



COMMONWEALTH OF AUSTRALIA

Proof Committee Hansard

JOINT STANDING COMMITTEE ON ELECTORAL MATTERS

Reference: Conduct of the 2007 federal election and matters related thereto

(Private Briefing)

MONDAY, 1 SEPTEMBER 2008

CANBERRA

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JOINT STANDING
COMMITTEE ON ELECTORAL MATTERS

Monday, 1 September 2008

Members: Mr Melham (*Chair*), Mr Morrison (*Deputy Chair*), Senators Birmingham, Bob Brown, Carol Brown, Hutchins and Ronaldson and Mr Danby, Mr Bruce Scott and Mr Sullivan

Members in attendance: Senator Hutchins, Mr Danby, Mr Melham, Mr Morrison, Mr Bruce Scott and Mr Sullivan

Terms of reference for the inquiry:

To inquire into and report on:

The conduct of the 2007 federal election and matters related thereto, including the Commonwealth Electoral (Above-the-Line Voting) Amendment Bill 2008, with particular reference to:

- a. the level of donations, income and expenditure received by political parties, associated entities and third parties at recent local, state and federal elections;
- b. the extent to which political fundraising and expenditure by third parties is conducted in concert with registered political parties;
- c. the take up, by whom and by what groups, of current provisions for tax deductibility for political donations as well as other groups with tax deductibility that involve themselves in the political process without disclosing that tax deductible funds are being used;
- d. the provisions of the Act that relate to disclosure and the activities of associated entities, and third parties not covered by the disclosure provisions;
- e. the appropriateness of current levels of public funding provided for political parties and candidates contesting federal elections;
- f. the availability and efficacy of 'free time' provided to political parties in relation to federal elections in print and electronic media at local, state and national levels;
- g. the public funding of candidates whose eligibility is questionable before, during and after an election with the view to ensuring public confidence in the public funding system;
- h. the relationship between public funding and campaign expenditure; and
- i. the harmonisation of state and federal laws that relate to political donations, gifts and expenditure.

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Committee met at 10.34 am

CAMPBELL, Mr Ian, Australian Electoral Commissioner, Australian Electoral Commission

CARPAY, Mr Pablo, Assistant Commissioner, Roll Management, Australian Electoral Commission

ORR, Mr Doug, Assistant Commissioner, Elections, Australian Electoral Commission

PICKERING, Mr Tim, First Assistant Commissioner, Electoral Operations, Australian Electoral Commission

BURKE, Mr Paul, Acting Corporate Secretary, Australia Post

FRANZI, Mr Ben, Manager, Network Customer Requirements, Australia Post

JOBLING, Mr Christopher Paul, Manager, Customer Connections, Australia Post

NEWMAN, Mr Don, Acting Group Manager, National Logistics, Australia Post

STAUNTON, Mr Scott, Deputy General Counsel, Legal Services, Australia Post

CHAIR (Mr Melham)—Welcome. This is a private briefing which will focus on issues related to postal voting and Australia Post services. As the committee indicated in the background papers provided to you, this meeting will be conducted in camera and will be recorded by Hansard. If, following the hearing, there appears to be a general public benefit in making part or all of today's proceedings public, the committee reserves the right to do so. However, the committee will consult you before it makes any decisions in this regard. That is the standard procedure for parliamentary committees. Although the committee does not require you to give evidence on oath, I should advise you that these hearings are legal proceedings of the parliament and therefore have the same standing as proceedings of the respective houses.

In terms of the way this meeting is going to run, I have a number of topics, which you would have seen, that I hope to cover during the morning. Based on my experience of roundtable conferences in the past, it is not just members of the committee who will get a chance to ask questions; the representatives from Australia Post and the Australian Electoral Commission can interact as well. We are not doing this in any way other than to flesh out material or information. It is not about scoring points but about gathering information in an appropriate manner. It may well be that either Australia Post or the AEC have things that they want clarified, and we expect that to happen through the hearing. At the outset, I invite the Australian Electoral Commission to make an opening statement.

Mr Campbell—I have just a couple of points to make. I will not go over all the information that was in our submission, which is on your site as submission No. 169. I think we have well travelled what happened in 2004 and the improvements and changes that we made to our processes, and Australia Post assisted in making changes to theirs. In that context, I would like to place on the record our great appreciation of the support we got from Australia Post last year.

Both agencies—and Australia Post obviously might want to speak to this as well—only have a three-week period and so we do everything we can to maximise the time that a voter will have their ballot paper and to maximise the time for getting it out there and getting it back in the three-week time frame.

There are two points I would like to make to conclude this statement. One is that we are doing a little bit more work to see if there are not more voters in rural and remote areas who should be general postal voters. We are undertaking a process to see whether we can encourage people who have been postal voters for many years to become GPVs so that their ballot papers go out to them on the first day or so. That would then give them just under three weeks.

The second point is one of public awareness for both us and, I would suggest, the parties. There was concern over 145 ballot papers from voters in Flynn, and Mr Scott amongst others has raised this issue. We have done an analysis of them and some interesting things have come out. If we assume that the ballot papers got to the voters as quickly as we got them back after they signed them, then there were a number of those voters who held their ballot papers right until the very end, to even on the day. Some people may have been confused and thought they could only fill them in on the day and then send it back, and others may have done it because they wanted to see what the most recent policies were.

That second issue a very important one, but in our public awareness strategy we would also be thinking about how to point out to people what happens if they hold their ballot papers till the last day. It would seem to us that there were a number in that group who, if they got their ballot papers as quickly as they got them back to us, might have held them for up to a week or 10 days. So we will be doing what we can to tell people that there is a shortness of time and that if you are not in a major city next to a mail exchange and around the corner from one of our offices then holding the ballot papers right till the end may not be the best way to ensure that your ballot papers get submitted to the count. That is all I wanted to say at the beginning.

CHAIR—I invite Australia Post to make an opening statement.

Mr Burke—Australia Post is pleased to appear before the Joint Standing Committee on Electoral Matters. Australia Post and the Australian Electoral Commission have worked closely and collaboratively since 2004 to develop an improved postal-voting process so that required lodgement dates for the delivery and return of postal-voting applications was understood and effective in the 2007 federal election. Australia Post also recognises the importance of mail as an effective communication tool for political parties and candidates within the context of the election process.

In that regard, Australia Post worked closely with key stakeholders prior to and through the election period to ensure that our services were understood and provided in a professional and timely manner. We developed an election campaign planning handbook that was broadly distributed explaining the Australia Post services that were available throughout the campaign. We also implemented special operational arrangements to accommodate election lodgements during the campaign period. Australia Post fully supported the recommendation from the committee's report on the 2004 election that the voter certification and witness signature date, rather than the postmark, should be used to determine whether a postal vote was cast prior to the

close of polling. There is no legislative requirement for Australia Post to postmark a letter. Operationally, postmarks are used to cancel postage stamps for revenue protection purposes.

Not all articles are necessarily postmarked. Even when an article is postmarked, the date indicated will not necessarily be the same as the date of posting. For example, articles posted prior to the close of polling on a Saturday may not be processed or postmarked until the following day at the earliest, and in some instances it will take longer. Australia Post would therefore encourage the committee to consider again recommending that the date of declaration on the postal vote be used as a certification date rather than the postmark.

Australia Post takes very seriously the role it plays in the democratic process, be it in federal, state or local government elections. We have well-established governance and operational processes in place to ensure that our role is carried out seamlessly and effectively. The collaborative process in which we have engaged with the Australian Electoral Commission has, in our view, provided a significant improvement in the postal voting process and we look forward to working with them further in future elections. Thank you.

CHAIR—Thank you. I now propose to go to topic 1, which is issues associated with the mailing, receipt and return of postal votes during elections, especially those from electors in rural and regional areas. Mr Scott, this is an issue that is dear to your heart. Do you want to open up the batting?

