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# Key findings

## Post office activity



Australia Post has over **2,500** post offices across Regional and Remote Australia



**1/3rd** of Australia Post's total financial transactions occur in Regional and Remote communities – representing almost **27 million** transactions in FY2019



Almost **40%** of total parcel collections occur in Regional and Remote communities – representing almost **36 million parcels** in FY2019

## Economic value



Australia Post's total **economic footprint** in Regional and Remote Australia was **\$806 million** in Gross Regional Product in FY2019



**10,802 full-time** equivalent jobs were supported by Australia Post's Regional and Remote operations in FY2019



Total value of regional **e-commerce** was estimated to be **\$10.6 billion** in FY2019



Regional and Remote business owners visit the post office more often than others – averaging **25 visits** in a 6 month period

## Social value



Post offices are the **most present** service provider in Regional and Remote Australia – 96% of residents have a local post office



Australia Post is among the **most trusted** service providers in Regional and Remote communities (behind only the local doctor and police)



Supporting vulnerable residents: **people with disabilities** consume post office services more frequently than average, and socially isolated individuals visit the post office more often



92% of Regional and Remote residents believe Australia Post is **important for equity of access** to core services



Almost one-third of Regional and Remote Australians believe the post office's role as a **service provider** in local communities has increased in importance over the past five years





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## Executive summary

Communities in regional, rural and remote Australia play an important role in our economic and social fabric. Over 8 million Australians reside in these areas, and regional businesses account for around 40% of Australia's economic output. These communities and businesses span a diverse range of locations, demographics and industries.

While community aspirations vary across different regional, rural and remote areas, they also have a lot in common.

**Access to core services** such as education, health and government services is the most important: more than half (54%) of residents ranked this amongst the top three most important characteristics for their local community. Access to **employment opportunities** and having a **supportive community** culture were also identified as important features contributing to the liveability of regional, rural and remote areas.

Many residents believe their communities are succeeding on aspirations around support and connectivity: 72% of Regional and Remote Australians feel that their community includes a supportive network of people. However, there are other areas in which regional, rural and remote communities are not achieving local aspirations – particularly in relation to economic opportunities. Almost three-quarters of people stated that their community does not have sufficient employment for local residents, while around half of residents do not believe that their local area had experienced significant economic growth in the past five years.

Various studies have analysed the health of regional communities, measuring their economic, social and environmental outcomes. In general, areas outside of cities tend to experience lower income levels, less diverse job opportunities and poorer health outcomes. Some of the more attractive features of regional, rural and remote communities include lower traffic congestion, greater natural amenity and more social connections. Even so, it is important to recognise that nationwide averages mask many layers of complexity and difference between individual regional towns and communities.

Three factors are particularly important for creating thriving regional, rural and remote communities. Sustaining and increasing the **local resident population** in these areas drives broader development. The size and diversity of **employment and economic opportunities** is also an important factor. And **liveability in local communities** is further enhanced through greater service availability, increased local amenity and improved infrastructure.

An important institution in enabling thriving regional communities is Australia Post. It has a significant physical presence – over 2,500 post offices – across Regional and Remote Australia. Australia Post delivers economic and social value to these areas through the provision of services, with one-third of its total financial transactions and almost 40% of its total parcel collections occurring in Regional and Remote communities. The value of providing services to these areas is much higher than the prices charged and revenue earned by Australia Post, as evidenced by the large consumer surplus associated with the use of these services, particularly in Remote areas (due to the lack of alternatives).

In this context, Australia Post has commissioned Deloitte Access Economics to develop a deeper understanding of the economic and social value associated with its activities in regional, rural and remote Australia.

### **Economic value in regional, rural and remote communities**

The economic opportunities created by Australia Post's operations in regional communities are diverse and significant (Figure i). Through its delivery network, Australia Post enables residents in Regional and Remote areas to make e-commerce purchases, with almost 36 million parcels collected in regional post offices and hubs in FY2019. Approximately half of regional Australians make an online purchase requiring delivery at least once a month, and the total value of **e-commerce in regional areas** is estimated to be over \$10 billion in FY2019. Australia Post's national delivery network is an important part of ensuring a high quality end-to-end online customer experience (as illustrated in Box 3.1 of this report, in the example of Tasmanian small business Bulk Nutrients, a regional small business serving consumers in other regional areas).

Figure i: Summary of Australia Post's facilitated activity in regional economies

# Facilitated economic activity in regional communities



## E-commerce

\$10.6 billion

online purchases in regional, remote and rural Australia

35.9 million

parcels collected at regional post offices/Australia Post sites in FY2019



## In-conjunction businesses

900 post offices

in regional, rural and remote Australia support in-conjunction businesses

Over 1/3rd

of all regional post offices represented



## Financial transactions

26.8 million

banking and bill pay transactions in regional, rural and remote post offices in FY2019

Equivalent to 4

financial transactions per adult in regional areas



## Local business activity

25

is the average of number of times in the past 6 months that regional business owners visited the post office – 10 more visits than the average for other residents



## Identity services

1.6 million

identity verifications completed at regional, rural and remote post offices in FY2019

Source: Deloitte Access Economics and Australia Post data



Figure ii: Summary of Australia Post's social contribution to regional communities

# Social contribution in regional communities



## Presence and accessibility

96%

of people have a local post office – Most present service provider in regional, rural and remote Australia

92%

of regional residents believe Australia Post is important for equity of access to core services



## Trusted by the community

Amongst the **most trusted** service providers in regional communities

92%

of regional residents believe Australia Post is trusted to provide independent and accurate advice



## Supporting vulnerable residents

People with disabilities are more likely than average to use postal services

Socially isolated individuals visit the post office more frequently than others

In the event of a post office closure, more people (67%) are concerned about vulnerable residents' access to services than their own access (56%)



## Broader social role

74%

of residents identify their local post offices as making a broader social contribution beyond selling products and services



## Consumer value

Regional Australians value Australia Post's services highly enough that they would pay between 21 and 45% above the actual price charged

Regional and Remote post offices also facilitate **broader business activity**, undertaking almost 27 million financial transactions and 1.6 million identity verifications in FY2019. These services enable individuals to pay businesses and each other, and to engage with other services in the economy. In addition, the post office network also facilitates the everyday activities of local businesses in regional communities, with **business owners** found to visit the post office significantly more often than other regional residents – at an average of 25 visits in the past 6 months (compared with 15 visits for other residents).

Australia Post has a sizeable **economic footprint** through its own operations and purchases in regional, rural and remote communities. Its total economic contribution in Regional and Remote Australia was \$806 million in Gross Regional Product and 10,802 full-time equivalent jobs in FY2019.<sup>1</sup> A spectrum of economic activity across regional industries is supported by Australia Post's supply chains – not only in postal services but also in transport, professional services and real estate. Moreover, the organisation's substantial local operations in regional, rural and remote communities means that it is able to support economic activity in Indigenous communities, both as an employer and as a procurer of supplies and services.

### Social value in regional, rural and remote communities

The significant social value associated with Australia Post's regional, rural and remote activities stems from its provision of accessible services to the local community and the post office network's substantial physical presence in these areas (Figure ii). Post offices are the **most present** service provider in these communities, and 96% of Regional and Remote Australians state that they have a local post office – greater than the presence of other core services like schools, doctors, police and banks.

There are relatively limited alternatives for service provision in Regional and Remote Australia, and Australia Post is among the most **trusted service providers** in local communities (behind only the local doctor and the local police). Moreover, Australia Post's national network also means it can facilitate the delivery of services by other organisations: for example, the State Library of South Australia emphasised the importance of this network in enabling the movement of library books between regional communities.

In regional, rural and remote communities, there is a strong perception that the post office network makes an important social contribution in **supporting vulnerable groups**. When asked about the potential impacts of a post office closure, 67% of Regional and Remote Australians state that vulnerable community members would no longer have access to the services they require – higher than the share of residents who were concerned about their own access to services.

Consistent with this perception, socially isolated individuals visited the post office more often than others (18 times in the past 6 months, compared to 15 visitations for non-socially isolated), and people with disabilities consume post office services more frequently than average. The National Disability Services group stated that people with disabilities are more likely to use traditional post office services such as sending mail and paying bills over the counter, and there can be limited alternatives to the local post office in regional and remote areas.

Despite the increasing prevalence of digital technology in our daily lives, post offices continue to make a valued contribution to local communities across regional, rural and remote Australia. Almost one-third of residents believe the post office's role as a provider of services to local communities has increased in importance over the past five years, and 27% state that its role as a trusted organisation has **increased in importance** in this period. Overall, this suggests that Australia Post continues to provide important economic and social infrastructure to regional, rural and remote communities – and its services are likely to continue to remain relevant in the future.





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# Introduction

**Regional, rural and remote communities across Australia are a significant part of the country's economic and social fabric.** According to the Regional Australia Institute, regional businesses account for around 40% of Australia's economic output and employ around one-third of Australia's workforce.<sup>2</sup> Regional Australia provides vital agricultural, resource and manufacturing products to the nation, as well as making a significant contribution to Australian exports.

An important enabler of regional, rural and remote community development is the physical presence of local businesses – the banks, supermarkets, post offices and retail stores that deliver essential services to individuals and businesses. Moreover, these businesses also provide their local areas with a sense of community identity and vibrancy through the multitude of activities that they facilitate, with local businesses seeking to enrich regional life and provide access to products and services for community members.

**Australia Post's national post office and delivery networks support a diverse range of economic and social activity in regional, rural and remote Australia.** In recognition of the important role played by Australia Post in these areas, the organisation is required to maintain 2,500 post office outlets in Regional and Remote areas of Australia, as mandated by Australia Post's Community Service Obligations (CSOs). Australia Post must provide services that are "reasonably accessible to all people in Australia, wherever they reside or carry on business".<sup>3</sup> Deloitte Access Economics' previous research found that almost 60% of post offices are located in regional and remote areas, compared to only 20-30% of businesses in other industries (e.g. finance, education, utilities).<sup>4</sup>

This substantial physical presence enables regional, rural and remote areas to **connect with the rest of Australia** and provides these communities with **access to core services and economic opportunities**. In many regional, rural and remote communities, the local post office is the sole provider of delivery, financial and government services, as well as selling retail goods and providing broader community support. Australia Post's employees, licensees and contractors have been found to "provide services and assistance to members of the public far beyond their stated responsibilities" across regional, rural and remote communities.<sup>5</sup>

In this context, Australia Post has commissioned Deloitte Access Economics to develop a deeper understanding of the economic and social value associated with its activities in regional, rural and remote Australia.

Our research has been informed by:

- A survey of 2,000 Australians in Regional and Remote areas (a detailed description of the survey methodology can be found in Appendix A)
- Various regional datasets from the Australian Bureau of Statistics and other sources, such as the 2016 Census of Population and Housing and input-output tables
- Australia Post data, including data on post office transactions, online shopping, employees, revenues and expenditure
- Consultations with a range of regional stakeholders, including the Foundation for Rural and Regional Renewal, the State Library of South Australia, Bulk Nutrients, Tathra Post Office, a member of Australia Post's Reconciliation Action Plan Working Group, the National Disability Services industry group and the Red Cross.

Our report is not the first time that the importance of Australia Post in regional, rural and remote communities has been considered. Indeed, the organisation's CSOs in regional areas have been established for some time, and these national obligations require Australia Post to maintain service delivery across the country. Furthermore, while our research examines the benefits and value associated with Australia Post's presence in regional, rural and remote communities, we have not examined the costs associated with servicing these areas or the counterfactual scenario of whether other service providers may step in if Australia Post were not to have these national CSOs.

The remainder of this report is structured as follows:

- Section 2 provides an overview of the social and economic aspirations of regional, rural and remote communities, and summarises the key drivers of regional viability
- Section 3 explores Australia Post’s contribution to regional, rural and remote economies, both with respect to its own economic contribution and the business activity facilitated by Australia Post’s services
- Section 4 highlights Australia Post’s social contribution to regional, rural and remote communities, including in providing accessible services – particularly to vulnerable people – and its broader social role
- Section 5 concludes with a discussion on Australia Post’s changing role in these communities.

Throughout this report, Regional and Remote Australia have been defined using the Australian Bureau of Statistics’ Australian Statistical Geography Standard Remoteness Areas. This definition is described in more detail in Box 1.1.

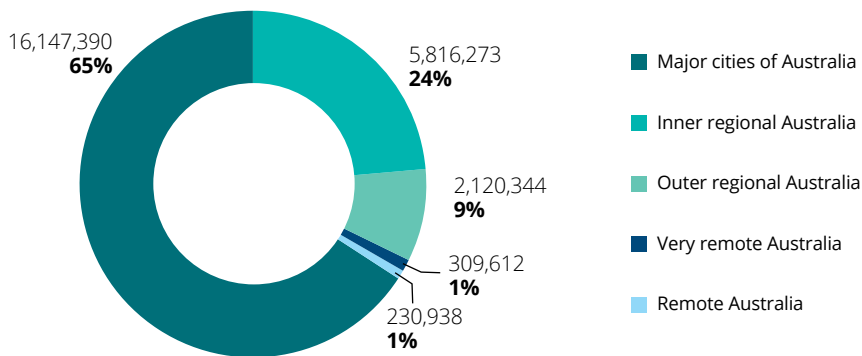
**Box 1.1: Defining Regional and Remote Australia**

The Australian Statistical Geography Standard Remoteness Areas divide Australia into five classes of remoteness based on a measure of relative access to services: Major Cities, Inner Regional, Outer Regional, Remote and Very Remote.

In this report, references to ‘Regional Australia’ refer to the Inner Regional and Outer Regional Remoteness Area classifications. References to ‘Remote Australia’ refers to the Remote and Very Remote Remoteness Area classifications. The general terms of ‘regional Australia’ or ‘regional, rural and remote communities’ are used in the report to refer to the combined Regional and Remote Australia according to the Remoteness Area classifications.

Regional and Remote Australia is home to over 8 million people (Chart 1.1). In 2018, over 7.8 million individuals resided in Regional Australia (Inner and Outer), and around 540,500 people lived in Remote Australia (Remote and Very Remote).

**Chart 1.1: Population by Remoteness Area, 2018**



Source: Australian Bureau of Statistics<sup>6</sup>





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What makes  
a thriving community  
in regional, rural and  
remote Australia?



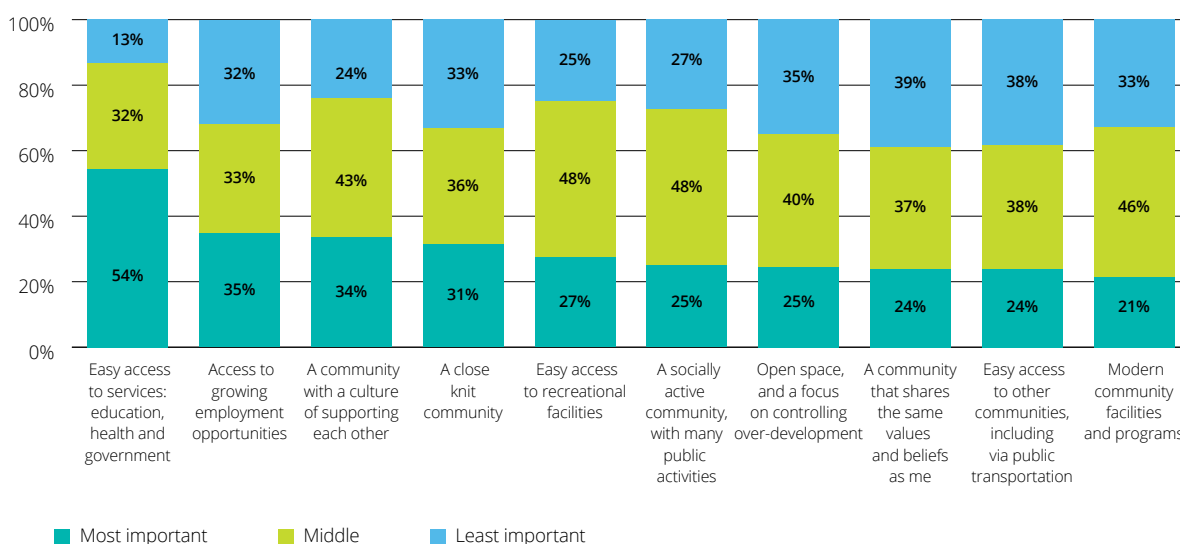
## 2.1 Aspirations of regional, rural and remote communities

There is a range of features that help a regional, rural or remote community thrive. From an economic perspective, the opportunity to start a successful business or get a job in one's chosen line of work might be paramount. From a social perspective, knowing your neighbours and being able to participate in local culture can be important. Accessing services – the shops, the medical centre, the local school – are also very important. While all these factors will be important, some are more important than others, and they can vary between towns and even from one household to the next.

