

Submission by the
Commonwealth Ombudsman

**Postal Services Modernisation Discussion
Paper**

Submission by the Commonwealth Ombudsman, Iain Anderson

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Introduction and summary

In its capacity as the Postal Industry Ombudsman (PIO), the Office of the Commonwealth Ombudsman (the Office) welcomes the opportunity to respond to the *Postal Services Modernisation Discussion Paper* into the future of Australia Post's service delivery.

In 2021–22, the Office received 4,319 complaints about Australia Post, accounting for 18 per cent of all complaints it received during that year. Over recent years, Australia Post has consistently been amongst the top 5 sources of complaint to the Office. While some might see this as cause for concern, it is important to read this statistic in the context of the volume of transactions Australia Post completes each year. We received one complaint for every 623,145 items delivered by Australia Post in 2021–22.¹

The Office supports consultation with the Australian community before making any changes to Australian postal services. This will increase the likelihood that its services are fit for purpose and reduce points of frustration that might otherwise drive complaints.

Background

The purpose of the Office of the Commonwealth Ombudsman (OCO) is to:

- provide assurance that the agencies and entities we oversee act with integrity and treat people fairly, and
- influence systemic improvement in government administration.

We aim to achieve our purpose by:

- independently and impartially reviewing of complaints and disclosures about government administrative action
- influencing government agencies to be accountable, lawful, fair, transparent, and responsive
- assisting people to resolve complaints about government administrative action, and
- providing a level of assurance that law enforcement, integrity and regulatory agencies are complying with legal requirements when using covert, intrusive and coercive powers.

As the PIO, the Office manages individual complaints about postal and similar services provided by Australia Post and registered private postal operators (PPOs).

Australia Post is the only mandatory member of the PIO scheme. Together with its subsidiary StarTrack, they make up all postal industry complaints received by the Office. Private operators may join voluntarily, but no other providers are registered at this time.

¹ Australia Post Annual Report 2021-22, page 2:
https://auspost.com.au/content/dam/auspost_corp/media/documents/2022-australia-post-annual-report.pdf

The Office values quick and informal dispute resolution and seeks outcomes that are fair and reasonable in the circumstances. Where complaints indicate systemic issues, we engage with Australia Post to encourage and, where necessary, formally recommend improvement.

Our submission focuses on those Terms of the Discussion Paper where our complaints data and/or general role in handling complaints provides some useful insight that may assist the review.

Response to Terms of Reference

Letter services

8. Should the current letters service speed or frequency of delivery requirements change in line with the expected decline in the number of letters being delivered?

We note Australia Post is considering changing the current letters service speed or frequency of delivery. When considering this, it may be useful to examine the period in 2020–21 when, in response to the need to manage staff safely and increased demand caused by the COVID-19 pandemic, Parliament granted Australia Post regulatory relief which allowed it to refocus services to where they were needed most. This permitted changes such as mail being delivered less frequently in metropolitan areas, priority letters service being suspended, and intrastate delivery times being extended so that Australia Post could concentrate its resources on parcel deliveries. This relief lasted until 1 July 2021.

Regulatory relief complaint numbers

The Office received relatively few complaints that cited ‘regulatory relief’ or similar terms, but this is common in postal complaints where customers tend to focus on their own experience rather than looking to higher level organisational causes.

Impact on complaints about letter services

Calculating the number of letter services complaints related to regulatory relief is an imprecise exercise, as complainants did not specifically identify that they were complaining about the impact of regulatory relief. Complaints about slow or late letter deliveries, however, may be a good approximate indicator of the effect of the temporary measures in complaints to the Office.

Whatever the approach, the number of complaints about slower or less regular mail were relatively small. Based on our interactions with complainants, we suggest this small number likely reflects that consumers accepted revised practices and levels of service during the pandemic because they were unavoidable and temporary. In the absence of evidence to the contrary, we would caution against relying on low rates of complaint as an indication that consumers would readily accept ongoing or permanent changes to the speed or regularity of letter services.

For further details about complaints to the Office, see **Appendix 1**.

