

Kim Beazley's Plan for Australia Post

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Overview

Australia Post is an essential part of Australia's social and economic fabric.

In addition to its traditional postal services, Australia Post is increasingly ensuring that a wide range of government, commercial and financial services are available to Australians, particularly those living in outer metropolitan, rural and regional areas.

Unlike the Howard-Anderson Government, Labor supports Australia Post's role as a critical part of Australia's communications infrastructure.

For the past five and a half years, the Howard-Anderson Government has neglected local jobs and services in outer metropolitan, rural and regional areas.

The Howard-Anderson Government has damaged the core public institutions that service regional communities, including Telstra, Australia Post, the ABC, public schools and public hospitals.

Dry, economic-rationalist theory has taken priority over the needs and concerns of people and communities.

The Government has simply withdrawn jobs and services that it has regarded as 'uneconomic', and stood by while banks close branches across the country. The Howard-Anderson Government has left regional communities to tough it out on their own.

Labor believes that all Australians, whether they live in the city or the country, deserve access to the basic services most of us take for granted.

We know from painful experience that when the services we all need are left entirely to market forces, it is regional communities that are most threatened.

Labor will protect and strengthen the essential public institutions that service regional communities, and not threaten them with more privatisation and deregulation. Labor's commitment to improving regional services includes:

- 1. Strengthening Australia Post, using it to provide enhanced regional services;*
- 2. Maintaining Telstra in majority public ownership;*
- 3. Recognising the role of the ABC in providing vital regional news and current affairs services;*
- 4. Supporting our public schools, TAFE colleges and universities, rather than wasting ordinary taxpayers' money on wealthy Category 1 city private schools; and*
- 5. Investing in our public hospitals, rather than stand by as facilities are run down and waiting times increase.*

The Howard Government's Failures

JOHN HOWARD CAN'T KEEP HIS HANDS OFF AUSTRALIA POST

The Howard-Anderson Government wants to further deregulate Australia Post's services, putting at risk Australia Post's ability to cross-subsidise less profitable services, particularly in outer metropolitan, rural and regional Australia.

Australia Post has said that this would lead to the consideration of 'differential pricing' for its services. In other words, Australians will have to pay more to use postal services the further away they are from the GPO in the State or Territory in which they live.

In March this year, the Government withdrew its deregulatory *Postal Services Amendment Bill 2000*.

But despite this, the Howard-Anderson Government remains absolutely committed to the further deregulation of Australia Post after the next election.

And how do we know this?

On March 29 this year, the very day the Bill was withdrawn, Communications Minister Richard Alston said that the Government still supported the Bill, and that the Government would re-introduce the Bill at some time in the future¹.

Senator Alston also repeated the Howard Government's commitment to deregulation in a speech he gave to the annual conference of big business mail users in July this year.

The Government's Bill will Undermine Australia Post

If enacted, the *Postal Services Amendment Bill 2000* will reduce the services offered by Australia Post that are currently exempt from competition.

Australia Post has publicly estimated that the Government's Bill will cost it more than \$200 million per year and deprive it of 7 to 9 per cent revenue growth each and every year thereafter.

The Government's approach follows the National Competition Council recommendations that supported the introduction of increased competition for Australia Post.

The Government's Bill benefits big business mail users and providers but does nothing to either maintain or improve services in outer metropolitan, rural and regional Australia.

The Bill would allow major international postal service providers, like Deutsche Post or Royal Dutch Post's subsidiary TNT, to provide significant end-to-end mail services in direct competition with Australia Post in the main CBD and metropolitan population centres, with no consequent obligation even to contemplate the provision of non-profitable services to outer metropolitan, regional and rural Australia.

¹ Doorstop, Parliament House, Canberra, 29 March 2001.

'Differential Pricing'

Australia Post has advised that if the Government's Bill is passed then it may be forced to introduce 'differential pricing' to reflect the real cost of providing services to less profitable regional, rural and remote areas.

If this occurs, Australia Post's customers in outer metropolitan, rural and regional Australia will have to pay more than their inner city counterparts to use the same postal service.

Deregulation via the Back-door

In April this year, the Howard-Anderson Government tried unsuccessfully to pursue this same deregulatory agenda via the back door.

The Government did this by secretly drafting amendments to a Bill that would also have substantially deregulated the Australian postal services market.

The Government's secret amendments would also have allowed major international postal service providers, like Deutsche Post or Royal Dutch Post's subsidiary TNT, to provide full end-to-end mail services in direct competition with Australia Post's reserved services, but with no consequent obligation to even contemplate the provision of non-profitable services in outer metropolitan, rural and regional Australia.

While this second Bill would have benefited big business mail users and providers, at the top end of town, it would have done nothing to improve services in rural and regional Australia.

The Government abandoned the amendments only after Labor brought them to light.

