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Incorporated in 1931 by an Act of NSW Parliament  
Constituent Society of the Associated Country Women of the World  
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### **Response to the Consultation: Postal Services Modernisation**

The Country Women's Association (CWA) of New South Wales (NSW) is the State's largest rural issues advocacy group with well over 8000 members and close to 400 branches across NSW. There is no other member-based organisation that has the breadth and depth of membership on matters affecting country people. Our policy positions and prioritised advocacy areas are determined by our grassroots members, via a democratic process.

CWA of NSW advocates for positive action on a range of issues that impact the lives of women, children and families throughout NSW and welcomes the opportunity to provide feedback to the **Consultation on Postal Services Modernisation** (the Consultation).

### **SUMMARY OF KEY MESSAGES**

CWA of NSW provides the following summary — drawn from member responses to consultation questions — in the interest of improving postal services in rural, regional, and remote Australia.

- Australia Post should remain in full government ownership.
- Australia Post is an essential part of the infrastructure of rural, regional, and remote communities with the local post offices being an essential part of the social and economic fabric of these communities.
- As letter volumes decline, the maintenance of the service must be prioritised over frequency of delivery.
- The Australia Post parcel delivery service in rural, regional, and remote communities is vital as Australia Post is most often the only service provider in these areas.
- Australia post office licensees and agents must receive appropriate remuneration so that services can be maintained.

- Government should maintain existing Customer Service Obligations and Performance Standards and explore the extension of these into other areas of Australia Post business such as parcel delivery, government service delivery and financial services.
- Government should maintain and where practicable extend the range of services (finance, insurance, government, ID and Document services, retail sales) Australia Post provides in rural, regional, and remote communities alongside its letter and parcel delivery services. These services are regarded as vitally important, and Australia Post is often the only provider of these services in these locations.

## **COUNTRY WOMEN'S ASSOCIATION (CWA) OF NSW**

The Country Women's Association (CWA) is the largest rural women's organisation in Australia. It aims to improve conditions for country women and children. The CWA does this by advocating for its members, helping local communities, creating a network of support, and meeting together in towns and cities across Australia.

CWA of NSW has thousands of grassroots members and hundreds of branches across NSW. Our members have a strong interest in policy decisions that affect communities, families and country people and can be viewed as an important stakeholder of government at both state and national levels. A key aim of the CWA of NSW is to improve the conditions of families especially in country areas, as well as enhancing the value of country living.

In this submission, CWA of NSW will focus on the unique insight that members living, working, and supporting communities throughout rural, regional, and remote NSW can bring to this issue. The submission draws on the results of a survey conducted by the CWA of NSW State Office in April 2023 inviting members to respond to the questions included in the 2023 Discussion Paper *Postal Services Modernisation*: prepared by the Department of Infrastructure, Transport, Regional Development, Communications, and the Arts.

### **CWA OF NSW POLICY AND ADVOCACY**

That the policy of CWA of NSW shall be to:

- *advocate for a more efficient postal delivery service from Australia Post; and,*
- *lobby the Federal Government for an ongoing customer-focused review of the effectiveness and affordability of all postage services.*

CWA of NSW has a long and strong history of advocating to Government on issues impacting the Postal Services in Australia particularly for rural, regional, and remote customers having prepared submissions to previous Inquiries including the *Senate Environment and Communications Legislation Committee Inquiry into the Performance, importance and role of Australia Post in Australian communities and its operations in relation to licensed post offices 2013*.

