



Executive summary

Australia Post has never been more important to local communities, businesses and the economy than it is today.

Big forces of disruption are washing over Australia, from the COVID-19 pandemic, to natural disasters, and the ongoing digitisation of our society and economy. Through this, Australia Post's 4,320 post offices have seen their relevance grow across a range of services including parcel delivery to support eCommerce and providing access to essential banking needs; and traditional letters continues to play an important role.

Australia Post provides critical economic infrastructure that supports Australian businesses. In a survey conducted across Australia, **82% of businesses stated that post office services positively impacted their businesses.** Further, 62% of businesses indicated that **Australia Post was the most important service provider in Australia** and 42% said their businesses **would not be able to operate** without the post office.

Australia Post also helped businesses survive COVID-19 – over half, 63% of surveyed businesses say the post office was vital for their business surviving COVID-19, and **54% say it saved jobs.**

Australia Post has wide-ranging benefits, such as helping business increase their customer base and reach, broaden the scope of services provided, increase access to suppliers and improve the security of business operations.

While supporting eCommerce through parcel delivery is important and growing, letters are still the most used service by businesses, with 47% ranking sending letters as their most used service. Similarly, 30% of businesses visit the post office once a week, down from two-thirds pre-pandemic, this is expected to rebound.

Consumers highly value post offices too – despite health crises and extended lockdowns, post office visitation remained largely constant over the COVID-19 pandemic, emphasising the essential role post offices play in servicing the community. The average household or business customer completes 16 post office transactions per year.

Post offices play a broader social role in society – ranking as the third most trusted institution, after the doctors and the police. 73% of consumer respondents agree or strongly agree that the post office is **vital to accessing core services.** Australians living with a disability were up to 3 times more likely to rely on post office services during a natural disaster or emergency. 17% recognised how the post office **supports local events and community organisations.** The broader social benefits of Australia Post are estimated to be \$226 million in 2021, up 8% in real terms from the last estimate in 2018.

Bank@Post is an agency service which provides transactional banking services by Australia Post, on behalf of over 80 financial institutions. In FY2021 Australia Post supported 14.7 million transactions for Bank@Post, which equated to \$10.2 billion in value.

Australia Post's contribution to the community is even more pronounced in **regional Australia,** where it plays a crucial part in ensuring regional Australians have the same level of connectivity as their metro counterparts. 20% more regional consumers rate the post office as being very valuable for sending and receiving large parcels and letters, than metropolitan consumers.

Regional post offices also provide a space for regional Australians to acquire help for services such as banking and retail – **residents of regional Australia are more than twice as likely to visit the post office as metropolitan Australians.** Bank@Post is especially important in regional areas or providing access to core services – from 2019 to 2020, Australia Post supported communities affected by 311 bank closures in postcodes that had a post office.

An unprecedented set of crises have hit communities over the last three years – drought, bushfires, floods and a global health crisis – and **communities have used local post offices to build their resilience.** Over half of the survey respondents (54%) strongly agree or agree that Australia Post contributes to the resilience of their community.

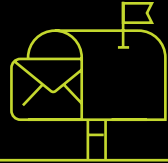
Australia Post is a government business enterprise with a purpose to serve all Australians, communities and businesses. Three quarters of Australians expect their use of postal services to increase or be maintained in **the future.**

Top findings:



82%

of businesses stated that post office services positively impacted their businesses.



Australia Post is the **most important service provider** in Australia for

62%

of businesses.



63%

of businesses say the post office was **vital** for their business surviving COVID-19 and **54%** say it saved jobs.



The average household or business customer completes

16

post office transactions per year.



54%

of the community feel Australia Post contributes to the **resilience** of their community.



Australians living with a disability were up to **3 times** more likely to rely on post office services during a natural disaster or emergency.



The post office is more **trusted** than the general store, the local library, the bank branch and the local school.



In FY2021 Australia Post supported almost **15 million** transactions for Bank@Post, which equated to over **\$10 billion** in value.



From 2019 to 2020, Australia Post supported communities affected by **311 bank closures** in postcodes that had a post office.



Three quarters of Australians expect their use of postal services to increase or be maintained in **the future**.



The broader social benefits of Australia Post are estimated to be \$226 million in 2021, up 8% in real terms from the last estimate in 2018.

Contents

Executive summary	2
Infographic	3
Introduction	5
Post office profiles	6
Crisis and resilience in Australia	7-11
Business benefits	12-19
Regional benefits	20-27
Consumer benefits	28-35
Broader social role	36-44

Introduction

Post offices play a vital role in Australia – providing core services to Australian communities, businesses and individuals.

Currently there are 4,320 post offices across Australia, including over 2,500 in rural and remote areas. Australia Post and its network of post offices provide many functions across Australia – letters, parcels and delivery services, selling postage stamps and providing post office boxes. Further, a post office enables individuals to access government, financial and ancillary services.

There are four types of post offices in Australia, being:

- **Licensed Post Offices (LPOs)** – run by licensees, solely as a Post Office or in conjunction with another businesses, such as a newsagency or convenience store.
- **Corporate post Offices (CPOs)** - owned and operated by Australia Post as dedicated post offices.
- **Community Postal Agents (CPAs)** – operate as part of another business, such as a general store and operate under a common agreement renewable every two years.
- **Business Centre (BC)** – specialised teams to assist with business services and business products.

Post offices also provide an important role in local communities. In addition to traditional services, post offices facilitate access to essential services in regional communities and provides support to the most vulnerable Australians.

It is in this context that Australia Post engaged Deloitte Access Economics to research the economic and social impacts of post offices in Australia.

This report explores the significance of post offices to Australia, highlighting the role of post offices in helping the community including vulnerable people, supporting small businesses and supporting regional Australia.

This research is informed by:

- A survey of businesses and a survey of consumers in Australia (as discussed in the following box)
- Various datasets from Australia Post, the Australian Bureau of Statistics and other sources
- Consultations with a range of post offices, businesses and stakeholders, including Story Book Cakes, Shepparton Business Centre, Gisborne Post Office, Moonta Post Office and Mandurah Post Office.

This report

Australia Post engaged Deloitte Access Economics to undertake a study on the economic and social role of post offices in Australia. This report highlights the role of post offices in helping the community.

The survey

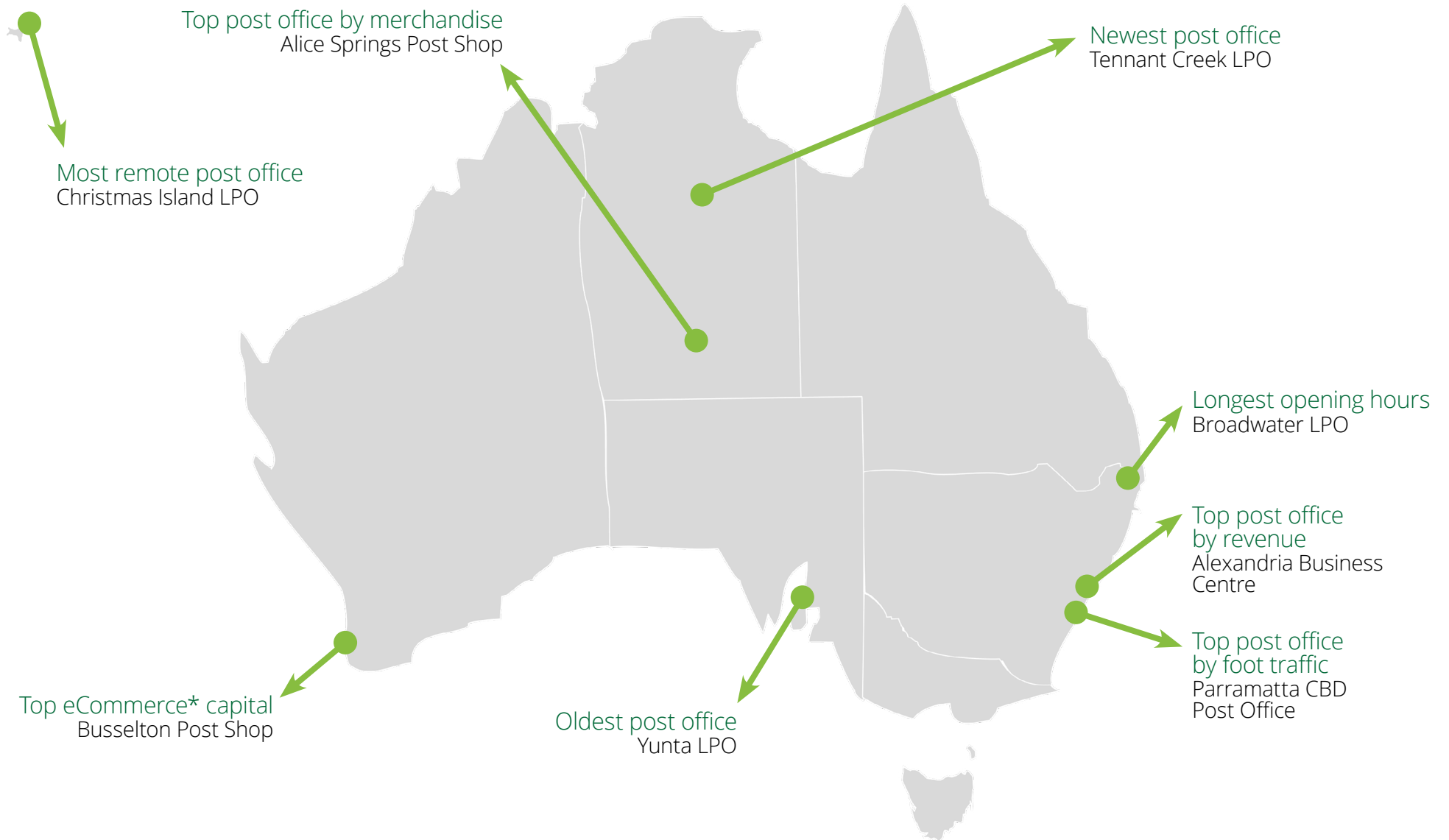
The report is informed by two surveys, a business and a consumer survey fielded in August 2021.

The business survey was fielded to 1,001 businesses in Australia. Survey respondents were individuals who are currently employed as executives, board members, owners, directors or managers. The business leaders surveyed work across all industries and jurisdictions.

The consumer survey was fielded to 1,034 consumers in Australia. Survey respondents were across a range of demographics and jurisdictions.

Figures contained in the report relate to surveyed businesses or individuals, unless otherwise specified. As such, results may be representative of just the surveyed population.

Top post office locations



*Most postage transactions per capita

01. **Crisis and resilience in Australia**
02. Business benefits
03. Regional benefits
04. Consumer benefits
05. Broader social role

Australian communities have faced an unprecedented set of crises

One third of respondents ranked the post office as vital during an emergency

Australian communities have faced an unprecedented set of crises over the last three years – from drought, bushfires, floods and a global pandemic that saw lockdowns and business closures.

In the latter half of 2018, the entirety of New South Wales and parts of Queensland were in drought, considered to be one of the worst droughts recorded in Australia's history. The drought conditions were exacerbated by record temperatures across many parts of the country.

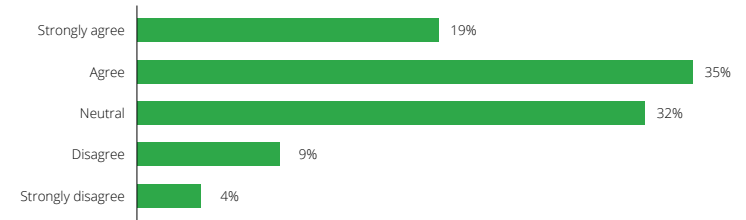
Dry conditions and soaring temperatures further lead to the Black Summer bushfire season, which began uncommonly early in Spring of 2019. According to the Australasian Fire and Emergency Service Authorities Council (AFAC) a total of 3,094 houses were lost across Australia. In NSW, 5.3 million hectares (6.7% of the State) was burnt by the fires. Further, Queensland and Kangaroo Island also suffered harsh conditions and bushfires.

