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Director, Postal Policy
Department of Infrastructure, Transport, Regional Development,
Communications and the Arts
GPO Box 2154
CANBERRA ACT 2601

Via email: postalconsultation@infrastructure.gov.au

Dear ██████████,

Re: Postal Modernisation - Discussion Paper

eBay Australia welcomes the opportunity to respond to the Department of Infrastructure, Transport, Regional Development, Communications and the Arts (“the Department”) discussion paper on postal modernisation (“the Paper”). eBay appreciates the drivers behind this review and strongly supports measures to ensure Australian businesses and consumers can access a postal service that is strategically focussed and reflective of both modern business needs and consumer expectations.

About eBay Australia

For more than 25 years, eBay has enabled commerce and economic opportunity for individuals, entrepreneurs, businesses and organisations of all sizes. Globally, there are more than 1.7-billion listings on eBay sites and 133-million active consumers.

Operating in Australia for more than 20 years, eBay is Australia’s largest third party online marketplace. Each month millions of Australians visit ebay.com.au.

Our role as a marketplace is to facilitate a safe and trusted way for businesses and consumers to transact with confidence. While responsibility for listing on our platform remains with the individual or business that originally listed an item for sale, we support sellers and consumers with a range of services, guarantees and feedback opportunities to ensure transactions can be undertaken safely.

Providing businesses with clear shipping options and consumers with an efficient means to receive goods with consistent and accurate information on a package’s postage journey is critical. For both eBay specifically and eCommerce generally, a reliable and modern postal service is central to ensuring consumers and businesses can transact with confidence online.

With Australia Post managing around 70% of all business to consumer parcel deliveries in Australia, ensuring its responsibilities, functions, obligations and strategies are aligned to the needs of modern Australian businesses and consumers is essential.

In summary we support measures that would:

- **Recognise** the important role Australia Post plays in ensuring small and medium enterprises can compete and grow
- **Maintain** access for all Australians to postal services (including those in regional and remote areas)
- **Reflect** consistent and projected postal demand changes by permanently reducing the frequency of letter delivery
- **Refocus** Australia Post on parcel delivery with work practices, systems and strategies to meet ongoing increases in demand
- **Modernise** postal product offerings to ensure all products utilised in eCommerce are able to be tracked across the postal supply chain
- **Provide** information across the online retail industry on delivery information, service interruptions and sustainability
- **Invest** in infrastructure to ensure a world class and seamless delivery experience for business and consumers.

We provide further detail on this in our response to key aspects of the discussion paper below.

Postal services and modernisation benefits

The pandemic period and its associated lockdowns saw the rapid adoption of digital services and products across Australian industry. No more was this transformation more apparent than within online retail. According to NAB's Online Retail Index,¹ in 2018 the growth rate of online sales was close to 30 per cent. During the 2020 lockdowns, this surged to over 60 per cent.

With consumers forced to stay at home and businesses needing to develop new ways to operate online, demands on postal and logistic services spiked. In recognition of the significant supply stress being placed on postal services, temporary measures were introduced to allow Australia Post to pivot away from letter delivery to focus on parcel demand. These measures included changes to letter delivery frequency in metropolitan areas, the suspension of the Priority letters service and an extension to the maximum delivery time for regular intrastate letters. The temporal nature of these measures saw them lapse on 30 June 2021.

While demand has moderated, what was apparent during the pandemic period is still obvious now. Allowing postal services to be constrained by obligations that fail to reflect the demand and needs of modern Australian businesses and consumers makes no sense and should be addressed as a priority.

¹ <https://business.nab.com.au/tag/online-retail-sales-index>

With email, text messaging, and other forms of electronic communication largely replacing traditional letters (with the vast volume of letters sent today “corporate mail”) examining how Australia Post can better meet the needs of consumers (both business and individuals is essential).

The benefits outlined in the discussion paper are acknowledged and accepted. We wish to emphasise however the following benefits of modernising these services.

Parcels

We strongly endorse increasing the frequency and reliability of parcel delivery. Consumers should have greater levels of control on where and when a parcel is delivered with information provided to them consistently throughout the delivery journey. Control should include a sufficient opportunity for consumers to change locations for parcels to be delivered during the process of delivery if required.

Further to the identified benefits, further benefits should be realised by Australia Post developing new parcel products. With smaller items there is a need to ensure these items can be delivered via an appropriately sized parcel product. Focus should be on the development of a 250g parcel product which is a clear gap in Australia Post’s current offerings.

Business Consumers

We support investments in new parcel facilities and technologies to enable more businesses to operate online.

Beyond this however, with thousands of businesses operating on eBay taking advantage of the convenience of negotiated rates of eBay shipping labels, it’s critical that investments to support business also includes ensuring all products available to send products can be shared via API.