In its response to the 2013 Inquiry CWA of NSW's observations were prescient given the current discussion and consultation. In its submission CWA of NSW noted:

*Usage of the services Australia Post offers in Australian communities has changed in recent years, with greater use of technology - the internet, emails, and online banking. Letters are used less often to communicate than in the past - replaced by email, Skype, video and teleconferencing and mobile phone calls and texts.*

*Australia Post is not any less important even though usage of its services has changed, especially in regional and remote areas – its parcel delivery service is needed more than ever because of the increase in the use of online shopping. In cities, couriers can be used for speedy delivery of goods purchased – in other places; the medium of delivery is still Australia Post.*

*The challenges Australia Post faces in the future will involve maintaining services in regional and especially in remote areas, while trying to remain cost effective.<sup>1</sup>*

CWA of NSW strongly supports Australia Post remaining a Government owned business entity and strongly supports the maintenance of legislated obligations set out in section 27 of the Australian Postal Corporation Act 1989 to provide services to rural, regional, and remote communities. CWA of NSW supports the underlying intention of these obligations to ensure that all Australian communities have equal access to services at the same price across both metropolitan areas and rural, regional, or remote locations. It also supports the performance standards that underpin these obligations particularly with respect to the location of physical Post Offices.

In 2016 Australia Post introduced reforms to its letter service intended to enable it to make significant savings in handling mail. These savings were intended to make the universal mail service more sustainable in the face of declining letter volumes. It resulted in regular mail being delivered up to two days slower while maintaining the priority mail timetable. These delays were particularly hard felt in rural, regional, and remote areas.

At its 2017 State Conference CWA of NSW members agreed on policy focused on *advocating for a more efficient postal delivery service from Australia Post* urging government to review and seriously consider any measures that may be taken to improve service standards from Australia Post into the future.

In 2020 and as a response to the impact of COVID-19 on Australia Post, the then Minister temporarily approved the varying of CSO Performance Standards to allow Australia Post to reduce letter deliveries to every second day in metropolitan areas, extend the required delivery time for intrastate letters to five days and remove the priority mail letter product. The *Australia Post Community Service Obligations Annual reporting 2021-22* indicates a progressive return to five day a week letter delivery (following the expiry on 30 June 2021 of Temporary Regulatory Relief).

There were no changes to letter delivery frequency in rural and remote locations or to over-the-counter transactions at Post Offices in all locations however CWA of NSW members reported a drop and, in some areas, a total removal in the provision of service in rural, regional, and remote locations, potentially a result of the ongoing impacts of COVID-19 on workforce and supply chains.

The CWA of NSW welcomed the 2018, Australia Post commissioned Deloitte report into Australia Post's contribution to the economic and social health of rural, regional, and remote Australian communities.

This report showed that Australia Post is an important economic institution in these communities providing over 10 000 full time jobs and facilitating over \$800 million in business activity. The report also recognised the social value of Australia Post in building strong rural, regional, and remote communities with 75% of Australians seeing post offices as a trusted and valued part of their community that connects families, friends and communities as well as being an essential part of our national infrastructure — having operated with a minimum of disruption during the COVID-19 pandemic and other recent natural disasters.

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<sup>1</sup> CWA submission to *Senate Environment and Communications Legislation Committee Inquiry into the Performance, importance and role of Australia Post in Australian communities and its operations in relation to licensed post offices 2013.*

*Despite the perception that Australia Post's relevance is declining in an increasingly digital age, this report finds that it continues to play an important economic and social role. This is not simply about letter revenue being replaced by parcel revenue, but also the role of Australia Post's retail network of post offices in local communities. For many Australians, Australia Post and its retail network are synonymous – people use the network for delivery, financial and other services, and even if they do not frequently visit the post office, its existence is valued for equity and access considerations.<sup>2</sup>*

As highlighted by Deloitte and others, CWA acknowledges that decisions regarding Australia Post Community Service Obligations will need to respond to customer trends in the use of mail and parcel delivery services. It would argue however that these CSO's should continue in rural, regional, and remote locations and in addition that this review may also provide the opportunity to consider revising and extending these to include a range of other services provided — for example the provision of financial services.<sup>3</sup>

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

In response to this question CWA of NSW member responses referred to the following categories of service as essential to them:

- Home delivery of letters, parcels, and subscription materials.
- Parcel sending and pick up.
- In-person services offered at Australia Post offices (all variants) including stamps, passport application, foreign currency/ money transfer, Bill Payment, Banking transactions.
- Retail sales (specifically mentioned) Stationery, Cards, USB's, Computers and accessories, Phones and accessories, Sim Card purchase and top-up.