Following this, communities have had to face significant health orders, including, lockdowns, restrictions, or business closures - from the COVID-19 pandemic.

Over this period, Australian communities have had to rely on support from local businesses and organisations. Deloitte Access Economics' survey found that the post office is amongst the top organisations that individuals consider vital during an emergency.

Of all survey respondents, 32% ranked the post office as vital during an emergency, behind emergency services (93%) and the local grocery store (49%).

Chart 1.1: Organisations regarded as vital during an emergency



Australia Post has helped support communities to remain resilient

Almost half of those surveyed strongly agree or agree that Australia Post helps them access essential services during natural disasters or the pandemic

As communities have faced a multitude of challenges, people continue to see Australia Post as playing an important role in supporting their communities through these crises. According to the Deloitte Access Economics survey, **over half of the individuals surveyed (54%) strongly agree or agree that Australia Post contributes to the resilience of their community.**

Australia Post works to address five community needs that emerge during natural disasters, including: distributing essential supplies, providing access to cash and banking services, keeping people informed, providing access to government assistance and supporting communities in need.

Further, Australia Post has several community-focused partnerships that exist to assist communities in crises. Partnerships with Australian Red Cross, the Indigenous Literacy Foundation and Beyond Blue are examples of the supports provided to individuals and communities.

Post offices have helped communities in accessing vital services during natural disasters or over the pandemic. **Almost half of those surveyed (47%) strongly agree or agree that post offices help them access essential services during natural disasters or the COVID-19 pandemic.**

During natural disasters the post office has also been a place where local residents can access essential banking needs. Bank@Post provided local communities access to cash when internet and power had been lost during the Black Summer Bushfires.

Chart 1.2: The extent to which individuals believe Australia Post contributes to the resilience of their community

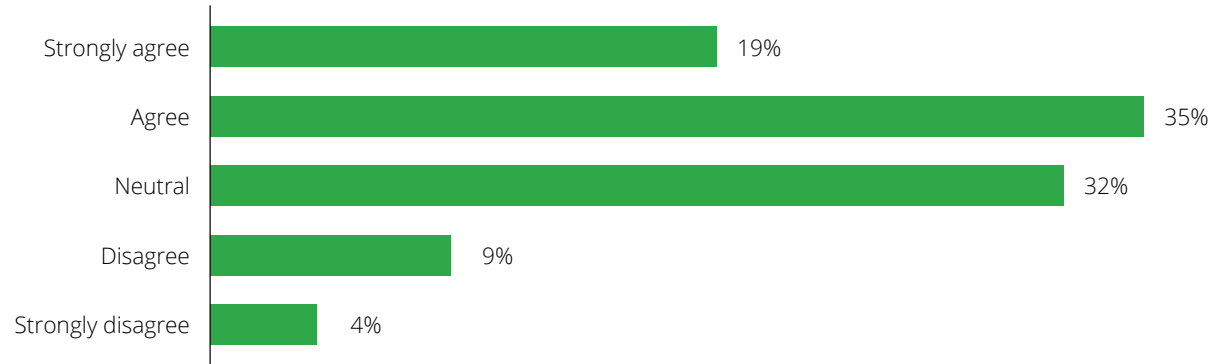
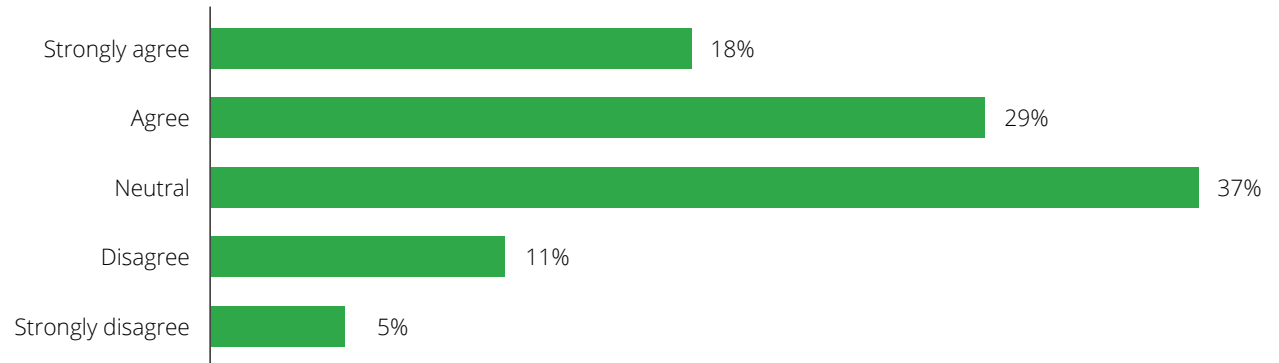


Chart 1.3: The extent to which individuals believe the post office helps them access essential services during natural disasters or the COVID-19 pandemic



Most Australians expect the post office to be just as relevant in the future as it has been during the pandemic

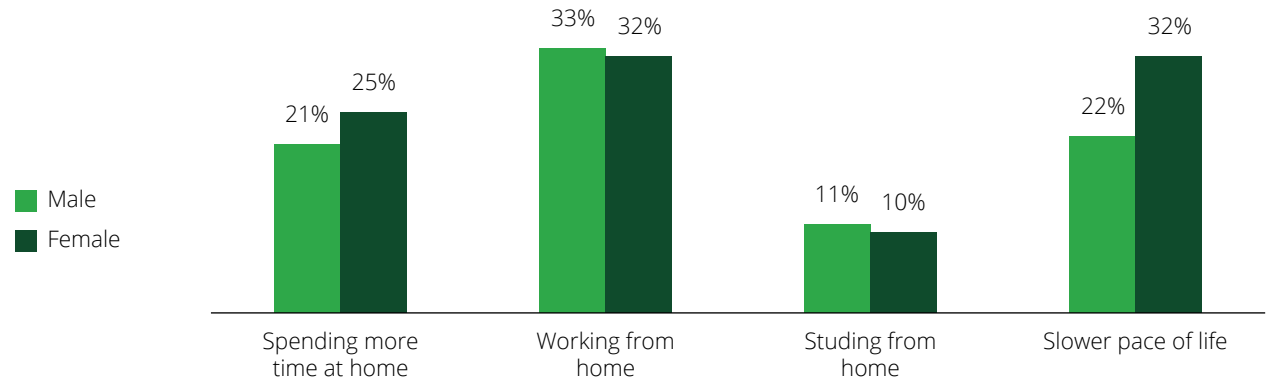
The COVID-19 pandemic has created long-lasting impacts on society in general but also postal services and the use of the post office. A shift to increased eCommerce use has resulted in increased parcel deliveries.

Deloitte Access Economics survey found 17% of respondents indicated that postal services will increase in the future. By comparison, 57% say it will remain the same. This suggests that most people expect the increase in postal activity that occurred over the last two years is likely to stay the same in the future.

Further, the increase in individuals working from home places pressure on the use of the post office. According to the Australian Bureau of Statistics, one third of Australians (33%) indicated they want working from home to continue in the future after COVID-19 restrictions were eased. As more and more people work from home, as well as businesses operating from home, letters and parcel collection will be critical in the future.

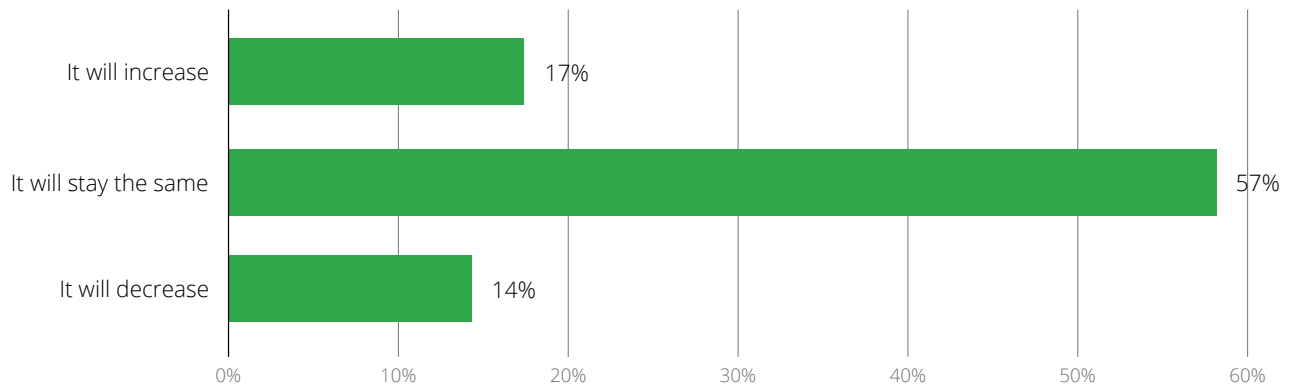
In addition to the increase in individuals working from home, eCommerce also accelerated over the COVID-19 pandemic, with more and more consumers opting to shop online. Previous research conducted by Deloitte Access Economics found that before the pandemic, just over half (53%) of all purchases were made in person. At the end of 2020, this was down to 42%.

Chart 1.4: Aspects of life under COVID-19 restrictions to continue



Source: ABS 2021, catalogue no. 4940.0.

Chart 1.5: Change in the use of postal services in the future



Case Study: Gisborne Post Office

The COVID-19 pandemic has created long-lasting impacts on society in general but also postal. Gisborne is a town located in the Macedon Ranges in Victoria, approximately 54 kilometres north-west of Melbourne. Located at the fringe of the metro and regional intersection, the Gisborne post office provides services to both metro and regional communities.

The COVID-19 pandemic posed significant additional demands on Gisborne post office. It led to a tripling of parcel volumes (to approximately 13,000 a month), which were already high due to their location. The pandemic also resulted in a record number of customers in their corporate outlet. To deal with these additional demands, Gisborne post office responded to the pandemic with additional flexibility for their community. They expanded the period within which consumers could return unwanted parcels, and held parcels in their shops for consumers who were in isolation. They encouraged community members, particularly the elderly to wear masks for protection and provided any assistance they needed. Gisborne post shop also delivered parcels scheduled for pick up to the elderly, to minimise their exposure to the virus.

“A lot of elderly people couldn’t get their letters or parcels during COVID-19, so we would hold it for them or deliver them ourselves, so that they wouldn’t risk getting COVID-19. We are very customer focused.”

Resilience in times of crisis is constant at Gisborne. When some members of the community lost power in their homes due to damaging winds, Gisborne post shop set up charging stations for people to come in and charge their electronic devices. They did this for the lifecycle of the power outage, which lasted for 3-4 weeks.

The Gisborne post office is able to respond adeptly to crises due to their customer focus, community connection, and innovation solutions. An example of this is the Facebook page, which became very active during the pandemic as a medium of communication with their community. Going forward, Gisborne post office hopes to do even more in the face of a natural disaster.



01. Crisis and resilience in Australia
02. **Business benefits**
03. Regional benefits
04. Consumer benefits
05. Broader social role

Top findings:



Australia Post has positively impacted

82%

of businesses.



42%

of business leaders say their business would not be able to operate without the post office.

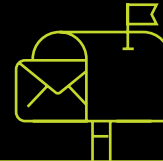


63%

of surveyed businesses say the post office was vital for their business surviving COVID-19, and 54% say it **saved jobs**.



Both regional & metro businesses increased their reliance on the post office during the pandemic to a similar level (49% for metro and 53% for regional).