Mr BRUCE SCOTT—Yes, I am interested in the comments by Mr Burke in relation to Australia Post and that date of declaration. So you are saying that even mailboxes in the streets of some small country towns—you know those red boxes where you put your—

Mr Burke—Yes.

Mr BRUCE SCOTT—On weekends or public holidays, those postboxes would not be cleared until the first working day. Is that what happens with those postboxes? And then the post has to get somewhere where it is postmarked.

Mr Burke—The returning office.

Mr Newman—We have put together a small sample of variations that can occur. If it is okay with the chair, could we possibly distribute that—

Mr BRUCE SCOTT—Absolutely.

Mr Newman—and actually talk to that document?

CHAIR—We are happy to receive that.

Mr Newman—I will get Mr Franzi to go through the variations that can occur. I think we have chosen three samples out of many different variations, but once we have a look at those, we can home in a bit deeper if necessary.

Mr Franzi—We have looked at three practical examples for three different voters, one in the electorate of Maranoa. This is a remote country town, Jundah. In that catchment area—if I am working across the processes at the top, looking at the mail catchment being the first process—the mail is collected by rural contract delivery and the contractor would go to the properties and collect the mail as well as deliver the mail at the same time. That contractor will come back into the town itself and hand that mail over to the licensed post office. That could occur once, twice or three times a week, depending on the remoteness of the property, but the key point here is that there is a dispatch from Jundah into Longreach twice a week, and that mail is dispatched on the Tuesday and the Friday at 4 pm. If, for example, a post or electorate had their mail delivered on the Wednesday or put the mail into the street postal box on the Wednesday or handed it over the counter on the Wednesday, that mail does not leave until Friday, and it does not get postmarked with a traditional cancellation stamp in Jundah. All Jundah does is sort through its local mail. It pulls out its local mail for that area, cancels the stamps for that local area, bundles the rest and forwards it on to Longreach.

Let us work through a practical example. If the person voted on Wednesday, that mail would leave at 4 pm on the Friday. It would arrive in Longreach at 2 am on the Saturday or even 2 am on the Monday. I think it would be 2 am on Monday because it comes in on the next business day. The local mail is extracted and postmarked, as is all of the rest of the mail. It is postmarked at that stage. So the mail is not automatically postmarked, even though the voter posted on a Wednesday, until the Monday, which is after the close of rolls for voting on Saturday.

CHAIR—So that is not done by Australia Post.

Mr Franzi—It is done by Australia Post but it is postmarked on the Monday. That is the key date. The elector put his vote in—

CHAIR—Let us just cut to the chase. If you are telling me that the current practice is that the voter lodges on the Wednesday and it is not postmarked by Australia Post until the Monday after the election date and it has been through a number of Australia Post processes, then I have got to tell you that is unacceptable. That is not going to continue, in terms of the recommendations of this committee. That is not having a go at you. I am saying that practice is unacceptable. I am from the old school—I am a great fan of Australia Post—but I will put it on the table where I am coming from. In an election period, in a tight situation, procedures can determine which party forms government. I do not want advantage for one or the other, but I want a recognition from some of the institutions of this country that we are in an election period. If you are telling me that Australia Post's policy does not put a postmark on it until the Monday after, when it has gone into the mail on the Wednesday, then something is radically wrong. I am saying it upfront not to ambush you but to say: I'm gobsmacked.

Mr BRUCE SCOTT—Could I just follow up that line of questions? I know this area very well, obviously, and there would be many communities just like Jundah, where you have got the regional postal exchange of Longreach, which could be receiving from Muttaborra, Isisford, Ilfracombe—

Mr Franzi—Longreach is a large catchment area.

Mr BRUCE SCOTT—There could be a dozen or more postal agencies that receive the mail and it could take up to four or five days before it is postmarked, just by virtue of the geography and the processes.

Mr Franzi—That is correct.

Mr BRUCE SCOTT—I would be interested in, just around Longreach, how many of these postal agencies there would be where this could have occurred.

Mr Newman—It would be quite a number.

Mr BRUCE SCOTT—And you could repeat that probably in Mount Isa and many rural communities.

Mr Newman—The reason for that is that, other than in election time—if we just put election time out of the way—we select the most appropriate and cost-effective way of getting the mail from one point to the other.

CHAIR—And I have got no problems with that—none at all. My point—just so you know before you answer—is that I see the election period as a special period. I raise it upfront so we all know what I think the problem is. If I am wrong, I am wrong—tell me I am wrong. I am not worried about outside an election period. I do not want you to change your processes. I do not want you to add extra costs or whatever. But for a national election period it would seem to me that special procedures could be put in place that do not disqualify voters. If they cannot, tell me. Tell me I am naive. I am prepared to cop it.

Mr Newman—I do not think I would tell you that, Chair, but—

Mr BRUCE SCOTT—Can I ask a question?

CHAIR—Let him answer this and then you can ask.

Mr Newman—I guess the dilemma that we have to face in that area is: how do we manage quality on an operational change that affects thousands of people once every three years? That is a very big issue because there will be many people who were not actually working for Post or for the agency in the previous election. How do you turn that on and get thousands of people doing something different for one or two days and then turn it back off again? That is the dilemma we face.

CHAIR—At least we know what the dilemma is. It is on the table and we can work it through.

Mr BRUCE SCOTT—Mr Chairman, can I ask Mr Campbell if he would have any numbers, across Australia, for postal votes that were not accepted because they were postmarked after 24 November? I am interested in how many there are across Australia; I am not picking on my own area or any particular area—this is not a selfish approach.

CHAIR—The dilemma that has been raised by Mr Franzi is not universal, as I understand it. You are talking about regionally.

Mr BRUCE SCOTT—Yes.

Mr Franzi—If we can continue to work through the examples first—

Mr BRUCE SCOTT—Yes, that is a good idea.

Mr SULLIVAN—I want to ask some questions before we go through the examples because I have a diametrically opposed view to the chairman. Mr Burke, I think when you made your presentation you said that there is no requirement at all for Australia Post to postmark letters, that they do so to cancel stamps for revenue retention.

Mr Newman—Protection purposes—that is correct.

Mr SULLIVAN—Protection. Mr Campbell, my question to you is: what is the problem with the vote that a person is entitled to make via postal ballot coming in postmarked a date after the election?

CHAIR—It is under the Electoral Act.

Mr SULLIVAN—I am just as happy to make recommendations to change the Electoral Act as I am to change the postal act. What is the risk?

Mr Campbell—The committee considered this after the 2004 election and, indeed, I think the committee recommended and the government of the day did not agree. Whether you say it is a risk or not, the issue would be what guarantee you would have and the public would have that the vote was actually cast before 6 pm on polling day. That would be the issue.

Mr SULLIVAN—Exactly the same guarantee that we have that somebody who casts a vote early is entitled to cast that vote early.

Mr Campbell—No, I think it is a different issue.

Mr SULLIVAN—They make a declaration that they are entitled to that vote. The person who puts in a postal vote makes a declaration that it has been done in time.

Mr Campbell—Let me just tease the issue out, because you asked me what it is rather than what my view is or the AEC's view is. I think, in terms of a perception from a person who is looking at the process, that there is a difference with a person going in and saying, 'Yes, I am eligible for a prepoll because I am not going to be within eight kilometres of a polling place on the day,' when in the end they are—but they are still the person who is on the roll and they have an eligibility to vote, so their franchise is accepted.

Mr MORRISON—And their vote is before six o'clock on polling day.

Mr Campbell—That is right. Their franchise has been accepted, they are on the roll, they are eligible to vote, they are eligible to vote in that division and they have voted. What is at issue there is whether or not they should have voted on the day or two days beforehand, not the question of their vote.

The issue that people and the committee and the parliament would have to consider is that if you ignore the postmark—which is in effect what your question is—then you are taking at face value—which is what I think you are saying—the declaration by the voter and by the witness that the vote was cast before 6 pm on polling day. That is the issue.

