

Concerns & Questions

Consultation

It is clear to the FSU through consultation with members that the one business day's notice CBA gave of major change has unnecessarily heightened concerns and anxiety about the impacts of the changes and has understandably cast doubt and anxiety around the bank's capacity and intention to manage this change into the future.

Direct feedback from members include:

"It's hard not to feel like just a number to CBA"

"This obviously has been something they have been thinking of for quite some time and to tell staff with such short notice and not giving them options or having a discussion is a concern"

- When were these changes first contemplated, and for how long have they been under consideration?
- Why didn't CBA give more time to consult with staff and allow them consider the impact of these changes?
- What information has been provided in writing to, and/or is forthcoming for staff?
- Why are employees prohibited from advising customers about the change? When will customers be advised?
- Will CBA implement a clear process for volunteers to be seconded first, and a framework for choice about the roles taken up? If not, why not?
- What are the expectations for who will work where?
- Which branches will be back office call centres, and which will be asked to join call centres? Will there be any choice given?

CBA's Response

As advised in our letter dated 1 May 2020, the decision was made on the evening of 28 April 2020 to reassign some of our people currently working in our retail branch network to support our Direct Channels (DC) and Financial Assistance Solutions (FAS) teams in our Australian based contact centres and temporarily close a number of branches. It is not the case that we stated, in our meeting of 1 May 2020, that that decision was made on 24 April 2020.

The business imperatives underlying the decision were outlined in our letter of 29 April and again in our meeting on 1 May 2020. By way of additional background, we have received approximately 150,000 requests from customers who are suffering personal hardship to defer a mix of home loans, personal loans and credit card payments over the period. These requests have been processed, and we are supporting our customers by extending deferrals for a period of six months for home

loans, and two months for personal loans and credit card payments. As we approach the end of these deferral timeframes, many of our customers will continue to be anxious about their financial position. We need to ensure we have the right people available to make contact before payments become due, as well as addressing further questions they will have.

At our peak, we have been experiencing up to approximately 9,000 abandoned calls per day, and we have seen an increase of approximately twice the average call volumes pre-COVID-19. As you will appreciate, the need to quickly and significantly increase staffing levels across our Australia based inbound contact centre teams is a necessity not only to support our customers, but also our frontline employees in these contact centres who are having to manage unprecedented call volumes. The temporary relocation of skilled and appropriately trained colleagues will significantly assist our people in these areas. The decision to reassign employees in the Customer Support Network (CSN) was considered in the face of increased customer demand for support via phone and online means as opposed to face-to-face interactions in the branch network. We have been pleased to hear feedback from the CSN team about their willingness to support our customers through our phone and online channels.

As we have indicated, the rapid shift in customer behaviour has seen a reduction in foot traffic across the network, with an average approximate reduction of 30% to 40%, and in some cases up to around 50% or more.

The decision to simultaneously close all in-scope branches at the one time was designed to give maximum clarity to our customers through clear and consistent communication, and consequently minimising the risk of customer frustration and aggressive behaviour towards our people. This approach also enables affected staff to focus on the consultation process about the options available to them, while continuing to perform other duties relevant to their substantive roles.

As you can appreciate, some of the arrangements we are putting in place for our customers require people with knowledge of our products and skills for dealing directly with our customers. We believe members of our CSN team are the right fit for this task, appreciating the need for some retraining to equip them for differences in day-to-day operations in our DC and FAS teams.

A range of information has been available to our people to give them clarity around these arrangements, including an information letter and extensive FAQs (which we have provided to you) as well as communications from senior leaders and through one on one conversations with their managers. We continue to engage with our people as part of this process. We have already had some CSN employees (in addition to this current process) volunteer to support our contact centres, small businesses and Group Customer Relations areas within the Group. We are not actively seeking volunteers as part of this process although this may change as we continue to seek the best ways to help our customers.

In all of our conversations with our people, where there have been personal circumstances that would prevent them from taking up the roles, we have continued to work with them to find alternative solutions.