Once again, Communications Minister Richard Alston reserved the right for the Howard-Anderson Government to re-visit these amendments if it is re-elected.²

THE GOVERNMENT'S FINANCIAL ATTACKS ON AUSTRALIA POST

In this year's Budget, the Government secretly took a \$200 million special dividend from Australia Post. This dividend is on top of the approximately \$165 million dividend Australia Post was already scheduled to pay.

The Government's secret dividend was not disclosed in the Budget papers. Despite repeated calls for it to do so, the Government has repeatedly refused to justify this decision.

Rather than encouraging Australia Post to invest this money in better postal and on-line services for all Australians, particularly for those who live in outer metropolitan, rural and regional Australia, the Howard-Anderson Government has been secretly lining its own pockets.

The Government has also forced Australia Post to absorb the cost of the GST, which costs Australia Post \$90 to \$100 million every year.

Together with its plans for the further deregulation of postal services, the Howard-Anderson Government has placed Australia Post under sustained financial pressure over recent years.

² Doorstop, Parliament House, Canberra, 29 March 2001.

This financial pressure has only put at risk Australia Post's ability to cross-subsidise less profitable services, particularly in outer metropolitan, rural and regional Australia and increased the pressure for differential pricing for Australia Post's services.

Broken Promises

SERVICES HAVE DECLINED

In 1996, John Howard promised Australians that he would:

... ensure that any closures, amalgamations or relocations of unprofitable post offices and postal outlets ... do not result in a reduced level of service for customers.

However, since June 1997, 107 corporate post offices have been closed.

And while Australia Post has opened a similar number of licensed post offices and community mail agencies, they do not provide the same level of service as a corporate post office.

This is just another example of the Howard-Anderson Government saying one thing, while another thing happened.

POSTAL SERVICES COST MORE AFTER THE GST

While the cost of a standard 45-cent letter has remained the same since the GST was introduced, Australia Post has been forced to increase the cost of many other services, including packages and Express Post.

Before the last election, the Howard-Anderson Government told Australians that the price of using communications services, including postal services, would rise by only 4.7 percent as a result of the GST.

In fact, prices increased by 8.1 per cent in the September 2000 quarter.

Because people living in rural and regional Australia are often more reliant on postal services, particularly parcel and freight services, the GST has hit these Australians harder than most.

Kim Beazley's Plan for Australia Post

Kim Beazley's Plan for Australia Post stands in stark contrast to that of the Howard-Anderson Government.

Whereas the Howard-Anderson Government plans to attack Australia Post's ability to cross-subsidise its services, Labor plans to enhance Australia Post's role in providing services to outer metropolitan, rural and regional Australia.

Australia Post is a critical part of Australia's communications infrastructure, particularly in outer metropolitan, rural and regional areas. It plays a unique role in ensuring that all Australians have access to an efficient and reliable postal service.

Under a Beazley Labor Government:

- Australia Post will remain in public hands;
- No further deregulation of Australia's postal industry will occur;
- Australia Post will continue to provide current postal, retail and financial services, including Giropost, Medicare Easyclaim, banking and Internet bill paying services; and
- Australia Post will play a critical role as a platform for the delivery of services, including emerging digital data services, particularly to rural and regional Australia.

BETTER ACCESS TO ELECTRONIC SERVICES

Rather than deregulating Australia Post, a Beazley Labor Government will work with Australia Post to roll out additional electronic services to all Australia Post outlets.

Australia Post has a powerful network across Australia capable of delivering face-to-face and on-line information and services to outer metropolitan, rural and regional communities.

Labor will provide point-of-sale technology, including Giropost, Medicare Easyclaim and phone and fax facilities, at all 4,400 Australia Post outlets, an increase of 1,500 outlets.

Labor will also ensure that all Australia Post outlets can access the Internet.

Access Australia

Labor will install an **Access Australia** kiosk at Australia Post outlets.

Access Australia kiosks will provide access to e-mail, commercial and government dial-up and broadband Internet services.

Access Australia kiosks will have the capacity to provide interactive and video-conferencing facilities to handle more complex commercial and government transactions, for which expertise is not held by Australia Post's frontline staff.

In rolling out the **Access Australia** kiosks, Labor will prioritise those communities that have the least access to more complex government and commercial services and transactions, particularly to those Australians living in rural and regional areas.

Labor will also work with departments and agencies to develop services suitable for delivery via the **Access Australia** kiosks, to provide better access to essential government services for Australians no matter where they live.

Labor is using Australia Post's existing network of outlets, and consulting communities about the services they need, because we intend to give regional communities the security and peace of mind that services will be there for the long-term, and are not dependent on a succession of short-term grants and programs.

ACCESS AUSTRALIA: INTEGRATED, FLEXIBLE SERVICES

Kim Beazley's Plan for Australia Post is an important part of Labor's **Access Australia** strategy.

Labor's **Access Australia** will improve access to essential government information and services for Australians, no matter where they live.

Labor will provide these services via our public institutions, in particular Australia Post, to give Australians living in rural and regional areas the security that these important services will be there for the long-term.

Labor will provide rural and regional services through face-to-face outlets, telephone support and the Internet - a flexible and integrated approach.

