

INDUSTRY PROFILE - Postal



**Transport, Postal & Warehousing
Postal and Courier Pick-up and Delivery
Services**

ANZSIC: 5101

Report Prepared May 2022

Industry Regulatory / Licencing Bodies

- Australia Post is a government-owned business (under the Department of Communications and the Arts) and is governed under the *Australian Postal Corporation Act 1989*.
- The Australian Competition and Consumer Commission (ACCC) is the body responsible for the regulation of Australia Post as identified under the *Australian Postal Corporation Regulations 1996*. In particular, the ACCC assesses notifications relating to any price increases, disputes regarding the terms and conditions of Australia Post, and the record-keeping rules for Australia Post.

Industry Development and Workforce Opportunities and/or Challenges for Industry

2.1 Industry opportunities affecting the current and future supply and demand of industry's skills and workforce

- Australia Post has experienced major surges in parcel deliveries due to substantial increases in online shopping activity, air freight capacity limitations and significant staff shortages due to meeting isolation requirements. In addition, further delays are impacting merchants who use Australia Posts services. Significant delays have been seen in the delivery network anywhere from 1 week to 4 for goods to arrive.
- There continues to be surges in freight deliveries and postal services have grown significantly, Due to the dramatic increases in e-commerce (as well as in brick-and-mortar (B&M) companies moving to online platforms), worker strikes, and other supply chain issues, there has been significant innovation and disruption to the postal industry.
- Both retailers and consumers are now seeking independent delivery services to bypass some of the delivery delays (in some cases up to 6 weeks) within the Australia Post network. This has seen a rise in smaller courier type companies as they attempt to establish a presence within WA. This has also contributed to an increase in Business to Consumer (B2C) and businesses to Business (B2B) as start-ups and independent delivery companies are able to “side-step” the current issues facing logistics systems. Which may see demand for these workers evolve. These services, including food delivery has allowed for smaller operators and third party logistics to grow within WA.[‡]
- To cope with the vast volume processed over the Christmas period Qantas converted three of its 300 passenger Airbus A330s into freighters for domestic and international routes to support Australia Posts mail and parcel business. It is unclear at this time if this will be a permanent change.
- In metropolitan areas there is likely to be significant investment over the next 12 months in various automation and other technologies. However, in comparison to the East Coast this investment will be on a much smaller scale. The economies of scale to justify such large investments are under review for companies located in regional centres. Any additional skills required to interact with this technology is likely to be provided in house by the companies.
- As a consequence of declining letter volumes organisations are also changing their business models as they embrace new technological communication advancements to fill this void (i.e. third-party bulk mail outs and social media messaging services), there may be a need for future training in these areas to be provided. Although it is likely this will be done in house.
- Australia Post closed its ShopMate Service in April 2022, as pressures caused by COVID-19, as well as strikes seen across the Australian road transport industry have impacted international delivery and hampered the efficiency and access to global supply chains.

2.2 Existing and anticipated supply and demand for skills

- Western Australia’s freight task is expected to experience exponential and sustained growth. This has been seen in the past year alone, whereby the increase in freight task increased substantially due to the Impact of COVID-19 and the rise in road freight created by online shopping. This is directly linked to freight which is also sent via the postal networks from online retailers. This demand will be closely

linked to the number of occupations within the delivery and sorting sectors required to meet these service expectations such as couriers, delivery drivers, and postal sorting officers.

