



Postal Services Modernisation Submission

The Australian Manufacturing Workers' Union (AMWU) makes this submission on behalf of its members in sectors related to mail services including paper, envelope and ink manufacture, printing, and mail house services. The AMWU has been representing workers in Australian industries for 170 years, including representing workers in the sectors mentioned for most of this time.

The AMWU will address two areas raised in the Discussion Paper:

- Part 2, Letters – Delivery Service; and,
- Part 3, Accessibility of Services – Point of Presence.

Overview

The AMWU has long held the view that Australia Post is an integral and vital part of the Australian people and performs necessary functions and services for all Australians in an equitable basis. The provision of Australia Post services is important to the fabric and functioning of communities, especially rural and remote communities, and to groups who may be disadvantaged because of socio-economic status, and underrepresented groups by way of diversity. The AMWU, as a socially progressive organisation, promotes inclusion and equity, and Australia Post, with its unique reach to rural and remote communities and its ability to use varying platforms to connect with underrepresented groups is well placed to provide its services in modes suitable to all groups within Australia.

The AMWU is not convinced that “Modernisation” is the best phrase to apply to a review of Australia Post functions and services. The organisation has proved over time that by providing its core services and having a presence in many facets of Australians' lives, that it is fit for purpose, despite the many changes that have occurred in society over the last decade or so. Australia Post, whilst adapting to cater for new technologies and consumer habits, also needs to balance renewal with its national obligations in relation to all Australians. At page 8 of the Discussion Paper, there is a reference to Australia Post being “representative of modern Australia” in terms of its workforce. This is admirable in terms of diversity for those in and able to enter the workforce, but it is not the same as the broader community Australia Post is required to serve, particularly in terms of socially and economically disadvantaged groups, disadvantaged racial and migrant groups, and the elderly, all of whom score lower in terms of the Digital Divide (those who have access and necessary skills to use computers and the internet) than those in the workforce or not in lower socio economic groups.

The AMWU's view is that the provision of a strong, reliable and affordable letter postage system is vital to maintain for the benefit of all Australians, particularly in light of the Digital Divide, and that Australia Post maintains a presence in communities, particularly regional and remote communities where the Post Office is a often a "one stop shop" for many in the community to undertake the necessary functions of modern life, including communications, banking, paying bills and the like.

Letters – Delivery Service

Letters and mail are an important method of communication and for some groups in the community the main method of communication. Whilst the Discussion Paper points to the decline in letters sent and received since its peak in 2007 – 2008, and the corresponding decline in revenue of this part of the Australia Post business, it is in our view necessary for Australia Post to maintain a letter service to meet the needs of those unable of participating in the "digital age", particularly in terms of equality for those citizens. It needs to be noted that the digital communication which has contributed to the decline in mail has in many cases been forced upon consumers, with banks and utility companies, for example, charging customers a fee to receive paper bills. The fee charged to the customer to receive a paper is more than the cost to the utility company to provide the paper bill.¹ The AMWU has long held the view that consumers who choose paper bills should not be charged by the merchant.

Another benefit of mail for consumers is that the risk of scams is next to zero. The high rate of scamming in Australia is a direct result the easy access to consumers through digital means. A report commissioned by Australia Post by Accenture² found that not only did consumers receiving mail open and read the mail and give attention to what they were reading in higher volumes than digital mail³, consumers reported that they placed more trust in mail as the letter is a more personal and meaningful form of communication.⁴ It is far more difficult to scam someone via a mail form of communication than digital where a simple hit on a keyboard is all a scammer needs.

Addressed mail delivered to people's homes is extremely secure, especially in terms of items such as bank and credit cards, licenses, passports, all of which must continue via Australia Post's services. It proves security as well as the added layer of security in that it is an offence to open another person's mail.

Delivery of letters also has a social benefit as many 'posties' take the time to check on vulnerable and elderly people when doing their round. This is of great benefit to those people and to the community generally as a provision of social service. This arrangement has been formalised in some European⁵ and North American⁶ jurisdictions, where postal workers have been provided with basic social care training, and check in with elderly and other vulnerable members of the community on their daily routes.

¹ Keep Me Posed - "The real cost of paper billing for companies and their customers"

² Mail's Role in the Digital Age, Accenture

³ Ibid, page 7

⁴ Ibid, page 11

⁵ Whiting, K. 2018. Postal workers in France are helping elderly people fight loneliness. *World Economic Forum*.

⁶ Welsh, M. 2023. Can Canada Post workers be the answer for checking on lonely seniors? *The Toronto Star*.

