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EMPLOYMENT RELATIONSHIPS OF THE NEW POSTAL SERVICE PROVIDERS

Research report commissioned by the
Chamber of Labour for Vienna, Austria



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by the Chamber of Labour Vienna

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CONTENT

Content	V
Tables	VI
1. INTRODUCTION AND RESEARCH METHOD	7
2. THE MARKET OF POSTAL SERVICE PROVIDERS AFTER LIBERALISATION	8
3. TYPES OF EMPLOYMENT	10
3.1 3.1 Express service/Parcel delivery	10
3.2 Mail, advertising material and newspaper delivery	11
4. EMPLOYMENT RELATIONSHIPS OF PERSONS WORKING UNDER EMPLOYMENT CONTRACT	12
4.1 Salaries and wages	13
4.1.1 Express services/Parcel delivery	13
4.1.2 Mail, advertising material and newspaper delivery	14
4.2 Working hours	17
5. SELF-EMPLOYED PERSONS	19
5.1 Work contractors without a trade licence	19
5.2 Work contractors with a trade licence	19
5.3 Subcontractors (parcel delivery)	20
6. CONCLUSIONS	22
7. Literature	23
8. ANNEX	25
8.1 Remuneration.....	25
8.1.1 Express service/Parcel delivery	25
8.1.2 Newspaper and advertising material delivery	26
8.2 Working hours	28
8.2.1 Express service/Parcel delivery	28
8.2.2 Express service/Parcel delivery	29

TABELS

Table 1: The Austrian market for postal services.....	9
Table 2: Enterprises included in the research.....	9
Table 3: Collectively agreed remuneration for drivers and mail carriers or comparable occupation groups.....	16
Table 4: Actual wages for drivers and deliverers	17
Table 5: Collectively agreed normal working hours	18
Table 6: Remuneration for work contractors mail, advertising and newspaper delivery	19

1. INTRODUCTION AND RESEARCH METHOD

This report summarizes the result of a research into the employment relationships of new postal service providers. Since the abolition of the postal monopoly and the gradual liberalisation of mail and parcel delivery, the number of companies providing postal services has significantly increased. Due to the fact, however, that postal services had previously been a monopoly market, cross-sector collective agreements do not exist. The former monopolist Österreichische Post AG is, apart from the service law for postal officers, also subject to a company based collective agreement, which applies to newly recruited employees, whereby different collective agreements apply to the competitors. An aggravating circumstance is the fact that in the sector of mail delivery many new competitors are working with subcontractors or self-employed persons (Hermann 2008).

The report is an attempt to provide an initial overview about the various employment relationships and the rules they are based upon. In this respect, however, it is inevitably exploratory and incomplete. On the other hand, however, the presented results are new and should provide the persons responsible for restructuring the postal market after the liberalisation with food for thought. In this context, however, it has to be pointed out that similar developments exist in other European countries such as Germany or The Netherlands (Hermann/Brandt/Schulten 2008).

In consultation with the client, the following results are predominantly based on interviews with members of the works council and on the evaluation of applicable collective agreements. The latter will be summarized again in the Annex. Some of the new postal service providers, however, do not have a works council. The lack of representation of employees interests within a Company can also be rated as an indication that the working conditions there are not the best compared to the rest of the postal industry - at least this has been indicated to us by several members of the works council we interviewed. A second obstacle is gaining access to self-employed persons, who, although not officially represented by the works council, still account for the majority of employees working for some of the new postal service providers. The information concerning self-employed persons is therefore only fragmented. In order to obtain more information about the situation of self-employed persons, we have carried out additional interviews with a subcontractor in the parcel service and two mail carriers, who apart from newspapers also deliver advertising materials and mail shots.

Overall we carried out eight guideline-supported interviews. Based on the fact that the interviews cover companies with significantly different corporate strategies, we are confident that any data, facts and relationships we have surveyed are indeed exemplary for the employment relationships with the new postal service providers.

2. THE MARKET OF POSTAL SERVICE PROVIDERS AFTER LIBERALISATION

In accordance with the European Directives on the liberalisation of the postal market, the Austrian postal market too has been gradually opened to competing providers of postal services (the delivery of advertising material/mail shots had been removed from the Austrian postal monopoly even before the liberalisation). Since 2006, the reserved sector, i.e. the sector for which Österreichische Post AG in its capacity as universal service provider still has a monopoly, is restricted to mailings of less than 50 grams (Hofbauer 2006). The last liberalisation step, which had been planned for 2009, has been postponed to 2011 at EU level. In the addressed mail sector, potential competitors of the Austrian postal service struggle apart from the weight restrictions also with the situation that a large part of post boxes is still not available to them. As a result, alternative providers account for less than two percent of the market. In spite of this, in Austria so-called low-cost suppliers are on their marks too, and the Austrian Post's Management Board itself has announced that its subsidiary Feibra will in future participate in the mail business.

The definition of the market for new postal service providers is not without pitfalls. According to the classification of the economic sectors, which applies in general throughout Europe, this concerns the sector of postal and private courier services (NACE Code 641). According to the performance and structural survey of Statistics Austria, this sector included a total number of 361 enterprises in 2006. Of these, 325 enterprises employ less than ten members of staff and account for just two percent of the turnover of the industry (Statistics Austria 2008). An alternative definition option for the market is provided by the Austrian postal law. According to this, postal service providers in Austria are obliged, to register their provision of postal services with the regulation authority, the Rundfunk & Telekom Regulierungs GmbH. However, apart from Österreichische Post AG only ten other postal service providers had been registered with the regulatory authority. Not included in the list for example is Feibra AG, which had been acquired by Österreichische Post and which is apart from the latter, market leader in the advertising material delivery segment.

