



## **Changes to Postal Collection Times**

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Report on Consultation and Decision Notice

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## 1. BACKGROUND

A consultation document entitled ‘Consultation on Changes to Postal Collection Times’ was published by the MCA on the 15<sup>th</sup> October 2018. The document was published after MaltaPost plc (MaltaPost) formally requested the Malta Communications Authority (MCA) to consider a proposal to review the established letterbox collection times as a result of an initiative it undertook to alleviate what it claimed as employment pressures within the postal sector.

MaltaPost stated that as a result of many changes being faced by the postal sector, the recruitment and retention of competent staff at postal operator level has reached a critical stage. In its request it is claiming that one of the pressures contributing toward demotivating its staff is late/unsocial working hours resulting from late letterbox collection times.

In order to be in a better position to assess this request the MCA requested MaltaPost to provide it with further detailed statistical information and the financial benefit it would derive from the proposed changes. MaltaPost provided the information requested accordingly.

The public consultation period was open from 15<sup>th</sup> October 2018 until the 5<sup>th</sup> November 2018. No submissions were received.

## 2. LEGAL ASPECT

In accordance with article 17(2) of the Postal Services Act (Chapter 254) of the Laws of Malta, the postal universal service provider is required to undertake one postal collection (referred to as clearance) on every working day and not less than five days a week, save in circumstances deemed exceptional by the Authority.

Section '2.7 *Frequency and Timing of Collections*' of the MCA's decision entitled '*Maltapost Plc's Universal Service Obligations – Accessibility, Daily Delivery, Provision of Information*' published in September 2008, established that "... In line with the obligation to guarantee daily delivery, daily collections of postal articles from letterboxes (including other collection points such as postal outlets according to the respective closing times) take place at 19:00 hrs from Monday to Friday and at 15:00 hrs on Saturday...".

The same decision also establishes that the frequency and timing of collections are complementary aspects to the issue of the accessibility to universal services as the daily collection of postal articles from letterboxes and postal outlets ensures that mail items are delivered on a daily basis and that the quality of service targets are fulfilled.

### 3. MALTAPOST'S REQUEST

MaltaPost requested the MCA's authorisation to review the letterbox collection times in order to address the pressure that it claims is demotivating its staff due to late/unsocial working hours, contending that it is resulting in a ripple effect also on its sorting staff. To this effect it proposed changes in letterbox collection times as follows:

#### **Summer (15 June - 15 September)**

Monday to Friday      1230hrs instead of 1900hrs  
Saturday                1230hrs instead of 1500hrs

#### **Winter (16 September - 14 June)**

Monday to Friday      1715hrs instead of 1900hrs  
Saturday                1230hrs instead of 1500hrs

MaltaPost also claimed that given that the vast majority of letter mail volumes are of a commercial nature, the proposed 'earlier' collection time should have little or no impact in terms of service levels. If these proposed changes had to be approved, MaltaPost stated that it would be able to streamline its mail collection throughout the Maltese Islands, and in part would also allow the sustainability of its regulatory obligations in line with the universal service expectations. It also claimed that such a change would assist in its staff recruitment and retention since the sorting of mail could be completed earlier than the current process.

In order to be in a position to analyse this proposal, the MCA requested MaltaPost to provide statistics relating to letterbox mail induction patterns based on interim collection at the proposed times of 1230hrs and 1715hrs for a trial period on a specific number of popular letter boxes. The Authority also requested cost benefits data if the proposed collection time changes had to materialise.

As requested MaltaPost provided the information on anticipated cost benefits which is based on reduction in night allowance and overtime payments, together with detailed daily results of a week-long letterbox collection monitoring exercise from popular letter boxes situated in the top most mail generating localities in Malta. MaltaPost reiterated that the measure's main aim is that of staff retention.

The following is a summary of the statistical results related to postal collection emanating from this exercise:

**Monday to Friday**

1230hrs = 42.6%

1715hrs = 37.6%

1900hrs = 19.8%

**Saturday**

1230hrs = 79.4%

1500hrs = 20.6%

#### 4. MCA'S DECISION

The MCA communicated its amenability to assist in facilitating the sustainability of the universal service, in this case MaltaPost's drive in staff retention, at the same time ensuring that the ultimate objectives of the universal services are still maintained.

As specified in the above mentioned consultation document, as a result of an evaluation based on the above mentioned criteria, and the collection time statistics conveyed by MaltaPost, the MCA considers MaltaPost's proposed summer period collection time of 1230hrs instead of 1900hrs from Monday to Friday, between the 15th June and the 15th September, as not sufficiently justified at the current time. If such a request had to be granted, keeping in mind the current postage patterns, a significant proportion of users of postal services would be impacted because a sizable percentage of mail would be delivered a day later than the present system, also rendering the J+1 QoS standard during this period a mere formality.

On the other hand, in order to assist the sustainability of the universal service, the MCA considers that the collection time of 1715hrs instead of 1915hrs from Monday to Friday and that of 1230hrs on Saturday throughout the entire year as reasonable. As an exception any mail posted at MaltaPost's Qormi Head Office branch during opening times, even if it is after 1715hrs, will be processed for next working day delivery.

The MCA is cognisant that users patterns may change, accordingly it may authorise changes to mail induction timeframes based on updated information at its disposal.

##### **DECISION:**

In order to facilitate the sustainability of the universal service, the MCA is authorising the following postal collection times during the entire year:

**Monday to Friday**    **1715hrs** (*instead of 1900hrs*)  
**Saturday**            **1230hrs** (*instead of 1500hrs*)

As an exception any mail posted at MaltaPost's Qormi Head Office branch during opening times, even if it is after 1715hrs, will be processed for next working day delivery.

This decision will come into force on the 2<sup>nd</sup> January 2019.

The MCA reserves the right to authorise changes in postal induction timeframes as the need arises, in particular to safeguard that collection times remain attuned to developing user needs.