Deloitte Access Economics' survey of residents in Regional and Remote Australia found that the most important aspiration for communities is having **access to core services such as education, health and government services**: more than half (54%) of residents ranked this amongst the top three most important characteristics for their local community (Chart 2.1).

The second and third most important aspirations in Regional and Remote communities are being able to **access employment opportunities** (ranked in the top three by 35% of residents) and having a **supportive community culture** (34%). Overall, these aspirations outranked many others that regularly feature in discussions about regional and remote communities – such as 'sharing the same values and beliefs' and 'having modern community facilities.'

**Chart 2.1: Regional and Remote Australians' aspirations for their local community**



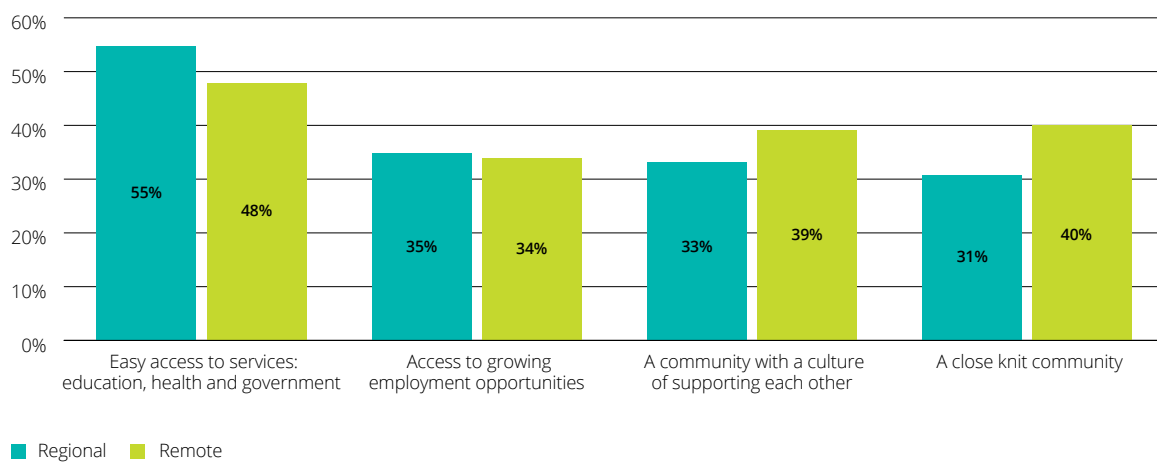
Source: Deloitte Access Economics survey

Note: Respondents were asked to rank aspirations for their local community from most important (1) to least important (10). Responses were then grouped based on the proportion of times an aspiration was ranked in an individual's most important aspirations (ranking 1-3), and least important aspirations (ranking 8-10). Other selections were classified as in the middle (ranking 4-7).

Residents in Remote Australia are more likely than Regional residents to prioritise the importance of a supportive community culture and a close-knit community where people engage with other community members, while those in Regional areas are more likely to value access to services (Chart 2.2). Access to growing employment opportunities was considered of approximately equal importance in both types of communities.

Do regional communities feel as though they are thriving? Our survey finds that in general, **residents in regional, rural and remote areas believe that their aspirations are being met** – 72% of Regional and Remote Australians feel that their community includes a supportive network of people for themselves and other community members. Overall, residents enjoy living in their community (88%) and the majority feel that that their community is a vibrant place to live (69%).

**Chart 2.2: Comparison of most important local community aspirations by Remoteness Area**

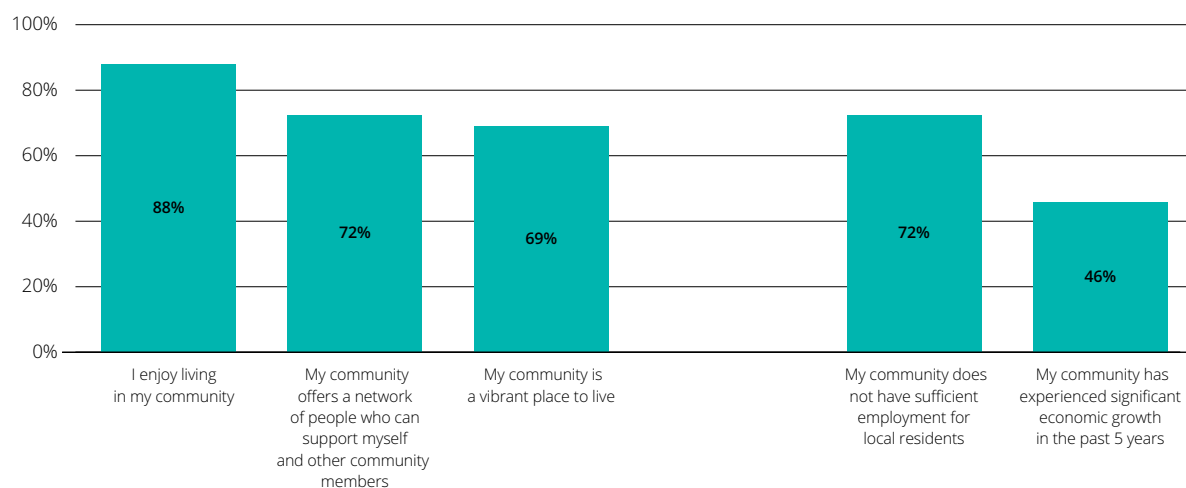


Source: Deloitte Access Economics survey

Note: Respondents were asked to rank aspirations for their local community from most important (1) to least important (10). Responses were then grouped based on the proportion of times an aspiration was ranked in an individual's most important aspirations (ranking 1-3), and least important aspirations (ranking 8-10). Other selections were classified as in the middle (ranking 4-7).

However, there are some **concerns around the availability of local economic opportunities**: 72% of people stated that their community does not have sufficient employment for local residents, while around half of residents did not believe that their local area had experienced significant economic growth in the past five years (Chart 2.3).

**Chart 2.3: Regional and Remote residents' perceptions of living in their local community**



Source: Deloitte Access Economics survey

## 2.2 Understanding diversity between regional, rural and remote communities

Many assessments of the economic and social progress of Australian regions are published by government and other sources, and this section of the report is not intended as a reheat of that material. Rather, we draw information from a number of sources to provide a selective response to validate and challenge some of the ideas in Section 2.1, and perhaps some misperceptions about the health of Australia's regions. Moreover, while regional, rural and remote areas are often considered as one group in Australia, we seek to explore the diversity that actually exists across different regions and communities, in areas such as population, employment and social outcomes.

In terms of population growth, the trend over recent years has been towards an increased centralisation of Australia's population, with **population growth** tending to be higher in city areas and larger regional centres, and relatively lower in remote and rural inland towns.<sup>7</sup> As a result, the population in Remote Australia has been in decline since 2013, while Regional Australia has continued to experience steady population growth over this period (Chart 2.4). In some parts of Australia, larger regional centres represent "hubs of service provision" for more remote communities in the area, providing access to services such as utilities, financial services and technology services.<sup>8</sup>

**Chart 2.4: Population growth by Remoteness Area, 2007 to 2017**

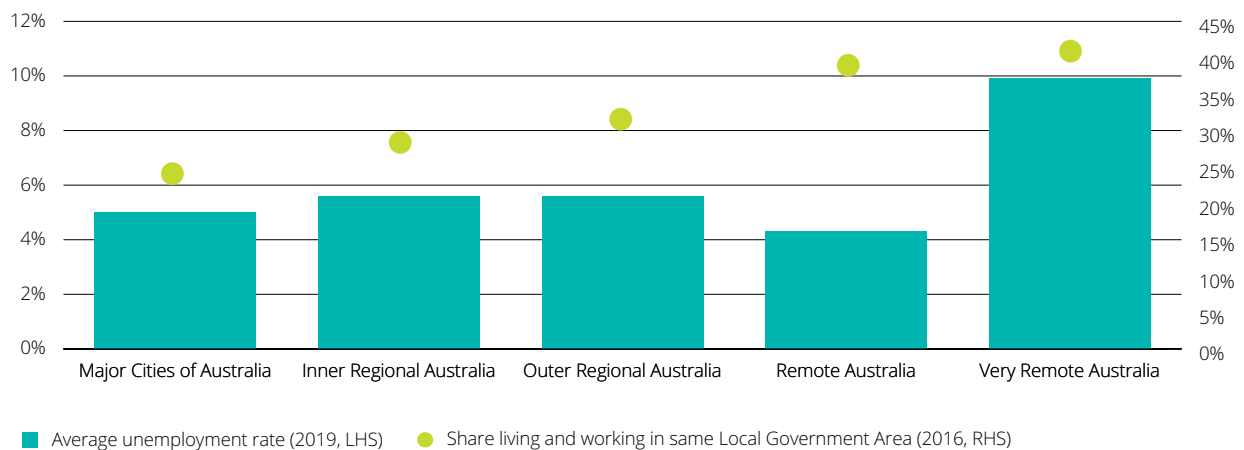


Source: Australian Bureau of Statistics<sup>9</sup>

Recent research has found that most of Australia’s regions have experienced positive employment growth over recent years, though over longer time horizons regional, rural and remote communities are continually experiencing ups and downs in their local labour markets.<sup>10</sup> Indeed, **local unemployment rates** in Inner and Outer Regional Australia, as well as Remote Australia, are

broadly comparable to those in our Major Cities, though unemployment rates in Very Remote Australia are somewhat higher (Chart 2.5, left hand side). Around 40% of individuals in Remote and Very Remote Australia also work in their local areas, a much higher share than individuals residing in Major Cities (Chart 2.5, right hand side).<sup>11</sup>

**Chart 2.5: Characteristics of local labour markets by Remoteness Area**



Source: Australian Bureau of Statistics<sup>12</sup> and Department of Employment, Skills, Small and Family Business<sup>13</sup>

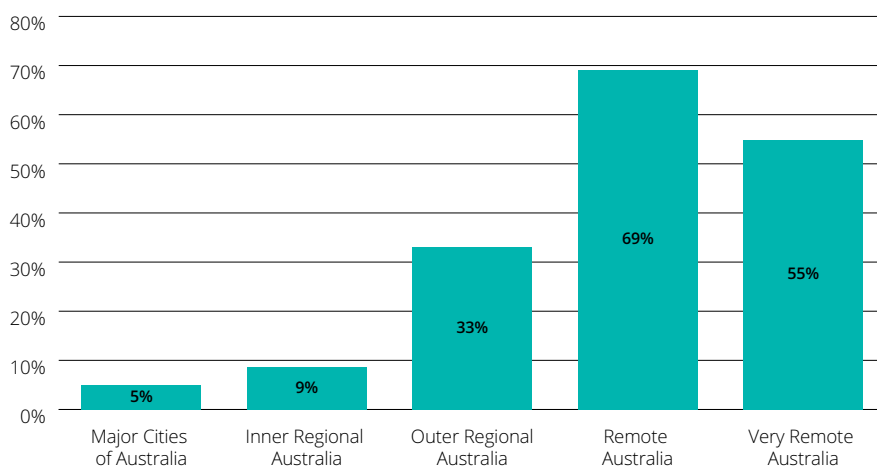
In a significant proportion of Remote and Very Remote communities, a single industry represents more than 30% of local employment (Chart 2.6) – generally the mining and/or agriculture industries. There is much more **diversity in economic activity and employment** in Outer Regional and particularly Inner Regional areas.

Communities in Regional and Remote Australia have significantly lower **average household incomes** compared to people living in Major Cities. In 2016, average household incomes across Regional and Remote communities were lower than \$70,000, compared with over \$93,000 for households in Major Cities (Chart 2.7). It should be noted that these averages mask significant variations in household income across different parts of Regional and

Remote Australia, as the resources boom has seen some communities experience significant increases in earnings.<sup>15</sup> For example, towns such as Roxby Downs in remote South Australia and Karratha in remote Western Australia had average household incomes in excess of \$110,000 in 2016.<sup>16</sup>

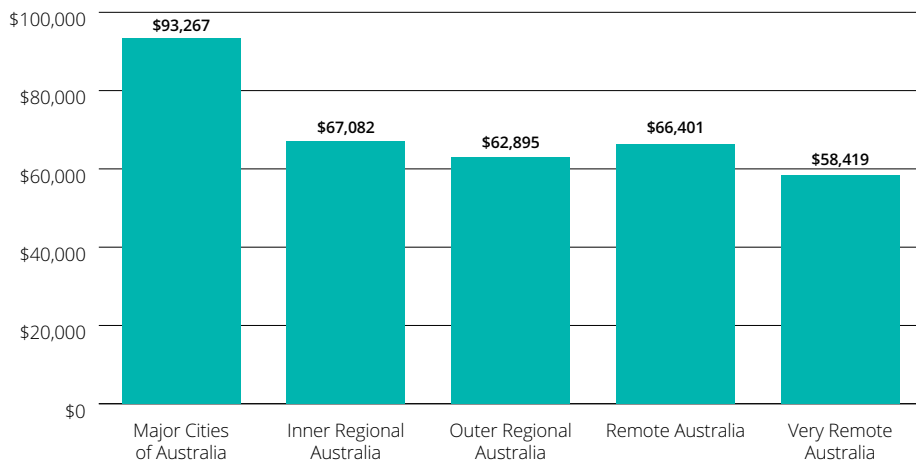
Australians residing outside of metropolitan areas have historically experienced greater challenges with **service availability**, with 33% of those in Outer Regional, Remote and Very Remote Australia reporting difficulty accessing service providers such as doctors, telecommunications and government services (Chart 2.8).

