

Senate Select Committee on Job Security

Amazon Australia is pleased to provide the following responses to the Senate Select Committee on Job Security.

Written follow up questions from Senator Tony Sheldon

1. What is the breakdown of the number of directly employed Amazon Associates, compared to those engaged through Adecco or any other Labour Hire firm? Please provide for each Fulfillment Centre separately, and also if there are people engaged through other arrangements such as independent contractors, please provide these?

Answer: We are proud of the investments we are making in our operations in Australia, which are creating thousands of new employment opportunities in a safe and positive work environment. As our business continues to mature, we are working towards two thirds of our fulfilment centre staff across Australia being permanently employed by Amazon Australia by the end of 2022 (in quieter periods). Whilst it is not apparent how the specific numbers of workers at each site are relevant to the terms of reference, we are happy to provide information regarding the proportion of permanent Amazon employees and casual Adecco Associates. Our operations workforce fluctuates day to day in line with fluctuating demand. We have peaks in demand aligned with the retail calendar, and, like all retailers, increase our workforce with the addition of seasonal workers at these busy times (e.g. Christmas or Prime Day). Additionally, as sites become more established, we get better at predicting our workforce needs and the proportion of permanent employees at the site tends to increase. In February and March 2021, a quieter period, on average around 40% of our fulfilment centre workforce across Australia were directly employed. In more established sites, the proportion of permanent employees is higher; up to 50%. During peak periods, when we use seasonal casual workers, the proportion of casual Adecco Associates tends to increase. For example, in December 2020, 34% of our Australian operations' workers were direct employees and 66% were casual Adecco Associates. However, even during these busier peak periods, the proportion of permanent employees is higher at more established sites where we are better able to predict demand.

2. Please provide the figures in the above question be provided both for right now, and for December 2020?

Answer: Please see response to #1.

3. What is the starting rate of pay for new Adecco Associates? If it varies across Fulfillment Centres, please provide the figure separately for each?

Answer: We understand that pay for casual Associates employed by Adecco in Amazon Fulfilment Centres starts at around \$27 per hour for ordinary hours of work.

4. What is the starting rate of pay for new directly employed Amazon Associates? If it varies across Fulfillment Centres, please provide the figure separately for each?

Answer: Amazon Australia offers a starting pay rate of \$28 per hour plus benefits, such as subsidised private health care and up to 20 weeks' paid maternity leave for eligible employees.

5. What is the average rate of pay for Adecco Associates? If it varies across Fulfillment Centres, please provide the figure separately for each?

Answer: Please see response to #3.

6. What is the average rate of pay for directly employed Amazon Associates? If it varies across Fulfillment Centres, please provide the figure separately for each?

Answer: Amazon Associates earn variable rates of pay above the starting rate outlined in #4. The rates vary, for example, based on the time of day, day of the week and experience.

7. On what basis does Amazon allow casuals at its operations to be paid less than full-time staff, when they are in fact supposed to be entitled to a 25% casual loading on the full-time rate?

Answer: We understand Adecco pays casuals Associates in line with the Storage Services & Wholesale Award, including a casual loading of 25%. The pay rates of casual Adecco Associates, inclusive of casual loading, and Amazon's permanent Associates are very similar - please see responses to #4 and #5.

8. What is the average tenure of a directly employed Amazon Associate?

Answer: The average tenure of our workforce fluctuates as we continue to grow, open new Fulfillment Centres, and create thousands of new jobs in Australia. Since we're a new company in Australia that continues to grow, it's our objective to promote long-term career development opportunities for our employees.

9. What is the average tenure of an Adecco Associate at Amazon?

Answer: Amazon Australia engages Adecco to provide a casual workforce. Adecco decides where to deploy their workforce, including which individuals are allocated to work at our facilities.

10. Mr Cooley spoke about the Career Choice program at Amazon – how many applications in Australia have been accepted for the Career Choice program, and how much in dollar terms has been paid by Amazon under this program in Australia thus far?

Answer: While the Career Choice program is relatively new in Australia, we have had four applicants to the program, all of which were accepted and are undertaking their studies. More than 40,000 Amazon employees around the globe have participated in Career Choice to pursue their career goals. We look forward to the program growing over time in Australia providing eligible employees the tools they need to make a move and pursue their career aspirations.

11. Does Amazon audit the pay that Adecco Associates receive, and Adecco's compliance with labour regulations? If yes, when was the last audit conducted, and what was the finding?

Answer: We are satisfied that Adecco meets its award pay obligations with respect to Associates at Amazon sites and are not aware of any instances of non-compliance with labour regulations.

