

Part 1: Postal services and modernisation benefits

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

- **As a licensee / owner of a Licensed Post Office located in a rural area**
 - Services that generate a commission to Australia Post licensees.
 - This helps contribute to the ongoing commercial viability and sustainability of my business that I have a significant personal investment in.
 - Services that the community values and brings customers into my Post Office. During any customer visit this provides me with the opportunity to:
 - Further strengthen our social license to operate a business within our community. The absence of any “psychological contract” between ourselves and our customers that we are part of our community and provide a valued essential service our ongoing commercial sustainability is significantly impaired.
 - Cross-sell and upsell additional associated services
 - e.g. a customer is travelling overseas and comes in to buy a prepaid MasterCard. Their visit creates the opportunity to discuss and potentially upsell: ordering in foreign currency, buying travel insurance or selling travel products.
 - Sell products they were not aware were available through my Post Office
 - e.g. a customer comes in to buy a mobile phone recharge and discovers we sell mobile phones, charging cables, power banks, SIMs
 - **As a user of Australia Post services**
 - Banking – as an independently owned licensed post office we need to undertake our own business and personal banking. To be able to undertake this locally reduces the need to commute to the next larger regional centre where the banks are located. This is further compounded that we do not need to take time away from our business commuting to / from the bank, meaning more time is invested on the counter serving our customers and building / strengthening our customer-relationships.
 - Posting – as a local business in a small rural community we believe it is important that we live our personal values and be clear that there is no distinction between our personal and business ethics. We want the local community to support us, so we need to be demonstrable in supporting our local community. Locally sourced products actively sourced from home based micro and small businesses we sell through our post office we also buy and send as gifts. This promotes the local businesses.
 - Information – in the absence of a local Visitor Information Centre or Neighbourhood / Community Centre our post office fills this void by providing physical and virtual space to share information and actively promote local events. Our community has come to rely on us to provide them with verifiable information, and in the process of doing so, share information they have access to. This sharing and the connections created help contribute to building a resilient community. This was demonstrated during the recent:
 - weather events over the past 5 years, including the drought, subsequent bush fires and then 2022 flooding
 - pandemic
2. What does Australia need in a modern postal service?
- Access to additional services through the local post office rather than requiring a commute to a government office, e.g.
 - pay vehicle registration at the post office

- pay toll fees (e.g. Linkt)
- pay NSW Local Land Services invoices
- Increased range of financial services via the post office, e.g.
 - Pay BPAY bills at the post office
- Create an “Australia Post Bank” that offers a full suite of financial services to provide competition to the other financial institutions.
- Additional range of insurance services, e.g. travel insurance to over 65’s, through the post office rather than needing to refer this onto Australia Post itself
 - If our post office can provide travel insurance to anyone under 65, why is there an age-based distinction once a person is over 65?
- 3. Do you agree with the potential benefits? Are there additional benefits from your perspective?
- Parcels
 - Improved transparency of movement of parcels and letters with tracking. Customers who pay for the Express Post option receive a lodgement and delivered scan, whereas those who pay for the cheaper Parcel Post option receive scan events as the parcel moves through the system.
 - There is an inherent inconsistency – why pay more to receive less service? For some customers the scan events are as important as the speed of the service.
 - Providing the opportunity for customers to direct their parcel to their local post office who are prepared to offer an after-hours service. The post office is paid for this additional premium service, including:
 - After hours collection service.
 - After hours delivery service at preset time intervals
 - Banks of parcel lockers at post offices, with the provision that delivery to a parcel locker is paid to the post office at the same rate as delivery to a PO Box, which is currently the payment is not the same
- Technology
 - Ongoing communication with the customer of the movement of their parcel / tracked letter, but not at the current level of over-communication which is overwhelming and generates confusion.
 - Some method of distinguishing communication (i.e. email or SMS) from Australia Post from similar formats that looks like it came from Australia Post (i.e. phishing / scam emails or SMS), similar to the technology that is currently used in the Services NSW digital app such as the animated logo in the background.
- Regional Australia
 - The Express Post service out of northern NSW is inconsistent and this needs to be resolved. This has been tested and the data demonstrates the following to be consistent.
 - Casino Sorting Centre and Lismore Delivery Centre are both 30 minutes from our post office.
 - Express Post parcels that are processed through the Casino Sorting Centre are trucked south to the main sorting centres to be further processed. This adds at least an extra day to the delivery time of the parcel.
 - Express Post parcels that are processed through the Lismore Delivery Centre are freighted to Brisbane airport and placed on an overnight flight into Sydney and then processed.

