



Australia Post Inquiry

CPSU SUBMISSION

19 MARCH 2021

Committee Secretary
Senate Standing Committees on Environment and Communications
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Dear Committee Secretary,

Australia Post Inquiry

As the primary union representing Australia Post employees in administrative and contact centre roles, the Community and Public Sector Union (CPSU) is committed to providing a strong voice for our members in important public policy debates.

The CPSU welcomes the opportunity to make a submission to this Australia Post Inquiry. The CPSU is a strong supporter of Australia Post but has significant concerns about operation of Australia Post since the COVID-19 pandemic began, especially regarding the implications of the secret review of Australia Post by the Boston Consulting Group (BCG) and reductions to Australia Post's services. The CPSU previously raised these concerns in our submission to the Senate inquiry future of Australia Post's service delivery.

Our submission focuses on concerns about:

- The secret review of Australia Post by the Boston Consulting Group;
- Future reductions to Australia Post's services;
- Australia Post's ability to provide a service that meets community needs and expectations;
- Job security for the Australia Post workforce; and
- Other issues for the Australia Post workforce.

The secret review of Australia Post by the Boston Consulting Group

Australia Post should be operated and managed in an open and transparent manner by its Board, Executive Team, and the Federal Government. Australia Post is a vital public service that was a lifeline to all Australians during the COVID-19 pandemic. Demand for Australia Post services has increased exponentially since the beginning of the pandemic. The Australian public, as shareholders of Australia Post, have a right to know what the future of Australia Post

is. Australia Post and the Federal Government should publicly release their secret review by the Boston Consulting Group (BCG). Publicly releasing the secret BCG review would allay the public's concerns that this secret review recommends reducing service delivery to prepare for the privatisation of Australia Post.

Future reductions to Australia Post's services

Australia Post should provide transparent and truthful communications to its employees and the Australian public regarding future reductions to Australia Post's services. Australia Post has been unable to communicate to its employees and the public properly and truthfully about service delivery reductions through its Alternating Delivery Model (ADM) or 'Regulatory Relief'. Australia Post's executives have lobbied the Federal Government, MPs, and the public about the need for ADM despite the posting of record increases to revenue, profits and demand for its service. In our view, Australia Post has not been transparent to its employees and the public about its financial position, which the organisation claims are driving its need to reduce services.

At the beginning of the pandemic, Australia Post warned unions of an imminent collapse of the business and that Australia Post would run out of operating capital within 4 weeks. The CPSU recommended that Australia Post, as an essential public service, seek financial support from the Federal Government, like what many other private companies such as Qantas and Virgin Blue did. Instead of seeking financial support from the Federal Government, Australia Post sought to reduce its community service obligations by lobbying the Federal Government and introducing an 'Alternating Delivery Model'. The model has resulted in a reduction in services, leading to 'every second day delivery'. During a pandemic, when the community was in the greatest need of Australia Post as a public service, its leadership looked to reduce the levels of service it provided to the Australian public.

Claims of falling demand contradict CPSU members' experience during the pandemic. CPSU members have reported huge increases in their workloads as demand for this essential public service during the COVID-19 pandemic has grown exponentially. Demand for domestic parcel services have increased to its the highest levels ever. This lack of transparency appears to be a pattern of behaviour and Australia Post should be open and honest if it is looking to further reduce Australia Post's services in the future.

Australia Post's ability to provide a service that meets community needs and expectations

This pandemic has repeatedly shown that Australia Post is an essential service for the community. The service should not be constrained or driven purely by profit incentives, especially given that Australia Post is fully owned by the Commonwealth Government. The overriding objectives for the organisation must be its community service obligations, to meet the community's needs and expectations.

In 2020, the community's needs and expectations were not being met. During the pandemic, members working in Customer Services stated they had been inundated by public inquiries about deliveries as mail and parcel services had significantly delays and delivery schedules were changed to every second day due to Temporary Reform.

