

# Senate Environment and Communications References Committee Inquiry into Australia Post

## Opening Statement: Shane Murphy, National Divisional President

### CEPU Communications Division (Communication Workers' Union)

The reduction to Australia Post's service model under the regulations introduced last year remains of significant concern to the CEPU and its members, and we thank the Committee for including it in the terms of reference for this inquiry.

It is the view of the Union that the regulations put to Parliament had barely anything to do with COVID-19, and they were not about the delivery of parcels.

That narrative was largely a smokescreen.

Rather, every indication is the intention of the Government was to get a foot in the door to lay the groundwork for a structural change agenda that was secret until a fortnight ago.

This agenda, outlined in the BCG extracts, lacks any high purpose.

Its objectives are cold, calculating and simple: to reduce costs by scaling back services, laying off thousands of postal and post offices workers, and creating a structure to make it attractive to divest and sell the Australia Post parcels business. That is fundamentally what it is about.

Under the Alternate Day Delivery Model, or ADM, introduced by the regulations, Australia Post now only delivers letters-based product to households every second business day rather than five days a week. Along with the changes to workforce structure that have also led to significant delays to parcel delivery. These have been the most notable changes resulting from the regulations.

In our submission to the Senate's inquiry into these regulations last year, we warned the Parliament that the temporary performance standards were likely to have a significant impact on services to the community, and to workforce safety and wellbeing. It is now around nine months since the full implementation of the ADM, and it is clear that our concerns were well-placed.

The introduction of the ADM saw the delivery workforce, posties at sites impacted by the reform (two of which appear here with us, today), split in to two groups:

- a) those responsible for the delivery of both letters and parcels, via traditional modes such as motorcycles, EDVs, pushbikes and walking routes, and;
- b) 'parcels posties' – those responsible for the delivery of only parcels, primarily via van

Since the start of the ADM, the Union has repeatedly alerted Australia Post's management to significant workforce concerns about the reduction in customer service and workplace safety. These concerns are detailed in our submission, but briefly, they include:

- Both letters-based and parcel-related articles are routinely undelivered and delayed well past even the relaxed regulated timeframe; and
- Changes to shift commencement times have impacted on service delivery, take-home pay and employee wellbeing.

I'd like to take this opportunity to table this binder of photographs that contain but a sample of those runs of letters and parcels product that are withheld from delivery, or brought back to depots undelivered, on a daily basis, across the country under the ADM.

When these regulations were introduced last year, the Union warned the Parliament that the changed delivery model would mean significant job losses – a claim management were briefing our members

on, directly, in their workplaces across the country. The political pressure applied to Australia Post at the time shone a light on this, and allowed us to negotiate a Memorandum of Understanding with the then CEO to ensure this didn't happen: no posties were laid off, as they would have been under the original plan that was aligned to the BCG pathway. Instead, our existing posties were split off in to the two groups I just mentioned. This has proven to be an incredibly inefficient way for our posties to perform their duties, and it has resulted in additional costs that weren't anticipated when management designed the ADM, because the original intention was to lay off a large number of workers and outsource parcel delivery. When we pointed this out before the regulations came into force, we were accused of "scaremongering" over jobs, but what we have now seen from the BCG report is that this was, in fact, the intention all along.

What we now see is a significant collapse in the standard of service when it comes to parcel deliveries under the ADM. As shown by the document tabled before this Committee last week, which detailed the problems in deliveries in Western Australia, the problems we have long warned would result from the ADM are happening in real time.

Australia Post's operational level management know the system isn't working for our posties and their customers alike, and they are going to extraordinary lengths to conceal this from the Australian people and from the Parliament. In fact, we know that after that leaked document detailing the failures in WA deliveries was tabled before this Committee, depot managers in WA were directed to no longer share such information in writing with the network of managers in that state, but only to provide it verbally in meetings directly with their area managers.

The ADM does not create any efficiencies, it simply attempts to separate the two functions, overburdening every worker participating in the model. In the end, the consumer suffers. Entire routes of letters, UMS and parcels are routinely withheld from delivery and customers are told their parcel will be delivered, raising expectations and then having them dashed time and time again, as posties are continually forced to return parcels to the depot, unable to complete their full routes.

These are small to medium sized parcels which could have been delivered efficiently, along with an entire round of letters and UMS, by a traditional postie under the previous model.

Posties involved in the ADM under the new regulations are increasingly concerned about their workplace health and safety, and angry about the negative impact of the regulatory changes on their ability to provide the standard of customer service they pride themselves on.

Our recent survey of postal workers working under the ADM found that:

- **58 per cent** of letters-posties said they left letters-based products behind at the delivery centre, or brought them back where they remained undelivered for more than one business day.
- **50 per cent** of posties said they left behind, or brought back, parcel products they were unable to deliver on their run, on the day the parcel was due for delivery.
- **53.6 per cent** of posties admitted to not adhering to all footpath and nature strip speed limits whilst performing the delivery function of their role
- **86 per cent** of posties said they were unable to complete their duties within their rostered hours. **34 per cent** of those said they considered the level of overtime required to complete their run to be unreasonable
- **51 per cent** admitted to not taking all their applicable breaks in order to complete their duties.

This survey demonstrates that posties engaged in delivery under the ADM are being forced to

work inefficiently and are concerned about the impacts this is having on their welfare and service delivery.

The CEPU also recently conducted a survey of all Australia Post occupational groups, including posties, mail and parcel sorters, drivers, administration officers and corporate employees and post office workers, to ascertain their experience of current workplace practices and the regulations.

- **94 per cent** of survey participants said that the 2020 Regulations had ‘negatively impacted on the quality of service to the Australian public’.
- **86 per cent** said that the changes given effect by the 2020 Regulations had increased their workload.
- **67 per cent** of participants said that the changes had caused them to ‘cut corners’ to get the job done.
- And **88 per cent** of survey respondents are concerned that Australia Post may be privatised.

The 2020 Regulations have resulted in a significant decline in public service and workforce safety and wellbeing, and we urge the Committee to recommend that the Senate disallow any further extension of these Regulations, and return Australia Post’s legislated performance standards to previous settings as scheduled to occur, on 30 June 2021.

Further, we urge the Committee to recommend that the Senate pass a motion calling on the Government to publicly release the full February 2020 report of the review conducted by Boston Consulting Group that led to the changes in performance standards.

The BCG report was not some random document. It is a \$1.3 million Cabinet document. Documents like that don’t just magically get put before Cabinet unless they have some standing.

It is critical that the Parliament, on behalf of the Australian people, be satisfied that decisions being taken by the Australia Post Board are consistent with their duty to uphold the standards of public service and workforce safety and wellbeing that the Australian people, as the owners of Australia Post, expect and deserve.

Senators, our members have never been fundamentally opposed to change – this has been demonstrated time and time again throughout a long period of significant disruption to the industry. Unlike many postal carriers around the world, it is our members’ willingness to embrace the pursuit of improvements and to genuinely engage in the process which has ensured Australia Post is the most significant player in our nation’s parcel delivery infrastructure. It is the reason why Australia Post fills a much-needed void, providing financial services to communities our banks have deserted.

However, what has occurred over the past 12 months is not designed to ensure Australia Post’s sustainability, nor does it meet the needs of the millions of households and businesses across our nation who relying on quality and efficient postal services now, more than ever before.

Australians, no matter where they live, deserve a quality and efficient postal service – and one that must be kept in public hands, to ensure the realised returns are reinvested to continue meeting the evolving needs of its users, and to continue providing quality jobs across our communities in not just our cities but our regions, too.