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

In response to this question CWA of NSW members referred to

- The importance of a universal, efficient, and secure letter delivery service as being extremely important recognising that digital connectivity and digital literacy can be an issue for some in rural, regional, and remote communities. Approximately half of respondents indicated that delivery times and frequency should be 'reasonable', with three days a week being the most frequently referenced schedule, while the other half of respondents indicated that delivery to rural, regional, and remote communities should be faster and more frequent.
- The importance of a universal, efficient, and cost-effective parcel delivery service to support rural, regional, and remote businesses and the projected increase in online retail and sales. Respondents insisted that the service should be agile and open to exploring alternative methods of parcel delivery (i.e., drones, electric vehicles) to reduce carbon emissions associated with vehicle-based deliveries.
- The development of a reliable letter and parcel tracking service that provides accurate up-to-date communication to senders and receivers.
- A service that is flexible and able to adapt to provide services across the spectrum of customers including those they don't have internet or mobile phone access.
- A service that has a physical presence in rural, regional, and remote locations via a network of Australia Post offices located within community (based on CSO locational performance standard).

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<sup>2</sup> Deloitte Access Economics (2018). Economic and social value of Australia Post. Deloitte Access Economics.

<sup>3</sup> The changing nature of community service obligations in the postal sector and the future of Australia Post Malcolm Abbott and Bruce Cohen Agenda, Volume 27 – Number 1, 2020, edited by William Coleman, published 2020 by ANU Press, The Australian National University, Canberra, Australia.

### **3. Do you agree with the potential benefits? Are there additional benefits from your perspective? (G refers to list)**

- Responses to this question resulted in a single word response either in the affirmative or negative. Most respondents agreed with the potential benefits identified. The few substantive responses were not strictly benefits and were better placed and were included as responses to other questions.

### **4. How important is the ability to send or receive a letter and what would be the impact of further increases in postage rates?**

In response to this question CWA of NSW member responses referred to:

- The importance of ensuring that the letter delivery service is accessible and affordable to those who do not have access to reliable digital services, or the required skills to use these services.
- The importance of ensuring that the letter delivery services is accessible and affordable (if required through subsidy) to groups including those with a disability, older Australians, and the financially disadvantaged.
- The impact on letter volumes and therefore financial viability of the letter service if business reduce letter volumes in response to postage rate increases.
- The importance of ensuring that letter delivery services remain accessible and affordable for not-for-profit organisations, such as the CWA of NSW, so that they can continue to provide services to all members in rural, regional, and remote communities.
- The potential of increasing letter postage rates as adversely impacting current cost of living pressures.
- While not within the scope of this question a significant number of respondents took the opportunity to comment on the 'high' cost of parcel delivery.

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

In response to this question CWA of NSW member responses referred to:

- An almost universal acceptance that letter volumes will continue to decline as access, affordability and reliability of digital technology improves and more of the Australian population has access to services facilitated by this technology. Many respondents highlighted that there remains a lack of awareness and understanding in the general population about the paucity and reliability of digital connectivity in many rural, regional, and remote communities. It is imperative that these issues are addressed as soon as possible.
- A recognition that with declining letter volumes there will be a reduction of service and that without the maintenance of Community Service Obligations and Performance Standards it would be rural, regional, and remote areas that would experience these cuts first given the high cost of servicing these communities.
- While not within scope of this question respondents speculated that as letter volumes decline, parcel volumes will increase as the delivery of business and retail services facilitated by digital technologies become less tethered to physical locations.