Mr BRUCE SCOTT—Mr Chairman, when we get through this, can we run through the scenarios that Australia Post have brought to us. This is an issue I have raised for some time and I probably know a fair bit about the geography in relation to it. I think what Mr Sullivan is getting at is whether there is a valid reason—

Mr SULLIVAN—I have one quick supplementary. Given that Australia Post is not required to postmark items, what do you do with a postal vote that comes back to you unpostmarked?

Mr Campbell—It is an accepted because the legislation says that if there is no postmark on it we take the date of the voter and the witness. That is what the legislation says.

Mr BRUCE SCOTT—The date of the witness? You accept that?

Mr Campbell—It has to be the same date as the voter.

Mr BRUCE SCOTT—Anyway, can we go through the scenarios? I would like that, if you would not mind.

CHAIR—Yes.

Mr Newman—Once we have done that, can I come back to Mr Sullivan's point again because he is touching on a very important issue?

CHAIR—Of course; no-one will be cut off. It will all be fleshed out. Mr Morrison has some points too.

Mr BRUCE SCOTT—So we are now in Longreach.

Mr Franzi—We are now in Longreach, where the mail is again culled for a local region and a forward on for the rest. In this case if we are looking at a postal vote certificate it does not stay in Longreach; it would move on to the Rockhampton mail centre.

Mr BRUCE SCOTT—It had been mailed—

Mr Franzi—It would have been postmarked or cancelled in Longreach.

Mr BRUCE SCOTT—On the Friday?

Mr Franzi—No, on the Monday.

Mr BRUCE SCOTT—Someone could have put it in the box on Friday.

Mr Franzi—If it were posted in the box after 4 pm on Friday it would not reach Longreach until the Wednesday. In Jundah there are only two clearances, or two transports, that leave Jundah: 4 pm on Tuesday and 4 pm on Friday. Neither of those arrives until 2 am the next business day. You could legitimately put a postal vote across the counter at Jundah at 5 pm, or into the box on the Saturday, and it would not hit Longreach to have a cancellation stamp until the Wednesday morning—the Wednesday following polling day.

Mr BRUCE SCOTT—So, you put it into the street postbox in Longreach on the Friday. When is that cancelled? I am talking about Longreach—the second one.

Mr Franzi—The second one is in Longreach. If it were put across the counter before 5 pm on Friday, the retail counter postmark would probably occur on the Friday.

Mr BRUCE SCOTT—Even after 5 pm—say 6 pm or Saturday morning?

Mr Franzi—No. If it was Saturday morning it would not be postmarked until Monday.

Mr BRUCE SCOTT—So, after 5 pm on a Friday, the day before polling day, it will be the Monday.

Mr Franzi—Yes.

Mr BRUCE SCOTT—That would be the similar situation in many large post offices—not just in Longreach. That would also be in Roma and Dalby.

Mr Franzi—Correct.

Mr Newman—In post offices in provincial areas that would be reasonably common. There are exceptions.

Mr BRUCE SCOTT—There would be many—more than just Longreach, anyway.

Mr Newman—Yes.

Mr Franzi—Obviously, when the mail reaches Longreach it goes on to the Rockhampton mail centre. At that point it will go through some machinery, to do two things essentially. It will be put through machinery to cancel the stamp from a machine point of view and it will also go through machinery for sorting. Then they will move on to the divisional returning office. Take Glen Iris, which sits in the electorate of Kooyong. It is a very metropolitan area. We have around 15,000 street postal boxes. They are the red boxes that sit on the corners. If I put a vote into a box at 8 pm on Friday, that is not even cleared until Sunday evening.

Mr Newman—Because the box is cleared at 6 pm on Friday. That is the collection time on Friday.

CHAIR—Is that all around Australia?

Mr Franzi—Yes.

CHAIR—Then there is the Sunday night clearance?

Mr Franzi—Correct. That would then end up at the Dandenong letter centre in this scenario, at which point on Sunday evening it would go through the machinery process and a cancellation stamp would be applied.

CHAIR—What is stopping a special clearance on the last Saturday night in an election period?

Mr Newman—There would be nothing physically stopping that other than economics and things like that. That would be a significant cost to us, to clear a network out on Saturday night. That would be a very large sum of money.

Mr Franzi—There are 15,000 street postal boxes nationally and within each capital city we do not have our mail centres operating on a Saturday night.

Mr Newman—All of that clearance would have to occur on overtime shifts and then we would have to staff mail centres and post offices around Australia.

CHAIR—How many items are we talking about?

Mr Newman—That is the problem. There would be a few items mixed in with hundreds of thousands of other items. That is why it is so difficult.

CHAIR—In a normal Sunday clearance, how many items are there?

Mr Newman—I do not have that figure with me. On a normal day in a metropolitan area, say Melbourne, it is around 800,000, which brings it up to about 3½ million items out of boxes a day. Because they are cleared out on Friday night, on Sunday would be slightly less than that, but I will have to confirm that. So there would be, around Australia, several millions of letters in street posting boxes with a small number of electoral votes.

Mr MORRISON—What if you were to push back the clearance time for that last Friday before the election?

Mr Newman—Well, we could not push it back, per se, because that is then cleared into the network and then distributed to meet obligations—for example, interstate and things like that. So that would put pressure on our network.

CHAIR—Yes, but when is that Friday clearance distributed?

Mr Newman—At a variety of times. Local mail would be just processed and held until Sunday, but some interstate destinations might be dispatched—

CHAIR—Tell me: what do you do at Christmas time? My understanding is that there are special mail collections at Christmas time.

Mr Newman—A variety of operations take place. We tend to do that on Sunday by making extra clears on a Sunday, as opposed to bringing in shifts on Saturday. You see, none of our mail centres are open on Saturday other than skeleton staff to meet special dispatch and receipt requirements in certain circumstances.

Mr BRUCE SCOTT—Mr Campbell, do you have the numbers to say, Australia-wide, how many returned postal votes arrived after the polling day? In other words, they would have been disenfranchised. Have you got a ballpark figure on that?

Mr Campbell—No, but I am having a phone call made to the office now, because you asked that a few minutes ago.

Mr BRUCE SCOTT—I did indeed.

Mr Campbell—What I do have is that we had 23,600 who received a postal vote certificate who did not actually vote, by postal vote or by any other means. So, across the country, there were 23½ thousand people—

Mr BRUCE SCOTT—Who got them?

Mr Campbell—Who applied for them but did not vote. What we are checking is how many came in but were received too late.

Mr BRUCE SCOTT—Did they apply or were they permanent postal voters?

Mr Orr—The analysis I have is just that the total is 800,000-odd, so I cannot tell you at this stage.

Mr BRUCE SCOTT—Eight hundred thousand?

Mr Campbell—There were 800,000 postal votes; 23,600 people received postal votes certificates and did not vote by post or by any other means. We know that, of those who applied for a postal vote in the last four or five days, about 2,200 of those came in too late.

Mr MORRISON—How many, sorry?

Mr Campbell—About 2,200 who applied in the last week. But we are ringing up now to see if we have the figure that you asked for a few minutes ago.

CHAIR—So you stopped issuing at what time?

Mr Campbell—Thursday at 6 pm.

CHAIR—You see, my concern is that, from the evidence at the moment, if someone has lodged on a Wednesday they can still lose their entitlement to have their vote.

Mr Campbell—But, equally, some people who lodged on Thursday did actually get it, because of where they were.

Mr MORRISON—Yes, and that is really the key issue: where they are is determining their access to this form of franchise. Mr Franzi, you have talked about the lead times you have in rural areas. How reliable—let me put it a different way: how certain are you that those lead times apply almost in a sacrosanct sort of way? So, in other words, that anything lodged on a Wednesday will not get postmarked until Monday; anything lodged on a Thursday will not get postmarked until Tuesday; Friday, Wednesday. And by what degree do those lead times vary across your various networks?

Mr Franzi—I suppose the first way to answer that is to come back to what Paul Burke mentioned earlier, which is that there is no guarantee that a postmark will be applied to any letter, because we do it purely from a revenue collection point of view.

