

# **Submission to ACCC**

## **Australia Post's draft price notification**

**23 September 2022**

## Contents

<b>1</b>	<b>Executive Summary</b>	<b>3</b>
<b>2</b>	<b>Global Express Business</b>	<b>4</b>
<b>3</b>	<b>Australia Post business and justification for price increase</b>	<b>5</b>
3.1	Australia Post business .....	5
3.2	Australia Post's justification is unsupported by its results .....	6
3.3	Inadequacy of steps to improve operational efficiency .....	7
3.4	Proposed price increase is unnecessary to maintain investment and employment .....	8
<b>4</b>	<b>Reform proposal</b>	<b>8</b>
4.1	Australia Post is not prepared to give access .....	8
4.2	Access to Australia Post's delivery network is both commercially and economically sensible.....	9
4.3	Access has been given in other jurisdictions .....	9
4.4	Proposed reform would provide community and environmental benefits .....	11

# 1 Executive Summary

---

Global Express is pleased to make this submission to the ACCC in response to the draft price notification submitted to the ACCC by Australia Post.

Global Express submits that the proposed price increases are not reasonable and are not warranted.

Following the ACCC's last approval of Australia Post's last postage price increase, Australia Post committed to managing the costs associated with its letters business by subsidising that business' infrastructure, with the benefit of carrying, delivering and lodging their parcels.

The cost for a postal delivery worker (**Postie**) delivering a Parcel is significantly lower than outsourcing that delivery to a subcontractor for Australia Post. The cost of delivering to a Post Office is lower than a delivery to a home or an alternative delivery point such as Hubbed. Consequently, utilising the traditional letter infrastructure to deliver and receive parcels, gives important work and benefits to the traditional letter channels, helping protect their role and giving a cost advantage to Australia Post's Parcel business.

It is not apparent from Australia Post's latest draft notification that it has made an appropriate allocation of the common costs to the non-reserved services, given that throughput and revenues from its parcels business have materially increased, circa \$1.5bn, since the last letter price increase on January 1<sup>st</sup> 2020. Whilst the Australia Post submission notes that, "as demand for reserved letter service products declines, an increasing proportion of Australia Post's total cost base is borne by non-reserved services"<sup>1</sup>, the allocation does not seem to be proportionate to the increased throughput and revenue from the parcels business.

Given the shift in the volumes and revenue base, and the matters that the ACCC is required to consider in assessing a price notification, it may be appropriate to consider a shift from a dual till to a single till approach to cost allocation.

Australia Post's 2021/22 high level results announced indicate that Letter revenues did not materially shrink year on year and, in fact, have only reduced 8% in the two years since the last price increase. The Letter losses Australia Post reported for 2021/22 at \$255m are marginally greater than those reported two years earlier at \$241m and over 25% greater than the previous year. This appears improbable; not only because the rise in losses is significantly greater than inflation, but also because other key statistics made public, would suggest these Letter losses should be substantially lower in 2021/22. During this two-year period the number of parcels carried and received through the letter network has risen substantially and therefore so should have the benefits. In addition, Australia Post has had the benefit of a 10c Letter price increase; they have successfully introduced significantly more (2180) EDVs (Electric Delivery Vehicles) for the Posties— which can carry six times the volume of parcels, plus over 2000 Posties were trained and moved to vans – which can carry forty times the volume of parcels, driving significant efficiency benefits and they have had the benefit of ADM (Alternative Delivery Mode).

Global Express recognises the Australia Post business has challenges, which are evident in that their losses in the second half of the year were \$145m, which appears to be their greatest loss for several years.

We are concerned that Australia Post are exploiting the Letter service to increase revenues through price increases, instead of addressing their inefficiencies. In addition, Australia Post has foregone revenue opportunities in refusing access to Global Express when granting access to Global Express would have provided it with additional revenue to offset its costs in providing reserved services.

---

<sup>1</sup> Australia Post Draft Notification p.42

There would be no need for Australia Post to seek a further Letter price increase were it to operate its business so as to maximise profitable revenue opportunities. Its conduct seems inconsistent with looking to serve the interests of the Australian community as a whole and rural and regional communities in particular.