Almost half
47%

of businesses ranked **sending letters** as their most used service in the post office.



2 out of 3

businesses visit the post office at least once a week.

Top post office by eCommerce*

*Most postage transactions per capita



Australia Post is vital for businesses

Australia Post has had a positive impact on **82%** of businesses

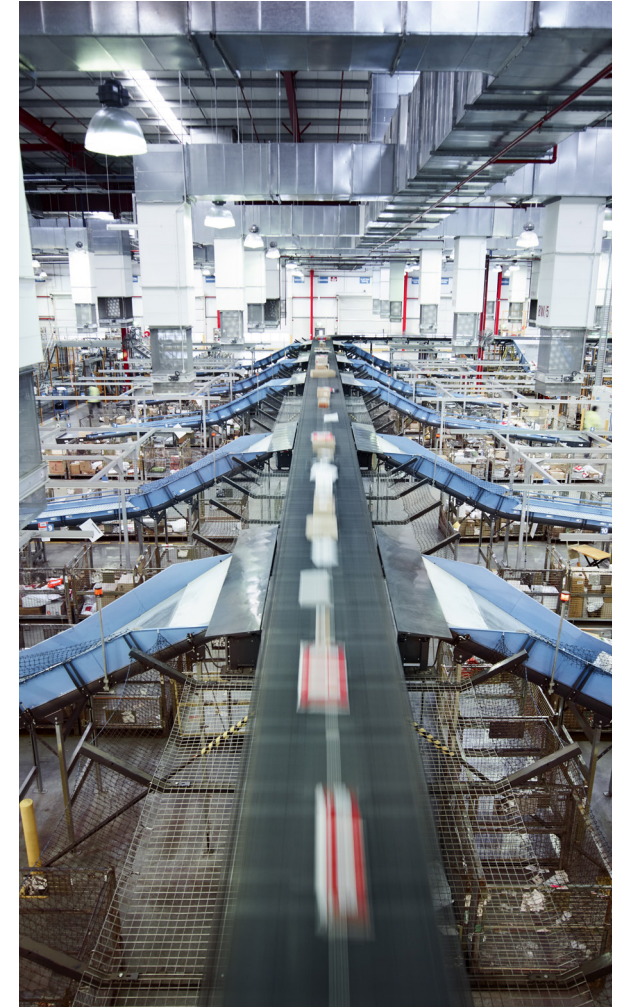
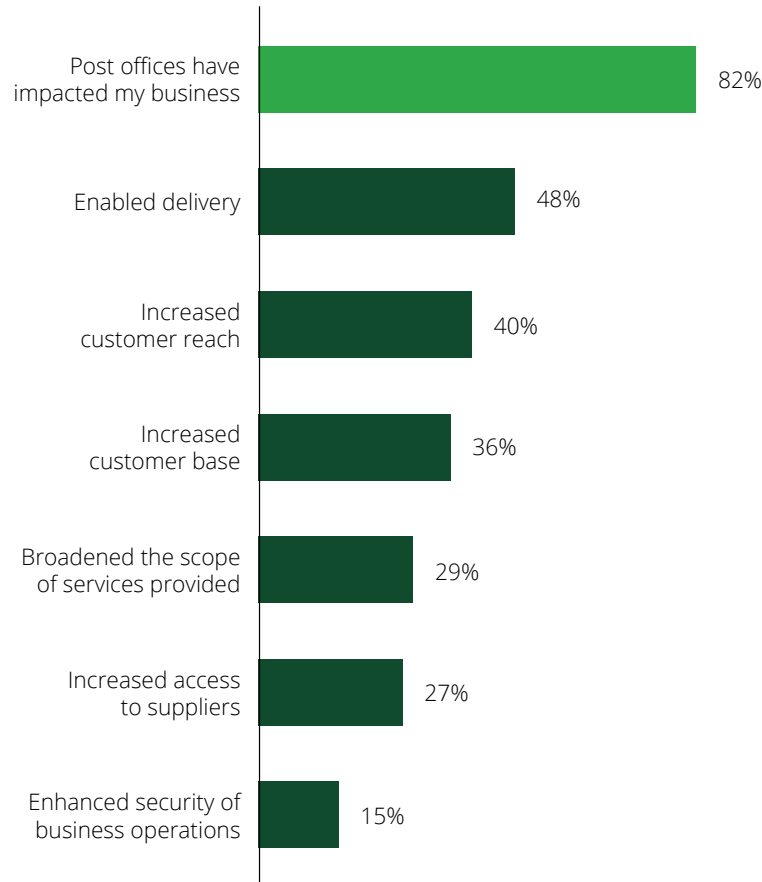
Australia Post has had a positive impact on 82% of surveyed businesses. 62% say it is the most important service provider in Australia, and 42% say their business would not be able to operate without Australia Post.

While postal services continue to be the most accessed service, post offices benefit businesses in many more ways. Alongside enabling delivery, post offices have been able to increase customer base and reach, broaden the scope of services provided, increase access to suppliers, and even improve the security of business operations (see Chart 2.1).

Australia Post is impacting businesses across all sizes and industries. In total, 50% of large businesses (200 - 2000 employees), 42% of medium sized businesses (20-199 employees) and 34% of small businesses (5 - 19 employees) indicated that post offices have helped increase their customer reach.

Australia Post enables business operations for a wide range of industries –included some who may not be expected to be reliant on Post. Businesses in Agriculture, Forestry and Fishing were most likely to report increases in their customer base as a result of their relationship with the post office (46%), followed by Manufacturing (41%), and Accommodation and food services (39%). Retail trade or shops were most likely to report their business would be unable to operate without the post office (20%).

Chart 2.1: How post offices have positively impacted businesses



Australia Post helped businesses survive the COVID-19 pandemic

63% of businesses say the post office was vital for their business surviving COVID-19

The COVID-19 pandemic brought about many challenges for businesses. Health orders that enforced business closures and lockdowns put particular strain on businesses. Businesses faced operations and supply chain disruptions, service disruptions, staff difficulties, among other non-financial difficulties (see Chart 2.3). The post was integral to mitigating these challenges.

63% of surveyed businesses say the post office was vital for their business surviving COVID-19, and **54%** say it saved jobs.

Australia Post enabled businesses to move online and continue to service customers where possible. Australia Post were able to do this through proactive engagement with their international peers who were already navigating the pandemic overseas, leveraging the experience overseas to take appropriate actions here in Australia.¹

“Based on the impacts being realised in countries impacted earlier than Australia, we immediately introduced a strategy to Protect our people, continue to Serve Australian communities, and Safeguard the future of Australia Post.”²

Chart 2.2: Business responses to: the post office was vital to my business surviving the COVID-19 pandemic

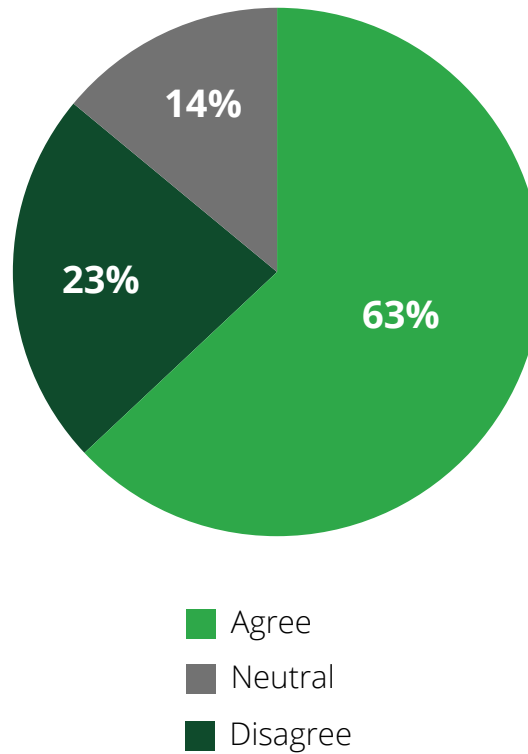
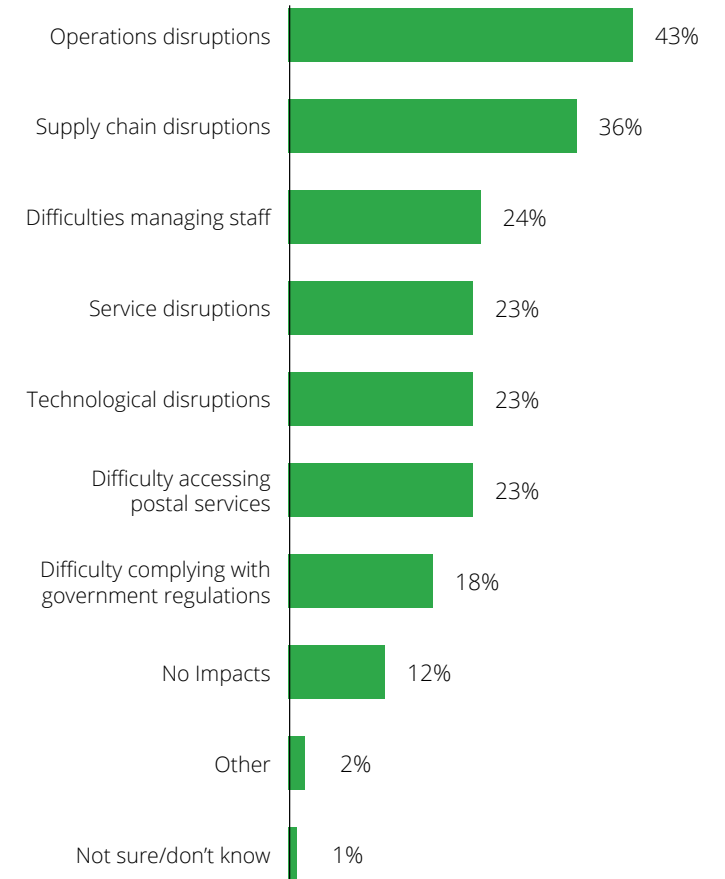


Chart 2.3: Business disruptions due to the COVID-19 pandemic



Post office reliance during the pandemic is not just a regional story

Metro and regional businesses similarly increased their use of the post office

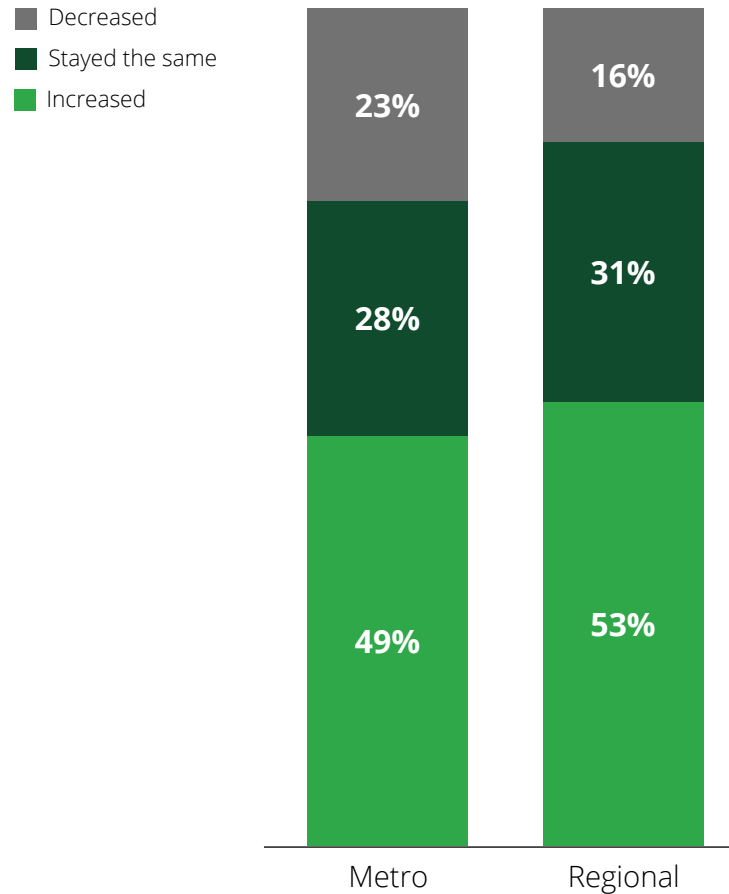
Increased post office reliance during the pandemic was not a purely regional story. In fact, the **increased use of post offices was similarly big for metro businesses (49%) as it was for regional businesses (53%).**

Businesses observed changes in demand for their business offerings during the pandemic, and enhanced their e-commerce delivery. Post offices helped smooth out demand fluctuations for regional and metro businesses alike.

