

Submission to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts in regard to the Postal Services Modernisation – Discussion Paper.

Background:

This submission is prepared from the perspective of the employees of Australia Post who have contributed their information, knowledge and experiences for this paper.

They are at the forefront of changes already underway in Australia Post, and the sweeping changes that are proposed. ¹

Their views seem to always be lost in amongst all of the reviews, reports, audits, and discussions about changes that directly affect their working lives and their future. Worse, they are quite often misled as to their future despite Australia Posts oft cited lauding of ‘Our Teams’ and ‘Our People’, in many instances this praise does not translate into their good treatment in the workplace or to the workforce being treated with respect as legitimate stakeholders in the future of Australia Post.

Brief overview of employment at Australia Post:

As of June 2022 Australia Post has 29,585 full time and 6,789 part time employees² the workforce is made up of 36.7% Female, 63.2% Male and 0.1% Non-Binary. There are more women in part-time and fixed term jobs than men. ³

Only 9.8% of Australia Post employees are aged under 30, this figure includes casual employees and this figure has remained largely unchanged over the 5-year period 2018 to 2022. 42.9% of employees are aged 30 to 50 years. 47.3% of employees of Australia Post are aged over 50 years. ⁴ The workforce is culturally and linguistically diverse.

Australia Post is one of Australia’s largest employers and is unique in that in an era of headline job losses across many industry sectors such as Telecoms, Automotive, and Manufacturing, Australia Post has a mature workforce, close to 50% of the workforce are over 50 years old.

¹ Employees includes all Full Time, Part Time, Casual, Fixed Term and Contractors.

² Excludes casuals and external contractors.

³ Australia Post Annual Report 2022 p16.

⁴ ibid

In 2019 the average length of service of an employee was 10 years; some employees have much longer length of service. Given the majority of these employees are working at the coal face of the business such as in Delivery, Mails/Parcel Processing, Transport, customer facing in Retail and the Australia Post call centre, this is a significant point of recognition of their service to the Australian community over a long period. These workers really are experienced, they know their customers and are committed to meeting the needs of the communities in which they work. ⁵

It is evident from all of the published information and the underlying trends in the data that supports the information that Australia Post is not a desirable employer of choice for young workers. There appears to be little longevity for younger workers compared to the over 50s and 30- to 50-year-olds. If young workers are commencing employment in Australia Post it would appear that they are not being retained.

Reform Agenda:

Most Australia Post workers, given their longevity in the job, have been subjected to well over a decade of negativity and catastrophising over the future of Australia Post and their jobs, especially if they work in Delivery. In 2015 then CEO Ahmed Fahour pushed for regulatory reform of its letters service to help stem the predicted loss of revenue. Ahmed Fahour stated at this time:

“The immediate challenge for our business is clear. We have been carefully managing the real decline in our letter volumes for the past seven years. But we have now reached a tipping point where we can no longer manage that decline, while also maintaining our nationwide networks, service reliability and profitability.

“We urgently need reform of the regulations that apply to our letters service. A government-commissioned external report last year predicted that — without reform — Australia Post will incur \$12.1 billion cumulative losses in letters, and \$6.6 billion for the enterprise over the next 10 years.

⁵ Presentation by Anne Marie Baldwin GM Talent, Remuneration, Culture & Capability to HR summit <<https://auspost.com.au/enterprise-gov/insights-and-reports/working-differently/creating-future-ready-workforce-australia-post>>

“This year we are forecasting a full-year loss for the first time. It is urgent we make changes this year to ensure we can continue to maintain a reliable, accessible postal service for all Australians.”

We assume that the report referred to by Ahmed Fahour was a report provided by Boston Consulting Group in 2014 commissioned by the Australian Government after Australia Post provided a briefing to the Government on the companies preferred model of reform. ⁶

The report came as a surprise to the stakeholder employees of Australia Post and the union; there had been no discussions or consultation with them. Postal workers are not unaware of the ‘headwinds’ that they face, they couldn’t possibly be unaware, they are at the coal face.