The AMWU is of the view that Australia Post's Community service obligations contained in Section 27 of the *Australian Postal Corporation Act 1989* (the Act) is the main driver for the provision of a letters service.

Community service obligations

- 1) *Australia Post shall supply a letter service.*
- 2) *The principal purpose of the letter service is, by physical means:*
 - a) *to carry, within Australia, letters that Australia Post has the exclusive right to carry; and*
 - b) *to carry letters between Australia and places outside Australia.*
- 3) *Australia Post shall make the letter service available at a single uniform rate of postage for the carriage within Australia, by ordinary post, of letters that are standard postal articles.*
- 4) *Australia Post shall ensure:*
 - a) *that, in view of the social importance of the letter service, the service is reasonably accessible to all people in Australia on an equitable basis, wherever they reside or carry on business; and*
 - b) *that the performance standards (including delivery times) for the letter service reasonably meet the social, industrial and commercial needs of the Australian community.*

Sub Sections (3) And (4) are at the core of the equitable treatment and social and industrial inclusion of all sections of the Australian population. In the AMWU's view, it would be inconsistent with this Section of the Act to diminish letter services in favour of digital services in the name of "modernisation".

Accessibility of Services – Point of Presence

Australia Post's presence in communities is vitally important for everyday activities in those communities, particularly rural and remote communities. 8.8 million Australians live in rural and remote communities.⁷ The Discussion Paper references this at page 9:

2020 Deloitte Access Economics report, Economic and social value of Australia Post in regional, rural and remote communities found that Australia Post supports a \$10.6 billion regional e-commerce market through its delivery and Post Office networks and is increasingly important to regional, rural and remote Australians. Overall, Australia Post's total economic contribution in regional and remote Australia was \$806 million in value added and 10,802 Full Time Equivalent jobs in 2018-2019. Deloitte found that the value of providing services to these areas is much higher than the prices charged and revenue earned by Australia Post, particularly in remote areas (due to the lack of alternatives).

In many remote areas the Post Office is the only point of service for postal as well as banking and other necessary transactional activities for the dispersed community and is highly valued by the community. The Australian Digital Divide Index (ADDI) shows inclusion in regional areas as 5.5% less than the metropolitan score.

Low-income groups are also at a disadvantage regarding the ability to afford digital access and so must have access to service provided by post offices to be able to function in the community.

A key finding of the ADDI on affordability was:

⁷ Economic and Social Value of Australia Post, Deloitte Access Economics 2018

Affordability remains central to closing the digital divide. Based on our Affordability measure, 14% of all Australians would need to pay more than 10% of their household income to gain quality, reliable connectivity. For Australians in the lowest income quintile, most (67%) would have to pay more than 10% of their household income to gain this same connection.

The ADDI also shows the elderly at a disadvantage, with those in the 75+ having the lowest score at 47.4 points.

While digital inclusion remains closely tied to age, there are signs the digital inclusion of mid-life and senior Australians is improving. Reflecting the increased importance of internet access for social connections and service access during COVID-19 restrictions [2], older Australians recorded an increase in digital inclusion between 2020 and 2021. The total Index scores of 45-54-year-olds increased by 5.1 points (67.2 to 72.3), 55-64-year-olds increased by 4.9 points (61.9 to 66.8), 65-74-year-olds increased by 3.9 points (53.4 to 57.3), and 75+ year-olds increased by 6.1 points (41.3 to 47.4).

Despite the improvements in the ADDI for older aged groups, the overriding principle should be the equitable access for older Australians to essential services without further drivers to force them to “digital inclusion” such as banks and utility companies charging fees for paper statements and bills.

The Post Office presence in rural and remote areas is a necessary and valuable part of the fabric of life for these communities and must be maintained.

Next Steps

The AMWU recommends that the Minister establish a mail and post office services Strategy Group, modeled in the Book Industry Strategy Group established by the Australian Minister for Innovation, Industry, Science and Research, Senator Kim Carr in 2010. This group consisted of industry stakeholders including authors, publishers, book printers, unions, and book retailers to examine the industry and make recommendations on action needed for Australia to have a thriving book industry that encouraged local writing, publishing, printing, and retailing, balanced against competing import forces. The results are that Australia has a healthy book industry because of this initiative.

We believe the same can be achieved for the mail industry where a strong postal service can be maintained balanced against forces that the Digital age has brought. The strength of a postal service will provide equity across all demographic groups and provide a strong workforce in the various sectors of the industry.