



# AUSTRALIAN BUREAU OF STATISTICS

## SUBMISSION

Postal Services Modernisation

April 2023





## OVERVIEW

The Australian Bureau of Statistics (ABS) is Australia's national statistical agency, the official provider of independent, reliable information used for informed decision-making. We engage with the community to collect statistical information, conduct analysis and present it back to the community. Our interaction involves the use of various means of communication, using a combination of digital channels and traditional means (paper forms, letters etc).

Australia Post, through its letters services, is used by the ABS to support:

- **Census of Population and Housing** - The ABS is also legally required to undertake the Census of Population and Housing (Census) every 5 years. The Census relies on Australia Post to deliver instruction letters, reminder letters, paper forms (when required) and return paper forms.
- **Household and Business Surveys** - enable Australian households and businesses to respond to statistical collections. Australia Post is critical in successfully delivering the monthly labour force survey and major economic indicators, as well as other ABS household and business surveys.

### Census of Population and Housing

The Census needs to collect information about every household in Australia and from every person in Australia on Census night. The need to contact every household during the Census inhibits the sole reliance on digital contact methods, which are connected to individuals (e.g. myGov) rather than physical addresses. The ABS uses a comprehensive register of residential addresses (Address Register) and Australia Post's letter services to ensure that every household is advised of the Census and provided with unique, secure logon information.

While most households now complete the Census online, over two million households still completed their Census on a paper form in the most recent Census. Australia Post letter services were used to despatch paper forms to households where needed and return the completed paper forms to the ABS. Sections of society, such as the elderly, continue to show a preference for responding through traditional, non-digital channels.

Achieving the very high level of response rates to the Census (95%+) required to ensure quality data and trust in the Census relies on having broad public awareness generated through advertising and media. It is critical for the success of the Census that letters are delivered in a timely fashion to capitalise on this period of public awareness, and to minimise public concerns about not having Census materials in time to complete the Census.

The use of letter services allows most households to complete the Census without the need for the ABS to undertake more expensive field visits. The cost of mail distribution via Australia Post represents value-for-money compared with hiring temporary Census employees to hand deliver to every household or using an alternative delivery service.

The ABS despatches or receives around 15 million items through the Australia Post letter service each Census.





## Household and Business Surveys

The ABS conducts monthly, quarterly, annual and irregular surveys of households and businesses to measure the Australian economy and provide insights into Australian society.

ABS surveys use sampling methodology to choose a selection of households or businesses to participate in each survey. Selections are made to ensure the data collected is representative of the whole population, but minimises the overall burden of completing surveys. Households and businesses need to be advised when they are selected into a sample, and this initial advice is delivered by posting a letter from the ABS.

Increasingly for business surveys, alternative methods of contact can be used such as email, phone calls and SMS – however the delivery of letters remains the only contact method for some businesses and a preferred method for others. The delivery of a letter also provides confidence in businesses that a phone call or email from the ABS is authentic and can be trusted.

Household surveys rely on a random sampling method of addresses from the ABS Address Register, with the initial approach to addresses facilitated by letter services. The need to contact an address, rather than an individual, limits the use of alternative contact methods.

Monthly and quarterly collections have tight, rigid timeframes to collect information and meet reporting deadlines. The timely delivery of materials is particularly important for these collections.

The ABS despatches and receives approximately one million items through the Australia Post letters service each year.

Further to regular household surveys and the Census, the ABS also undertook the Marriage Law Postal Survey in 2017. This relied on Australia Post to send and collect the survey forms from every enrolled elector in Australia within very short time frames. This important survey was only achievable because of Australia Post's letter infrastructure and service. This survey alone involved the despatch and receipt of around 30 million items in the letters service.

## SUMMARY OF ABS RESPONSE

Letters services have a direct and significant role in ABS operations. While the ABS recognises the need for Australia Post to be financially sustainable, an increase in the cost of postage and changes to frequency and speed of mail services will have significant financial and operational impact. Timely notice of changes will be critical for ABS to carry out its remit effectively.

Parcels, eCommerce and the network of post offices are not significant to ABS operations and no responses were made to Questions 9 to 16.



## POSTAL SERVICES

### 1. What services provided by Australia Post are most important to you?

ABS relies on letters services to carry out its operations:

- regular ABS household and business surveys rely on Australia Post for the delivery of survey induction letters, survey forms and reminders. While the ABS is increasing digital engagement, physical delivery of products is required to support household sampling methods and to support households and businesses that have barriers to participating online.
- the Census of Population and Housing use mail services to enable Australian households to participate.

### 2. What does Australia need in a modern postal service?

ABS needs a postal service that is efficient, reliable and timely. Mail pickups and deliveries need to be consistent in speed and frequency. Consistency of services enables the ABS to align its engagement and communication processes to the mail service timetable. Changes to service levels need to be communicated upfront so ABS can adjust its processes without impacting its operations as well as the user experience.

### 3. Do you agree with the potential benefits? Are there additional benefits from your perspective?

*No response*

## LETTERS SERVICES

### 4. How important is the ability to send or receive a letter and what would be the impact of further increases in postage rates to allow Australia Post to fully recover the full efficient cost of providing the letters service?

