

MEMORANDUM OF UNDERSTANDING: MODERNISING AUSTRALIA POST 2023 (MOU)

Australian Postal Corporation

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

Without Prejudice until executed

Contents

BACKGROUND 3

Part A – Modernisation Generally..... 3

 1. Objectives 3

 2. Joint Commitments..... 4

Part B – Delivery Model 4

 3. Delivery Frequency Modernisation..... 4

 4. Further Consultation on Reduced Delivery Frequency 4

 5. New Delivery Model 5

 6. Steering Committee 6

 7. Australia Post Commitments 7

 8. CWU Commitments 7

Part C – Retail..... 7

 9. Retail Footprint 7

 10. Metropolitan and Non-Metropolitan Definition 8

Part D – Job Security 8

 11. General Job Security 8

 12. No Forced Redundancies – NDM Sites 8

 13. No Forced Redundancies – Retail..... 9

Part E – Other Matters 9

 14. Existing rights preserved 9

 15. Term and Termination..... 10

 16. Dispute Resolution 10

Appendix 1 12

Appendix 2 13

Details

Date _____ 2023

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 (**CWU**)

Address Level 9, 365 Queen Street, Melbourne, Victoria 3000

BACKGROUND

- A. Australia Post is Australia's largest eCommerce delivery provider and is required to provide a regulated letter delivery service. With ongoing decline in letter volumes, increasing delivery points and ongoing growth in its competitive parcels business, Australia Post faces unprecedented challenges in continuing to provide competitive services to the Australian community whilst remaining financially sustainable in the long term.
- B. Australia Post's service delivery is regulated by the *Australian Postal Corporation (Performance Standards) Regulations 2019* (**Performance Standards**).
- C. On 13 July 2021, the parties entered into the *Terms of Reference for the National Working Group on the Delivery Model (2021)* (**TOR**) which among other things provided a framework for the deployment of a delivery model to replace the Alternate Delivery Model.
- D. On 2 March 2023, the Department of Infrastructure, Transport, Regional Development, Communications and the Arts commenced public consultation on options to modernise postal services in Australia.
- E. The parties are committed to modernising Australia Post's delivery, processing and retail models and other functions, with a view to creating a sustainable Australia Post that can continue to serve communities and provide our people with job security well into the future under this MOU.

PART A – MODERNISATION GENERALLY

1. Objectives

- 1.1 The Parties are committed to working together to ensure Australia Post's ongoing financial sustainability so that it can continue to:
 - (a) operate sustainably, flexibly, profitably and reliably;
 - (b) meet the current and future needs of Australia Post, our people, the Australian community and Australian taxpayers;

- (c) provide Australia Post with the necessary framework to remain profitable and competitive in the markets in which it operates; and
 - (d) ensure that Australia Post can continue to invest and grow for the future, including investing in our people, our infrastructure and our network; and
 - (e) maintain high quality, secure employment for our people.
- 1.2 The Parties agree that it is in the interests of Australia Post and the CWU that Australia Post remains self-funded without the need to seek financial support from Australian taxpayers, and that the implementation of Modernisation is an important step in fulfilling this objective.

Together the “**Objectives**”

2. Joint Commitments

2.1 The Parties agree and acknowledge that in order to achieve the above Objectives, it is necessary for Australia Post to operate efficiently and sustainably. This includes:

- (a) reorganising its delivery and processing models (“New Delivery Model” (**NDM**)) to reflect changes to the way in which our customers and communities expect our services to be delivered now and into the future;
- (b) jointly supporting reasonable changes to the Performance Standards and other relevant postal regulations where it can be demonstrated that those changes will have a positive impact on achieving the Objectives; and
- (c) ensuring that Australia Post’s metropolitan national and local post office footprints and formats are set up to meet the Objectives and best serve the community now and into the future in a sustainable manner that recognises the changing nature of community and customer use of a post office.

Collectively “**Modernisation**”.

PART B – DELIVERY MODEL

3. Delivery Frequency Modernisation

- 3.1 To ensure the short to medium term viability of Australia Post, the CWU will support the implementation of the proposed changes to the Performance Standards outlined in Appendix 1.
- 3.2 In the event that the Federal Government passes these changes to the Performance Standards and Australia Post implements changes in its last mile delivery service the Job Security provisions in clauses 11 and 12 of this MOU will apply.

4. Further Consultation on Reduced Delivery Frequency

- 4.1 Where addressed letter volumes are forecast to reduce to less than 1.1 billion per annum, and then 750 million per annum, the Parties will, 12 months prior to these forecast events, recommence consultation on the delivery model and Performance Standards with a view to reach an agreed position on a delivery model and the Performance Standards (where necessary) to take to the relevant Government.

