

# **Senate Environment and Communications References Committee Inquiry into Australia Post**

## **Opening Statement: Greg Rayner, National Divisional Secretary CEPU Communications Division (Communication Workers' Union)**

Thank you, Chair, and thank you to the Committee for hearing our evidence today.

I would first like to note Ms Holgate's situation. As the Union with coverage of the entire Australia Post workforce, whilst noting that we do not act on behalf of Ms Holgate, I would like to state, in the strongest possible terms, that the treatment of all workers at Australia Post must adhere to Australian workplace laws, including the laws and processes relating to employee discipline.

All employees, whether they be on the front line, or the CEO of a company, are entitled to fair treatment and due process.

It is imperative that, as a Government Business Enterprise, the governance and management of Australia Post is above reproach, and that the accountability of the Board to the Australian people, represented by its Shareholder Ministers in the Government, is of paramount consideration in all matters.

We therefore commend the Senate for its efforts, through this inquiry, to examine whether due process has been afforded in relation to Ms Holgate's employment.

My colleague Mr Murphy will speak to the real-world impact on Australia Post workers and community service of the regulatory relief provided last year, and the changes in workplace practices and service delivery that have resulted from those regulations.

Before that, I would like to focus the Committee's attention on the revelations obtained so far through this hearing, particularly from Ms Holgate's submissions and testimony, and how those revelations confirm that the Union was right to warn the Parliament last year that the regulations would open the door to an agenda to cut the jobs of essential workers, privatise parts of Australia Post, and degrade a highly valued and valuable public institution.

As our submission to this inquiry makes clear, the Union objects in the strongest possible terms to the refusal of the Federal Government to make public the full February 2020 review of Australia Post's operations by the Boston Consulting Group (BCG).

We have long believed, that this review led to the introduction of changes to Australia Post's service model given effect by the regulations last year. Ms Holgate's testimony has confirmed this belief, as she notes that the regulations put in place during the height of the COVID crisis align closely with the BCG's proposed 'Reform Path 3'.

At the time the regulatory relief was introduced, we warned that the changes to letter delivery and reduced community service obligations, and especially the different treatment of parcel delivery under the regulations, was almost certainly the beginning of a process of "softening up" the community for the full or partial privatization of Australia Post.

Critically, the changed arrangements for parcel deliveries under the regulations point unmistakably to an agenda within the Australia Post Board and the Government to, as the BCG report recommends under one scenario, "divest" the parcels business – that is, to sell it off to the private sector. From her testimony, it appears Ms Holgate resisted the push to outsource all parcel deliveries to contractors under the regulations, but it is clear that the intent of the changes made under the regulations was to separate parcel delivery from standard postie rounds – a duty our posties have undertaken for the better part of the past two decades, making it much easier to carve out the parcel business, with a separate delivery network, for sale.

As Ms Holgate also noted, when the UK went down this path – breaking up Royal Mail and selling the parcel deliveries off – many local post offices went bankrupt. She also told the Committee that the proposed reduction in services under the BCG plan would affect the viability of approximately 3,600 licensed post offices across the country that belong to small business owners who, on average, invest \$1 million to take a post office licence. As Ms Holgate noted, if parcels and financial services are removed from those local small businesses, they will go bankrupt.

The Union understands the complex nature of the business, and its value to the Australian people and to the dedicated people who work for Australia Post. We, as representatives of those workers, are concerned that the same cannot be said of the Board, which appears to have little appreciation of the significant role Australia Post, as a publicly owned enterprise, plays in connecting Australian individuals, families and businesses with one another and with the world, nor of the reality of the work undertaken by the more than 80,000 workers, directly and indirectly employed in the industry, to keep Australians connected.

The Australian Postal Corporation Act requires that the board include at least one member who, and I quote, “the Minister, after consultations with representatives of industrial organisations representing employees, is satisfied has an appropriate understanding of the interests of employees”. The Union would like the Committee to note that, in our opinion, this condition of the Act is not currently being met.

In a phone call I received from a member of Minister Fletcher’s staff, I was informed that this important role on the board was to be filled by the Chair, Lucio Di Bartolomeo. That was the sum total of the so-called “consultation” with the Union, as the industrial organisation representing employees, undertaken by the Minister’s office to “satisfy” the Minister that the board included a member with an appropriate understanding of the interests of employees”.

I would like to impress upon the committee that:

- (a) Mr Di Bartolomeo’s actions with regard to Ms Holgate, his secret pursuit of an agenda to privatise parts of Australia Post and lay off thousands of staff and close hundreds of post offices, and lack of attention to the significant problems with the ADM that the Union has repeatedly brought to the attention of Australia Post management demonstrates that he does not have the requisite understanding of the interests of employees to fulfil this important role on the board; and
- (b) That the so-called “consultation” about the appointment of Mr Di Bartolomeo to this position on the board, which is of significant interest and concern to the Union representing Australia Post employees, was insulting: being informed that the Minister regards the Chair as filling that role was not consultation, it was a decree.

Sadly, this is just another example of the contempt with which the Board and Shareholder Ministers have treated the Australia Post workforce over recent years, and the revelations before this Committee over the last month have proved our worst fears to be true.

If we are going to fix the issues plaguing Australia Post – the entire Board needs to go.

We need to start from scratch so that we can get Australia’s postal network back on track. This Inquiry so far has uncovered seriously problematic decisions at Australia Post and it’s time the Board be held to account.

We’re calling for the appointment of new Board members through an independent process – so that we know the Board won’t be appointed with people tasked with carrying out the Government’s privatisation agenda.

Our concerns of such an agenda have been verified by Ms Holgate’s testimony to the Committee, and her tabling of sections of the secret BCG report. It is clear that the Government and the Board of Australia Post intended to engage in so-called “efficiencies” that would have led to the loss of as many as 8,000 jobs, along with the closure of up to 230 suburban post offices, massive reductions in service

delivery standards and a fundamental shift in community service obligations. That this was to be the first step in breaking up Australia Post and selling parts of it to the private sector is now clear.

Australia Post has been a trusted national institution since Federation. It is a cost-positive Government Business Enterprise, funding its operations entirely through revenue, and returning a dividend to the Federal Government in every year other than 2014-2015 since its incorporation more than three decades ago.

Australia Post delivers to more than 10 million Australian addresses that are serviced by more than 10,000 “posties”. It operates almost 7,000 retail outlets nation-wide, serving more than one million customers per day, maintaining over 4000 post offices, including more than 2500 in rural and remote areas of the country, 15,000 street posting boxes and provides employment for over 80,000 Australian workers.

The privatisation of Australia Post, in part or in whole, would be disastrous for rural and regional communities, small businesses, and the families of the tens of thousands of dedicated postal workers who provide a world-class service to the Australian people.