



Senate Standing Committees on Environment and Communications

AMWU Submission on Australia Post Inquiry

March 2021

COVER SHEET

About the Australian Manufacturing Workers' Union

The Australian Manufacturing Workers' Union (AMWU) is registered as the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union". The AMWU represents members working across major sectors of the Australian economy, including in the manufacturing sectors of printing and packaging, paper products, vehicle service and repair and parts supply, engineering, and food manufacture. Our members are engaged in maintenance services work across all industry sectors. We cover many employees throughout the resources sector, mining, aviation, aerospace and building and construction industries. We also cover members in the technical and supervisory occupations across diverse industries including food technology and construction. The AMWU has members at all skills and classifications from entry level to Professionals holding degrees.

Our Union strives to improve members' entitlements and conditions at work, including supporting wage increases, reasonable and social hours of work and protecting minimum award standards. In its history the union has campaigned for many employee entitlements that are now a feature of Australian workplaces, including occupational health and safety protections, annual leave, long service leave, paid public holidays, parental leave, penalty and overtime rates and loadings, and superannuation.

Introduction

The AMWU welcomes the opportunity to make this submission. We would also welcome the opportunity to address the Senate Committee at its Hearings. Of the Terms of Reference, the AMWU will address:

- ✚ the issues surrounding the secret review of Australia Post by the Boston Consulting Group leading to the introduction of changes to Australia Post's service model;
- ✚ the future of reductions to Australia Post's service model; and
- ✚ any other related matters.

The AMWU's interest in this matter stems from our coverage of employees employed in paper, envelope and ink production; mail house and direct marketing and delivery. The service standards of Australia Post are important as prompt daily mail is vital to the reach of consumers and so affects the viability of the businesses employing our members in these sectors of the industry.

The AMWU is totally committed to supporting local manufacturing and procurement, and maintaining jobs in Australian industry, particularly in the current climate of the Covid19 pandemic and the devastating effects of it on the Australian economy.

The AMWU views Australia Post as an essential community service which is vital to connect Australians, particularly in a country with greatly varying city, rural and regional, as well as digital divides across communities.

An overview of the Industry

There is a significant contribution to the Australian economy by the mail industry.¹ The report by ACIL Allen found that the mail industry contributed \$14.3B to GDP in 2013 – 2014. Part of the mail industry are mail houses and printers, employees within the AMWU's coverage. There are 130,000 jobs in these two parts of the industry, with 50,000 in regional areas. These parts, as well as other parts of the mail industry need to be supported by policy positions and decisions made by Australia Post.

Australia Post is a significant and highly recognisable part of the Australia way of life and a major contributor to the health of communities and the economy. As such, all Australians are stakeholders in what we say is an essential service and should not be viewed through a corporate or business lens.

Terms of Reference

Issues around the secretive review of Australia Post by the Boston Consulting Group leading to changes in Australia Post delivery standards.

As we have stated, the AMWU views Australia Post as an essential community service and as part of the fabric of Australian life. Any changes to service delivery by Australia Post has far reaching consequences because of Australia Post's unique position in Australian life.

The AMWU is of the view that the report recommended the changes that were made to Australia Post's service delivery, yet the government introduced the changes citing Covid as the reason. The government has not subsequently released the report. For transparency and clarity, it should do so.

The future of reductions to Australia Post's service model

The AMWU strongly supports a return to the previous service model along with a Priority Mail service by Australia Post. There is a need for a strong and prompt traditional mail service. The digital divide in Australia makes this a necessity in our view.

¹ Economic Contribution of the Australian Mailing Industry, ACIL ALLEN Consulting, 27 August 2015

It is not only an economic benefit to retain a first-class mail service, the place of mail and post offices, particularly in rural and remote communities is vital and should not be undermined. The community and social benefits should also be considered. This is further highlighted by the Digital Divide where rural, regional, lower socio economic and indigenous communities do not have digital access and rely on a mail service and the post office as a vital connection to everyday life activities.

The AMWU is concerned about the reduction in mail services combined with the push over the last few years by banks and utility companies to convert consumers to digital statements and bills. There is clearly an unfair outcome whereby those communities not digitally connected are disadvantaged by being charged a fee for paper bills. A fee which is an unfair impost given the digital divide in Australia and the actual cost of producing the paper bill, which is lower than that charged.

An Australia Post survey in 2014 found that 85% of people read mail the day it is received; 98% open mail as opposed to 15% – 20% for email; and 67% of people prefer to receive bank statements and bills in the mail rather than on-line.

There have also been detrimental effects on businesses in which our members are employed. One example is that of direct mail services. Mr David Downie of Kosdown Printing has seen first-hand these effects with the removal of booking the Unaddressed Mail Service in September 2020 and the cessation of Priority Mail. Mr Downie has commented:

“The reduction in Australia Post’s delivery standards and the cessation of the Priority mail service has had a negative impact on our customers. Our customers using direct mail are doing so because they need to get their product or message to a wide market and need a timely response.

Under the service model prior to the reduced temporary standards, the mail could be with the target audience within a few days; whereas now it can be anything up to one month before it reaches the target.

Further, Australia Post's decision to stop taking bookings for the Unaddressed Mail Service (UMS) from September 2020 (when the ADM was introduced in Victoria), has meant that many of my clients, who are MPs were not able to get their message to constituents in an acceptable time frame. We know that the UMS system is valuable as it arrives with addressed mail and is more likely to be read than mail / material delivered, for example, by letterbox drop.

Even though bookings are being taken again, the delivery service model makes it very difficult for the UMS articles to arrive in a timely manner.

Australia Post's services are vital to my business and my clients and should not be reduced on the sole decisions of Australia Post management. We are all in Australia Post together because of its unique position in connecting Australians and I consider it an essential service".

We are also aware of other direct mail house services reporting their customers' dissatisfaction with Australia Post's current reduced delivery service model. We strongly support its cessation on 30th June and a return to the previous model.

There has also been a reduction in envelope production levels with one major producer reporting a 15% - 20% drop, depending on envelope type, in 2020 production levels compared to 2019 levels.

Any other matters

As a stakeholder in Australian mail industry, the AWMU would like to see Australia Post work with us, mail houses and others in our industry to promote traditional mail as an equal form of communication so that digital communications are not seen as the only alternative into the future. The digital divide along with findings regarding the reach of traditional mail as opposed to digital mail (quoted earlier in this submission) should be rationale enough for this to occur.

Royal Mail in the United Kingdom has a current campaign "Mail Matters more than Ever" which assists business and brands with reaching consumers, particularly as habits changes and people experienced lock down because of Covid19. Australia Post could run a similar campaign jointly with businesses and charities to assist in getting brand messaging to consumers via traditional mail.

Australia Post is a unique and essential part of Australian life and should cement that role with a strong commitment to the Australian community through its traditional public service role; at its centre being a strong traditional mail service.

