Australia Post

Terms of Reference for the National Working Group on the Delivery Model (2021) ("**TOR**")

Australian Postal Corporation

Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division

Details

Date

_____ 2021

Parties

Name	Australian Postal Corporation (**Australia Post**)
Address	111 Bourke Street, Melbourne, Victoria 3000
Name	Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia, Communications Division (**CEPU**)
Address	Level 9, 365 Queen Street, Melbourne, Victoria 3000

Background

A. On 16 May 2020, the *Australian Postal Corporation (Performance Standards) Amendment (2020 Measures No. 1) Regulations 2020* (**Regulation**) commenced, which included temporary changes to Australia Post's performance standards (**Temporary Reform**).

B. In light of the Temporary Reform, Australia Post implemented an Alternate Delivery Model (**ADM**) in metropolitan areas which saw the removal of the Priority Mail letter product; delivery of letters every second day, and extended delivery times for regular interstate and intrastate mail.

C. On 9 July 2020, the CEPU and Australia Post entered into a Memorandum of Understanding regarding the Temporary Reform which among other things provided a payment under clause 2.3 of that MOU (**ADM Payment**) as well as One Network Incentive Payments under clause 2.5 of that MOU, and other obligations on Australia Post and the CEPU.

D. The Temporary Reform will expire on 30 June 2021.

E. The Parties are committed to working together to progressively and expeditiously implement a delivery model in place of ADM. The Parties acknowledge that in light of changing customer and community expectations and the ongoing decline in letters, a new delivery model must ensure that Australia Post is well placed to continue:

(i) providing trusted, efficient, competitive and reliable delivery services to all the Australian community in accordance with the community service obligations in the *Australian Postal Corporation Act 1989* (**CSO**);

(ii) providing sustainable permanent employment consistent with clause 7.2 of EBA2017; and

(iii) remaining profitable, so that it can continue to invest in future growth and is not reliant on Australian taxpayers for funding.

H. Since 11 May 2021, the Parties have also been negotiating a replacement enterprise agreement to the *Australia Post Enterprise Agreement 2017* (**EBA2017**), being the *Australia Post Enterprise Agreement 2021* (**EBA2021**).

I. The Parties are committed to bargaining in good faith and using their best efforts to reach an in-principle agreement on EBA2021.

Agreed Terms

Part A – Delivery Model

1. Preamble

1.1 The Parties have agreed to work together to develop a delivery model to replace the ADM for Australia Post's delivery operations. The Parties commit to working constructively together towards this common purpose.

2. Steering Committee

2.1 The work of the Parties to develop a delivery model will be overseen by a Steering Committee consisting of:

(a) EGM Deliveries for Australia Post;

(b) EGM People and Culture of Australia Post;

(c) The National Divisional Secretary of the CEPU; and

(d) The National Divisional President of the CEPU.

2.2 The purpose of the Steering Committee will be to:

(a) oversee the outcomes of the National Working Group (NWG); and

(b) Be a point of escalation for matters arising out of the NWG.

3. National Working Group

3.1 The Parties agree to establish a National Working Group (NWG) which will consist of:

(a) Four managerial representatives of Australia Post's operations;

(b) All State Secretaries (or alternatively a representative from each Branch) of the CEPU;

(c) 8 Award level Australia Post-delivery employees nominated by the CEPU;

(d) Up to 8 Award level Australia Post-delivery employees nominated by Australia Post.

3.2 The NWG will be responsible for developing a framework for delivery operations that:

(a) has the framework created within 6 weeks from execution of this TOR, unless otherwise agreed by the Steering Committee

(b) is implemented in a timely and practical way with implementation in the last facility by no later than 30 October 2021, unless otherwise agreed by the Steering Committee;

(c) provides Australia Post with ongoing sustainability, flexibility, profitability and service reliability;

(d) meets the current and future needs of Australia Post and the Australian community;

(e) ensures Australia Post meets its CSO;

(f) enables Australia Post to provide job security for employees including ensuring its employees are engaged in safe and productive permanent work consistent with clause 7.2 of EBA2017;

(g) provides Australia Post with the necessary framework to remain competitive in the markets in which it operates;

(h) ensures that Australia Post can continue to invest and grow for the future;

(i) addresses the key focus areas in Attachment A.; and

(j) that provides parameters (where required) within which the LWG must apply the levers in Attachment B.