Employees will be asked to work at a site that is closest to the location of their temporarily closed site, either in support of colleagues in DC or FAS. Once team members have completed their training and are able to undertake their new role, they will be able to work from a contact centre that suits them, in back of house at the branch, or from home, if this is appropriate and safe for them. We have not determined which branches will be back office contact centres, but rather have been

working with our employees regarding the flexibility that may be available once they have been trained.

Employees have not been prohibited from advising customers about the change. On Friday 1 May 2020, we advised team members to not discuss the changes with anyone outside of CBA until 6 May 2020, unless specifically asked by customers. This is in line with usual practice for planned customer engagement activities.

However, we appreciate that some customers may have heard of the changes and will ask about what they mean for their branch. On 1 May 2020 we provided customer FAQs to our teams and we have since clarified that they should use their judgment about any proactive discussions with business, elderly or vulnerable customers about the changes.

We appreciate the feedback regarding the concerns of staff that the reality of our vulnerable customers has not been understood. We can assure you that the needs of our most vulnerable customers has been taken into account, and the proximity of a temporarily closed branch to other locations was a relevant factor. A significant amount of work has gone into changing our processes to support this population, such as proactive conversations to work through a plan B on how they may complete their banking needs, and this work will continue.

New roles

- Will CBA waive any probation period in the new roles?
- What assurances and support will be available to these staff members, who may not be interested in, or particularly suited to their new secondment roles?
- What are the grades and pay rates for all types of secondment jobs offered?
- Will CBA rely on the minimums in the EA to avoid unfavourable comparisons, or will CBA provide evidence as to the average/median actual salaries of secondment roles to the FSU and to those affected?
- Have staff been provided any information about salary comparability? If so, what was the basis of that information?
- Has CBA prepared an analysis of the comparability of those being seconded and the proportion who will require uplift? What figures were used as the basis for that calculation?
- Where an employee is required by the Bank to work in a job which is at a level higher than the job the employee usually works will Higher Duties apply?

Specific details of reassignments are being provided to our people at a local level and their individual circumstances are being considered and worked through on an ongoing basis. While we are asking our people to change their duties temporarily, anyone who is unable to support our contact centres is being asked to work at a branch location close to the site of the temporary closure.

Of the branches identified for temporary closure, 105 are within a five kilometre radius of another site and the remainder are within a 10 kilometre radius. We note that 13 of the branches on the list provided to you are already temporarily closed, being mostly those located on university sites.

Employees will move to their temporary role on a secondment basis. No additional probation period will apply.

We will not be relying on the minimums in the EA but rather be guided by the relevant salary range for the secondment role when determining the secondment allowance for individual employees where their role requires them to perform higher duties. We again confirm that current hours of work and salaries will remain unchanged. Any change to salary would be an uplift where appropriate, or an increase in hours where agreed with an employee. This will be worked through with each individual employee as the transition progresses. Any changes will revert back at the conclusion of the secondment

Effect on Performance Measures and Bonus

- What measures will be put in place to prevent adverse impacts on STVR potential, given that employees are moving into a very different role with practically no notice?
- What time frames will apply before new performance measures are put in place?
- What training and support will be in place for employees transferred to Direct Channels or FAS?

We appreciate we are asking our employees to perform new roles and, given that we are approaching the end of the financial year, will not assess reassigned staff against KPIs relating to their temporary roles in the assessment of their performance for FY20. The performance of our employees will be assessed based on time in substantive roles, annualised for the financial year. The DC and FAS teams also have a discretionary STVR program, and assessments will reflect a majority of the financial year spent in substantive roles. Moving into the new financial year, we will also have regard to time in role and work with our people to ensure they understand the expectations of their roles.

Our employees will participate in training over the course of two weeks, which will be conducted at an office site that is within reasonable travelling distance from their branch. This enables better and more targeted instruction and support can be provided on site from others with experience performing the DC and FAS roles.

Team members will progressively complete training, commencing over the course of this month as technology and training facilitation resources become available.