## **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?**

In response to this question CWA of NSW member responses referred to:

- The intent or purpose of a communication as determining the format in which it would be sent. Given the ubiquitous use of email and other digital forms of communication, it is sometimes more impactful to send a letter.
- CWA of NSW preferences digital communication where possible, due to speed and cost. However, letters are sent to members without email addresses, or when enclosing membership cards and other non-digital items.
- Cost, efficiency of the service (speed), and security of the item (tracking) as the primary reasons for choosing to send letters.
- To reach the widest audience for the purpose of voting (association governance) or donations (drought, flood, fire relief) multiple formats of communication will be used to reach the largest audience.

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

In response to this question CWA of NSW members referred to:

- The use of the priority service to ensure speed of delivery. The service was seen to be useful and accessed when needing to send something quickly.
- An appreciation of the service as an alternative for those who do not have access to digital communication and for those who live in more isolated rural, regional, and remote areas.
- The service being of little value in some rural, regional, remote locations with limited delivery schedules. These respondents indicated that with twice weekly delivery priority letter service items are included in the same delivery schedules.

## **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?**

CWA of NSW members responded to this question as follows:

- Approximately half of the responders said that the speed and frequency of delivery should not change in response to the expected decline in volume. This group of responders pointed out that lower letter volumes should mean reduced processing times and delivery times.
- Approximately a quarter of responders recognised that a decline in volume would potentially have an impact on speed and frequency of delivery. These responders reluctantly accepted what they described as an inevitable consequence. Representative of these respondents was the comments: *“I think changing the frequency is a reasonable response decreasing volume of letters.”*, *“I think households could survive on a reduced delivery schedule”*.
- Approximately a quarter of responder recognized the constraints that reduced letter volumes would have on revenue and emphasized that maintenance of the service was paramount and that the speed and frequency of delivery could be adjusted to align with income. Service in terms of these respondents meant equitable metropolitan, rural, regional, and remote. *“There needs to be greater efficiency in delivering rural and remote mail. For some the nearest post office is over 80kms away.”*
- One respondent offered a revision of the Priority Service by way of a solution to overcome those who require speed and frequency at specific times: *“Perhaps an ‘express’ courier service for*

*urgent matters (delivery of legal papers, renewed passports etc.) but then a less frequent standard delivery.”*

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

CWA of NSW members responded to this question as follows:

- Over half of the responders to this question said that parcel delivery services are very Important, and a further quarter said that parcel delivery services are moderately important.
- Parcel Delivery services were deemed vital for the CWA of NSW state office in providing services to members and the public. Approximately 90% of all sales are delivered direct to customers using Australia Post parcel delivery services.
- Agricultural businesses rely on parcel delivery services to access a range of services required to undertake business as well as deliver services and products arising from their business.
- While not within scope of this question, several respondents commented that prompt reliable parcel delivery services were extremely important for personal shopping for those living in rural, regional, and remote locations.

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

CWA of NSW members responded to this question as follows:

- The most common features that mattered to respondents: Cost, Efficiency of the service (speed), Ease (delivery door to door), Care (goods received in good condition), and security of the item (tracking).
- A few respondents referred to the importance of being able to access services whereby they can send parcels locally, interstate, and overseas.
- A few respondents referred to the importance of being able to access and purchase appropriate parcel packaging material (e.g., Australia Post Packs), including bulk purchase of post packs.

## **11. As someone that receives parcels — what features of parcel services for you value most — for example, speed of delivery, time of delivery, convenience of collection, ability to track the item and ease of returns policy?**

CWA of NSW members responded to this question as follows:

- The highest proportion of respondents (approximately one third) indicated that that all the listed features were valued.
- The singular feature valued most highly by respondents was speed of delivery. Approximately one third of respondents valued speed alone or in combination with tracking and or convenience.
- The ability to track an item through the delivery process and from the recipient’s point of view the notification of expected delivery times, were highly valued features. Parcel tracking for returns was also highlighted as a valuable feature.
- Delivery convenience either directly to the door or for pick up were noted by several respondents as valued features.
- Although parcel returns policy is determined by the vendor, a small number of respondents commented on the ease of the process enabled by Australia Post.