In reality, the definition of the economic sector "postal services" is not as easy, because there are overlappings with other sectors. On the one hand these include forwarding, storage and transport activities as well as the delivery of newspapers on the other. Both forwarding agents as well as newspaper delivery enterprises are active in the Austrian postal services market. The affinity to related economic areas is also reflected in the structure of the postal services market. In reality, the market consists of two relatively autonomous submarkets: the market for addressed mail and mailshots, advertising materials and newspapers and the market for express services and parcel deliveries. Interestingly enough, the Post AG is the only enterprise, which is active in both market segments. As we describe in detail hereinafter, both market segments also differ with regard to employment standards and relationships. The research results will be separately presented for each respective submarket.

Table 1: The Austrian market for postal services

Market segment	Important providers
Addressed mail and mailshots, advertising materials and newspapers	Österreichische Post AG Feibra Redmail
Express services and parcel deliveries	Österreichische Post AG UPS TNT DHL GLS DPD Hermes

Table 2: Enterprises included in the research

Market segment	Important providers
Addressed mail and mailshots, advertising materials and newspapers	Österreichische Post AG Feibra Redmail
Express services and parcel deliveries	Österreichische Post AG UPS TNT DHL GLS DPD Hermes

3. TYPES OF EMPLOYMENT

As described above, the market for private postal services is made up of a market for express services and parcel deliveries and a market for mail and advertising material deliveries. This distinction is also reflected in collective agreements and employment relationships, which also apply to the market for postal services. According to this, the following paragraph deals separately with collective agreement regulations as well as with additional information from works council interviews for both sectors (express services/parcel delivery as well as mail, advertising material and newspaper delivery). Apart from employment relationships, the following paragraph also concerns wages and working hours.

3.1 3.1 Express service/Parcel delivery

The members of the works council of the companies interviewed by us (TNT, DPD, GWP, DHL) all stated that a large number of the drivers, who deliver and collect parcels and express deliveries, are either subcontractors themselves or work for subcontractors. Two companies (DPD and GWP) do not employ any drivers for their parcel services, but exclusively work with subcontractors. In contrast to this, logistic and administrative activities are mainly carried out by their own personnel. Administrative tasks are normally carried out by white-collar workers whilst blue-collar workers deal with storage and loading activities. Tendentially, however, administrative activities are on the increase, whilst the number of blue collar workers is on the decline. In the case of TNT, all worker contracts were converted to white collar worker contracts.

The about 330 employees of TNT are subject to the collective agreement for forwarding agent white collar workers. According to the works council, the management thereby wants to avoid conflicts. From the point of view of the employees, a joint collective agreement means a strengthening of their negotiating power; better conditions with reference to sickness and periods of notice apply; the remuneration is better, however, there is less extra pay. The DPD parcel service has about 120 employees in Vienna. Of these 40-45 are blue collar and 75-80 are white collar workers. The blue collar workers are subject to the collective agreement for forwarding agent workers; the white collar workers work under agreements for forwarding agent white collar employees. Drivers working in the express service and in parcel delivery are both in the case of DPD and GWP not directly employed by the companies. GWP has 2,800 employees in Austria and 700 white collar and 360 blue collar workers in eastern Austria. Similar to DPD, the collective agreements for forwarding agent blue and white collar workers apply.

DHL employs 750 members of staff in Austria, of whom 60 are subject to the collective agreement for forwarding agent blue collar workers and about 690 to the collective agreement for forwarding agent white collar workers. Blue collar workers are mainly employed in storerooms and storage facilities; some of the driving personnel also fall under the collective agreement for forwarding agent blue collar workers. Tendentially, the number of blue collar workers is in decline; transfers to the collective agreement for forwarding agent white collar employees are on the increase. About half of the drivers has an employment contract with DHL and is subject to the collective agreements for forwarding agent; the other half works for subcontractors.

Part-time employment is a feature of all four companies, in particular in the customer services. In case of GWP, part-time work exists in particular in the company's own call centre. However, the request for part-time work by employees (for example because of childcare obligations) seems to be larger than the demand by companies. Compared to other areas of business, the share of part-time work is rather low. Employment of limited duration is an exception (for example concerning the probationary period). However, all four companies are employing temporary agency staff. In case of DPD the amount of temporary work in peak times accounts for up to a quarter of their labour force, whilst GWP is trying to reduce their share of temporary employment for financial reasons. But here too, agency workers are used if there is a sudden rise in demand - in particular for labelling and repacking work. TNT uses temporary work in their storerooms/warehouses in peak times. In case of DHL, temporary workers are predominantly used in the operative sector; sometimes these are taken over into permanent employment. According to the works councils of all four companies, there are no freelancers and work contractors. It can, however, not be excluded that such employment relationships are a feature with many subcontractors.

3.2 Mail, advertising material and newspaper delivery

Redmail employs about 3,000 members of staff in Austria; Feibra between 1,000 and 1,150. In both cases, the majority is self-employed. Less than ten percent of the workforce has an employment contract. Persons working under employment contract are mainly found in offices and storerooms/warehouses. The first group is mainly made up of white-collar workers, the second of blue-collar workers. All postmen working for Feibra are self-employed; in contrast Redmail employs about 150 postmen working under employment contracts. As such they fall under the Expedite Collective Agreement (special terms for expedite workers). All employees working under employment contract originate from the period, when the predecessor company of Redmail was still the delivery department of Styria Publishers. According to information provided by the work council, the number of persons working under employment contract is in steady decline, as over the last 15 years practically all new deliverers have been self-employed.

