

## Trials of new pay model for posties

Another new pay system is about to be trialed - the "Postie Pay Model". (See box alongside).

Under the Postie Pay Model, wages paid are for *calculated work performed* instead of payment for *rostered hours and overtime*.

The Postie Pay Model would give posties the flexibility to increase their earnings, or vary their hours, so that their work and income more closely matches their individual and family needs.

For Post the increased flexibility would also make the delivery network more responsive to the changes required by declining mail volumes and new products.

### Critical importance

Of critical importance for posties' workload and payment under the Postie Pay Model are:

- The Work Measurement System's recording of their individual rounds must be accurate.
- Post must not continue to have the sole right to make changes to the Work Measurement System. Any changes to the WMS must be by negotiation and agreement.

### 2006 CEA negotiations

In 2006 the PWUA CEA was settled with a commitment from the company to pilot a trial of the company's Fair Days Pay - but with two central issues to be addressed:

- A guaranteed minimum weekly wage.
- Health and safety protections against too much work.

### Previous trials very popular

Two trials of a modified Fair Days Pay were coordinated by a PWUA and Post working party in 2007. These trials at the Upper Hutt and Johnsonville delivery branches were very popular with the posties and demonstrated that a "payment for calculated work" model could work.

For the posties:

- Weekly earnings improved.
- More flexibility for posties' working hours and incomes.

For the company:

- Productivity increased.
- The company's costs did not increase.

### 2008 CEA negotiations

In the 2008 CEA negotiations the PWUA sought to include aspects of the modified Fair Days Pay experience into the new CEA. Post did not agree to this but accepted a proposal by the EPMU in

their CEA negotiations to create a Delivery Working Group (DWG) to work on alternative pay and roster systems.

The PWUA agreed to be involved in the Delivery Working Group.

The Delivery Working Group developed trials of two alternatives in Auckland:

- A trial at Hunters Corner which is similar in concept to the improved Fair Days Pay scheme piloted in Upper Hutt and Johnsonville in 2007/08.
- A trial at Rosedale which involves a choice of roster types allowing some posties to work a five day week every three weeks.

### Preferred by 96% of posties

Toward the end of the Hunters Corner trial 96% of posties preferred the "payment for calculated work" option compared to current CEA payments for rostered hours and overtime.

### Increase in earnings

One postie for example increased his weekly *hours worked* from an average of 34.4 hours under the current collective agreement to an average of 36.1 in the trial. His effective hourly pay rate increased from an average of \$21.72 per hour to \$25.79 *per hour worked* in the trial - an increase of 18% in earnings.

### Other earnings

The postie also took the option of taking out overflow bags which generated an average \$41.68 extra pay per week. The combined increase in earnings for that particular postie at Hunter's Corner was an average of over \$200 per week.

Other posties opted to work less time at a faster pace. This was generally achieved without sacrificing any weekly pay achieved under the CEA.

The Postie Pay Model is largely based on the Hunter's Corner alternative, but with the addition of five day roster options where possible.

### Combined union approach

The PWUA believes that prior agreement on the Postie Pay Model must be reached between the PWUA and EPMU on the necessary protections for the Postie Pay Model to ensure that Post does not continue to have the upper hand in negotiations with the unions.

The PWUA believes that the Postie Pay Model, as well as providing benefits to the company, has the potential to have significant benefits for all union members at Post.

### "Postie Pay Model"

The proposed Postie Pay Model would pay posties for their *daily workload* calculated by Post's Work Measurement System. Under the current Collective Employment Agreement, posties are paid for their *rostered hours* plus any overtime worked.

Post had stated that, apart from matching hours paid to calculated workload, one of the ideas behind their original 2005 Fair Days Pay proposal was to take money from slower posties and give it to faster posties.

For a number of reasons, both the PWUA and EPMU refused to trial the 2005 Fair Days Pay proposal.

The Postie Pay Model is the result of Post's work on the Delivery Working Group established in conjunction with the PWUA and the EPMU during the 2008 CEA negotiations.

Trials of the new Postie Pay Model will begin at selected branches within the next couple of months.

If the new trials are successful a range of safeguards will need to be negotiated with Post to ensure that, compared with the current system, the Postie Pay Model does not disadvantage either the union members or the company.

Before the Postie Pay Model can be widely adopted, it would then need to be incorporated into the next CEA to be negotiated early next year.

Payment for work performed instead of hours worked is not unusual internationally. What is unusual is its application to mail delivery.

### Have you seen it?

PWUA organisers have been giving out copies of the proposed Postie Pay Model. You can get further copies from your PWUA union office.

### Post and the EPMU

In accordance with the rules of the Delivery Working Group the PWUA has provided before publication the two stories on this page to both Post and the EPMU for their comment.