**Chart 2.6: Share of Local Government Areas where one industry represents over 30% of local employment by Remoteness Area, 2016**



Source: Australian Bureau of Statistics<sup>14</sup>

**Chart 2.7: Average household income by Remoteness Area, 2016**



Source: Australian Bureau of Statistics<sup>17</sup>

**Chart 2.8: Individuals facing difficulty accessing service providers by Remoteness Area, 2014**

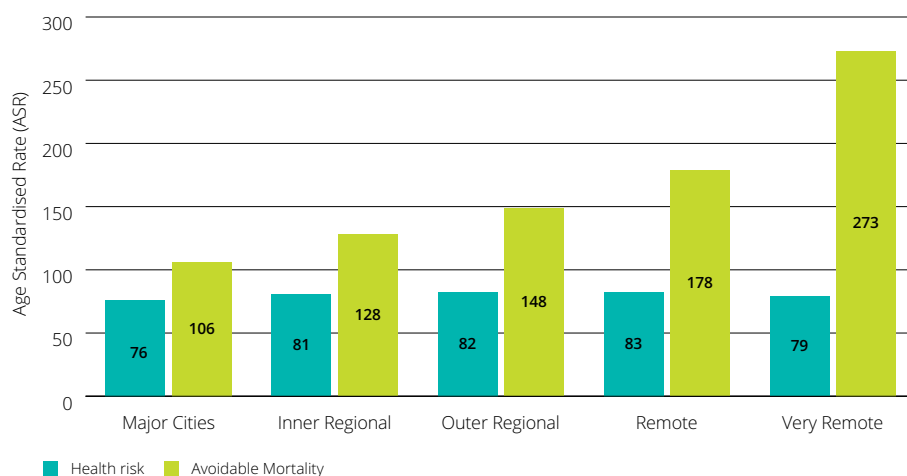


Source: Australian Bureau of Statistics<sup>18</sup>

Poorer access to services can be a contributing factor to worse social outcomes in regional, rural and remote communities. For example, the most recent *Social Health Atlas* revealed that while health risk factors – such as the share of people who are smokers or obese – are relatively similar across different types of geographies, the rates of **avoidable mortality** are significantly higher in Remote and Very Remote areas (Chart 2.9).<sup>19</sup> While access to health services is likely to be one reason driving this gap, lifestyle differences and relative disadvantage related to differences in education opportunities have also been flagged as potential issues.<sup>20</sup>

Another framework for assessing the health of towns is offered by the Commonwealth Government’s Bureau of Transport, Infrastructure and Regional Economics (BITRE) in its *Progress in Australian Regions Yearbook*. It compiles and publishes indices against social, economic, environmental and governance indicators, also covering ‘contextual indicators’ that influence overall measures such as population and demographics, transport and infrastructure, and industry and innovation.

**Chart 2.9: Health risk, 2014-15 and avoidable mortality, 2015, by Remoteness Area**



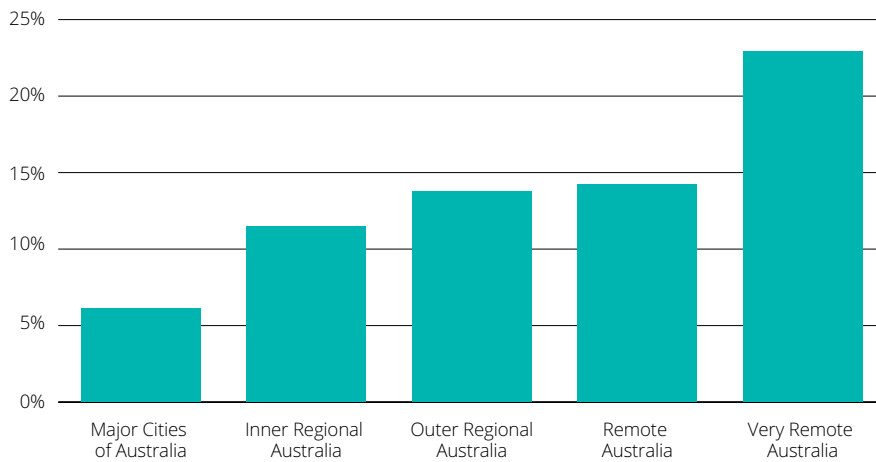
Source: Social Health Atlas<sup>21</sup>

Note: The health risk indicator represents the share of people aged 18 years and over with at least one of four risk factors (current smoker, harmful use of alcohol, physical inactivity, obesity). The avoidable mortality indicator measures deaths from all avoidable causes for persons aged up to 74 years. An age-standardised rate provides a comparison in a particular area to the Australian national rate, standardised to reflect differences in age distributions in these areas.<sup>22</sup>

One of the most significant advantages of living in regional and rural Australia is less **traffic congestion**. Indeed, average commuting times were 33 minutes in Major Cities in 2015, compared with only 24 and 21 minutes in Inner and Outer Regional Australia, respectively, with recent trends showing that congestion in Major Cities is rapidly getting worse. Another area where regional, rural and remote communities perform very strongly is **natural amenity**. The proportion of land dedicated to natural parks or reserves – which are important for protecting native flora, fauna and wilderness areas – is much higher in Regional and Remote Australia than in Major Cities, and is particularly significant in Very Remote Australia (Chart 2.10).

Further, Regional and Remote Australians are more likely to get involved in activities involving nature. Those living outside Major Cities have a slightly higher rate of trips with nature activities (3.4 visits per year) than those living in capital cities (3.3), and that difference is most pronounced in NSW and Victoria, where Sydney and Melbourne residents took around 10% fewer trips with nature activities than those outside the capitals.<sup>24</sup> Finally, another area where Regional and Remote Australia is quite different from Major Cities is in social connectivity. One measure of this from BITRE is **participation in voluntary work** through an organisation. In 2016, rates of participation were around six percentage points higher in Regional and Remote areas than in Major Cities.

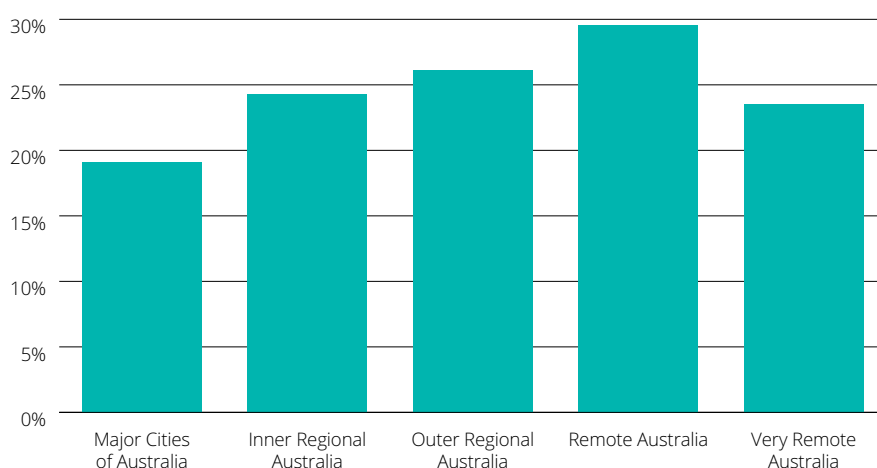
**Chart 2.10: Proportion of land that is protected by Remoteness Area, 2016**



Source: BITRE<sup>23</sup>

Note: These data have been collated by BITRE, with the original source being the Department of the Environment’s 2016 Collaborative Australian Protected Area Databases. Protected areas outlined in the Collaborative Australian Protected Area Database have been corresponded to the 2011 ASGS remoteness area geographical classifications.



**Chart 2.11: Share of people who do voluntary work through an organisation by Remoteness Area, 2016**

Source: BITRE<sup>25</sup>

Note: These data have been collated by BITRE, with the original source being a 2017 customised report from the Australian Bureau of Statistics.

### 2.3 Overview of drivers of regional viability and success

Regional growth and development has historically been an important driver of Australia's overall prosperity and success. As such, there is a significant body of research around the key drivers of economic and social health in regional areas. While there are a large number of factors that drive viability and liveability in our regional and remote communities, three essential factors in the existing literature stand out.

First, **sustaining and increasing the local resident population** in regional, rural and remote communities drives broader development and growth in the area. Regional population growth means more workers and skills to meet the labour needs of local industries, more demand for goods and services from local businesses, and more local residents for social contributions and community engagement.<sup>26</sup>

An important factor that enables population growth in regional, rural and remote communities is having career opportunities that encourage people to relocate to or remain in their local area. Being able to work locally is particularly important for regional, rural and remote communities as much of the vibrancy of the local area depends upon residents spending time living in the community. As highlighted in the previous Deloitte Access Economics report *Building the Lucky Country: The Purpose of Place – Reconsidered*:

“People move to and from places. When they come, they bring their unique capabilities, attitudes and aspirations; when they go, their contribution is lost to that place and to the people, communities and businesses that remain.”<sup>27</sup>

This leads to the second key driver of regional viability: **access to local employment and economic opportunities**. Moreover, the diversity of the available economic and employment opportunities in the local community is an important driver of a region's ability to adapt to change. As described in Box 2.1, our consultation with the Foundation for Rural and Regional Renewal highlighted that economic diversity (such as the range of local businesses, workers and skills) is a key contributing factor to regional viability. The Productivity Commission's research on the ability of different regions to respond to economic disruption and significant change found that most communities in Remote and Very Remote Australia are below average on a relative measure of adaptive capacity.<sup>28</sup>

Finally, enhancing liveability in local communities through **greater service availability, increased local amenity and improved infrastructure** is another critical driver of regional development. The Australian Infrastructure Audit 2019 highlighted that access to infrastructure varies based on location, and noted that poor access in some regional, rural and remote communities can reinforce economic and social disadvantage in these areas.<sup>29</sup>

### Box 2.1: Drivers of vitality and viability in rural, regional and remote communities

The Foundation for Rural and Regional Renewal is an organisation that is committed to strengthening the viability and vitality of regional Australia. It partners with organisations in rural and regional communities across Australia to facilitate the delivery of funding, skills and services to these communities. Some of the programs that are supported by the Foundation include arts and culture initiatives, economic and social enterprise development activities, and capacity building in local communities.

While many regional communities across Australia are experiencing economic and population growth, Natalie Egleton, Chief Executive Officer of the Foundation, observes that "the profile of rural, regional and remote Australia is changing, with respect to both business and resident profiles. Shifts in the agricultural sector such as an increase in the presence of larger farming enterprises and greater automation of farming processes are changing the shape of local business communities. Population and demographic changes are also altering resident profiles, with some regional communities experiencing outward 'tree change' migration from city centres for lifestyle reasons."

Through the Foundation's work in rural, regional and remote communities, Natalie observes that there is a range of factors that drive the vitality and viability of these communities: "access to services is a core requirement to sustain a vibrant community – this includes health and education, informational and transactional services such as banking and postal services, and activities that support involvement in community life such as sports and creative arts". Moreover, while different regions can vary in their local competitive advantages, economic diversity is another key contributing factor to regional viability, such as having a range of different-sized businesses and a local workforce possessing a diverse set of skills.

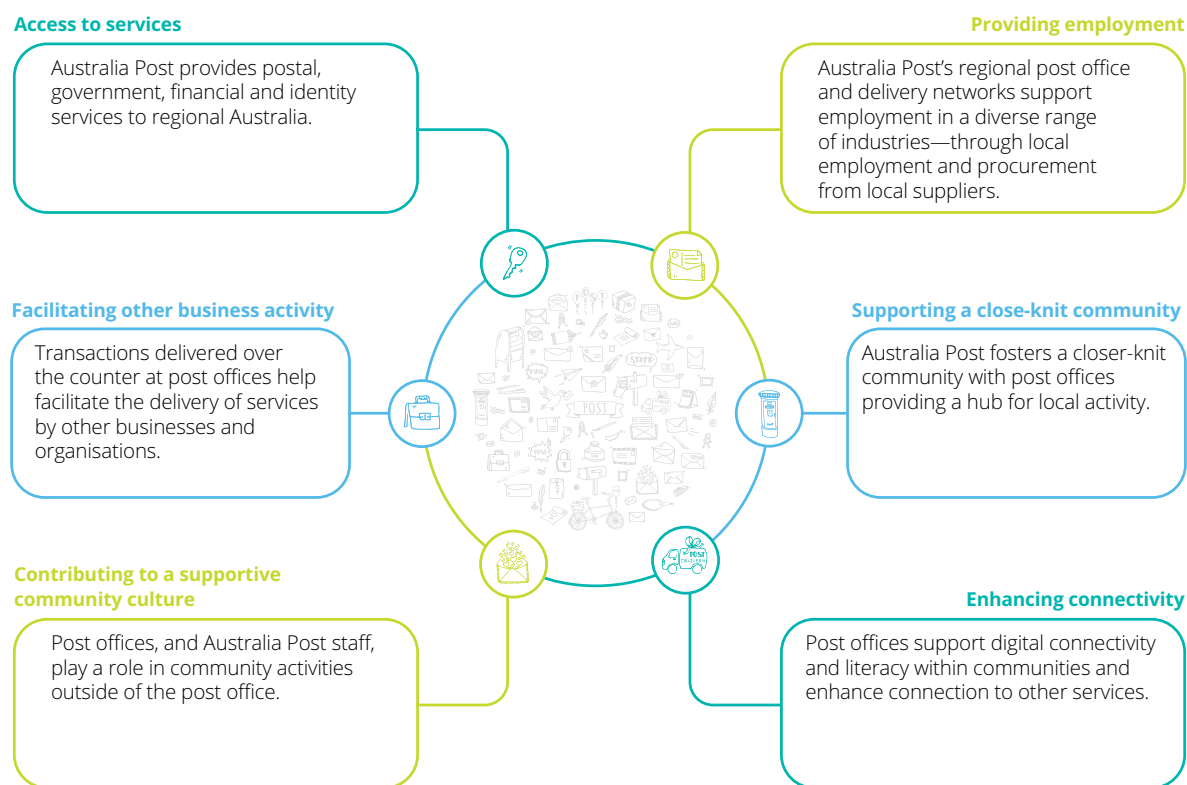
Digital connectivity is also becoming an increasingly important driver for the success of rural, regional and remote communities. Natalie states that "digital connectivity is a significant advantage for communities that have it, and a significant disadvantage for those who don't. While the connectivity conversation partly relates to the availability of digital infrastructure, there is also a need to ensure that local residents have the digital skills required to perform everyday tasks online. This includes, for example, offering support to older residents who may be using online banking to pay bills for the first time."

## 2.4 Australia Post’s role in enabling thriving communities

As a national service provider with a significant physical presence in regional, rural and remote areas, **Australia Post plays an important role in the economic and social health of communities in these areas.** This means that Australia Post can make a major contribution to supporting and delivering on the aspirations of residents in regional, rural and remote communities. This includes through (Figure 2.1):

- Providing local residents with access to core services, including delivery, government, financial and identity services
- Creating regional employment through directly creating jobs and procuring goods and services from local suppliers
- Supporting a closer-knit regional community, with the physical presence of the post office providing a space for local activity
- Enhancing connectivity within and between communities, such as by supporting digital literacy and providing information about other local services
- Contributing to regional community culture through the broader activities of Australia Post staff outside of the post office
- Facilitating business activity, with post office services enabling local businesses in regional communities to operate and conduct day-to-day transactions.

**Figure 2.1: Summary of Australia Post’s contributions in regional, rural and remote Australia**



Source: Deloitte Access Economics

The physical network of more than 2,500 post offices and the broader delivery network enables Australia Post to provide services to regional, rural and remote communities, many of which have limited alternatives when it comes to accessing core services like delivery, government and financial services. Australia Post's national network also means that it is well-placed to facilitate the delivery of services by other organisations in regional, rural and remote communities. For example, Box 2.2 describes how Australia Post works with libraries in regional South Australia, based on our consultation with the State Library of South Australia.

The remainder of this report explores in greater detail the economic and social contribution that Australia Post makes in regional, rural and remote communities.

### **Box 2.2: Connecting regional, rural and remote Australia to community library services**

Public libraries are an important cultural institution in local communities across Australia: in the year to July 2018, 7.6 million Australians visited a library – representing a higher visitation rate than to other cultural establishments such as museums, art galleries and theatres.<sup>30</sup> In addition to providing access to books, magazines and newspapers to local community members, many public libraries also deliver information sessions, provide access to computers and internet, and represent a physical space for community interaction and engagement.

In South Australia, the Libraries Board of South Australia is responsible for the administration of the State Library of South Australia and all public library services across the State. The Board connects all 140 libraries across South Australia and offers a range of services to regional and rural communities, including providing free internet access at local libraries and facilitating the movement of requested items within the library network.

The relatively larger distances between regional, rural and remote communities can create greater challenges in providing library services to these areas. In this context, Australia Post's delivery network and physical presence across regional and remote Australia enables libraries to get books and items out to these farther communities. Geoff Stempel, Director of the State Library of South Australia, states that "Australia Post facilitates the movement of 4 million library materials each year (900 to 1000 crates each month) between South Australian libraries. This service is particularly valuable for regional high school students completing research projects, as they wouldn't otherwise be able to access the same resources as students in cities."