4. EMPLOYMENT RELATIONSHIPS OF PERSONS WORKING UNDER EMPLOYMENT CONTRACT

The following collective agreements apply to the sector Express services/Parcel delivery:

1. Collective agreement for employees (blue collar workers) of forwarding agents and storage companies, concluded between The Austrian Federal Economic Chamber, the Austrian Road Haulage Association and the Austrian Trade Union Federation, trade union VIDA, applicable throughout Austria to the haulage and storage companies, which belong to this association.
2. Collective agreement for white collar workers of forwarding agents, concluded between The Austrian Federal Economic Chamber, the Austrian Road Haulage Association and the Austrian Trade Union Federation and the Union of Salaried Employees, Printing, Journalism and Paper, industrial sector Transport, applicable throughout Austria to haulage companies, which belong to this association.
3. Collective agreement for employees working for goods transport companies, concluded between The Austrian Federal Economic Chamber, the Federal Organisation of Road Transport of Goods, the Austrian Trade Union Federation, trade union VIDA, applicable throughout Austria to companies associated with this association, which carry out the licensed trade of transporting goods with motor vehicles subject to official approval.

The following collective agreements apply to sector Mail, advertising material and newspaper delivery:

1. Expedite Collective Agreement, concluded between the Austrian Association of Newspaper Publishers and Editors and the Austrian Trade Union Federation, the Union of Salaried Employees, Printing, Journalism and Paper (GPA-DJP), applicable throughout Austria to members of the Austrian Association of Newspaper Publishers and Editors, who are employed in the sector of daily papers and weekly and monthly papers published by these publishers: expedite workers, editorial and administrative assistants, deliverers, deliverers working on Sundays and public holidays (being subject to special provisions for deliverers) and carriers.
2. Collective agreement for white collar workers in companies associated with advertising and market communication, concluded between the Professional Association Advertising and Market Communication Industry Vienna and the Austrian Trade Union Federation, GPA-DJP (Union of Salaried Employees, Printing, Journalism and Paper), applicable in the Federal State of Vienna for all associated member corporations with in the Professional Association Advertising and Market Communication Industry Vienna.
3. Collective agreement for trade blue-collar workers concluded between The Austrian Federal Economic Chamber, Section Trade, and the trade union VIDA, applicable

throughout Austria to all members in the Section Trade within The Austrian Federal Economic Chamber, the Professional Insurance Brokers & Consultants Association, with the exception of companies belonging to the trade association of the chamber of commerce for the book and media trade.

4. Collective agreement for trade white collar workers concluded between The Austrian Federal Economic Chamber, Section Trade and GPA-DJP, economic sector trade, applicable throughout Austria to all members of the Sector Trade of The Austrian Federal Economic Chamber, the Professional Insurance Brokers & Consultants Association and with the exception of companies belonging to the trade association of the chamber of commerce for the book and media trade.

4.1 Salaries and wages

4.1.1 Express services/Parcel delivery

In the express services/parcel delivery sector the collectively agreed minimum wages are between Euro 1,165.93 (collective agreement for forwarding agent workers, occupation group 1) and Euro 1.273,37 (collective agreement for forwarding agent employees, occupational group 1)

In case of TNT, the collective agreement for forwarding agent white collar workers exclusively applies. The majority of the employees fall under the occupation group 3. Their work predominantly consists of office work, data administration and data processing. The salaries in these groups vary from Euro 1,273.37 and Euro 2,033.88 per month. Drivers (deliverers and collectors) and storehouse workers are paid in accordance with occupation group 1. In this case the highest pay level lies at only Euro 1,5828.25 per month. According to their works council, however, TNT pays about ten percent above the rates of the collective agreement. The extent of the excess payment varies in accordance with the condition of the labour market, the training and experience of the respective member of staff and with the urgency of filling one or several posts. Initial salaries lie at about Euro 1,350.00 per month.

In case of DPD the collective agreements for blue and white collar workers of forwarding agents and storage companies apply, whereby occupation group 2 is predominant with employees. These cover in particular office activities. Here, the collectively agreed salaries reach from Euro 1,273.37 to Euro 1,676.11 per month. Workers, in particular storehouse workers, who are paid in accordance with occupation group 4 earn between Euro 1,404.11 and Euro 1,535.28 per month. DPD itself does not employ any drivers. Drivers, provided they are not self-employed, are at best employed by subcontractors. In accordance with its works council DPD pays about ten percent above the rates of the collective agreement.

In case of certain sectors of GWP, apart from the collective agreements for blue and white collar workers of forwarding agents and storage companies, the collective agreement for goods transport companies also applies; with respect to the parcel service, however, the collective agreements for blue and white collar workers of forwarding agents and storage companies apply exclusively. Most workers fall under the occupation group 3 (vehicle drivers and fork lift truck drivers) or 7 (professionals with completed apprenticeship and HGV drivers with completed apprenticeship as professional drivers). Warehouse workers, who work from 4am to 8am and from 4pm to 8 pm, are subject to a company agreement, which provides a higher remuneration as compensation for the long break. In

accordance with their years of service, groups A and B receive Euro 52,28 and groups C and D Euro 22.28 more than provided for in the collective agreement.

The majority of GWP white collar workers fall under the occupation group 3. The collectively agreed remuneration in this case is between Euro 1,273.37 and Euro 2,033.88 per month. Because of the predominant all-inclusive agreements, however, the salaries paid are significantly higher than those provided for in the collective agreement. New recruits often receive excess payments of twenty to thirty percent more than stipulated in the collective agreement.

