Fact Sheet—Amending the Australian Postal Corporation (Performance Standards) Regulations 2019

February 2024

Have your say on the exposure draft amendments to the *Australian Postal Corporation (Performance Standards) Regulations 2019*

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts (the department) is seeking views on proposed amendments to the Australian Postal Corporation (Performance Standards) Regulations 2019 (Performance Standards Regulations). These proposed amendments are set out in the exposure draft of the Australian Postal Corporation (Performance Standards) Amendment (2024 Measures No. 1) Regulations 2024 (the draft Regulations).

The purpose of the draft Regulations is to give effect to an Australian Government decision to make reforms to the Performance Standards Regulations that will enable Australia Post to boost productivity, increase its focus on parcels, and improve long-term financial sustainability, by:

- changing the performance standards to be met by Australia Post regarding the frequency and speed of mail delivery, and
- updating the geographic classification used in the performance standards for retail outlets.

For details of the Government's postal modernisation reforms, see: <u>Media Release: Ensuring Australia</u> Post can deliver more for Australians.

The department welcomes views from interested members of the public on whether the draft Regulations, as drafted, will achieve their intended purpose of giving effect to key aspects of the reform package.

The Performance Standards Regulations

The Performance Standards Regulations are made under the *Australian Postal Corporation Act 1989*. The Performance Standards Regulations prescribe performance standards that Australia Post must meet regarding the:

- frequency, speed and accuracy of mail delivery, and
- availability and accessibility of post-boxes and other mail lodgement points, and offices of Australia
 Post ('retail outlets') from which Australia Post products or services may be purchased.

The current performance standards require Australia Post to:

 service 98 per cent of all postal delivery points daily (except on a Saturday, a Sunday or a public holiday), and 99.7 per cent of all postal delivery points at least two days each week;

- deliver at least 94 per cent of reserved services letters to the indicated or appropriate address within the delivery time mentioned for the address according to the prescribed timetable;
- maintain mail lodgement points in Australia for the lodgement of postal articles (other than bulk mail) at each of its retail outlets and maintain at least 10,000 street posting boxes; and
- for retail outlets:
 - o maintain at least 4,000 retail outlets at which products and services can be purchased;
 - o locate at least 50 per cent of the retail outlets in zones classified as rural or remote and, in any case, locate not fewer than 2,500 retail outlets in these zones;
 - o locate a retail outlet in a metropolitan area such that at least 90 per cent of residences are within 2.5 kilometres of a retail outlet; and,
 - o locate a retail outlet in a non-metropolitan area such that at least 85 per cent of residences are within 7.5 kilometres of a retail outlet.

How will the draft Regulations operate and what is their intended purpose?

Operation of the draft Regulations

The draft Regulations amend the performance standards that Australia Post is required to meet regarding the:

- frequency and speed of mail delivery (Part 2 of the Performance Standards Regulations), and
- availability and accessibility of retail outlets (Part 3 of the Performance Standards Regulations).

Intended purpose of the proposed amending Regulations

The purpose of the draft Regulations is to give effect to a Government decision to make reforms to the Performance Standards Regulations to enable Australia Post to boost productivity, increase its focus on parcels, and improve long-term financial sustainability, by:

- changing the performance standards that Australia Post is required to meet regarding the frequency and speed of mail delivery, and
- updating the geographic classification used in the performance standards for retail outlets.

Amendments to performance standards regarding the frequency and speed of mail delivery

The purpose of the proposed amendments relating to the performance standards that Australia Post is required to meet regarding the frequency and speed of mail delivery is to:

- reduce the performance standards regarding the frequency of delivery to 98 per cent of delivery points from every business day to every second business day, and
- relax the performance standards regarding speed of delivery for regular letters by one business day,
 and
- remove the performance standards regarding speed of delivery for priority letters.

Letter volumes have reduced by two-thirds since their peak in 2008, while parcel volumes have boomed. In light of these challenges, Australia Post has trialled a new model for mail delivery that it intends to rollout nationally. The trials to reduce the frequency of letter delivery expanded delivery points by more than 10 per cent per round and enabled Australia Post to carry up to 20 per cent more parcels, achieving real productivity improvements.

Priority mail now accounts for around 8 per cent of addressed letters, and is expected to decline further in line with declining letter volumes.