- As the mail and parcels from our post office are sent to the Casino Sorting Centre for processing this places us at a disadvantage when upselling a parcel to Express Post compared to nearby post offices whose mail and parcels are processed through the Lismore Delivery Centre.
- Customers are choosing to use these nearby post offices as an alternative to ours to reduce the travel time for their parcel.
- If Australia Post is genuine about supporting regional post office they might consider:
 - Using the same freight service to pick up Express Post from both Lismore AND Casino to get this freight onto the same overnight flight, or
 - Offer to pay local post offices in the area whose parcels are processed through the Casino Sorting Centre to drive the Express Post parcels / letters to the Lismore Delivery Centre to ensure they are on the overnight flight, or
 - Charge customers extra for the premium service of ensuring their Express Post parcel / letter is processed through the Lismore Delivery Centre
- Retail and Business Customers
 - A recent survey conducted by our local chamber of commerce identified over 100 local businesses in a community that in the 2021 census had a population of less than 2000 people:
 - Two of the businesses would be classified as medium sized businesses.
 - The remaining businesses would be classified as either a micro or small business.
 - This second category includes rural producers who significantly contribute to our local economy by producing food, fibre or plant-based nutraceuticals and are adapting to recent shifts in state agritourism legislation.
 - The local market does not generate sufficient volume to keep local businesses commercially sustainable. An online presence to grow their customer base is essential.
 - Australia Post's support for these micro and small businesses to grow online is vital for our rural community.
 - Essential Australia Post services include:
 - Realistic parcel tracking – Parcel Post provides regular scan events as the parcel moves through the system. Express Post is lacking this information – previously discussed.
 - A premium service mail product, i.e. Express Post, is essential to move product quickly. The addition of an extra day when Express Post parcels travel via Casino Sorting Centre rather than Lismore Delivery Centre (previously discussed) is a major pain point for these businesses ensuring their customer receives the product in a timely manner.
 - MyPost discounts are another major pain point. Discounts on postage actively support businesses in metro or larger regional communities placing smaller rural communities at a disadvantage. If Australia Post is genuine about supporting micro and small businesses, then this inequity should be addressed to ensure these rural based businesses are not faced with additional challenges not experienced by their equivalents in metro or larger regional locations.
- Environmental Sustainability
 - In the past Australia Post has contracted various companies to support licensed post offices interested in installing solar power.
 - Contact with both companies has resulted in no further contact from the Australia Post contracted companies and our interest going nowhere.
 - To offset the rising cost of electricity our post office has independently installed a 6 kW solar system.

- The set up of this system is:
 - We self consume much of the power we generate onsite and then export the rest to the grid at 4 cents / kW
 - We are connected to the grid at approximately \$40 / month and draw power from the grid at 36 cents / kW when the solar system is not generating
 - There is a clear inequity between the price paid for power generated onsite and the power drawn from the grid. Australia Post has the power to support licensees to respond to this.
- If Australia Post is genuine in the commitment to supporting licensees in their commercial and environmental sustainability then a similar model (previously mentioned) could be:
 - a business / panel of businesses to choose from could be contracted to provide advice and possibly support for the installation of solar panels and / or a battery (where appropriate) to help store excess power to be used when the solar panels are not generating, e.g. at night but when computers are still running
 - a loan through Australia Post to cover the cost of the installation and commissioning of the setup similar to the security loans that are available
 - a bulk buy type discount on a wall mounted TV monitor streaming live data from the production and storage of the power, showing the Carbon offset this setup is enabling. This is similar to what is seen at selected Bunnings warehouses registers.
- This demonstration of Australia Posts local level commitment to environmental sustainability can support strengthening its social license in communities as a significant contributor to managing climate change.