The Boston Consulting Group report which to our knowledge has never been released in full formed the bases upon which weeks of headlines such as:

Australia Post pushes for 'urgent reform' – *inter alia* “Mr Fahour said the financial bleeding from the letter delivery service was "overwhelming" other parts of the business.” ⁷

Post boss says mail reform took too long: “Managing director Ahmed Fahour has told a business lunch that his one regret since taking the helm in 2010 was underestimating how much effort it would take to reform a government-owned company such as Australia Post. I underestimated how much time you need to bring everybody on the journey: stakeholders, unions, licensed post offices, employees - number one - and indeed the whole community," Mr. Fahour told a Trans-Tasman Business Circle event. What it did do is it really slowed us down to pursue the other leg of our strategy which is the internationalisation of this company.”⁸

Without reciting the entire report prepared by The Australia Institute, their analysis overall found that the report was designed to deliver Australia Posts ultimate goal of ‘outsourcing and privatising the mail delivery business in Australia.....’ The BCG report was littered with similar language used by Ahmed Fahour, dire warnings about profitability etc;

⁶ Review of the Boston Consulting Groups report to the Minister for Communications – Briefing for the CWU on Australia Posts operations-Technical Brief No: 32 July 2014 ISSN 1836-9014 prepared by the Australia Institute.

⁷ < <https://www.smh.com.au/business/the-economy/australia-post-pushes-for-urgent-reform-20140904-10c9ig.html>>

⁸ <https://www.sbs.com.au/news/article/post-boss-says-mail-reform-took-too-long/t265yurle>

The Australia Institute analysis found that a number of arbitrary assumptions were used by BCG to arrive at the estimates used in their analysis. The long-range forecasting in the BCG Report could not be relied on as they were taken from past averages or they were possibly invented from scratch. For the CMS segment there was some cost growth estimates but no discussion about how or why certain events would occur or the factors that could influence the doom and gloom scenarios presented in the report. ⁹

The Australia Institute analysis also found there were irregularities with the way that Australia Post reported its financial position, and in many regards Australia Post was (and is) presenting a case for their desired outcome, to reduce the frequency and reliability of their mail delivery service and hasten the demise of the letters business.

This is just one example of Australia Post managements attitude to stakeholder management and frankly its contempt for its workforce. They see stakeholder management in regard to its workforce as something to be dealt with on a perfunctory basis. It's not genuine. It's an 'our way or the highway' approach to their already decided outcomes. These and many other issues are covered in the 2019 publication of the Universal Postal Union – 'Postal Union Reform Guide 2019.'

Position of the Universal Postal Union on the issue of International Reform of Postal Services

The UPU was established in 1874, the Universal Postal Union (UPU), with its headquarters in the Swiss capital Berne, is the second oldest international organisation worldwide. With its 192 member countries, of which Australia is one, the UPU is the primary forum for cooperation between postal sector players. It helps to ensure a truly universal network of up-to-date products and services.

In this way, the organisation fulfils an advisory, mediating and liaison role, and provides technical assistance where needed. It sets the rules for international mail exchanges and makes recommendations to stimulate growth in mail, parcel and financial services volumes and improve quality of service for customers.¹⁰

⁹ ibid

¹⁰ <https://www.upu.int/en/Universal-Postal-Union>

The UPU has four councils: the Congress, the Council of Administration, the International Bureau and the largest body is the Postal Operations Council, Australia is one of 48 member countries with a position on this Council. The council is the technical and operational mind of the UPU and consists of 48 member countries, elected during Congress. The body elects its own chair and meets annually at the UPU's headquarters in Berne.

The POC's work program is geared towards helping Posts modernise and upgrade their postal products and services. It deals with the operational, economic and commercial aspects of the postal business. The body also makes recommendations to member countries on standards for technological, operational or other processes within its competence where uniform practices are necessary. ¹¹

In 2019 the Universal Postal Union released a comprehensive three hundred- and thirty-eight-page guide with the involvement of its member countries the 'Postal Reform Guide' to assist it's members to implement the previously agreed Integrated Postal Reform and Development Plan (IPDP) which is described as an instrument of cooperation for postal sector modernization ¹²

The guide states as part of its introduction:

*It is the responsibility of the authorities of the country in question to implement the IPDP actions recommended to enable the sector to modernize in line with the commitments made. As a master plan, the IPDP is also an important element in mobilizing internal and external resources to finance the recommended activities. This guide is one of the tools developed within the framework of the IPDP methodology; it is intended as a primary reference source for supporting governments in adapting their postal sector to reflect changing market trends.*¹³

The guide is a comprehensive document set out in modules; each module has several detailed chapters. Module 1 covers the bases of postal reform, Module 2 covers Universal (integration of international postal services), Module 3 the Legal Framework of Postal Reform, Module 4

