



Every Queensland  
community deserves  
to be a liveable one

# Amending the Australian Postal Corporation (Performance Standards) Regulations 2019

Submission to Commonwealth Department of  
Infrastructure, Transport, Regional Development,  
Communications and the Arts

29 February 2024

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## About the Local Government Association of Queensland (LGAQ)

The Local Government Association of Queensland (LGAQ) is the peak body for local government in Queensland. It is a not-for-profit association established solely to serve councils and their needs. The LGAQ has been advising, supporting, and representing local councils since 1896, enabling them to improve their operations and strengthen relationships with their communities.

The LGAQ does this by connecting councils to people and places; supporting their drive to innovate and improve service delivery through smart services and sustainable solutions; and providing them with the means to achieve community, professional and political excellence.

# Amending the Australian Postal Corporation (Performance Standards) Regulations 2019

## Executive Summary

The LGAQ welcomes the opportunity to provide feedback to the Commonwealth Department of Infrastructure, Transport, Regional Development, Communications and the Arts on exposure draft amendments to the Australian Postal Corporation (Performance Standards) Regulations 2019 (exposure draft Regulations).

As the LGAQ outlined in our submission to the Postal Services Modernisation review in April 2023, the broad range of Australia Post services that are provided in regional communities are critical to maintaining the liveability of those communities.

Over its now 215-year history, Australia Post has continued to evolve to meet the demands of its customers. While methods of communication have changed significantly from telegrams and written correspondence (letters) to a wide range of digital communications, Australia Post's service capability has always moved with it.

From the iconic red and white Australia Post logo to the colloquial term of 'postie', Australians rely on and look forward to mail deliveries for important news, letters from loved ones and critical items of supply. This is particularly the case in Queensland where communities are separated by hundreds of kilometres in rural and remote, and discrete First Nations areas.

Living, working, studying and conducting business in rural, remote and regional Queensland has unique opportunities and challenges. Yet some of these communities are the biggest economic contributors to Australia's economy through mining and agriculture. These communities deserve to be liveable ones. No community should be left behind because of their postcode.

The LGAQ notes the changes included in the exposure draft Regulations, specifically:

- the frequency of regular letter delivery will be reduced from every business day to every second business day in 98 per cent of locations, to support the daily delivery of parcels;
- delivery timeframes for regular letters will be relaxed by one day;
- Australia Post will be able to change the way it manages priority mail, so it can deliver services at a more commercial rate, and work with customers to set appropriate terms and conditions; and
- the geographical classification of Australia Post retail outlets will be updated to reflect the modern Australian Statistical Standards Geography Standard Remoteness Areas, rather than the outdated 1991 Census currently used.

Of significant interest is the proposal to update the geographical classification of Australia Post retail outlets. The discussion paper released in 2023 noted that:

*“Australia Post maintains a network of 4,310 Post Offices, with 2,513 in rural and remote areas. This exceeds the regulated minimum of 4,000 with at least 2,500 in rural and remote areas. At least 90 per cent of residences in a metropolitan area are located within 2.5 kilometres of a retail outlet; and at least 85 per cent of residences in non-metropolitan areas are located within 7.5 kilometres of a retail outlet.”*

It is noted that the Government has guaranteed that changes to retail classifications will not change the services provided at those outlets, or the prescribed minimum numbers of post offices that Australia Post must retain – including in regional Australia. However, that could still see the closure of some 310 existing outlets across the nation.

In addition to the critical postal services that are provided through Australia Post, rural and remote communities also heavily rely on the banking services that are provided through Licensed Post Offices. While these services don't offer a like-for-like replacement of a full banking service, they do provide critical banking services for Australians living in communities where there would otherwise be no service at all. It is critical that banking services provided through Australia Post outlets are not diminished as part of modernisation.

Finally, the LGAQ has just released our landmark cost-shifting report, which outlines a concrete picture of the impact that cost-shifting is having on Queensland councils and the communities they serve, for the first time in 20 years. Since that time, the impact of cost-shifting has increased by 378 per cent, to a staggering \$360 million per year. This includes many of our member councils funding and running Australia Post outlets in various local communities across Queensland.