Libraries in regional and rural areas also facilitate increased foot traffic for local businesses – much like regional and rural post offices do. Having a range of service providers physically present in the local area contributes to the vibrancy of the community and, as Geoff notes, "the associated increase in customer foot traffic contributes to the sustainability of local businesses by offering the opportunity for more customers and therefore revenue".





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Australia Post's role  
supporting regional, rural  
and remote economies

Australia Post plays an important economic role in regional, rural and remote areas. This occurs through both the economic activity facilitated by Australia Post's delivery network and Post Office services, as well as its direct and indirect contributions to regional economies through its local operations and engaging with suppliers and contractors in regional communities.

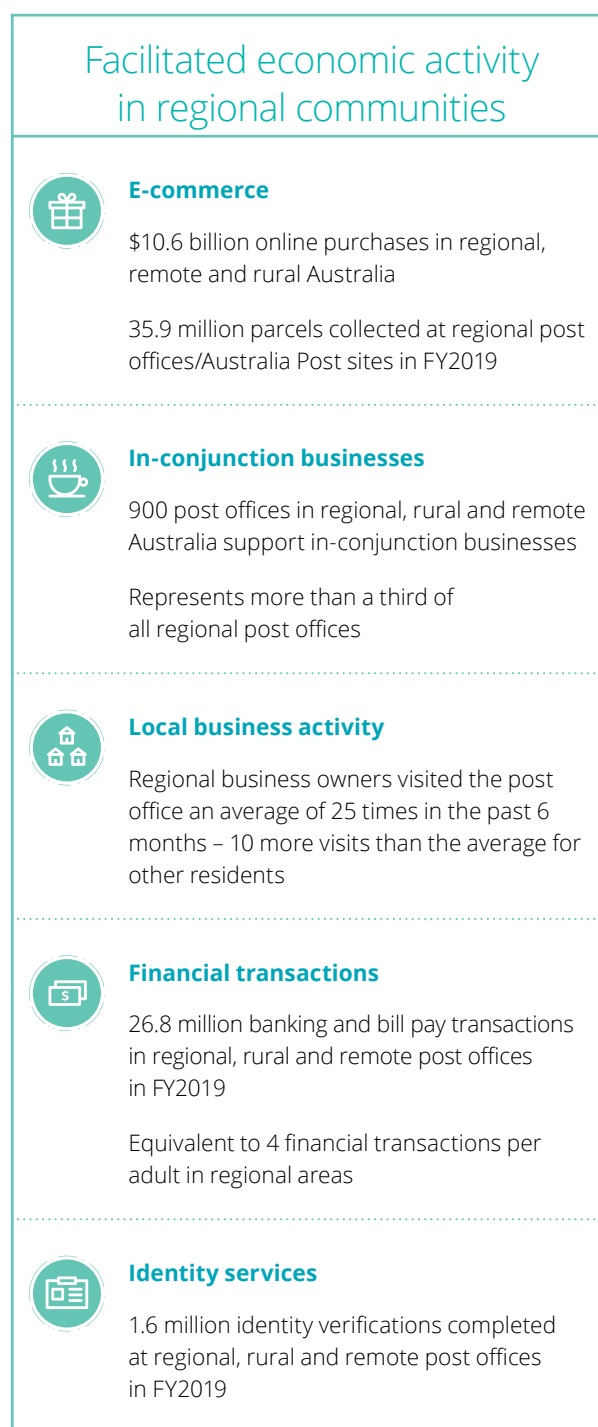
### 3.1 Facilitating economic activity in local communities

Growing local economies and employment opportunities are of vital importance to the success of regional, rural and remote communities. As highlighted in Section 2.1, residents in Australia's regional communities rank access to employment opportunities as the second most important aspiration for their local community (after access to services). However, 72% of people are concerned that their community doesn't have sufficient employment opportunities, and around half are concerned about recent local economic growth.

Given Australia Post's presence throughout regional Australia through its post office and delivery networks, the organisation can play an important role in providing economic and employment opportunities to regional, rural and remote communities. The services provided through post offices and the delivery network enable a significant range of business activity across regional economies, as summarised in Figure 3.1.

Australia Post's widespread delivery network across regional communities facilitates **e-commerce**. Recent research suggests that Australians spent approximately \$28 billion on online shopping in FY2019.<sup>31</sup> Based on parcel volumes in regional, remote and rural areas, online purchases from these areas accounted for an estimated \$10.6 billion of this e-commerce expenditure. In total, 35.9 million parcels were collected at regional post offices or Australia Post sites in FY2019, suggesting that many residents in regional areas rely on this physical infrastructure in order to receive e-commerce purchases.

**Figure 3.1: Summary of Australia Post's facilitated activity in regional economies**

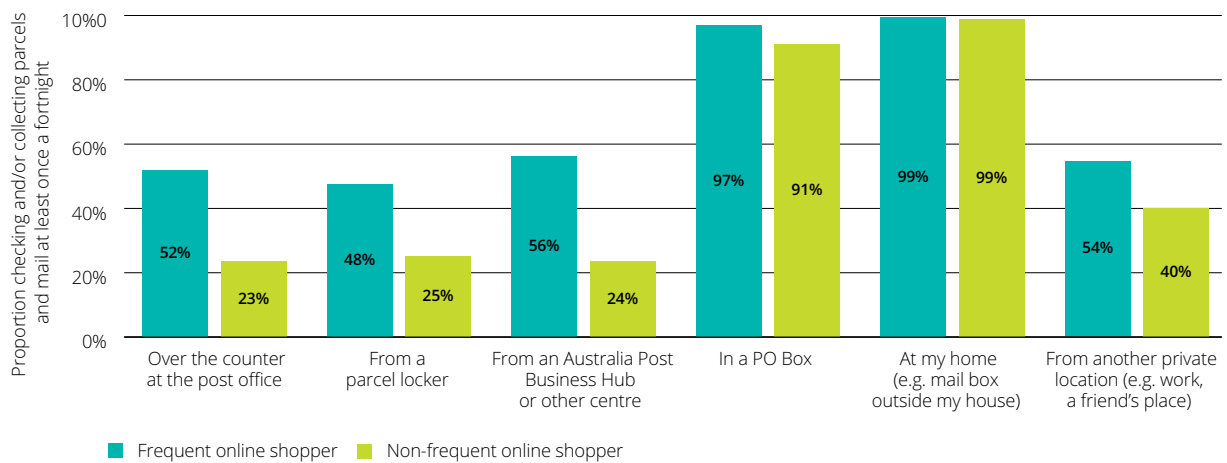


Source: Deloitte Access Economics

Survey results indicate that approximately half (49%) of regional Australians are frequent online shoppers, who make an online purchase requiring delivery at least once a month. These frequent online shoppers are significantly more likely to check and/or collect parcels and mail from post office counters, parcel lockers and Australia Post hubs (Chart 3.1).

Moreover, the extensive coverage of Australia Post’s delivery network and availability of different parcel pick-up options also facilitates e-commerce activity between different regional, rural and remote areas. As described in Box 3.1, the limited availability of alternatives for the fast and reliable delivery of parcels between regional and remote areas means that for many businesses operating outside of metropolitan cities, Australia Post’s delivery infrastructure is essential for maintaining a high-quality experience for customers residing in other regional communities.

**Chart 3.1: Frequency of checking and/or collecting parcels and mail from different sources**



Source: Deloitte Access Economics survey



### Box 3.1: Supporting regional online businesses

Bulk Nutrients is an Australian-owned and operated supplement business, selling products that support weight loss, muscle gain and other health-related goals. The business opened 12 years ago to provide affordable supplements to Australian consumers, and these supplements are manufactured at Bulk Nutrients' operational base in the regional town of Huonville, Tasmania. Bulk Nutrients primarily sells directly to customers through its online store, and currently has over 400,000 customers from across Australia on its books, with around 150,000 active in any six-month period.

Being located in Huonville means that Bulk Nutrients can provide a range of employment opportunities to local residents. The business employs around 60 people, of which around three-quarters live in the greater Huon area, and also engage with local service providers such as electricians and plumbers. According to Jess Crowley, Manager at Bulk Nutrients, "one of the key drivers of regional viability is having locals that actually spend time in the community. But lengthy travel times to workplaces in the city can reduce the amount of time that people have available. As such, local employers such as Bulk Nutrients play an important role in sustaining a vibrant regional community."

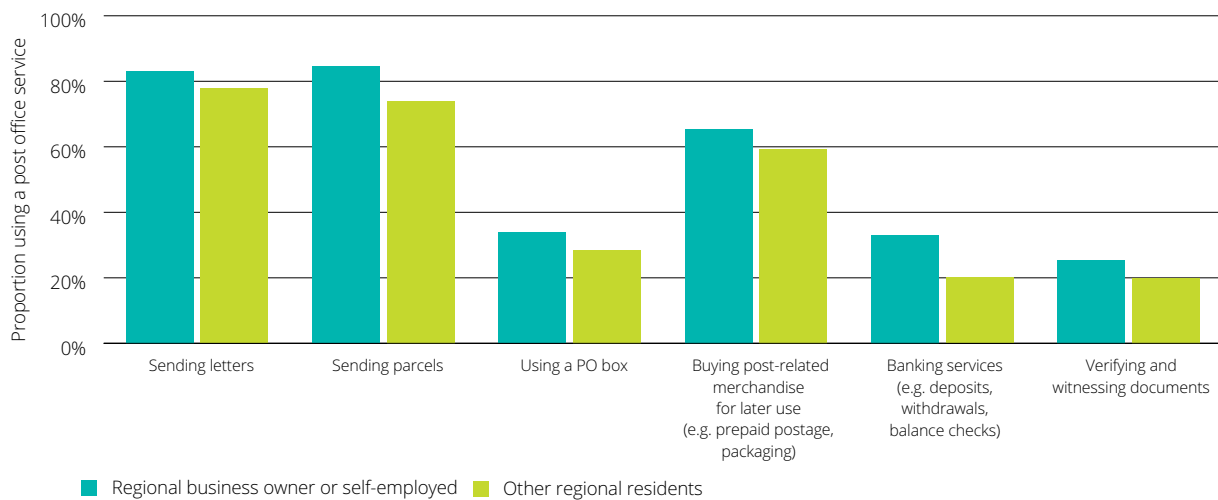
As Bulk Nutrients operates out of a regional area, the business relies heavily on Australia Post's delivery services to get its products to consumers, with around 25,000 parcels being sent each month. The speed and efficiency of this delivery has been an important part of Bulk Nutrients' success, as it ensures a high quality end-to-end customer experience. Jess says that "a huge part of our brand is being able to provide supplements directly to the consumer, and we didn't want our customers being disadvantaged by the fact that Bulk Nutrients is based in a regional town in Tasmania. Because we manufacture our own products, we have stock available all the time, so we can guarantee that every order placed online before 4pm is sent out on the same day."

Bulk Nutrients relies on Australia Post's national delivery network to ensure that they can reach consumers across Australia, and the ability to ship products from one regional area to another regional area is an important part of their business. Jess noted that "despite the growth in alternatives to Australia Post over the last decade, such as courier services, these alternatives are not viable in regional areas where there isn't the volume required to sustain a reliable delivery network. In addition, delivering our products via Australia Post means that our regional customers can pick up their parcels at their local post office, rather than having to travel long distances to a courier depot in order to retrieve their parcels."

In addition to enabling regional businesses to access e-commerce growth opportunities across a national market, the post office network also facilitates the **everyday activities of local businesses** in regional communities. Our survey finds that individuals who are **business owners or self-employed visit the post office significantly more often than other regional residents** – with an average of 25 visits in the past 6 months across this business owner cohort, compared with 15 visits for other residents.

Consistent with the e-commerce activity previously discussed, regional business owners are significantly more likely to have visited a post office in order to send parcels: 84% of this cohort have used this service at a post office in the past 6 months, compared with 74% of other regional residents (Chart 3.2). Amongst other services, business owners are also more likely to have visited a post office to complete a banking transaction such as depositing or withdrawing cash, with 33% having used this service at a post office in the past 6 months, compared with only 20% of other regional residents. As described in Box 3.2, in some regional, rural and remote communities, the post office represents the only in-person option to undertake such banking transactions, amongst other support services for businesses and individuals.

**Chart 3.2: Use of post office services by regional business owners compared to other regional residents**



Source: Deloitte Access Economics survey

### Box 3.2: Financial transactions and other services at regional post offices

Australia Post's network of post offices provides a variety of services in regional, rural and remote communities across Australia. For example, Tathra is a coastal town on the South Coast of New South Wales, with a resident population of around 1,800 people. The Tathra Post Office is the only option available for local residents and businesses to perform in-person financial transactions such as withdrawals, deposits and bill payments, and also provides a range of other services such as retail sales and office services.

There is no major bank branch in Tathra, with the closest branch located around 20-30 minutes away at of Bega or Merimbula. Due to this, the Tathra Post Office provides a variety of banking services to the community. Deborah Alker, owner of the local post office, says that "our community likes to conduct face-to-face transactions. We have a wide variety of people in the town conducting their banking transactions with us, including withdrawals, deposits, balance enquiries, credit card and bill payments. Many local businesses also conduct all their banking in our Post Office. These include the two real estate agents, the four coffee shops, the local beach house apartments and the bike shop, that all operate in Tathra."

Local post offices can also play a broader role in supporting individuals or businesses in need of assistance. The Tathra Post Office, for example, provides office services such as scanning, printing and laminating for local businesses, clubs and individuals. Post offices can also play a role in relation to digital literacy. Some segments of regional communities still struggle with the digital capabilities required to use technology to perform tasks that are increasingly being transitioned online. According to Deborah, "at the Tathra Post Office, we spend a large amount of time teaching people how to use smartphones or the internet. There are also difficulties with connectivity, as there are large areas in the community with limited phone reception. The trust that local residents have in the post office means that, for example, elderly individuals are comfortable with asking these questions here, and they enjoy and value the personal touch of the interaction."

The provision of these banking services at post offices in regional communities provides local businesses with an in-person option to manage their cash transactions, as well as enabling individuals to pay businesses and each other. A total of 26.8 million **financial transactions** – including both banking services and bill payments – were completed in regional, rural and remote post offices in FY2019. This is equivalent to around 4 financial transactions per adult (over 15 years) in these communities over the financial year.

In addition to these financial transactions, around 1.6 million **identity verifications** were completed at regional, rural and remote post offices in FY2019. This represented around one-quarter of verifications across the post office network, and the provision of these identity services at post offices facilitates broader economic activity such as in the property, legal, financial services industries.

One final channel through which Australia Post facilitates economic activity in regional, rural and remote communities is through the increased foot traffic – and therefore customer activity – associated with the presence of a post office in the local community. The businesses that benefit most directly from this are those regional businesses that are located in conjunction with the post office: there are almost 900 post offices in regional, rural and remote Australia with **in-conjunction businesses** such as grocery stores, pharmacies and pubs, representing more than a third of all regional post offices.

### 3.2 Contribution to Gross Regional Product and employment

Economic contribution modelling examines the economic footprint of a particular sector or firm. Deloitte Access Economics has estimated the economic contribution of Australia Post in Regional and Remote Australia using input-output modelling, in order to capture the interlinkages between Australia Post's operations in regional areas with other parts of the economy.

The analysis utilises Australia Post's revenue and expenditure data, as well as the input-output tables published by the Australian Bureau of Statistics, to measure how Australia Post's operations generate and support economic activity throughout Regional and Remote Australia. The modelling captures the direct contribution from Australia Post's own regional operations, as well as its indirect contribution – that is, the flow-on economic activity generated by Australia Post's expenditure on intermediate inputs supplied by other firms and contractors in regional Australia. Box 3.3 provides an explanation of these direct and indirect contributions, and further detail about the economic modelling methodology can be found in Appendix B.