3.3 The Parties acknowledge that the needs of Australia Post, its customers and the community will continue to evolve over time, particularly as letters continue to decline, and there will be an ongoing need to review the delivery model from time to time in accordance with changes to Australia Post's business to ensure it meets community and customer expectations as well as meeting the CSO. The Parties commit to conducting a joint review on the delivery model achieved under this TOR no later than 18 months from execution of this TOR.

3.4 The delivery model will initially be trialled at 3 delivery centres (Preston, Coorparoo and Ingleburn) and then once a delivery model has been agreed by the NWG it will be subject to a broader trial decided by the NWG

3.5 The NWG will oversee the implementation of the delivery model in a timely and practical way through Local Working Groups (**LWGs**) at each facility. The LWGs will apply the 'Levers'

outlined in **Attachment B** (within the parameters, if any, set by the NWG) to tailor the delivery model to suit the needs of each facility in line with the LWG Guiding Principles in **Attachment C**. The LWGs must have regard to the principles in clause 3.2 when applying either all or some of the Levers in Attachment B.

3.6 Matters that reach impasse at the local level will first be addressed between the State Secretary of the CEPU and Divisional General Manager of Australia Post and can then be referred to the NWG if the matter remains unresolved.

4. Australia Post Commitments

4.1 Subject to:

(a) the Parties executing this TOR by 6 July 2021;

(b) the proposed EBA2021 being put to a vote to employees with the CEPU positively supporting the vote as soon as practicable; and

(c) the NWG actively engaging in its obligations in clause 3.2;

Australia Post will:

(d) introduce a 15% payment from 1 July 2021 until the Nominal Expiry Date of EBA2021 to be made to PDOs at sites that are currently in receipt of an ADM Payment who do not receive a penalty rate, equivalent to 15% of the employee's base hourly rate for ordinary hours worked (**Delivery Model Payment**). A PDO is not eligible and cannot receive a penalty rate and the Delivery Model Payment at the same time. The Delivery Model Payment will replace all prior ADM and One Network Incentive Payments that were in place prior to the commencement of this TOR; and

Note: For the avoidance of doubt, Australia Post will apply the Delivery Model Payment until enterprise bargaining for EBA2021 has concluded as a gesture of goodwill for the CEPU cooperating in the three delivery model trial sites.

(e) while it is unable to guarantee there will be no loss of jobs due to the implementation of the new delivery model, will not until the nominal expiry date of EBA2021, make any permanent full-time or part-time employee covered by EBA2017 or EBA2021 involuntarily redundant:

(i) because their position is directly impacted by the implementation of the new delivery model and who is employed in the following classifications: Postal Delivery Officers (**PDOs**), Postal Transport Officers (**PTOs**) employed to drive vans and Mail Processing Officers employed to process letters and undertake night sorting operations;

(ii) who is reasonably and genuinely engaging with the processes set out in the Redundancy / Redeployment / Retraining Agreement set out at Attachment K of EBA2017 (and EBA 2021 once approved by the Fair Work Commission (**FWC**)); and

(iii) who is willing to work in alternative roles that they:

(A) are suitably qualified, skilled and experienced to perform (or could

perform with reasonable retraining); and

(B) can perform at their existing head station or a new head station, provided they are not required to undertake unreasonable additional travel to and from a new head station.

4.2 Before Australia Post makes an employee referred to in clause 4.1(e) of this TOR involuntarily redundant, the relevant State Secretary of the CEPU and the Divisional General Manager will first meet and discuss the employee's circumstances and any other possible alternatives to involuntarily redundancy. If agreement is not reached at this level, the proposed redundancy will be referred to the National Secretary of the CEPU and the EGM People & Culture of Australia Post to consider the matter.

4.3 From the date on which EBA2021 commences (**Commencement Date**), Australia Post will provide a One Network incentive payment to PDOs employed at rural and regional sites who do not receive a penalty rate, equivalent to 15% of the employee's base hourly rate for ordinary hours worked. A PDO is not eligible and cannot receive a penalty rate and a payment under this TOR at the same time.

4.4 Despite clause 4.3 above, if One Network is successfully implemented at a rural and regional site before the Commencement Date, Australia Post will provide the One Network Incentive Payment to an employee referred to in clause 4.3 above from the implementation date.

4.5 The current number of positions that attract penalty rates at rural and regional sites will be maintained at those sites until such time that clause 4.3 or 4.4 of this TOR is satisfied.