In case of DHL, the collective agreements for blue and white collar workers of forwarding agents apply. Most white collar workers come under the occupation groups two to four (Euro 1,273.37 and Euro 2,360.62). They predominantly work in administration and customer service. Warehouse workers and drivers fall sometimes under the collective agreement for workers of forwarding agents (occupation group two to four, Euro 1,404.11 to 1,716.94); some have been taken over into the collective agreement for white collar workers. Normally payments above the rates of the collective agreement are relatively rare and dependent on the employee's area of responsibility.

In contrast with other collective agreements, which are used in the postal industry, the collective agreement "Goods Transport Workers" has the worst terms. Minimum wages range from Euro 1,186.78 to Euro 1,307.88 per month. This collective agreement does not apply to any of the express services/parcel delivery services included in this survey; it does, however, apply to most subcontractors in the industry.

4.1.2 Mail, advertising material and newspaper delivery

In the mail, advertising material and newspaper delivery sector, the collectively agreed minimum wages range from Euro 167.91 for deliverers (Expedite Collective Agreement) on the basis of 22 working hours per month to Euro 1,209 Euro per month (Collective Agreement Advertising, occupation group 1). The range thereby is significantly larger than in the sector of express services/parcel deliveries.

At Redmail, employed deliverers are paid in accordance with the Expedite Collective Agreement. In contrast to other remuneration regulations, the Expedite Collective Agreement provides for a piece rate for expedite workers. The basic salary of expedite workers is calculated on the basis of a 15-percent share in the subscription price of the regular papers delivered (in case of Redmail "Die kleine Zeitung"), plus a quantity-related remuneration for advertising material and other mailshots. In accordance with the works council, a person, who delivers between 200 and 250 papers per day, earns between Euro 800 and 900 per month.

Employees with Redmail are either subject to the collective agreement for market communication or to a company agreement, which orientates itself on the collective agreement for trade white collar workers. In case of market communication, the minimum salary is about Euro 1,153.60 and the maximum salary Euro 4,756.60 per month. With respect to trade white collar workers, the scope ranges from Euro 1,168 to Euro 3,399 per month.

Feibra white collar workers are also subject to the collective agreement for market communication. Blue collar workers, in contrast, fall under the collective agreement for trade workers. According to these, the monthly remuneration varies between Euro 996 and Euro 1,469. According to statements made by the works council, Feibra pays significantly above the collective agreement for experienced

members of staff. Hence, an average salary for controllers therefore amounts to ca. Euro 1,600 per month.

Extra pay plays an important role in the postal industry. Workers in the haulage trade and in goods transport receive extra pay in form of distance, hardship, danger, special or severity allowances between Euro 0.37 and 16.61 per unit/day/work shift, as well as night shift allowances. Manual inserted advertising material is also paid extra. Deliverers, who are paid in accordance with the collective agreement for trade workers, are entitled to allowances for night and Sunday work. TNT does not pay allowances, but has introduced bonus agreements instead. The agreements are based on customer satisfaction, cleanliness of the vehicle etc.; some members of staff are able to earn up to Euro 1,200 per year more.

In the following we want to compare - in accordance with the occupation groups in the collective agreements - the salaries of drivers, who are working in the parcel delivery sector, and the salaries for deliverers, who work in the mail, advertising material and newspaper delivery sector. Table 3 provides a respective overview.

Generally it looks like as if drivers/deliverers in the express service/parcel delivery sector earn significantly higher minimum salaries than those working in the mail, advertising material and newspaper delivery sector. Due to the fact, however, that also persons under employment contract working in the mail, advertising material and newspaper delivery sector are sometimes paid in accordance with piece rates, that extra pay is playing a more important role and that they sometimes work significantly less hours than their colleagues in the express service/parcel delivery sector, the comparison is perhaps not all that accurate.

Table 3: Collectively agreed remuneration for drivers and mail carriers or comparable occupation groups

	Collective agreement forwarding agent employees	Collective agreement forwarding agent workers	Collective agreement goods transport	Collective agreement expedite	Collective agreement trade workers
Occupation group	Occupation group 1 (white collar workers performing simple activities):	Occupation group 3 (motor vehicle drivers and employees, whose main responsibility is driving and operating motorised fork lift trucks with up to 20 t dead weight, as well as workshop managers, customer-related commissioners and stacker rack drivers	Occupation group 1 (unskilled workers, garage workers, tractor drivers, co-drivers and car drivers up to 3.5 t)	Expedite workers (36 hours) resp. Deliverers (22 hours):	Deliverers in newspaper and magazine wholesale, who deliver using their own motor vehicle, working at least 22 hours per week and expedite workers:
Monthly remuneration	Euro 1,273.37 - 1,528.25	Euro 1,480.51 - 1,623.81	Euro 1,186.78 - 1,307.88	Euro 398.91 resp. 167.91	Euro 996
Extra pay/ allowances				Extra pay for manually adding extra inserts: Euro 15.38	50 % night shift allowance (normal working hours between 10 pm and 6 am): Euro 9.27 25 % Sunday allowance (normal working hours between 12 am and 12 pm): Euro 7.72 + official mileage allowance

The comparison between the actual wages surveyed by us shows that the differences between working hour-based wages seem to be significantly lower than those based on collective agreements. Given the fact that actual wages are very much dependent on the current situation of the labour market, this is no wonder. As Table 4 shows, drivers/deliverers working under employment contract, earn about ten Euro per hour. This result, however, has to be viewed with some caution, as it is based on two statements only. Due to their independence on the labour market situation, actual wages for newcomers may, however, also fall in future.