From Financial year 2019 to 2021, postage transactions through Australia Post has grown by 15% - reaching 71 million transactions in 2021. Growth was seen across all regions, ranging from 13% in major cities to 17% for regional Australia, and 30% for remote Australia.

While the change in post office use during the pandemic was similar for metro and regional businesses, the role that post offices played in the two regions slightly differ. Post offices have an additional focus on supporting the emergence of eCommerce in regional areas, helping entrepreneurs in the community establish and grow their businesses domestically. An example of this is the role Moonta PO played in helping expand Story Book Cakes, a small business in their community (overleaf).

Chart 2.4: How COVID-19 changed business use of the post office, by region



Case Study: Story Book Cakes

Story Book Cakes was founded by Mark and Karyn Mills in 2009. It is a small family run business located in the Darling Downs region of South-East Queensland. Story Book Cakes is a home run business that sells pre-made cake mixtures.

Story Book Cakes was first noticed by a postal manager at Warwick post office because of the high volume of products being shipped. Mark and Karyn run the popular business in their home kitchen, and used the Post to share their cake mixtures with the community. Having realised the sender was likely a small business, the post contacted the duo to let them know of the business benefits the post office provides. These benefits included help with postage, discount schemes to reduce the cost of shipping, and services to elevate the design, look and feel of the brand.

The Post also provided support to the business during the COVID-19 pandemic –

“Mark was scared to leave the home and bring back germs because wife [Karyn] was immuno-compromised. So we got them onto My Post Business so they could do a lot of the processes at home.”

Signing up to My Post Business (MPB) provided Mark and Karyn with the flexibility to carry out certain processes at home rather than at the post office, for free. With MPB, Mark and Karyn were able to print labels at home, have a tracking number generated at home, and also have pre-lodged parcels that they could send with minimal exposure to the post office during the pandemic. MPB also enabled Mark and Karyn to work outside of standard post office operating hours, so they could work when they wanted to.

Story Book Cakes and the postal manager at Warwick post office have a great rapport, often conducting business meetings over lunches together. “[We are] encouraged by the manager to have that one on one rapport which is a small town thing; in the city it’s more email correspondence.” Maintaining a personal relationship enables the post office to tailor their support to the needs of the community, connect more deeply, and garner trust.

Warwick post office also conducts school visits with a post office mascot, distributing stamps and felt envelopes to children while teaching them about sending letters. They also provide banking services because most banks in the area close at 2pm.

As the only post office in the region, Warwick post office recognise the role it has to play in serving its community meaningfully, beyond the provision of postal services.



Despite the e-commerce boom, letters is still the most used service

47% of businesses rank sending letters as their most used service

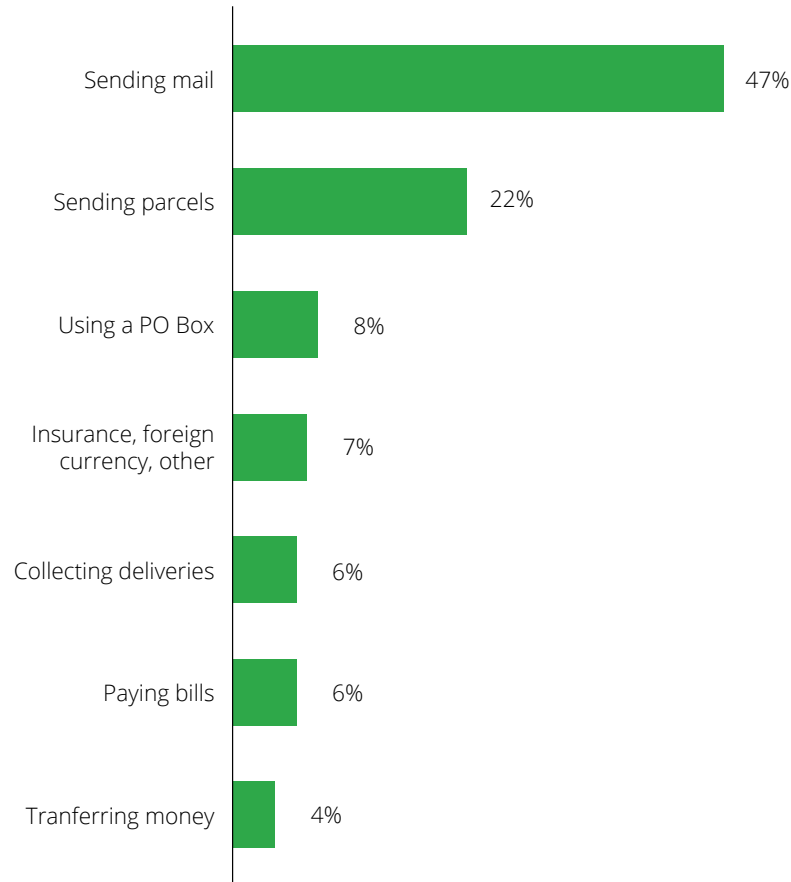
While Australia Post's parcel business is growing strongly and its mix of business services is diversified, most businesses continue to nominate letters as the key service used, giving Australia Post the broadest reach across the business community.

Almost half (**47%**) of businesses ranked sending letters as their most used service in the post office, followed by sending parcels (**22%**). Other activities businesses nominated using included: buying insurance and foreign currency, verifying and witnessing documents, completing identity checks, license renewals and applications, purchasing post related merchandise, purchasing non postal merchandise and TFN applications.

Businesses also rely on the physical post office, with **2/3** visiting it at least once a week. Businesses still rely on the post office for other key services such as financial transactions and payments, government services, and post-related merchandise.

When asked about key non-postal services provided by Australia Post, many businesses indicated they didn't have access to viable alternatives – only 39% said they had alternatives for government services such as identification, and 38% had alternatives for financial transactions and payments. In contrast, banking services were not as critical for many, with 71% indicating they had alternatives available.

Chart 2.5: Business ranking of most used services



01. Crisis and resilience in Australia
02. Business benefits
03. **Regional benefits**
04. Consumer benefits
05. Broader social role

Top findings:



41%

of regional consumers rate the post office very valuable for connecting communities.



72%

of regional businesses were satisfied with post office services, compared to 57% of metro businesses.



Post offices in regional and remote communities saw a **1-6%** increase in foot traffic per person between 2020 and 2021.



60% increase in foot traffic in regional post offices between the 2018-19 financial year and 2020-21, compared to just 25% increase in post offices located in major cities.



From 2019 to 2020, Australia Post supported communities affected by **311 bank closures** in postcodes that had a post office.

Top post office by merchandise



Post offices ensure Regional Australia is connected to services

71% of regional consumers rate the post office very valuable for sending letters and receiving parcels

An important component of regional and rural Australia is the physical presence of small businesses – the bank, the local grocer and the post office. Australia Post’s significant national infrastructure network means that post offices play an important role in these communities, and in some instances are considered more valuable to regional consumers compared with metropolitan consumers.

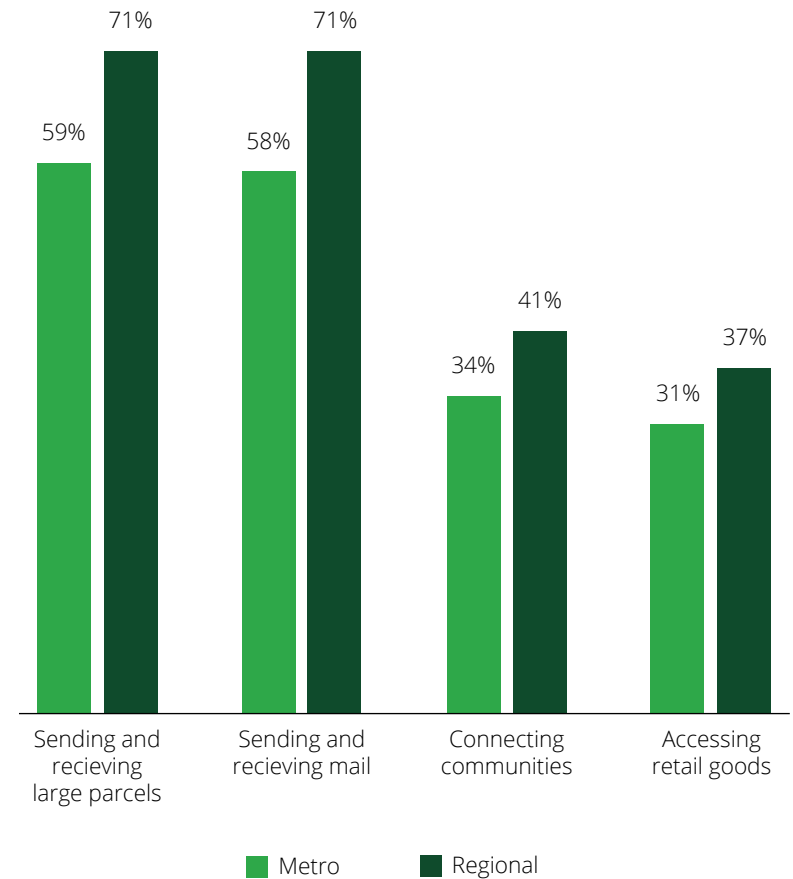
Regional consumers rate the post office more valuable over several categories. In relation to traditional postal services, **71% of regional consumers rate the post office very valuable for sending and receiving large parcels and letters**, compared to metropolitan areas (59% and 58% retrospectively).

The presence of the post office also enables regional Australia to connect with the rest of Australia. According to Deloitte’s consumer survey, **41% of regional consumers rate the post office very valuable for connecting communities**.

Further, post offices provide access to employment opportunities for regional Australians. Previous research conducted by Deloitte Access Economics found that access to employment opportunities was identified as an important feature contributing to the liveability of regional, rural and remote areas. The post office is an important contributor in increasing employment among residents. The ability to work locally is important and the post office provides an avenue for regional residents to do this.

Australia Post also plays an important role in servicing regional **businesses**. Non-postal services are especially important, where alternatives can be limited in regional areas. Further, the personalised relationships that regional post offices build with small business owners likely affects the overall satisfaction with the partnership. Deloitte’s business survey showed that **72% of regional businesses were satisfied with post office services, compared to 57% of metro businesses**.