4.6 At the point that EBA2021 is replaced by a new enterprise agreement (**EBA11**), Australia Post agrees to include a 15% Postal Deliveries Allowance in the Australia Post Rates of Pay Booklet payable only to those PDOs who deliver mail and parcels which will apply in place of the payments in clauses 4.1(d) and 4.3 of this TOR. The 15% Postal Deliveries Allowance will also replace the One Network incentive payment, ADM Payment and Delivery Model Payment and will be paid to all PDOs delivering letters and/or parcels where they are not in receipt of a shift penalty and will not be payable where a PDO is entitled to receive another penalty under EBA2021 or successor agreement.

4.7 When EBA2021 is filed with the FWC for approval, Australia Post will ensure that the obligation in clause 4.6 is included in a covering letter to the FWC.

5. CEPU Commitments

5.1 The CEPU commits to genuinely and productively participating and engaging in the NWG and Steering Committee and to developing a delivery model that meets the criteria clause 3.2 of this TOR.

5.2 The CEPU also agrees not to unreasonably delay, frustrate or misrepresent the implementation of necessary workplace changes to working arrangements for employees that will enable the NWG to create a delivery model that meets the criteria clause 3.2 of this TOR. Such arrangements include, but are not limited to:

(a) supporting the key focus areas in Attachment A of this TOR;

(b) raising any genuine safety concerns regarding a delivery model in a timely manner that is consistent with relevant Work, Health and Safety legislation and EBA2017 (or any replacement enterprise agreement).

Part B – EBA2021

6. EBA2021

6.1 The Parties agree that it will be imperative to the sustainability of Australia Post and its workforce to have certainty in the employment conditions for those employees covered by EBA2021. To that end, the Parties have committed to the outcomes for EBA2021 in **Attachment D**.

6.2 The CEPU gives its in-principle agreement to a replacement enterprise agreement that is consistent with the outcomes in Attachment D. The CEPU will use its best endeavours to secure a positive vote approving the EBA2021 including (but not limited to):

(a) taking positive steps explain the benefits of EBA2021 to its members;

(b) taking positive steps to encourage and drive a 'yes' vote in the ballot for EBA2021; and

(c) refraining from engaging in any conduct that may negatively impact a successful yes vote.

7. Termination

This TOR will terminate on the Nominal Expiry Date of EBA2021, or earlier if the CEPU withdraw from the NWG or Steering Committee. In the event this occurs, any obligations on either Party arising under the TOR cease to apply.

8. Previous MOU

This TOR supersedes the MOU referred to in Recital C, including all obligations, rights and privileges arising under the MOU

9. Dispute Resolution

9.1 The Parties acknowledge that they have a mutual obligation and interest in working proactively and cooperatively in an effort to promptly and effectively resolve any disputes regarding the implementation of this TOR.

9.2 If either Party has any concern regarding the implementation of a particular provision of this TOR, they may refer the dispute to the National Secretary of the CEPU and EGM People & Culture for review.

9.3 In the event that the dispute is not resolved after referral to the National Secretary of the CEPU and EGM People & Culture, either Party may refer the matter to a dispute under clause 42 of EBA 2017 or successor agreement.

Signed for and on behalf of the **Australian Postal Corporation** by an authorised representative in the presence of

Signature of witness

Name of witness (print)

Susan Davies
EGM People & Culture

Signed for and on behalf of the **Communications, Electrical, Electronic, Energy, Information, Postal, Plumbing and Allied Services Union of Australia** by an authorised representative in the presence of

Signature of witness

Name of witness (print)

Greg Rayner
National Secretary
CEPU

Attachment A - Key Focus Areas

The NWG will have regard to the following key focus areas as part of a delivery model:

1. The safety of Australia Post's people remains its number one priority and when deciding on modes of delivery, including motorcycles, safety must never be compromised. The Parties acknowledge that motorcycles present safety risks and delivery modes other than motorcycles may need to be prioritised to ensure the safest mode of delivery is used to deliver a round. Motorcycles that do not currently comply with company policy will be replaced or reconditioned as a priority, and any additional motorcycles introduced to the network must comply with company policy.

2. The Parties are committed to ensuring the safety of posties that use Electric Delivery Vehicles (**EDV**) and in order to ensure the EDVs remain safe and fit for purpose, an independent ergonomist review will be commissioned by Australia Post into EDVs with a completion date no later than 1 August 2021. Australia Post will consult with the CEPU on the scope of this review and any safety recommendations made as part of the review will be implemented without delay.

3. Shift times will be flexible and set to align with the arrival patterns of mail and parcels at each facility (which may vary at each facility) and the availability of product and work, to deliver the best outcomes for the safety of Australia Post's people, the optimal delivery experience for customers, and the sustainability of Australia Post's business. Where reasonably practical, prior to LWG discussions commencing at a trial site, the NWG will use its best efforts to agree to start times, however the Parties acknowledge that these start times may vary and will be subject to product arrival patterns at each facility.