- There is an undersupply of many postal workers due to the rapid rises in parcel delivery has increased the demand for postal sorters with national recruitment programmes underway to reinforce the workforce both through temporary/casual workers and a permanent workforce.
- Recruitment programs are being expanded across Australia and State-wide. Demand for postal workers such as delivery and/or sorting officers, will be greatest for the Metropolitan areas where the main depots are located, and then shopped to regional areas. However the delivery network will require workers State-wide to meet the surge in parcel delivers. Particularly as stores are increasing service delivery options to meet customer needs (i.e. same day delivery for some stores within metropolitan networks).
- The ability to interpret data is becoming a highly sought-after skill. The challenge for workers in this industry (at the higher levels) will be learning how to interpret/curate the information at and utilise it to meet and anticipate customer needs.
- Industry comprising of large employers state-wide have reported the calibre of candidates is declining for some roles, with new applicants sometimes only lasting as little as three to four weeks in the role (i.e. courier and delivery drivers). Despite employers providing additional mentoring/supervision.
- Although there appears to be an adequate workforce at the lower end in the postal services, those with the high-end IT and supply chain management skills are still in high demand and a shortfall is anticipated for these workers. These skills are considered essential.
- In the metropolitan areas new carriers are emerging which may level the competitive landscape as it relates to Australia Post and will also increase the demand for experienced workers.
- According to IbisWorld (2020), parcel delivery services are generally more labour-intensive than other industry services, leading to national growth in industry employment over 2020-2024. Life-long learning will be viewed as essential in order for businesses to maintain innovative practices and keep up with changing technologies.
- Recruitment drives are continuing with a rise being seen in the processing of passport applications since the re-opening of Australia's international borders. Some of these services (i.e. renewal of passports and passport photos) also occurs at Australia Post locations In the first three months of 2022, nearly 400,000 passports, more than double the total number were issued over the same period in 2021.ⁱⁱ This has lead to delays of up to 6 to 12 weeks.
- Australia Post has several initiatives and strategies in place to promote workforce diversity form women, those from CaLD (Culturally and Linguistic Diverse) backgrounds, Aboriginal and Torres Strait Islanders, LGBTI+ and for those with a disability. These inclusion strategies have been successful in promoting workforce diversity and are regularly reviewed to ensure they remain meaningful and relevant in attracting and retaining people across all backgrounds.
- Other organisations providing courier and delivery services have also implemented diversification programs to promote roles to women and indigenous applicants. This has also been seen as a potential means to reducing the impact of skills shortages in these areas.

2.3 The impact of COVID-19 to the workforce

- The postal industry continued to grow in 2020 as the COVID-19 pandemic accelerated the structural shift from mail to parcels across the sector, according to the International Postal Corporation (IPC) Global Postal Industry Report 2021 Key Findings. As stated by Holger Winklbauer, CEO of IPC states "Posts around the world have rapidly responded to the huge increase in e-commerce volumes throughout the pandemic. As a result, the postal industry continued to sustain growth in 2020 despite accelerating mail volume declines. As demand for e-commerce delivery remains strong, preliminary results for 2021 show that posts continue to benefit from higher packet and parcel volumes". COVID-19 has been shown to accelerate the decline in letter volumes, however with parcel volumes are continuing to grow. In the metropolitan area many depots have outgrown their space, with one employer stating they had already outgrown the newly developed warehouse due to the volume of deliveries and can only expand again once a new site is found and developed, as existing warehouses do not offer the capacity for these volumes.

- This industry is made up of a diverse multicultural workforce, prior to COVID-19 many of these many workers came from international migration (i.e. those workers who have entered Australia through other visa channels and not an employment visas) who have sought work with industry upon arrival to WA.
- The Perth workforce continues to cope well with Perth and Intrastate parcel volumes. However, rising parcel volumes continues to place higher demand on warehouse space. For one company, which had recently invested in developing new premises, the growing demand has already begun to exceed warehouse space, with projections for freight volumes showing they have already reached capacity for the new space.