Mr MORRISON—Okay, can we deal with that by asking: what percentage of letters are not—

Mr Campbell—Mr Morrison, I think Mr Pickering has some input here that might actually help this debate a little bit, so do you mind if he comes in at this point?

Mr MORRISON—Sure.

CHAIR—It is just about fleshing it out.

Mr Pickering—The issue that might help discussion, especially when we are talking about postal voting, is in relation to the business-reply-paid markings that we have on our return envelopes. It may help the committee if Australia Post were to tailor the answer in terms of BRP envelopes as distinct from a stamp that requires cancellation, because it might be giving a false impression of postmarking and whether or not a BRP envelope is processed or handled differently within the Australia Post network. Once that is answered that might help explain Mr Morrison's—

CHAIR—You mean it might take a bit of the heat out! Just kidding.

Mr Newman—Can I just give an overview first. This is probably getting a bit close to the second topic, but I might just give an account of some key elements here. Firstly, postmarking is simply to cancel the stamp and to apply revenue protection. Back in time, that was a very common practice and most letters carried stamps. Going back, say, 70 or 80 years, probably 90 per cent of letters would have had stamps of some form or other or, in the case of bulk mail, they would have needed to have a special stamp to put on to indicate that they had been paid.

Over the years, with different products coming on stream and the rise of bulk and barcoded mail, the number of letters with envelopes has dropped off dramatically. Across the nation, only about 7½ per cent of mail posted have stamps and require cancellation. That proportion varies

dramatically depending on where you are. For example, that percentage would be more typical of a metropolitan area. In more remote areas, because there is not so much bulk post locally, that percentage would be higher. I am just saying that postmarking is something that is going out over time. Even when we were postmarking large quantities of mail there were some articles that were posted through street posting boxes or over the counter that did not require postmarking. It is the same today when we postmark. Business reply paid is one of those categories, along with mail being returned to the sender.

We have a policy of putting a processing mark on an article wherever it is possible, appropriate and cost effective, because it can help in future diagnostics and understanding what may have happened to letters. We have done that for as long as I have been in the game, which is quite a few years, and to this day we still do that as best we can. There is no requirement for us to date stamp a business reply article. But our process says that as long as it is practical we will put a date stamp either on the front or, more traditionally, on the back. When postmarking was done by hand, the postmark would traditionally be on the back. To this day we still replicate that process with our machines. Wherever an article goes through a machine, whether it has a stamp or not, we put a processing mark on that envelope. The reason we can do that is that we have high-speed inkjet printers attached to our processing machines that spray on a mark. We do that as much as we can and in as many places as we can. In the case of Jundah, we would only be looking at cancelling the locally posted mail because that is distributed. It would be much more cost-effective to send the rest to a larger centre which has some machine assistance to do that.

CHAIR—The question that Mr Pickering posed—Mr Franzi could answer this—seems to indicate that some of this mail that we are talking about might be in the other category and not have had a stamp put on it. Is that right or wrong?

Mr Franzi—That is right.

CHAIR—So it would have been included in the count because there would have just been dates on it.

Mr Franzi—I will give you a copy of a test letter which was provided to us from the AEC for postal voters. You will notice there is no stamp attached to the letter but it has the reply paid stamp that Tim is talking about. Compare that to a normal stamped envelope. You can see the cancellation mark, a hand cancellation mark, on a normal stamp. Basically that prevents the stamp being reused.

CHAIR—Put that to one side, the one you have just shown us plus the one you are about to show us—

Mr Franzi—What Don was talking about was the machine mark or the processing mark that occurs on an envelope. That has come through a sorting machine which has sprayed on a processing date and time, but that is purely the time it was processed, not the time it was first received at Australia Post, as the couple of examples that I worked though indicate. That would not occur until it hit the processing facility. There are large numbers of examples of letters that do not receive a postmark at all.

CHAIR—But there are still those that received a processing date after the cut-off that were lodged before the cut-off date.

Mr Franzi—Correct.

Mr BRUCE SCOTT—Some postal votes could come through like that without a mark on them.

Mr Franzi—Exactly.

Mr SULLIVAN—So that one is accepted—

Mr Franzi—That one is accepted under the legislation. This one—

Mr SULLIVAN—Would not be if it was after, irrespective of when you were supposed to—

Mr Franzi—Let's assume that is a Sunday night.

Mr BRUCE SCOTT—Can I get that clear, Chair?

CHAIR—I thought it was clear.

Mr BRUCE SCOTT—That one on the right could be a postal vote coming back, with no mark, and is accepted after the date?

Mr Campbell—If the witness's date is on or before the polling date.

Mr BRUCE SCOTT—And this one here that has come out of Jundah and has been postmarked in Rockhampton on the Wednesday, is not, notwithstanding the witness inside?

Mr Campbell—Absolutely. Chair, perhaps I can give the figure that Mr Scott asked for.

CHAIR—Sure.

Mr Campbell—The postal vote certificates that we received and that were rejected because of timeliness numbered 4,729.

Mr BRUCE SCOTT—Around Australia?

Mr Campbell—Yes. Perhaps we could find out for you how many of those were received after the 13th day, because there would be a proportion of those that were received after the two weeks, particularly from people who were overseas.

Mr MORRISON—Perhaps we could find out what proportion of those came from rural areas.

Mr Campbell—We could give it to you by division, but not immediately.

Mr MORRISON—I think, broadly, the rural-metro mix.

Mr Campbell—Perhaps it would be better if I give it to you by division.

Mr BRUCE SCOTT—Sure. By division would be useful, particularly where you have very sensitive electorates, if I can put it that way.

CHAIR—We will get it by division as a supplementary; that is not a problem.

Mr DANBY—Can the AEC advise us of how many electors were disenfranchised by the 6 pm deadline on the Thursday night?

Mr Campbell—Can we clarify the question first, Mr Danby? Are you talking about the number of people who came in after six o'clock on the Thursday night who did not get to vote by one means or another?

Mr DANBY—No; I am talking about people who missed receiving a postal vote because of the deadline when their first action was to ask for a postal vote. Do we have any idea of how many there were between the Thursday night and the Saturday?

Mr Orr—Our policy would have been that if people applied for a postal vote after 6 pm it could not be accepted. But, wherever we could, our policy was to try to contact the elector to let them know it was too late to post and to try to give them alternative voting options.

CHAIR—Such as prepolling?

Mr Orr—Or from a static polling booth, yes.

Mr DANBY—So you would open up those applications that were received on the Friday, ring the people and tell them their options?

Mr Orr—That was what our policy was, yes—trying to let them know that they were too late so they would not be waiting for it.

Mr DANBY—Were there any complaints as a result of that process?

Mr Orr—I am not aware of any specifically, but there may well have been some at local levels.

Mr MORRISON—Can I just come back to this issue of the lags and the processing marks. If I have understood it rightly, what you are saying is that the processing marks or the postmarks would be subject to the same lag.

Mr Franzi—Correct.

Mr MORRISON—So moving from one to the other really is not going to make much difference?

Mr Franzi—No.

Mr MORRISON—Coming back to this issue of the certainty with which you can identify these lags, are those lags consistent across most rural areas or are they two days for one centre, four days for another and one day for another?

Mr Franzi—They would vary vastly according to the centre and catchment that is being serviced.

Mr Newman—Mr Morrison, we deliberately chose Jundah because it has only two dispatches a week. Most towns not quite as remote as Jundah would have dispatches five times a week. We deliberately chose an extreme case, one case in the middle and then the metropolitan case, which still has some issues.

Mr MORRISON—I accept your point about changing training methods for a particular situation, but companies do that. Your own company does that for special events and various other things that come through from time to time. I must admit, while I may not be as old-fashioned as the chairman—

CHAIR—That's because you're younger!