Chart 3.1: The value of the post office in providing the following services



Regional Australia are more frequent users of the post office

Residents of regional Australia are more than twice as likely to visit the post office as metropolitan Australians

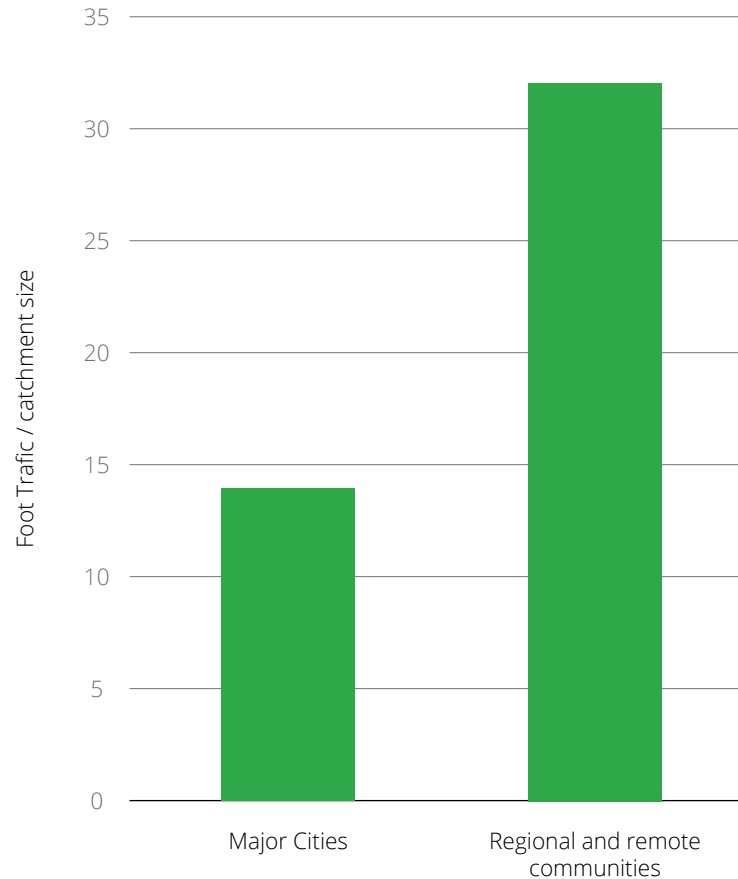
Regional Australians value the post office highly, and frequent the post office more than individuals who reside in capital cities. Over the course of the COVID-19 pandemic, post offices in regional and remote communities saw a 1 to 6% increase in foot traffic per person.

As shown in Chart 3.2, over the COVID-19 pandemic post offices in regional and remote communities saw a larger increase in foot traffic per area size in FY2020, compared to those in major cities.

This change has occurred over the last three to four years. Post offices in major cities have on average seen a decrease in foot traffic, while post offices in regional Australia have on average seen an increase.

Between 2018-19 and 2020-21, **60% of post offices located in regional Australia experienced an increase in foot traffic.** In contrast, just 25% of post offices in metro regions experienced an increase in foot traffic, with the remaining 75% experiencing a decrease.

Chart 3.2: Change in foot traffic per person (2020-21)



Source: Australia Post data

Growth in post office revenue

Revenue relating to Australia Post in regional Australia post offices grew by 19%; revenue in remote Australia grew by 15%

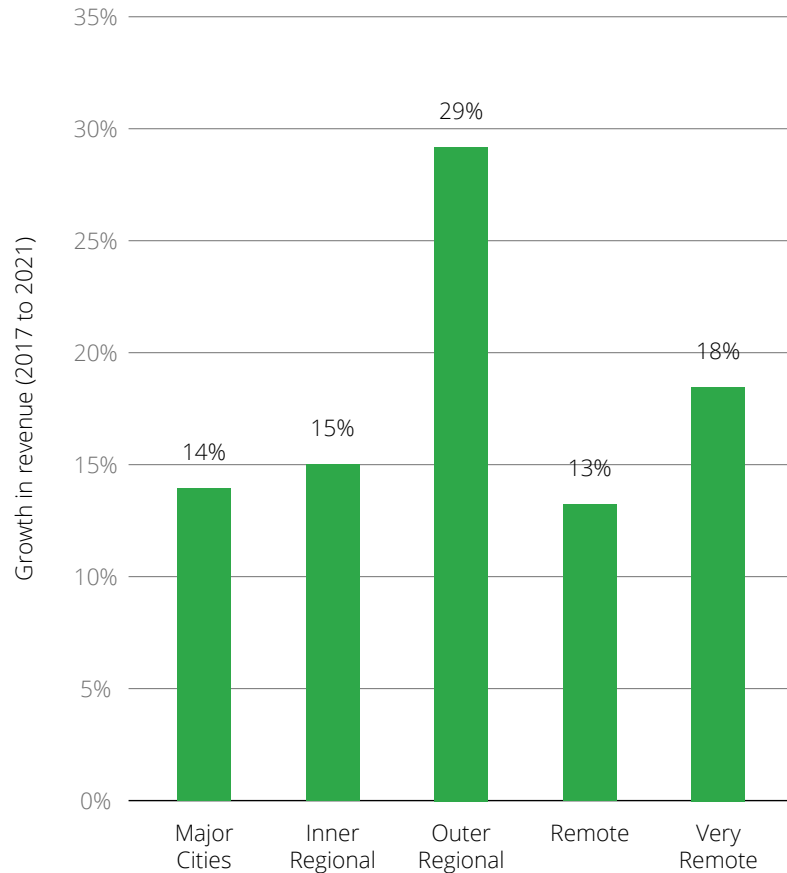
The increased reliance on post offices in regional and remote Australia is reflected in higher growth for revenue related to Australia Post. From FY2017 to 21, revenue relating to Australia Post in regional Australia post offices grew by 19%, representing an additional \$78,000 in revenue on average.

For remote post offices, revenue relating to Australia Post grew by 15%, representing an additional \$29,000 in revenue on average.

In contrast, revenue relating to Australia Post in major city post offices fell over the same period, representing an average decrease of \$131,000 per post office.

Chart 3.3 shows revenue data for post offices with revenue data from 2017 to 2021 and known postcodes. These 3,553 post offices account for \$3.4 billion in revenue, or 97% of total post office revenue. Post offices are allocated to regions based on Australian Bureau of Statistics remoteness area definitions. Post office revenue relating to business centres and POB centres have not been allocated as their postcodes are unknown.

Chart 3.3: Growth in post office revenue by region from FY 2017 to FY2021



Source: Australia Post data

Post offices supporting communities with Bank@Post

Bank@Post is an agency service which provides transactional banking services by Australia Post, on behalf of over 80 financial institutions. The service is available in 3,500 locations nationally, including in over 1,600 communities with no nearby access to a bank branch. In FY2021 Australia Post supported 14.7 million transactions for Bank@Post, which equated to \$10.2 billion in value.

Australia Post plays an important role in ensuring consistency and continuity with banking services in regional and rural Australia. In particular, post offices that offer Bank@Post support the most vulnerable Australians, as well as small businesses for whom ready accessibility to banking services is critical.

The key features of Bank@Post include:

- providing accessibility to essential banking services in locations where there is limited accessibility to a traditional bank branch.
- providing residents choice around how they want to do their banking
- supporting the more vulnerable people in the community or those who can't use digital methods
- supporting businesses who need to be able to operate in a world of cash, for example those who need to be able to accept and deposit cash to remain relevant in their communities

Bank@Post also provides support to communities when a bank closes a branch, to assist bank customers with their transition to Bank@Post. From 2019 to 2020, Australia Post supported communities affected by 311 bank closures in postcodes that had a post office. During 2020 and 2021, with more than 95% of post offices remaining open, Australia Post supported the temporary and permanent closures, as well as reduced hours for more than 2157 bank branches.



Case Study:

Shepparton Business Centre

Shepparton is a city located in northern Victoria, approximately 181 kilometres north-east of Melbourne with a population of over 51,000 people. The Shepparton Business Centre (BC) is the number one parcel delivery point in the rural area for Shepparton.

The main services provided by the Business Centre are business support services such as operating as a core hub for parcels pick up and drop off, as well as business payments. In addition the centre provides extended trading hours for a lot of their customers. Kate Petersen, Business Services Manager at the Shepparton Business Centre noted "A large amount of our customers are farmers with orchards who require extra accessibility beyond the traditional 9 to 5 opening hours. We try to support the businesses in the community as much as possible."

The COVID-19 pandemic brought about new challenges for the Business Centre. A significant amount of the community were required to isolate at home, putting strain on services in the city. Kate noted, "apart from dealing with huge demand, we were also dealing with huge volumes of packages." In addition, businesses in the community required different support. The Fairy Floss Club which creates long-lasting fairy floss to make at home, was supported by the Shepparton BC. Kate noted,

"When the show was cancelled in Shepparton, Tara from the Fairy Floss Club was devastated. Australia Post helped her to pick up her goods every day and package and ship them, so nothing went to waste."

Further, the Business Centre also supported the community through the Happy Boxes Initiative. Happy Boxes are basic essential toiletries packaged and delivered to Indigenous communities who lack access. The initiative was found by Kate Petersen and supported by the Business Centre. According to Kate, "We've been making and sending Happy Boxes to regional communities, we try to support communities all Australia".

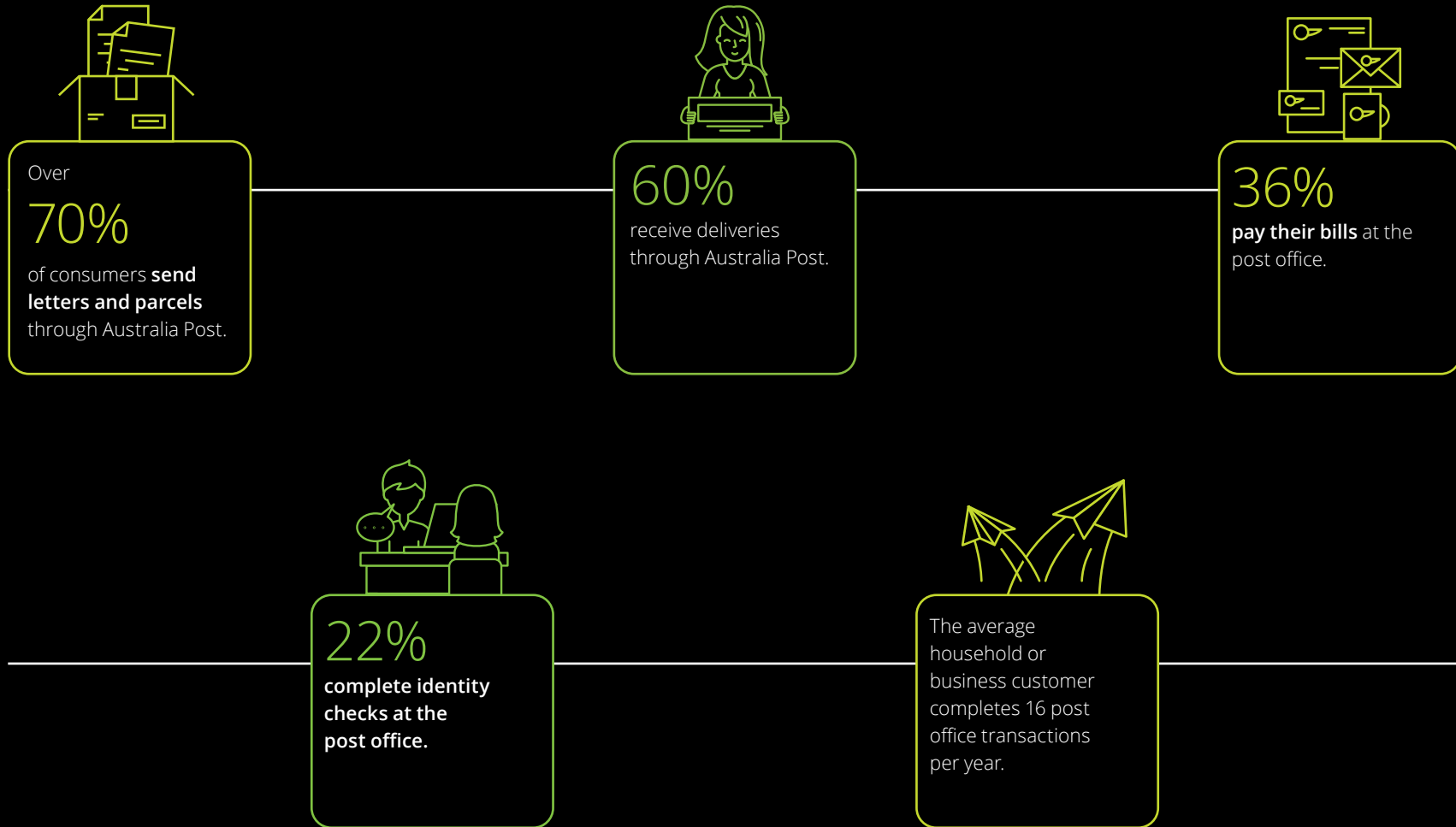
The pandemic also changed the role of the Business Centre in Shepparton, many residents were coming into the Business Centre for social interaction. Kate noted, "residents would see at the Business Centre as their one place of social interaction and come into the centre just to see a friendly face. Sometimes their human interaction at our post office was their only human interaction that day".

