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Department of Infrastructure, Transport,
Regional Development, Communications and the Arts
GPO Box 594
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Email: postalconsultation@infrastructure.gov.au

Attention: Director, Postal Policy—Communications Services and Consumer Division

RE: Postal Services Modernisation Discussion Paper

The Australian Industry Group (Ai Group®) welcomes the opportunity to provide comments in response to the Postal Services Modernisation Discussion Paper.

Ai Group is a peak national employer organisation representing traditional, innovative and emerging industry sectors. We have been acting on behalf of businesses across Australia for 150 years.

Ai Group and partner organisations represent the interests of more than 60,000 businesses employing more than 1 million staff. Our membership includes businesses of all sizes, from large international companies operating in Australia and iconic Australian brands to family-run SMEs. Our members operate across a wide cross-section of the Australian economy and are linked to the broader economy through national and international supply chains.

The following comments are based on feedback from Ai Group members.

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

Ai Group member businesses advise that the services most important to them are parcel delivery, subscription mailing and prompt letter delivery.

Additionally, in regions impacted by the closure of bank branches, Australia Post plays an important role in the provision of banking services.

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

An efficient, reliable mailing service with timely delivery. Where there are service level agreements, these should be adhered to with delays being the exception - not the norm.

One small member business with an Australia Post account expressed a desire for the ability to have their mail collected from their business premises rather than being required to drop their (mostly) parcels at the Post Office and suggested that this might be facilitated by the introduction of an electronic notification system.

3. 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?

Responses to this question varied across member businesses consulted by us. For example, a small member business cited this as very important but noted that “excessive postage rate increases” will inhibit smaller businesses from being able to use utilise Australia Post as a delivery service with the result that they will resort to online or less effective alternatives for mail delivery.

It was also noted by another business that there continue to be circumstances which require documents to be printed and forwarded in hard copy so this needs to be considered and effectively addressed in any re-design of the postal service.

In the absence of reliable internet service across all regions in the country, regional and remote communities and businesses could be expected to be more adversely impacted by any changes in the cost and frequency of letter delivery than their metropolitan counterparts.

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

There was a difference in views on this issue between those businesses currently using Australia Post’s letter services. A small business user of the letter services in the printing sector expected “usage to stay stable, providing costs don’t become excessive”.

In contrast, businesses in other sectors expect a continuation in the downward trend due to irregular postal delivery and increased uptake of digital alternatives. As noted above, the variability in availability of reliable internet services in regional and remote areas is an influencing factor on views on this issue.

5. What do you as a business take into consideration in deciding whether to send a letter – for example, price, delivery speed and features (such as tracking), or digital alternatives?

Key considerations for those choosing to send a letter include:

- Price;
- Speed;
- Tracking;
- Effectiveness of physical mail outs as opposed to other forms of marketing;
- Availability of digital alternatives; and
- Legal requirements for provision of documents in hard copy.

6. What is the value of the regulated priority letter service to you?

For those businesses utilising the regulated priority letter service, there is value in the quick and reliable delivery service of important time sensitive documents.

7. 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?

One member expressed the view that alteration of delivery speeds, especially if applied inconsistently, will result in an acceleration in the decline in usage of the letters service.

Factors that should be taken into account when considering variation to the letters service include the proportionate impact on regional and remote communities and businesses; issues of alignment with invoice payment term letters; and legal requirements regarding documents to be provided in hard copy (see comments above).

8. How important are parcel delivery services to your business?

Ai Group members indicated that parcel delivery services are very important and that it would be difficult to trade in their absence.

9. For businesses that send parcels – what parcel service features matter most to your business?

Key considerations for those businesses utilising parcel delivery include:

- Speed of delivery and trackability (multiple members noted that parcels can be time critical)
- Pricing – many times Australia Post is more competitive than freight companies (especially in regional and remote areas)

In the future, online ability to track, quote, reference customer/supplier details etc – ie similar to freight companies, will be increasingly important.

Introduction of an E-Document portal that eliminated the need for printed matter would also influence demand for use of parcel delivery for documents.

10. 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?

Similar to the comments above, speed of delivery and trackability were key factors. Pricing is also important. Another factor is the ability for items to be delivered and left at the doorstep.

11. What environmental sustainability factors matter most to you in relation to parcel delivery services?

Member businesses noted the importance of adherence to ESG principles and guidelines.

Should you have any queries on the above, please contact [REDACTED]
[REDACTED]

Sincerely yours,

Louise McGrath

Louise McGrath
Head of Industry Development and Policy