Training and Education Needs

3.1 Current and anticipated training needs of industry

- TLI20119 Certificate II in Logistics and TLI30319 Certificate III in Supply Chain Operations are available to employers within the Postal industry.
- Typically, formal qualifications are not required at the lower levels for postal workers so this training is not actively sought or needed for these roles. The postal sector makes use of a combination of in-house training and other related supply chain qualifications to train and upskill their workforce.
- Although industry does engage with training providers via the VET system, there is ongoing in-house training that is provided to employees. Australia Post has developed national partnerships with TAFE (particularly in NSW)ⁱⁱⁱ. This partnership has been used to promote diversity to women training and offer additional training opportunities such as professional driving (i.e. Wodonga TAFE). In addition, Australia Post also established a pilot online employee training program with NSW TAFE in 2018 to help post office workers upskill with formal qualifications. Participants in this customised training program could attain a Certificate III in Business or Certificate III in Retail. The initial pilot saw 50 post office network workers from across the country complete the training.
- There is a need for industry, manufacturers and training providers to partner together to ensure the technology and skills needed for workers is supplied. This training needs to go beyond the “how to use” the equipment (which the manufacturers often provide) and extend to provide insight into the supply chain and how the technology and their organisation fits into the overall picture. This is particularly important to upskill any individuals who may go on to fill the more senior roles.
- Industry continues to explore opportunities to increase workforce diversity. Companies, such as Australia Post are endeavouring to support the recruitment of women through their “Women@Post” engagement program (Australia Post, Annual Report, 2020). The program has been piloted in WA, Victoria and NSW. In addition, a closed Facebook group was created to further support the engagement and connection of women in the workforce at Australia Post program.
- Other aspects of training related to this area that have been highlighted as being beneficial include soft skills (i.e. teamwork, communication, customer service, mental health and resilience).
- The Postal Industry continues to recognise the importance of mental health and resiliency training for the current and future workforce. Training in this area to help promote resiliency, flexibility and stress management would be well regarded by industry.
- Industry continues to support the use of skill sets (micro-credentialing) as a faster means of equipping workers with the relevant skills as job roles change due to policy or technology/innovation developments and thus can lead to employment outcomes.
- For driving related occupations (i.e. Courier or Delivery Driver), a ‘C’ Class licence is required. Employers may look favourably at those with a certificate II or III in driving operations, however formal qualifications are not required, with training provided in house. The Certificate II in Terminal Operations is an alternative approach to non-licensed pathways to the road transport sector and industry is investigating how best to utilise this approach.^{iv} This could be a suitable pathway for those wishing to establish a long term career in road transport with the option to progress to larger vehicles by first undertaking Courier and Postal Delivery Officer roles.
- Industry looks favourably at those with Customer Service Skills sets as these workers can interact with the public when making deliveries.

- The job-ready Heavy Vehicle Driving Operations Skills set is available to employers as a means to remove barriers to entry in Heavy Rigid (HR), Heavy Combination (HC) or Multi-Combination (MC) heavy vehicle driving through both theoretical and hands-on practical truck driver training.

3.2 Training challenges/opportunities existing for industry within the training sector

- Postal workers, particularly courier and delivery drivers are considered the frontline for customer service and given the need to visit people's homes, they can be confronted with many situations (i.e. drug and alcohol abuse, domestic abuse and/or aggression) outside of the typical situations found within brick and mortar premises. Given this, one metropolitan based organisation (with regional networks State-wide) has highlighted the need for future training to also incorporate aspects of interpersonal, communication and customer service skills as well as a focus on mental health awareness and resiliency training.
- The rise and prevalence of digital skills will continue to grow and will affect all occupations with road freight, postal and warehousing and logistics sectors. According to the Future of Jobs Report (2020) and the National Skills Commission State of the Australia's Skills 2021 Report, the way we do our jobs, known as task change, and the acceleration of changes that were already underway, such as increasing activity online and the ongoing need for post-secondary qualifications will endure post COVID-19. According to the research undertaken by the Digital Skills Organisation (DSO) Australia is facing a digital skills shortage where our current workforce does not currently possess these skills to keep up with the changes technology is bringing. The need for workers to possess digital fluency will increase and become even more vital as entry-level occupations transform (or decline) due to the use of technology and innovation changing the way organisations work within transport and logistics sectors, with 87% of jobs now requiring digital literacy skills according to the DSO.
- Companies within the postal and warehousing and Logistics sectors have identified technology and other digital skills are changing at an ever-increasing rate, with much of the technology (and therefore training) already outdated within one to two years following implementation. It is essential training and upskilling in these areas continues and postal occupations are monitored, to ensure the training and education systems remain responsive to emerging training needs.

3.3 Career pathways and graduate outcomes

- Although there appears to be an adequate workforce at the lower end in the postal services, those with the high-end IT and supply chain management skills are still in high demand and a shortfall is anticipated for these workers. For these workers these skills and experience will be considered essential.

References:

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- [Australia Post advertises for more than four THOUSAND new jobs across the country | 7NEWS](#)