In considering whether or not to object to a proposed price increase for Australia Post's notified services, the ACCC must have regard to a number of factors including "*the need to discourage a person who is in a position to substantially influence a market for goods or services from taking advantage of that power in setting prices*".<sup>2</sup> Australia Post occupies such a position and, in seeking a price increase whilst refusing revenue opportunities by denying access to other parcel delivery services, it is, in Global Express' submission involves taking advantage of that market power.

Further, Australia Post has demonstrated its capacity to use its market power in a discriminatory way. Australia Post accepts and delivers parcels from certain international parcel carriers and allows access to its community post offices. However, it refuses to do the same for Global Express and other domestic carriers. Consistent with the principles of competitive neutrality, all other Parcel operators should be allowed to receive the same substitutional benefits. For example, if Australia Post has credited the letter business with a unit cost to deliver a parcel, the same cost should be available to alternative parcel providers.

Global Express is not alone in expressing concerns about how Australia Post may be inappropriately using its protected letters business to give them an unfair advantage in the Parcel business. We note the recent complaint to the AGCNCO (Australia Government Competitive Neutrality Complaints Office) made by CAPEC (a body of cross border express parcels carriers including Fedex, DHL, and UPS) earlier this year.

In addition to refusing the price rise, the ACCC should recommend that a postal specific access regime be introduced enacted giving domestic parcel carriers a right in regional and rural areas to access Australia Post's delivery network. If a postal specific access regime were adopted, Australia Post would not need to continue to apply for price increases in relation to its monopoly reserved services as it would receive additional revenue from delivering an increased volume of parcels. In addition, such a move would deliver important broader public benefits:

- providing the proprietors of Australia Post's Community Postal Agents (**CPAs**), who are typically "Mums and Dads" with an increased revenue stream and greater financial security;
- reducing the carbon emissions attributable to the "last mile" delivery of parcels by significantly reducing the number of vehicles on the road undertaking this task operated by Global Express (and other carriers).

## 2 Global Express Business

---

Global Express is a \$3.6 billion logistics solution company, servicing over 36,000 customers throughout Australia, delivering almost everything from steel to cattle to medicines and fast-moving consumer goods (**FMCG**).

Global Express operates a significant multi-modal network, focused on customers with the goal of being the most sustainable national logistics solution partner, and contributing to the nation's economic recovery.

---

<sup>2</sup> Section 95G(7)(b) of the *Competition and Consumer Act 2010 (CCA)*.

As part of this, Global Express is looking to the most efficient and sustainable way to provide its services whilst contributing to local communities.

Global Express has identified a mutually beneficial opportunity for Australia Post and domestic parcel delivery services which would increase non-reserved revenue to Australia Post and so enable it to offset its reserved services costs. This would, in turn, eliminate or limit the need for price rises for reserved services. Australia Post denied this request.

In addition to the benefits of this proposal to Australia Post, the provision of these services to operators such as Global Express would:

- increase revenue for Licensed Post Offices and Community Postal Agencies; and
- contribute to sustainable growth limiting carbon emissions by not requiring competing delivery infrastructures to be set up.

Despite the economic advantages of this proposal, Australia Post has refused to provide access to Global Express to enable these advantages to be delivered. This is not consistent with efficiency or productivity enhancements.

There is no economically rational reason for this refusal.

Global Express recognises the benefits of providing services to competitive carriers and provides access to their network to several other parcel companies, including DHL, Fedex, Border Express and Australia Post. Global Express delivers for Australia Post in large parts of Western Australia, in Darwin and Launceston, where Global Express has a comprehensive network and strong regional assets.

## 3 Australia Post business and justification for price increase

---

### 3.1 Australia Post business

Australia Post's letters business forms the majority of its monopoly reserved services. The key aspect of this business is the delivery of letters over the 'last mile' to individuals' residences or business premises. The last mile delivery of mail is labour intensive requiring the services of Posties. Posties have historically delivered mail (and limited parcels) over the last mile using motorcycles. However, more recently Australia Post has invested in three-wheeled electric vehicles which have an increased delivery capacity (i.e. they can carry six times the volume of motorcycles) and which will gradually replace its fleet of motorcycles. It has also allowed an increase in parcel streaming.

