



Australian Citizens Party

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MEDIA RELEASE

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The political crime of removing Christine Holgate over \$20,000 has now cost Australia Post 10,000 times more

Because ALP and Liberals in 2020 contrived a scandal over then-CEO Christine Holgate spending \$20,000 on four Cartier watches two years earlier ([rewarding executives](#) who made the banks pay up for banking services at the post office), they set off a chain of events that yesterday saw Australia Post report a \$200 million loss—10,000 times the cost of the watches.

That is because, post-Holgate, Australia Post appears to be sabotaging its letters delivery service to blame losses on its legislated community services obligations (CSOs), especially letters delivery.

It's trying to force the government to radically alter its CSOs so it can shrink its essential services, rather than fund them properly as Christine Holgate did.

Australia Post 'modernisation' farce

In March, Communications Minister Michele Rowland—who helped to blow up the watches scandal in October 2020—announced a “modernisation” review of Australia Post.

As now-CEO of Team Global Express, Christine Holgate made a 120-page submission to the modernisation review, advocating policy changes consistent with her approach when she was CEO: instead of shrinking the business and cutting services, *grow the business to expand services!*

By contrast, the current Australia Post management's submission was only 20 pages, and only a rehash of an infamous Boston Consulting Group (BCG) review in 2020 that Holgate opposed, which advocated closing post offices, slashing letter delivery frequency, raising stamp prices, and essentially the quasi-privatisation of Australia Post.

Holgate's submission noted that the blame on the falling profitability of AP's letters business is misplaced, as:

- sending letters is still very important, especially to businesses;
- letters revenue has only fallen slightly; but
- AP's large parcels business is growing without growing revenue, which Holgate observed suggests the letters business is actually being used to subsidise the parcels business.

Confirmed!

The Australian Citizens Party's analysis of AusPost's results reported yesterday confirms Holgate was right.

It shows while AP in the first half-year lost \$189.7 million on letters, it still made \$23.6 million profit; however, in the second half letters losses increased by only \$4.7 million to \$194.4 million, yet AP's total loss for the second half was a massive \$223.9 million!

Australia Post is lying—letters did not cause this loss!

Solutions

Christine Holgate is now a competitor to Australia Post's parcels business, but that is not by choice—the politicians forced her out; nevertheless, she is exercising more care for maintaining Australia Post as an essential service than the government and its current management.

Her Team Global Express submission advocated solutions for Australia Post to benefit everybody, including that it open up its “last mile” delivery infrastructure to competitors, and expand financial services, both of which would earn more revenue for Australia Post.

The submission noted:

“The top five countries identified by the UPU [United Postal Union] enable other Domestic Parcel Providers to utilise their Letter Last Mile Infrastructure. By doing so they protect their community service obligations and delivery standards rather than reduce them ... support the viability of their

Community Post Offices ... provide important extra income to subsidise ... letter infrastructure...”

“Four of these five Postal Organisations today offer a broader range of Financial/Banking services than Australia Post does. They use the profits from these services to help subsidise the costs of their letter infrastructure, particularly Community Post Offices.”

ACP Research Director Robert Barwick said today:

“The Australian people are now paying dearly for Labor and the Liberals forcing out the best CEO Australia Post ever had because she upset the banks and opposed BCG’s privatisation plan.

“Once again Australia Post is being sabotaged and it’s the people who are losing essential services.

“The government should follow Christine Holgate’s advice on funding expanded services, including a post office People’s Bank.”

[Click here to sign the Citizens Party’s petition for a post office people’s bank.](#)