

Legal proceedings filed against NZ Post:

Court asked to rule if couriers are contractors or employees

The Union has filed proceedings in the Employment Court claiming that NZ Post courier drivers who are members of the PWUA are not contractors but are, in fact, employees.

If the Court declares that couriers are, in fact, employees then the PWUA believes that NZ Post's plan to improve its profitability by using misclassified workers will need to be reviewed, and this could include reviewing the plan to lay off the majority of its mail service employees.

Couriers at NZ Post sign an "Owner Driver Agreement" which states that they are independent contractors. As contractors they are required by NZ Post to purchase their own van, pay for it to be branded "NZ Post", pay for a scanner, some of the NZ Post uniform, and pay for their own ACC levies and accountancy fees. They are provided with no paid annual leave, no paid public holidays, no paid sick leave or bereavement leave, and they can't earn any overtime pay.

The PWUA claims that the "contractors" are fully integrated into the business of NZ Post, their work is directed by NZ Post, and the work they do is primarily for the benefit of NZ Post and its brand.

If the Employment Court agrees with the Union then the Court has the jurisdiction to declare that the couriers are, and have been, employees despite the Owner Driver Agreement stating they are contractors.

Such a finding by the Court could provide significant financial benefits for the couriers who are members of the Postal Workers Union, including backdated compensation for past years spent as couriers.

NZ Post has been operating two separate delivery networks in metropolitan areas – an employee network for mail delivery and a "contractor" network for parcel delivery. The company has said that operating two separate networks is costly and inefficient, and it has recently announced upcoming mass layoffs of the majority of its employee workforce in the mail service while retaining its "contractor" workforce.

It has become increasingly clear to the Union that NZ Post's plan to improve its operating profit with declining mail volumes is to get a larger and larger proportion of its delivery work to be done by "contractors". The PWUA believes that the main reason that the contractor model strategy is more profitable for NZ Post is because the "contractors" are paid much less per hour on average than employees, some well below the legal Minimum Wage, and they are not provided with any paid leave. "Contractors" also have to take on additional responsibilities which would otherwise be the responsibility of management.

In the meantime the Postal Workers Union will be challenging any attempts by NZ Post, a State Owned Enterprise, to expand its contract courier model further into mail delivery.

**You can join the Postal Workers Union by going to the Union's website, www.pwua.org.nz
Click on the "Join us" link and submit the form**