The Australia Post network comprises the following key assets:<sup>3</sup>

- 4,320 post offices, of which circa 3,600 are licensed post offices and CPAs (commonly called community post offices) and 2,517 (or 58%) are located in rural and remote areas;
- 465 processing, deliver and gateway facilities;
- in excess of 4,400 vans, trucks, utes and cars plus 2,136 electric delivery vehicles and 6 airline freighters;
- 46,074 parcel lockers;
- 15,001 street posting boxes; and

<sup>3</sup> Australia Post, *Annual Report 2021*, pp 2-3 and Australia Post, *The future of Australia Post's service delivery*, Submission to Senate Environment and Communications Legislation Committee Inquiry, 3 July 2020, p 49.

- 64,000 employees.

Australia Post provides delivery services to in excess of 12.4 million delivery points throughout Australia. The post office network plays an important role as both an acceptance and delivery point for letters and parcels providing:

- over-the-counter delivery services in regions where Australia Post does not deliver mail to home;
- hosting delivery contractors who provide delivery services to local delivery points; and
- assisting in delivering mail to over 1.75 million PO Boxes.

The important role played by post offices, is recognised by many online businesses that rely heavily on them as a physical presence<sup>4</sup>, particularly in regional and rural areas.<sup>5</sup> This infrastructure should be utilised to maximise throughput and revenue to ensure that the cost burden of the reserved services is minimised.

### 3.2 Australia Post's justification is unsupported by its results

Australia Post's results do not support its contentions that its proposed price increases are appropriate, justified and/or necessary. Rather, Australia Post's results demonstrate that it is not efficiently utilising assets.

In 2020 Australia Post streamed approximately 50% of parcels to be delivered by its network of posties.<sup>6</sup>

In the public version of its draft price notification, Australia Post does not clearly set out the benefits it obtains from the streaming of parcels that Posties now deliver, so far as its modelling for the profitability of its monopoly reserved services are concerned. Global Express would expect that such benefits would be substantial and have increased over time. The material provided at p.43 of the Draft Notification suggests a shift away of costs of \$17m. This seems low.

At the time the ACCC last approved a postage price increase Australia Post committed to managing the costs associated with its letters business by subsidising that infrastructure with revenues from its parcels business.

The costs associated with Australia Post's reserved letter service are shown in Table 16 of its Draft Notification (reproduced in the table below).

#### Reserved letter service

	Actual	Forecast	Forecast	Forecast
	2020/21	2021/22	2022/23	2023/24
Volume (m)	1,569	1,501	1,336	1,211

<sup>4</sup> Kogan.com Ltd, *The future of Australia Post's service delivery*, Submission to Senate Environment and Communications Legislation Committee Inquiry, 2 July 2020.

<sup>5</sup> National Retail Association, *The future of Australia Post's service delivery*, Submission to Senate Environment and Communications Legislation Committee Inquiry, 2 July 2020.

<sup>6</sup> Communication Electrical Electronic Energy Information Postal Plumbing and Allied Services Union of Australia, *Inquiry into the future of Australia Post's service delivery Senate Environment and Communications Legislation Committee*, 3 June 2020 at p.50

Revenue (\$m)	1,506	1,486	1,358	1,278
Cost (\$m)	1,570	1,595	1,628	1,597
Profit (\$m)	(64)	(109)	(269)	(320)

What is apparent from the above table is that while Australia Post's parcel volumes have increased substantially in the last two years (equating to an increase in revenue of circa \$1.5 billion in 2020/21), there appears to have been no subsidisation benefits arising from Posties carrying parcels.

Australia Post's references to parcel streaming are limited. They note its benefits so far as workforce flexibility and stability are concerned; note it constitutes a more efficient cost for the delivery of inbound international mail<sup>7</sup> and, as referred to above, note the increased costs borne by non-reserved services.<sup>8</sup>

In these circumstances, Global Express submits that the ACCC should consider whether it is appropriate to continue a dual till approach to cost allocation. Given the changed nature of the demand profile, a single till approach has much to commend it.

### 3.3 Inadequacy of steps to improve operational efficiency

Australia Post appears to not have taken sufficient actions over the last three years (i.e. since its last price notification) to improve its operational efficiency. The only significant change documented in its price notification is the gradual replacement of Posties' motorcycles with three-wheel electric vehicles and a great reliance on vans during the last two years.

The proposed price increases will do nothing to improve Australia Post's operational efficiency. Instead, they will stymie any significant innovations or changes to Australia Post's operational model.

Rather than becoming reliant on periodic price increases, Australia Post needs to become truly innovative and more commercially focused.

