

Labor Senators' Additional Comments

1.1 Labor Senators are disappointed but not surprised to submit Additional Comments on this inquiry into Australia Post.

1.2 Labor Senators are not dissenting from the entire report, rather these Additional Comments focus on one part of Chapter 5; the assertion that 'the postal network provides an opportunity for government to deliver services **more efficiently**'. (*emphasis added*)

1.3 Labor Senators note that the primary target for outsourcing of government services to Australia Post are the over-the-counter processing functions performed by the Department of Human Services.

1.4 Nowhere in the preceding paragraphs of the Majority Report, or in evidence presented to this Committee both throughout this inquiry and at Estimates, was evidence provided to back up this assertion.

1.5 Rather, the assertion is simply another attempt by the Liberal Party to promote its ideological belief that the outsourcing of government services increases efficiency.

1.6 In evidence to the Senate's Community Affairs Committee's November 2013 Estimates, the Department of Human Services outlined the varied functions of officers in face-to-face interactions with customers.¹

The Department of Human Services is tasked with delivering social, health and other services on behalf of the Australian Government to individuals, families, communities, businesses and healthcare providers.

Service Officers in the face-to-face environment engage with and support customers from shopfronts located across Australia in metropolitan, regional and remote communities.

Day-to-day functions in the face-to-face environment include:

- Assist customers by providing services across a range of payments, programs and services.
- Actively promote, demonstrate and assist customers to use the department's digital and phone self-managed services.
- Advise customers on legislation, policy, procedures, payments and services administered by the department.
- Assess customer needs, requirements, entitlements and obligations.
- Provide managed and intensive services, focusing on customers with complex needs. This may include activities such as developing individual support plans or assisting people to acquire vocational skills to maximise training and employment opportunities.

1 *Supplementary Budget Estimates 2013*, Department of Human Services, Answer to question on notice, No. HS4.

- Where appropriate, refer customers to relevant government and community services. Liaise with local community service providers and other government agencies to make referrals and assist with brokering solutions for people with complex needs.
- Facilitate service recovery in line with relevant service standards for customer feedback/complaints and escalate as appropriate.

1.7 As highlighted in the Majority Report, Australia Post's capability to deliver trusted services was canvassed at the February 2014 Additional Estimates. Mr Fahour was directly asked if Australia Post could perform a number of the face-to-face functions outlined above and responded that he did not know and would take the questions on notice. In the subsequent answers to the questions on notice, Australia Post did not directly answer the questions asked.²

1.8 Labor Senators are concerned that the Government is irresponsibly seeking to use the prospect of increased remuneration and post office visits from additional trusted services as a financial lifeline for Licensed Post Offices. We note that all the submitters who support the outsourcing of services provided by Centrelink and Medicare to Australia Post rely on the prospect of additional revenue for Australia Post and LPO operators as justification for the measure. Providing additional revenue for the private operators of LPOs and Australia Post corporate outlets is not an object of any of the legislation that governs the provision of services by the Department of Human Services. As outlined in the Majority Report, many proprietors of LPOs are battling to keep afloat and, of course, would welcome the additional remuneration. The face-to-face functions performed by DHS officers are complex and very different from the 'high-volume transactions' that Mr Fahour asserts are Australia Post's specialisation.³

1.9 Evidence was included in the Majority Report from the Community and Public Sector Union (CPSU) warning that outsourcing DHS functions is 'likely to result in an overall reduction in the quality of service delivery on behalf of DHS, an organisation many Australians rely on at various points of their lives'. The CPSU also stated that 'any savings from outsourcing functions is unlikely to offset the costs of training Australia Post staff.'⁴

1.10 Labor Senators believe that the advice from the CPSU and the lack of certainty from Australia Post demonstrate that the assertion that outsourcing will increase efficiency in government service delivery is based on ideology not evidence.

2 *Additional Budget Estimates 2014*, Australia Post, Answer to question on notice, No. 146.

3 Mr Ahmed Fahour, Australia Post, *Additional Estimates Hansard*, 25 February 2014, p. 116.

4 CPSU, *Submission 4*, pp 1-2.

Recommendation 1

The Government not outsource any functions of the Department of Human Services to Australia Post.

**Senator Anne Urquhart
Deputy Chair**

**Senator the Hon Doug Cameron
Shadow Minister for Human Services**

