



The Hon Michelle Rowland MP

Minister for Communications

Senator The Hon Katy Gallagher

Minister for Finance

Minister for Women

Minister for the Public Service

Ensuring Australia Post can deliver more for Australians

The Albanese Government will undertake reforms to enable Australia Post to boost productivity, increase its focus on parcels, and improve long-term financial sustainability.

Following public consultation, and co-designed workforce trials, new regulations will be introduced to support more efficient letter delivery, while supporting the jobs of postal workers.

Australia Post connects millions of consumers and businesses. It is a key enabler of e-commerce and brings Australians together – particularly in regional and rural communities.

However, changing consumer needs and growing digitisation means Australia Post needs to modernise to keep pace with what Australians need and expect from their postal service.

Letter volumes have reduced by two thirds since their peak in 2008, while parcel volumes have boomed. Australia Post delivered around half a billion parcels in 2022-23 and the average Australian household now receives just over two addressed letters per week.

In light of these challenges, Australia Post has worked cooperatively with its workforce and the Communication Workers Union to trial a new model for mail delivery at selected sites nationally.

The trials decreased the frequency of letter delivery, and in the initial trials have expanded delivery points by more than 10% per round, and enabled postal workers to carry up to 20% more parcels, achieving real productivity improvements, and demonstrating it is possible to modernise while supporting secure, well-paying jobs.

Australia Post intends to refine the model for a national roll out over the next twelve months.

This national expansion requires amendment to the current *Australian Postal Corporation (Performance Standards) Regulations 2019*.

Informed by the public consultation and feedback from a discussion paper launched in March, the Government plans to amend the existing delivery standards so that:

1. Letter delivery frequency will be reduced to every second day for 98 per cent of locations, whilst parcels will still be delivered daily;
2. To reflect the new delivery frequency, Australia Post will have an extra day to deliver regular letters across Australia; and

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3. Australia Post can change the way it manages priority mail, which now accounts for around 8 per cent of addressed letters, so it can deliver services at a more commercial rate and work with customers to set appropriate terms and conditions.

The current geographic classification for Australia Post retail outlets will also be updated to reflect the modern Australian Statistical Standards Geography Standard Remoteness Areas, rather than the 1991 Census currently used. This is expected to have the net effect of reclassifying approximately 70 outlets to Remoteness Areas other than 'Major Cities'. This will not impact the services provided at these outlets or the prescribed minimum numbers of post offices that Australia Post must retain, including in regional Australia.

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. 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.

These reforms follow extensive consultation with businesses, unions, Post Office licensees and agents, and the Australian public.

The reforms will support Australia Post's financial sustainability, allowing it to invest in products and services for the future, and boost the productivity of its workforce by freeing its up delivery and processing resources to support parcel delivery.

Australia Post's modernisation plans also include adding even more parcel posting and collection places that are open at more convenient times – such as parcel lockers.

The Department of Infrastructure, Transport, Regional Development, Communications and the Arts will consult on the amended delivery standards regulations early in 2024 before their implementation next year.

The Government will continue to monitor how it can work with Australia Post to build on these reforms and modernise operations to ensure the service remains competitive and delivers more for Australians.

Quotes attributable to the Minister for Communications, the Hon Michelle Rowland MP:

"Australia Post is a publicly-owned national institution cherished by millions of Australians.

"For decades, it has kept businesses operating, supported local communities and brought Australians together.

"However, Australia Post can't stand still. Consumer and small business demands are changing, and Australia Post also needs to adapt.

"These new processes will mean Australia Post continues to deliver the high-quality letter service many Australians rely on, while also growing its booming parcel business for the benefit of consumers, small businesses and its hardworking staff.

"Australia Post belongs to all Australians. Modernising Australia Post will put it on a surer footing so it can deliver the essential community services Australians need – including those in rural, regional and remote areas".

Quotes attributable to the Minister for Finance, Senator the Hon Katy Gallagher:

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“In an environment where customers are sending fewer letters and more parcels, it is important that the business structure of Australia Post reflects the needs of the modern Australian consumer.

“The fiscal sustainability of Australia Post is vital to the government’s ongoing commitment to provide high quality postal services to Australians”.

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