



## CONSULTATION ON CHANGES TO POSTAL COLLECTION TIMES

Consultation

15 October 2018 MCA/C/ 18-3362



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### 1. BACKGROUND

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 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 submitting 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.

This consultation is proposing a way forward following a detailed analysis.



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## 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 MCA.

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.

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## 3. DETAILS OF MALTAPOST'S REQUEST

MaltaPost requested the MCA's authorisation to review the letterbox collection times in order to address the pressure that, according to MaltaPost, is demotivating its staff due to late/unsocial working hours stating that it is resulting in a ripple effect also on its sorting staff. To this effect MaltaPost 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 stated 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 stated 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 revert back with 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 MCA 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



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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% (cumulatively 80.2%)

1900hrs = 19.8% (cumulatively 100%)

**Saturday**

1230hrs = 79.4%

1500hrs = 20.6% (cumulatively 100%)



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### 4. WAY FORWARD

The MCA is considering the changes being proposed by MaltaPost together with the supplementary explanations that MaltaPost provided, while taking into account how the changes would impinge on the service provided to the general public.

As part of the analysis, the MCA identified a number of scenarios and identified three main cases;

- o Option 1: The MCA refuses MaltaPost's requests in their entirety, and collection times would remain as they are.
- o Option 2: The MCA accepts MaltaPost's requests in their entirety.
- o Option 3: The MCA partially approves certain elements of MaltaPost's requests while other changes would not be approved.

The following sections will review each case in further detail.

#### **Option 1: MCA refuses MaltaPost's requests in their entirety**

The MCA is obliged to ensure that the ultimate objectives of the universal services are maintained. The sustainability of providing the universal service is a central criterion to this objective. The MCA is amenable to assist in facilitating the sustainability of the universal service, in this case MaltaPost's drive in staff retention. Accordingly the MCA considers that it would not be beneficial to refuse MaltaPost's requests in their entirety.

#### **Option 2: MCA accepts MaltaPost's requests in their entirety**

As a result of an evaluation of how the changes would impinge on end-users, in conjunction with 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 reasonable. If such a request had to be granted, users of postal services would be highly 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.

#### **Option 3: Partial approval of certain elements of MaltaPost's requests**

On the other hand, the collection time statistics conveyed by MaltaPost indicate that an earlier collection time (not before 1715hrs) instead of 1915hrs from Monday to Friday (and that of



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1230hrs on Saturday) throughout the entire year would not significantly impinge on end-users. This measure would at the same time assist the sustainability of the universal service.

**CONSULTATION QUESTIONS:**

**Option 1**

Do you agree that MaltaPost's proposed summer period collection time of 1230hrs instead of 1900hrs from Monday to Friday, between the 15th June and the 15th September, should not be considered as reasonable since it would highly impact mail recipients?

**Option 2**

Do you agree that in order to facilitate the sustainability of the universal postal service and assist in staff retention, MaltaPost's proposed summer period collection time of 1230hrs instead of 1900hrs, and winter period collection time of 1715hrs instead of 1900hrs should be considered as reasonable?

**Option 3**

Do you agree that in order to ensure that the universal service is adequately provided without significantly impinging on end-users, and at the same time facilitating the sustainability of the universal service, the collection times would be revised from 1900hrs to 1715hrs from Monday to Friday and from 1500hrs to 1230hrs on Saturdays during the entire year?





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### 5. INVITATION TO COMMENTS

In accordance with the requirements under Article 4A of the Malta Communications Authority Act [Cap 418 of the Laws of Malta], the Authority welcomes written comments and representations from interested parties and stakeholders during the national consultation period which shall run from the 15<sup>th</sup> October to the 5<sup>th</sup> November 2018 .

The Authority appreciates that respondents may provide confidential information in their feedback to this consultation document. This information is to be included in a separate annex and should be clearly marked as confidential. Respondents are also requested to state the reasons why the information should be treated as confidential.

For the sake of openness and transparency, the MCA will publish a list of all respondents to this consultation. The Authority will take the necessary steps to protect the confidentiality of all such material as soon as it is received at the MCA offices in accordance with the MCA's confidentiality guidelines and procedures. Respondents are however encouraged to avoid confidential markings wherever possible.

All respondents should be submitted to the Authority, in writing or by email, by not later than 12.00hrs on the 5<sup>th</sup> November 2018 and addressed to:

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