



**Submission from the Australian Manufacturing
Workers' Union (AMWU) to Treasury on Paper Billing
December 2017**

COVER SHEET

About the Australian Manufacturing Workers' Union

The Australian Manufacturing Workers' Union (AMWU) is registered as the "Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union". The AMWU represents members working across major sectors of the Australian economy, including in the manufacturing sectors of printing and packaging, paper products, vehicle service and repair and parts supply, engineering, and food manufacture. Our members are engaged in maintenance services work across all industry sectors. We cover many employees throughout the resources sector, mining, aviation, aerospace and building and construction industries. We also cover members in the technical and supervisory occupations across diverse industries including food technology and construction. The AMWU has members at all skills and classifications from entry level to Professionals holding degrees.

Our Union strives to improve members' entitlements and conditions at work, including supporting wage increases, reasonable and social hours of work and protecting minimum award standards. In its history the union has campaigned for many employee entitlements that are now a feature of Australian workplaces, including occupational health and safety protections, annual leave, long service leave, paid public holidays, parental leave, penalty and overtime rates and loadings, and superannuation.

Executive Summary

The AMWU's submission supports Option 2 of the Treasury "Consultation Regulation and Impact Statement", that is, a ban on paper billing fees. The AMWU supports this option as it benefits disadvantaged, low income and elderly Australians who do not have digital access.¹

The AMWU further supports the option of a ban on paper billing as we have members employed in paper and envelope making, printing and mail house services whose jobs would be under threat if digital billing keeps expanding.

The AMWU also is cognisant of the significant contribution to the Australian economy by the mail industry.²

The issue of cost to business to produce paper bills is contentious as the cost charged is not commensurate with the cost to business of producing and sending paper bills. The cost estimate of a ban on paper billing is also not of such concern so as to outweigh the needs of the disadvantaged and elderly.

Internet fraud is also prevalent and a concern with paper bills not having the same risk.

¹ Telstra Digital Inclusion Index 2017

² Economic Contribution of the Australian Mailing Industry, ACIL ALLEN Consulting, 27 August 2015

1. The AMWU is concerned about the prevalence of utility companies and financial institutions charging consumers who wish to receive paper bills or those who have to receive paper bills because they do not have digital access. This trend is continuing and has a disproportionate effect on low income, disadvantaged and elderly Australians who do not have digital access. Further, Australia is ranked at 100 out of 139 countries on affordability of fixed broadband Internet Tariffs.³
2. The AMWU is a member of the “Keep Me Posted” campaign run by TSA Limited. Much of the research undertaken by TSA Limited for the campaign outlines the effects on the disadvantaged and the elderly because of the cost of the internet and access or lack of access in rural areas. The AMWU, as a progressive organisation striving for equality of outcomes for low income earners and the disadvantaged, believes that those groups in the Australian community should not be further disadvantaged by a charge for a paper bill or bank statement.
3. The Keep Me Posted campaign has also highlighted that the fee charged by utility companies and banks is not representative of the actual cost of producing and posting a paper bill. By “Keep Me Posted” campaign’s estimates, the real cost for billing companies is \$1.03 per bill.⁴ Further, the average postage cost for pre sort mail as at 1 December 2017 is \$0.935.⁵
4. The AMWU is also of the view that if charging for paper bills is not related to the cost of producing and sending paper bills and is allowed to continue, then there would be nothing to stop the same companies for charging for digital bills in the future.
5. The AMWU also notes that the Treasury Consultation paper refers to “Increased paper waste” as a cost of paper billing. Paper is a sustainable and recyclable resource. Further, the

³ World Economic Report - The Global Information Technology Report 2015

⁴ Keep Me Posted, “The real cost of paper billing for companies and their customers”

⁵ Australia Post, Presort Mail, Pricing

Two Sides Australia campaign has highlighted the rise of digital waste and its effects on the environment.⁶

6. The AMWU has members working in mail houses, catalogue marketing and paper and envelope making. These jobs form part of the broader mail industry in Australia. A report by ACIL ALLEN Consulting in 2015⁷ found; the mailing industry contributed around \$14.3 billion to Australia's GDP in 2013 – 2014; employment in the mailing industry in 2013 – 2014 was 131,709 FTE employees. Direct mailing accounted for 75% of these employees with the remaining 25% employed in mail management and mail advertising services. Such an important economic contributor should not be undermined by digital interruption, particularly when the digital divide and the actual versus charged costs for paper billing are considered.
7. Treasury has estimated the cost of a ban on paper bills at around \$90 million. The Keep Me Posted campaign has pointed out that this figure, when compared to the cost to the banks of the abolition of ATM fees (\$500 million) to not be a significant enough amount when weighed against the cost and disadvantage to low income earners and the elderly.
8. Internet usage has resulted in significant fraud, with the “Keep me Posted” campaign pointing out that 43% of scams are sent via digital means and 4.15% via postal mail.⁸
9. The AMWU supports a ban on paper billing to provide a good balance between competing interests of consumer protection, avoiding a complex regulatory framework with various layers, clarity for business and clarity for consumers.

⁶ Keep Me Posted, “Sustainable Communications”, Two Sides, 2015

⁷ Economic Contribution of the Australian Mailing Industry, ACIL ALLEN Consulting, 27 August 2015

⁸ Scamwatch