4.2 In the event clause 4.1 of this MOU is triggered:

- (a) the Parties will without hesitation arrange to meet and consult on the matters in clause 4.1;
- (b) the Parties will set regular meetings to allow meaningful discussions to be held on the matters in clause 4.1; and
- (c) the Parties will give genuine consideration to proposals made by each other to try and reach agreement,

5. **New Delivery Model**

5.1 Australia Post, the CWU and employee representatives have collaboratively developed the “**New Delivery Model**” (NDM).

5.2 It is the Parties intention that unaddressed mail (**UM**) should not be delivered on the ‘light’ half of an NDM delivery round.

Trial Phase

5.3 On 12 April 2023, Australia Post trialed the NDM at the Hornsby Delivery Centre in New South Wales.

5.4 Since 11 September 2023 the NDM has been trialed at the following delivery centres:

- (a) Nepean Delivery Centre, NSW;
- (b) Butler Delivery Centre, WA;
- (c) Camden Park Delivery Centre, SA;
- (d) Brendale Delivery Centre, QLD;
- (e) Cranbourne Delivery Centre, VIC; and
- (f) And other delivery centres as agreed between the Parties.

National Deployment

5.5 The parties agree the NDM will be rolled out during 2024 to all facilities nationally where practicable.

5.6 The Parties acknowledge that the needs of Australia Post, its customers and the community will continue to evolve over time, and there will be an ongoing need to review the NDM locally from time to time in consultation with the CWU.

Relief Senior Postal Delivery Officer (SPDO)

5.7 Australia Post will consult (and endeavour to reach agreement) with the CWU (through the LWGs) on the ratio of SPDOs at NDM Sites, however Australia Post retains the right to determine this matter.

5.8 Any SPDO performing relief roles without restrictions at the start of the NDM rollout at their facility will be classified as a Senior Postal Delivery Officer 3 at live NDM delivery sites.

PDO Parcel Round

- 5.9 The Parties are consulting on the particulars of a PDO parcel round (**Parcel Round**). While the Parcel Round may deliver any type of Australia Post Group product within safety requirements, it is intended that they will deliver primarily parcels and will have agreed (between the Parties) appropriate delivery targets relevant to the locality that achieves sustainability of the round for Australia Post.

Adapt Coaches

- 5.10 As each NDM site goes live, an assessment of the current Adapt Coaches will be carried out. Skills capabilities and experience will be assessed to determine the appointment of qualified Adapt Coaches for the support of the NDM. An additional allowance will be paid to all qualified Adapt Coaches.

6. Steering Committee

- 6.1 The implementation of the NDM nationally will be overseen by a Steering Committee consisting of the following people (or appropriate alternative nominees as determined by each respective Party):

- (a) Executive General Manager (**EGM**) Network Operations for Australia Post;
- (b) EGM People and Culture of Australia Post;
- (c) General Manager Network Innovation & Assets;
- (d) The National Divisional Secretary of the CWU; and
- (e) The National Divisional President of the CWU.

- 6.2 The purpose of the Steering Committee will be to:

- (a) ensure the Parties fulfil the commitments in clause 2.1 of this MOU;
- (b) oversee the outcomes of the National Working Group (**NWG**); and
- (c) be the final point of escalation for matters arising out of the NWG and Local Working Groups (**LWG**) that have not been able to be resolved.

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

- (a) Four managerial representatives of Australia Post's Network Operations and People and Culture representation; and
- (b) One CWU representative from each State.

- 6.4 The NWG will meet at least monthly or as determined by the NWG and will be responsible for:

- (a) managing the rollout of NDM;
- (b) assessing the effectiveness of the rollout schedule;
- (c) making adjustments where necessary to the rollout schedule to accommodate unforeseen circumstances; and

- (d) resolving matters arising from the LWGs.

6.5 Local Working Groups

- (a) The NWG will oversee the implementation of the NDM in a timely and practical way through LWGs at each facility.
- (b) The LWGs must have regard to the Objectives when deploying the NDM.
- (c) Matters that reach impasse at the local level will first be addressed between the State representative of the CWU and Divisional General Manager of Australia Post and can then be referred to the NWG if the matter remains unresolved.
- (d) Matters, including NDM agreed operating procedures/guidelines and matters under this MOU, that have been agreed nationally shall not be renegotiated at the State or local level.

7. Australia Post Commitments

7.1 The Parties acknowledge that major operational changes can have significant impacts on employees. Where this occurs Australia Post will:

- (a) undertake genuine consultation with the CWU and will endeavour to minimise the adverse impacts of any such changes;
- (b) ensure that outcomes meet all the Objectives as far as is reasonably practicable; and
- (c) prioritise sustainable employment and Job Security in accordance with the processes in this MOU.

