

27 April 2023

Director  
Postal Policy- Communications Services &  
Consumer Division, Department of Infrastructure, Transport,  
Regional Development, Communications & The Arts  
GPO Box 2154  
CANBERRA ACT 2601

Dear Director,

Thank you for the opportunity to respond to the Postal Services Modernisation submission, we request that our input into the review remains confidential.

As a large stakeholder in the processing of essential mail and customer communications in Australia, Fujifilm has concerns with the proposal to reduce the frequency of days that physical mail will be delivered into people's letter boxes and with further price increases.

Whilst we understand and appreciate that there are economic challenges facing the postal service, our view is that Australia Post provides an essential service to the Australian community and any reductions in the level of service provided to the community needs to consider the social impacts and not only the financial situation of Australia Post.

However, if daily deliveries are no longer economically viable and lack community support, our recommendation is to move to a reduced number of days but to fix the days of delivery e.g. Tuesday, Thursday and Friday, this will minimise the impact on that section of the community that relies solely on physical mail delivery as their only personalised communication channel from government, financial and community organisations and other service providers. A fixed schedule will help to mitigate the consumer impact, e.g., fewer days to pay their bills.

In addition, our recommendation to Australia Post is for greater promotion of physical mail as a trusted form of communication, especially in times where cybersecurity threats and scams are at an all-time high and where a section of people trust the physical letter over digital communications. Australia Post should provide incentives to organisations who use physical mail as a means of communication, whether they are first-time or large-volume users, and encourage a greater level of mail aggregation and postal route sorting and line hauling to destinations to reduce Australia Post's costs.

Some form of commitment to pricing certainty is also important, the historical ad hoc price rises have caused the channel to lose support.

Finally, we recommend communication and collaboration with key stakeholders (not just on the eve of an increase) to help work through challenges and to ensure the delivery of letters remains a viable option for all concerned.

Responses to 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 to allow Australia Post to fully recover the full efficient cost of providing the letters service?*

It is important to maintain a physical paper communication method, a section of the Australian community, especially the more vulnerable, choose this channel over all others. Ongoing price increases will encourage organisations to intensify their strategy to remove this channel from their mix, which in turn will accelerate its demise, having an adverse flow-on effect to people and communities Australia wide and internationally.

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

We expect ongoing decline due to the changing mix of consumer preferences towards physical channels (with a section primarily of older consumers in our community preferring physical mail) and strategies from mail generators to reduce costs and drive their customers to lower-cost channels, this will increase the speed of decline in the use of physical mail delivery.

*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?*

Businesses main considerations are price, the security of information, deliverability, open rates and the response rate of the communications, also to support the channel of choice of their customer.

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

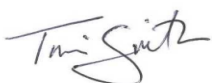
We believe the priority service provides our customers with an option to pay a premium to receive a faster service, which appears to be well suited for community announcements, marketing, payments and cash flow.

*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?*

Frequency reductions will impact cashflow for many organisations with essential communication requirements, such as bills. We believe greater consultation is required with key stakeholders to discuss the service level in conjunction with frequency, this will ensure continued viability of the channel; and one that the community and organisations will continue to support.

Once again, thank you for the opportunity to provide feedback and we look forward to meeting and discussing these important strategies in the near future.

Sincerely,



Tim Smith  
Executive General Manager, Sales & Marketing – Asia Pacific