Of Australia Post's 4,300 post offices, approximately 3,600 are operated by "Mums and Dads" with either a Licensed Post Office or a CPA. Approximately 58% (of all post offices and agents) are located in regional and rural areas. These LPOs and CPAs are fully financed by their owners, who carry the financial debt and burden personally for their businesses, consequently they care enormously that they remain financially viable.

Australia Post's actions have been, and continue to be, detrimental to its LPO's and CPAs. They are essential as a physical point of presence for online businesses (both for parcel lodgement and deliveries).<sup>9</sup>

Global Express submits that requiring Australia Post to provide access to its delivery network, at least in regional and rural areas, will have a significant positive impact on its

<sup>7</sup> Australia Post, Draft Notification, August 2022, p. 51.

<sup>8</sup> at p.42 & 43 of the Draft Notification

<sup>9</sup> Kogan.com Ltd, *The future of Australia Post's service delivery*, Submission to Senate Environment and Communications Legislation Committee Inquiry, 2 July 2020.

business, especially for its network of CPAs and LPOs. Such initiatives should be the focus of Australia Post going forward.

### **3.4 Proposed price increase is unnecessary to maintain investment and employment**

In considering a proposed price increase, the ACCC is required to have regard to a number of factors including *'the need to maintain investment and employment, including the influence of profitability on investment and employment'*.<sup>10</sup>

If, as forecast, the volume of letters being sent in Australia continues to decline, then the proposed price increases will do very little to arrest that decline (it will have the opposite effect) or to provide sufficient revenue to Australia Post to ensure that it maintains investment and employment.

Instead, other avenues should be pursued by Australia Post. One obvious avenue is to provide access to its delivery network, at least in regional and rural areas, to parcel carriers such as Global Express and other carriers. Australia Post has been refused access by Australia Post to its delivery network. The financial benefits that providing access would deliver would enable Australia Post to maintain its investment in its business and employment, without the need for an increase in postal charges.

## **4 Reform proposal**

---

### **4.1 Australia Post is not prepared to give access**

Due to Australia Post's extensive delivery and post office network, especially in regional and rural areas, it makes commercial sense for its usage to be increased, rather than diminished. That is, Australia Post's delivery network should be accessible by Global Express and other parcel carriers in regional and rural areas.

Following a substantial financial loss in 2015, Australia Post commenced "streaming" small parcels to its Posties. At the time, Australia Post committed to take 'every reasonable step' to lever off the letter network to keep its costs at a minimum.

In 2019 Australia Post submitted a price notification to the ACCC. While Australia Post sought an increase in postage prices, it also committed to streaming more parcels to Posties and investing in electric three-wheel vehicles to enable posties to safely carry more parcels, being up to six times the capacity of a Postie's motorcycle. The delivery of these parcels would subsidise the cost of operating the letter network.

Since the onset of the Covid-19 pandemic, the volumes of letters being delivered has further declined while the volume of parcels being delivered has exponentially increased.

Australia Post sought, and was given, temporary relief from certain statutory performance indicators (such as delivery times) and the ability to utilise 2,000 posties to commence delivering parcels using vans which could carry 40 times the volume of a Postie's motorcycle.

As a result, Australia Post has cemented its position as the main provider of "last mile" delivery services. If it were to grant access to carriers such as Global Express and other parcel delivery services, this would both improve Australia Post's bottom line, but would also improve economic efficiency. As the ACCC has noted, economic efficiency

---

<sup>10</sup> Section 95G(7)(a) of the CCA.



encompasses allocative efficiency which is achieved when firms employ resources to produce goods and services that provide the maximum benefit to society.<sup>11</sup>

## 4.2 Access to Australia Post’s delivery network is both commercially and economically sensible

The rural and regional collection and delivery network likely constitutes a natural monopoly.<sup>12</sup>

The Industry Commission concluded that while in the large urban areas the market could support competition between firms, this was not the case in regional areas. Hence, the provision of mail services (i.e. the reserved monopoly services provided by Australia Post) in regional areas constituted a natural monopoly. In reaching this conclusion the Industry Commission drew upon the 1991 paper of the eminent economist, Professor John Panzar.<sup>13</sup>

Despite the passage of time, Global Express considers there to be no reason why this conclusion does not remain valid today, especially with the ongoing steady decline in the volume of reserved mail being delivered. In fact, a 2021 paper concluded that having regard to the dramatically diminishing mail volumes and the disappearance of the economies of scope between mail and parcels due to value added services linked to e-commerce, the “last mile” of mail delivery continues to display natural monopoly characteristics (as opposed to the whole postal service).<sup>14</sup>

Global Express submits that the rural and regional delivery network exhibits the characteristics of a natural monopoly, especially in regional and rural areas. It is, therefore, economically inefficient for Australia Post not to provide access to its delivery network to other parcel carriers.