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

CWA of NSW members responded to this question highlighting the following areas:

- Packaging was the most common factor identified by respondents as an issue with responses focused on reducing the amount of packaging used, removing plastics from the packaging mix, using recyclable or compostable packaging and provision of options for package disposal.
- Reducing vehicle carbon emissions was the second most frequently referenced factor with responses focused on both the service side (electric delivery vehicles, consolidate delivery schedules) and the consumer side (buying local, collecting single parcels from post office rather than requiring delivery to the home — particularly in remote and isolated locations)
- A minority of respondents did not rate environmental sustainability as an issue or believed that it was already being addressed through current practices such as the reduction in letter delivery service schedules and the use of bikes for postal delivery.

## **13. How important is the post office to individuals, businesses, and communities, including which post office services are most valued?**

CWA of NSW members responded to this question as follows:

- Most respondents rated the post office as extremely important as an anchor to the community and for the services provided. The following reflected the sentiment of the majority: *“You only have to look at the queue in a post office at certain times of the day to realise how important the Post Office is for all of the services they provide.”*
- Most rural, regional, and remote respondents highlighted the importance of the essential services in addition to letter and parcel delivery and pick-up services provided by post offices including banking and other financial services, passports, ID & Document services, bill payment, and the retail store.

## **14. Are other facilities, such as parcel lockers, vending machines, payment terminals, or mobile post offices, helpful to service community needs?**

CWA of NSW members responded to this question as follows:

- Most respondents seemed to feel that they were being asked the value of these services if the post office was to be removed and so responses focused on retaining post offices in rural, regional, and remote communities.
- A small number of respondents suggested that the provision and value of the services referenced (parcel lockers, vending machines, and payment terminals) would be dependent on the needs of the community and may be only a partial solution to the community's needs. Some rural, regional, and remote locations in which they might be offered do not have the digital connectivity to ensure reliable services.
- A small number of respondents were ‘intrigued’ by the concept of a mobile Post Office and thought that if it provided a good suite of services and provided a regular service the concept of a Mobile Post could be extremely valuable service to smaller rural, regional, and remote communities.



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

CWA of NSW members responded to this question as follows:

- Most respondents said that maintaining a local Post Office and the services it provides in rural, regional, and remote communities should be the highest priority. The more ambitious of those respondents suggested enhancements to trading of those Post Offices dependent on their current level of service. These suggestions included maintaining a regular opening schedule, increasing the hours of operation, Saturday opening (for rural workers travelling to town).
- Many individual service suggestions not falling into discrete categories included: self-service photocopying, community noticeboard, Justice of the Peace.

## **16. For post office licensees and agents —tell us the challenges and opportunities from your perspective.**

Responses to this question by CWA of NSW members are as community members and not post-office licensees or agents. Only a few responses were received as follows:

- Post offices provide a wider range of services for the local communities and to deliver these services with consistency they need access to appropriate staff training, and essential infrastructure including reliable internet services to do so.
- Making a profit. Getting staff. Dealing with natural disasters
- The challenge for agents is that they work hard and can't afford staff as the margin isn't large enough for them.
- Recruiting and retaining staff who are reliable & trustworthy.

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

CWA of NSW members responded to this question as follows:

- Most respondents said that the best support that Australia Post could provide rural, regional, and remote communities was remaining in community and maintaining services. A few respondents went further adding that Australia Post should listen to the needs of all its customers and recognise that those in rural, regional, and remote areas have needs equal to or greater than those in urban areas and cities.
- A smaller number of respondents were more ambitious suggesting that Australia Post should take advantage of their unique footprint of post offices within rural, regional, and remote Australian communities to extend the number and type of services they offer to support the social and economic potential of these communities.