

# Postal Services Modernisation

## Submission By Andrew Collins, Ballarat Victoria

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I have an interest in the modernisation of business and wish to make the following submission, which is ok to be made public.

1. I live in [REDACTED] and use Australia Post. I have a background in printed media distribution, retail operations and business consultancy.

### The role of Australia Post

2. Australia Post is a publicly owned service. The focus on it being independently funded and making a profit should not be a primary consideration. It is not a private business, but a public service. We never talk about Centrelink, Public hospitals or the military being profitable. Of course they should be ran efficiently , but if they cost money to run, then that is acceptable.

### Letter delivery

The decline in letter delivery can be addressed by way of a few changes as follows:

3. Raise the cost of postage stamps to \$2.00. While it is a jump over the current price, it is not an unreasonable price for the service provided. Two dollars is an even amount and consumers already understand that you can get very little for that price.
4. Consider an alternative to stamps. Consumers and Businesses can already purchase and print parcel labels on a printer. Postage could be purchased online, and printed directly onto envelopes. I would presume that this would be bar-code based, and could be called E-Stamps. It would save AusPost the cost of making stamps, and would further increase the online offerings to consumers.
5. Immediately move to a 2 day a week letter delivery service. Tuesday and Friday could be used and consumers would soon get used to receiving letters on these days. This would save money for AusPost, and would give consumers certainty with delivery days.

### Parcel delivery

6. Move to a 5 day delivery cycle for residential addresses on Tues to Sat. Consumers are more likely to be at home on Saturdays.
7. Keep business deliveries Mon to Fri, as this is when the bulk of businesses are open.
8. Parcel competitors allow drop off to points like 24 hour service stations. This could be an option for AusPost, eg Shell or BP service stations, or each post office could have a dedicated

parcel drop off box. It would need to be bigger than the current mail box, and could have an integrated scanner so that senders can record the parcel being sent. This is important for many returns and for those who sell on eBay etc. It would free up consumers from having to attend a post office in person, so that they could do it in the evening or on a weekend. This would help stem losses to competition like Sendle.

9. Parcel lockers should be expanded. If a person is not home and a delivery cannot be made, it is often hard to get to a post office during business hours. Perhaps Coles and Safeway could be used to have lots of parcel lockers on the walls so that people could get their parcels after hours. For country deliveries, lockers could be built at the RSD boxes, as consumers are already used to going there to collect mail. This would be far more convenient than attending a post office, as once again opening hours are not always convenient.
10. Home parcel delivery boxes are able to be purchased at places like Bunnings, but they do not have wide acceptance. AusPost should look at a standard, and enable consumers to have one at home to have parcels delivered safely. Ideally, there should be one beside each letterbox. AusPost could even sell them. Apartment blocks should also be set up with these as well, as at present parcel deliveries are not efficient. Nobody wants to take parcels back to the Post Office, as the extra handling results in extra costs.
11. AusPost should set itself up as the parcel delivery specialist. It should talk to all other parcel delivery businesses and offer its services for the last mile deliveries. Outside of Capital cities and Major Regional areas, it is not cost effective to make parcel deliveries due to the distances involved. AusPost could charge other businesses to do these last mile deliveries, which would help lower its own costs. Newspapers did this a long time ago in country areas. Instead of individual newspapers running their own trucks, it saved everyone money to consolidate and run one truck. This could be done for country areas and even difficult deliveries such as apartment blocks. Once set up, AusPost would own this space, and would make something that costs money profitable, also lowering the barriers for entry to other competitors.