Part 2: Delivery 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?
 - Importance of sending / receiving a letter
 - The ability to send a letter is significantly less important now.
 - This may be reflective of our community.
 - As a licensee owning and managing a post office the most significant volume of mail:
 - we receive each morning is typically bills from various organisations, e.g. electricity, telephone, council rates, fines
 - we send out each day is typically letters to competitions, Christmas cards, confirmations for appointments.
 - Impact of further increases in postage rate
 - Assuming the cost of subsidized social mail pricing (i.e. cost of concession stamps) does not increase too significantly with a generalized increase in the postage rate then it would be our expectation that this would have minimal affect on the volume that is posted out of this post office as most of the outbound mail is sent by customers using concession stamps.
5. Do you expect usage of Australia Post's letter services to change in the next 5 years and why?
 - We expect our communities' demographics to change over the next 5 years, with an increase in younger families as older people (who typically use concession stamps for their postage) retire / move away / move into local aged care facilities.
 - In line with this demographic change it is our expectation that the volume of outbound mail will diminish over time as the older demographic move away and the younger demographic replacing this cohort do not post letters as much.
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?
 - Feedback from our local micro / small businesses in response to preparing this submission is that they make informed decisions on whether their product can be sent as a letter or a parcel.
 - Where possible these businesses are choosing to send their smaller products as a letter. This is based on achieving the same outcome (i.e. delivery of their product to their customers) but at a cheaper rate (i.e. the cost of posting a letter is cheaper than posting a parcel).
 - The most significant feature that impacts on their choice of delivery is the ability to track the letter. This is based on their experience of customers claiming they did not receive the letter containing the product, requesting another order be sent free of charge, and the resulting negative online feedback if the customer's request is rejected. Using tracked letters has demonstrated such claims can be successfully challenged and tend to diminish over time.
 - The dimensions for a large letter is an area of concern. There is a gap in the market between a large letter (maximum width of 20 mm) and a small parcel. In an ideal situation another postal product could be created with the width being wider than 20 mm.

It would be reasonable to , expect an increase in postage above the maximum for a large letter (\$6) but not \$9.70 which is the current price of a small parcel.

- As these businesses are trying to compete with large overseas companies that use drop shipping, the local micro and small businesses are unable to access the significant postage discounts Australia Post offers to companies that post large volumes. This makes their product uneconomical.

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

- The value of priority letter service is not significant to us. The request for this service at this post office is not overwhelming.
- As licensees it places us in a compromising situation. Do we buy in the priority letter stamps knowing this product does not sell well on the rare chance we get a customer who requests this service, or not stock this product and send the customer away to another post office to fulfil their request?
- The greatest demand we experience is for ordinary letters, Tracked or Express letters.

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?

- Letter speed – the speed of letters moving between the point of postage and the post office from where delivery occurs should not be changed.
- Letter frequency of delivery
 - Post Office Boxes – the frequency of letter delivery to PO Boxes needs to continue as it currently is.
 - For licensed post offices the “delivery” of mail into the PO Boxes is typically undertaken by the Post Office itself and is part of the license agreement between Australia Post and licensees.
 - The physical PO Boxes are typically owned by the licensed Post Office. The work associated with the delivery of mail into the PO Boxes is undertaken by the licensee / the staff they employ.
 - The electronic service to run the PO Boxes is provided by Australia Post.
 - Maintaining the current level of service of mail delivery to PO Boxes would increase the “attractiveness” of PO Boxes which would help maintain the ongoing commercial viability of post offices, particularly for those licensed post offices in regional and remote areas.
 - Households – the frequency of letter delivery to households needs to reduce in line with the reduction in mail volume and would assist in reducing the cost to Australia Post.

Parcels and eCommerce

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

- As an independent business relying on commissions to contribute to ensuring our ongoing commercial viability, parcel delivery services are absolutely essential.
- Recent we reviewed the commissions we received from Australia Post for the services we provide to our rural community. This demonstrated:
 - There has been an overall reduction in the commissions received from other services, e.g. BillPay, as fewer customers are paying their bills via BillPay through the post office.
 - There has been an increase in the number of parcels moving through our post office.
 - The commissions paid for the scanning of parcels offset the reduction in the commissions from other services.
 - Without the commissions received for parcel scanning the commercial viability of this post office would be significantly impacted.

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

- Tracking of parcels
 - As the parcel moves through the system ensuring that the parcel is scanned, providing a series of scan events to create a story of:
 - where the parcel has been
 - where the parcel currently is
 - where the parcel is heading
 - when the parcel is likely to arrive at its destination
- The speed the parcel moves through the system from the point of lodgement to delivery
- Notifications – including the capacity to include BOTH the sender and recipients email and / or mobile number
- Cost of postage including MyPost Business discounts reflecting the volume being posted.

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?