8. CWU Commitments

8.1 The CWU agrees that it will genuinely, productively and in good faith participate and engage in the obligations under the MOU and in relation to deploying the NDM.

PART C – RETAIL

9. Retail Footprint

- 9.1 The CWU will not oppose reasonable reform of the Retail Network designed to enhance sustainability and protect the job security of Retail team members.
- 9.2 In order to support a more sustainable Retail network, Australia Post intends to rationalise the current number of post offices (both corporately owned (CPOs) and third party owned, for example through licensees (LPOs)) within the current Performance Standards.
- 9.3 Australia Post will identify metropolitan CPOs and LPOs for potential closure to get to 4,000 outlets by 30 June 2025, consistent with the Performance Standards and the Objectives.
- 9.4 Subject to there being no changes to Regulation 11 of the Performance Standards, Australia Post will close no more than 90 CPOs during the term of this MOU.
- 9.5 A Steering Committee consisting of the EGM, Retail, Brand & Marketing, EGM People & Culture, the National Divisional Secretary of the CWU and the National Divisional President of the CWU (or

appropriate alternative nominees as determined by each respective Party) will be established to oversee the modernisation of the retail network.

9.6 Each State representative of the CWU and the relevant Regional Head of Retail Operations for Australia Post will manage the modernisation of the retail network in their respective State, including notifying the CWU when Australia Post confirms that an LPO will close.

9.7 The Parties agree that once a CPO is proposed for closure:

- (a) it will begin consulting with the relevant CWU State Branch no less than 3 months prior to the scheduled closure, and the Job Security provisions in clauses 11 and 13 of this MOU will apply; and
- (b) the CWU will not unreasonably delay engaging in discussions to facilitate the progression of genuine and meaningful consultation around such a proposal.

9.8 This process will take precedence over the Retail Transfer List until 30 June 2025, however compassionate transfers will be considered on a case by case basis.

9.9 Australia Post is committed to investing in a sustainable post office network that evolves with customer needs. Ongoing investment in our post office network including future outlets and points of presence as well as investment in our people, technology and brand presence all support the future of Australia Post. We aspire to deliver a best in market customer experience for our retail network.

10. Metropolitan and Non-Metropolitan Definition

10.1 The CWU will not oppose proposed changes to the Performance Standards outlined in Appendix 2 of this MOU being a variation of the metropolitan and non-metropolitan definition in Regulation 5 of the Performance Standards.

PART D – JOB SECURITY

11. General Job Security

11.1 While Australia Post is modernising its delivery and retail network as contemplated by this MOU, , Australia Post will not make any permanent full-time or part-time Postal Delivery Officer (**PDO**), Senior Postal Delivery Officer (**SPDO**), Postal Services Officer (**PSO**), Senior Postal Services Officer (**SPSO**) or Postal Manager involuntarily redundant:

- (a) because their position is directly impacted by the implementation of retail closures or the NDM;
- (b) who is complying with the redeployment processes outlined in clause 12.1 for PDO and SPDOs and clause 13.1 for retail team members; and
- (c) who is reasonably and genuinely engaging with the processes set out in the Redundancy / Redeployment / Retraining Agreement set out at Attachment K of the *Australia Post Enterprise Agreement 2021 (EBA2021)* or any successor enterprise agreement (**RRR**).

12. No Forced Redundancies – NDM Sites

12.1 Where a PDO is not allocated a letter and parcel round as a result of the NDM, they will be allocated to roles as follows (subject to availability and seniority):

- (a) relief SPDO roles at their head station by agreement with the employee; or
- (b) if the employee agrees, transfer to a vacant permanent or relief PDO role at a new head station; or
- (c) a Parcel Delivery PDO role that is created at their head station or nearest PDC facility for parcel pick-ups; or
- (d) other options to be consulted on with the employee and CWU.

12.2 Where staffing levels exceed the number of delivery rounds at an NDM site (including relief ratios), the CWU agrees that Australia Post will manage staffing reductions through natural attrition.

13. No Forced Redundancies – Retail

13.1 Where a retail team member is impacted by a CPO closure, the following steps will be taken sequentially, (subject to availability):

- (a) employees will provide their preference of three alternative outlets to be redeployed to (the short list of available outlets to choose from will be determined by those with vacancies and where Australia Post needs to increase FTE to accommodate additional customers within a set kilometre radius of their current Post Office or home address as appropriate, provided they would not be expected to undertake unreasonable travel to and from the new CPO);
 - (i) selection to the employee's preferred outlet will be made on a tenure seniority basis;
- (b) If a team member's preferences cannot be accommodated, consultation will occur with the team member (and the CWU where relevant) on possible relocation to an alternative outlet;
- (c) If relocation to an alternative outlet is not possible, they may opt to explore vacant relief or alternative roles within the business subject to a reasonable level of retraining; and
- (d) Once these options have been exhausted, other options will be explored and consulted on with the employee (and CWU where relevant) (including reverting to the RRR).

