

Our advocacy team is based in Canberra

Email: 
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Department of Infrastructure
Via email: postalconsultation@infrastructure.gov.au

27 April 2023

Dear Sir/Madam,

Re: Postal Services Modernisation Discussion Paper

Thank you for the opportunity to submit our contribution towards the 2023 Postal Services Modernisation Discussion Paper.

The Council of Small Business Organisations Australia (COSBOA) appreciates the consultation process and the Government's commitment to addressing issues of concern for its members as they relate to access to postal and other services like banking particularly in rural and regional areas where these facilities have already been withdrawn.

On behalf of COSBOA, this submission seeks to highlight key consideration for small business as it relates to accessible, affordable, achievable and manageable postal services.

1. Introduction

1.1 Background

Small businesses are the heartbeat of the Australian economy, employing a significant portion of the workforce and contributing substantially to the nation's GDP. The small business landscape has evolved rapidly as digital technologies change how businesses operate and interact with customers. The current postal services model, designed for letter delivery, is outdated due to the digital revolution. To stay relevant and financially viable, Australia Post must adapt to shifting market demands and small business needs.

Rural and regional small businesses face unique challenges in accessing essential services like postal and banking facilities, often limited or withdrawn in these areas. This disparity intensifies the digital divide and burdens small businesses adapting to the rapidly changing marketplace. Addressing these challenges necessitates a comprehensive approach that considers small businesses' specific needs in these areas while modernising postal services for their long-term viability and success.

1.2 Goal

By providing well-informed recommendations, COSBOA aims to ensure the viability and success of small businesses, particularly in rural and regional areas, while balancing modernisation with the preservation of essential services that small businesses rely on.

Small business seek reliability and availability of AusPost Services.

We also seek to ensure support and viability of the small businesses that provide services to and for AusPost.

Small Business in the future require physical send and receive Parcel/letter services and physical Post Office Services.

2. Executive Summary

COSBOA's submission highlights the importance of accessible, affordable, reliable and efficient postal services for Australian small businesses, particularly in rural and regional areas.

COSBOA aims to support the long-term success and resilience of Australian small businesses in an ever-evolving digital landscape, while preserving essential services in the community.

In preparing this submission COSBOA consulted with a range of stakeholders including:

- Local Post Office Group (LOPG),
- Australian Banking Association (ABA)
- Newsagents Association of NSW and ACT Ltd (NANA)
- Australian Lottery and Newsagents Association (ALNA)
- Rural Business Tasmania (RBT)

2.1 Key recommendations

COSBOA's key recommendations for consideration and development for the Modernisation of the Postal Service are:

1. **Consideration of physical post office presence providing a combination of Postal and other essential services.** within the community hub model in rural and regional Australia to preserve small business services and maintain access to postal, government, utility, energy, communication and banking services.
2. **Ensure Availability of Australia Post Services** to all communities and small businesses, with modernised and innovative methods of service provision.
3. **Consider alternate service delivery models** that ensure continuation of reliable AusPost services.
4. **Digital notification systems and online send and receive request services** enabling Small Business to be notified of letters or parcels not yet delivered and also to enable request for delivery or request for parcel collection.
5. **Invest in small business community hubs** to support small businesses ability to operate and compete in digitally transformative markets, fostering economic and social development in rural, regional, and remote communities.

3. Issues and Recommendations

3.1 Issue 1: Postal and Other Essential Services

This issue addresses the following questions from the discussion paper:

- **Part 1, Question 1:** What services provided by Australia Post are most important to businesses?
- **Part 3, Question 13:** How important is the Post Office to individuals, business and communities, including which Post Office services are most valued.

- **Part 4, Question 17:** How can Australia Post best support the community?

3.1.1 Background

Small businesses, often constrained by limited time and resources, depend on support services such as those provided by their LPO to meet customer needs and expectations. The push for retail consolidation and online management will disproportionately impact rural and regional small businesses, leaving rural communities underserved.