Figure 1: Number of complaints received about delays in letter delivery

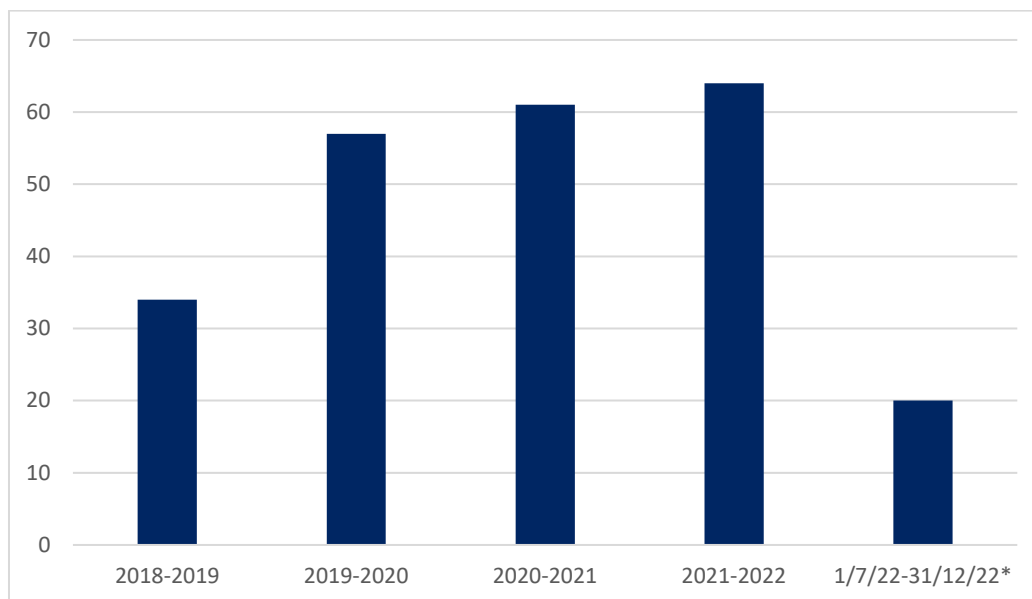


Figure 1 above shows the increase of complaints received by the Office about delays in letter delivery before, during and after regulatory relief. Half yearly data for 2022–2023 could indicate that complaints about delays in letter delivery are returning to pre-pandemic levels.

However, a qualitative sampling of complaints from 2020–21 saw a common theme of letters advising of time-sensitive matters such as doctor’s appointments, payments and invoices, arriving after the date that they were due. A sample of complaints for a similar period in 2022–23 did not see these complaints occur at the same rate.

Case example 1:

Frederick informed the Office that he received a letter on 17 February 2021 advising of a hospital appointment on 16 February 2021. Frederick advised that the envelope was date stamped 5 February 2021. Frederick advised that other mail was delivered late in the past and when he complained to Australia Post it advised that parcel delivery was being prioritised over letter delivery.

Case example 2:

Rayesh advised the Office that he was not receiving his mail in a timely manner, and he received his strata services notification 26 days after it was due and his energy bill a week after its due date.

It seems reasonable to conclude that although consumers did not specifically complain about regulatory relief, some people were adversely affected by the reduced frequency of letter delivery and longer intrastate delivery times.

Australia Post made efforts to communicate changes to mail frequency and other services during the period of regulatory relief. If any permanent changes to postal services are made, it will be important to ensure they are communicated clearly and ahead of time so that consumers and businesses can adapt.

Post offices and accessibility

13. How important is the Post Office to individuals, business and communities, including which Post Office services are most valued?

As noted in the discussion paper, Australia Post has approximately 60 per cent of its retail outlets in rural, regional and remote areas of Australia. This means service changes would potentially have a disproportionate impact on rural, regional and remote Australians who already find it harder to access essential services and may not have access to alternatives. The impact of lower frequency in letter services could impact on their access to utilities, health services, financial institutions and government services.

The number of stakeholders who may be impacted by changes to postal services is vast and includes:

- Australia Post workforce, subcontractors and customers/consumers
- Customer and consumers including:
 - Businesses, small business, sole traders
 - Regional/rural/remote communities
 - Metropolitan communities
 - Customers who do not use conduct business online
 - Post Office licensees and agents
 - International business partners
 - Government agencies.

Some of these stakeholders may not be aware of, or in a position to respond to, this discussion paper.

The Office supports further consultation processes to allow all stakeholders, including those who may be difficult to reach, to provide feedback on the proposals contained within the discussion paper.

Appendix 1: Complaints received by the office during 2021–22

July 2021 to June 2022

Between 1 July 2021 and 30 June 2022, the Office received 4,481 postal industry² complaints. This was an increase of 22.6% on the preceding 12 months when we received 3,656 complaints.

Of the 4,481 postal industry complaints received in 2021-22, 4,471 (99.7 per cent in the Postal Industry Ombudsman jurisdiction) related to Australia Post and its subsidiary StarTrack.

The increase of complaints received in 2020-21 and 2021-22 aligned with widespread COVID-19 lockdowns which resulted in significant disruptions to postal services.

Figure 2: Total complaints received by the Postal Industry Ombudsman, 2016–17 to 2021–22