Overall, Australia Post's total economic contribution in Regional and Remote Australia was **\$806 million in value added and 10,802 FTE jobs in FY2019.**

#### Box 3.3: Overview of economic contribution modelling results

**Direct contribution** represents the value added by Australia Post's operations in the form of returns to capital and labour, as well as taxes on production net of subsidies. Returns to capital is estimated as the gross operating surplus, which is determined by the ongoing operational profit and operational costs of Australia Post, before interest, tax, depreciation and amortisation. Returns to labour is measured as compensation to employees in the form of wages and salaries to employees.

**Indirect contribution** represents the flow-on contribution of Australia Post's operations made through their expenditure on intermediate goods and services. This captures the contribution made to the economy through Australia Post's industry linkages – the returns to capital and labour generated by expenditure on these intermediate inputs throughout supply chains.

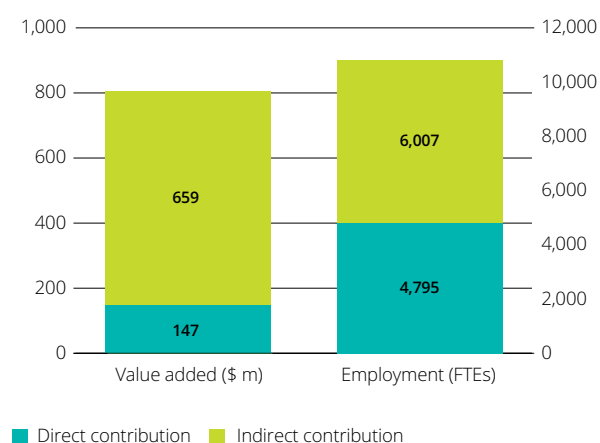
The economic contribution is measured in terms of **value added** (Gross Regional Product, or GRP) – the difference between the value of Australia Post's output in regional areas, and the cost of the inputs required to generate those outputs – and **employment**, which is expressed in full-time equivalent (FTE) terms. The sum of the value added across all entities and regions in the economy equals Gross Domestic Product.

The **total economic contribution** of Australia Post to Regional and Remote Australia is the sum of the direct and indirect contributions in all Regional and Remote areas.

Australia Post's direct contribution to GRP in Regional and Remote Australia was \$147 million in FY2019, representing the wages and salaries of workers directly employed by Australia Post in these communities, and the gross operating surplus from Australia Post's operations in these areas. For every \$1 of direct value added, another \$4.50 was generated indirectly in other parts of the economy, leading to an indirect contribution of \$659 million in Regional and Remote Australia (Chart 3.3).

Australia Post's direct employment contribution to Regional and Remote Australia was 4,795 FTEs in FY2019, with a further indirect contribution of 6,007 FTEs supported through expenditure on goods and services within its regional supply chain. This means that every 4 FTEs that were directly employed by Australia Post in Regional and Remote communities indirectly supported another 5 FTE jobs in these local economies.

**Chart 3.3: Direct and indirect economic contribution of Australia Post to Regional and Remote Australia, FY2019**



Source: Deloitte Access Economics modelling

Within regional, rural and remote communities, Australia Post's total economic contribution is largely concentrated in Inner and Outer Regional Australia, which together account for 90% of its contribution to value added and 93% of FTEs (Table 3.1).

**Table 3.1: Total economic contribution of Australia Post to Regional and Remote Australia by Remoteness Area, FY2019**

	Value added (\$ millions)	Employment (FTEs)
Inner Regional Australia	486	7,163
Outer Regional Australia	242	2,931
Remote Australia	39	385
Very Remote Australia	38	323
<b>Total</b>	<b>806</b>	<b>10,802</b>

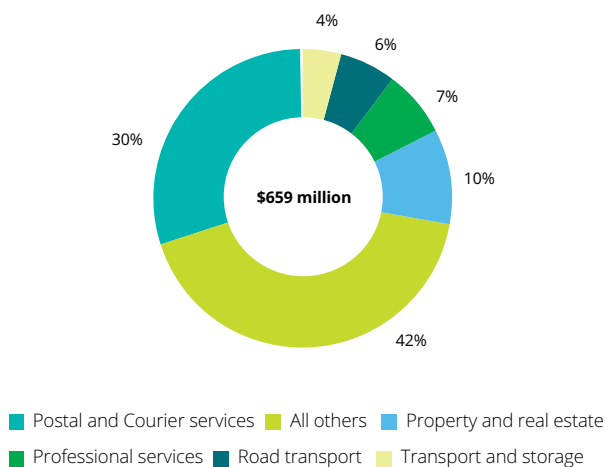
Source: Deloitte Access Economics modelling

As a service-based organisation, Australia Post draws on a substantial amount of labour, both directly within its operations and from contractors and other service providers throughout its supply chain. Approximately \$371 million of Australia Post's national expenditure on labour (direct employees) goes to regional areas, with a further \$371 million in labour income generated indirectly through Australia Post's intermediate expenditure on contractors and suppliers. This means that labour income accounts for over 90% of Australia Post's total economic footprint in Regional and Remote Australia.

In comparison, returns to capital form a relatively smaller share of Australia Post's total economic contribution to Regional and Remote Australia. This result is largely a consequence of current accounting frameworks, under which Australia Post's revenue (regardless of where it is generated) is generally recorded in Major Cities, while expenses are recorded across the country.

Australia Post **supports a spectrum of economic activity throughout its supply chains** in Regional and Remote Australia, including engaging with a range of key contractors and suppliers, who in turn employ their own local workers and engage their own suppliers. This indirect economic contribution is spread across a number of sectors (Chart 3.4). Of the \$659 million contributed indirectly by Australia Post to Regional and Remote GRP in FY2019, 30% occurred within the postal and courier services industry, which reflects the large number of contractors and licensed post offices across Australia Post's network. Other sectors in Regional and Remote Australia that are supported by Australia Post's operations include the property and real estate sector (10% of indirect value added), professional services (7%), and road transport (6%).

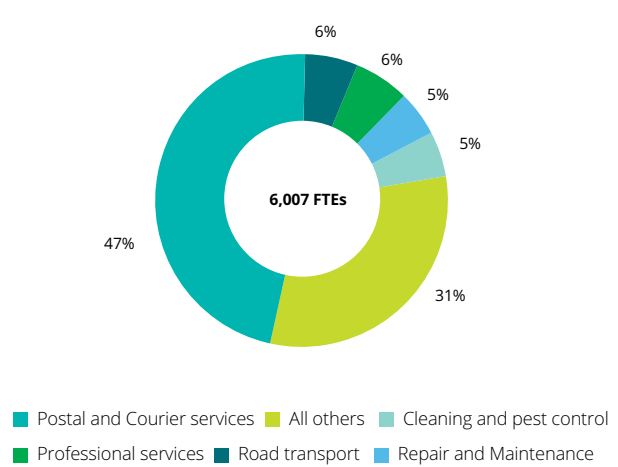
**Chart 3.4: Share of Australia Post’s indirect contribution to value added (GRP) in Regional and Remote Australia by top 5 industries, FY2019**



Source: Deloitte Access Economics modelling

Postal and courier services also represented the largest share of Australia Post’s indirect contribution to Regional and Remote FTEs, accounting for 47% of all indirect FTEs contributed through Australia Post’s intermediate expenditure in Regional and Remote Australia (Chart 3.5). The higher share of employment (relative to value added, above) is due to the relatively labour intensive nature of the postal and courier services industry. In comparison, the property and real estate sector, which is less labour intensive, accounts for only 5% of the indirect FTE contribution, compared with 10% of indirect value added.

**Chart 3.5: Share of Australia Post’s indirect contribution to FTE employment in Regional and Remote Australia by top 5 industries, FY2019**



Source: Deloitte Access Economics modelling

It should be noted that there are **various ways to think about Australia Post’s contribution to employment** in regional, rural and remote communities. While the direct and indirect FTE contributions presented in this section as a result of the economic contribution modelling represent one approach, there is also a broader share of the regional population for whom some part of their job is dependent on Australia Post’s activities. This is further discussed in Box 3.4.

**Box 3.4: The breadth of Australia Post’s employment impacts in regional communities**

Deloitte Access Economics’ economic contribution modelling has found that Australia Post’s direct contribution to employment in Regional and Remote Australia – i.e. individuals directly captured in Australia Post’s own workforce – was 4,795 FTEs in FY2019. Moreover, a further 6,007 FTEs are indirectly supported through its expenditure in the supply chain, which generates employment across regional contractors and businesses supplying goods and services to Australia Post.

There is likely to be a broader group of residents in Regional and Remote Australia whose jobs depend, in part, on Australia Post’s operations in their local communities. Section 3.1 outlines a range of economic activity that is facilitated by Australia Post in regional, rural and remote communities – including regional e-commerce, financial transactions and local business traffic – and these facilitated activities are all associated with supporting local jobs. While the breadth of these activities means that it is challenging to model the number of FTE jobs involved, it is clear that the absence of Australia Post’s post office and delivery networks in regional areas would have wider employment impacts than merely its direct and indirect FTE contributions.

Australia Post's presence in Regional and Remote communities as an employer and as a procurer of supplies and services from local businesses means that it is well-placed to **support economic activity in Indigenous communities** across the country. The organisation's Reconciliation Action Plan 2017-2020 includes specific goals around increasing employment of Indigenous Australians across the business and increasing procurement activity with Indigenous businesses in local communities, as discussed in Box 3.5.

### Box 3.5: Supporting Indigenous communities through Australia Post's Reconciliation Action Plan

Australia Post seeks to work with and support Indigenous individuals, businesses and communities through its services, post offices and other initiatives in regional areas. The organisation's Reconciliation Action Plan 2017-2020 (RAP) has three key goals:

- Increase cultural awareness and learning opportunities for all Australia Post employees
- Increase Australia Post's direct employment of Indigenous Australians
- Increase Australia Post's procurement activity with Indigenous businesses.

The RAP is supported by a RAP Working Group which comprises both internal and external committee members. Cristilee Houghton is a Lifelong Fellowship Lead with the Atlantic Fellows for Social Equity at the University of Melbourne, and has been a member of Australia Post's RAP Working Group for the past year.

Cristilee is a Pitta Pitta woman from regional Queensland and her work has predominately been addressing Indigenous issues across employment, training, youth development, joint venture investments and economic development with the government, not-for-profit and private sectors throughout her career. Cristilee says that, "it's been interesting and refreshing to be involved with the RAP Working Group. A RAP strategy needs to be about changing behaviour – engaging with heads, hearts and hands, rather than just ticking off targets. Australia Post is doing more than they get recognition for in this area."

According to Cristilee, "procurement and business development is a big focus more broadly in supporting Indigenous businesses in regional areas, and Australia Post is doing a great job in this procurement space. They have worked hard to support Indigenous suppliers and bring different parts of their organisation along in assisting these suppliers to build their own capabilities." Some of the Indigenous businesses that Australia Post has worked with include Marcus Lee Designs, Print Junction, Gilimbaa and CMC Indigenous Services.

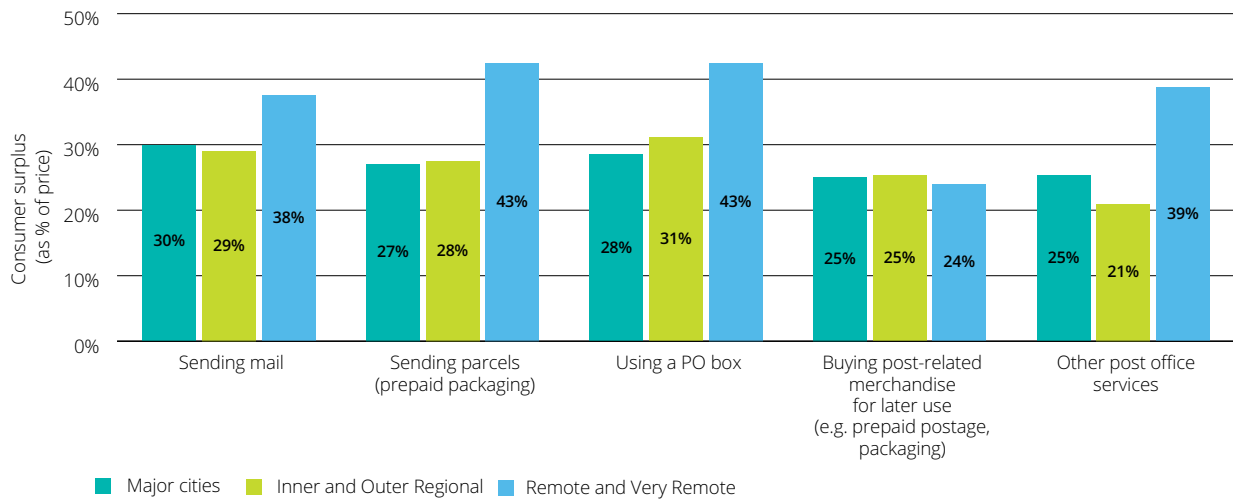
Cristilee observes that "it's positive to see that Australia Post is invested in the RAP across all levels of the organisation, with executive involvement, interest and discussion at RAP meetings. Buy-in from senior leadership is critical for driving change and creating outcomes for Indigenous communities." At the same time, there is a range of areas in which Australia Post could support Indigenous communities, particularly by utilising the role of the post office as a connection point and local hub in these communities, many of which are in remote Australia. "Ongoing investment and meaningful engagement in relationship building, developing cultural capability and partnering with other community organisations could be future areas of focus for Australia Post's work with Indigenous communities. A continued focus on employing Indigenous Australians, particularly in higher-level roles across Australia Post, is also important."

### 3.3 Additional economic value to regional, rural and remote consumers

In examining the value of Australia Post's services and presence in regional, rural and remote communities, it is important to note that GRP does not necessarily capture the entirety of the economic value that is derived from these regional activities. 'Consumer surplus' represents the extent to which consumers value Australia Post's services, as measured by their willingness to pay above the actual price currently charged for these services. It therefore represents an additional measure of economic value on top of Australia Post's contribution to GRP.

Previous Deloitte Access Economics research on the value of Australia Post's services estimated that the additional consumer surplus for paid services offered at post offices ranges between 20% and 45% of the price charged on average.<sup>32</sup> Further analysis of these results by location suggests that **Australian living in Remote and Very Remote Australia have a much higher consumer surplus** than those in metropolitan and regional communities (Chart 3.6). A major contributing factor to this significantly higher consumer surplus in remote areas is the limited availability of substitute services in or near these communities, and therefore the reliance on post offices for service delivery in these areas. This is discussed in further detail in Section 4.1.

**Chart 3.6: Consumer surplus as a proportion of price charged for service, by Remoteness Area**



Source: Deloitte Access Economics survey







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Australia Post's  
social contribution  
to regional, rural and  
remote communities

Australia Post makes a social contribution to regional communities by providing accessible services to the local community, particularly vulnerable cohorts. Post offices enjoy a high level of trust in across regional, rural and remote Australia. Figure 4.1 summarises the key channels through which Australia Post delivers social benefits to regional, rural and remote communities.

#### 4.1 Accessing services in regional, rural and remote areas

As highlighted in Section 2.2, communities in Regional and Remote Australia are more likely to have difficulties accessing services than those in Major Cities. As a result, there is a greater need for local organisations to contribute to the social health and development of communities in these areas.<sup>33</sup> This is particularly important because easy access to core services represents the most important aspiration of regional residents for their local communities (as discussed in Section 2.1).