12. What metrics does Amazon use to monitor the performance of Associates?

Answer: We assess Associates based on achievable benchmarks that take into account factors like Associate tenure, the task being performed and local aggregate performance data for that task.

13. How are these metrics measured, analysed and evaluated?

Answer: We review Associates' performance trends over time, in order to provide them with feedback, coaching and recognition, as well as to look for opportunities to continually improve our safety, operational processes and training practices.

14. How is data collected on the performance of Associates?

Answer: Associates use tools, such as computers and handheld scanners, to perform their work. For example, scanning an item into the system to document its location within the Fulfilment Centre.

15. Are Associates required to wear hardware which measures their performance?

Answer: No.

16. Is surveillance including CCTV used to assess performance?

Answer: No.

17. The ABC [reported](#) in 2019 that the pick rate at an Amazon Australia fulfillment centre is 120 items per hour. Is it correct that Associates have a target of a number of items to scan per hour, and if so, what is that number?

Answer: That is incorrect. Pick rates are variable and depend on a range of factors that influence the time it takes to pick items. For example, the size, or type of item a person is asked to pick may affect how many items fit safely in a trolley and, therefore, how frequently that person needs to move between locations in the fulfilment centre in order to safely transport those items.

18. Do Associates have a time limit to 'pick' each item they are allocated?

Answer: No. We provide Associates with a guide for picking items, including a time estimate based on a variety of factors such as the size of the item and its location. This information is shared to assist them with their task and is not used for performance management.

19. Is there a fixed time Associates are given to pick an item, or does it vary depending on factors including the distance and weight of the item? If the latter, what are the factors which determine

Answer: Please see responses to #17 and #18.

20. Are Associates' own fitness, age and other physical and health-related attributes measured and used in measuring and assessing performance, and if yes, how so?

Answer: No. Where appropriate, we make reasonable adjustments to accommodate any Associates experiencing barriers to performing work requirements, for example due to health related attributes.

21. Other than pick rates, in what other ways are Associates' performance measured? Please provide the full calculations and data inputs into each of those measurements?

Answer: We assess quality and performance metrics so that we can best support our Associates to become proficient in their trained process.

22. How does Amazon provide feedback on Associates' performance?

Answer: We have a variety of feedback channels, including direct manager engagement. Feedback is provided to all Associates, including those who are excelling.

23. Are Associates subject to constant performance measurement, tracking or evaluation during the duration of their shift, including or excluding designated breaks?

Answer: Performance is only measured when an employee is working. Associates are able to take time during their shifts to stretch, get water or talk to a manager, without impacting their performance. This is in addition to the 30-minute and two 15-minute breaks Associates receive as a part of their normal schedule.

24. If an Associate needs to use the bathroom or have a drink of water, is this in any way incorporated into the evaluation or measurement of their performance?

Answer: No. Please see response to #23.

25. Does Amazon track or time the number of toilet or water breaks Associates take?

Answer: We encourage our workforce to take water breaks and use the bathroom as they need to.

26. Is an Associate's pick rate or any other tracking of their performance paused when an Associate uses the bathroom or needs water, and if so, how is it placed on pause?

Answer: Please see response to #23.

27. What is the 'Amazon Pace'?

Answer: That is not a term in which we are familiar.

28. Are all Associates expected to work at the same target pace, or is the expected pace of work different for Associates depending on their age, health and other fitness and health inputs?

Answer: Please see responses to #17, #20 and #21.

29. Does the measurement and evaluation of Associates' performance differ depending on whether they are an Amazon employee or an Adecco employee, and if yes, how?

Answer: No.

30. Are Associates required to tell an Amazon success [story](#) before the beginning of their shift, as was reported by the Sydney Morning Herald in 2018? If yes, how is this process managed?

Answer: No. That said, we regularly start meetings by inviting the team members present to share a safety tip or a success story. It's voluntary and we have found it's a great way to celebrate the achievements of our people, encourage feedback and ensure we are always focused on safety.

31. Are Associates required to participate in team chants, as was [reported](#) by the Sydney Morning Herald in 2018? And if yes, what are the full list of chants Associates may be required to participate in?

Answer: No.

32. If an Associate (Amazon or Adecco) is failing to maintain their pick rate or any other metric, is one of the responses Amazon may employ, to send them home before the end of their designated shift time?

Answer: Please see response to #33.

33. Has Amazon/Adecco ever sent Associates home early for any reason other than that the Associate has requested to be sent home early? If yes, how many, and for what reasons?

Answer: In line with industry practice, shift duration for casual Adecco Associates may be reduced if we have a reduction in volume compared with our planned projections, however, this is not a common occurrence. On the rare occasions this occurs, casual Associates are paid for a minimum of four hours. Permanent Associates can leave a shift early if they choose, e.g. due to personal circumstances, and they can utilise their leave in those instances.