In the future, the Shepparton Business Centre hopes to be a collection point for food share in Shepparton. The pandemic and lockdown showed the centre that it can be the point where the community can come together to support each other in times of crisis.



01. Crisis and resilience in Australia
02. Business benefits
03. Regional benefits
04. **Consumer benefits**
05. Broader social role

Top findings:



Top post office by foot traffic 2021



The community uses post offices for a range of reasons

The majority use post offices for sending letters and parcels but one in three for bill payments

The trust the community places in post offices is evident in the range of services accessed. While postal services are still the most used, with over 70% sending letters and parcels through the post, there is a host of other services the community relies on the post for including paying bills, retail, identity checks and document verification.



36% **pay their bills** at the post office



27% buy **non-postal merchandise** at the post office



22% complete **identity checks** at the post office



21% have their **documents verified and witnessed** at the post office

In the future, identity checks and services are expected to rebound. The use of passport services have increased 70% on the previous year. This growth is most pronounced in Tasmania and SA, who haven't seen as many lockdowns and restrictions as the rest of Australia.



Post offices remained vital during the COVID-19 pandemic

Post office visitation only declined slightly during the pandemic

The COVID-19 pandemic changed how the community interacted with their local businesses. Lockdowns meant people could not visit their local shops, restaurants or cafés as much, and businesses had to find innovative ways to address this.

Despite the extended lockdowns the community faced, post office visitation remained largely constant over time, emphasising the essential role post offices play in servicing the community (see Chart 4.2). This was true for frequent visitors, as well as less frequent ones.

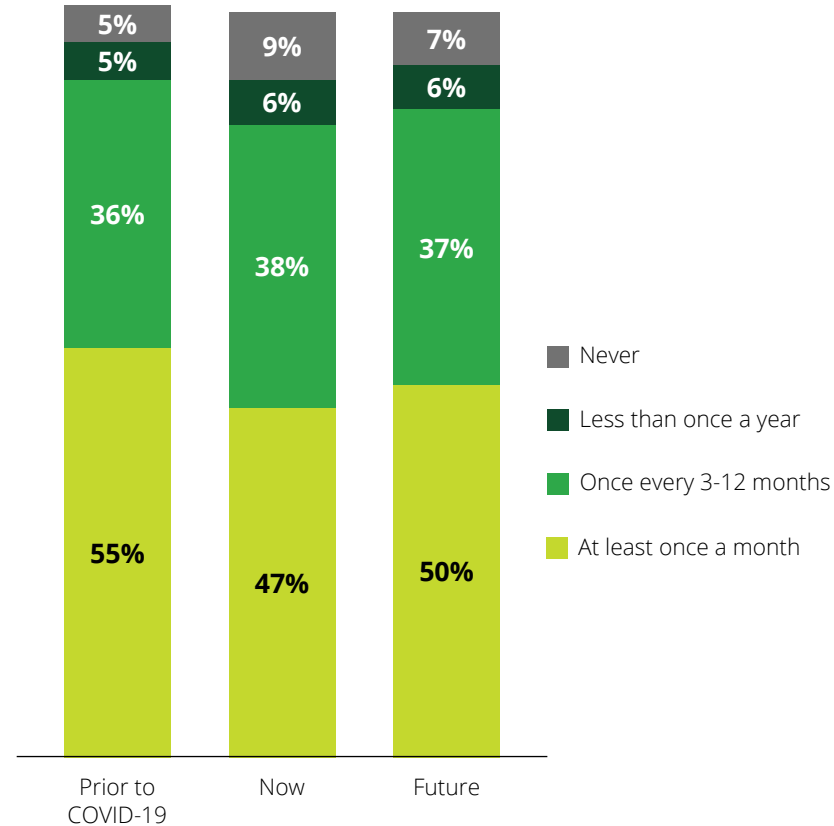
With consumers unable to shop for products in store, the post office substituted for a significant portion of the retail goods reaching customers. Further, some portion of the lost visitation during the pandemic is expected to rebound in the next two years.

Post offices were able to achieve this by mobilising staff to work across jobs, through extended operating hours including weekends, and through process innovations. This wasn't without challenges and delivery setbacks, but the post largely maintained commitments to the community. Through all of this, community health and wellbeing remained at the forefront of brand:

“A lot of elderly people couldn't get their letters or parcels during COVID, so we would hold it for them or deliver them ourselves, so that the elderly wouldn't have to risk getting COVID. We are very customer focused.”

– Postal Manager, Gisborne Post Office

Chart 4.1: Post office visitation for an over the counter or locker pick up, prior to COVID-19, now, and in two years' time



Australia Post's role in regional and remote communities

Regional and remote areas make more non-postal transactions than metro areas

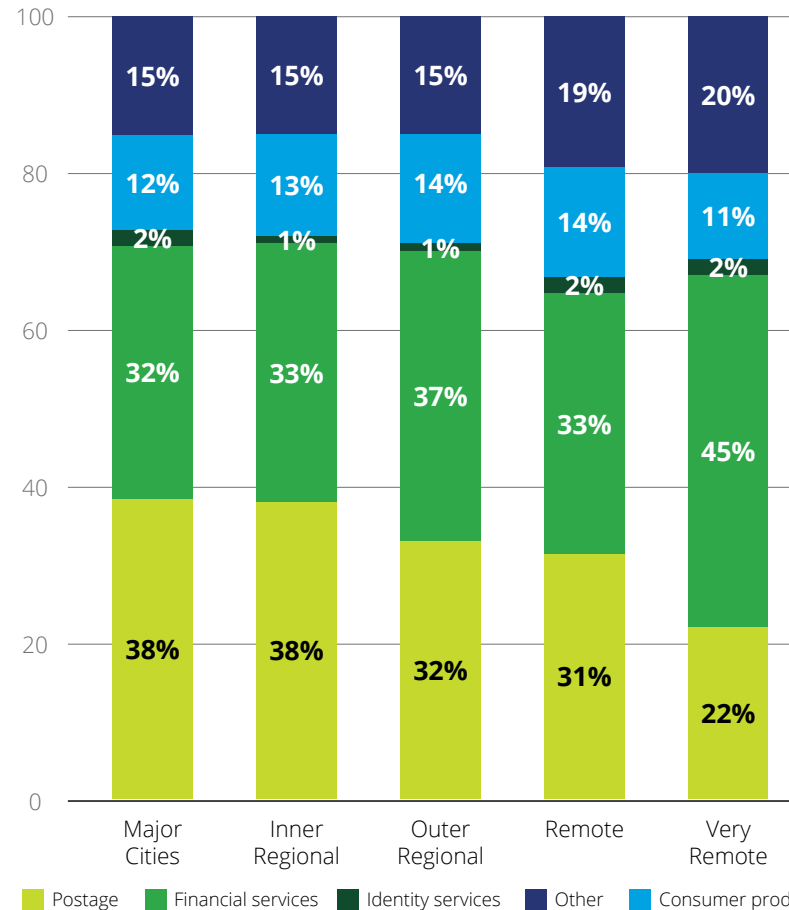
Access to key services can be difficult in regional and remote Australia, with a smaller concentration of service providers, shorter operational hours, and staff shortages. Post offices fill these gaps.

Overall, **the average resident/business completes 16 post office transactions per annum**. Residents and businesses in regional and remote areas complete more transactions (16 and 21 transactions respectively) compared to residents and businesses in metropolitan areas (14 transactions).

Postage and financial services account for over two-thirds of total transactions overall, but regional and remote Australians rely on post offices more for non-postal services.

For major cities, the largest composition of transactions was postage (38% of all transactions), for very remote areas it was financial services (45%). Other services (i.e. merchandising) are also relatively more important in very remote areas.

Chart 4.2: Composition of annual transactions 2020-2021



Source: Australia Post data

Customers are satisfied with post office services

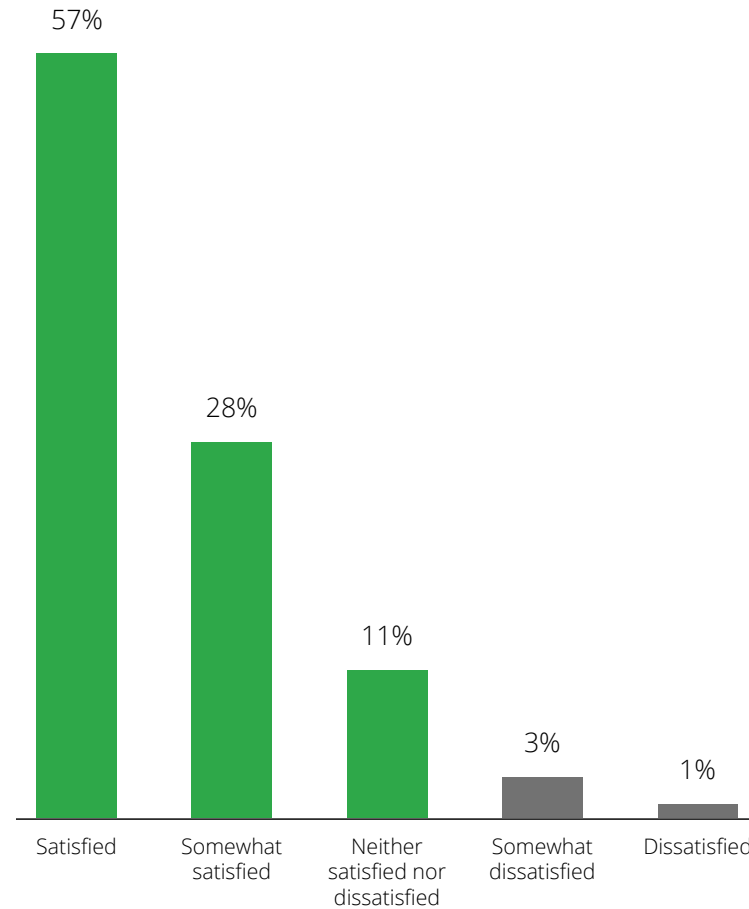
85% of the community is satisfied or somewhat satisfied with post office services

The community is largely satisfied with the services that post offices are providing. 85% of the community say they are satisfied or somewhat satisfied by the services provided by their post offices. Only 4% feel any dissatisfaction with the services (see Chart 4.4).

Postal services are integral to this result overall, but different community groups derive different sources of satisfaction with the post. For example, 71% of the Indigenous community feels that post offices contribute to their community beyond the provision of postal services, compared to 59% of the non-Indigenous community.

Regional consumers exhibit slightly greater satisfaction with post offices (65%) than metro consumers (53%).