Australia Post's significant physical presence in regional Australia, through its post office and delivery networks, means that it has a valuable broader role to play in supporting regional Australian communities. With more than 2,500 post offices in regional, rural and remote Australia, the physical footprint of the post office network is significant: 58% of all post offices are located in regional, rural and remote areas. This is a much higher regional representation than most other industries in Australia; for example, only 20-30% of businesses in industries such as transport, utilities, health care and education are located in regional and remote areas.<sup>34</sup>

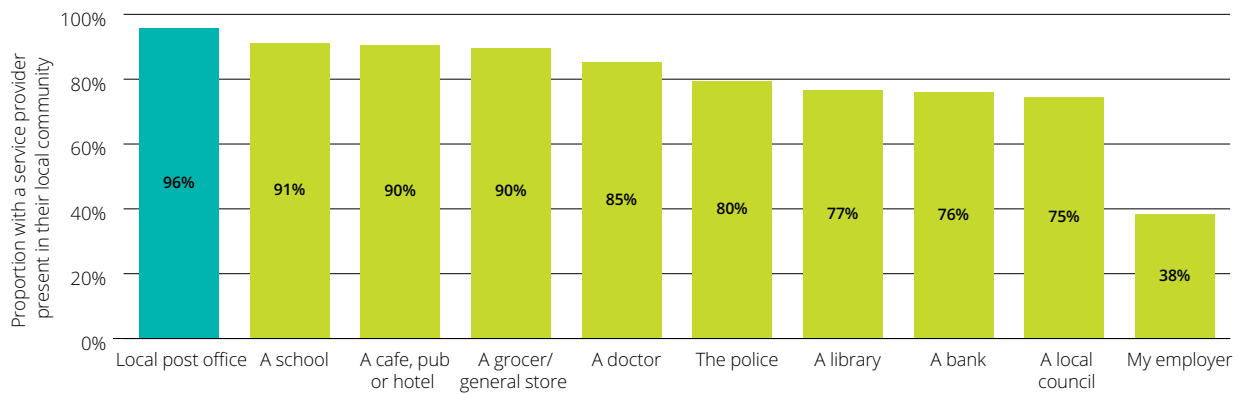
**Figure 4.1: Summary of Australia Post's social contribution to regional communities**



Source: Deloitte Access Economics

Regional and Remote Australians believe that Australia Post makes an important contribution to supporting their aspirations for good access to core services. Australia Post is **the most present service provider** in their local communities – 96% of Regional and Remote Australians state that they have a local post office (Chart 4.1). The next most present service provider is a school (91%) followed by a café, pub or hotel (90%). While post offices facilitate the provision of banking and financial services (as discussed in Section 3.1), they are significantly more present in Regional and Remote communities than actual banks, which are only present in 76% of local communities.

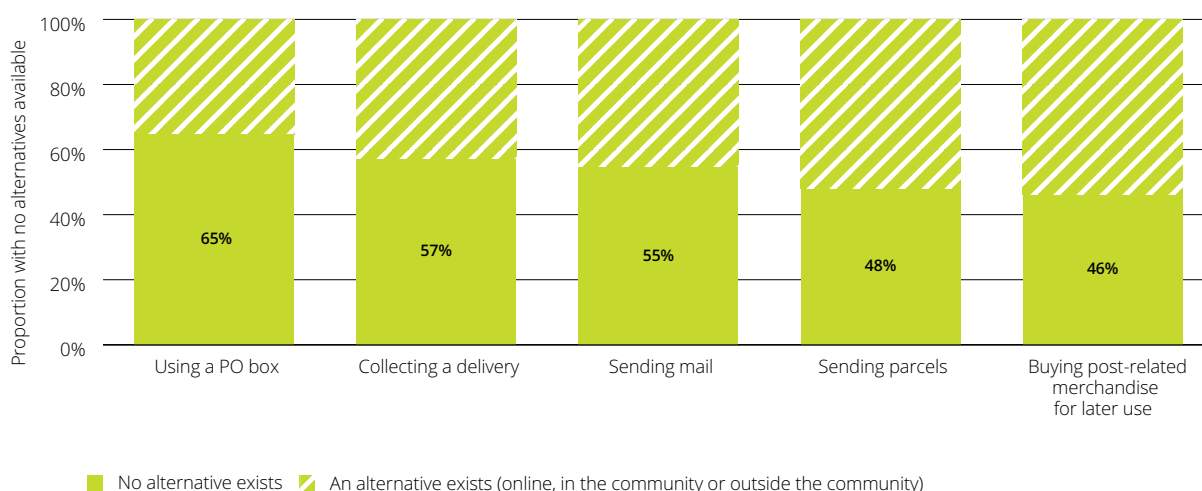
**Chart 4.1: Presence of service providers in communities across Regional and Remote Australia**



Source: Deloitte Access Economics survey

Our survey finds that 92% of Regional and Remote Australians perceive Australia Post as being important for ensuring equity of access to core services for local communities across regional Australia, as there may be **limited alternatives for service delivery** in these areas. One aspect of this is providing access to post-related services, which is at the core of Australia Post’s role in regional communities – consistent with its CSOs. Between 46% and 65% of Regional and Remote Australians (depending on the relevant product or service) believe that no alternative to Australia Post and/or post offices exists for postal products and services (Chart 4.2).

**Chart 4.2: Level of availability of alternatives for postal products and services in Regional and Remote Australia**

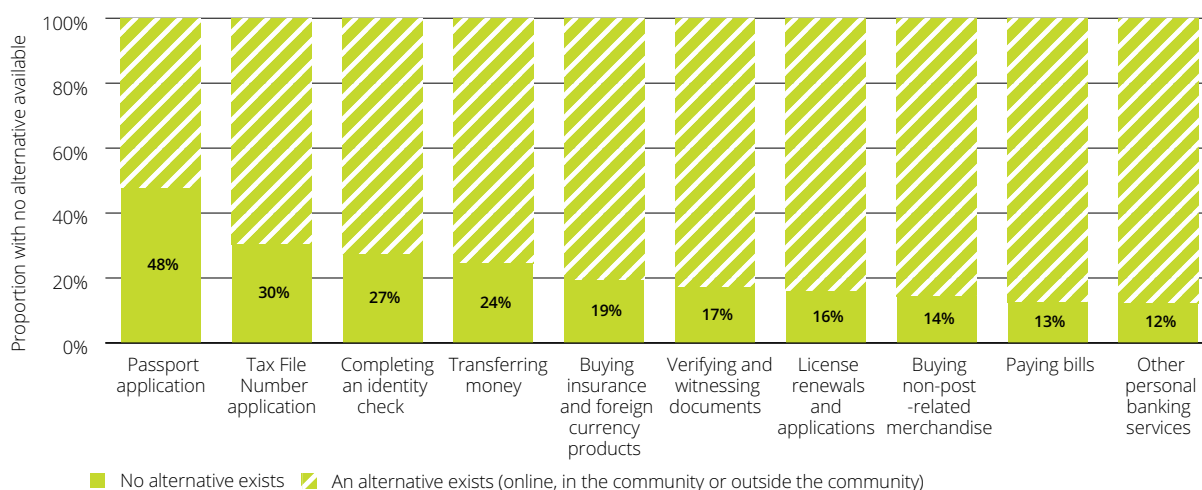


Source: Deloitte Access Economics survey

Note: Only individuals who indicated that they had visited the post office in the past six months were asked about the availability of alternatives.

Even outside of post-related products, residents of Regional and Remote Australia rely heavily on post offices for accessing services (Chart 4.3). This is particularly true for traditional government services: 48% believe there is no alternative available to them for passport applications, 30% for tax file number applications and 27% for identity checks. For other services a wider variety of alternatives are available in regional areas, but it is still notable that 12% of residents have no alternative to the post office (including online alternatives) for accessing personal banking services such as transferring money and depositing or withdrawing cash.

**Chart 4.3: Level of availability of alternatives for non-postal products and services in Regional and Remote Australia**



Source: Deloitte Access Economics survey

Note: Only individuals who indicated that they had visited the post office in the past six months were asked about the availability of alternatives.

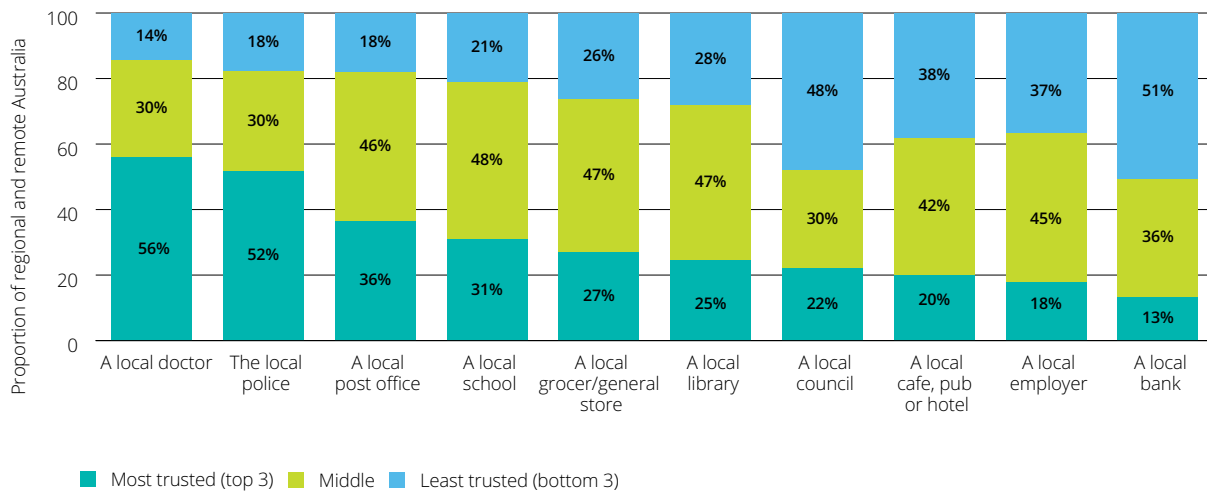
### 4.2 Australia Post as a trusted organisation in local communities

Trust is an important feature of post offices' presence in regional communities: **Australia Post is among the most trusted service providers** in Regional and Remote communities, behind only the local doctor and the local police (Chart 4.4). The proportion of residents listing the post office in their top three trusted service providers is greater than for other organisations such as the local school, library, council and cafe/pub/hotel. Banks are the least trusted service provider, with 13% of Regional and

Remote Australians ranking the local bank in their top three trusted organisations. There is a significant gap in trust between post offices and banks, despite the post office offering many similar banking services.

The trust instilled by the community in post offices is central to Australia Post's delivery of services in regional communities. Combined with its extensive physical presence throughout Regional and Remote areas, this trust enables Australia Post to effectively deliver services, especially personal services such as government and banking.

**Chart 4.4: Ranking of 10 local service providers by level of trust, in order of most trusted (largest proportion of rankings in the top 3 most trusted service providers)**



Source: Deloitte Access Economics survey

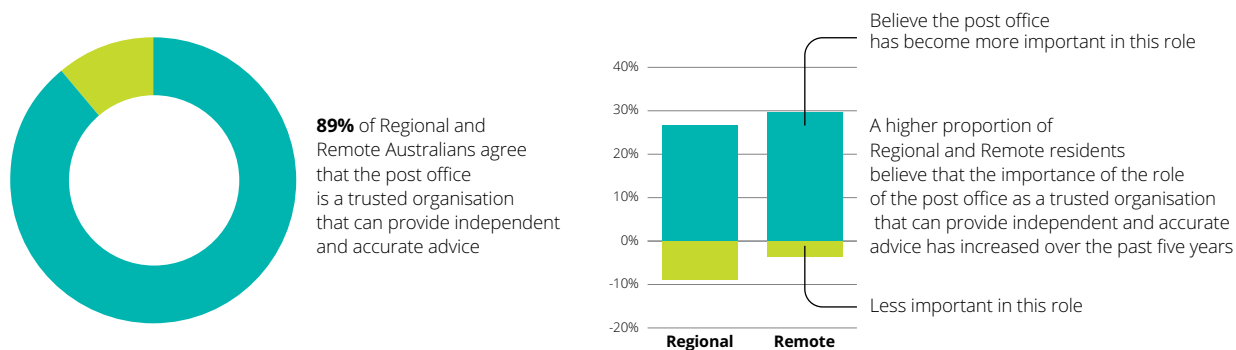
Note: The survey asked Regional and Remote Australians to rank organisations from most trusted (1) to least trusted (10). These responses were then coded to identify the number of times an organisation was ranked in the most trusted—top 3 (responses 1-3), middle (responses 4-7) and least trusted—bottom 3 (responses 8-10).

When questioned directly about their trust in post offices, 89% of regional Australians believe the post office is a trusted organisation that can provide independent and accurate advice (Chart 4.5). Further, the importance of this role for Australia Post in regional Australia is growing. In Regional areas, 27% of Australians believe the role of Australia Post as a trusted organisation that can provide independent and accurate advice has increased in importance over the past five years (compared to 9% who believe that this role has declined in importance). For Remote areas, this proportion is even higher, at 30% (compared to 3%).

### 4.3 The role of Australia Post in supporting vulnerable cohorts

Within communities across Australia, there are individuals who may require additional support to access services, or who may not have the personal resources to access services to the extent of other community members. These relatively vulnerable cohorts often have a greater reliance on in-person services to complete day-to-day tasks.<sup>35</sup> The physical presence of service providers and amenities within Regional and Remote Australia therefore represents important social infrastructure for these individuals.

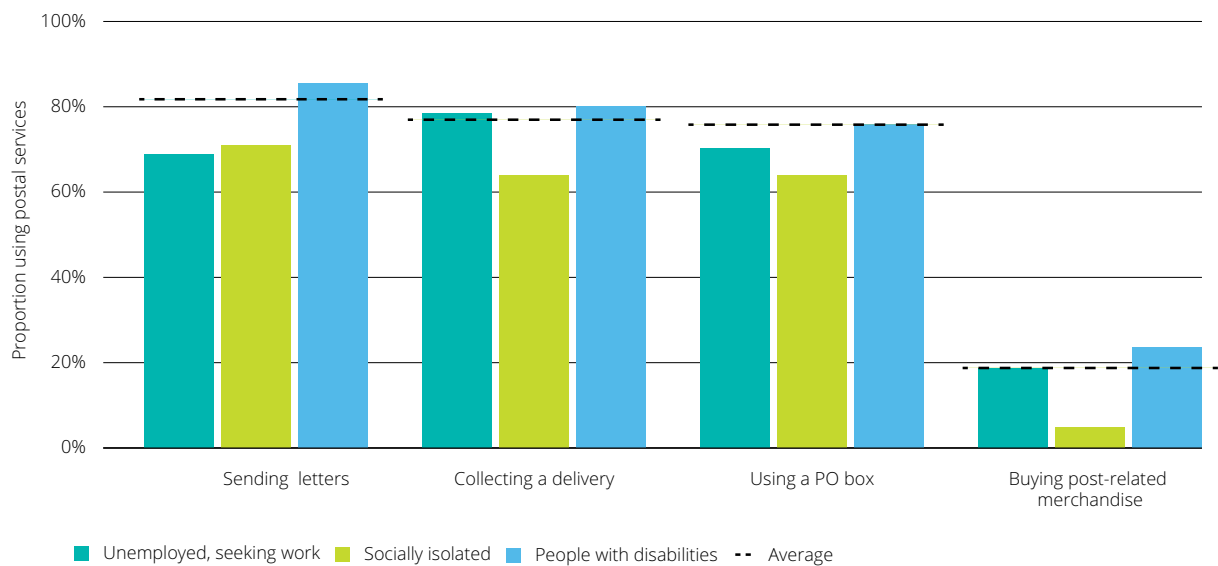
**Chart 4.5: Perceptions of trust in Australia Post, now and change over past five years**



Source: Deloitte Access Economics survey

For this report, we have examined three different cohorts that could be viewed as relatively vulnerable in regional, rural and remote communities: people who are unemployed and seeking work, people with disabilities, and socially isolated individuals. The survey results illustrate that **people with disabilities are more likely than the average Regional and Remote resident to use the post-related services** offered at post offices, including sending mail, collecting deliveries and buying post-related packaging (Chart 4.6).

