

NZ Post wants to lay off all posties and give mail to contract couriers:

## NZ Post contract courier model is not safe work — company risks migrant worker exploitation

### EDITORIAL: Worker exploitation?

The PWUA believes NZ Post is at serious risk of being involved in the exploitation of migrant workers in its courier parcel delivery network.

In the Union's experience migrant workers are in general honest and hard working and wanting like everyone else to have a good job to support themselves and their families.

However NZ Post does not appear to have learned from the experience of the Chorus fibre rollout company which found that contractors' migrant worker subcontractors were the most vulnerable in not having their rights and entitlements honoured. (See back page.)

The PWUA is concerned that NZ Post's business model may exploit the vulnerability of many contractors both migrant workers and Kiwis who are on 'take it or leave it' non negotiable Owner Driver contracts.

This issue of Redback is looking at aspects of NZ Post's contractor model. There is not much for the Board of State Owned Enterprise NZ Post to be proud of in their business model.

### Contract couriers joining the Union

Contract couriers are able to join the PWUA on the Union's website: [www.pwua.org.nz](http://www.pwua.org.nz)

The Union will then contact the couriers with details about how to pay their union fees monthly. (\$30.10 per month for couriers - the same rate as \$6.95 per week for posties.)

NZ Post has not responded to a PWUA submission stating that NZ Post's requirement that couriers must clear the floor every day is in breach of the Health and Safety at Work Act.

The Union had set out its concerns in a submission to NZ Post in August that the company's proposed Safety Framework for couriers further aggravated what was already not a safe system of work.

Section 36(3)(c) of the Health and Safety at Work Act requires that NZ Post must "provide and maintain safe systems of work".

For safety reasons NZ Post explained in a Team Brief of 17 February 2022 that posties are not required to clear the floor every day.

#### "Knuckle down"

However in contrast to advice to its posties, NZ Post requires its couriers to "knuckle down", "dig deeper" and "clear the floor every day". This is not the safe system of work required under the Health and Safety at Work Act.

Separately the Union has received reports from all over the country that

NZ Post seems to be engaging a significant number of couriers for whom English is a second language. "They don't whinge and moan as often as you do", says a NZ Post manager.

#### Chorus company takes action

Fibre laying company Chorus was seriously embarrassed by the publicity following the discovery of the exploitation of migrant workers in its 'supply chain' of fibre-laying contractors and subcontractors.

Chorus engaged consultants to prepare a report on the conditions which can lead to the exploitation of migrant workers, and actions that Chorus could take to ensure the company takes responsibility to identify any problems and then acts to correct any examples of migrant worker exploitation amongst its contractors. (See back page.)

The Union has seen no evidence that NZ Post has demonstrated an interest or concern similar to that of Chorus about the exploitation of the vulnerability of migrant workers in NZ Post's contract courier network.

### *Exploitation of migrant worker: "deliberate, sustained and on-going"*

NZ Post has recently engaged as a Multi-Run Business Partner, a contract courier employing five other couriers delivering parcels for NZ Post.

Six years ago a contractor with the same name in the same city was found in the Employment Relations Authority to have failed to pay minimum wages and holiday pay to a new migrant on a work visa to the extent of almost \$30,000.

The story was reported in the NZ Herald at the time with a headline about the "deliberate" employment breaches.

The Employment Relations Authority was scathing in its reporting of how the contractor had acted to deprive the employee of "hefty sums" for the contractor's own financial benefit.

The Labour Inspector working on the case told the Authority that she had to spend so much time investigating the case of one of the migrant workers that she did not have time to investigate the situation of three others on work visas with the same contractor.

The Employment Relations Authority required the contractor to be placed on a Stand Down list and prevented from hiring migrant workers for 12 months.

NZ Post has not denied a link between NZ Post and a parcel and mail contractor found to have engaged in "deliberate, sustained and on-going" breaches of the rights of a migrant courier on a work visa.

## Lessons about migrant worker exploitation from Chorus fibre laying company

The risk of migrant worker exploitation increased within the Chorus fibre rollout supply chain as the number of migrant workers increased. This was the conclusion of a 2019 study by Martin Jenkins, "Independent Review of Chorus' Next Generation Contracting Model".