¹¹ ibid

¹² Universal Postal Union 'Postal Reform Guide' 2019 p.3

¹³ ibid

Designated Operator and SPU, Module 5 Postal Regulation, and Module 6 Financing of Postal Reform. ¹⁴

The Universal Postal Union 'Postal Reform Guide' 2019 whilst it sets out the process for achieving reforms that are clearly already agreed, makes these vitally important points throughout the document: all member countries are bound to comply and monitor compliance with decisions taken by the UPU membership and, where necessary, include international laws governing postal services in their domestic legislation; however the UPU makes the points that as it is adapted to the current situation of the country's postal sector ie it is not a 'one size fits all approach.' It is flexible, as its methodology facilitates adaptation to each specific situation and it is designed and coordinated in conjunction with all stakeholders, each of which is able to contribute to postal sector modernisation. ¹⁵

The importance of genuine stakeholder involvement.

The emphasis in this section is on **genuine** stakeholder engagement and involvement. The UPU acknowledges the importance of genuine stakeholder engagement in the reform process:

*Postal reform is technically and politically feasible only if all stakeholders (government, postal operators, **postal workers**, consumers, etc.) appear to have something to gain from the reform process. As used in this context, the term "gain" has a much broader connotation than a mere financial gain. For example, better quality service can mean an important gain for postal customers. However in most instances, not all stakeholders actually have something to gain, in which case it is important to thoroughly and carefully study the positions of all parties concerned, endeavouring to pin down both their common and opposing interests and goals. Even without a general consensus, an effective statement of the main objectives of the reform process still has the advantage and lure of mobilizing all stakeholders around such objectives.*¹⁶

¹⁴ Universal Postal Union 'Postal Reform Guide' 2019

¹⁵ Universal Postal Union 'Postal Reform Guide' 2019 p.4

¹⁶ Universal Postal Union 'Postal Reform Guide' 2019 p.37

The guide further sets out the approach to discussions with stakeholders, again, with reference to genuine consultation, nowhere does the process discuss catastrophising the situation to 'soften up' the community and the workforce as a tactic to instill fear in order to bring about reform. It's the oldest and most crude propaganda trick in the book. It's unsophisticated and lacking in any integrity, it indicates a poor ability of the management to properly work through the competing issues and deal with them honestly and fairly. The Universal Postal Union 'Postal Reform Guide' 2019 stresses the need to have accurate research, 'a solid core of data' , it acknowledges that there will be ideological differences and that :

'it is essential to establish and maintain a channel of communication and dialogue with stakeholders providing for a two-way flow of information, criticism, suggestions and comments. Participation in a postal reform process is not simply a series of random or fortuitous acts. It should be an organized and well-managed process, with established objectives and mechanisms and designated managers.

*It is also important to bear in mind that the stakeholders in a postal reform process include a wide spectrum of different players with very different, if not opposing, interests. Thus, good participation management means pinpointing the main interests of each party concerned so as to properly balance such interests.'*¹⁷

Australia Post's tactic of getting out in the community with its doom and gloom media messaging is predictable as night follows day, here are today's headlines:

Australia Post boss questions whether mail should continue to be delivered daily - The boss of Australia Post has questioned whether posties should continue to deliver mail daily, warning its letters business is on life support. ¹⁸

¹⁷ Universal Postal Union 'Postal Reform Guide' 2019 p.53

¹⁸ <<https://www.heraldsun.com.au/news/victoria/australia-post-boss-questions-whether-mail-should-continue-to-be-delivered-daily/news-story/72228f949d8015d6c7959473d63f54d7>>

Australia Post warns regulations no longer ‘fit for purpose’ - Australia Post boss Paul Graham says regulations the mail service operates under are ‘no longer fit for purpose’ as they were created before the internet and smartphone revolution. ¹⁹

Anyone reading these headlines would think that Australia Post as a business was on the verge of insolvency, beyond rescue. Emotive language such as **‘on life support’**, **‘no longer fit for purpose’**. Other comments in the last three months include **‘unstoppable decline’**, **‘On borrowed time’**, **‘Letters are a luxury Australia Post can’t afford.’** The propaganda is just about every day and gets shriller and more hysterical. It is designed to manufacture consent amongst the Australian community and the workforce to get

the changes that Australia Post clearly wants to implement whether they are the right changes in the Australian context or not. No one should be in any doubt, notwithstanding the fact Australia Post workers *‘get it’*, the Australia Post propaganda machine has a terrible impact on the workers doing the job, on the ground. day in day out. The people who deliver the letters and parcels, the call centre workers, the workers in the retail shops, the transport drivers. On the one hand they are lauded in annual reports as the champions of the company; their experiences in the workplace are so often very different.

