For Press:

Increase in Certain Postal, Telephone and Telegraph Charges from July 1, 1967

Statement by the Acting Postmaster-General, Senator the Hon. Ken Anderson

The Acting Postmaster-General, Senator Ken Anderson, announced that regulations under the provisions of the Post and Telegraph Act had been promulgated today to provide for increases in certain postal, telephone and telegraph charges from July 1, 1967.

These do not include adjustments to internal postage and telegram rates, which will be dealt with by legislation on the resumption of Parliament.

Senator Anderson emphasised that certain telephone and postal charges had historically been varied by regulation since Federation, but in the best traditions Postmasters-General had always given details of these to Parliament and to the public in advance of the introduction of the new rates.

When Mr. Hulme, the Postmaster-General, introduced the Bill to Amend the Post and Telegraph Act to provide changes in Postal and Telegraph rates, he gave full details and reasons to Parliament not only for these, but for those charges which would be varied by regulation.

Mr. Hulme explained at that time that the Post Office as a national business should be expected to pay its way and that it would be wrong to expect taxpayers generally to meet any deficiency between its revenue and its operating expenditure.

The proposed increase in certain charges meant, he said, that the costs of the services provided by the Post Office would more properly be borne by those who use the services.

A growing telecommunications network inevitably means that there is a heavy and rising demand for capital.

Capital is needed not only for the expansion of the network to meet the demands of new telephone customers - it is also needed to provide more facilities and to improve the network to give an effective and economic service for the existing 2,200,000 telephone customers.

The philosophy that the user rather than the general taxpayer should pay for the service provided, has a logical extension in the proposal that existing telephone customers will meet some of the demand for this capital through increased local and trunk call charges in the area where the telephone network is being improved for their benefit.

On the overall scene, Senator Anderson said, the cold hard facts are that the Post Office is not paying its way.
On the postal side the loss this year could be about £18m. and on the present scale of charges, this could grow to £25m. next year.

In the telecommunications area, a small profit might be shown this year, but a loss was inevitable next year if the rates remain unchanged.

Despite increased productivity, the absorption of very large salary and wage increases, brought about by variations to the basic wage and awards, means that the Post Office is at a financial crossroad.

It cannot, and it should not be expected to provide improvements in service or even to maintain existing services if it is not given sufficient funds.

As the Postmaster-General pointed out, the Government does not want the necessary increase in capital and operating expenditure to be solely the burden of the taxpayer.

In the increases proposed to be brought in by regulation telephone users will be charged 4 cents for a local call, instead of 3-1/3 cents. Telephone trunk call rates will be adjusted correspondingly.

There is a slight variation to the trunk rates as announced in Parliament on May 10, 1967. These now provide for uniform three minute rates for all trunk calls, from subscribers' services, irrespective of whether they are booked through an operator or subscriber-dialled: There is no change in the principle that with S.T.D. calls you pay only for the time you speak. A separate schedule of charges, based on 5 cent units, will be required for trunk calls from public telephones. Five cents is the minimum unit fee on public telephones.

These increases in local call and trunk call rates are designed to increase Post Office earnings by about £30m. yearly. They are the first increases in these charges since 1959, apart from a few minor changes to trunk calls when decimal currency was introduced.

On the postal side the regulations would enable the introduction of the new special mail despatch service for highly urgent mail between the business areas of interstate capital cities. This service will allow mail posted soon after the close of business to be available for collection or be delivered early the following morning in all except the most distant capital cities.

The regulations would also cover variations in the commission on money orders, the fees on some postal orders and the charges for philatelic services.

It is estimated that all these changes in the postal area will result in additional annual earnings of about £4m.

Senator Anderson said that the decisions to vary these charges by regulation was in line with what successive governments had done both in practice and as regards their form of presentation to the Parliament and the public.

In the light of current costs, the urgent need to provide capital for improvement and expansion and the premise that the user should pay, they were fully justified.

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