## 4.3 Access has been given in other jurisdictions

Global Express submits that a postal specific access regime should be recommended by the ACCC and enacted in order to enable it, as well as other parcel carriers, to access Australia Post’s delivery network. Global Express notes that this proposal is neither controversial nor new.

In 1998, the National Competition Council (**NCC**) recommended a range of reforms including that the Government regulate to ensure access on reasonable terms to Australia Post’s CSO-funded services and post office boxes.<sup>15</sup> Legislation was introduced into Parliament in April 2000 to give effect to this recommendation by introducing a new part (Part XID) into the then *Trade Practices Act 1974* (now *Competition and Consumer Act 2010*).<sup>16</sup> The Government withdrew the Bill in March 2001 in the face of opposition in the Senate (related to other aspects of the Bill) and it informed the NCC in May 2003 that it did not intend to reintroduce the withdrawn legislation. No further reforms for access regulation to mail boxes or post offices have occurred since

<sup>11</sup> ACCC, *Statement of regulatory approach to assessing price notifications under Part VIIA of the Competition and Consumer Act 2010*, p 11.

<sup>12</sup> Industry Commission, *Mail, Courier and Parcel Services*, Report No. 28, 30 October 1992.

<sup>13</sup> Panzar, J. C. ‘Is the Postal Service a Natural Monopoly?’ (1991).

<sup>14</sup> Glass, Nicita and Gori, “Is Postal Service a Natural Monopoly? A 30-year retrospective on Panzar’s seminal paper” (2021).

<sup>15</sup> National Competition Council, *Review of the Australian Postal Corporation Act* (1998). The NCC also recommended that there should be open competition in business letter services and all international mail services should be open to competition.

<sup>16</sup> *Postal Services Legislation Amendment Bill 2000* (Cth).

The access regime proposed by Part XID was not confined to rural and regional areas. The Bill contemplated that Australia Post's bulk mail and post office boxes would be automatically "declared" by the Minister with the consequence that there would be a right to negotiate commercial terms between the access seeker and Australia Post and then the ability to refer any dispute on those terms to the ACCC for determination if access terms could not be agreed. If an access agreement was entered into, the parties could have the agreement registered with the ACCC. Once registered the agreement could be enforced as though it were a determination of the ACCC.

Other services could be "declared" by the ACCC if certain conditions were satisfied and Australia Post could also lodge with the ACCC an undertaking setting out the terms and conditions under which it would provide a service. If the ACCC accepted the undertaking, then that would govern the terms and conditions of access.

The profile of Australia Post's business since 2001 has substantially changed. In 2001 Australia Post's reported revenues were \$3,747m, of which approximately 67% related to its Letter services. In 2022, Australia Post recently announced that of their total revenues of \$8,842m, just 20% related to Letters. This significant change warrants reviewing the former proposal consistent with a policy objective of reinvigorating micro-economic reform.

Global Express submits that this former proposal provides a clear framework which could be adopted now. The automatic declaration could be limited to regional and rural areas where, due to the natural monopoly characteristics of Australia Post's delivery network, intervention of this kind would be warranted.

Global Express also notes that regulatory intervention of this kind is not novel. Other jurisdictions, including the United Kingdom and New Zealand, have also implemented significant regulatory reforms.

### ***United Kingdom***

In the United Kingdom the government decided to replace the previous licensing regime with a general authorisation regime, meaning that operators may provide postal services without the need for any licence or prior regulatory authorisation. In March 2012, the UK regulator, Ofcom, designated the Royal Mail as the universal service provider and imposed a number of Designated Universal Service Provider (**DUSP**) conditions.

As such, the postal services market was opened up to competition with other businesses permitted to compete with the Royal Mail. There are two models of competition:

- **Access competition:** a competing business collects mail from customers, sorts it and then provides it to the Royal Mail for delivery; and
- **End-to-end competition:** competing businesses undertake the entire process of collecting, sorting and delivering mail.