Communities cannot afford this cost shift to continue. Soaring living costs, a housing crisis, community safety and a transitioning economy are all impacting the daily lives in Queenslanders.

No level of government provides as many immediate, critical services as a local council does. Today's councils do so much more than roads, rates and rubbish. Queensland councils are stepping in to provide extra services to ensure our communities remain liveable. In many cases, Queensland councils have become service providers of last resort. This is often because State or Federal governments are no longer providing the important services needed, or because private operators have left. This means councils are using their limited resources to fund services that are not their responsibility to fund.

Any changes implemented as part of this modernisation process should not diminish or cease service delivery of critical postal and banking services provided to local communities, nor should there be any additional cost-shift onto local governments as part of these reforms.

## Recommendations

The LGAQ has prepared detailed comments in relation to each of the questions outlined in the exposure draft Regulation and has made three recommendations, summarised below:

- **Recommendation 1:** The LGAQ recommends that Australia Post develops a comprehensive communications plan that accompanies any proposed revision in letter delivery performance standards, well ahead of any implemented changes to the service delivery model.
- **Recommendation 2:** The LGAQ recommends that as part of these changes, a full list of those 70 outlets is made available and that consultation is undertaken with the relevant local government authorities where those outlets are located, well ahead of changes to the performance standard.
- **Recommendation 3:** The LGAQ recommends that the Federal Government not only maintains the prescribed minimum number of post offices – and particularly those in rural and regional areas – but rules out the closure of any outlets.

## Submission

Australia Post remains a key provider of essential services, connecting Australians through the wide range of services it provides. It needs to keep pace with consumer demand and the way in which people communicate and transact.

Local governments in Queensland are both large customers but also supporters of the services provided to residents in local communities from the Cape to Coolangatta and Brisbane to Bedourie.

It is acknowledged that Australia Post has approximately 60 per cent of its retail outlets in rural, regional and remote areas of Australia – triple that of other Australian industries, like transport, finance and health – and is a key contributor to regional development.

Queensland's 77 diverse local government areas are located within Australia's most decentralised state where the tyranny of distance is a real issue.

While it's important that Australia Post is financially sustainable, the focus on its profitability should not be the overriding determinant to the vital services Australia Post provides. Section 27 of the *Australian Postal Corporation Act 1989* outlines a set of Community Service Obligation (CSOs) that require the provision of a service that is "reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business".

### Changes in letter service standards

It is noted that the exposure draft Regulations amend the current performance standards that Australia Post is required to meet. Furthermore, these changes will mean that the performance standards that Australia Post is required to meet regarding the frequency and speed of mail delivery will:

- reduce the performance standards regarding the frequency of delivery to 98 per cent of delivery points from every business day to every second business day, and
- relax the performance standards regarding speed of delivery for regular letters by one business day, and
- remove the performance standards regarding speed of delivery for priority letters.

As part of these changes, Australia Post should ensure that adequate notification and communication is provided to all customers ahead of the commencement of the revised performance standards.

For local government, Australia Post provides an important service to issue information, such as rates notices. This is particularly the case for older people who do not have a computer, or email. Rates notices are still posted to many people in areas with poor mobile and internet coverage. Councils also post information and flyers to rural residents about community events, as the receipt of a hard copy invitation in their letterbox or post office box generally garners an enhanced take-up.

Queensland councils also rely on Australia Post's letter service to deliver mail where a customer is "served" with a notice. Currently, there is no option within the local law or legislation to serve the notice digitally.

It is noted that separate to the performance regulations, the Government will also work with Australia Post to develop a pricing oversight mechanism that will give Australia Post and its customers more certainty over a longer-term price path for basic postage. It is also acknowledged that the ACCC is currently assessing Australia Post's draft notification to increase the basic postage rate from \$1.20 to \$1.50 in early 2024. Prices for concession card holders will remain at 60 cents, and the price of Christmas stamps will remain unchanged at 65 cents.