Tranche one comprises some Sydney-based full-time team members and Branch Managers, who are ready to proceed and will begin training on Thursday 7 May 2020 at the Axle building, South Eveleigh. Tranches two and three will include the remaining team members and Branch Managers who will start their training from 18 May 2020 (tranche 2) and 25 May 2020 (tranche 3).

Notwithstanding these timeframes, the decision has been made to close all in-scope branches simultaneously, for the reasons outlined above relating to maximising customer and staff outcomes.

Staff who are not commencing training immediately will continue to be paid and perform other duties relevant to their substantive roles, while we continue to engage with them.

Teams located near a contact centre will complete training and begin working onsite there or in branch. Teams not located near a contact centre will complete training and start working onsite in branch once the technology is available. This is being worked through with the Regional General Manager and EM Network Support of each region on a case-by-case basis.

Once team members have completed their training and are able to undertake their new role, they will be able to work from a contact centre that suits them, in back of house at the branch, or from home, if this is appropriate and safe for them.

Ongoing learning support and coaching will be available to team members after the initial training is complete. If staff have any concerns about their new role, they will be able to discuss them with their manager or an experienced leader in FAS, and request further coaching and support. They can of course always reach out to managers and leaders in CSN.

Return to previous roles and branches

- What are the terms of the secondment agreements being prepared?
- What process will be put in place for assessing the end of secondments, and what security can be offered that a return to previous roles is assured for those who need it?
- Can CBA give assurances in writing that the branches will reopen and firm timelines for reassessment of secondments to assure staff that there is an end date being contemplated?
- What will be the process for those who cannot take up a secondment due to personal circumstances? What will their options be? And on what basis will those considerations be considered?

We confirm that this is a temporary arrangement to enable us to support our customers where they need us right now.

Employees who are reassigned to DC or FAS will be placed on secondment for a period of six months, and will receive a letter setting out this period and other secondment terms. The secondment letters will contain the usual ability for the secondment period to be adjusted as we continue to monitor the pandemic situation and our customers' needs. The letter will confirm that, other than specific terms set out in the letter, all other terms and conditions of employment will remain the same. Letters will be distributed over the coming weeks.

Given this situation of unprecedented uncertainty, we are not able in good faith to commit to firm timelines for branch re-openings. To the extent that any of the branches that are temporarily closing are impacted by our business as usual branch review, we will continue to follow our usual process of consultation with you. We can also offer an assurance that we will continue to assess the secondment periods in light of changing circumstances, certainly prior to the 6 month period that is currently contemplated.

As outlined above, one on one discussions with our people are ongoing and we are working through individual circumstances and, where appropriate, alternative options. No staff member will be forced to move and those who cannot take up the secondment will have other options available to them, as set out in the information provided.

Travel & Safety - New Location

What support and compensation will be given to those whose travel time will significantly increase?

- as a result of this change?

- What parking options will be available to staff who are now required to drive to work – will parking be available? And if so, will the bank cover any out of pocket expenses?
- What safety measures have been put in place to ensure that those staff who are being trained / buddied in new call centre work will meet social distancing protocols.

You will have seen the FAQs we provided to you on 1 May 2020, outlining the additional \$500 payment to support our people who choose to take up a secondment role.

As we move through the training process and commencement in temporary roles, we will be available to discuss logistics with our people if they need our support. We have already shared the Axle Pocket Guide that includes details for parking options for team members in tranche 1 who wish to drive in. We are still working

through the location of training and work for tranche 2 and 3 team members and will be able to communicate to these individuals soon.

All our CBA locations have applied measures to enable social distancing and good hygiene practices in our workplaces, including the contact centres. A significant number of our people are already currently working from home, freeing up space within our buildings to enable employees to attend the office site for training.

Measures we have taken in office spaces include signage to ensure that employees are seated an appropriate distance from each other, removal of chairs (including removing chairs from lunch spaces), and posters outlining maximum numbers of people to be in rooms at any given time. Once our employees have completed the training, and feel confident in their duties, we will work towards providing flexibility including the option to work from home, an option that has not previously been available to branch-based employees.