Amongst all of these reports of dramatic and catastrophic endings for Australia Post, it is lost that Australia Post is in fact a highly profitable business, even with the reported losses of the letter business, Post still recorded a profit \$23.6m for the six months to December 31 2022. Revenue was down 2.4% to \$4.69bn overall, with letters revenue down 5.7% to \$881.9m. Parcel and services revenue dipped 1.6% to \$3.8bn as e-commerce volumes moderated following the end of Covid-19 lockdowns. ²⁰

Financial Year	Revenue	Profit after Tax
2012 - 13	\$5,893b	\$261m
2013 - 14	\$5.900b	\$311.9m
2014 - 15	\$6,383b	\$116.2m

¹⁹ <https://www.theaustralian.com.au/business/companies/australia-post-boss-paul-graham-says-the-regulations-governing-the-mail-carrier-are-no-longer-fit-for-purpose/news-story/036dfd0db25e0c2bb3c00dae9b5d8f10>

²⁰ <https://www.theguardian.com/business/2023/feb/08/australia-post-predicts-full-year-financial-loss-letters-revenue-decline>

2015 - 16	\$6,373.8b	(\$221.7m)*
2016 - 17	\$6,562.2b	\$36.4m
2017 - 18	\$6,730.8b	\$134.2m
2018 - 19	\$6,990.0b	\$40.6m
2019 - 20	\$7,499.0b	\$40.6 m
2020 - 21	\$8,270.0b	\$42.9m
2021 - 22	\$8,970.0b	\$23.6m
j2022 – 23 first half of financial year*	\$4.690b	

Australia Post revenue/profit 2012 to 2022/March 2023. *2015/16 loss largely attributable to investment in parcels facilities and infrastructure. ²¹

Australia Post - MoU's, ADM, SDM or what bad faith stakeholder management looks like:

Australia Post modernisation also needs to include a modernisation of its management and the way they deal with their employees and their employee representatives. Rather than take the fullest advantage of the favourable industrial relations environment in Australia, that confines and limits workers from taking action in support of their economic and industrial interests they would be better placed heeding the well-considered advice of the UPU in regard to stakeholder management.

There are many contemporaneous examples of the way Australia Post management choose to deal with its employees with contempt and at the very minimum without any regard for fair dealing with them.

An example of this conduct arose in July 2020. Australia Post sought a Memorandum of Understanding ("**MoU**") with the CWU (Communication Workers Union) as a representative of Postal workers, they are not the only union representatives, they are the largest. The MoU cites the Communications, Electrical, & Plumbing Union ("**CEPU**") however, the integrated CEPU branch in Tasmania was not involved in any negotiations for the MoU, those workers and their representatives were excluded. Australia had sought and was granted regulatory relief in May 2020 citing the impacts of Covid on its operations. ***The Australian Postal Corporation (Performance Standards) Amendment (2020 Measures No. 1) Regulations 2020***

²¹ Australia Post Annual Reports 2012 to 2022.

included changes to Australia Posts performance standards. The MoU states that in order to give effect to the regulation **‘Australia Post has developed an Alternating Delivery Model (ADM) in metropolitan areas.** The MoU states that the parties had agreed to defer bargaining of the replacement EBA, the parties had been in talks to replace **EBA17.** The CWU for its part agreed to the following terms:

The CEPU commits to not organising or taking (or inciting or encouraging others to take) any protected or unprotected industrial action as that term is defined in the Fair Work Act 2009 (Cth) against Australia Post until after 9 August 2021.

The CEPU commits to actively and constructively supporting the Temporary Reform. This includes, but is not limited to:

Encouraging employees to operate new and different modes of delivery based on business requirements and refraining from taking any steps that would discourage employees from operating these modes;

Refraining from taking any steps that would discourage employees from varying their start and finish times or reasonably varying their work location;

Co-operating with Australia Post to ensure the successful implementation of the Temporary Reform;

Raising any genuine safety concerns regarding the implementation of the Temporary Reform in a manner that is consistent with relevant Work, Health and Safety legislation and the Australia Post Enterprise Agreement 2017.