Table 4: Actual wages for drivers and deliverers

	Monthly remuneration (Euro)	Rate per hour (Euro)
TNT	Euro 1,400.57 (1,273.37 + 10 %)	10.00
Redmail	Euro 800.00 to 900.00 (for 200 to 250 newspapers per day)	ca. 10.00

4.2 Working hours

The collectively agreed working hours are 40 hours per week for workers/employees of the collective agreement for road haulage, goods transport, expedite and market communication. Blue and white collar workers associated with trade work have 38.5 normal working hours, whereby extra work between 38.5 and 40 hours has to be provided without an overtime bonus. The collective agreements for road haulage (workers and employees) grant limited scope for flexibility. It allows for 43 resp. 45 weekly working hours based on a calculation period of 2 and 3 weeks respectively. Apart from that, the collective agreement provides for the option of extending the scope of flexibility if a company agreement is concluded. Furthermore, so-called all-inclusive agreements, which include lump sum overtime payments are becoming increasingly more important for the haulage industry.

The collective agreement "Goods transport workers", does not only with reference to the minimum wages have the worst conditions in the industry; the maximum total working hours (normal working plus overtime) may be 60 hours based on a calculation period of 26 weeks; whereby the collective agreement "Forwarding agent workers" states maximum 45 resp. 47 working hours (warehouse workers) based on a two-week resp. nine-month (warehouse workers) calculation period. The collective agreement "Goods transport" is used by the subcontractors interviewed by us. With regard to the working hours for drivers there are overlappings between the collectively agreed working hours and the special terms for drivers with regard to rest periods, breaks and driving hours, which are supposed to regulate in particular the requirements of long-distance journeys.

With regard to mail, advertising material and newspaper delivery, it is noticeable that the collective agreement for expedite workers as well as the one for trade workers, provide for special terms regarding the working hours and remuneration of expedite workers, deliverers and carriers. The normal number of working hours in accordance with the collective agreement is 40 hours, whereby the monthly wage for expedite workers is based on 36 hours and the one for deliverers on 22 hours.

In agreement with the works council, the Expedite Collective Agreement provides for the option of reducing the working hours up to 50 % of the collectively agreed working hours provided there is a

lesser volume of work based on reduced circulation figures. The normal working hours for trade workers are 38.5 hours; 22 minimum hours per week apply to deliverers.

Whilst trade workers receive 100 % overtime pay between 8 pm and 6 am and on Sundays and public holidays, normal working hours do also apply to deliverers between 10 pm and 6 am, whereby they are granted a night allowance of 50 percent; the same applies on Sundays and public holidays between 0 am and 12 pm, whereby in this case a Sunday allowance of 25 percent applies.

TNT, DHL, DPD and GWP are currently discussing whether company agreements to regulate working hours should be negotiated. TNT has neither working hour accounts nor special calculation models. There is no electronic registration of working hours. Instead, the members of staff enter their working hours into working hour lists. Discussions are currently held with regard to introducing trust-based working hours. GWP has a special regulation for the working hours of warehouse workers (collective agreement for forwarding agents, workers): 8 ½ hours are split in accordance with the peak times for loading and unloading. Workers have to be present between 4 am and 8 am and between 4 pm and 8 pm. Extra working hours are paid in accordance with a calculation period of two months. Apart from that a company agreement concerning flexitime applies to all white collar workers. In the case of white collar workers, any overtime is normally paid within the scope of all-inclusive agreements.

Table 5: Collectively agreed normal working hours

CA Forwarding Agents Employees	CA Forwarding Agents workers	CA Goods Transport	CA Expedite	CA Market Communication	CA Trade Workers	CA Trade Employees
40 hours per week	40 hours per week	40 hours per week	36 hours per week	40 hours per week	38.5 hours per week Deliverers: min. 22 hours per week	38.5 hours per week

5. SELF-EMPLOYED PERSONS

5.1 Work contractors without a trade licence

In case of Redmail, the majority of deliverers have been employed as work contractors. In rural areas, these are often housewives, who want to earn a little extra by delivering newspapers; the majority of deliverers in the cities are made up of asylum seekers or migrants. Most deliverers in Vienna come from the South Asian area (Bangladesh, India, and Pakistan). All deliverers meet early in the morning at a certain place, where they receive a list with delivery addresses arranged in accordance with the respective streets and the material to be delivered (which mainly concerns newspapers). The fluctuation is high. Vacant positions are filled from within the South Asian community.

5.2 Work contractors with a trade licence

Feibra only employs self-employed deliverers. In contrast to Redmail, however, these are exclusively work contractors with a trade licence. The contract for work and services is based on a basic agreement that was negotiated between Feibra and the Commercial Social Security. In eastern Austria, deliverers mainly commute from Hungary, Slovakia and Czechia. The fluctuation is rather high. New deliverers are found by word-of-mouth recommendation in the adjoining countries.

According to estimates of the work councils, the hourly rate paid by both companies within the urban areas is between Euro 4 and 5. Self-employed deliverers working for Feibra, who work in rural areas, receive between Euro 6 and 7. Feibra's works council has assured us that there were local advertising material delivery companies that would pay even less thereby putting pressure on the company. What is remarkable that - due to the labour market situation in Vienna and other urban centres - companies are practically unable to find Austrian citizens or migrants with working permit and fixed place of abode, who are prepared to work for this kind of remuneration.

Table 6: Remuneration for work contractors mail, advertising and newspaper delivery

CA Forwarding Agents Employees	CA Forwarding Agents workers	CA Goods Transport	CA Expedite	CA Market Communication	CA Trade Workers	CA Trade Employees
40 hours per week	40 hours per week	40 hours per week	36 hours per week	40 hours per week	38.5 hours per week Deliverers: min. 22 hours per week	38.5 hours per week

5.3 Subcontractors (parcel delivery)

Subcontractors play a central role within the express and parcel delivery sector. All companies we have spoken with, have engaged subcontractors to carry out their delivery services. Two companies, we have interviewed (DPD and GWP) are exclusively using subcontractors for collection and delivery services. DHL has outsourced approximately 50 percent of all journeys to subcontractors - for reasons of costs, this tendency is increasing.

