



# Australian Citizens Party

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## MEDIA RELEASE

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### **Urgent: Australian Parliament must apply lessons from UK post office scandal to save Australia Post and licensees**

The scandal that has rocked United Kingdom politics following ITV broadcasting the four-part drama *Mr Bates vs. the Post Office* on 1-4 January should concern Australian parliamentarians, as it has a parallel in Australia Post's treatment of small business post office licensees.

*Mr Bates vs. the Post Office* is the true story of how the corporate management of the UK Post Office terrorised thousands of individual post office operators, called sub-postmasters, over 20 years, to maintain corporate profits, bonuses and "reputation".

Starting in 1999 the Post Office rolled out Horizon, a faulty computerised accounting system designed by a subsidiary of Fujitsu, but instead of acknowledging the faults management blamed sub-postmasters for inexplicable accounting shortfalls, which the sub-postmasters were contractually obliged to make up out of their own pockets.

Whenever sub-postmasters called the Horizon helpline, they were always told that no other post offices were having any problems; meanwhile, proving this was a lie, between 1999 and 2015 Post Office management used archaic powers to prosecute more than 700 sub-postmasters for false accounting, fraud and theft, with the government prosecuting almost 300 more.

More than 400 innocent sub-postmasters went to jail, and thousands more suffered everything from loss of livelihoods and homes, bankruptcy, extreme stress, illness, divorce and even suicide.

*Mr Bates vs. the Post Office* dramatises the more than 20-year fight by sub-postmasters for justice led by Alan Bates (played by Toby Jones), who never had any doubts that the fault was in the Horizon software, not wrongdoing by sub-postmasters.

It shows the years of lobbying and investigations that eventually succeeded in having courts overturn convictions, but also the obfuscation, and obstruction of justice, by corporate Post Office management, who earned bonuses by prosecuting and jailing people they knew were innocent.

The miniseries ends with the Courts overturning convictions in 2021, ruling they were an "affront" to justice, but with the victims left uncompensated; however, since it aired in early January, the scandal has dominated British politics, with politicians tripping over themselves to finally ensure the victims receive justice.

It is being called "the widest miscarriage of justice in British history", and the UK government has announced a billion pounds in compensation shared between more than 4,000 out of the UK's 11,500 sub-postmasters.

In Australia, the Licensed Post Office Group (LPO Group), which represents the interests of the small business post office licensees who run 2,850 of Australia's 4,000 post offices, the equivalent of sub-postmasters, see parallels to their mistreatment by Australia Post.

On 11 January, @LPOGroup tweeted in response to the ITV drama:

"Your stories are resonating with Licensees of Australia Post outlets all across Australia. The similarities are chilling..."

The 2021 Senate inquiry into the removal of Christine Holgate as CEO of Australia Post revealed that, while not quite as extreme as sub-postmasters going to jail, Australia's LPOs suffered not dissimilar mistreatment and bullying from Australia Post's corporate management extracting profits and bonuses at the expense of LPOs, driving many into bankruptcy.

Having collectively invested \$3 billion into their small businesses to supply postal services, LPOs were floored to discover that despite representing the government, their businesses were unviable.

In their submissions to the Senate inquiry, LPO Group described their experience of Australia Post corporate policies as "soul destroying", which they said was "bringing the network to its knees as

costs and workloads for licensees rose substantially ... while incomes declined in real terms. The busier we were, the more work we did, the more money we lost. It was akin to modern slavery, with the full knowledge of the Board of Directors, the Shareholder Ministers and the Government of the day. It was unconscionable.”

LPOs despaired for years, ignored by the politicised Australia Post board and successive governments, until Christine Holgate became CEO in 2017 and implemented reforms that made them financially viable and saved Australia Post and its services from privatisation.

Her flagship reform was to require the banks to pay properly to be represented in Bank@Post, resulting in a 2018 deal worth \$220 million that she ensured was shared with LPOs.

Since Holgate’s removal in 2020, however, LPOs report Australia Post’s new corporate management has returned to policies of exploiting LPOs and reducing services, which is undermining postal services and the postal network, but the government is ignoring them.

While the LPOs are Australia Post’s greatest intangible asset, representing a wealth of institutional knowledge from decades of experience in the service, they are at the mercy of new corporate managers brought in from the retail, fast food and banking sectors, with no practical knowledge of supplying postal services and only interested in making profits—and earning bonuses—by cutting essential services and closing post offices.

The UK scandal shows the worst that can happen when profit-driven, corporate managerialism is given power to exploit community-oriented essential services.

The Albanese government should recognise the similarities that LPOs are pointing to here, listen to their concerns, and act with urgency to save essential postal services in Australia.

One idea which LPO Group leaders promoted in testimony to a 1 December 2023 Senate hearing is the establishment of a government-owned postal bank, to both increase competition in the banking system, and generate extra revenue for Australia Post to continue to maintain, not cut, the post office network.

[Click here](#) for the ITVX link to watch *Mr Bates vs. the Post Office* (requires a VPN outside of the UK).

[Click here](#) to watch the ACP’s 2021 *Citizens Insight* interview with LPO Group Executive Director Angela Cramp “The truth about Christine Holgate: She saved Australia Post!”

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