

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Additional Estimates Hearings February 2016**

**Communications Portfolio**

**Australia Post**

**Question No: 168(d)**

**Australia Post**

**Hansard Ref: Written, 19/02/2016**

**Topic: Staffing Reductions**

**Senator Ludwig, Joe asked:**

Since the change of Prime Minister on 14 September, 2015:

1. How many staff reductions/voluntary redundancies have occurred?
  - (a) What was the reason for these reductions?
2. Were any of these reductions involuntary redundancies? If yes, provide details.
3. Are there any plans for further staff reductions/voluntary redundancies? If so, please advise details including if there is a reduction target, how this will be achieved, and if any services/programs will be cut.
4. If there are plans for staff reductions, please give the reason why these are happening.
5. Are there any plans for involuntary redundancies? If yes, provide details.
6. How many ongoing staff left the department/agency? What classification were these staff?
7. How many non-ongoing staff left department/agency from? What classification were these staff?
8. What are the voluntary redundancy packages offered? Please detail for each staff level and position
9. How do the packages differ from the default public service package?
10. How is the department/agency funding the packages?

**Answer:**

1. Due to the number of staff exceeding the number required for the efficient and economical operation of the business, 219 Award level employees left Australia Post by means of redundancy for the period 14 September 2015 to 29 January 2016.
2. No.
3. In June 2015, Australia Post announced a provision (fund) of \$190 million that has been allocated to ensure we can support employees who are impacted as we transform our mail operations in response to changing customer behaviour. This provision is for the next three years and will support employees through retraining, redeployment and – as a last resort – voluntary redundancy.
4. Changing customer behaviour and the ongoing decline in physical mail volumes over the next three years means there will be less work to do in our mail service and therefore fewer jobs in

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handling and delivering letters. The reform of our letters service and reduction in jobs in the mail network will occur gradually and will come from structural adjustment, natural attrition and redeployment.

5. On 14 October 2015 we entered into a Reform Accord providing a commitment to no forced redundancies for employees directly affected by the reform of our letters service who are actively seeking jobs in our business. There are currently no plans for involuntary redundancies.
6. 889 permanent staff left the organisation from 14 September 2015 to 29 January 2016. Australia Post does not use APS classifications. Classifications are determined as per the Australia Post Enterprise Bargaining Agreement.
7. 259 non-ongoing staff left the organisation from 14 September 2015 to 29 January 2016. Australia Post does not use APS classifications. Classifications are determined as per the Australia Post Enterprise Bargaining Agreement.
8. For Award employees the redundancy benefit is calculated as per the Australia Post Enterprise Bargaining Agreement. Appendix A, Section 11 states;

*11.2 The proposed benefit framework is:-*

*(i) four weeks' pay for each completed year of continuous service up to five years plus a pro-rata payment for each completed month of continuous service since the last completed year of continuous service;*

*(ii) three weeks' pay for each completed year of continuous service thereafter, plus a pro-rata payment for each completed month of continuous service since the last completed year of continuous service;*

*(iii) for employees over fifty years of age, four weeks' pay for each year of service beyond fifty years of age including pro-rata adjustment for each completed month of continuous service since the last completed year of continuous service;*

*(iv) the minimum sum payable under these arrangements including any payment in lieu of notice (four weeks), is eight weeks' salary and the maximum including any payment in lieu of notice (four weeks), is eighty-four weeks' salary; and*

*(v) the sum payable to an employee under these arrangements shall not exceed the salary that would be payable were the employee to continue in employment until the maximum retiring age.*

*11.3 For the purpose of calculating any payment under Sub-clause 11.2:-*

*(i) where an employee has been acting in a higher position for a continuous period of at least twelve months immediately preceding the date on which the employee receives notice of retrenchment the salary level shall be the employee's salary in such higher position at that date;*

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*(ii) where an employee during fifty percent or more of pay periods in the twelve months immediately preceding the date on which the employee receives notice of retrenchment, has been paid an allowance for shift work, the weekly average amount (calculated over a year) of shift allowance received during the twelve month period shall be counted as part of "weekly salary".*

*(iii) other allowances, being allowances in the nature of salary, may be included with the approval of Australia Post.*

For contract level employees a similar method of calculating is used but the maximum benefits vary dependent on terms of individual contracts.

9. As a Government Business Enterprise, Australia Post is not subject to the Australian Public Service Commission requirements.
10. Australia Post set aside a redundancy provision of \$190 million in June 2015 to fund known redundancy requirements.