

## Australia Post welcomes community consultation on modernising postal services

02-03-2023

Australia Post welcomes the Federal Government's decision to launch a discussion paper and undertake community consultation on the modernisation of postal services.

Under the consultation, all Australians will have an opportunity to provide their views on how Australia Post operates and services its customers and the community. The consultation comes as more consumers embrace online rather than over-the-counter services and the use of letters continues to rapidly decline.

"This is a positive first step and we strongly support the discussion paper and consultation process," Australia Post's Group Chief Executive Officer & Managing Director Paul Graham said.

"A discussion on modernising postal services and Australia Post is the conversation the Australian community needs to have. Australia Post's Letters business has been in an unstoppable decline since 2008 and the 214-year-old postal service faces an uncertain future as fewer people send letters and consumers increasingly embrace digital services.

"Australia Post plays a critical role in the lives of all Australians, as a key enabler of the economy and a touchstone of communities, particularly in rural, regional and remote areas. We connect people kept apart by distance, provide support for businesses and access to important financial, identity and government services for customers.

"A modernised and financially sustainable

Australia Post will be able to continue to invest in new products and services that meet the evolving needs of customers and communities, while continuing to meet our significant service obligations to the Australian community, particularly in regional and remote areas."

Over the past three financial years Australia Post has invested more than \$1 billion to meet the changing service needs of the community. This includes opening eight new parcel processing facilities in FY22, over half of which are located in regional Australia, as well as investments in building our technology capability and expanding our electric vehicles, to build Australia's largest fleet of electric delivery vehicles. Additionally, we have delivered \$750 million in efficiencies to help make the business more financially sustainable.

Despite these investments, the losses in Australia Post's Letter's business continue to undermine the long-term viability of the business. Letter volumes have decreased by two thirds since 2008, while delivery costs have increased significantly.

"It is clear the status quo for Australia Post is no longer an option. The business is on a path towards significant losses that, without change, will have to be covered by the Australian taxpayer and that is money that could be better spent on schools, hospitals and roads," Mr Graham said.

In FY22, Australia Post delivered 3.1 billion fewer letters than in FY08 and it is forecast that Australian households will receive less than one letter per week by the end of the decade.

“We have a distinct two-speed business, with our Letters business weighing heavily on our eCommerce-driven parcels business and other services. The growth in our parcels business is now levelling off as multinational competitors expand into the Australian eCommerce market – and if we don’t address our letter losses, it will begin to materially impact Australia Post’s ability to service the community,” Mr Graham said.

“Added to this picture is the rapidly changing preferences for digital and cashless services, which is significantly impacting our network

of Post Offices. Last financial year, our Post Offices conducted nine million fewer transactions than the year before – and 22 million fewer than in 2019.

“Australia Post looks forward to working with the Federal Government throughout the consultation and outlining the significant benefits to the Australian community from a modernised and financially viable Australia Post.

“As a self-funded Government Business Enterprise, we remain focused on strengthening the business so we can continue delivering and delighting our customers and the community, and this means adapting to meet the challenges facing us,” Mr Graham said.

Source: [Australia Post](#)