



5<sup>th</sup> May 2021

Committee Secretary

Senate Standing Committee on Environment and Communications

ec.senate@aph.gov.au

Dear Committee Secretary,

**Re Australia Post Inquiry, Questions on Notice**

The AMWU took some questions on notice when we appeared before the Committee on Tuesday 27<sup>th</sup> April. These were:

1. The job losses that would occur in printing companies should Australia Post cease its UMS operations;
2. The effects of the ADM in regional and rural areas; and,
3. Any UMS contracts refused by Australia Post.

1. On the first question, our feedback from a sample of printing and mail house companies suggests a reduction in their workforces ranging from around 20% to 30%, through to closure of businesses, should the UMS service cease. There was also strong feedback in terms of the superior service that Australia Post can offer to small businesses, particularly in rural and regional areas as opposed to that the private sector offers in terms of 'walkers' doing letterbox drops. Of the four categories of delivery, being Suburbs, Roadside Deliveries (RSD), PO Boxes and Counters, only Australia Post can do *all four*. The private sector with their walkers can only do Suburbs. Rural and regional communities are not serviced by private sector walkers and particularly rely on RSD, PO Boxes and in remote rural areas, Counters are vital. Counters might be the general store in a remote town where people living on farms for example would come into town and go to the general store to ask if there is any mail for them. It is vital to rural and regional Australia that the UMS is retained so that remote communities are not at a disadvantage to their urban counterparts.

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We have also had industry feedback that should the UMS cease, it would range from “crippling” to “business ending” for mail house businesses, as even though the direct mail house sector of the industry uses walkers, the major revenue stream is usually via Australia Post’s UMS. If cessation were to occur, the work would go to the major private sector operators, being IVE and Ovato. As pointed out earlier, the private sector ‘walkers’ network cannot fulfill the rural and remote areas, but it also raises the issue of a situation where the two players could offer distribution free of charge if they secured the print work. This would have the dual effect of neglect of rural and remote areas, and a duopoly printing the material to be delivered which would cause loss of work and jobs in other printing companies currently printing material destined for the UMS service.

2. On the second question, even though the ADM was not rolled out in rural and regional areas, we note that Geelong, an important regional town in Victoria was categorised as metro and so has had the ADM model applied. We have industry feedback from mail house companies that they have had complaints from utility companies that customers are receiving their bills up to three days late than they previously would have under Australia Post’s normal service model. Specifically in Victoria, utility companies reported to their mail house service that the regional towns of Bendigo, Ballarat and Mildura had clients receiving their bills up to three days late. At page 21 of Hansard from Tuesday 27<sup>th</sup> April, both Mr Kuhn and Ms Cassin are asked about the effects of the ADM in rural and regional areas. We would like the record to show that in metro areas, mail has been arriving up to three weeks late and in rural and regional areas up to three days late.
3. On the third question, we are aware that many corporate UMS contracts were refused by Australia Post. One is Dominos’ Pizza. As the Committee would be aware, much of Victoria and Melbourne was in Covid lock down for a large part of 2020 and ordering food to be eaten at home was a practice which increased because of restaurant closures so a pizza pamphlet with a menu would have been widely used and generated income and jobs.

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