- "... many of the delivery partners are themselves migrants and may have limited understanding of minimum legal obligations, including labour standards". (par.17)
- "... companies with subcontracted workforces are particularly vulnerable to the risk of labour and migrant exploitation in their supply chains". (par 52)
- "... major incentives for exploitation of migrants include lower labour standards and minimum protections in their countries of origin" (par 135)

• "... migrant workers tend to be exploited by employers within their own ethnic communities". (par 136)

The Union has already seen two Determinations from the Employment Relations Authority where migrant couriers have been exploited by employers from the same ethnic communities.

As warned by the Chorus 2019 report the migrant employers had breached the rights of their migrant workers under many of New Zealand's applicable labour laws including the Minimum Wages Act, the Wages Protection Act, the Holidays Act and the Employment Relations Act.

Following the experience and corrective actions of Chorus, the Union places the increased risk of migrant exploitation within NZ Post's contract courier model not on the shoulders of migrants, but squarely on the shoulders of NZ Post.

## Multi-Run Businesses -- risk and responsibility

Contractors who want to build up their businesses by becoming a Multi-Run Business Partner (MRB) of NZ Post will discover that they have been left with most of the risk and responsibility of NZ Post's courier business interests and none of the independence of a genuine "business partner". Responsibilities transferred to the MRBs by NZ Post include:

- Complying with all employment laws
- Setting up routes and drivers
- Providing annual leave
- Covering for sick leave and injuries
- Customer and staff complaints
- Regular updating of health and wellbeing reports to NZ Post
- Managing vehicle breakdowns, repairs and replacements

NZ Post wants the burden of all "flexing up and down" to meet volume fluctuations to be carried by the MRBs and their employees, and not NZ Post.

## Posties and contractors legal cases in February

The PWUA has two legal cases coming up in February.

On 18 to 20 February the Employment Relations Authority in Auckland will hear the PWUA case that NZ Post failed to comply with the Collective Agreement when announcing the laying off of all 750 mail delivery sector staff. NZ Post made no effort to minimise redundancies.

On 24 to 28 February the Employment Court in Wellington will hear the PWUA case that the first two of the contract couriers who had joined the PWUA will seek to be declared to be employees and not contractors. They would then be covered by the PWUA Collective Agreement.

## MBIE consultation process on mail delivery service misleading

The PWUA met with officials of the Ministry of Business, Innovation and Employment (MBIE) this month about what the Union considers to be its misleading consultation process about changes NZ Post wants to the Deed of Understanding with the Government.

Changes that NZ Post wants, including the number of mail delivery days each week, are subject to MBIE's current consultation process which closes on 10 December. MBIE will then advise the Minister of State Owned Enterprises before he makes a final decision on any changes to the Deed.

NZ Post's proposal to eventually stop mail delivery to all household letterboxes and deliver only to communal points is missing from MBIE's on-line

Submission Template. There is no provision in MBIE's Template other than for the very much smaller number of house-holders who may be planning to move residence. NZ Post does not specify that such a move is most likely to be to a new subdivision.

The Union will be writing to the Minister of SOEs setting out the Union's concerns that a misleading consultation process will lead to misleading outcomes and misleading recommendations to the Minister which do not reflect the views of the people on what for them would be the most important change NZ Post wants to make.

"You can keep your letterbox", says the PWUA "but NZ Post doesn't want to put anything in it".

REDBACK is published by the Postal Workers Union of Aotearoa ♦ Trades Hall, 126 Vivian St, Wellington 6011 ♦ pwu@tradeshall.org.nz



**POSTAL WORKERS UNION OF AOTEAROA (NORTHERN)**

6A Western Springs Road, Kingsland, Auckland, 1021

I hereby appoint the Postal Workers Union of Aotearoa incorporated to be my authorised representative under Sections 18 and 236 of the Employment Relations Act 2000. For the purpose of this authority any duly appointed representative of the PWUA is empowered to act on my behalf in any matters related to or arising out of the negotiation and application of any Employment Agreement or any other matter relating to my employment at my request. This authority shall continue in force until revoked by myself, giving two weeks notice.

Name (PLEASE PRINT)

Signed.....Date...../...../..... Appointment No.....

Employer.....Site.....

Department.....Position.....

Home Address.....

Suburb.....City..... Post code.....

Phone..... Email.....

### Deduction Authority for Postal Workers Union of Aotearoa (Northern)

I authorise my employer to deduct:

\$6.95 per week when I am employed for 30 or more hours per week, or

\$3.45 per week when I am on-call, or employed for less than 30 hours per week from my pay and credit the Postal Workers Union of Aotearoa Northern District.

Please stop any other deductions from my pay to any other union.