

# Estimated Social Value of the Post Office Network (Australia)

## \$5.85 billion per year ?

by *Advocatus Lee*

*The opinions expressed in this article are my private ones and I am in no way speaking on behalf of any institution to which I may be affiliated.*

A recent UK study published in November 2016 suggests that the social value of the Post Office network for Australia could be a staggering \$5.85 billion dollars per year.

The UK study was commissioned by The Department for Business, Energy and Industrial Strategy (BEIS) and delivered independently of Government and the Post Office by YouGov and London Economics. **The main focus of the study was to understand and quantify the value that people and businesses place on the Post Office network.** The full BEIS report can be download [here](#)

The annual \$5.85 billion dollar social value of the Post Office network for Australia has been determined by applying the willingness to pay (WTP) figures from the UK study (Table 1) to the number of households and SME's in Australia (Table 2). In addition, the BEIS report suggests this may be a conservative estimate.

Based on the above, it appears there could be very good economic reason for the Australian Commonwealth Government to ensure the financial viability of the Post Office network in Australia – including the 2886 privately owned and operated Licensed Post Offices (LPOs) who provide the majority (66%) of the Post Office network.

Post Office Service	Households		SME's	
	S G E I	non-S G E I	S G E I	non-S G E I
1 Standard post	\$21.43		\$24.30	
2 Specialist post		\$7.89		\$6.04
3 Pensions and benefits	\$6.25			
4 Paying bills	\$4.37			
5 Basic banking services	\$1.91		\$8.60	
6 Personal banking		\$2.84		
7 Licensing / identity services	\$6.73		\$5.36	
8 Homephone or broadband services		-\$2.33		
subtotals	\$40.71	\$8.40	\$38.26	\$6.04
<b>TOTAL</b>	<b>\$49.10</b>		<b>\$44.30</b>	

1 Report for the Department for Business, Energy and Industrial Strategy, The Social Value of the Post Office Network (Nov 2016)  
<https://www.gov.uk/government/publications/post-office-network-social-value>

2 Dollar values based on a conversion factor of 1 British pound = A\$1.65

Post Office Service	Households		SME's		TOTAL	
	S G E I	non-S G E I	S G E I	non-S G E I	S G E I	non-S G E I
1 Number households <sup>2</sup> and SMEs <sup>3</sup> in Australia	9,241,497		759,902			
2 Value						
2.1 Standard post	\$2.38b		\$0.22b		\$2.60b	
2.2 Specialist post		\$0.87b		\$0.06b		\$0.93b
2.3 Pensions and benefits	\$0.69b				\$0.69b	
2.4 Paying bills	\$0.48b				\$0.48b	
2.5 Basic banking services	\$0.21b		\$0.08b		\$0.29b	
2.6 Personal banking		\$0.31b				\$0.31b
2.7 Licensing / identity services	\$0.75b		\$0.05b		\$0.80b	
2.8 Homephone or broadband services		-\$0.26b				-\$0.26b
2.9 Total						
a) by SGEI and non-SGEI	\$4.51b	\$0.93b	\$0.35b	\$0.06b	\$4.86b	\$0.99b
b) by Households & SMEs	\$5.45b		\$0.40b		\$5.85b	
<b>3 Estimated social value of the Post Office Network</b>	<b>\$5.85 billion</b>					

1 Based on WTP figures published in Department for Business, Energy and Industrial Strategy report, Social Value of the Post Office Network (Nov 2016)  
<https://www.gov.uk/government/publications/post-office-network-social-value>

2 ABS Cat No. 3236.0 - Household and Family Projections for the year 2016.

3 ATO Taxation Statistics - number of micro, small & medium companies for 2013-14 income year