The MoU between Australia Post was contentious for a number of reasons: 1. Employees were led to believe that the agreement was binding on them. It wasn't. Employees are a separate and distinct party to EBA17. The MoU was between Australia Post and the CWU; in reality employees of Australia Post (union members or not) were not bound by the MoU. However, there was a widespread belief that they were. 2. The MoU extended the termination date of EBA17 with no consideration of extending the pay rise provisions of the agreement. Post workers were delivered a pay freeze. The extension of EBA17, until it was replaced by a new enterprise agreement, the extension of a 15% penalty payment to some employees, the removal of an annual pay increase, the movement of employees into different modes of delivery, which in some instances caused them financial loss, were all examples of variation to the Enterprise Agreement that should have been approved by the affected employees. The Fair Work Act at s. 207 says variation of an enterprise agreement may be made by

employers and employees. At 207 (b) if the agreement covers 2 or more employers--all of those employers and s. 207 (b)(i) the employees employed at the time who are covered by the agreement; and (ii) the employees employed at the time who will be covered by the agreement if the variation is approved by the FWC.

Note: For when a variation of an enterprise agreement is made, see section 209.

(2) The employees referred to in paragraphs (1)(a) and (b) are the affected employees for the variation.

Variation has no effect unless approved by the FWC (3) A variation of an enterprise agreement has no effect unless it is approved by the FWC under section 211.

The Australia Post employees affected by the variations to EBA17 got no say at all, the variations were never put before the employees to approve or not approve, hence they were never approved by the Fair Work Commission.

3. Australia Post employees in Tasmania were not consulted; where they may have been union members, the CEPU integrated branch was also excluded from any consultation.

4. The temporary reform that supposedly gave rise the Alternate Delivery Model (“ADM”) had an end date of 9th August 2021. It is very evident that the MoU was likely based on a misrepresentation. ADM has been part of Australia Posts strategy to reform the letters business for years, and rather than be straightforward about that, the MoU, citing Covid as a cause (more catastrophe) was used to bring in their preferred model under cover of the pandemic.

A number of countries have adopted Alternate Delivery Models, they are perhaps well suited to some countries, but not all. Implementation in most postal services of same or similar models has been fraught, in many instances industrial action has been a result where postal companies has attempted a clumsy implementation without due regard to their universal service obligations. In the UK, after a protracted and bitter wave of strikes, Royal Mail are subject to a regulatory investigation in regard to allegations that it has deliberately breached its requirement to deliver letters across the country six days a week.

The parliamentary committee that referred the matter to the regulator said Royal Mail “systemically failed to deliver” parts of its USO, citing “widespread evidence of the company’s deprioritisation of letters over parcels”. The MPs called on the postal services regulator, Ofcom, to open an enforcement

investigation into Royal Mail's USO delivery, engaging with postal workers with knowledge of the practices designed to accelerate the decline of letters.²²

Australia Posts desire to introduce an ADM Model is hinted at in a report prepared for Australia Post in **2015** by Economic Insights Pty Ltd called 'Updated Estimates of Australia Post's Mail Centre and Delivery Centre Cost Elasticities.'

In a report prepared for Australia Post dated 22 August 2022 by Quantonomics, a report that references and builds on the 2015 Report and a similar report referred to in the paper from 2018, all of these papers describe the alternate delivery model.²³

Former CEO of Australia Post Ms. Christine Holgate published part of a 2019 report into Australia Post produced by Boston Consulting Group to an Australia Post inquiry after Ms. Holgate was effectively removed from her position as CEO. On 25 February 2021, the Senate referred an inquiry into Australia Post to the Environment and Communications References Committee for report by 30 April 2021. As a result of Ms. Holgate's evidence to that inquiry the findings were:

*'With the onset of the COVID-19 pandemic and the subsequent significant increase in demand for parcel services, the Board sought a temporary change to some of the Community Service Obligations and performance standards. The government provided regulatory relief from 1 July 2020 to 30 June 2021 which, among other things, allowed Australia Post to implement the Alternative Delivery Model in metropolitan areas, suspend the regulated priority mail service and extend the maximum delivery times for regular interstate letters. **In effect, many of the proposals put forward by the BCG review were able to be trialled under the guise of Australia Post's response to COVID-19.***

Various stakeholders suggested that the temporary regulations have led to poorer services and significant uncertainty over the future of Australia Post for its employees. Despite the government's promise that the reduction in service levels would only apply to metropolitan areas, Australia Post relies on a classification scheme from the 1990s that classes regional centres with populations of greater than 100 000 people as 'metropolitan', capturing towns like Bendigo, Cessnock and the Hunter Valley.

Despite committing to consult widely on any future regulatory changes, key stakeholders have reported that the government and Australia Post have only undertaken limited consultation,

²² <<https://www.kilburntimes.co.uk/news/national/23392569.royal-mail-referred-regulator-letter-delivery/>>

²³ 'Australia Post's Delivery Centre Cost Elasticities' Report prepared for Australia Post by Quantonomics 2 August 2022

such as seeking the unions' support for the extension of the temporary regulations beyond 30 June 2021. It has not consulted with licensed post office holders, affected industries, or the Australian public more broadly. The committee is deeply concerned that the Australia Post Board and government might seek to entrench lower Community Service Obligations and performance standards for postal services in Australia without adequate consultation and appropriate parliamentary oversight. Accordingly, the committee considers that the temporary regulations altering Community Service Obligations and performance standards for Australia Post services should not be extended beyond 30 June 2021. ²⁴

All of the available evidence puts beyond doubt that Australia Post have engaged in a dishonest process designed to bring about their desired outcome, an alternate delivery model. It is little wonder that Australia Post have never made the 2019 Boston Consulting Group Report public. They prefer to act in an unprincipled way to achieve their ambitions. Genuine stakeholder management is all too hard; coupled with this it would seem that given the quality of management at Australia Post, they quite possibly lack the skills to follow the UPU Guide.

Not to be deterred in the second half of 2022 and after the temporary reforms were discontinued, Australia Post again commenced 'consultation' with parts of the CEPU/CWU to discuss an alternative to ADM, this time with the Orwellian title '**Sustainable Delivery Model**' or ("**SDM**"). For this process Australia Post commenced a round of 'Proposed Reform Working Groups'. There were initially four groups, Deliveries, Processing, Regional/Rural, and Retail. Employees who work in Delivery and have knowledge of the working groups have stated the following, the reality for them is that ADM never stopped, SDM is ADM retitled.

As part of the working group process Australia Post had union representatives ie union officials, and they had 'employee representatives selected by Australia Post; there is a widely held view amongst Australia Post workers, that employees selected by Australia Post to discuss reforms are not employee representatives at all. It's certainly a strange process; the affected workers had no say in the selection of employee representatives, there was no expression of interest process for employees who might have wanted to make their views known. Australia Post seem to be very good at breeding mistrust amongst nearly all of their stakeholders.²⁵

²⁴<https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/AustraliaPostinquiry/Report/section?id=committees%2freportsen%2f024694%2f76949>

²⁵ Australia Post slide presentation 'Proposed Reform Working Groups.' [undated]

Australia Post sought confidentiality undertakings from the participants of the working group meetings. They were not to go out to the media to report on the discussions. In the meantime Australia Post continued its propaganda campaign of doom, gloom, catastrophe, and imminent collapse of Australia Post. Despite this they enjoyed the confidentiality of the participants for weeks to the detriment of the employees on the ground who were desperate to know what was going to happen with their job. By the time any information was forthcoming it was evident that the Australia Post proposal (supported by the usual headline grabbing data) was going to be some form of ADM, repackaged as SDM. As per the parts of the Boston Consulting Group Report that had been revealed by Ms. Holgate, Australia Post wanted sweeping change across the company as recommended by BCG and in keeping with the long-held ambitions of the Australia Post Board to implement a Liberal government-driven agenda to reduce service standards without appropriate consultation and transparency, privatise the profitable parts of the business, close retail outlets and reduce thousands of jobs in delivery.²⁶

Impacts of the temporary regulatory reform on employees:

ADM has had a terrible impact on employees. Australia Post delivery workers were forced to cover two delivery rounds on alternate days, letters one day, small parcels the next day. The doubling of workloads overnight led to massive physical and psychological stress and led to hundreds of postal workers to resign. Undelivered mail piled up in Australia Post facilities across the country, diminishing customer service and damaging morale. Add to this the micro management of Posties, the ones who remain to keep on delivering, here is a description of their day in their words:

'PDO's are micro-managed and under surveillance all the time- especially now with the sections that we have to put on the scanners when accepting parcels. Let me explain: we have stems on the V-Sort frame that are divided up into sections- A, B, C, D etc

Each section has a 60 mins time limit on the scanner, but a 2 hour window when delivering- don't ask me how that works, but as soon as we accept all the parcels in the scanner and appropriate sections, and press DONE on the scanner, this is fixed- and even though we can then 'move' the parcel to another section, it has already sent an alert to the customer and supposedly given them an estimated timeframe for delivery of the parcel. If we deliver that parcel out of another section or earlier or later it affects our overall percentage on the daily scan result. This gets collated into a report and sent to the Delivery Centre Manager.

²⁶ Ibid 24

The reports come through daily and the Manager scrutinises this, and the overall percentage and if we are meeting the targets.

I call bullshit- it's to monitor the PDO's time outdoors and time us on gaps in the scanning and give us a percentage on a report for accuracy of the scans and meeting the assigned section times. Never once as a customer have I received a time for my parcel to be delivered- I merely get an alert saying it's on board for delivery and then a message (email) that it's delivered or "awaiting collection at the PO/LPO". The day a customer rings to complain that they got their parcel at 12.05 when the assigned time was 10-12, I will drop dead. It never happens.

I myself have had my Manager pull me in the office to ask about why there was a one hour gap between scans, insinuating I was "hanging out" when in fact I had come back after delivering 2 stems (two thirds) of my round, had my lunch break (30m) and then loaded the bike (10m) and then ridden back out to my round to start delivering again (another 10m) so that's 50 minutes right there- and I might not have a parcel to scan for 10 minutes. I put this explanation to the Team Leader and Manager and they still made out that I was in the wrong, or lying.

Some PDO's get around this by putting in extra break sections in between their sections on the scanner. You can add breaks or other things into the scanner and you are also meant to edit it each day depending on the parcel/scannable amount. I have put in a "load bike" section now for 15m and a "depot bin pick up" section to avoid time blowouts and to get the manager off my back. The Team Leaders come up to us daily now and tell us our percentage on the scanner times. If it falls below a certain percent, (say 93%) then the area Manager will come down on my Manager who then puts pressure on the TL's who put pressure on us.

They also call out the percentage times in a group scenario to let everyone know who got 100%, or who delivered 150 parcels- this is a way of performance stacking and playing people off one another to try to squeeze more work out of us or better our work performance- the Team Leader did this to two competitive PDOs in my DC during ADM and surprise surprise, they both ended with serious workplace injuries. One of whom claimed compo and was in Physio sessions for more than a year, the other had treatment on his own dime and ended up not being able to raise his arm a certain height and is in constant pain.

We are also under great pressure to meet our indoor times, although our Manager isn't as direct as some to pull people in the office all the time like previous Managers. Instead, they monitor you in lots of other ways for example, the Team Leaders let their favourites talk on the floor all morning but as soon as I open my mouth for even a minute a team leader will swoop

on me and tell me to get back to work or get back to my frame, or come into the tea room with some quasi excuse to see if you are there overstaying your break.

The sort times are still adhered to even though the factoring in of scanning and sorting all the parcels into the section times have never been factored into the indoor times. I find the whole sectioning thing a big waste of time, and an added stress on our job that is already hard enough.

Australia Post Performance Management regime:

Like many companies who want to force rapid and dramatic change they engage in a crude, discredited forced ranking processes that by design targets older, injured workers and workers with family responsibilities. These regimes have a primary aim of as many exits as possible as cheaply as possible. Why pay a redundancy when you can drive out an older worker through unrealistic performance measures.

Whilst I am not able to provide specific data on the specific rates of injury and resultant compensation payments to injured workers in Australia Post I do know from my own knowledge and over a long period looking after the interests of workers in the Communications industry, when a company utilises forced ranking as a performance measure, and they publish performance results, setting up competition between workers, it results in presenteeism (turning up for work sick or injured), working through breaks, starting and finishing early without compensation, and if injured at work and as a result of work, not completing incident reports and managing the injury through Medicare or at their own cost, freeing the company of liability and costs. The cost is ultimately borne by the community and not the company that caused the injury.

Some very notable companies have abandoned this form of performance management due to costly litigation, damages payments, discrimination cases. The unpaid time that workers have to contribute to meet arbitrary, often technology driven targets will ultimately come back to bite Australia Post through underpayments (wage theft) claims.