Labor will work towards the goal of providing Federal, State and Local Government shop-front services via single outlets, whether that be a Post Office, a Rural Transaction Centre, a Local Council office or a State Government 'one stop shop'.

Labor will implement **Access Australia** through a Service Alliance between the Federal and State Governments, and involving Local Governments through the Council of Australian Governments.

Australians will find **Access Australia** services in a variety of outlets:

- Australia Post offices;
- Rural Transaction Centres;
- State Government "one stop shops"
- Other Federal Government outlets; and
- Local Government offices.

The centrepiece of **Access Australia** will be the Australia Post network.

RURAL TRANSACTION CENTRES

Labor will continue the Rural Transaction Centre program, as one option for returning services to regional communities.

However, with only 30 or so Rural Transaction Centres currently in place, the program cannot offer the number of outlets, nor the long-term certainty, that can be achieved through Australia Post.

In rolling out future Rural Transaction Centres, Labor will prioritise those communities that cannot be adequately served by other outlets, including Australia Post.

Labor will also discuss with the States the provision of "one stop shops", such as QGAP and NSW Government Access Centres, and local government, to extend Federal services to these outlets.

Local Government

Australia's 750 local councils also provide a broad range of infrastructure, services and expertise.

Labor will examine the feasibility of extending Commonwealth services through fee for service contracts with local councils.

Telephone and Online Support Services

Access Australia will include a telephone information service, with a toll-free 1800 number. The Access Australia Call Centre will offer information on Commonwealth programs and services.

Its main priority will be support for country people, and it will have a close relationship with the new Office for the Regions.

Labor will strengthen the services available online through a Regional Web Portal, which will be linked to the Learning Regions Resource.

KIM BEAZLEY'S PLAN FOR BANKING

Banking is an essential service that people and communities simply cannot do without.

Banks have obligations to people and communities, not just profits and the corporate bottom-line.

It is critical that these obligations are understood and met if Australians - no matter where they live or how much they earn – can continue to access affordable banking services.

Kim Beazley's Plan for Banking includes the following key elements:

- a Social Charter of Community Obligations;
- a Financial Services Obligation;
- improving the availability of banking services; and
- a Bank Closure Protocol.

Social Charter of Community Obligations

Labor will develop a Social Charter of Community Obligations for banks, in consultation with stakeholders.

This Social Charter will restore affordable banking services to Australians and restore banking services to communities that have lost them. Importantly, the Social Charter will be legally binding on banks.

Financial Services Ombudsman

Complaints about the failure of banks to meet their social obligations would be made to a new Financial Services Ombudsman, who would refer breaches of the Social Charter to the Australian Securities and Investment Commission (ASIC).

If the banks refuse to negotiate an acceptable Social Charter, a Beazley Labor Government will impose a Social Charter through legislation. If this is necessary, banks will be required to contribute to a Bank Social Obligations Fund that will fund improved banking services.

Improving the Availability of Banking Services

Labor will map the levels of banking service provision across Australia and once those areas of most need have been established, we will ensure that banking services are delivered to those areas as part of the Social Charter.

Labor is committed to improving access to regional services, including banking and financial services, through Australia Post and other vehicles.

Labor will also seek to address the emergence of the 'digital divide' by encouraging banks to offer innovative ways for consumers to access Internet banking.

Branch Closure Protocol - Before the Bank Leaves Town ...

Branch closures can have a significant impact on individuals and local businesses in a community. Even with the best will of the community, there is no way that alternative banking services can be organised in a matter of weeks.

Where a bank proposes closing a bank branch, Labor will ensure that communities are consulted. Banks will be required to provide six months' notice of a branch closure. These branch closure protocols will be amongst the toughest in the world.

IMPROVING THE POSTAL CUSTOMER SERVICE OBLIGATIONS

While the Australian community is generally very satisfied with the way Australia Post fulfils its Postal Customer Service Obligations, the growth of new technologies means that Australia Post should be able to do even better in the future.

Labor will review the current Postal Customer Service Obligations to see if they can be improved. The review will not diminish the Postal Customer Service Obligations in any way.

The review will determine whether the Postal Customer Service Obligations should be enhanced in light of the changes in technology and community expectations.

The review will consider whether additional obligations should be imposed on Australia Post to provide a wider range of services.

The review will be funded from within the resources of the Department of Communication, Information Technology and the Arts.

Costing

	01-02	02-03	03-04	04-05	Total
Better Access to Electronic Services ¹	0	0	0	0	0
Access Australia ¹	0	0	0	0	0
Regional Transaction Centres ²	0	0	0	0	0
Better Banking Services ²	0	0	0	0	0
Improving the Post Customer Service Obligations	0	0	0	0	0
TOTAL (millions)	0	0	0	0	0

1. These items are funded out of the additional revenue Australia Post will retain as a result of Labor not deregulating Australia Post's services any further.
2. These items are costed in *Kim Beazley's Plan for our Regions*.