34. Are pick rates or any other performance metric used to decide which Adecco Associates to designate additional shifts to? And are low pick rates or deemed poor performance against other metrics used to reduce the number or duration of shifts Associates may receive?

Answer: Pick rates are not used to determine the schedule or reduce the duration of shifts. Also, please see response to #18.

35. How many injuries have there been at Amazon Fulfillment Centres since Amazon's launch in Australia, and please break this down by Amazon employees and Adecco employees?

Answer: There has been one Notifiable Incident across Amazon's Australian Operations since launch. This related to a hand injury during pre-site-launch activities and was not part of our day-to-day operations.

36. How many Notifiable Incidents have there been at Amazon Fulfillment Centres since Amazon's launch in Australia involving Amazon employees, Adecco employees, and contractors? (provide for each)

Answer: Please see response to #35.

37. What is the process at Amazon when an Associate reports that they are injured?

Answer: Amazon has a strong safety culture, and encourages and facilitates employees to report all injuries no matter how minor, such injuries requiring minor first aid. As soon as an injury is reported, our first priority is to ensure the safety of the injured person and anyone working nearby the incident location. Incidents are recorded and investigated in accordance with our internal policy, and corrective actions are promptly taken.

38. Does this process differ depending on whether they are an Amazon employee or an Adecco employee, and if yes, how so?

Answer: No.

39. How many accidents have Amazon Flex drivers been involved in since the launch of the service?

Answer: Amazon is aware of 29 traffic incidents involving Amazon Flex Delivery Partners since launch in Australia. This is a rate of 0.003 traffic incidents per 1,000 KMs travelled.

40. How many injuries have Amazon Flex drivers sustained since the launch of the service?

Answer: Amazon is not aware of any Notifiable Incidents involving Amazon Flex Delivery Partners.

41. How many Notifiable Incidents have Amazon Flex drivers been involved in since the launch of the service?

Answer: Please see response to #40.

42. What safety training is provided to Associates, and does this differ depending on whether they are engaged directly by Amazon, or through Adecco?

Answer: Amazon provides a training program to all Associates, including safety training. This is supplemented by task specific training and training that is required by relevant legislation, such as training for Powered Industrial Trucks (PIT) and Occupational First Aid.

Responses to 43 - 65 provided to the Committee on 18 June, 2021.

Questions 66 – 75:

In relation to questions 66 - 75, it is not apparent how these matters, including details of the number of CCTV cameras and specific interactions with union officials, are relevant to the terms of reference. Notwithstanding, we are happy to respond to the questions generally. Like any other responsible business, we maintain a level of security within our operations to help keep our employees, buildings, and inventory safe. This includes CCTV cameras. We do not have CCTV cameras in areas like bathrooms or prayer rooms. Further, and as outlined in our answer to questions 76-83, Amazon respects the rights of all of its workers to freely choose whether to join or not to join a union. Amazon does not engage in surveillance in respect of how people exercise that choice. Visitors to our sites, from Members of Parliament to Union Officials exercising entry rights in line with applicable laws, are escorted regardless of the purpose of their visit. We believe in direct engagement with our workforce, and have a variety of ways to gather Associate and Amazon Flex Delivery Partner feedback, including through hearing from them directly. It is against our policy to create social media accounts in the way described in question 70.

Written follow up questions - Senator Faruqi

1. What percentage of fulfillment center employees are directly engaged by Amazon in off-peak times? Please provide an overall figure, as well as figures for each fulfillment center.

Answer: Please see response to Senator Sheldon's written Questions on Notice #1.

2. What percentage of fulfillment center employees are directly engaged by Amazon at peak times? Please provide an overall figure, as well as figures for each fulfillment center.

Answer: Please see response to Senator Sheldon's written Questions on Notice #1.

3. What percentage of fulfillment center employees are hired through labour hire firms in off-peak times? Please provide an overall figure, as well as figures for each fulfillment center.

Answer: Please see response to Senator Sheldon's written Questions on Notice #1.

4. What percentage of fulfillment center employees are hired through labour hire firms in peak times? Please provide an overall figure, as well as figures for each fulfillment center.

Answer: Please see response to Senator Sheldon's written Questions on Notice #1.

5. How much does Adecco pay Amazon fulfillment center workers per hour? Please provide hourly rates for each State and Territory.

Answer: Please see response to Senator Sheldon's written Questions on Notice #3.

