial ranks of Australia Post, the corporation is very efficiently run.

Yours faithfully

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