### Post Offices

12. I understand the need for Post Offices to sell misc. items to help with sales. But many of them are messy and look like cheap \$2 shops as a consequence. This is further complicated by many of them being licenced to private business owners. There should be clear standards that have to be met. Any additional products sold should only be some so with approval from AusPost. This could be handled locally, as I presume that each area would have an Area Manager who is responsible for a designated zone. If a store is branded as AusPost, then the consumer thinks that every product sold there is endorsed by and quality controlled by AusPost. This is not the case.
13. Newspapers are dying, and newsagents are no longer viable businesses on their own. Those that are left look more like gift shops. There is an opportunity to deal with publishers and use AusPost stores to stock and sell newspapers nationwide. The demographic that still buys papers is the same one that still prefers to pay bills in person, so it makes sense.
14. Another opportunity is to do a deal with the Lotto businesses and offer these nationwide through AusPost. I understand that there may be concerns with Gambling, but Lotto doesn't seem to have the issues seen with wagering and pokie machines. It could create a stable income for LPO operators and further cement AusPost as a destination.

15. The hours of business should be reviewed. Many Post Offices are open normal business hours. This makes it hard for people to finish work and pickup parcels. Etc. This could be fixed by the roll out of previously mentioned changes, but until then hours should be increased to close at 6.30pm, and open every Saturday mornings.
16. Bank closures are becoming more common. The provision of banking services by AusPost has become crucial, especially in country areas. This should be expanded to include every bank possible. Every Post Office should also have an ATM, so that consumers can access cash after hours. Many towns do not have access to cash after hours at present, and this would also enable consumers to make deposits after hours.
17. AusPost should be a Hub for all Federal and State government services. Once again, most country people have to travel to access many services. Even if there were a couple of video terminals installed so that consumers could access departments like Centrelink etc, or video chat to government departments, this would make people's lives easier, and save people a lot of time and travel. There is very little that couldn't be done nowadays, and having this at a Post Office allows people to prove their identity to Post Office staff to allow departments to interact with them. It would further make AusPost a community hub for government access.

#### Business Services

18. Advertising and marketing have changed forever. Print media advertising is dead. Radio is too hard to zone in on local areas. TV is too fragmented with streaming services. The yellow pages are no longer a must. One thing that is useful and works that AusPost can do is direct mail marketing. If we look at a mechanic for example. The business will get most of it's customers in areas around its location from people who live there or work there. This is best served by AusPost. It is currently an area that is not being utilised and has great scope for expansion. AusPost could be a one stop shop to print and deliver brochures. It could have a set amount of options, and a consultant could work with a business on the phone and online to design the brochures and then deliver them. At present businesses do not know how and where to advertise. Direct targeted mail marketing is perfect.
19. In a similar vein, businesses and Government departments spend a lot to send mail. As well as printing and postage costs, there are also labour costs. Most of this could be outsourced directly to AusPost. If AusPost had a dedicated print site, it could receive files and databases direct and then print and post. This would not only save the sender a lot of time and money, it would also save them on equipment and labour costs. It streamlines services, and gives AusPost an opening. Franking machines become a thing of the past as well. With high levels of Automation and security, this service could be trusted to print for places like the ATO as well.
20. There are many businesses that still send cheques. Not only is it inefficient, but it is a huge hassle to consumers to deposit then wait days for them to clear. The economy is moving towards a cashless society. These things create an opportunity for a trusted organisation, like AusPost to play a part. At present, the only options to pay without cash involve credit card companies, like Visa, Mastercard and Amex, or Eftpos. But these are all owned by private companies, and any move to being cash free will just enrich them. The credit card companies are owned by foreign businesses and wealthy individuals. Eftpos is owned by Australian businesses and wealthy individuals. It is unlikely that businesses will use direct bank transfer, so there is an opening. Because AusPost is government owned, people would

prefer to see money stay in Australia, and to benefit everyone rather than a wealthy few. Set up a payment processing operation (A-Pay, Australia Pay?) as an alternative to Credit Card and Eftpos. This does not need to be providing credit, and most credit card payments are now debit card transactions, not credit. Fees are currently 0.5% to 1% and just in Australia constitute billions each year. Doing this does not displace the banks, but it would encourage people to accept a cash free future. This shouldn't be in the hands of private enterprise, and I can think of no better national organisation to do this. The potential is there to make this the dominant payment processor in the nation, and to keep those billions in Australia, helping our economy instead of sending billions overseas.

Thank you for your time,

Andrew Colins