Mr MORRISON—I certainly express the same sense of frustration that, when the contractor picks up the bag, there simply cannot be a stamp. Am I completely missing the point here? Why can't there be some way of date stamping these if we know where the problems are? You would know where all the problems are. You would know where you are going to have lags of greater than a day. Is that fair?

Mr Newman—We would just keep in mind that problems can occur in metropolitan areas, but if we are talking about rural and remote areas we would be able to identify those that are under the greatest threat—that is correct.

Mr MORRISON—So it would be possible, therefore, to develop some form of scheme, some form of date stamping—and I understand that postmarking is used for revenue protection purposes and has nothing to do with the Electoral Act and all those sorts of things. If, under the Commonwealth Electoral Act, Australia Post were actually required in certain places to apply these sorts of marks, that is something that Australia Post could set its mind to.

Mr Newman—We would need to set our mind to that because we would have to assess the issue of how we could comply and do it to the level of quality that you would expect. That is the issue.

Mr MORRISON—On that level of quality, at the moment we do not have a level of quality because it is not being stamped at all and these people are not getting their votes through.

CHAIR—It is being stamped—late.

Mr MORRISON—That is true, Senator.

Mr SULLIVAN—Let's not look at Jundah, which is the extreme end. Let's look at Longreach. Clearance is at four o'clock Monday to Friday. The last clearance on an election week is 26 hours prior to the time that somebody is entitled to cast their vote. The only way you could solve it is if every postal slot in the country had a little cruncher that date stamped every item that went through that slot. That is the only way that you could do it. I think there are 15,000 red boxes, not to mention all of the other slots that Australia Post uses.

Mr Franzi—Correct.

Mr SULLIVAN—I just cannot see how this can be solved by making it an Australia Post problem. My view, quite clearly, is that it is not an Australia Post problem. This committee made a recommendation subsequent to the 2004 election that we would take peoples' word on the time that they sign that declaration inside the ballot. I mean, 4,729 people attempted to vote and did not get a vote, and I think that that is disgraceful.

Mr Campbell—To add to that, I was checking another figure and I want to clarify what I said. The 4,729 are those that were received within 13 days after polling day but were postmarked or witnessed after polling day—because we have a small number that get witnessed after polling day.

CHAIR—So you do not have a figure for those that were witnessed pre polling day but postmarked post polling day.

Mr SULLIVAN—They are not opened.

Mr Campbell—Probably not, because we do not know. But the number that are witnessed after polling day is very small—it is a handful. The number of those that came in after 13 days—I said that I thought they were included in that 4,700 and they are not—is an additional 2,725.

Mr BRUCE SCOTT—These postal votes came in after 13 days.

Mr Campbell—A number of those would be overseas ones.

Mr BRUCE SCOTT—I found an elector the other day in a remote part of my electorate who received her ballot papers a week after the close of polls. She could have voted—

CHAIR—No system is perfect.

Mr MORRISON—To pick up Mr Sullivan's point and to think about it from an AEC perspective, I remain concerned that we do not expose our system to a scenario where there is a close result on election night in a particular election and then all of a sudden a burst of postal votes seem to find their way into the system on the Sunday or conveniently timed prior to 6 o'clock on Friday afternoon. In how those votes are then received, if there were any sort of follow-up with the Court of Disputed Returns, I would be keen to ensure that we could identify where these ballots had been posted from. For example, if these late ballots had all sort of appeared in outer Western Sydney or any outer metropolitan area in any capital city where we know that it does not take three days for these things to get through, you would, through that process, be able to work back and question the integrity of those votes. Do you know where I am

coming from? I am just trying to work out what evidence trail there would be to protect the system from abuses that would result from Mr Sullivan's suggestion.

Mr Orr—The declaration envelopes are retained for a period of time, traditionally at least six months after an election.

Mr MORRISON—And they are kept with the vote?

Mr Orr—No, the votes are kept separate because it is a secret ballot.

Mr MORRISON—Of course, yes.

Mr Orr—They are separated once they are admitted, but these are rejected. We are talking about the rejected ones. They are rejected unopened. The ballot paper stays within the envelope and they are rejected. On the basis that you could read and understand an imprint, with appropriate advice from Australia Post, it might tell us where and when it was processed, but apart from that—that is, when it was actually lodged with Australia Post—there would be no evidence to suggest that.

Mr MORRISON—So we would not know it had come from one of these outlying centres, three days later turns up at a regional centre?

Mr Orr—I guess it would come down to the fact on each of these—if somehow that mark or whatever it might be could be interpreted by someone in Australia Post, that might give you some information, but how that would then lead to making a judgement on whether the person did complete it beforehand or not, I am not quite sure. It is a case-by-case situation.

Mr MORRISON—These postmarks are unable to tell us where the mail originally came from?

Mr Franzi—It would tell you where the mail was processed.

Mr MORRISON—Which could be three days away from where it was actually picked up.

Mr Franzi—That is correct.

Mr Orr—Or is step four. I will tell you what step four is.

CHAIR—We can come back to these issues—

Mr SULLIVAN—Sorry, Mr Chairman, but Mr Morrison raised the spectre of an electoral rort through the late return of postal ballot papers. Surely in order for that to occur that would require an element of preplanning. Somebody would have to be sitting there with a pile of ballot papers ready to return them in case the election got close. My view is that if somebody was using that system to rort an election, why wouldn't they return them in good time? Why would they sit and wait until they saw the closeness of the outcome to return them?

Mr MORRISON—It is called getting out to vote after the cut-off of rolls of people who may not have got around to doing it beforehand. I do not think we should be naive about these things.

Mr BRUCE SCOTT—Mr Chairman, I think Mr Campbell is also going to give us a divisional breakdown of those postal votes. That is on notice.

CHAIR—I put my concerns earlier. I am not going to repeat them, but I think it is worth summarising them. My concern is: if there are voters who are acting in a legitimate fashion and lodging their postal votes within the relevant period, then we have to do everything we can to make their vote count. I am not about scapegoating organisations or whatever. I am worried about a national election where we have had on a number of occasions very small majorities and all you need to be disadvantaged, be it from one side or the other, is because of a postmark. All hell will break loose. What I am asking at this stage is that consideration be given. You have heard the evidence today; you know what our concerns are. I am interested if there is some way of tweaking existing practices or highlighting where problems are that we can resolve it.

There was a recommendation of the last committee to take off postmarking. I must say I am not a fan of that because it is the independence and integrity of the Electoral Commission and it is the independence and integrity of Australia Post that give credibility to the results. I have been around long enough to know not to rely on certain signatures or dates on either side of politics. I do not want to open that up, but you know where we are coming from. I know where you are coming from, and I would appreciate it if you could—and you know in your systems in Australia Post where the problems might be. I must say, as one who has been an avid practitioner of politics and being involved in the process, this is the first time I have ever heard of people being disenfranchised who might have lodged their postal vote application within the system the Wednesday before the election. I always knew there were problems in the last day or so, but I did not appreciate that. That is not laying blame. I appreciate the honesty of Australia Post coming to us and telling us how it is because we do not want to live in a fool's paradise.

Mr BRUCE SCOTT—Is it possible to get the numbers of remote postal—in rural Australia, the number of Jundah situations? They obviously go—the first central one is Longreach and then you might have Mt Isa and there are 20 or 30 post offices outside of that. Are we dealing with small numbers or are we dealing with a fairly large number across Australia?

Mr Newman—If I could just summarise to make sure I have got that right, it would be those centres—

Mr BRUCE SCOTT—The first secondary receivers.

Mr Newman—That is right. They dispatch the mail for onward processing to a larger provincial centre. They may have a service on fewer than five days a week and they would technically be reasonably remote. I am fairly certain we could get that list together.

Mr Franzi—The only thing I might add to that is that we did some analysis with the AEC around one- and two-day-a-week voters in terms of the actual application process. Off the top of my head, to give an indication, I think the number of individuals is around 5,000.