One member of the works council described the situation as follows:

“It is not in the interest of the company to employ drivers. Otherwise one would have to look after the drivers as well.”

From an entrepreneurial point of view, however, there are also concerns with respect to outsourcing, as the drivers represent an important interface between customers and company apart from representing the company to the outside. In many cases, however, cost calculations are the deciding factor. Outsourcing to subcontractors helps to reduce costs. As another member of the works council told us - shareholders do not appreciate “capital being tied up in cars or drivers”. Apart from that drivers quite often prefer to be self-employed. In their capacity as subcontractors they are able to avoid the Working Time Law or other relevant provisions under labour law, which means that they can earn more in the short term.

Subcontractors are normally small companies with two to three vehicles. It is not difficult for small transport companies (under 3.5 t) to obtain a trading licence. Their registered office must be in Austria and they have to have an Austrian trading licence. Subcontractors and their employees, however, have in many cases a migrant background. Normally subcontractors are paid per parcel/stop. The number of stops is dependent on the order situation of the company who engages them - i.e. the risk of a driver who does not work to full capacity will be passed on to the subcontractor. Logo, scanner, telephone costs must be borne by the subcontractor.

Due to the fact that companies are liable for their subcontractors, they ask them to provide the necessary paperwork (for example drivers' work permits). In the past, companies have been subjected to official controls regarding their subcontractors on various occasions. Apart from that, companies also impose regulations on their drivers concerning their clothing, the condition and livery on their vehicles etc. How strict these controls are, however, differs from company to company.

DPD and TNT each engage between twelve and 14 subcontractors each day. These employ on average five to ten drivers, which means that each company has between 150 and 200 vehicles on the road. Salaries are normally negotiated at company level or individually. One of the members of the works councils we interviewed assumes, that no collective agreements would apply.

“Nobody is interested in how and how much drivers are paid (...). There are so many breaches of the labour law that it would be a nightmare for any works council to fight for something.”

Following the description of the subcontractor interviewed by us, the competition between the subcontractors is large. Due to price pressure many adopt unfair working practices. A company adhering to regulations finds it difficult to survive. Due to the fact that most of the subcontractors are small-sized companies, their negotiation power is very limited. The result is far too long working hours, payment per unit or an exploitation of the drivers. The subcontractor we interviewed is also paying overtime, but he believes, however, that he is rather the exception in the industry. With 13 vehicles, he belongs to the larger enterprises in the industry. The collective agreement for the goods transport trade applies. As described above, the working terms of this collective agreement are far worse than of those collective agreements, which the companies he is working for base their conditions on. The low collectively agreed wages would make it impossible to bind personnel on a long-term basis. Nevertheless, his résumé is as follows:

“As a matter of fact we are worse off employees of our client”.

6. CONCLUSIONS

The results presented in this report are not based on a comprehensive survey of employment circumstances with respect to the new postal service providers and can therefore only be fragmentary. Nevertheless, it is possible in our opinion to come to some significant conclusions.

This includes first the structure of the market, which in reality consists of two submarkets - express services/parcel delivery and mail, advertising and newspaper/magazine delivery. Secondly, a large part of the delivery activities (drivers, mail carriers) are carried out by subcontractors and self-employed persons. In two of four cases, driving activities in the express services/parcel delivery sector are exclusively carried out by subcontractors. The remaining two enterprises have at least outsourced part of these activities to subcontractors. Almost all carriers of mail, advertising material and newspapers/magazines are self-employed.

However, there are also significant differences within the circle of persons working under employment contract. In the express services/parcel delivery sector another important factor apart from the classification as blue or white collar workers, is the question whether the members of staff come under the wage (collective) agreement for hauliers or under the agreement for the carriage of goods sector. The latter offers significantly inferior conditions and is a particular favourite with subcontractors (provided they keep to a collective agreement in the first place). With regard to the mail, advertising and newspaper/magazine delivery sector, the collective agreements for trade workers and despatch workers offer little protection for the members of staff as they provide for very low minimum wages and concerning the latter are based on piece rates. According to the information we received from the works council, this has not been increased for many years.

On the other hand, our survey also shows that that in many cases companies in the current labour market situation have to pay more than the collectively agreed wages, in order to be able to retain their staff over a longer period. On average, the actual wage for drivers/carriers under employment contract lies in the region of eight to ten Euros per hour. What, however, is not clear is to what extent the subcontractors adhere to the collectively agreed provisions such as the payment of overtime.

This, however, results in a significant difference to self-employed carriers in the mail, advertising and newspaper/magazine delivery sector, who earn about four to five Euros per hour for working in the inner-city area. About 90 percent of all personnel in these companies are self-employed. As service contract workers they neither benefit from labour-law related standards nor from insurance protection (provided they have not taken out their own insurance). We did not receive any specific information on self-employment for the express service/parcel delivery sector; our interviewees, however, knew about such practices from competitors. A problem was that we only gained access to companies that had a works council and whose working and employment conditions are therefore comparatively good. The subcontractor whom we interviewed also - according to his statement - belongs to the few in the industry who adhere to the regulations. It would be, however, more interesting to know, what conditions prevail in companies that do not have corporate representatives of interest and that probably fall short of labour-law related standards.

