



Community and Public Sector Union

Michael Tull – National President

25 November 2013

Committee Secretary
Senate Standing Committees on Environment and Communications
PO Box 6100
Parliament House
Canberra ACT 2600

Dear Committee Secretary

Inquiry into the performance, importance and role of Australia Post in Australian communities and its operations in relation to licensed post offices

The PSU Group of the Community and Public Sector Union (CPSU) is an active and progressive union with approximately 55,000 members. The CPSU represents administrative and sales staff in Australia Post, employees of the Australian Public Service (APS), and is the principal union covering staff in the Department of Human Services (DHS), inclusive of Centrelink.

The CPSU welcomes the opportunity to make a submission to this inquiry. Australia Post is an important public institution that provides a variety of essential services to the Australian public every day. The CPSU strongly supports retaining ownership of Australia Post in Government hands and opposes any deregulation of the postal service. By retaining ownership of Australia Post, the Government can ensure that all Australians continue to receive a good postal service regardless of where they live.

The CPSU is however, concerned about moves to transfer Department of Human Services functions to Australia Post. In Senate Estimates hearings it has been revealed that Australia Post has been given clearance to make a submission to the National Commission of Audit to advocate it taking over services currently undertaken by the Department of Human Services, such as administering Centrelink payments.¹

CPSU delegates have also been informed by senior management in Australia Post that it has decided to bid for these services and is currently making preparations. The CPSU is concerned that a decision to hand over DHS functions has already been made by the Government and any process that is now being engaged in, is only to provide cover for that decision.

The proposal for Australia Post to undertake DHS functions raises significant concerns about what it might mean for the level of service provided to Australians in need. DHS already

¹ Senate Estimates, Environment and Communications Legislation Committee, 19 November 2013

performs exceptionally and reliably day after day in delivering a massive scope and scale of services.²

Australia Post staff already undertake a wide range of complex tasks in their day to day roles. To expect them to take on a greater workload with more complex matters is unrealistic and unfair. Staff will also require continuous training to stay up to date with any changes to the system of welfare payments. Furthermore any savings from outsourcing functions is unlikely to offset the costs of training Australia Post staff.

It is unclear at this stage exactly which services or transactions it is envisaged that Australia Post could take over. A recent newsletter sent out by Licenced Post Offices refers to carrying out the “day-to-day face-to-face functions of Centrelink” and doing “simple transactions” such as lodging forms that require proof of identity or pay slips.³ However there are few simple transactions in Centrelink and those that are straightforward such as lodging forms are increasingly being conducted online. When a customer attends a Centrelink or Medicare office, it is usually because they cannot perform the function online or need more comprehensive support or assistance. Australia Post staff are not trained to deal with these more complex matters, and nor are post offices laid out and equipped to allow these functions to be undertaken.

As two thirds of Australia Post shopfronts are privately run,⁴ time consuming and complex Centrelink client queries that are assessed as being ‘unprofitable’ risk being put to the back of the queue by private-sector franchisees. This would have a disproportionate impact on senior citizens, people with a disability, and the most vulnerable Australians. Combining functions of the two organisations would only result in more queues and more frustration among both Centrelink and Australia Post clients. This is likely to result in an increase in customer aggression, especially if a DHS customer’s questions cannot be answered, and an overall increase in transactions and double-handling when DHS customers who cannot have their matters dealt with then need to attend or call a DHS office or call centre . This situation would result in an overall reduction in the quality of service delivery on behalf of DHS, an organisation many Australians rely on at various points of their lives.

Australia Post shopfronts are not designed for the high incidences of customer abuse and aggression directed towards Centrelink staff. In 2011-12, 5,900 incidents of aggression were reported, an increase of 400 on the previous year. The results of the 2011/12 CPSU *What Women Want* survey also found that 60.6% of DHS women have experienced customer aggression. Most security incidents involving DHS clients happened in a “face-to-face environment”. Some clients have also carried “weapons of some description” into some DHS offices.⁵ Managing the risk of client aggression would require significant shopfront redesign for post offices, and hiring of security personnel in some instances. Security guards have been placed in 76 Centrelink sites to counter increasing client aggression.⁶ The cost of refitting and upgrading Australia Post offices and providing security guards to ensure safe workplaces would be substantial.

² Australian Public Service Commission, Capability Review – Department of Human Services, <http://www.apsc.gov.au/aps-reform/current-projects/capability-reviews/dhs/4-more-detailed-assessment-of-departmental-capability>, August 2012

³ Post Office Agents Association Limited, Posthaste (Newsletter), Volume 2, Issue 1, p.2

⁴ Australia Post, Licensed Post Office information, <http://auspost.com.au/about-us/licensed-post-office-information.html>, last accessed 25 November 2013

⁵ Julian Bajkowski, Proposed Centrelink and Australia Post retail fusion draws fire, *Government News*, <http://www.governmentnews.com.au/2013/10/29/article/Proposed-Centrelink-and-Australia-Post-retail-fusion-draws-fire/UKPTOGNSFY>, 29 October 2013

⁶ Patricia Karvelas, Guards place in welfare offices, *The Australian*, <http://www.theaustralian.com.au/opinion/guards-placed-in-welfare-offices/story-e6frg6zo-1226337507732#>, 25 April 2013

The claimed savings from transferring functions to Australia Post are unlikely to account for the full cost of replicating and maintaining DHS ICT infrastructure. It would a far better decision to invest the money required on enhancing its existing infrastructure to improve efficiency and capacity.

The CPSU does not support transfer of DHS functions to Australia Post for the reasons outlined above. Any transfer of functions will only serve to reduce the quality of service that both Australia Post and the DHS provide to the public. The CPSU fails to see any advantage to either the Department of Human Services clients, existing Australia Post clients, or the staff of either of these organisations.

Yours faithfully

Michael Tull
National President