ABS relies on Australia Post to send and receive letters and forms that enable Australians to respond to the Census and various surveys.

An increase in the postage rates will have significant impact on ABS budget, resulting in a need for ABS to seek additional funding to continually deliver on legislated activities (five yearly Census) and critical activities (e.g. monthly labour force survey and major economic indicators). The ABS received additional funding for the 2021 Census to cover increases in postal expenses, and further supplementation will be needed for the 2026 Census.

If timely, reliable postal services were not available the ABS would need to significant increase recruitment of temporary staff to support delivery of materials. This would introduce delivery risks to the Census as enough temporary staff may not be available, and significantly increase the cost of conducting the Census.

## **5. Do you expect usage of Australia Post's letter services to change in the next 5 years and why?**

Over the last ten years, the ABS has been shifting operations from household visits, paper forms and in person interviews to using the postal services, digital forms and virtual interviews. This trend has increased the ABS use and reliance on the postal service. The size of the Census increases with the number of households in Australia and the size of the Australian population, approximately 10% every five years. The increases will be offset by some further decline in the number of paper forms requested and completed, however this is only a small proportion of the overall mail. Overall, it is expected that the ABS use of postal services will remain reasonably constant over the next five years, with Census in 2026 and 2031 still requiring the delivery of between 15 to 20 million letters.

The ABS anticipates a continuing decrease in the demand for letter services for business surveys and regular ABS operations. However, ABS expect to continue to rely on Australia Post letter services throughout the next five years to ensure all businesses are contacted and able to respond to surveys.

## **6. What do individuals, businesses and charities take into consideration in deciding whether to send a letter — for example, price, delivery speed and features (such as tracking), or digital alternatives?**

The ABS considers the price and speed of letter services in determining when to use letters rather than undertake physical visits. For aspects of current ABS operation there are not alternatives to the use of letter services.

## **7. What is the value of the regulated priority letter service to you?**

The priority letter service has been critical to the ABS in the following scenarios

- Delivering Census paper, large print and braille forms when requested by households to allow timely completion of Census and minimise any household distress at not having their Census materials by, or close to, Census night.
- Timely return of Census forms to the ABS to minimise field office visits to homes that have already completed their Census form, reducing wasted efforts and unnecessary burden on households.
- Timely delivery of Census reminder letters for those that have not completed the Census, to be received soon after Census night to prompt response before conducting field visits. Timely deliver allows these letters to be synchronised with media campaign.

The absence of a regulated priority letter service may cause public concern through delays in receiving Census material and may require a shift of some services from postal to hand delivery. This is expected to increase overall cost of delivering the Census.

## **8. Should the current letters service speed or frequency of delivery requirements change in line with the expected decline in the number of letters being delivered?**

The ABS does not require daily delivery service to every household or business, and alternate day or other similar models would support ABS requirements if there was not a significant overall increase in delivery timeframes.

A significant volume of ABS mail could be lodged earlier (for example, the nine million Census initial instruction letters) to support slower delivery, however for operational planning, media engagement and advertising campaigns it is important to understand likely delivery date. Other mail, including requested paper forms, return of paper forms or delivery of reminder letters, is more time critical and needs to be delivered at similar speeds (2 to 5 days of lodgement) to the current arrangements to support operational requirements. Approximately five million letters have this faster delivery requirement.

ABS would welcome the opportunity to discuss the possibility of new arrangements around priority activities or special services to accommodate the Census or other similar national activities. For example, a temporary increase in services to support the short term demands of the Census and ensure a successful outcome. Consideration in this arrangement should be given to the lower marginal cost of Census letter delivery, particularly as Census letters are delivered to every household/endpoint in each delivery areas and delivery areas are limited to the higher concentrated (ie urban) areas.

## Parcels & eCommerce

*No response*

9. How important are parcel delivery services to your business?
10. For businesses that send parcels — what parcel service features matter most to your business?
11. As someone that receives parcels — what features of parcel services do you value most — for example, speed of delivery, time of delivery, convenience of collection, ability to track the item and ease of returns policy?
12. What environmental sustainability factors matter most to you in relation to parcel delivery services?

## Post Office network

*No response*

13. How important is the Post Office to individuals, business and communities, including which Post Office services are most valued?
14. Are other facilities, such as parcel lockers, vending machines, payment terminals or mobile Post Offices, helpful to serve community needs?
15. Are there other services Australia Post could provide to better support the community?
16. For Post Office licensees and agents — tell us the challenges and opportunities from your perspective.



## Support for Australians with diverse needs

### 17. How can Australia Post best support the community?

It is critical that the Census is inclusive of all members of the community. The Census digital form is designed to be highly accessible, however this does not adequately support everyone – particularly those with low digital literacy or access. The completion of paper forms is higher among older Australians and Australians living in remote locations. Australia Post has also been critical for ensuring the Census can be completed by people with those with vision difficulties through the delivery and return of large print and braille forms. Letter delivery has also supported the Census to reach Australians that come from non-English speaking backgrounds. Census instruction letters include translated instructions on how to reach the Translating and Interpreter Service to receive assistance with the Census.