We note that presently Australia Post offers a tracked letter product however this can only be purchased as a prepaid product. Improving access to this option by providing an API solution will not only benefit the thousands of small businesses selling on eBay but Australian consumers who will be better able to monitor the delivery of items via tracking.

Since our founding, eBay has provided a fertile ground for both established businesses and for individuals to sell online. Our recent [eBay State of Collectibles Report](#)² demonstrates how many Australians who have sold casually on eBay have turned their passion into a full time business. Investment to support business consumers should focus on means to both help established businesses as well as newer entrepreneurs utilise postal services to grow their business online.

Environmental Sustainability

We note and support the proposed benefits identified in the discussion paper such as the replacement of Australia Post’s vehicle fleet to safer and more sustainable models.

² See <https://static.ebayinc.com/assets/Uploads/PressRoom/Local/eBay-State-Of-Collectibles.pdf>

While this is important, as a key input to eCommerce, it's critical that Australia Post also share information to assist the wider industry and consumers monitor and take action to reduce emissions.

For eCommerce activity, many Scope 3 emissions are controlled by the shipping or logistics service that a business may utilise. Similarly a consumer, when selecting a shipping option, is largely unaware of the potential carbon impact of how they choose to ship an item.

We note the Treasury is currently consulting on a framework for Australian businesses to report on climate related risks³. As a Corporate Commonwealth Entity, Australia Post should look to lead in its reporting on the climate impact of its various services. This would allow businesses to adequately measure the climate impact of their operations and for consumers to be provided with choice when assessing a shipping option.

Essential Service

Beyond the benefits we have mentioned above, any modernisation effort of Australia Post should recognise its position as an essential service for Australian consumers and business. As the pandemic demonstrated, access to postal services was critical to the survival of Australian businesses and in ensuring consumers could access the goods they need and want.

Providing Australia Post with flexibility to compete in parcel delivery and deliver consistent return on investment, will ensure it can support all businesses compete online regardless of the way they look to serve customers.

Delivery services

As we have noted above, eBay strongly supports modifications to Australia Post's delivery obligations to better reflect current and projected trends in demand for parcel services. With indications in the discussion paper that less than 3 per cent of letter volumes are being sent by consumers and that households receive one-third of the letters they once did, it is appropriate for changes to be made.

eBay supports appropriate changes to letter pricing arrangements to better reflect the costs of the letters service. As we have indicated, we encourage consideration of new parcel products (for example a 250g parcel solution) to support the adoption of parcels for smaller items which ensures such items are better managed and tracked for consumers.

We support reduced frequency in letter delivery, but believe this should be matched in greater flexibility to deliver parcels - particularly in periods of peak eCommerce demand.

Parcel delivery is absolutely critical to eBay and the thousands of Australian businesses that utilise our marketplace as a channel to market. Providing further collection points for both business and consumers should be a priority for Australia Post. Red carpet services within post

³ See <https://treasury.gov.au/consultation/c2022-314397>

offices (or collection hubs) for higher volume users and an expansion of collection options for consumers to have parcels delivered at a location most convenient are supported initiatives.

Accessibility of services

Both consumers and businesses value having services that are accessible, convenient and enable them to complete a range of tasks. While both registered and licenced post offices will continue to play an important role in providing access to postal services across Australia (particularly in regional and remote Australia), offering services such as smart parcel lockers in locations more convenient to consumers (for example near transport nodes, within service stations, banks or supermarkets) can greatly assist in the logistics task of post and ensure goods are safely and securely received.

Furthermore, as noted earlier in our submission, with sustainability an increasing focus for consumers, providing options where consumers can pick up items from a central node or hub can have sustainability benefits (especially where pick up is undertaken on foot or in combination with other activity that requires transport e.g. shopping).

Support communities impacted by natural disaster

Beyond the pandemic, the important role postal services have played in responding and recovering from natural disasters across Australia is acknowledged.

During periods of bushfires and floods, eBay worked closely to update service metrics and information to both sellers and buyers in impacted communities. We note the example provided within the discussion paper of mobile postal services being deployed following the 2022 Lismore Floods. It's critical that in supporting these communities clear and accurate information across the eCommerce supply chain is offered to ensure consumers and business are both supported and kept up to date. We encourage the review process examining ways to ensure that information can be shared quickly when natural disasters impact on service delivery. Opportunities to collaborate to support communities recover from disaster are also encouraged.

We thank you again for the opportunity to raise these matters. If you wish to discuss these matters further, please feel free to contact the writer via [REDACTED]

Yours sincerely,

[REDACTED]

[REDACTED]

eBay Australia and New Zealand