**Chart 4.6: Proportion of Regional and Remote Australian that used postal services at the post office in the past six months, by vulnerable cohort**



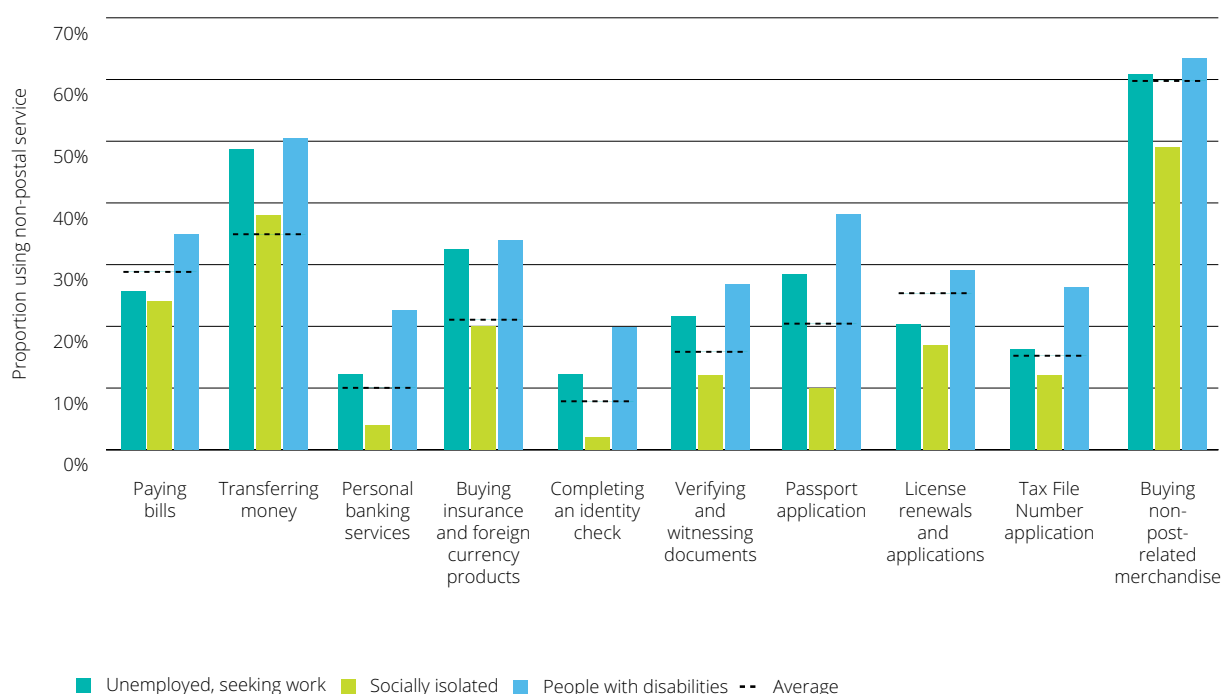
Source: Deloitte Access Economics survey



While Chart 4.6 illustrates that socially isolated individuals are less likely to use any post-related services, survey results also indicate that socially isolated people are more likely to visit the post office. This cohort visited the post office 18 times on average over the past 6 months, compared to an average of 15 visitations for non-socially isolated individuals. Similar patterns are observed with local doctor attendance. ‘Frequent attenders’ – the 10% of patients who account for as many as 50% of appointments – are likely to be socially isolated, and visiting a doctor can be a means for socially isolated individuals to feel connected, talk to someone and receive support.<sup>36</sup> Evidence suggests that community service providers, such as the post office, play a similar role.<sup>37</sup>

The cohort of people with disabilities also tends to use the non-postal services offered at post offices at a higher rate than the average Regional and Remote resident, particularly for banking services (e.g. deposits, withdrawals, balance checks and transferring money) and government services (e.g. passport, licence and tax file number applications) (Chart 4.7). The reliance of disabled community members on these non-postal services offered by the post office was also highlighted in our consultation with the National Disability Services group, and is discussed in further detail in Box 4.1. Individuals in Regional and Remote communities who are unemployed and looking for work also have higher-than-average rates of usage across many non-postal services.

**Chart 4.7: Proportion of Regional and Remote Australian that used non-postal services at the post office in the past six months, by vulnerable cohort**



Source: Deloitte Access Economics survey

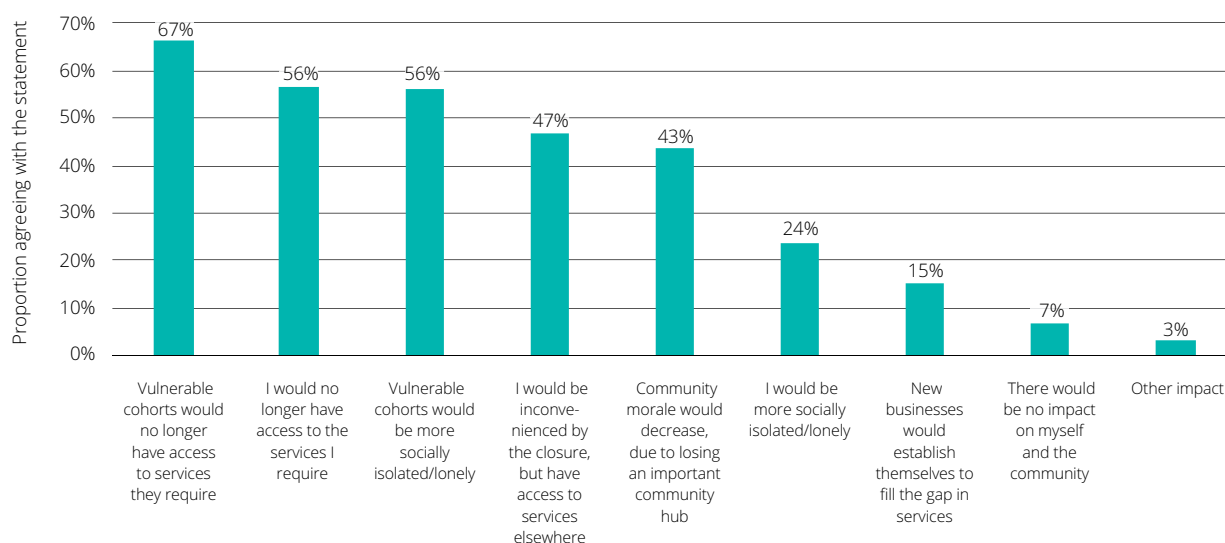
#### Box 4.1: Supporting people with disabilities across regional Australia

According to the Australian Bureau of Statistics, there were 4.4 million Australians with a disability in 2018 – defined as having a limitation, restriction or impairment lasting for at least six months and restricting everyday activities.<sup>38</sup> This represented around 18% of the overall population. The cohort of Australians with a disability represents one of the more vulnerable groups in our community, and are more likely to be older, have lower rates of labour force participation and have lower levels of household income.

The in-person services provided by post offices can play an important role in supporting people with disabilities. David Moody, Chief Executive Officer of National Disability Services, states that “as a relatively vulnerable cohort, Australians with a disability are more likely to use the traditional services offered at post offices. These include sending and receiving physical mail, as well as paying utility bills over the counter instead of over the web, and accessing other banking and government services in person. Given the limited availability of alternative service providers in regional and remote areas, in many instances the local post office is the only option for people with disabilities in these communities.”

In addition to post office services, Australia Post’s delivery network in regional, rural and remote Australia enables people with disabilities to receive deliveries of essential assistive technologies directly to their homes. David observes that “the Australia-wide network enables residents to receive deliveries of assistive technologies such as wheelchairs, ramps and robots to support their everyday living at home. This is particularly important in remote areas, as often there are no alternative providers of delivery services in these communities.”

Australia Post’s trusted reputation in regional, rural and remote communities means that it is well-placed to support people with disabilities more broadly. As David notes, “trust is a precious commodity. The brand of Australia Post is easily identified by its signage, and local residents have great trust in this brand. Local post offices can therefore provide a physical space where people with disabilities could, for example, meet with support workers, interact with their community or get work experience.” For example, Australia Post has recently partnered with the disability services provider Lifestyle Solutions to develop the Work Assist program, which has provided over 25 placements for people with disabilities to gain hands-on work experience. There could be an opportunity for Australia Post to utilise the post office network’s presence in regional communities to expand such programs in the future.

**Chart 4.8: Perceived impact of the closure of a local post office closure**

Source: Deloitte Access Economics survey

Moreover, amongst the general population in regional, rural and remote communities, there is **strong perception that the regional post office network plays an important role in supporting vulnerable cohorts**. When asked about the potential impacts of a post office closure in their local community, Regional and Remote Australians believe that the biggest loss would be to vulnerable members of the community. Specifically, 67% state that vulnerable community members would no longer have access to the services they require, and this was higher than the share of Regional and Remote residents who were concerned about their own access to services (Chart 4.8). In addition, 56% of people in Regional and Remote communities believe that vulnerable community members would be more socially isolated or lonely in the event of a post office closure.

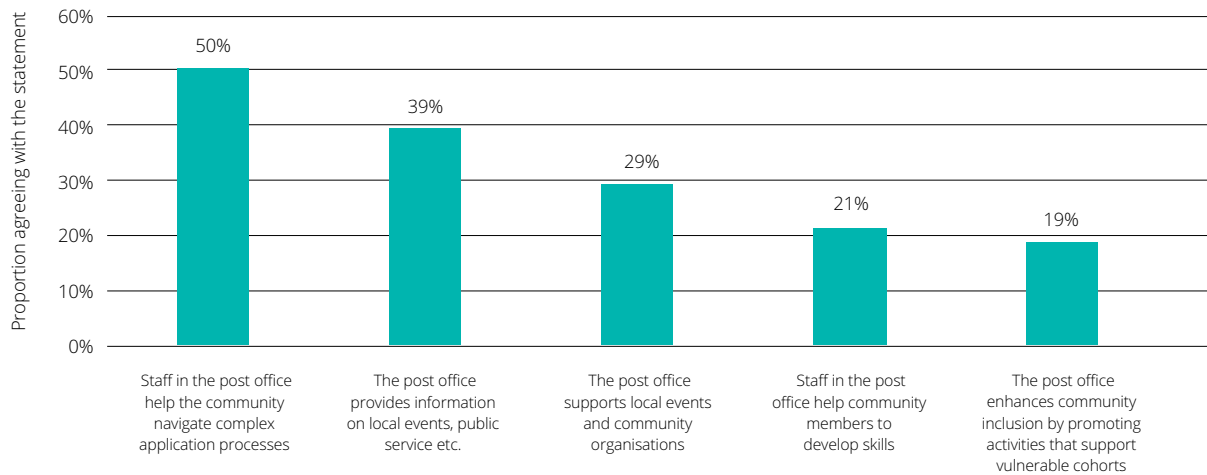
#### 4.4 Broader social role of post offices in regional, rural and remote communities

Post offices and Australia Post staff also make broader social contributions to regional, rural and remote communities. Having a supportive community culture is important to regional areas: it was the third most important aspiration for local communities, behind access to services and employment opportunities (as discussed in Section 2.1). As a well-known and trusted local institution in regional communities, the post office and its staff can contribute significantly to creating and sustaining such a supportive culture.

The nature of these broader social contributions of post offices varies from community to community, ranging from providing information and local notices to assisting local residents with developing skills and capabilities. Overall in Regional and Remote Australia, the majority (74%) of people identify that their **local post office makes a broader social contribution beyond just providing Australia Post products and services**. The most common form of contribution was staff in the post office helping the community navigate complex processes in order to make it easier to access services (cited by 50% of people) (Chart 4.9). In addition, 44% of residents identified the post office as making more than one type of additional contribution to their local community.

The extensive physical presence of the post office and delivery networks also means that Australia Post is well-placed to **partner with other organisations that provide services to regional, rural and remote communities**. This can be seen in Australia Post’s ability to work with emergency service providers in the event of a natural disaster. The high levels of trust that residents in regional communities have in their local post office and its staff, as well as Australia Post’s nationwide presence that extends to some of the most remote parts of Australia, are key elements that enable this social contribution before, during and after a disaster. An example of how Australia Post is working with the Red Cross in disaster relief areas is highlighted in Box 4.2.

**Chart 4.9: Proportion of Regional and Rural individuals that perceive the post office as providing additional contributions (besides providing Australia Post products and services) to the local community**



Source: Deloitte Access Economics survey

#### **Box 4.2: Working with the Red Cross to support regional communities**

The Red Cross provides support services to regional, rural and remote communities that have been affected by natural disaster, such as floods, droughts and bushfires. The organisation delivers disaster support across all stages, including community preparedness (before a disaster occurs), response (during) and recovery (after). According to Collin Sivalingum, Queensland State Manager of Emergency Services at the Red Cross, “our role is to support regional communities particularly in relation to the human and social aspects of a natural disaster, such as ensuring that local residents are able to access the information and services required as part of the recovery process”.

It is the trusted role of Australia Post in regional communities that makes the organisation a valuable partner for the Red Cross’s disaster relief activities. Collin notes that “the local post office has for a long time represented a community hub and gathering point for local residents in regional, rural and remote areas. As an important part of the social fabric of these communities, people trust Australia Post to deliver information and essential services in the aftermath of a natural disaster.”

Most recently in early 2019, the Red Cross and Australia Post have collaborated to print and deliver postcards to drought-affected farmers in regional western Queensland, such as in the Southern Downs area. The purpose of this collaboration was to disseminate information about the financial assistance grants available from the Red Cross’s fundraising appeal which – despite being advertised through various other channels such as local radio and online – had been receiving limited applications. “The postcards were jointly Red Cross and Australia Post branded and included eligibility criteria and clear directions on how to apply for a grant,” says Collin. “We saw an immediate increase in applications from drought-affected farmers once the postcards were delivered, demonstrating the reach of the postal network and Australia Post’s role as a trusted source of information.”

Australia Post’s importance to regional, rural and remote communities means that it has the potential to play a greater role in assisting with the disaster relief and recovery efforts of the Red Cross and other organisations (such as the police, fire brigade and emergency services) in the future. According to Collin, “leveraging the post office’s existing role as a community hub by utilising the space as a formal recovery hub immediately after a disaster would be a natural extension to the role that Australia Post already plays in regional areas”.