It is estimated that approximately 40% of mail delivered in the UK is subject to access competition. While there were other operators who initially provided end-to-end competition, this is no longer the case.

In relation on access competition, Ofcom has also imposed Universal Service Provider Access Conditions on the Royal Mail requiring it to grant access at Inward Mail Centres for the provision of retail D+2 and later than D+2 letter and large letter services.<sup>17</sup> Ofcom does not directly regulate the price for access, it applies an ex-ante 'margin squeeze test' such that the difference between its access price and the equivalent retail price is consistent with principles that will provide for effective competition between the Royal Mail and access operators.

---

<sup>17</sup> A postal service that aims to deliver two working days after collection.

### ***New Zealand***

The New Zealand postal market was deregulated in 1998 with the enactment of the *Postal Services Act 1998* (NZ). The Act removed the government owned New Zealand Post's statutory monopoly on the carriage of letters, thereby opening up the market to full competition. Other operators may process and deliver mail, at any cost, provided they are registered as a postal operator. 25 postal operators currently operate across New Zealand.<sup>18</sup>

A number of the postal operators have entered into access agreements with New Zealand Post under which New Zealand Post provides access to its postal network.<sup>19</sup>

## **4.4 Proposed reform would provide community and environmental benefits**

Global Express submits that the proposed reform, if implemented, would have three immediate positive effects. First, it would ensure the continued reliance on regional LPOs and CPAs. Second, it would assist in reducing carbon emissions generated by the transport industry. Thirdly, it would bring access to more competitive services in regional and rural post offices, whilst protecting Australia Post's universal service obligations.

### ***Regional Community Post Offices and CPAs***

As noted earlier<sup>20</sup>, Australia Post has an extensive network of Licensed Post Offices and CPAs located in regional and rural areas.

Australia Post has a Community Service Obligation to provide 2,500 post offices in rural & regional Australia. Of the 2517 Australia Post has in regional and rural areas, approximately 90% of these were owned by independent 'mums and dads' who have a license to operate. The viability of these LPOs and CPAs is critical to Australia Post maintaining its Community Service Obligations.

It is estimated that of the total post offices/agents based in rural and regional Australia over 650 are CPAs and over 1600 are full Licensed Post Offices.

CPAs are typically run by "Mums and Dads" who operate them in conjunction with another business, such as a general store. CPAs are required to offer basic postage assessment, stamp sales and over-the-counter mail acceptance and delivery services. Australian Post contracts with CPAs under a common form agreement which is renewable every two years.

Due to the short terms of CPAs agreements with Australia Post, the proprietors of many CPAs, especially those located in regional and rural areas, often report they feel under threat. If they were to commence delivering and receiving parcels for other parcel deliverers, this would provide them with additional income and improve their financial stability.

It is estimated that of the circa 1600 fully LPOs in rural and regional Australia, over 700 depend solely on Australia Post services. They do not have the opportunity to build alternative revenue streams and yet they are totally liable for the debt they carry to operate their businesses. If the management of Australia Post make arbitrary decisions which restrict their ability to earn a reasonable living, the consequence is that their future could be threatened.

Although Australia Post do not allow the LPOs to work with other parcel carriers, unless directed by themselves; Australia Post deliver into the Hubbed network, which is an

<sup>18</sup> <https://www.nzpost.co.nz/about-us/postal-legislation>

<sup>19</sup> <https://www.nzpost.co.nz/about-us/postal-legislation/postal-services-information-disclosure/access-agreements>

<sup>20</sup> see section 3.1 above

alternative to the LPO's and CPA's as a delivery point, which in effect redirects potential work from the Post Offices.

If Global Express and/or other parcel providers were provided access to Australia Post's delivery and post office network, this would provide significant benefits to CPAs and LPO's throughout Australia; which would help maintain their viability and for Australia Post protect their ability to meet their Universal Service Obligations.

***Reducing carbon emissions***

Carbon emissions in the transport industry are significant in Australia, they total circa 20% of all Australia's emissions. The "last mile" of customer deliveries represents approximately 30% of carbon emissions arising from deliveries. Such emissions would be significantly reduced if other carriers were given access to Australia Post's delivery and post office network. This is because the number of vehicles undertaking "last mile" deliveries operated by Global Express and other carriers would be significantly reduced and the most carbon efficient deliveries are to a trusted point as opposed to a home.