Chart 4.3: Community satisfaction with post office services



Case Study:

Moonta Post Office

Moonta is a town on the Yorke Peninsula of South Australia, approximately 165 km north-northwest of Adelaide. Moonta Post Office is an important service hub for the Moonta community, providing banking, bill payment, postal, and other services. The only bank branch left in Moonta is BankSA, so the local community rely heavily on the banking service provided by the post office.

Moonta Post Office is especially important for the vulnerable members of the community. The elderly are reliant on the services provided by Moonta, because it is inconvenient for them to travel to other centres such as Kadina or Wallaroo. This was especially true during the COVID-19 pandemic, during which the elderly were wary to travel for shopping. The biggest change Moonta experienced during the pandemic was the move to online shopping leading to greater retail parcel delivery.

The elderly also rely on Moonta Post Office for technological assistance, such as putting in new SIM cards into their phones, transfer contacts across devices, set up emails, help with QR codes, and pay bills. Further, the post office employees provide a friendly face for the elderly to interact with.

Moonta Post Office is also a popular retail destination, stocking even electrical items as a result of the pandemic. This includes TVs, slow cookers, mobiles, all of which are popular items in the shop. Air fryers in particular seem to be an item Moonta cannot keep up with the demand for.

Along with the services Moonta provides in its physical post office, is a host of other contributions made to the community. Moonta Post Office sponsors as many sporting clubs as they can, as well as volunteer groups that help restore their local heritage. This includes groups that regenerate their local parks and ponds, planting new trees, installing picnic benches, and clearing ponds to bring back birdlife. They have also applied for the Peoples of Post Grant of \$500, through which they got a new first aid kit, snake first aid kits, and were able to upgrade their tools.

Moonta Post Office is much more than a postal centre. It is a one stop shop where community members can access wide-ranging goods and services, and receive the support they need to navigate their day-to-day.



01. Crisis and resilience in Australia
02. Business benefits
03. Regional benefits
04. Consumer benefits
05. **Broader social role**

Top findings:



The post office is the **3rd most trusted institution**, after the doctor and the police.



More consumers report the presence of a post office in their community (77%), than they do the presence of a bank branch (71%), library (69%), or police (74%).



73% of consumer respondents agree or strongly agree that the post office is vital to accessing core services.



Australians living with a disability were up to **3 times** more likely to rely on post office services during a natural disaster or emergency.



17% of individuals believe the post office supports local events and community organisations.



The broader social benefits of Australia Post are estimated to be \$226 million in 2021, up 8% in real terms from the last estimate in 2018.

Post offices are among the top 3 most trusted institutions

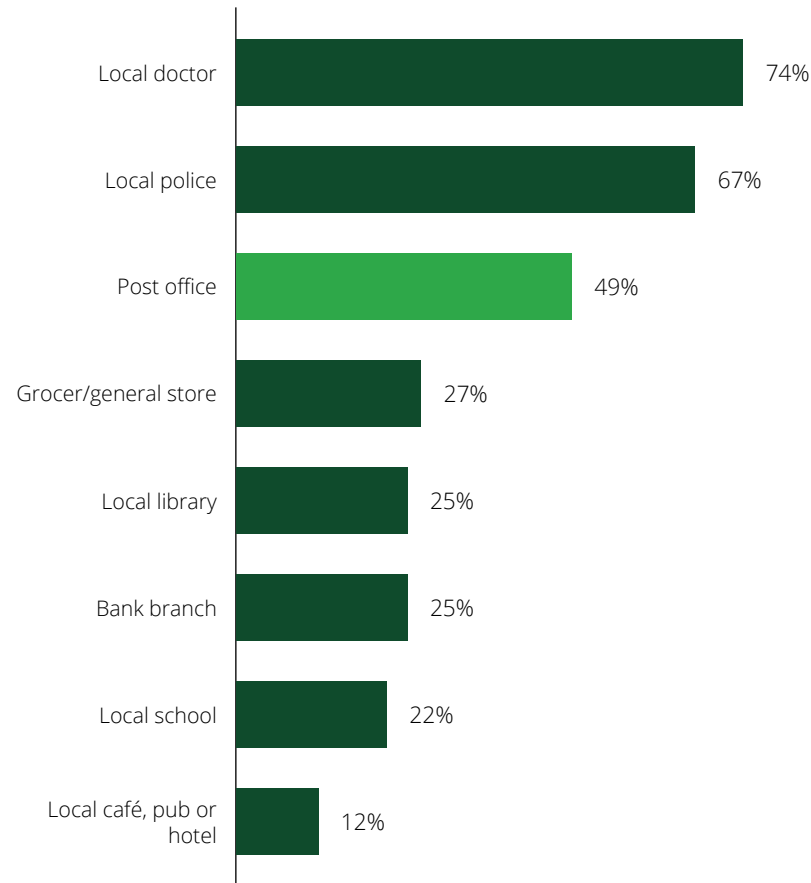
Trust in post offices is second only to the doctor and the police

The post office is ranked amongst the top three most trusted organisations to deliver services and assistance to communities, behind only the local doctor and the police.

The post office is more trusted than the general store, the local library, the bank branch and the local school (see Chart 5.1). One in eight respondents (12%) of the community rank the post office as the most trusted institution among those listed in the chart.

The post office is also among the most present institutions in the local community. More consumers report the presence of a post office in their community (77% of surveyed consumers), than they do the presence of a bank branch (71%), library (69%), or police (74%).

Chart 5.1: The extent to which individuals trust the following organisations to deliver services and/or assist the community



Australia Post makes it easier to access services and navigate complex processes

Beyond traditional postal services, the post office plays a broader social role in society. The national infrastructure of Australia Post enables the post office to extend its role as just a delivery service provider. At the end of FY2020, there were 3,590 post offices across Australia.

The extent of the network and its physical presence means post offices can provide other core services to communities, such as retail, banking and government services, as well as support residents to navigate complex processes. According to Australia Post data, **65.5% of the post office network includes in-conjunction outlets**, including general stores, service stations, newsagencies, milk bars and corner stores, chemists, hardware shops and gift shops. The survey found **73%** of consumer respondents agree or strongly agree that the post office is vital to accessing core services. **Over half (55%)** of respondents also indicated that the post office is vital to their communities accessing retail goods.

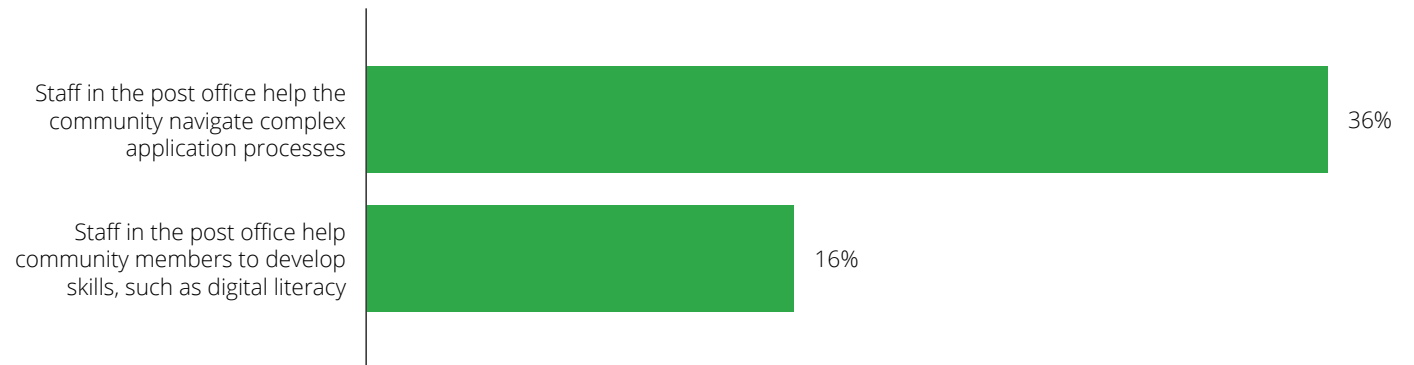
Further, staff in the post office help individuals navigate complex processes. The consumer survey found **over one third (36%) of surveyed consumers believe that staff in the post office help the community navigate complex application processes.**

The COVID-19 pandemic had an impact on the role of the post office in serving communities. Australia Post took immediate action to acquire essential service status to continue operating and provided support to deliver urgent and essential medicines, medical supplies and food across Australia.³

Chart 5.2: Respondents who strongly agree or agree with the following statements



Chart 5.3: Other contributions to the community made by the post office



Post offices contribute to the local community's culture

In addition to the presence of the post office and its ability to provide essential services, the post office contributes to a range of activities that help build social capital in local communities.

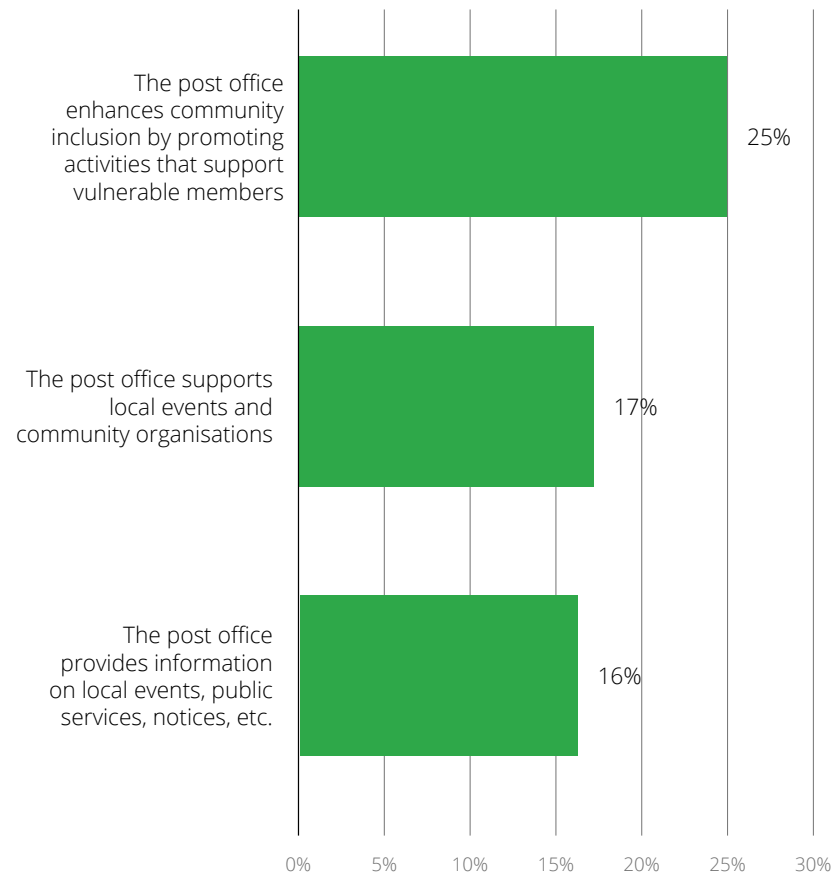
According to Deloitte Access Economics' survey of consumers, 25% believed Australia post promoted activities that support vulnerable members of the community, 17% of individuals believe the post office supports local events and community organisations. Further, 16% believe the post office provides information on local events, public services and notices.

Over the last 18 months as communities have weathered the crisis with social distancing and lockdowns, individuals have felt isolated. The post office has been a place where residents can go for social connection.

“Community interaction in the post office is important for residents, particularly the elderly, that amplified a lot during the COVID-19 crisis. Residents were just coming into the post office to see a friendly face.”

– **Kate Petersen, Business Services Manager at the Shepparton Business Centre**

Chart 5.4: In addition to providing Australia Post products and services, does your local post office make other contributions to your community?