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Changing role of post  
offices in regional, rural  
and remote communities

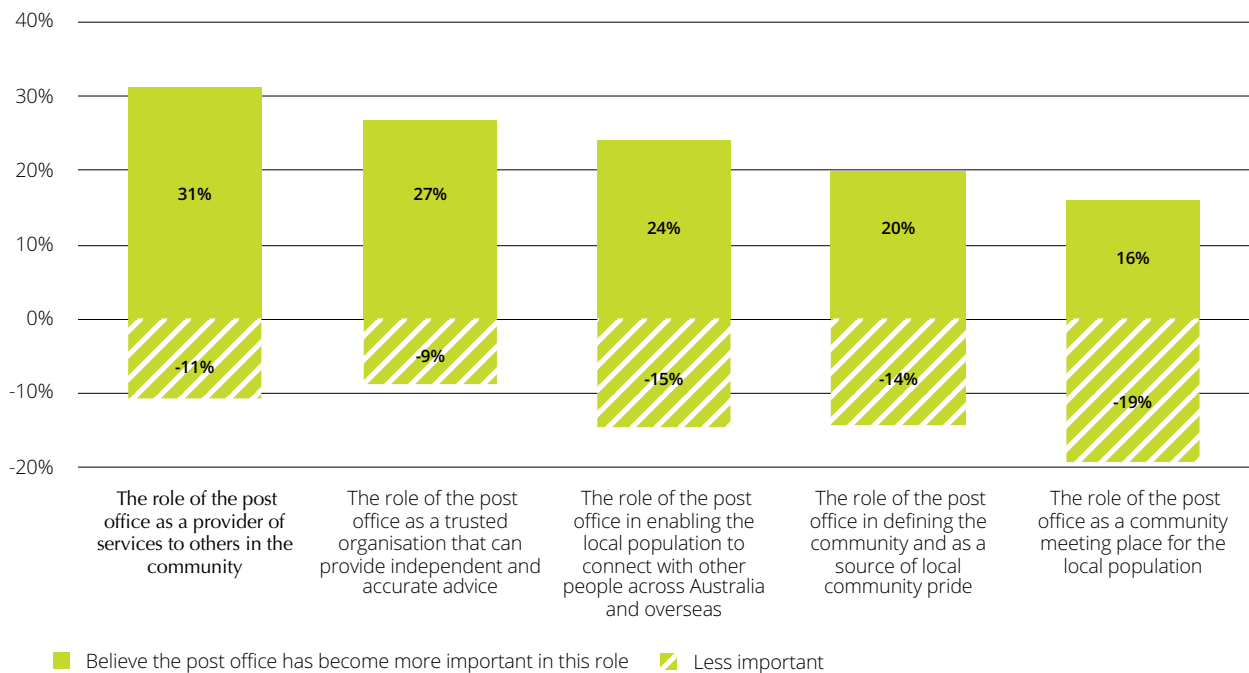
What is the future of Australia Post services in regional, rural and remote communities? A simplistic answer might point to the rapid decline mail volumes and suggest that the demise of postal services was imminent. The volume of addressed letters sent in Australia in FY2019 was less than half of the volume delivered in FY2008, representing a significant disruption to the core business of Australia Post's post office and delivery network.<sup>39</sup>

However, there are several reasons to believe that Australia Post services may grow into the future, above the continued role for at least some hardcopy postal service for certain documents and to serve certain customers. As infrastructure supporting the digital and e-commerce economy, through parcel delivery and identity services, Australia Post's role should grow. As a service centre for the growing financial services and public sector agencies, there is also considerable potential for an expansion in services. Finally, as a trusted institution that enjoys the support of communities, there will be considerable resistance to a contraction of presence or services.

Another way of understanding Australia Post's future in regional, rural and remote communities is to ask communities themselves about changes over time. According to our survey, residents believe **the role of the post office has increased in importance in their local communities in the past five years**. Almost one-third of residents believe the post office's role as a provider of services to local communities has increased in importance over the past five years (with 11% believing that its role in this area has declined over this period). Moreover, 27% state that the post office's role as a trusted organisation has increased in importance in this period (compared to 9% stating that its role has declined) (Chart 5.1).

The only area where more people believe that the post office's role has decreased in importance in regional, rural and remote communities over the past five years is as a community meeting place, with 19% stating that it has become less important in this role over the past five years (compared to 16% perceiving an increase in importance). This decline is largely driven by Regional areas; in Remote areas, a higher proportion of residents believed the role of the post office as a community meeting place has increased in importance.

**Chart 5.1: Change in the perceived role of the post office in regional areas over the past five years**



Source: Deloitte Access Economics survey



Overall, this suggests that **Australia Post continues to provide important economic and social infrastructure to regional, rural and remote communities.** Moreover, as other service providers<sup>40,41</sup> close their physical branches in regional Australia, there may be even more opportunities for Australia Post to deliver services and value to these communities in the future. For example, the post office network could be well-placed to increase offerings in financial and government services, or provide more e-commerce and other network capabilities. Australia Post's presence and services in regional, rural and remote communities are therefore likely to continue to remain relevant in the future.



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## Appendices

# Appendix A:

## Survey methodology

As part of the research, Deloitte Access Economics surveyed 2,000 Australians to provide deeper insights into individual and community views towards Australia Post in regional areas. The survey was divided into four sections:

01. Demographics and screeners—including questions that identified characteristics such as age, residential location, employment status and personal attributes (such as a physical disability and social isolation).
02. General perceptions of regional, rural and remote communities—Identifying perceptions of residents on their own community, ideal characteristics of their community and trust in local organisations.

03. Use of post office services—including visitation to the post office, services used, availability of alternatives, option value of the post office and changing perceptions of the post office's role.

04. Social value of post offices—perceptions on the community role and importance of the post office, contribution of the post office to the community and potential impacts of closing a post office.

The survey was conducted in October 2019. The survey was broadly representative of Regional and Remote Australians in terms of location (Table A.1), age, gender and employment status (Table A.2). The only individuals screened from the survey were those who preferred not to provide key demographic information (age, postcode and gender—female, male or other).

**Table A.1: Distribution of Australian population and survey respondents by Remoteness Area and State**

	Australian population	Survey respondents
<b>Remoteness Area distribution</b>		
Inner Regional	63%	64%
Outer Regional	30%	30%
Remote	4%	4%
Very Remote	3%	2%

	Australian population	Survey respondents
<b>State distribution (filtered for Regional and Remote areas)</b>		
New South Wales	28%	29%
Victoria	20%	23%
Queensland	26%	29%
South Australia	7%	7%
Western Australia	8%	6%
Tasmania	8%	6%
Northern Territory	3%	1%
Australian Capital Territory	0%	0%

Sources: Deloitte Access Economics survey, ABS Census of Population and Housing 2016

**Table A.2: Distribution of Australian population and survey respondents by gender, age and employment status based on Regional and Remote area demographics**

	Australian population	Survey respondents
<b>Gender distribution</b>		
Female	50%	52%
Male	50%	48%
<b>Age distribution</b>		
18-24 years	7%	6%
25-34 years	15%	12%
35-44 years	16%	17%
45-54 years	18%	19%
55-64 years	18%	21%
65-74 years	15%	17%
75-84 years	7%	8%
85 years and over	3%	1%

	Australian population	Survey respondents
<b>Labour force status</b>		
Employed, full-time	28%	28%
Employed, part-time or casual	16%	21%
Employed, currently away from work	3%	1%
Employed, self-employed or business owner	9%	7%
Not working, looking for work	4%	4%
Not working, not looking for work (Not in the labour force)	39%	39%

Sources: Deloitte Access Economics survey, ABS Census of Population and Housing 2016

# Appendix B: Economic contribution modelling methodology

Economic contribution studies are intended to quantify measures such as value added, exports, imports and employment associated with a given industry or firm, in a historical reference year. The economic contribution is a measure of the value of production by a firm or industry.

All direct, indirect and total contributions are reported as gross operating surplus (GOS), labour income, value added and employment (with these terms defined in Table B.1).

**Table B.1 Definitions of economic contribution estimates**

Estimate	Definition
Gross operating surplus (GOS)	GOS represents the value of income generated by the entity's direct capital inputs, generally measured as the earnings before interest, tax, depreciation, and amortisation (EBITDA).
Labour income	Labour income is a subcomponent of value add. It represents the value of output generated by the entity's direct labour inputs, as measured by the income to labour.
Value added	Value added measures the value of output (i.e. goods and services) generated by the entity's factors of production (i.e. labour and capital) as measured in the income to those factors of production. The sum of value added across all entities in the economy equals gross domestic product. Given the relationship to GDP, the value added measure can be thought of as the increased contribution to welfare.
Employment (FTE)	Employment is a fundamentally different measure of activity to those above. It measures the number of workers (measured in full-time equivalent terms) that are employed by the entity, rather than the value of the workers' output.
Direct economic contribution	The direct economic contribution is a representation of the flow from labour and capital committed in the economic activity.
Indirect economic contribution	The indirect contribution is a measure of the demand for goods and services produced in other sectors as a result of demand generated by economic activity.
Total economic contribution	The total economic contribution to the economy is the sum of the direct and indirect economic contributions.

Source: Deloitte Access Economics

### Value added

The measures of economic activity provided by this contribution study are consistent with those provided by the Australian Bureau of Statistics. For example, value added is the contribution the sector makes to total factor income and gross domestic product (GDP).

There are a number of ways to measure GDP, including:

- **expenditure approach** – measures expenditure: of households, on investment, government and net exports; and
- **income approach** – measures the income in an economy by measuring the payments of wages and profits to workers and owners.

Below is a discussion measuring the value added by an industry using the income approach.

### Measuring the economic contribution – income approach

There are several commonly used measures of economic activity, each of which describes a different aspect of an industry's economic contribution:

- **Value added** measures the value of output (i.e. goods and services) generated by the entity's factors of production (i.e. labour and capital) as measured in the income to those factors of production. The sum of value added across all entities in the economy equals gross domestic product. Given the relationship to GDP, the value added measure can be thought of as the increased contribution to welfare. Value added is the sum of:
  - Gross operating surplus (GOS) represents the value of income generated by the entity's capital inputs, generally measured as the earnings before interest, tax, depreciation and amortisation (EBITDA).
  - Tax on production less subsidy provided for

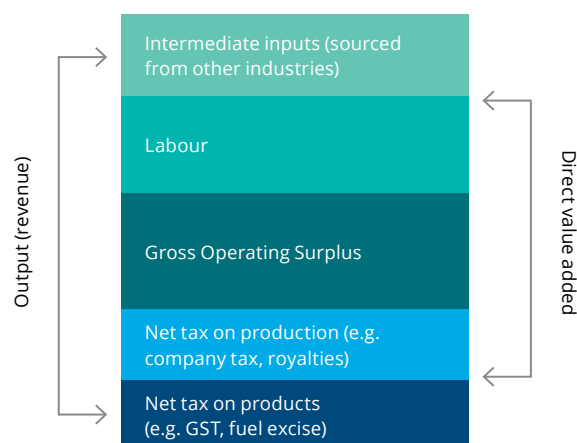
production. Note: given the manner in which returns to capital before tax are calculated, company tax is not included or this would double-count that tax. In addition, it excludes goods and services tax, which is a tax on consumption (i.e. levied on households).

- Labour income is a subcomponent of value added. It represents the value of output generated by the entity's direct labour inputs, as measured by the income to labour.

Figure B.1 shows the accounting framework used to evaluate economic activity, along with the components that make up output. Output is the sum of value added and the value of intermediate inputs used by the firm or industry.

The value of intermediate inputs can also be calculated directly by summing up expenses related to non-primary factor inputs.

**Figure B.1 Economic activity accounting framework**



Source: Deloitte Access Economics

Contribution studies generally outline employment generated by a sector. Employment is a fundamentally different measure of activity to those above. It measures the number of workers that are employed by the entity, rather than the value of the workers' output.

### Direct and indirect contributions

The **direct** economic contribution is a representation of the flow of labour and capital in the airport.

The **indirect** contribution is a measure of the demand for goods and services produced in other sectors as a result of demand generated by the direct economic activity of the airport. Estimation of the indirect economic contribution is undertaken in an input-output (IO) framework using Australian Bureau of Statistics IO tables which report the inputs and outputs of specific sectors of the economy.<sup>43</sup>

The total economic contribution to the economy is the sum of the direct and indirect economic contributions.

Other measures, such as total revenue or total exports are useful measures of economic activity, but these measures alone cannot account for the contribution made to GDP. Such measures overstate the contribution to value added because they include activity by external firms supplying inputs. In addition, they do not discount the inputs supplied from outside Australia.

### Limitations of economic contribution studies

While describing the geographic origin of production inputs may be a guide to a firm or industry's linkages with the local economy, it should be recognised that these are the type of normal industry linkages that characterise all economic activities.

Unless there is unused capacity in the economy (such as unemployed labour) there may not be a strong relationship between a firm's economic contribution as measured by value added (or other static aggregates) and the welfare or living standard of the community. The use of labour and capital by demand created from the industry comes at an opportunity cost as it may reduce the amount of resources available to spend on other economic activities. This is not to say that the economic contribution, including employment, is not important. As stated by the Productivity Commission in the context of Australia's gambling industries:<sup>44</sup>

Value added trade and job creation arguments need to be considered in the context of the economy as a whole ... income from trade uses real resources, which could have been employed to generate benefits elsewhere. These arguments do not mean that jobs, trade and activity are unimportant in an economy. To the contrary they are critical to people's well-being. However, any particular industry's contribution to these benefits is much smaller than might at first be thought, because substitute industries could produce similar, though not equal gains.



In a fundamental sense, economic contribution studies are simply historical accounting exercises. No ‘what-if’, or counterfactual inferences – such as ‘what would happen to living standards if the firm or industry disappeared?’ – should be drawn from them.

The analysis – as discussed in the report – relies on a national IO table modelling framework and there are some limitations to this modelling framework. The analysis assumes that goods and services provided to the sector are produced by factors of production that are located completely within the state or region defined and that income flows do not leak to other states.

The IO framework and the derivation of the multipliers also assume that the relevant economic activity takes place within an unconstrained environment. That is, an increase in economic activity in one area of the economy does not increase prices and subsequently crowd out economic activity in another area of the economy. As a result, the modelled total and indirect contribution can be regarded as an upper-bound estimate of the contribution made by the supply of intermediate inputs.

Similarly, the IO framework does not account for further flow-on benefits as captured in a more dynamic modelling environment like a Computerised General Equilibrium (CGE) model.

### **Input-output analysis**

Input-output tables are required to account for the intermediate flows between sectors. These tables measure the direct economic activity of every sector in the economy at the national level. Importantly, these tables allow intermediate inputs to be further broken down by source. These detailed intermediate flows can be used to derive the total change in economic activity associated with a given direct change in activity for a given sector.

A widely used measure of the spill-over of activity from one sector to another is captured by the ratio of the total to direct change in economic activity. The resulting estimate is typically referred to as ‘the multiplier’. A multiplier greater than one implies some indirect activity, with higher multipliers indicating relatively larger indirect and total activity flowing from a given level of direct activity.

The IO matrix used for Australia is derived from the ABS 2017-18 IO tables, the latest available IO data at the time of the analysis. The industry classification used for IO tables is based on the Australian and New Zealand Standard Industrial Classification (ANZSIC), with 114 sectors in the modelling framework.

### **Data**

Revenue, expenditure and employment data broken down by Australian Bureau of Statistics (ABS) Australian Statistical Geography Standard Remoteness Areas was provided to Deloitte Access Economics by Australia Post. To estimate the indirect contribution, expenditure data was assigned to Input-Output Industry Groupings (IOIG) for each Remoteness Area.

# Limitation of our work

## General use restriction

This report is prepared solely for the use of the Australian Postal Corporation. 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 of examining Australia Post's contribution to the economic and social health of Regional, rural and remote Australian communities. You should not refer to or use our name or the advice for any other purpose.

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# End notes

1. Gross Regional Product (GRP) is a measure of the value added by Australia Post: the difference between the value of Australia Post's output in regional areas, and the cost of the inputs required to generate those outputs. The sum of the value added across all entities and regions in the economy equals Gross Domestic Product. A more detailed description of economic contribution modelling outputs can be found in Box 3.3 of this report.
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10. Productivity Commission, Transitioning Regional Economies (2017) <<https://www.pc.gov.au/inquiries/completed/transitioning-regions/report/transitioning-regions-overview.pdf>>.
11. This is also partly because Local Government Areas in Remote and Very Remote Australia are geographically larger than the areas defined by Local Government Areas in our Major Cities.
12. Australian Bureau of Statistics, 2016 Census of Population and Housing, Australia (2016), cat. no. 2073.0.
13. Department of Employment, Skills, Small and Family Business, Small Area Labour Markets publication (March 2019) <<https://www.employment.gov.au/small-area-labour-markets-publication>>.
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