- As we are the licensees and undertake the Primary Sort of parcels each morning of parcels that come to our post office the following is based on the feedback from our customers. The features that our customers have consistently commented on is
 - The ability to track their parcel
 - Ease of returns
 - Speed of delivery – we are happy to pay the additional cost of Express Post if we want it faster
 - A reliable postie who is familiar with the routine of delivery
 - Flexibility in collection time
 - To assist our community who are not able to attend the post office during our business hours of 9 a.m. – 5 p.m. Monday to Friday we also provide an “early morning pick up” service that operates from 7 a.m. – 9 a.m. This additional hours of operation are not paid for by Australia Post (i.e. it is voluntary) but in place to support our community.

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

- Packaging
 - Boxes and envelopes
 - Why do these need to be white? This requires an additional process which includes bleaching the raw product.
 - Customers who buy this packaging are not that interested or concerned that the product is white – they are more concerned about its resilience as the package moves through the system
 - Plastic bags
 - The Parcel Post and Express Post satchels can be recycled through the RedCycle system. The question is how many people will separate out this from their rubbish and how many people will take the bags to a local drop off point?
 - The compostable equivalents are a positive step forward, but their reliability is questionable. The result is parcels in compostable bags arrive ripped open as the plastic material fails. This creates additional work for us in the post office dealing with an aggrieved customer.
 - Packaging tape
 - Australia Post supplies licensees with clear packaging tape for free.
 - It is unknown whether this is cellulose-based biodegradable Cellotape or a plastic alternative.
- Electric vehicles – it is encouraging to read that:
 - Team Global Express / Toll is planning on including electric trucks in their fleet. This sets a benchmark that Australia Post could explore.
 - Australia Post is rolling out electric postie trikes. Will this rollout continue with postie vans?

Part 3: Accessibility of services – points of presence

13. How important is the Post Office to individuals, business and communities, including which Post Office services are most valued?

- The services most valued by our community include
 - Personal and business banking
 - The closest bank branch is a 30-minute direct drive. If the customer does not have a car there are 2 buses from our community to the closest towns which have a bank. The buses leave our town between 7 – 9 a.m., returning between 4 – 6 p.m. and take approximately an hour to reach the destination. This is a significant impost for a customer who needs to complete a withdrawal / deposit.
 - Some banks in the nearest town close for a lunch break. This requires customers to plan their day around the opening times of the bank. Our post office is open for 8 hours / day, 5 days per week (9 a.m. - 5 p.m.). We do not close for a lunch break.
 - We have educated our customers that deposits, withdrawals and transfers can be undertaken standing at the same counter, using the same EPOS terminal in successive transactions. This has been a significant time-saver for a number of customers who previously were: travelling to the next town that has the banks (30 – 40 minute one way journey), withdraw money from one account at one bank, walk down the street to the next bank and then deposit the money, and then travelling 30 – 40 minutes back home.
 - Local businesses and clubs complete their banking at our post office. This reduces the risk to them of holding significant amount of cash on their premises. They can also swap cash for coin or withdraw funds in different denominations to top up their float.
 - The ATMS in our community charge a transaction between \$2.85 - \$3 for a balance enquiry or withdrawal. Depending on the account customers can complete the same transaction at the post office for free.
 - Post Office Boxes
 - We have 349 Post Office boxes with over 80% occupancy rate. Associated with these PO Boxes is our Red Door Boxes which provides out-of-hours delivery.
 - These have proven to be popular as they provide: security of mail and parcels (unfortunately we have a high level of illegal activity and crime in our community which includes theft of mail and parcels left in letter boxes and at homes), provides a professional address for businesses and creates “arms-length” between a business and their customers – customers do not have the businesses actual home address.
 - 5 days a week delivery for PO boxes
 - Posting of parcels
 - As previously mentioned we have many micro and small businesses that sell online.
 - Being able to post their parcels through our post office saves them the additional impost of travelling at least 30 minutes to the next community

14. Are other facilities, such as parcel lockers, vending machines, payment terminals or mobile Post Offices, helpful to serve community needs?

- Parcel lockers may be of value in other communities however as the licensee I would be incredibly reluctant to implement these here in our community
 - The commission paid by Australia Post for loading a parcel locker is less than a Post Office box.

- From the position of ensuring the ongoing commercial sustainability of this business it makes no sense to implement Parcel Lockers as we provide the same service through our Red Door PO Boxes.

15. Are there other services Australia Post could provide to better support the community?

- Other state and federal government services include Tax File Numbers, Verification of Identity and Digital ID.
 - Please see the Number 16 below as this is further explored in detail.
 - In the absence of being able to provide these services our community members are required to undertake a 1 hour round trip to complete these applications.