Mr Newman—But I think we are talking about communities that are not on mail services. I think that had to do with mail services. We are now talking about communities that may have outward dispatch to the processing office on fewer than five days and slight variations around the Jundah circumstances.

Mr BRUCE SCOTT—Yes. These are the postal primary receiving agency or whatever.

Mr Newman—We could research that.

Mr SULLIVAN—Would there be anywhere worse than Jundah in terms of time taken to get to a processing facility?

Mr BRUCE SCOTT—There would be.

Mr Campbell—Australia Post and the Antarctica—

CHAIR—We can get a supplementary submission from Australia Post. They know these areas; they know what the mail service thing is. We would appreciate knowing the extent of the problem and whether it is a large number.

Mr Newman—There are a number of population communities that are very remote and they typically are serviced by RASS. Whether they are worse or not, they are really remote areas.

Mr SULLIVAN—Is there a time that we could say with certainty after the Friday every item had gone through a processing facility?

CHAIR—Yes, by Wednesday of the next week or whatever. We could sit here and speculate. I do not want to speculate. Australia Post are on notice that we would like this information so we can deal in evidence and facts. We have got an example. I am not trying to stop you, Mr Sullivan. It is a very valid point. But let us wait until we get the material back from Australia Post. If we need to further do it, we can. I was interested in the Antarctic. I am interested in where there are other problems. Some we are not going to be able to fix, others we might be able to fix and others will require policy changes. I want to know the extent of it. Mr Sullivan is right, but let us come back to it.

Mr Campbell—The reason that I raised the Antarctic is that I think there is a point to be made. The elector in the Antarctic agrees to a person actually seeing their vote in our Tasmanian office. For someone who is really remote but has access to a fax machine, I do not know whether the committee wants to think about some provision like that—

CHAIR—When we see the potential numbers and the number of centres that it applies to. I have heard the problem but if it is a widespread problem it requires different solutions.

Mr Campbell—Even the Antarctic is an isolated problem, but in a sense because of its remoteness—

CHAIR—It has got a special solution.

Mr Campbell—But the solution is that the voter agrees that a person in our Tasmanian office—they would take no notice at all—sees their vote.

Mr MORRISON—While we are flagging options on this, do you think it is completely out of the ballpark to consider whether people in remote areas can somehow register as some form of electronic voter, through some secure intranet arrangement?

Mr BRUCE SCOTT—The same way as you apply for a postal vote.

Mr MORRISON—I do not know the technicalities of it.

Mr Campbell—As you know, the exercise we used last year was through the Defence thing. You would have to have something as secure as that. So the answer would be that technically they could do it, but I would not think they could have it as secure as the Defence intranet.

CHAIR—Let us have a look at the extent of the problem. We are a big landmass. That is the other point I want to make. It is unrealistic to expect that Australia Post can—

Mr BRUCE SCOTT—Mr Sullivan has just posed a very simple proposition: what about if those postal votes from agencies like Jundah were returned to the presiding officer at the booth?

Mr Orr—Postal votes are handed in on polling day. It happens across the country now. So that is certainly feasible, but then they are relying on somebody else.

Mr Campbell—I think the suggestion that was being made was that the postal contractor in Jundah, instead of sending it on to Longreach or wherever, waltzes around on Saturday morning and hands it to the OIC at the local polling booth.

Mr BRUCE SCOTT—That is if the AEC has not shut the polling booth.

CHAIR—I am not interested in solutions until I know the problem and the extent of the problem. I think that is fair. We can think outside the square. I have every confidence in Australia Post and the Electoral Commission and the committee.

I do not think there is any need to go into the second topic, because we have really been talking about that anyway. We have wrapped the two together. So we are nearly back on time. The third topic is the intent of and the continued relevance of section 387 of the Commonwealth Electoral Act, which provides for electoral matters to be sent free by post. It says:

All electoral papers provided for by this Act may be transmitted through the post free ...

And it goes on. I assume—tell me if I am wrong—that that really means Electoral Commission material, official material. Or am I reading it wrong?

Mr Campbell—There is no explanatory memorandum going back to those days. We think it is not what we send out. This could be subject to argument, but we think it is not what we, the electoral agency—in those days it was a department—send out but what the voters send back to us.

CHAIR—Oh, okay.

Mr Campbell—That is what we think it is, but it is going back and trying to recreate it. Our legal people have done it. If I could just read a paragraph:

However, it is apparent that the clear intention of the parliament in 1902 was that postage from voters to the electoral department of matters directly connected with elections should be free but that postage from the electoral department should be subject to a charge that would be met by the Commonwealth.

CHAIR—Has anyone got any disagreement with that?

Mr MORRISON—No, but we could sort out your efficiency dividend problems if we looked at it the other way!

Mr Staunton—I too have had a look at this section and I have searched in vain for the explanatory memorandum, which I do not think was in vogue back in 1918.

CHAIR—They did things a bit different then.

Mr Staunton—The view that Australia Post takes of the section is slightly different to that of the AEC. The view we take is that the section seeks to say that materials dispatched to an elector in the nature of electoral papers should be dispatched free of charge but, whilst the current practice is that the papers are also returned from the elector free of charge, we do not see that reflected in this clause. We think that that is perhaps something that could be clarified.

CHAIR—Could you just repeat the latter part?

Mr Staunton—We see the clause saying that materials in the nature of electoral papers sent to an elector should be sent free of charge. We do not see this clause clearly saying that the papers coming back from the elector should be free of charge.

CHAIR—So yours is the reverse view.

Mr Staunton—It is the practice that the elector sends papers back free of charge through the business reply paid agreement, but we do not see that being provided for in this section. We think that that is an element that could perhaps be clarified.

Mr Campbell—Can we clarify this a bit. It is free of charge to the elector but not to us.

CHAIR—But he is telling us that their legal advice is that it should be free of charge to you. That is what I am reading.

Mr Staunton—No. I am not saying that. I am saying simply that this section does not provide, in my view, for the elector to be able to send material back free of charge, even though that is the well-established and accepted practice.

CHAIR—What do you say it provides for?

Mr Staunton—For the delivery of electoral papers to the elector free of charge to the elector.

CHAIR—Free of charge to the elector but not necessarily to the provider.

Mr Staunton—Not without cost. That is a point that I believe could be clarified.

CHAIR—In other words, if electoral material was sent to the elector it is the provider that has to bear the cost; Australia Post cannot charge the elector.

Mr Staunton—Correct.

CHAIR—But you also do not see that the elector is entitled to send stuff back free of charge.

Mr BRUCE SCOTT—There are so many retail post offices today; have they got to handle this mail free of charge or do they get a fee? What effect does it have on the small business?

Mr Newman—Can you repeat the question, please?

Mr BRUCE SCOTT—If all this mail goes free, what effect does that have on the small retail post office, where they are paid to handle mail?

Mr Staunton—It does not go free in the sense of passing through our network without cost. There is a cost borne; however, it is borne not by the elector but by the commission.

Mr BRUCE SCOTT—But does the Jundah Post Office receive a source of revenue for the business? They are handling all this mail.

Mr Newman—It has no effect on his remuneration arrangements. He gets paid on the basis of the number and volume of letters, so it would have no effect whatsoever.

Mr SULLIVAN—To clarify, does somebody—not the elector—pay for every item that is transmitted via Australia Post? I assume the commission pays Australia Post for the reply and for sending the stuff out.

Mr Newman—Correct.

Mr SULLIVAN—Section 387 of the electoral act simply says that the commission must pick up the cost of material being sent back to it in election time—that is all it is really saying.

Mr MORRISON—In the legal advice on this matter obtained by Australia Post, the AEC and others who have done this, has this matter ever been adjudicated on?

Mr Orr—Not that we are aware of.

CHAIR—If it is a 1918 provision, how do the regulations in force under the Postal Services Act 1975 come into the section?

Mr Staunton—I can assist you with that. The original language of the section referred simply to postal regulations. Conjunctional with the introduction of the Postal Services Act 1975 there was an amendment made to the language simply to try to bring it up to date.

