

27 April 2023

Department of Infrastructure, Transport,
Regional Development, Communications
and the Arts
Attention: Director, Postal Policy,
Communications Services and Consumer Division

Response to the Postal Services Modernisation Consultation

About FIA

Fundraising Institute Australia (FIA) is Australia's national peak body for the \$12.7 billion charitable fundraising sector. We are an industry body with over 7000 members who are charities, not for profits, suppliers of fundraising services, and individual fundraising professionals. FIA, among its other professional fundraising activities, champions and facilitates best practice fundraising with a self-regulatory Code of conduct for the sector, the FIA Code. The FIA Code raises the standard of conduct across the fundraising sector, going beyond the requirements of Government regulation. FIA also plays an important role in engaging regulators on behalf of its members by representing their interests to Governmental authorities and bodies. It is in representing the interests of FIA Members that we provide this response.

Our Response

FIA recognises the important role postal services play in charitable fundraising and the need for Australia Post to remain financially sustainable. A strong and functioning postal service is necessary to ensure the success of charitable fundraising efforts. Therefore, we support measures that facilitate the sustainability of Australia Post while ensuring the affordability and accessibility of postal services for charitable organisations and their donors or supporters. We agree with all the potential benefits of modernising postal services outlined in the discussion paper and we support:

- Enhancements to technology to facilitate postal service use.
- Investment in communities in need through products such as concession stamps, supporting communities in disaster preparedness, response, and recovery, and retaining discounts for charities.
- Providing appropriate coverage of the Post Office network, particularly in regional and rural areas.

In the following paragraphs, we respond to some of the questions in the Discussion Paper based on feedback from our members.

What services provided by Australia Post are most important to you?

Letter service, charity mail, and business reply post.

Charitable fundraising activities rely heavily on letter services, which play a significant role in acquiring and retaining donors. For example, one FIA member reported sending about two million

unaddressed mail pieces and an additional two million direct mail pieces annually. Business Reply Post is also crucial because donors respond through mail.

What does Australia need in a modern postal service?

Providing reliable letter and parcel delivery services at an affordable cost and streamlining the process of sending letters. One proposed solution to simplify the process of sending letters is to enable people to instantly purchase stamps online and print their own postage stamps.

Could Australia Post also consider facilitating donation payments to charities by donors and supporters who currently use cheques but may be unable to do so in the future given the likely phasing out of cheques by banks. There are various ways in which payments facilities could be increased via mail including enhancing the use of money orders helping older and/or regional donors who may not be familiar with electronic payments.

Do you agree with the potential benefits? Are there additional benefits from your perspective?

Yes. We agree with the benefits.

How important is the ability to send or receive a letter and what would the impact of further increases in postage rates to allow Australia Post to fully recover the full efficient cost of providing the letters service?

The ability to send and receive mail is essential for charitable fundraising as it facilitates the acquisition of new donors, the retention of donors, and expansion of a donor base. Charities rely on mail to communicate with their supporters, share information about their cause, and solicit donations. Any increase in postage costs would reduce the amount of funds available for charitable activities that benefit various communities and causes. Additionally, an increase in postage costs would make it more difficult for charities to reach potential donors, hindering their ability to raise the necessary funds to continue their work.

Do you expect usage of Australia Post's letter services to change in the next 5 years and why?

Currently, the volume of mail being sent by charities appears to be consistent, and some charities intend to use postal services more frequently as other channels of fundraising see rising costs and complexities. Nevertheless, a large portion of donors who respond to mail are seniors aged 65 or older and there is a possibility that they could decrease their reliance on postal services if they become more proficient with digital technology.

What do individuals, businesses and charities take into consideration in deciding whether to send a letter – for example, price, delivery speed and features (such as tracking), or digital alternatives?

Some charities prioritise price while others prioritise channel response rate. Additionally, the speed of delivery is an important factor to consider. In certain cases, the response rate for direct mail may be higher than the response rate for email or other digital channels when evaluated individually.

What is the value of the regulated priority letter service to you?

For many charities, the regulated priority letter service holds immense value because they rely on the charity mail (reserved service) and the unaddressed mail (non-reserved service) to communicate with donors. If the frequency of delivery were to decrease, additional time and resources would be considered to compensate for slower delivery. For others, the cost of priority letter service can be prohibitive, and it could make a significant difference if there are no extra charges for priority delivery.

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?

No, it should not. However, there is a preference for reduced frequency of delivery over price increases. Nonetheless, even slower or less frequent deliveries could have an effect on processing and turnaround times, potentially influencing the timing of donations particularly towards the end of the financial year when an increased number of donors prefer to give. This slower delivery could potentially impact the tax deductibility of such donations which is concerning. Furthermore, apprehension exists with regard to potential increases in prices and accompanying decreases in delivery speed, as such changes could have a significant adverse impact on the sector.

As someone that receives parcels — what features of parcel services do you value most — for example, speed of delivery, time of delivery, convenience of collection, ability to track the item and ease of returns policy?

The ability to track the item, the speed of delivery, and the convenience of collection.

What environmental sustainability factors matter most to you in relation to parcel delivery services?

Carbon footprint.

How can Australia Post best support the community?

By ensuring efficient mail services at a reasonable price for use by all members of the community including older and regional donors and supporters of charities.

By donating a certain percentage of Australia Post's profit to local charities or supporting community activities.

Summary

FIA appreciates the opportunity to respond to this consultation and we look forward to further dialogue around modernising postal services in a way that benefits the charitable fundraising sector. If you would like to discuss this further, we would welcome further engagement.