16. For Post Office licensees and agents — tell us the challenges and opportunities from your perspective.

- Identity verification services. This is a significant pain-point for our Post Office. We have applied multiple times to be approved to process passport applications. Each application has been rejected. The justification being that the Australian Passport Office does not want too many Post Offices in an area providing the same service. The dilemma with this decision includes:
 - Approval to process passport applications is a prerequisite to provide Australia Post “Extended Identity Services”
 - “Extended Identity Services” includes: processing Tax File Number applications, Verification of Identity (VOI) on behalf of conveyancing practitioners to enable the customer to purchase, sell or transfer property, create a Digital ID for customers to share their pre-verified identity information with organisations in a secure and encrypted format.
 - We have had multiple requests for these services from our customers, each time we have had to send customers away to another Post Office. Each of these services generates a commission that contributes to keeping our Post Office commercially sustainable. Sending customers away from our rural community increases the likelihood of “economic leakage” from our rural community. While the customer is undertaking the transaction in the Post Office of neighbouring larger community they are more likely to transact other business in that community, e.g. shopping, banking, medical services. This draws business away from our rural community thus making it harder for the other businesses in our community.
 - The pain point of this situation is further enhanced when the closest Post Office that is approved to complete passport applications is 15 minutes away but has not operated for 12 months since the February 2022 floods and most likely will not be fully operational to undertake such transactions for at least another 12 – 18 months. While our Post Office was similarly affected by the same floods, we were fully operational 16 days after the flood. This suite of commission-generating transactions we could have provided to both our and neighbouring communities has been denied to us.
 - The pain point for this situation is:
 - our application to process passport applications has been rejected multiple times as the next post office 15 minutes away has the approval – yet in larger regional centres we are aware of post offices that are closer together are approved to process passport applications,
 - the approval to process passport applications are the “entry portal” to provide Extended Identity Services – the linkage between the two is seemingly driven via the technology used by Australia Post
 - we receive multiple requests from to undertake both types of processes – passport applications and Extended Identity Services – at our post office, only to refer them

onto post offices in larger communities, thus increasing the likelihood of economic leakage.

- the next rural post office that is approved to process passport applications, which is the source of the blockage to our multiple requests to process these applications, has not been able to process this work due to the devastation of the February 2022 flood and reportedly will not be able to undertake this for at least year and potentially longer, thus blocking our access to Extended Identity Services income streams.
- the commissions we would have received by being able to run this suite of processes would have helped contribute to the rebuild we have undertaken because of the devastation we experienced in the February 2022 weather event.

Part 4: Support for Australians with diverse needs

17. How can Australia Post best support the community?

- Australia Post can best support the community by ensuring a strong and viable postal network focused on growing the business.
- Reducing the multiple layers of bureaucracy would assist us in running our business as achieving a relatively simple outcome can be endlessly time-consuming, e.g.
 - Is the Area Manager position superfluous? We have experienced a “revolving door” of acting Area Managers for over 2 years, during which our LPO successfully navigated the pandemic and unprecedented 2022 flood event independently of the Area Manager.
- Continue to invest in the technology LPO’s have access to. If we are on the frontline of delivering services why impair our activity with underperforming and antiquated technology?
- Paying licensees for the work undertaken
 - Payment should reflect the amount of time taken or effort invested to perform the task. For example the Manual Handling surcharge for large parcels is paltry given the number and size of the ever increasing sized parcels moving through the system.
 - Paying AP employees a 6.1% increase whereas LPOs were paid a far smaller increase based on the GRIA is inequitable and inconsistent. Similarly, 8 senior executives receiving \$4.45 million between them, \$24 million paid to 362 employees who were already earning over \$235 thousand dollars each when the CEO offered LPOs \$1000.
 - How does this “best support the community”?
 - The full cost of running an LPO (Return on Expenses), e.g. electricity, insurance, etc, is not reflected in the payments received from Australia Post. This impacts on the ongoing commercial viability of our LPO.
- Ensuring that licensees are genuinely represented on the Australia Post board
 - The average cost of an LPO was recently reported by Barnaby Joyce to parliament at \$1.1 million.
 - Based on the number of LPO’s, licensees collectively have invested over \$3 billion in Australia Post.
 - LPO’s do not have 1 member on the Australia Post board who make decisions that impact upon our ongoing commercial viability.