**Recommendation 1:** The LGAQ recommends that Australia Post develops a comprehensive communications plan that accompanies any proposed revision in letter delivery performance standards, well ahead of any implemented changes to the service delivery model.

#### Re-classification of performance standards

In relation to the geographic re-classification of how performance standards are applied and where they are applied, it is noted that the amendment contained in the exposure draft Regulation is expected to have the net effect of reclassifying approximately 70 retail outlets to Remoteness Areas other than 'Major Cities'. It is pleasing to see the Minister guarantee that these will not impact the services provided at these outlets or the prescribed minimum numbers of post offices that Australia Post must retain, including in rural and regional Australia.

However, there has been no transparency as to where those outlets are.

As the LGAQ noted in our submission to the discussion paper in April 2023, it is already the case that the existing service that Australia Post provides experiences inefficiencies due to postal boundaries. For example, if the boundary crosses small regional towns, a letter addressed to one postcode will often travel to several other post offices before delivery, meaning extended delays with delivery. Therefore, should existing services be reduced, this will only exacerbate the existing delays that result from these boundary issues.

While it is comforting that the Government has also signalled its policy intention to retain the prescribed minimum numbers of post offices, including in regional Australia – as the discussion paper highlighted, the actual number of outlets is already in excess of that number.

**Recommendation 2:** The LGAQ recommends that as part of these changes, a full list of those 70 outlets is made available and that consultation is undertaken with the relevant local government authorities where those outlets are located, well ahead of changes to the performance standard.

**Recommendation 3:** The LGAQ recommends that the Federal Government not only maintains the prescribed minimum number of post offices – and particularly those in rural and regional areas – but rules out the closure of any outlets.



## Conclusion

Overall, the LGAQ understands the need to ensure that Australia Post can continue to be responsive to the needs of its customers and provide a wide range of essential services to local communities right across Australia.

As the peak body for Queensland's diverse and unique local councils, we look forward to this consultation process supporting the long-term sustainability of these communities.

Our outback towns, our iconic tourism attractions and landscapes, and our character-filled communities are in Queensland's DNA. It is imperative that basic services – such as reliable and frequent Australia Post services – are maintained, to ensure these communities are sustainable.

Ongoing modernisation reforms need to put the customers firmly in the spotlight and ensure no changes have unintended consequences.

## Contact Details

Please do not hesitate to contact Nathan Ruhle, Manager – Intergovernmental Relations via email [REDACTED] or phone 1300 542 700 should you wish to discuss any aspect of this submission.

# Appendix

## LGAQ Policy Statement

The LGAQ Policy Statement<sup>1</sup> is a definitive statement of the collective voice of local government in Queensland. The relevant policy positions of local government in the context of service delivery in First Nations communities are as follows:

### 1.9 Indigenous Local Governments

- 1.9.2 At the same time, Indigenous local government leaders are recognised as having additional significant legal, social and cultural responsibilities within their communities. As the only democratically elected leaders who live and work in their communities, local government mayors will be recognised for their leadership within the community and actively consulted on matters affecting their communities by state and federal governments.
- 1.9.3 The LGAQ will continue to support the Indigenous Leaders Forum (ILF) to provide a dedicated means of engaging with and understanding the needs of Aboriginal and Torres Strait Islander councils in order to assist them thrive within the regulatory requirements of the Local Government Act.
- 1.9.4 There should be genuine and collaborative partnerships between the federal and state governments and Aboriginal and Torres Strait Islander local governments democratically elected by and representative of their communities to improve their economic and social wellbeing.
- 1.9.5 State and Federal governments will work with local governments to ensure that government investment in their communities will be expended in a manner that encourages a local economy, promotes local skills acquisition and local employment and serves to close the gap on the identified areas of disadvantage occurring in the communities.

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<sup>1</sup> <https://www.lgaq.asn.au/downloads/file/183/2019-lgaq-policy-statement>