The changes to Australia Post's mail delivery performance standards support more efficient mail delivery. They enable Australia Post to expand the new delivery model nationally. The changes to these standards

also enable Australia Post to change the way it manages priority mail so it can deliver these services at a more commercial rate and work with customers to set appropriate terms and conditions.

Amendments to performance standards for retail outlets

The purpose of the proposed amendments relating to the performance standards to be met by Australia Post for retail outlets is to update the geographic classification for these standards so that they reflect urban geographies in the Australian Statistical Geography Standard (ASGS).

The ASGS is a geographical standard developed by the Australian Bureau of Statistics (ABS) for the collection and dissemination of geographical statistics. It is a social geography reflecting the location of people and communities, and consists of several geographies including urban geographies.

Updating the geographic classification for the retail outlets performance standards to be met by Australia Post ensures that this classification reflects the most recent ABS statistical information from the Census.

This amendment is expected to have the net effect of reclassifying approximately 70 retail outlets to Remoteness Areas other than 'Major Cities'. This will not impact the services provided at these outlets or the prescribed minimum numbers of post offices that Australia Post must retain, including in rural and regional Australia.

Relevant documentation

<u>Draft Regulations</u>

The current Australian Postal Corporation (Performance Standards) Regulations 2019 are available at: https://www.legislation.gov.au/F2019L00123/latest/details

How to have your say

The department welcomes views from interested members of the public on whether the proposed amending Regulations as drafted, achieve their intended purpose of helping to deliver the reforms to modernise Australia Post announced by the Government on 6 December 2023.

Please include:

- contact name
- organisation name, if applicable
- contact details, including telephone number, postal and email addresses
- confirmation whether or not your submission can be made public—published—or kept confidential.

All submissions to be made public need to meet the <u>Digital Service Standard</u> for accessibility. Any submission that does not meet this standard may be modified before being made public.

If your submission can be made public, please ensure you do not include any personal information that you do not want to be published.

If your submission is confidential, please ensure each page of the submission is marked as confidential.

Please click on the 'Have your say' link below to either upload your submission or provide short comments.

Have your say - Amending the Australian Postal Corporation (Performance Standards) Regulations 2019

Comments can also be made:

By email to: <u>postalconsultation@infrastructure.gov.au</u>

• By mail to: Director, Postal Policy

Post, International Telecommunications and ACMA Branch Department of Infrastructure, Transport, Regional Development,

Communications and the Arts

GPO Box 594

CANBERRA ACT 2601

Comments must be received by 5:00pm Australian Eastern Daylight Time, 29 February 2024.

Australian Privacy Principle 5 Notice

The department is collecting information for the purposes of amending the Australian Postal Corporation (Performance Standards) Regulations 2019, in accordance with the Privacy *Act 1988*.

The department will use this information to inform consideration of issues associated with amending the Regulations and will store this information securely. It may be used by the department to make further contact with you about the review.

The department will not disclose information to third parties, except in the circumstances outlined below.

Submissions, in part or full, including the name of the author may be published on the department's website unless the submission is confidential. Confidential submissions or short comments (including the author's name) will not be published. Private addresses and contact details will not be published or disclosed to any third parties unless required by law.

Submissions will only be treated as confidential if they are expressly stated to be confidential. Automatically generated confidentiality statements or disclaimers appended to an email do not suffice for this purpose. If you wish you make a confidential submission, you should indicate this by ensuring your submission is marked confidential.

Confidential submissions will be kept securely and will only be disclosed in the following circumstances:

- in response to a request by a Commonwealth Minister
- where required by a House or a Committee of the Parliament of the Commonwealth of Australia
- where required by law.

The department may also disclose confidential submissions within the Commonwealth of Australia, including with other Commonwealth agencies, where necessary in the public interest.

Please note that in order to protect the personal privacy of individuals in accordance with the Privacy Act any submissions containing sensitive information, personal information or information which may reasonably be used to identify a person or group of people may not be published, even if not marked as confidential.

The department's privacy policy contains information regarding complaint handling processes and how to access and/or seek correction of personal information held by the department. The Privacy Officer can be contacted on 02 6274 6495 or by email: privacy@infrastructure.gov.au.