

STATUS

Governmental authority

Department of Communications and the Arts

Australia Post comes under the Department of Communications and the Arts, which, under a dual shareholder arrangement, has overall responsibility shared with the Department of Finance (www.communications.gov.au).

Regulatory authority

There is no industry-specific regulator of general jurisdiction for Australia Post. Australia Post is subject to the Australian Competition and Consumer Commission (ACCC), an independent body on some pricing matters (www.accc.gov.au). The Postal Industry Ombudsman (PIO) investigates complaints about the provision of postal or similar services and is a function of the Commonwealth Ombudsman (www.ombudsman.gov.au/about/postal-industry-ombudsman).

Designated operator

Australia Post

The Australian Postal Corporation, which trades as Australia Post, is a government business enterprise entirely owned by the Commonwealth of Australia. It operates under the Australian Postal Corporation Act 1989, as amended.

The Australia Post Board is accountable to the government of the day for Australia Post's overall performance and for ensuring that the corporation performs its functions in a manner consistent with sound commercial practices. The board sets the corporation's key objectives through a rolling, four-year corporate plan submitted annually to the Shareholder Ministers. Ministers may direct variations only to the financial targets within the plan or to the strategies and policies for fulfilling community service obligations. Progress on the plan's objectives is reported quarterly to shareholder departments.

The corporation offers letter and parcel delivery services within Australia and internationally. It also provides a range of related services, including electronic bulk mail handling, advertising mail, bill payment, money order and banking services, express delivery services and philatelic products and services.

Obligations

The corporation operates under the Australian Postal Corporation Act 1989 and is legally obliged to:

- provide all Australians with a universal letter service that is equitable and reasonably accessible, and that reasonably meets community needs;
- apply a uniform price to standard letters carried within Australia by ordinary post;
- perform according to sound commercial practice;
- comply with notified federal government general policies.

Under the Australian Postal Corporation (Performance Standards) Regulations 1998, Australia Post must meet requirements in relation to speed, frequency and accuracy of the delivery of its reserved letter service, the number of street posting boxes, and the number and location of postal outlets (see details below).

Restructuring/postal reform

N/A.

POSTAL FIELD

Universal service

Under section 27 of the Australian Postal Corporation Act 1989, Australia Post must provide a universal letter service, which includes the carriage and delivery of standard postal articles (letters) at a uniform rate (250 grammes maximum).

Under its community service obligation and performance standards, Australia Post is further required to provide:

- 1 a minimum number of retail outlets, a portion of which must cover rural and remote areas;
- 2 a minimum number of street posting boxes;
- 3 minimum delivery requirements and performance.

Universal service (cont.)

Post offices required

A minimum of 4,000 retail outlets, 2,500 of which must be located in rural and remote areas. In metropolitan areas, at least 90 per cent of residents must be located within 2.5 kilometres of a postal outlet. In non-metropolitan areas, at least 85% of residences must be located within 7.5 kilometres of a postal outlet.

Street posting boxes required

A minimum of 10,000 units.

Quality required

Intra-state delivery

J+3: within metropolitan area of a capital city/within same city or town.

J+4: between metropolitan areas of a capital city and country locations/same state.

J+4: between country locations/same state.

Inter-state delivery

J+5: within metropolitan areas of capital cities/different states.

J+6: between metropolitan areas of a capital city and country locations/different states.

J+7: between country locations/different states.

94% of letters must be delivered in accordance with the prescribed timetable.

Frequency of delivery

98% of delivery points to receive deliveries five days per week.

99.7% of delivery points to receive deliveries no less than twice per week.

Other USO requirements

Concessional postal rates for medical/educational material to/from remote localities (for updating by Australia Post).

Monopoly/ reserved services

The Australian Postal Corporation Act 1989 (Division 2 – Reserved services, section 29) specifies the reserved services as follows:

- 1 Subject to section 30, which specifies exceptions to the reserved services, Australia Post has the exclusive right to carry letters within Australia, whether the letters originated within or outside Australia.
- 2 The reserved service under subsection (1) extends to:
 - a the collection, within Australia, of letters for delivery within Australia; and
 - b the delivery of letters within Australia.
- 3 Australia Post also has the exclusive right to issue postage stamps within Australia.

Scope of reserved service

Standard letter

- maximum of 250 grammes;
- basic tariff of 1.00 Australian dollar (AUD) x 4.

Exceptions

All outbound international letters, unaddressed mail, cargo letters, intra-corporate letters, document exchange and upstream services for bulk mail, newspapers, magazines, books and catalogues.

Competition

The Australian Postal Corporation Act 1989 was amended on 5 December 1994. The main focus of the amendments was on increasing competition in the letters market by:

- reducing the weight and price thresholds for competition (from 500 grammes to 250 grammes and from ten times the standard letter rate to four times);
- allowing the movement of letter or document services and permitting third parties to carry letters between locations of the same organization;
- deregulating outbound international mail and allowing the carriage of letters from overseas for lodgement with Australia Post for final delivery in Australia; and
- providing for an interconnection service, whereby letters lodged in bulk at specified mail centres receive a discount, including a component reflecting the average transport costs avoided by Australia Post where an operator has undertaken part of the carriage.

ESTABLISHMENT OF POSTAL SERVICES AND TARIFFS

Services	Australia Post, in consultation with the Australian government, determines the scope of postal services.
Tariffs	<p>Australia Post sets postal charges, but rates for reserved services are reviewed by the ACCC (see "Regulator authority" section).</p> <p>The Minister for Communications may disallow a variation of the rates of postage for the carriage within Australia of standard postal articles by ordinary post.</p>

FINANCIAL MANAGEMENT

Financing methods	<p>Australia Post is independent of government funding. In financial terms, the corporation is required to achieve a reasonable commercial return. It pays the full range of government taxes and charges and a specified percentage of its after-tax profits is apportioned as a dividend to the government. The amount of the dividend, however, is determined annually.</p> <p><i>Postal VAT/GST</i></p> <p>All domestic postal charges include a goods and services tax (GST) of 10%. Outbound international mail is free of GST.</p> <p>Financial statements must be prepared in accordance with the applicable Finance Minister's Orders under the Public Governance, Performance and Accountability Act 2013. The statements are audited by the Auditor-General of the Commonwealth.</p> <p><i>USO financing</i></p> <p>Self-financing by internal cross-subsidy within the reserved letter service.</p>
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HUMAN RESOURCES

Status of personnel	Postal employees enjoy their own status as employees of Australia Post.
Establishment and level of remuneration	Australia Post has its own industrial relations policies which, among other things, provide for the establishment of enterprise-bargaining agreements with its enterprise union. Salary scales are comparable to those in similar sectors. Since 2017, the remuneration of the Managing Director of Australia Post has come under the oversight of an independent Remuneration Tribunal.