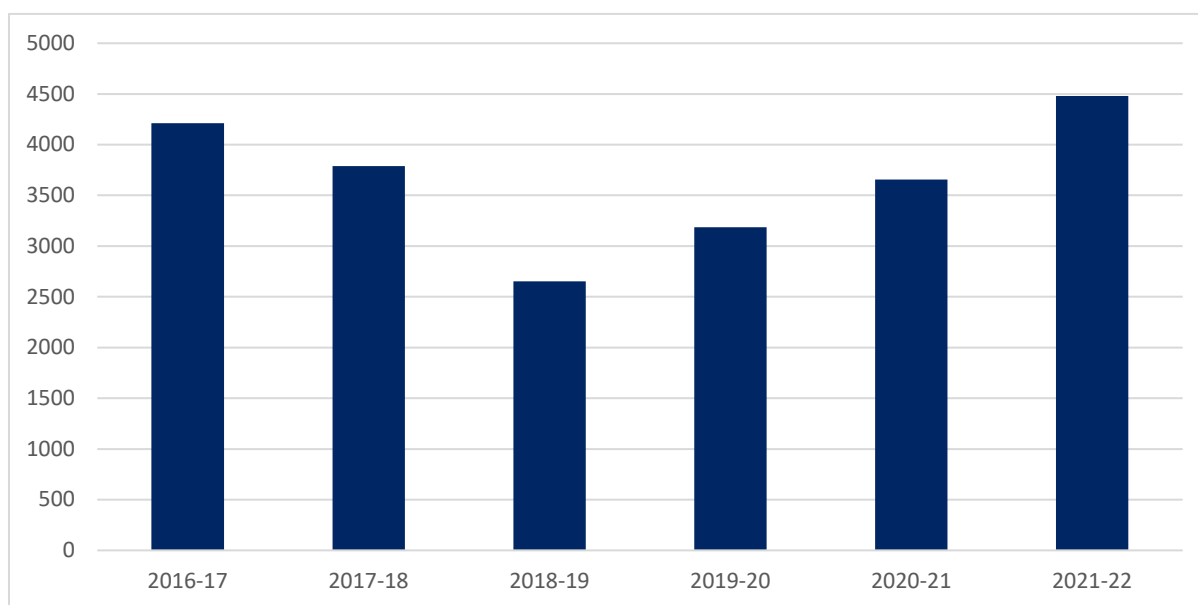
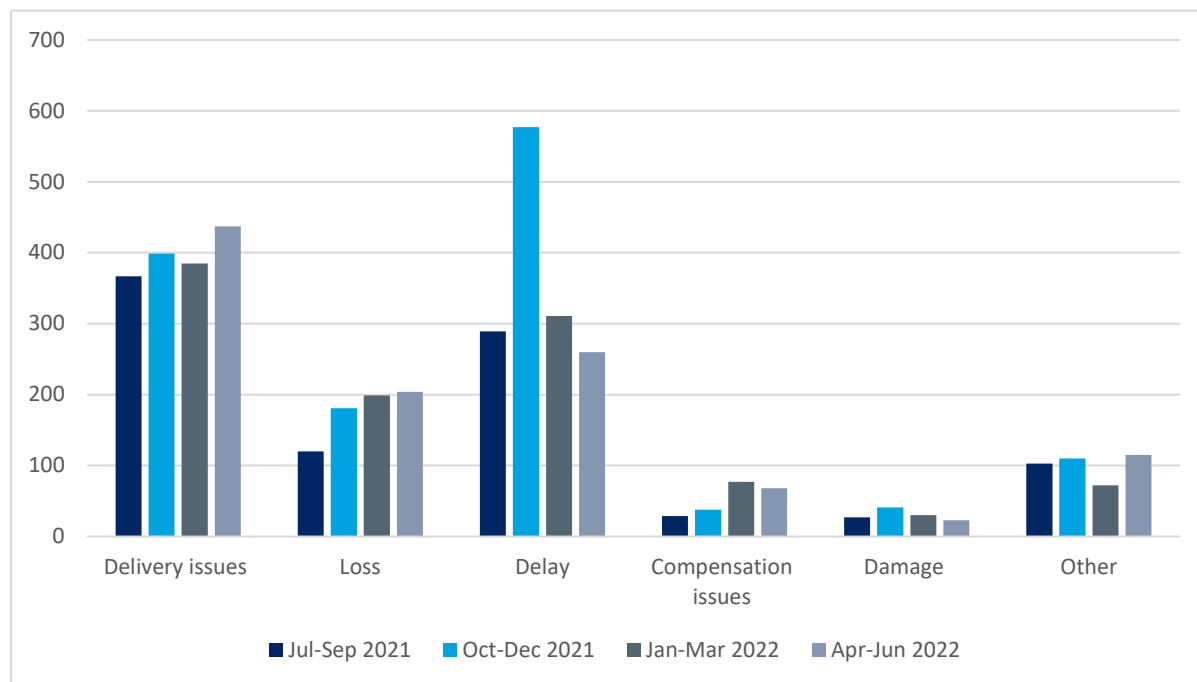


Figure 3 below illustrates the numbers and themes of postal complaints over the 2021–2022 year. Complaints about delays peaked at 577 complaints in the October to December 2021 quarter, a 99 per cent increase on the previous quarter, due to widespread lockdowns in the second half of 2021. Online shopping and parcel delivery increased during lockdown periods, which in turn led to increased pressure on postal services. Delay complaints returned to more normal levels in 2022.

² Includes complaints about postal and similar services provided by Australia Post and registered Private Postal Operators. Further information on our Postal Industry Ombudsman jurisdiction is available at [Postal Industry Ombudsman - Commonwealth Ombudsman](#).

Figure 3: Complaint issues: Comparative data for July 2021 to June 2022



The postal system and particularly Australia Post experienced unprecedented demands on their services during the final quarter of 2021 and it is unsurprising complaints peaked at that time.

In addition to the impact of COVID-19 service disruptions were experienced across the network in 2021–2022 because of flooding events in Queensland and New South Wales. This coincided with the resurgence of COVID-19 and the resulting impacts on staff availability due to isolation requirements.