I refer you to our previous correspondence with you for further details on travel and safety matters.

In addition to the social distancing measures, there are a range of resources available to support our employees and their mental health. Mental health first aid courses, webinars to support employees to switch off and reset, weekly onsite support (including 1:1 sessions and group sessions) from our confidential counselling service (Benestar), webinars to support leaders to manage mentally fit teams are all available to name a few. Our employees are further supported with a range of resources on our Thrive intranet hub, making available information about nutrition, dealing with isolation and coping strategies personally or for family members.

The union and its members agree that in light of the Covid-19 crisis, there is a need for operational flexibility. However, we do not agree that all roles identified in these secondments arrangements are equivalent. We seek confirmation in writing that CBA will treat this as an extraordinary circumstance, and will not seek to use this event as precedent whereby a call centre role can be offered as an equivalent alternative when dealing with staff movement in the future.

Further, over the last 6 weeks, our members across the retail network have worked under incredibly difficult and stressful situations as they have addressed social distancing measures and other PPE shortages. Faced with these stressors and now adding job upheaval to dealing with hardship calls all day – staff are concerned about the potential for significant mental health impacts to themselves and their colleagues. What support will there be for the mental wellbeing of staff?

On the face of it, closing branches while foot traffic is down is a simple binary. As mentioned by CBA – in many cases there are branches 5/10 km away. Impacted staff are concerned that the reality of the customers they're still seeing regularly has not been properly understood, and that CBA may be leaving some of their most vulnerable customers in a precarious position. This may not be a concern for the balance sheet, but as an "essential service" in the Australian community, the impact this will have on the people already most exposed to the risk of COVID-19 should not be underestimated. Many CBA team members are concerned that this decision ignores, or underestimates that consideration.

We await your urgent responses to the above by no later than close of business Wednesday 6 May 2020.

Banking is an essential service and CBA has a critical role to play in supporting Australians during the pandemic. These are unprecedented times and our customers need us. We need to remain agile to respond to their changing needs as quickly as possible. We have been impressed by the feedback from our people that they appreciate the important work they do and want to continue to play a role.

Our priority is to ensure our people continue to feel supported during this time, and that we provide them with the information they need to understand what these changes mean for them and the options that are available.

In order to balance these important considerations, we propose the following:

1. As foreshadowed at our meeting on 1 May 2020, from COB today, Wednesday 6 May 2020, CBA will begin the temporary reassignment of staff to support our DC and FAS teams, and will temporarily close the branches identified in our letter to the FSU dated 29 April 2020.
2. An initial cohort of 77 employees are ready to begin their training, and will do so from Axle commencing 7 May 2020.
3. We will continue to consult with this initial cohort of employees, the remaining affected employees and you as we embed this change.
4. Given the unique circumstances presented by COVID-19, we are happy to facilitate further discussions between you and affected employees in a suitable format (e.g. teleconference), if that would assist.

Importantly, throughout the entire period the temporary changes are in place, we will continue to be available to our people to work through any questions they have about their particular circumstances or the changes more broadly. This is an ongoing process and individual employees (or the FSU on their behalf) will be encouraged to continue to engage with us where their circumstances change.

We genuinely believe these arrangements give our people comfort that they remain able to raise any questions or concerns, and work with their managers to get the most out of the temporary changes.

We do not agree that the provision of the above information necessitates delaying the implementation of the change, in order to further discuss these issues. We agree with your statement that in light of the current crisis, there is a need for operational flexibility. We consider this extends to flexibility in how we work with you to discuss and manage the effects of change on our people during this unprecedented time, which requires businesses to move with speed to respond to rapidly evolving challenges and critical customer needs.

We also share your commitment to implementing measures that keep CBA's people in good, productive jobs. As we have stated, there will be no forced moves arising from these temporary arrangements. For some employees, the options that they

may elect will result in them acquiring valuable new skills and potentially open avenues for greater work flexibility.

We ask that the FSU work with us so we can deliver the change our customers need at a pace that ensures it is effective, while continuing to support our people as they play their critical role in that process.