## "Expectations" at the Christchurch Mail Centre

The contents of some of the "Letters of Expectation" issued to workers at the Christchurch Mail Centre may be a breach of the fair treatment provisions of the Collective Employment Agreement.

Even workers who have produced medical certificates covering time off work for sickness have been given a letter with an 'absenteeism expectation'. These letters state that the workers are to have no more than two or three days off for sickness over a specific period of time - for example three months.

The PWUA is also concerned that workers attending "one on one" meetings are having notes taken of their

conversations which may then be used to their disadvantage in later meetings.

It appears to the PWUA that Post is increasingly using notes of conversations and "letters of expectation".

Letters of expectation can be more serious than a written warning - they may have no expiry date and may be used by the company in a subsequent disciplinary process. Any members who get letters with "expectations" are advised to contact their union office.

The PWUA suggests that from time to time members request to see their files and inspect for accuracy any notes that have been put on their files.

## Postal Workers Union of Aotearoa

(Northern)

(pwa.union@ihug.co.nz)

Office: (09) 832 7982  
Organiser: 021 798 244  
Freephone: 0800 224 611

(Southern)

(pwu@tradeshall.org.nz)

Wellington: (04) 385 8264  
Freephone: 0800 469 798  
Central North Island: (06) 952 3738  
Nelson: 0800 469 798  
Canterbury: (03) 366 4177  
Otago: (03) 455 4823  
Southland: (03) 455 4823

## Mail Centre Future Post machine processing systems slowing the fastpost?

The PWUA was shocked to learn that Post's fastpost service performance appears to have dropped from above 98% to below 80%.

Post's March 2010 issue of in-house magazine Red has a column written by Postal Services Group Chief Operating Officer Sue Tucker:

*"Fastpost is a dying mail category because our customers know we don't deliver. One to two out of every five items sent by Fastpost fail to get there on time!"*

The PWUA is concerned that the Chief Operating Officer appears to go on to generalise the problem as solely individual performance issues without identifying the possibility of systems failures.

After writing to Post about the fastpost problems, the PWUA received a prompt reply from the national manager of network performance. He identified possible problem areas - front-end, streaming, sorting, labelling, despatch, stowing, transport, carry-

overs and postie backcase clearances.

However the PWUA believes the new sorting machines and associated processes introduced under the "Future Post" programme may be a significant problem not specifically identified by the network performance manager.

For example, before the Bar Coding and Bar Code Sorting Machines, groups of up to six or more mail officers worked side by side on both sides of a long conveyor belt removing bulky items and fastpost by hand.

However the new sorting machines are fed with mail from a hopper onto a fast moving overstacked conveyor belt with space for only a few mail sorters to try to remove any fastpost items. The problem is made worse when sometimes there are not enough staff working at the conveyor belt and fastpost items are carried into the sorting machine.

Fastpost mail which enters the machine is sometimes sorted mistakenly by the Bar Code Sorting

Machine to a standard-post stacker or ejected and, if hidden amongst other ejected items, misses the fastpost despatch times.

The PWUA has now asked the company to investigate a number of specific problems:

- Courier mail bags from street receivers are sometimes stacked on top of each other in cages. Although "blue tag" fastpost bags are correctly streamed, "black tag" bags with both standard and fastpost mail may be hidden in the stack of mail bags. Any fastpost items in the black tag bags may then be delayed and miss despatch time.
- The conveyor belts feeding the Bar Coding Machines appear to be too short and/or too fast for the task required.
- Sometimes there are not enough staff culling at the conveyors.

The PWUA wants to see Post management get the fastpost performance percentages back to the high 90s - urgently.

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### POSTAL WORKERS UNION OF AOTEAROA (NORTHERN)

14 Ahiriri Ave, Avondale, Auckland 0600

I hereby appoint the Postal Workers Union of Aotearoa incorporated to be my authorised representative under Sections 18 and 236 of the Employment Relations Act 2000. For the purpose of this authority any duly appointed representative of the PWUA is empowered to act on my behalf in any matters related to or arising out of the negotiation and application of any Employment Agreement or any other matter relating to my employment at my request. This authority shall continue in force until revoked by myself, giving two weeks notice.

Name (PLEASE PRINT) .....

Signed .....

Date ..... Appointment No. ....

Employer .....

Branch .....

Home Address .....

Home Phone .....

#### Deduction Authority for Postal Workers Union of Aotearoa (Northern)

I authorise my employer to deduct:

\$4.39 per week when I am employed for 30 or more hours per week, or

\$2.20 per week when I am on-call, or employed for less than 30 hours per week from my pay and credit the Postal Workers Union of Aotearoa Northern District.

Please stop any other deductions from my pay to any other union.