Supporting vulnerable Australians:

Australia Post supports vulnerable Australians more than any other cohort

The post office makes an important social contribution in supporting vulnerable Australians. When asked about the broader contributions made by the post office, **17% of respondents indicated that the post office enhances community inclusion by promoting activities that support vulnerable members.**

The survey found that the post office supports vulnerable Australians more than any other cohort. As shown in Chart 6.1, Australians with a disability access the post office during a natural disaster or during the pandemic, more than Australians who don't have a disability.

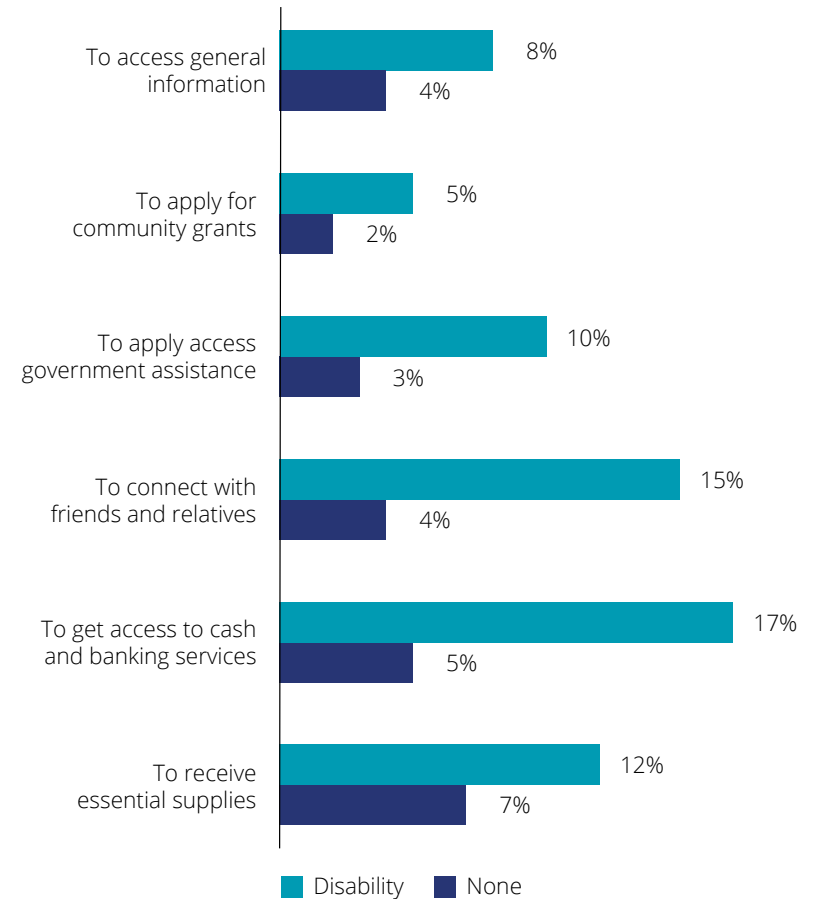
Across a range of services, such as, to access general information, to apply for community grants, to access government assistance, to get access to cash and banking services and to receive essential supplies – the post office is on average used more by vulnerable members of the community during a natural disaster or emergency.

The post office is important for equity of access to core services. Respondents who have a disability are more likely to receive essential supplies (12%) or access general information (8%) or government assistance (10%) during a natural disaster or emergency.

The post office also plays a role in social interaction for vulnerable members of the community. Individuals who identify as having a disability are more likely to use the post office to connect with friends and relatives (15% of respondents), compared to 4% of Australians who do not identify as having a disability.

Banking services in post offices are more likely to be used by the vulnerable cohort, 17% of respondents who have a disability indicated that they require a post office during a natural disaster or emergency for banking services. This is compared to just 5% of respondents who do not live with a disability.

Chart 5.5: Services that individuals require a post office for during a natural disaster or emergency (e.g. a bushfire or during a COVID-19 lockdown)



Post offices help Australia Post meet environmental sustainability goals

Australia Post has the largest retail footprint and ground fleet in Australia - with this brings a number of challenges when it comes to meeting environmental and sustainability goals.

The two biggest environmental challenges Australia Post faces are driving down emissions and decreasing their waste. According to Susan Mizrahi, Chief Sustainability Officer, Australia Post, "the biggest challenge we face is driving down emissions. 70% of our emissions come from air emissions, coupled with the massive growth in parcels over the last 18 months, driving down emissions is a significant challenge for the organisation."

Emissions

Australia Post has implemented a number of programs to address the issue of rising emissions. Firstly, it has established a science based target to reduce greenhouse gas emissions, 15% by 2025 from a 2019 financial year baseline. This program aims to drive improvement in carbon, energy and fuel use and costs across the organisation. In addition, investigate and test new and innovative building and transport related technologies through a dedicated research and development program.

Further, a considerable amount of emissions come from the Australia Post network and the small to medium enterprises (SMEs) in this network. To address this component of emissions, Australia Post commissioned a white paper into the attributes of sustainability in SMEs to better understand how sustainability goals can help businesses thrive. The paper identified a small business sustainability roadmap to assist businesses with practical steps that can be applied to improve their approach to sustainability. The paper found that 44% of SMEs consider sustainability very important to the future success of their businesses. However, they lack the resources available to their larger counterparts.

In addition, Australia Post has created further internal steps to reduce emissions. Susan noted, "We're in the process of connecting with all business units in the organisation. To do this we've established cross functional working groups on environmental sustainability to hear from team leaders across Australia Post about what they're doing in their areas."

Waste

To address the issue of growing waste, Australia Post is trying to facilitate a circular economy in the organisation and the broader economy. A circular economy is defined as one where as much value as possible is retained from resources and materials used. As a logistics provider, Australia Post is well placed to do this.

In November 2017, Australia Post commissioned a report titled Transitioning to a Circular Economy. The purpose of the paper is to identify the barriers to lifting the level of investment in or advancing early circular economy activities. In doing this, Australia Post created a partnership with MobileMuster. MobileMuster is a program that provides a free mobile phone recycling service in Australia. The program accepts all brands and types of mobile phones, including their batteries, chargers and accessories. A number of post offices act as MobileMuster public drop off points across Australia, where individuals can drop off old mobile phones to recycle with a free post back option.

Broader social value of the post office to society

In further examining the impact of the post office and its broader role in society, our research measured the consumer surplus of the post office. **Consumer surplus represents the extent to which consumers value the post office above and beyond what they currently pay for them, as measured by their willingness to pay to retain these services.**

Previous Deloitte Access Economics research conducted in 2018 on the value of Australia Post's services estimated that willingness to pay for the broader social benefits of Australia Post's existence, such as fair access to core services across the country, is around \$185 million per year in addition to the current prices they pay for Australia Post's products and services.

This year, Australians' willingness to pay for the broader social benefits of Australia Post's existence, such as fair access to core services across the country, is around **\$226 million** in addition to the current prices they pay for Australia Post's products and services. This is up **8%** in real terms compared with 2018 on a per person basis.



Case Study: Mandurah Post Office

Mandurah is a city on the southwest coast of Western Australia. As Western Australia's largest regional city, Mandurah has both metro and regional elements that shape the way Mandurah post office operates.

Mandurah post office has a big focus on businesses. It operates similar to a business centre without being classified as one, providing support and resources to upcoming businesses in the region. A recent example of the support provided is for a business that was providing face masks during the pandemic. The business was facing demand pressures as they went online, and the post office provided support with this transition, as well as with swiftly dispensing a high volume of face masks to community members. Mandurah post office also supports businesses get funding, in the form of nominations for local grants worth \$500.

Mandurah post office also helps the non business members of the community. It has provided work experience to school children at the post office,

and have provided postal items such as stamps to children in day care centres, so they are able to send out their Santa letters. Over Christmas, Mandurah post office is preparing to purchase trees and decorations to donate to Salvos Stores.

Mandurah's contributions to the community can also be observed within the post office, whereby they will provide personalised help to elderly members seeking passport services, bills and banking services, and even internet searching or acquiring retail goods. Mandurah has a particularly close relationship with an elderly estate in the region, where members of the post office go to provide stamps for the people living in the estate units.

Going forward, Mandurah post office hopes to work specifically with homeless people in the community, as post office staff observe homelessness on the rise in the area.



Endnotes

- 1 Australian Bureau of Statistics, Household Impacts of COVID-19 Survey, June 2021 (2021), catalogue No. 4940.0 <https://www.abs.gov.au/statistics/people/people-and-communities/household-impacts-covid-19-survey/latest-release>
- 2 Commonwealth of Australia, The future of Australia Post's service delivery, Senate Environment and Communications Legislation Committee Inquiry (3 July 2020) https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/AustraliaPost/Report
- 3 Commonwealth of Australia, The future of Australia Post's service delivery, Senate Environment and Communications Legislation Committee Inquiry (3 July 2020) https://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Environment_and_Communications/AustraliaPost/Report

Our People



John O'Mahony

Partner
T: +61 2 9322 7877
E: joomahony@deloitte.com.au



Paul Liggins

Partner
T: +61 3 9671 6648
E: pliggins@deloitte.com.au



Ben Lodewijks

Director
T: +61 2 6263 5087
E: blodewijks@deloitte.com.au



Christine Ma

Manager
T: +61 2 6263 5062
E: shuanma@deloitte.com.au



Sarah Rillo

Senior Analyst
T: +61 3 9671 6927
E: srillo@deloitte.com.au.



Rhea Banerjee

Analyst
T: +61 282604861
E: rhbanerjee@deloitte.com.au



This report is prepared solely for the use of Australia Post. This report is not intended to and should not be used or relied upon by anyone else and we accept no duty of care to any other person or entity. The report has been prepared for the purpose set out in the engagement letter dated 25 June 2021. You should not refer to or use our name or the advice for any other purpose.

Deloitte Access Economics is Australia's pre-eminent economics advisory practice and a member of Deloitte's global economics group. For more information, please visit our website: www.deloitte.com/au/deloitte-access-economics

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited ("DTTL"), its global network of member firms, and their related entities (collectively, the "Deloitte organisation"). DTTL (also referred to as "Deloitte Global") and each of its member firms and related entities are legally separate and independent entities, which cannot obligate or bind each other in respect of third parties. DTTL and each DTTL member firm and related entity is liable only for its own acts and omissions, and not those of each other. DTTL does not provide services to clients. Please see www.deloitte.com/about to learn more

Deloitte is a leading global provider of audit and assurance, consulting, financial advisory, risk advisory, tax and related services. Our global network of member firms and related entities in more than 150 countries and territories (collectively, the "Deloitte organisation" serves four out of five Fortune Global 500® companies. Learn how Deloitte's approximately 312,000 people make an impact that matters at www.deloitte.com

Deloitte Asia Pacific

Deloitte Asia Pacific Limited is a company limited by guarantee and a member firm of DTTL. Members of Deloitte Asia Pacific Limited and their related entities, each of which are separate and independent legal entities, provide services from more than 100 cities across the region, including Auckland, Bangkok, Beijing, Hanoi, Hong Kong, Jakarta, Kuala Lumpur, Manila, Melbourne, Osaka, Seoul, Shanghai, Singapore, Sydney, Taipei and Tokyo.

Deloitte Australia

The Australian partnership of Deloitte Touche Tohmatsu is a member of Deloitte Asia Pacific Limited and the Deloitte organisation. As one of Australia's leading professional services firms, Deloitte Touche Tohmatsu and its affiliates provide audit, tax, consulting, risk advisory, and financial advisory services through approximately 8000 people across the country. Focused on the creation of value and growth, and known as an employer of choice for innovative human resources programs, we are dedicated to helping our clients and our people excel. For more information, please visit our web site at <https://www2.deloitte.com/au/en.html>

Liability limited by a scheme approved under Professional Standards Legislation.
Member of Deloitte Asia Pacific Limited and the Deloitte organisation.