

MEMORANDUM OF UNDERSTANDING

Between

Australian Postal Corporation
(Australia Post)

the

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied
Services Union of Australia
(CEPU)

and

Community and Public Sector Union (CPSU)

(Collectively referred to as "the parties")

Introduction

1. Australia Post, the CEPU and the CPSU are committed to working together to reach a new enterprise bargaining agreement.
2. In an effort to develop a new framework in which Australia Post, the CEPU and the CPSU can operate more effectively to work toward an agreement, the parties have agreed to enter into this Memorandum of Understanding.
3. The Memorandum of Understanding will operate while the parties seek to negotiate and finalise a new Fair Work Agreement that will govern terms and conditions of employment for relevant Australia Post employees in the longer term.
4. The Memorandum of Understanding seeks to establish how the parties will operate and consult during the period of negotiations around the new Fair Work Agreement. The parties commit to the principles set out below.

Commitments

5. Australia Post, the CEPU and the CPSU commit to a relationship of mutual obligation built on consultation, transparency and the timely provision of information and feedback.
6. Australia Post, the CEPU and the CPSU will commence negotiations immediately for a replacement enterprise agreement which will be referred to as the Australia Post Fair Work Agreement (APFWA). The parties will work to achieve agreement on the terms of the APFWA that will commence in 2010.

7. Negotiations between Australia Post the CEPU and the CPSU for the APFWA will begin with a fresh approach, although early preparatory work will be undertaken to identify the many non-contentious provisions that can be quickly agreed.
8. Australia Post, the CEPU and the CPSU, as a gesture of good faith, agree to provide the following commitments that will apply immediately:
 - a) Australia Post agrees to honour its commitments it has made to its employees covered by the Australia Post General Conditions of Employment Award (GC of EA) a pay increase of 2% in the first full pay period of August 2010 and a further 2% in the first full pay period in December 2010.
 - b) Australia Post will host a summit between senior executives of Australia Post and state and national representatives of the CEPU and CPSU to apprise the unions of the current state of the business and Australia Post's future strategies for dealing with current business pressures. The CEPU and CPSU will also advise Australia Post of the matters that are of concern to their members and outline their key challenges and priorities. The summit will occur in April and the Managing Director of Australia Post will participate in it.
 - c) While the CEPU and the CPSU support the need for Australia Post to implement a policy of early intervention in respect of long term workplace injuries, Australia Post recognises that the CEPU and CPSU have concerns about the operation of its Facility Nominated Doctor program. On that basis, and acknowledging concerns raised by the CEPU and CPSU, Australia Post has agreed to the following change to the Injury Management (Early Intervention) Program (EIP) and Workers' Compensation process:
 - Australia Post will not include Lost Time Injury Frequency Rate targets as a component of bonus payments for Managers. Managers will continue to have obligations under their performance management agreements that require them to observe and apply occupational health and safety policies and procedures. LTIFR targets will, however, continue to be a Corporate KPI.
 - d) The CEPU and CPSU recognise the critical importance to Australia Post of providing a reliable and consistent service to the Australian community. To that end, the CEPU and CPSU agree to not organise or take industrial action while negotiations for the APFWA are progressing.

Consultation Principles

9. While negotiations for the APFWA occur the parties agree to acknowledge and commit to the following principles and have these embedded into the APFWA:
 - a) Australia Post is required to run a profitable postal service in an increasingly competitive and global market place. As a result of these circumstances it is imperative that Australia Post undertake workplace changes. The CEPU and CPSU recognise that there are business challenges facing Australia Post and that workplace changes are necessary. The CEPU and CPSU are committed to working with Australia Post to ensure that change

occurs effectively while ensuring that the best interests of its members are considered and taken into account at all times.

- b) To achieve these objectives, Australia Post must be able to:
- operate the business efficiently;
 - determine and allocate resources;
 - implement both large and small change programs in an efficient, timely and cost effective manner;
 - explore means of protecting and expanding its business opportunities; and
 - provide fair and equitable treatment to its employees and provide safe workplaces that support employee diversity and flexibility.
- c) In order to be successful and ensure the long term viability of Australia Post, the parties acknowledge that Australia Post has accountability to:
- provide services to the customer in a manner required by the customer and to meet its CSO's,
 - provide a reasonable return on its assets and pay a reasonable dividend to its shareholder; and
 - provide fair pay and conditions to its employees in a workplace that values the treatment of employees with dignity and respect
- d) The parties also acknowledge that the CEPU and CPSU have an obligation to their members to:
- represent their interests;
 - ensure workplace change occurs in a way that minimises negative impacts on employees wherever possible; and
 - protect jobs, wherever possible, and seek fair and equitable terms and conditions of employment for its members.
- e) The parties agree that effective and timely consultation is critical to preventing industrial issues arising. The parties agree to observe and ensure compliance with the agreed consultation processes that apply. In particular, the parties commit to a mutual obligation of:
- Open and transparent provision of information (subject to Commercial in Confidence).
 - Timely advice and consultation on workplace changes.
 - Ensuring consultation and/or dispute resolution processes are followed and issues are escalated within the framework agreed to at both the state and national levels.

- f) Australia Post, the CEPU and the CPSU agree that these mutual obligations can only be executed if they agree to a constructive relationship of trust in each other.

.....
Ahmed Fahour
Managing Director and
Chief Executive Officer
Australia Post

Date:

.....
Ed Husic
National President and
Divisional Secretary
CEPU

Date:

.....
Louise Persse
National President
CPSU

Date: