



Postal Services Modernisation

20 APRIL 2023

Email by: postalconsultation@infrastructure.gov.au

Dear sir/madam

Postal Services Modernisation

As the primary union representing Australia Post workers 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 consultation about modernising postal services.

Australia Post is an essential service that all Australians rely on. We are pleased that the principles for this review include ruling out privatisation and ensuring appropriate post office coverage in rural and regional areas. There are, however, a range of other problems that need to be addressed, some of which the CPSU has raised previously in submissions to Senate inquiries.

Our submission covers:

- Maintaining access for customers;
- Ensuring no job losses;
- Addressing insecure work;
- Ending outsourcing; and
- Genuinely involving workers in improving Australia Post.

The CPSU recommends:

- Transparency about what changes modernisation will result in with workers and customers;
- Ensuring any changes lead to no job losses and instead workers are redeployed;
- Committing to maintain Australia Post's full ownership of StarTrack;
- Reducing Australia Post's use of labour hire and outsourced providers;
- Reversing the phasing out of higher classification roles that are under the enterprise award;
- Involving workers directly through their unions in the modernisation process from the beginning; and
- Legislating for a member on the Australia Post board who is elected by workers.

Maintaining access for customers

The overriding objectives for Australia Post must be its community service obligations, to meet the community's needs and expectations. Australia Post provides a vital service for many rural and regional communities as it can also be the sole provider of banking and other services.

Ensuring Australia Post maintains a physical presence in rural and regional areas must be a priority.

It is also important that any changes to delivery schedules are communicated to its workers and the public properly and truthfully. The previous lack of transparency during the pandemic, when service delivery schedules changed, undermined trust and increased workloads as customers contacted Australia Post about deliveries.

Ensuring no job losses

The CPSU recognises the pressures that Australia Post is under as methods of communication have changed. Whatever is decided upon, any changes and restructuring must not lead to further job losses. Instead, any reductions in mail delivery workloads should lead to redeploying the existing workforce for parcel deliveries and reducing contractors. Investing in the parcel deliveries capacity should be a priority. This requires greater investment and an increase in permanent workers supporting administration and customer support (via call centres and city and regional distribution centres) to support parcel deliveries.

The CPSU notes that Australia Post has recently announced a new round of redundancies across the organisation in April 2023.¹ This process pre-empts the recommendations of this review and should be immediately halted. Any significant changes to the Australia Post workforce should be informed by the review's findings.

While we note the discussion paper commits to full public ownership of Australia Post, it is silent about its StarTrack subsidiary. Noting there have been previous suggestions to privatise StarTrack as it competes with private couriers, the CPSU recommends Australia Post commits to maintaining StarTrack in public ownership and rules out its privatisation. This will enable continued cross-subsidisation of mail delivery costs and ensure competitive pressures in parcel deliveries which are likely to continue to grow in volume.

Addressing insecure work

Insecure work is a problem at Australia Post, particularly in customer contact centres. The contact centre has only been using fixed-term contracts and has outsourced roles to an external company. Members inform us that there are virtually no permanent jobs when hiring for contact centres, external advertising is all for fixed-term contracts. Members say the last time a permanent job was seen advertised was pre-COVID.

Problems are exacerbated by salary progression arrangements for contact centre workers which are inconsistent with salary progression arrangements for workers across other parts of Australia Post. While most workers across Australia Post are entitled to incremental salary progression, incremental salary progression (at level) is not available to contact centre workers. With a tight labour market, Australia Post should work with unions to encourage secure work with salary progression to retain skilled workers.

Australia Post has also been reducing opportunities to obtain secure work at higher classification levels. The phasing out of higher level classification roles that are under the enterprise award means contract or band roles are the only option available for those who want

¹ Sarah Sharples (2023, 19 April). Australia Post to cut 400 jobs after revealing 'financial pressures'. News.com.au. <https://www.news.com.au/finance/business/other-industries/australia-post-to-cut-400-jobs-after-revealing-financial-pressures/news-story/5d98f533479834d142fb71fa54c38362>

a role at a higher classification level. These roles do not have the same conditions and protections that workers have in the agreement, forcing them to choose between job security and career progression. Members have also raised concerns about the lack of a defined pay scale for these contract roles, enabling massive pay inequities to emerge between individuals doing the same job. The phasing out of higher classification award roles needs to stop and be reversed.

Ending outsourcing

The outsourcing of Australia Post work needs to be stopped and reversed. Outsourcing is occurring across the organisation. Areas where work is being outsourced and directly engaged workers are not used include (but is not limited to) processing facilities, the contact centre, sales, and talent and acquisition. It is undermining pay and conditions, delivering worse outcomes and denying opportunities for career progression that would retain workers.

CPSU members have informed us that the rationale used for outsourcing is there are “not enough quality applicants”. The experience of members, however, is that the outsourced providers often supply workers who have not been properly trained or do not have the skills necessary, resulting in poor customer service or safety issues.

Outsourcing has been used to undercut the pay of Australia Post workers. For example, an advertisement for a StarTek labour hire role in the Australia Post customer contact centre was offering \$23.25 an hour. The equivalent Level 2 Customer Service Consultation Role is paid \$29.15 an hour under the Enterprise Award.² A screenshot of this advertisement is at Appendix A. The CPSU also understands that the contact centre contract with StarTek guarantees a certain number of calls for their contact call centre which would be the equivalent of 50-80 permanent roles.

This is not the only example of outsourced workers being offered less than equivalent workers in Australia Post for work that was once done in-house as some sales roles have been outsourced to TSA Group. These roles are being advertised at between \$48,000 and \$52,000 plus commission whereas the equivalent permanent role in Australia Post begin at \$68,000 with sales bonuses. A screenshot copy of the TSA Group advertisement is at Appendix B.

The accounts and sales managed by TSA Group tend to be under a certain value or associated with a specific sales campaign. The outsourcing affects the number of accounts that the account management team can manage and their ability to earn bonuses. It also means those roles are not available as permanent roles in Australia Post or career growth opportunities.

Members have also informed the CPSU that recruitment work has also been outsourced to companies such as Randstad and Chandler Macleod. Members understand their recruitment consultants typically earn between \$67,000 and \$72,000 compared to Australia Post’s talent acquisition team members who can be paid salaries of up to and over \$99,000.

Research has revealed that many of these labour hire companies pay little to no tax. For example, recent data from the Australian Taxation Office’s 2020-21 report of tax entity information indicated that Randstad paid no tax on over a billion dollars of income.³ Furthermore, analysis by the Centre for International Corporate Tax Accountability and

² A Level 2 Customer Service Consultant at Australia Post is paid \$57,580 per annum as at 1 September 2022

³ Australian Taxation Office (2022, 29 August). Report of entity tax information. <https://www.ato.gov.au/Business/Large-business/Corporate-Tax-Transparency/Report-of-entity-tax-information/>

Research found Chandler Macleod's multinational owner Recruit Holdings paid just under \$8.7 million in tax while earning \$1.7 billion in income.⁴

Australia Post should cease its outsourcing approach which has only undermined job security, undercut pay and reduced employee morale. It should instead work with unions to promote secure employment by expanding ongoing roles. 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 organisation and the local communities it serves.

Genuinely involving workers continually to improve Australia Post

There is a need for Australia Post to involve its workers in decisions about the future direction of the organisation. A pattern of behaviour has existed where there has been a lack of transparency and a failure to genuinely consult. Examples include the commissioning of a secret Boston Consulting Group report and drastic restructuring during the COVID-19 pandemic.

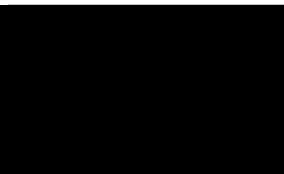
Workers, represented through their unions, should be involved in the modernisation process from the beginning, with ongoing consultation about proposals. Workers have an understanding of the impact of decisions and the perverse incentives that may arise.

To ensure there is longer-term oversight over governance, there should be a representative on the Australia Post board who is elected by workers. Existing legislation already includes a requirement that appointment decisions should consider individuals with an 'appropriate understanding of the interests of workers' to ensure 'an appropriate balance of expertise', and that the Minister should be consulting with trade unions on this.⁵ The previous experience has been a lack of consultation and a failure to ensure board members have an 'appropriate understanding of the interests of workers'. The CPSU recommends that the legislation be amended to ensure a representative on the board of Australia Post who is elected by workers. The CPSU believes that not only will it deliver better outcomes for all stakeholders in Australia Post, it could provide a good template for an 'Australian model' of company and relevant board representation for workers.

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

For further information, please contact 

Yours faithfully



Brooke Muscat

National President

⁴ CICTAR. (2021, 29 June) Supplementary submission to 'The current capability of the Australian Public Service (APS)'. Senate Finance and Public Administration Legislation Committee

⁵ Australia Postal Corporation Act 1989 (Cth) s 73

Appendix A – StarTek Ad

Inbound Customer Service Consultant with Startek Australia

Job no: 975658

Work type: Fixed Term & Casual, Fixed Term Contract

Location: VIC Metro - CBD

Categories: Inbound Customer Service

[Apply now](#)

Do you want flexibility to work from home?

Do you like working in a fun & rewarding environment?

Say goodbye to weekend work!

About Startek

Startek is a leading global provider of customer experience management solutions. The company provides business process outsourcing and technology services to corporations around the world across a range of industries. Operating under the Startek and Aegis brands, the company has approximately 47,500 outsourcing experts across 58 delivery campuses in 13 countries that are committed to enhancing the customer experience for clients.

About the Role

We are currently recruiting multiple Inbound Customer Service Consultant roles to be part of the Startek family. These roles span across multiple industries such as: Banking & Finance, Auto Industry, Freight & Logistics and more.

In these roles you will provide high levels of customer service to our clients customers. The aim of the centre is to provide excellence in customer service and to assist customers and help problem solve with any issues they may be experiencing.

Depending on the role, you may be required to complete a Criminal Check, or an Australian Securities and Investments Commission Check, an Insolvency Check and a Global Sanctions/Anti Money Laundering Check (which we will conduct)

- **Multiple Intakes throughout August 2022 - Our next Intake date is the 22nd August 2022**
- All roles offer FLEXIBILITY. Most roles are WORK FROM HOME after training in our Melbourne CBD Office
- Rotating Rosters will be Monday to Friday. No Weekend Work!!
- 12 month Fixed Term Contracts available
- Hourly Pay \$23.52 PLUS super & leave entitlements (4 weeks paid leave & other leave entitlements)

Appendix B – TSA Group Ad

Sales Specialist

4d ago

TSA Group

Brisbane QLD

\$48,000 + Super + Commission

Call Centre & Customer Service > Sales - Inbound

- Are you our next TSA Legend?
- Join a rewarding and vibrant culture!
- Attractive monthly commission!

Do you thrive in a financially rewarding and fast-paced environment? If your answer is Yes, read on to learn more about your next career move!

☆ Save



Inbound Customer Service and Sales

9d ago

TSA Group

West Perth, Perth WA

\$50,000 - \$52,000 + Super + Commissions

Call Centre & Customer Service > Customer Service - Call Centre

- Competitive fortnightly commissions
- Flexible working arrangements
- Learn while you earn- Cert III in Business

New year = new opportunities! If you thrive in fast-paced, financially rewarding environment- this is the job for you!!!

☆ Save