7. LITERATURE

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8. ANNEX

8.1 Remuneration

8.1.1 Express service/Parcel delivery

	Collective Agreement Forwarding Agents Employees (white collar workers)	Collective Agreement Forwarding Agents Workers (blue collar)	Collective Agreement Goods transport
Minimum wage	1,273.37 (occupation group 1: employees performing simple activities)	1,165.93 (occupation group 8: cleaner)	1,186.78 (occupation group 1 unskilled workers, garage workers, tractor drivers, co-drivers and car drivers up to 3.5 t)
Allowances	Day/Night allowances: Euro 26.40 and 15.00 respectively domestically	<p>Travel expenses:</p> <p>Euro 8.10 if > more than 4 hours outside the company location</p> <p>+ Euro 13.60 accommodation costs for overnight stay</p> <p>Allowances regulation:</p> <p>Distance, hardship, danger, special or severity allowances</p> <p>Dependent on the severity, danger potential of the goods in transit, type of transport (for example overcoming altitude differences), place of activity paid per item, per hour, per work shift, per day, per floor etc. between Euro 0.37 and Euro 12.23.</p> <p>'Drivers may not be remunerated in accordance with the distance travelled or the quantity of the items transported; the same applies to payment in form of bonuses or allowances for these travel distances or transported quantities, unless this form of remuneration does not interfere with road traffic security.' Combined transport (train/ship): 50 % of the agreed hourly wage</p>	<p>Combined transport:</p> <p>(Train/ship); 50 % of the agreed hourly wage)</p> <p>Travel expenses:</p> <p>Day allowance: Euro 26,15 at home,</p> <p>Night allowance: Euro 15.00)</p> <p>(abroad: in accordance with table),</p> <p>Allowances regulation</p> <p>Hardship, danger, special or severity allowances between Euro 4.34 and Euro 16.61 per unit/day/work shift.</p>

8.1.2 Newspaper and advertising material delivery

	Expedite Collective Agreement	Collective Agreement Advertising	Collective Agreement Trade blue collar workers	Collective Agreement Trade white collar workers
Minimum wage	<p>Expedite workers (36 hours):</p> <p>Beginners 1st year: Euro 349.33; after that Euro 398.91</p> <p>Deliverer (22 hours): Euro 167.91</p> <p>Deliverer: Remuneration in the collective agreement for deliverers corresponds to a work performance of 22 hours; in case of more or less hours worked, it is possible to carry out proportional calculations. All deliveries must be carried out by the staff personally. In case of a sudden illness or in case of being prevented from fulfilling their duties, deliverers have to inform the company (sales manager, expeditor, major and district expeditor, etc.) immediately and name/provide a replacement. If during the first ten days of a month 80 percent of the subscription fees have to be collected, the deliverer will receive 1 % of this amount as a collection commission.</p> <p>With regard to those publishing houses, where sign-up bonuses are paid, deliverers, who sign-up subscribers, receive at least an equally high bonus as do external persons.</p> <p>In case of particularly large districts, which are determined by the company in agreement with the works council, the delivery personnel might receive a hardship allowance.</p>	<p>1,153.60 (occupation group 1, commercial, administrative and technical [unskilled] workers)</p>	<p>“Deliverers in newspaper and magazine wholesale, who use their own vehicle to supply retailers, working at least 22 hours per week and expedite workers”.</p> <p>Euro 996.00</p>	<p>Trade with books, posters, music supplies, newspapers and magazines; book-, art- and music publishing houses.</p> <p>Pay area A: Burgenland, Carinthia, Lower Austria, Upper Austria, Styria, Tyrol, Vienna</p> <p>Pay area B: Salzburg, Vorarlberg:</p> <p>Euro 1,168.00 (A)</p> <p>Euro 1,209.00 (B)</p> <p>(Occupation group 1: employees without completed apprenticeship with up to 3 years of service)</p>

	<p>As far as required, deliverers do either receive (bus/tram) tickets or a travel allowance.</p> <p>The provisions of §6 concerning work on Sundays and public holidays do not apply to the delivery of morning papers on Sundays and public holidays.</p>			
Allowances	<p>Expedite workers: an allowance, based on 1,000 units, to be agreed by the collective agreement will be paid for manually adding external inserts. Any additional allowances for inserts that are difficult to fit or place in the paper have to be determined in agreement with the works council.</p> <p>Remuneration for manually adding external inserts: Euro 15.38</p>		<p>50 % nightshift allowance (normal working hours between 10 pm and 6 am): Euro 9.27</p> <p>25 % Sunday allowance (normal working hours between 0 am and 0 pm): Euro 7.72</p> <p>+ official mileage allowance</p>	<p>With regard to employees working in newspaper and magazine wholesale, it is possible to conclude company agreements for night allowances with regard to normal working hours between 10 pm and 6 am.</p>