CHAIR—Is there anything in the regulations that impacts on the section that we need to know?

Mr Staunton—No. The initial reference to postal regulations and the subsequent reference to regulations under the Postal Services Act are simply to say that this electoral material, the electoral paper, should be carried subject to all of the usual Australia Post rules and regulations in terms of delivery, lodgement, processing and what have you.

Mr Campbell—The AEC handles all of this as business reply post. We pay for it. We have to go back in history to see why, but from 1902 we have accepted responsibility and paid for them to send their—

Mr MORRISON—You pay for the postage to the elector?

Mr Campbell—That is right, and for when they repost it. When they send the PVC back to us—

Mr MORRISON—I understand that, but section 387 of the Electoral Act says:

All electoral papers provided for by this Act may be transmitted through the post free of charge to any elector or person claiming to be an elector ...

I do not know if I need an explanatory memorandum to work that out.

CHAIR—It is not for us to decide—it is a matter for the commission if they accept that that is the point of view. I am not here giving legal advice to anyone. You have your practices and that is how you have interpreted your existing practices, so I do not think it is a matter for us.

Mr Campbell—We get funded for it.

CHAIR—So the Commonwealth pays for it.

Mr MORRISON—Did business reply paid exist in 1918, by the way?

Mr Campbell—It was all very much more complex then. Indeed, I think the postal system was run through the state governments in those days. It was very complex and very different.

Mr BRUCE SCOTT—The Postmaster-General's Department came in at some time. Can I ask a question related to Australia Post while they are here with us?

CHAIR—A question related to what? We are here for a particular purpose.

Mr BRUCE SCOTT—The distribution of mail during election times.

CHAIR—We are going to come to that in the next section. The next section is open and that is when we will come to it. We have not finished yet.

Mr BRUCE SCOTT—I have to go.

CHAIR—I will come to you. You know I always look after you. The agrarian socialists will all be looked after by me!

Mr BRUCE SCOTT—I do not know about that. You are talking a lot from the chair.

CHAIR—I do not ask many questions. If you actually look at the record you will see that you have done very well.

Mr BRUCE SCOTT—I do look at the record.

CHAIR—Because you have time constraints, I want to move a motion in advance so we can go into subcommittee. The subcommittee will include Mr Morrison and me. There being no objection, it is so resolved.

The next section is to do with the situation where during an election candidates often note that there are significant delays in electors receiving mail. Often it is necessary to use direct mail to send materials to the electors so they receive it in a timely manner. I propose for us to have a discussion on that. There is the question of whether it is possible for Australia Post to identify election mail and ensure that it receives the appropriate priority. We will ask some questions on that shortly.

Mr MORRISON—I understand that Australia Post does provide priority. That has always been my experience with election mail.

Mr Jobling—During election periods we do establish various coordinating teams in each state to provide advice and information to all candidates and campaign managers et cetera about our services that we have. Also operationally within some of our facilities, for the unaddressed mail service, we identify that mail with a blue label to identify it to our processing staff.

Mr MORRISON—That is a very important provision. If the only way you can reliably talk to electors during the course of a campaign is through addressed mail then frankly the difference is tens of thousands of dollars for an electorate. One of the other terms of reference for this committee is issues relating to fundraising. One of the most spiralling areas of campaign costs is in the area of direct mail. I would strongly suggest that ensuring that Australia Post continues to have arrangements which help candidates from all sides to talk to their electors without having to default to the direct mail option is important for not only getting that message out but also it keeps the costs of elections down, and if elections cost less then political parties have to ask for less money.

Mr BRUCE SCOTT—My question follows on from Mr Morrison. It has been brought to my attention during a number of elections that if the mail is addressed to the householder then you have to book that ahead. Woolworths or Coles have to book ahead. If the election is called on a Monday, for example, and you have not pre-empted a mail-out to the householder, it has been

brought to my attention that it will not happen for two weeks. Is that true—for all election candidates, no particular party?

Mr Jobling—Booking of unaddressed mail helps us manage the load within the network so it is important that they are booked in advance. Normally for organisations like Coles et cetera they need to book three weeks in advance. For election periods, specifically, we reduce that time to two weeks for political parties so they can book two weeks in advance of the expected delivery date.

I would like to clarify something about direct mail, unaddressed mail and addressed mail. It is probably about picking the right service to be fit for purpose. If you try to have a targeted delivery date then obviously addressed mail is best. It is governed by our delivery standards of our service commitments and is externally monitored. And we have done very well for a period of time. When the June 2008 financial year ended 98 per cent of bulk mail was delivered on time. Unaddressed mail gives us a delivery window, which means that any day between Monday to Friday that unaddressed mail piece may be delivered—not necessarily on a particular day. So if you are trying to coordinate your campaign with other activities addressed mail will give you certainty of delivery above and beyond unaddressed mail.

Mr BRUCE SCOTT—But, to follow on from Mr Morrison's point about reducing the cost to candidates or political parties, no-one really knows except the Prime Minister of the day when an election will be called. If you have to wait two weeks for householder mail to be delivered or accepted for delivery and you have a five-week campaign, that householder mail is just not going to be delivered unless it is accepted as political material. In state elections, like we have seen in the Northern Territory, it can be three weeks. Queensland is often in that category. I understand the workload, but it is just one of those things. And with a great monopoly on delivery of mail in rural Australia, Australia Post has a very privileged position.

Mr Jobling—The other action that does take place in the weeks leading up to an election period numerous parties start to take rolling bookings—they start to block out periods of time and then they roll forward. Without being too precious about it, that creates a bit of an administrative burden on Post—

Mr BRUCE SCOTT—It would, yes.

Mr Jobling—managing these bookings that do not arrive, but also the ones that do arrive. So, on that aspect, unless everybody is going to book them on the day the election is called, we are going to have these rolling bookings and that is how it is managed.

Mr BRUCE SCOTT—Take the snap election in Western Australia recently.

CHAIR—I will let Mr Scott go on, but I will come back to you on that, Mr Jobling, because I do not know that that solves the problems, even on what you have said.

Mr BRUCE SCOTT—If we take the Western Australian election, a few people might have known that they should start to do their bookings because this is a possibility. It does create havoc for Australia Post.

CHAIR—Do you have any questions?

Mr BRUCE SCOTT—Yes, I do. It does create havoc for Australia Post. Is there a solution to this? Is Australia Post considering political material for all candidates so that two-week window for householder mail will be reduced?

CHAIR—We will follow that up, even in your absence. I have some questions along those lines.

Mr BRUCE SCOTT—I will hang around for five more minutes.

Mr SULLIVAN—It has come to my attention recently with some stuff that I am doing now that Australia Post, at least in my neck of the woods, will now either deliver to whole suburbs or they will not. That creates a situation when boundaries for urban seats do not necessarily include whole suburbs. So we then have a situation—and I am talking about unaddressed stuff here, of course—of not being able to use Australia Post. It is not the cheapest of the unaddressed mail providers—you are supposed to put envelopes through Australia Post—but it is the most efficient in that your material does not turn up wrapped in an envelope with 27 other items that people put straight in their bin. The alternative is that we are sending material to people who are not in that electorate, which always creates a raft of letters to editors asking: ‘Don’t people know where their electorates are?’ What is the problem in relation to electoral material, particularly in an electoral period, with actually creating the delivery area within the electorate?

Mr Jobling—During an election period Australia Post does make all reasonable efforts to deliver election material within electoral boundaries, which is inconsistent with our standard practices for our unaddressed mail services, which are aligned to postal rounds. And it is very difficult for our postal delivery officers to know exactly where boundaries may start and stop, but they do make all reasonable efforts to deliver it within electoral boundaries during election periods.

Mr Franzi—The normal unaddressed mail service is—you are correct—to a postcode.

Mr SULLIVAN—To a postcode or to a suburb?

Mr Franzi—To a postcode.