6. Do fulfillment center workers hired through Adecco get the following entitlements? Please provide details for each.
 - a. Paid sick leave. Please provide the number of days of paid sick leave available to each employee and/or explain the paid sick leave arrangement Adecco uses for these employees.
 - b. Paid carers' leave. Please provide the number of days of paid carer's leave available to each employee and/or explain the paid sick leave arrangement Adecco uses for these employees.
 - c. Paid domestic violence leave. Please provide the number of days of paid domestic violence leave available to each employee and/or explain the paid sick leave arrangement Adecco uses for these employees.
 - d. Contribution to superannuation. Please provide details.

Answer: We understand that casual employees are not eligible for the paid leave entitlements referred to above, under applicable workplace laws. We also understand Adecco provides superannuation contributions at the rate of 10% for casual associates.

7. Who covers workers compensation for people Amazon hires through Adecco? Please provide details for each State and Territory.

Answer: We understand Adecco manages workers compensation for its employees.

8. Concerns have been raised by fulfillment center employees hired by Adecco over their working conditions such as low wages, high pressure to meet unrealistic performance targets, uncertainty over shift work and their hours, and cancellation of shifts at short notice among others. Has Amazon raised or discussed these concerns with Adecco regarding these concerns?

Answer: We are not aware of any such recent concerns being raised. We strive to deliver the best associate experience for all people who work at our Fulfilment Centres and we welcome feedback from casual Adecco associates who work at our sites.

Questions on Notice from the Hearing

1. How many items are warehouse workers expected to pick per hour, and what happens when a worker is unable to meet the expected pick rate?

Answer: Please see response to Senator Sheldon's written Questions on Notice #17 and #22.

2. Could you provide on notice, if you don't have the numbers, the breakdown of casuals to employees directly engaged by Amazon in each of your fulfilment centres, as you call them, across Australia? Including peak and non-peak times.

Answer: Please see response to Senator Sheldon's written Questions on Notice #1.

3. What's the longest journey that a delivery partner would do?

Answer: Typically, deliveries are undertaken in close proximity to each other, for example, across adjoining suburbs. Since the start of 2021, the average distance traveled per hour of a block is around 8 kilometres.

4. Where an appeal is made—perhaps this is something to take on notice—do you have a proportion of how many cases are found in favour of the worker receiving some sort of compensation?

Answer: Please see response to Senator Sheldon's written Questions on Notice #44 and #45 dated 18 June, 2021

5. I ask that in your response to that you provide detail of all factors that go into that performance benchmarking, including the training, the methods of assessment, how they change over time and any services or supports that Amazon provides to an employee who is identified as underperforming, with an initial view, obviously, to lifting that performance. It would be useful to have a full and complete answer.

Answer: Please see response to Senator Sheldon's written Questions on Notice #12, #13 and #21. Amazon provides all Associates with training and coaching for their designated process path. This covers how to work safely and efficiently. During training, Associates have opportunities to work with their manager and our learning and development teams. Coaching and learning opportunities are also extended to employees who are excelling and in line for increased responsibilities. Some of our upskilling programs include:

- **Career Choice**, a program where we fund permanent employees with at least 12 months service to undertake education in high demand areas, regardless of whether those skills are relevant to their career at Amazon. Amazon pre-pays up to 95% of the costs of a course, up to a lifetime limit of \$18,400, to cover tuition, books and fees. Areas of training currently include: Web and Software

Developer; Computer Support Specialist; Junior Accountant and Truck Driver. We have partnered with education providers Chisholm and Yugo Driving School in Melbourne and TAFE in Sydney.

- **Stepping up to leadership**, an in-house skills training program we deliver over about three months that assists our Associates in developing and enhancing their leadership skills to aid their career progression. The program launched in Australia and has since expanded to other geographies in which Amazon operates. Since launch in 2019, over 160 Associates in Australia have completed the program.

6. Are you able to give us a copy of the survey results, the questions that were asked, which ones were from fulfilment centres, which ones were from Flex drivers and which ones were from—I think you said—operational people, just so we can get a feel for what you've done in the survey?

Answer: Over 350 employees across the Australian operations business responded to the survey question asked in May 2021: “I tell my friends and family that Amazon is a great place to work”. Of those, 83% responded “strongly agree or agree”. The respondents to the survey were Amazon employees.

7. What were the rates of pay at the date of February 2019 ABC article?

Answer: We understand that pay for casual Adecco Associates working at Amazon Fulfilment Centres in February 2019 was around \$26 per hour for ordinary hours of work.

8. Provide a list of each Fulfilment Centre and the date upon which it opened.

Answer:

- Melbourne (opened in 2017)
- Sydney (opened in 2018)
- Perth (opened in 2019)
- Brisbane (opened in 2020)
- Two new Fulfilment Centres are under construction. One in Melbourne and one in Sydney and are both planned to commence operations in 2021.