8.2 Working hours

8.2.1 Express service/Parcel delivery

	Collective Agreement Forwarding Agents Employees (white collar workers)	Collective Agreement Forwarding Agents (blue collar) Workers	Collective Agreement Goods transport
Normal working hours	40 hours per week, 8 hours per day, ends Saturday noon	40 hours per week, 8 hours per day between 6 am and 9 pm resp. 1 pm (Saturday) Special provisions for car drivers with regard to rest periods, driving breaks and driving periods (EU Directive!)	40 hours per week between 5 am and 8 pm, Saturday 3 pm Special provisions for car drivers with regard to rest periods, driving breaks and driving periods (EU Directive!)
Overtime pay	Overtime pay (must be claimed within 3 months) 6 am - 10 pm: basic hourly wage (1/160 of the gross monthly salary) + 50 % 10 pm - 6 am, as well as Sundays and public holidays: basic hourly rate + 100 % Possibility of an overtime allowance agreement between employer and employee	Based on 1/173 of the monthly wage Nightshift allowances: 50 % Overtime allowances (max. 20 hours per week, max. 2 hours per day): 50 %: 6 am - 9 pm on and outside the company premises 100 % resp. 80 %: 9 pm - 6 am: on and outside the company premises Sunday and public holiday allowances: 100 %	Overtime allowances 50 % resp. 100 % for night work (night work overtime between 8 pm and 5 am), 1/173 of the gross monthly wage resp. 1/40 if the weekly wage
Flexible working hours regulations	Max. 43 hours per week, if on average 40 hours during a period of 3 weeks In addition possibility of company agreement: max. 45 weekly hours based on a calculation period of 52 weeks (max. normal working hours per day: 9) Maximum normal working hours per day: 10 hours with flexitime; in case of 4-day week if compensatory time off is used in one stretch over several days.	Max. 45 hours per week within 2 weeks; calculation, however, must be based on 40 hours. For depot and warehouse workers: based on company agreement max. 47 hours per week within 9 months; calculation must be based on 40 hours, normal working hours per day max. 10 Daily rest period: min. 10 hours	Total working hours (normal working hours plus overtime) max. 60 hours per week; average of 48 hours may not be exceeded within 26 weeks (with the exception of car drivers, see above) Average weekly working hours may be 55 hours, if 7 hours are dedicated to on-call time.

8.2.2 Express service/Parcel delivery

	Expedite Collective Agreement	Collective Agreement Advertising	Collective Agreement Trade blue collar Workers	Collective Agreement Trade white collar workers
Normal working hours	40 hours 6 am to 6 pm	40 hours Between 8 pm and 6 am: night work For customer service additional shop closing times of relevant industry and countries decisive	38.5 hours, max. 9 hours per day expect if otherwise regulated by company agreement, see below Extra work between 38.5 and 40 hours, to be treated without extra pay	38.5 hours, max. 9 hours per day Night work: 8 pm - 5 a, Extra work between 38.5 and 40 hours, to be treated without extra pay
Overtime pay?	Night work allowance: 50 % on normal working hours	Overtime: 1/150 of the monthly wage + 50 % (6 am - 8 pm) resp. + 100 % (8 pm - 6 am, as well as Sundays and public holidays) Compensatory time off 1.5 to 2 hours Special allowance for nightshift between 10 pm and 6 am: min. Euro 1.40 per hour	Extra work: 1/167 of the gross monthly wage, time compensation 1:1 Overtime: 1/167 + 50% resp. 100 % on Sundays and public holidays and between 8 pm and 6 am	Extra work: 1/167 of the gross monthly wage, time compensation 1:1 8 pm - 5 am: 50 % time credit Overtime: 1/158 + 50% resp. 100 % on Sundays and public holidays and between 8 pm + 6 am Overtime within the scope of extended opening hours (Mon-Fri: 6.30 - 8 pm and Sat 1 - 6 pm): + 70 %
Flexible working hours regulations	Possibility of reducing working hours up to 50 % of the collectively agreed working hours provided there is a lesser volume of work based on (reduced) circulation figures		Flexitime agreement by company agreement or individual agreement or in case of 4-day week: daily normal working hours may be extended up to 10 hours Calculation periods have to be agreed with employer in advance: during a period of 26 weeks max. 44 weekly hours, extendable to 1 year by company agreement or individual agreement	Flexitime agreement by company agreement or individual agreement or in case of 4-day week: daily normal working max. 10 hours Calculation periods have to be agreed with employer in advance: during a period of 26 weeks max. 44 weekly hours, extendable to 1 year by company agreement or individual agreement Rest periods: may be reduced to 8 hours
Special provisions *)	Internal provisions have to be made for delivers, working on Sundays and public holidays providing their own vehicle for setting up and collecting appli-			

	ances including newspapers on Sundays and public holidays, provided these persons are employees.			
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*) **SPECIAL PROVISIONS** for expedite workers, editorial and administrative personnel, deliverers, carriers:

1. **Expedite workers** are employees, whose exclusive responsibility is the daily delivery of newspapers and magazines. In this context, all preparatory and insert-relating work has to be performed without separate remuneration
2. **Deliverer** is an employee, who against weekly pay, with or without his or her own vehicle, is in charge of delivering or transporting newspapers, with the exception of direct subscriptions: the delivery of newspaper to various outlets as well as the delivery of the special colportage
3. **Carriers** are employees who deliver a complete publishing house product, against commission to subscribers including collection the subscription charges as well as for a fixed wage or salary

Agreement for expedite workers for newspaper publishers in Vienna, for papers, which are published on a Sunday or public holiday

- a) The working period is 3 hours. The start of the working period is determined on the basis of company requirements. In order to avoid overtime, it is permitted to work in shifts of three hours each
- b) To expedite these editions, companies first use their staff from own expedites; jobless expedite workers or helpers in the branch from external expedites
- c) The expedite worker receives a remuneration of 33 % of the collectively agreed wages of a nightshift worker (Viennese Agreement)
- d) If the three-hour working period is exceeded, the expedite worker receives for each started quarter hour the pay for 30 minutes of the collective agreement for expedite workers (total weekly wage plus 33 percent extra pay, divided by the respective number of hours of the legal working hours = hourly wage)
- e) If a newspaper is issued seven times a week, expedite worker from company-own expedite personnel receive a whole free paid working day.
- f) If a newspaper is issued on a public holiday, which has the same status as a Sunday or on the 2nd of May, each worker will receive an extra allowance of five percent of the collective agreed wage of an expedite worker (Viennese Agreement)
- g) Existing house and qualification allowances remain effective.