3.1.2 COSBOA's Position

COSBOA members expect postal services and other community services, such as government access and banking, to be maintained, including in rural and regional communities. Small Business needs AusPost to preserve the postal network to support communities across various locations. We are concerned that modernisation may lead to more LPO closures and are committed to influencing decision-makers to preserve essential community services, including postal services.

3.1.4 Recommendation

COSBOA recommends combining AusPost Services through physical presence of LPOs, with other essential services in line with the current community hub model being implemented in rural and regional communities across Australia. To ensure small business survival, postal service modernisation and associated legislative reform should engage with local governments to deliver essential services through community hubs.

Small Business seek for the physical presence of AusPost to be viable and efficient.

COSBOA acknowledges Bank@Post as a contributor in the Community Hub service offering, and its introduction has helped keep many local post offices viable. Furthermore, the provision and maintenance of the Community Hub could form part of the Local Government service obligations.

3.2 Issue 2: Availability of Australia Post Services

This issue addresses the following questions from the discussion paper:

- **Part 1, Question 2:** What does Australia need in a modern postal service?
- **Part 2, Question 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?
- **Part 2, Question 9:** How important are parcel delivery services to your business?

3.2.1 Background

The availability of Australia Post services is a crucial issue for small businesses because efficient and reliable postal services directly impact their ability to serve customers, maintain supply chains, and grow their businesses. As e-commerce continues to expand, small businesses depend on accessible and affordable parcel delivery services to fulfill customer orders and meet the expectations of the rapidly changing marketplace.

3.2.2 COSBOA's Position

COSBOA is concerned about how changes to the postal service will affect small business' ability to meet consumer demands, particularly regarding parcel delivery, and the potential impacts on small business survival.

3.2.3 Recommendation

As long as Australia Post continues to provide a priority five-day delivery to Post Office Boxes at LPOs and/or Community Hubs, COSBOA supports a decrease in street mail delivery of standard mail to metro and regional areas. Whilst a decrease in the frequency of street mail delivery is not ideal, COSBOA recognises the financial challenges inherent in Australia Posts service delivery requirements.

Options for premium Express Post services or more regular delivery should remain on offer.

Any reduction in location delivery services must be supported by enhanced digital notification services: if the parcel/letter is not being delivered to the location but is delivered to a Hub the recipient should be notified, allowing collection or request for a “out-of-schedule” delivery service.

3.3 Issue 3: Small Business Community Hubs

This issue addresses the following questions from the discussion paper:

- **Part 2, Question 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?

3.3.1 Background

As online shopping, banking, and other digital services grow, small businesses strive to keep up with technological changes and enhance their digital sales capabilities. Consequently, sending letters has become less prevalent, with digital communication increasingly becoming the preferred method.

3.3.2 COSBOA's Position

COSBOA recognises that small businesses need more support and resources to stay abreast of technological changes and remain competitive in dynamic markets.

3.3.4 Recommendations

COSBOA believes that investing in small businesses' ability to operate and compete in digitally transformative markets, including modernised postal services, will result in tangible economic and social development benefits, particularly in rural, regional, and remote communities. Investment in the proposed Community Hubs will further support small businesses and has the potential to set a new standard for micro market players. This investment will also formalise the pivotal economic and social roles small businesses play in rural and regional communities.

4. Conclusion

In conclusion, the modernisation of postal services is of vital importance to the Australian small business community. As the backbone of the nation's economy, small businesses rely on accessible and efficient postal services to operate effectively, particularly in rural, regional, and remote areas.

Small business require continuation of AusPost services in a modern provision of physical AusPost locations, send and receive service of letters/parcels to business locations and digitally enabled interactions, especially if there is any reduction in availability of delivery service.

To ensure the sustainability and success of these businesses, it is crucial to engage in a collaborative approach that engages local governments, Australia Post, and the small business community in implementing solutions that embraces modernisation with the preservation of essential services. By adopting these recommendations, we can ensure that the postal service remains a cornerstone of Australian small businesses and communities, supporting their long-term success and resilience in an ever-evolving digital landscape.

Yours sincerely,



Matthew Addison

Chair of the Board

Council of Small Business Organisations Australia (COSBOA)

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