Nobody likes to have to pay more for any goods or service which they must buy and this applies to the services supplied by the Postmaster-General's Department as much as it does to anything else. There has, understandably, been quite an amount of opposition to the new postal, telephone and telegraph charges announced in the recent budget. Some of this opposition has been strongly based, especially so far as bulk postage is concerned.

As a result of the representations made by backbenchers and others modifications were made in the Government's original proposals. Representations on other matters were also made but to no avail. Even though it is an unpopular increase there is much reason in what the Government has done.

For many years the Post Office's expansion has been financed entirely out of ordinary taxation revenue. The Post Office has made no provision for financing the future capital expansion of its Department. In part, at least, these increased charges mean that where expansion has previously been financed through taxation it will now be financed in part by those using the services in the charges they pay for them. For business reasons sound arguments can be given for extending this principle further, but for national reasons I personally don't want to see the position carried too far. There are certain services which the Post Office supplies which can never be self-sufficient. Telephone communications in remote areas provide one example of this. If people in the backblocks were only given a service when there were enough of them to make that service a payable proposition then they would be left without communication much longer than they should be.

Although the Post Office is Australia's greatest business undertaking it is quite true that there is an obligation on the Department to supply services at reasonable cost to the remote and undeveloped parts of this country. In general the Department has done this. Therefore, while the present budget taxes are a small step in putting the Post Office on a business foundation where it will finance some of its own capital expansion. I feel there is a limit to how far this policy can be taken.
Somebody asked me the other day what was the need to increase post office charges when the department made a profit last year. This is only part of the truth. Overall the department made a small profit of £3. or £4 million so far as its trading operations are concerned, but this profit did not take into account the capital involved or the need to provide further capital for the future. Furthermore, it is worth noting that over recent times Post Office charges have not increased proportionately anything like as much as the basic wage.

I hope that the people who are annoyed at certain items in the Postmaster-General's proposals as they affect them will not forget the significance of two most important changes that have been introduced which will greatly benefit the country areas of Australia. Although postage rates have been increased 1d. the airmail surcharge has been abolished and letters will now be carried automatically by the fastest possible means. This is a great step forward and gives to rural areas the same service as applies in the metropolitan areas without extra charge.

Secondly, a completely new national telephone policy will be introduced from 1st May, 1960 when full details are worked out. At the present time any call which involves two exchanges is classed as a trunk call. This is to the great disadvantage of country areas where probably three-quarters of all calls would be trunk ones. Under the new plan several country exchanges will be grouped together into zones and a call anywhere in that zone will be classed as a local call on an untimed basis. Under this policy I hope nearly all rural areas will find their local exchange grouped at their business centre so that calls to the local town, to the baker, butcher and the grocer will be classed as local and not trunk calls.

This greatly improved service will be supplied at a cost of an extra 1d. for local calls which is, of course, also payable in the metropolitan areas. This is a sound step towards placing rural telephone subscribers on the same basis as metropolitan users so far as local calls are concerned. The exact zoned areas
will not be known until the department completes its detailed plans.

The budget proposals concerning the Postmaster-General's Department are a result of two things. First, a desire to place the post office on a business footing. I support this policy with reservations as I have explained.

The second purpose of the budget proposals is to try to give country users a service more like that enjoyed by city users at no extra charge. I support this enthusiastically.