



Australian Competition & Consumer Commission

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Mr Michael McLean
Secretary
ECITA Legislation Committee
Parliament House
Canberra, ACT 2600



Dear Mr McLean,

Thank you for your letter inviting the Australian Competition and Consumer Commission (ACCC) to make a submission to the Environment, Communication, Information Technology and the Arts (ECITA) Legislation Committee's inquiry into the Postal Services Legislation Amendment Bill 2003 (the Bill).

The Bill, if passed, would enable the ACCC to make record-keeping rules for Australia Post and to report on the information it obtains. These powers are broadly similar to those the ACCC has in relation to telecommunications carriers, and would allow the ACCC to obtain information which would assist it in carrying out its functions in relation to prices surveillance, or inquiring into disputes under s32 of the *Australian Postal Corporation Act 1989* (APC Act).

It should also be noted that the National Competition Council (NCC) recommended that Australia Post be subject to requirements for detailed auditing and accounting information on its activities, to provide for transparency of the financial relationships between different elements of the business. The draft provisions (proposed ss.50H-50K of the APC Act) go a significant way towards giving effect to this recommendation.

As currently drafted, the provisions appear workable.

The Bill also proposes amendments to s.32B of the APC Act, which currently provides for the ACCC to inquire into disputes about certain bulk services. These provisions were originally introduced in 1994, but to date, no such disputes have been notified to the ACCC.

The Bill will broaden the scope of the ACCC's powers to inquire. Currently, the ACCC can only make recommendations in relation to the amount of a rate reduction offered by Australia Post for these services. The new provisions allow the ACCC to inquire more generally into the terms and conditions on which the services are offered. The proposed change is broadly consistent with other legislation under which the ACCC is required to resolve disputes, and



recognises that consideration of an appropriate charge (or rate reduction) for a service necessitates consideration of the terms and conditions upon which it is offered.

The proposed amendment to s.32B(1)(a)(i) also addresses a potential circularity in the current definition of bulk services.

In relation to the Committee's public hearing on 8 August, there do not appear to be any matters that the ACCC would raise that are not set out above. Accordingly, the ACCC does not propose to appear at the hearing.

Please contact me if the Committee has any further questions on this matter.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Brian Cassidy', written in a cursive style.

Brian Cassidy
Chief Executive Officer