Impacts of reform on particular groups:

As previously stated, Australia Post is unique in that close to 50% of its workforce is over 50 (in many cases older). The work in Delivery, Processing, and Transport in particular is physically demanding, there is a high rate of injury. Australia Post has little regard to the needs of these employees, or injury management. Employees report high levels of depression and anxiety, physical injury and breakdown, exacerbation of injuries because the way the work is required to be done. It makes no sense to continue in this way but as previously stated where workers are not making compensation claims or

reporting injuries because they fear that they will lose their jobs if they do, the risks are being borne by the community. This risk could and should be quantified by an external agency arm's length from Australia Post. It would be totally unacceptable for a Government Owned Enterprise, that should be a model employer, to get away with such conduct.

It's also evident that in line with the BCG recommendations Australia Post intends to reduce the number of outlets in the Retail network. Scant information within the CWU reveals again a crude statistic that concludes there are too many outlets in most metropolitan areas including corporate post offices and LPO's. What these statistics that are used to justify closures do not take account of is other readily available information in the same areas. This includes data such as what is the age demographic, how many NDIS participants, how accessible is the outlet?

In regard to employment, in Victoria women make up most of the workforce in Australia Post Retail shops, most of them are part time, closure of retail outlets will result in a disproportionate number of Women losing their employment. I do not see any evidence at all of Australia giving serious consideration to its obligations under Part 2A the Objects of **Workplace Gender Equality Act 2012 (cth)**.

Conclusions:

Whilst there are many other issues that we could cover as part of this submission, we wanted to make some key points that go to whether or not Australia Post is really forthcoming about its intent to bring about dramatic and potentially destructive change that does not suit the Australian Community. The evidence presented in this submission strongly indicates that they have not been forthcoming with the Australian community and certainly not with its employees.

Australia Post management have demonstrated an unwillingness to engage with stakeholders in an honest and transparent way preferring to prosecute their case publicly through a propaganda campaign designed to soften up the community for Australia Posts vision.

Australia Post collect and produce data and present it in a way that suits their purpose whilst ignoring other important pieces of information such as their actual incidence of injury and the potential for future litigation.

Australia Post are creating an environment that causes employees to do unpaid work; this is also a future litigation risk.

Australia Post workers are not stupid, they see the issues, they could not possibly be unaware given Post managements propensity to get out there in the media at every opportunity and spread the

gloom. It has a terrible impact on morale and the mental health of their employees. These are the workers who kept us all going during Covid, in circumstances where pre-vaccination, they were exposed and often became ill. That is a whole other chapter.

Based on the experiences described to me by employees in Australia Post and observing close to twenty years of Australia Posts methods, though EBA's, various reform processes, etc; I have formed a view that some sort of oversight by an external agency is necessary in order to make sure that Australia Post genuinely consults and engages in the stakeholder process; rather than their 'bulldozer' method and unimaginative adoption of work processes that may suit some countries but cannot just be simply overlaid on the Australian context. The UPU anticipate adaptation and innovation, not just taking an idea from somewhere else and forcing the round peg into a square hole.

Ms. Holgate had started a process of innovation and implementing ideas in the Fintech space, investment in technology, transport. Other countries are finding ways to leverage their infrastructure profitably. We won't learn anything if Australia Post continue to operate in the way that they have through each round of usually failed attempts to bring about major reforms; or if they do achieve it, it is not without significant risks attached.

I will conclude by paraphrasing a fellow union official because I could not say it better:

Australia Post like all essential public services have and should be some of the best jobs you can get, and were once upon a time. Ever since it was transformed into a Government Based Enterprise, like all other essential services have been like power, water, aged care, health etc, the experiment and model that a corporate profit structure can be balanced with public service and quality jobs has completely failed.

The GBE model has not only failed practically for the provision of a service, the main victims are workers in the pursuit of profit.

No one says we should sell a hospital because it doesn't make money, so we shouldn't tolerate any corporate type or politician suggesting we should worry about a profit in a service like Post which marks the functioning of a modern society.

I'm already totally sick of upper management warning workers that traditional mail is declining and that's making things hard. Everywhere we look, there is more work than ever, traditional or not. Workers wouldn't be stressed out if there was nothing to do and people were kicking rocks around at work.

So how about there's accountability for the decisions leading to parcels being a loss maker if that's the case? If workers didn't make that decision or weren't part of it, we shouldn't be responsible for it.

This paper was prepared by Valerie Butler on behalf of workers in Australia Post who have shared their experiences with me over a long period.

I am an employee of the CWU Victoria; however this paper is at my own initiative and not a publication of the CWU.

Thursday, April 27, 2023