CHAIR—Not necessarily—

Mr Jobling—Just for clarification on that, you—

Mr SULLIVAN—I think we might need clarification because we have a number of suburbs with the one postcode.

Mr Jobling—Just for clarification, there are options within the service where you may be able to use the select service, which can do rounds, and then you can do postcodes or events like that. The building block is the postal delivery round in our standard operating processes.

CHAIR—It is actually more than that. I have been a member for 18½ years. I do not use organisations other than Australia Post whenever there is a redistribution. As I understand it, other local offices use them as well. It has become more difficult as electorates have diminished and suburbs have been cut in half because statistics become an important part. We have had some problems on the periphery, but the way we do it—and we do it well before an election—is, when a boundary is determined, to organise for Australia Post officials to have the boundary maps. They then know in terms of the material that I produce, which is out on a regular basis, that it is to do with those rounds. I think they are quite conversant before an election is held. That is what I have found in recent years. I have no complaints with the local Australia Post offices; I think they are terrific. Occasionally there are some hiccups but that is part of the system.

Mr Franzi—There is a lot of operational work leading up to an election to educate posties at the individual round level on where their boundaries are.

CHAIR—Yes, but accidents have happened.

Mr Franzi—There is difficulty when you are speaking of an individual postal round in that one side of a street might belong in Kooyong and the other side might belong in another electorate. It is very difficult as a postie to make that break, but we do make every best endeavour.

Mr BRUCE SCOTT—That applies to rural Australia too. I have mail runs coming out of towns which are a postcode on the AEC electoral roll, and you have to actually go around and identify those; otherwise, those people will not get your mail.

CHAIR—If there is a redistribution and you go into that area, they will know all about you, Bruce!

Mr BRUCE SCOTT—But it is common across Australia—urban and rural and remote. Jundah is actually out of the Longreach postcode.

Mr SULLIVAN—I think I just have to sit down locally and work out what the rounds are.

CHAIR—As I said, I have a lot of time for the locals. They are doing the best they can. The problem is that you get changes of personnel. I say this upfront on behalf of my staff: where there is a change of personnel it takes a while for people to adjust. You work out a system, you bundle up the mail and you go and deliver—this is pre-election I am talking about—and it works well. It just seems to me that when there are new personnel there can be some hiccups. I like giving all my service to Australia Post—and it is worth thousands of dollars. I do not apologise for knocking back private deliverers—and I am not saying they do not deliver a service.

Where I have a disagreement with you, Mr Jobling, is in terms of the election period. You are right about rolling bookings, but at the same time you talk about reducing that window from three weeks to two weeks. I am looking at the situation from an opposition point of view, because we have just come out of 11½ years in opposition. In the 2000 election those of us in opposition as incumbents got slaughtered by the then government because they knew when the election period was and all their postal votes got out. Those of us who had general postal vote

applications did not get them out for 10 days. Even though they were in mail delivery centres well in advance, we did not know when the election was going to be held. I am not being critical of Australia Post for that; I am talking about politics and Australia Post being cognisant of it. I am not seeking advantage for Labor or Liberal; I just want a fair playing field for everyone.

What I had to do this time was to direct mail to the whole of my electorate at a cost of \$22,000 as against \$4,000. I am not complaining, but if I get done over once that is the only chance you get; I will not get done over a second time. It seems to me that, for new candidates or people in opposition or for a whole range of reasons—and also as a revenue thing, Mr Newman, for Australia Post—the election period is a period when special rules need to operate, but not to the disadvantage of the general public. These are all paying items and I want to see Australia Post make a quid out of it, but I also want to see it staffed efficiently. My staff tell me that in 2004, I think it was, there was someone in a coordinating role that they could talk to and that it worked terrifically. My suggestion is that it would help if each electorate had a coordinator they could go to—perhaps not one per electorate. Part of the problem comes from the internals of Australia Post because of staff turnover—and you were talking earlier about postmarking.

Mr Jobling—That opportunity for parties or people to speak directly with Australia Post from time to time is available. But, particularly during an election, we have dedicated unaddressed mail coordinators in each state to help facilitate the bookings.

CHAIR—That is a recent thing, though—isn't it?

Mr Jobling—We introduced it in 2007 and it worked very well. It was probably prototyped in 2004.

CHAIR—There was a prototype which—

Mr Jobling—There has been constant evolution. I just want to correct some of the things that have been said. For an application for a postal vote, to try to deliver that in the week immediately after an election has been called, we have established a process which is available for parties to use. It was detailed in our election planning handbook, which was distributed widely to all the major candidates.

CHAIR—But that was in the most recent election, wasn't it?

Mr Jobling—We believe that worked very well.

CHAIR—That was when I went to direct mail. I am not being critical. You are comforting me because what is happening is that obviously Australia Post is evolving its practices as it meets problems. The problem I relayed to you happened in 2004. You have overcome it. That is what I am interested to hear. I am not here to bag Australia Post. I am not here to bag the Electoral Commission. I am here to try to improve stuff. If I am wrong, you tell me I am wrong. I am not precious enough to not be able to be told I am wrong.

Mr Newman—We have gone over the last couple of elections and each election we do it better. Some of the issues that have been discussed by you and Mr Scott are in fact difficult to manage to the point where everyone is satisfied. It is more than just new staff and complexity

and surety; at election time we can come up against issues like capacity, for example. You obviously know about the difficulty of rolling bookings.

CHAIR—It is a problem for everyone.

Mr Newman—Then there is also the issue of the three-week booking versus the two-week booking. There are a lot of other customers who just use that service as a daily or weekly event.

CHAIR—My problem is that I do not want to put local staff in jeopardy. There have been instances where I have lodged material—mainly it has been a postal vote application—and it has been in the post office the month before, on assurances that by doing that they could get it out. But I did not want them breaking the rules.

Mr Newman—I think the last election was the most problem-free one we have gone through. We put additional resources in some areas, opened up capacity constraints and came up with a lot of unique and fairly creative ideas. We had good communication packages with the information booklet to members.

CHAIR—My other concern for you is that we are going to have two redistributions, in Queensland and probably in New South Wales.

Mr Campbell—The data says in both states—which, again, will be next year.

CHAIR—That will mean changed boundaries again for your deliveries, with an extra seat in Queensland and one less seat in New South Wales.

Mr Campbell—We are also doing redistributions in Western Australia, Tasmania and the Northern Territory. The Northern Territory proposal means no change, but Western Australia and Tasmania have substantial changes.

CHAIR—They are the things I am interested to hear about—and what is in place before the event.

Mr Newman—The most difficult ones are the metropolitan areas, of course, where you can get—

CHAIR—Downstream.

Mr Newman—That is exactly right. And how do you balance that when you also have full-rate mail to deliver and a series of unaddressed mail that goes to everybody. It has to be within human capability.

CHAIR—The committee are not unreasonable. We are not here to try and get solutions where there are ongoing problems that cannot be solved. That is life. But what I am interested in is some practical solutions, if what has been put is reasonable. You will get to have a look at the transcript. If there is stuff that you do not want out there, let us know. It seems to me that not a lot of controversial stuff was said.

Mr Newman—I hope the residents of Jundah do not think we are picking on them because of a single example!

Mr SULLIVAN—It is a great example, and it really does show the situation.

CHAIR—What I appreciate is the frankness of the officers. As I said, we are all here for the same cause. I do not have a problem if problems occur. It is about trying to make sure that they do not recur. We had an additional exhibit to authorise for publication.

Mr SULLIVAN—I so move.

CHAIR—There being no objection, it is so ordered. We will not need any resolutions on the evidence. We will send you the draft before we move any resolutions on its publication. If you need to clarify stuff or if you think we have been unfair to you or that something has been misconstrued, just let us know.

Mr Newman—I think it has been an excellent discussion, Chair. Thank you for that.

CHAIR—Thank you. I appreciate that. We are not here to nail you. I respect both organisations. We have never seen anything on the record. We will leave it at that.

Committee adjourned at 12.00 pm