4. The reduction in letters volume necessitates that all PDO rounds need a full round recast and review to accommodate a sustainable working model. Existing permanent employees who do not possess the necessary on road certification must be considered in the model.

5. The management of UMS needs to be reviewed and restructured to ensure it operates efficiently, profitably and reliably. A new booking and management system is currently in design for UMS that will enable facility based designs. There will be changes to this product. Information regarding these changes will be provided to the NWG and will be subject to consultation between the Parties.

6. The Delivery Model needs to take into account peak periods, including seasonal events as well as elections, census and council and community mail outs.

7. It is acknowledged that the Delivery Model will be based on each round being delivered daily with regular standard of every day delivery, and the PDO delivering all available categories of articles subject to the input of the LWG consistent with clauses 7.2.4 and 7.4 of EBA2017 or successor agreement.

8. Sufficient resourcing, modelled around quality permanent jobs consistent with clause 7.2 of EBA2017.

Attachment B – Levers to Implement Locally within the parameters (if any) set by the NWG

1. Timing:
    (a) commencement
    (b) duration
    (c) variability of implementation
2. Streaming and making product available
3. On road delivery time
4. Safe outdoor time by mode
5. Selecting modes of delivery
6. Indoor time
7. Hours worked
8. Start times*
9. Splits and divides
10. Resource Ratios (recasting)
11. Equipment
12. Volume of product / work
13. Rosters
14. Management of UMS
15. Work location and outstation
16. Use of technology

* The Parties agree that there will be discussions between the relevant Divisional GM and State Secretary about start times prior to the Delivery Model being rolled out at specific Delivery Centres

Attachment C – LWG Guiding Principles

All LWG's decisions in implementing the Levers in Attachment B must ensure:

1. Safety remains our number one priority and the introduction of delivery model must not compromise the safety of our workforce and members of the community;
2. Any measures implemented must fully utilise each PDO and align with product arrival patterns;
3. The delivery model must provide services in line with relevant CSOs and other government requirements;
4. Any measures implemented fall within the parameters (if any) set by the NWG; and
5. The use of technology (where adopted) seeks to maximise the customer experience.

Attachment D – EBA2021 Core Terms

EBA 2021 Commitments
3 year Agreement.
Base wage increases for the life of EBA2021: 1. 3% in September 2021; 2. 3% in September 2022; 3. 3% in September 2023.
EBA allowance to increase in line with above wages increases above.
Preserving the current conditions in EBA2017 in EBA2021.
Provide an undertaking where necessary for relevant clauses for consistency with the *Fair Work Act 2009* (Cth).

Commitments Outside of the EBA
Executive Approval for Arbitration – in respect of clause 42.6.2 of EBA2017, Australia Post and the CEPU will agree on a more streamlined process for seeking executive approval for the FWC to arbitrate a dispute under cl.42 of EBA2021
Employee Counselling and Disciplinary Process (ECDP) – Australia Post and the CEPU will conduct a review of the ECDP within 12 months of EBA2021 being approved.
Transfer System – Australia Post and the CEPU will conduct a joint review of the National Transfer system that accommodates local workers (casual and permanent) as well as those on the Transfer List.
Pay slips – Australia Post will prepare a 'guide' for employees to assist with better understanding the details on their payslips. Australia Post commits to investigate displaying non-cash meal allowances on payslips.
Higher Duties - Australia Post agrees to review how higher duties are worked in practice to ensure employees are not unfairly disadvantaged by higher duties rostering arrangements.
Sprintpak – Australia Post agrees to review the current classification structure and pay rates for Sprintpak employees.
Tech Classifications - Australia Post is willing to conduct a review of the Tech classifications. Australia Post will also provide the CEPU with a list of acceptable qualifications to attain the highest Tech classification.
Cashing out Annual Leave - Australia Post will explore options around improving our systems to accommodate cashing out of annual leave more frequently than annually
Injury Management – Australia Post agrees to a joint review with the CEPU on how we support injured workers.
Christmas Arrangements – Australia Post will consult with CEPU about the commencement date for consultation around peak staffing levels.
Delegates Charter - Australia Post commits to providing the current Delegates Charter to the Fair Work Commission at the time of approval.
Retail Review – Australia Post commits to a joint review of retail classifications with the CEPU.
Tonnage Allowances – Australia Post will introduce an additional allowance of $8 a shift for driving an A-Double on road on top of the Road Train allowance.