13.2 Where Australia Post closes a CPO and redeploys a team member to an alternative CPO above the required headcount to operate that CPO, the CWU agree that Australia Post can rely on natural attrition to bring the headcount back to requirements.

PART E – OTHER MATTERS

14. Existing rights preserved

14.1 Unless stated or implied in this MOU, nothing in these principles prevents:

- (a) Australia Post from implementing changes that it is authorised to make under the *Australian Postal Corporation Act 1989* and any regulations or instruments made under that Act, subject to those changes being implemented in accordance with any requirements set out under the Principal Determination and/or the *Australia Post Enterprise Agreement 2021*;
- (b) The CWU from exercising its rights to commence dispute proceedings under the *Australia*

Post Enterprise Agreement 2021 (or successor agreements).

14.2 Other than clauses 4.3 to 4.6 of the TOR (which deals with Australia Post including a 15% Postal Deliveries Allowance in the Australia Post Rates of Pay Booklet payable to all delivery PDOs) this MOU supersedes and replaces the TOR.

15. Term and Termination

15.1 This MOU will terminate on the earliest of the following dates:

- (a) If either Party withdraws its support for the New Delivery Model rollout, on the date on which support is withdrawn;
- (b) the Nominal Expiry Date of the *Australia Post Enterprise Agreement 2024*; or
- (c) On a date that is mutually agreed between the Parties.

15.2 In the event this MOU terminates, any obligations on either Party arising under the MOU cease to apply.

16. Dispute Resolution

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

16.2 If either Party has any concern regarding the implementation of a particular provision of this MOU, they may refer the dispute to the most senior officer of each Party.

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

Susan Davies
EGM People & Culture

Signature of witness

Name of witness (print)

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

Greg Rayner
National Secretary
CWU

Signature of witness

Name of witness (print)

APPENDIX 1

Frequency of Delivery (Part 2 Regulation 7)

Current Regulation	Proposed Regulation
<p>(1) Australia Post must service:</p> <p>(a) daily (except on a Saturday, Sunday, or a public holiday in the place where the delivery point is located) - 98% of all delivery points; and</p> <p>(b) at least 2 days each week - 99.7% of all delivery points.</p> <p>(2) For the purposes of this section, a delivery point is a mail address that, taking account of accessibility, delivery cost and general volume of mail for the address, it is practicable and reasonable to service frequently.</p> <p>(3) For the purposes of this section, to service a delivery point means to be available to visit the delivery point and, if there is a postal article addressed to the delivery point, deliver the article.</p>	<p>(1) Australia Post must service 98% of all delivery points each week (except on a Saturday, Sunday, or a public holiday in the place where the delivery point is located).</p> <p>(2) For the purposes of this section, a delivery point is a mail address that, taking account of accessibility, delivery cost and general volume of mail for the address, it is practicable and reasonable to service frequently.</p> <p>(3) For the purposes of this section, to service a delivery point means to be available to visit the delivery point and, if there is a postal article addressed to the delivery point due for delivery against the timetable in Regulation 8, deliver the article.</p>

Accuracy and Speed of Delivery (Part 2 Regulation 8 Subsection 6)

Current Regulation	Proposed Regulation
<p>(6) Australia Post must deliver a reserved services letter within the delivery time for the letter set out in the item (if any) in the following table that covers:</p> <p>(a) the mail lodgement point at which the letter is lodged; and</p> <p>(b) the address to which Australia Post must deliver the letter under subsection (5).</p>	<p>(6) Australia Post must deliver a reserved services letter within the delivery time for the letter set out in the item (if any) in the following table that covers:</p> <p>(a) the mail lodgement point at which the letter is lodged; and</p> <p>(b) the address to which Australia Post must deliver the letter under subsection (5).</p> <p>(c) the delivery times in column 4 will be extended by one day, such that delivery times that is expressed to be "4 days after day of posting," will become, "5 days after day of posting."</p>

APPENDIX 2

Definitions (Part 1 Regulation 5)

Current Regulation	Proposed Regulation
<p><i>In this instrument "areas classification" means the publication titled "Rural, Remote and Metropolitan Areas Classification 1991 Census Edition", prepared by the Department of Primary Industries and Energy and the Department of Human Services and Health in November 1994, as existing on the day this instrument commences.</i></p>	<p><i>In this instrument "metropolitan area" and "non-metropolitan area" are defined by the Australian Bureau of Statistics in the Australian Statistical Geography Standard.</i></p>

DRAFT