Australia Post inquiry: CPSU submission

Since the pandemic has begun, Australia Post has moved forward with a significant number of restructures and redundancies within its administrative and operations sections of its organisation. To meet increasing demands on its services, Australia Post must increase staffing levels in front line delivery and supporting administration and customer support (via call centres and city and regional distribution centres). Any planned reductions in staffing levels should be immediately stopped.

Previous reductions in community service obligations have impacted negatively on the Australia public. Any future reductions in service obligations and redundancies should also be halted. Continuing down this trajectory will only result in the further job losses, at the expense of the quality of an essential service that Australians rely on.

Job security for the Australia Post workforce

Job security continues to be an issue for the Australia Post workforce. Our members have expressed significant concerns regarding their job security due to unnecessary decisions made by Australia Post management under the pretence of COVID-19. It has led to a diminution of trust in the senior leadership of the organisation.

Australia Post overstated the effects of the pandemic to justify a reduction in employees' job security. Some employees reported being threatened with being stood down. Members commented that these actions by Australia Post caused extreme stress and anxiety to employees who were concerned for their job security. After backtracking from attempting to stand down employees under the Fair Work Act, some employees were pressured into exhausting their Annual Leave and Long Service Leave entitlements. Members commented that employees with no available leave entitlements were pressured into purchasing additional Annual Leave, forced onto Leave Without Pay or to accept new employment contracts at a lower pay grade.

Australia Post also refused to redeploy affected staff members at their current pay levels into operational roles. This was even though Australia Post were hiring new casual staff members due to increased public demand for Australia's Post delivery service during the pandemic. Employees felt that Australia Post's actions were extremely underhanded. Some employees who were pressured into taking leave reported they still had work to do and in some cases received requests to return to the office to complete work.

Since then, Australia Post has continued to announce a significant number of restructures and redundancies within the administrative and operations divisions of its organisations despite huge increase in demand for Australia Post's services by the Australian public.

Australia Post should cease its approach to its workforce that has only undermined job security and reduced employee morale. It should instead work with unions to promote secure ongoing employment by expanding ongoing roles and halting any reductions in staff. With the economic and work, health and safety risks associated with insecure work increasingly evident, Australia Post should recognise that increasing secure employment will lead to better outcomes for the local communities it serves.

Other Issues for the Australia Post Workforce

In addition to concerns about job security, the CPSU has several other concerns in relation to the adequacy of workplace arrangements at Australia Post, particularly for administrative and contact centre staff. Those concerns include that:

- Australia Post does not have an up-to-date role classification system for Contact Centre staff;
- Salary progression arrangements for Contact Centre staff are inconsistent with salary progression arrangements for staff across other parts of Australia Post. While most staff across Australia Post are entitled to incremental salary progression, incremental salary progression (at level) is not available to Contact Centre staff; and
- Australia Post currently does not have a finalised policy or procedure setting out working from home arrangements for its employees.

The CPSU recently negotiated a memorandum of understanding with Australia Post to seek to resolve these issues. Progress on implementing the memorandum of understanding – particularly in relation to the role classification issues – has been extremely slow.

Conclusion

The role of public institutions such as Australia Post will be a key factor in Australia's economic rebuild. Investing in an essential public institution that has been a recognisable part of all Australians lives and has a geographical spread across the country will be of vital assistance to this rebuild from this COVID-19 induced recession. By supporting ongoing secure employment and maintaining service obligations, Australia Post not only will address the increased demand on services and provide opportunities for local businesses, but it will also help local communities by providing good quality jobs they can rely on.

To provide further transparency on Temporary Reform, Australia Post's future financial and workforce planning position and inform to any proposals to the Australian public, the CPSU recommends the recent strategic review of Australia Post undertaken by the BCG, which we understand has been received by the Commonwealth Government, be publicly released immediately, and details provided to this inquiry.

The CPSU is happy to provide information on the matters raised in this submission and supplementary information on other relevant issues.

For further information, please contact, Suwan Adamson, National Organiser for Australia Post

Yours sincerely

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Community and Public Sector Union