Report 178

Bonn Convention-amendments; Universal Postal Union-amendments

Joint Standing Committee on Treaties
Executive Summary

This report contains the Committee’s views on two treaty actions:

- Amendments to Appendices I and II to the Convention on the Conservation of Migratory Species of Wild Animals; and

The Convention on the Conservation of Migratory Species of Wild Animals (called the Bonn Convention) is a multilateral convention intended to ensure consistent levels of protection of vulnerable migratory species across their entire ranges.

Migratory species that are in need of protection are listed in the Appendices of the Bonn Convention.

Australia is a range state for five of the species added to the Appendices of the Bonn Convention at the Conference of the Parties held in October 2017: the dusky shark; the blue shark; the white spotted wedgefish (known locally as the white spotted guitarfish); the Christmas Island frigatebird and the whaleshark.

Amendments to the Appendices of the Bonn Convention come into effect automatically unless a party to the Convention lodges a reservation.

The National Interest Analysis states that Australia will lodge reservations in relation to the dusky shark, the blue shark and the white-spotted wedgefish, which have been added to Appendix II of the Bonn Convention.

These reservations arise from an inconsistency between the Bonn Convention and the Environment Protection and Biodiversity Conservation Act 1999 (the EPBC Act), which would result in unintended consequences domestically should Australia fail to lodge reservations. The reservations will not prevent Australia from undertaking the necessary conservation measures in relation to these species.
The Committee acknowledges that, absent an appropriate amendment to the EPBC Act, there is no alternative for the Australian Government but to lodge reservations in relation to these species.

Australia will not lodge a reservation to the listing of the Christmas Island frigatebird or the whale shark, which have been included in Appendix I.

The Committee agrees that the treaty action is in the national interest. As the amendments to the Bonn Convention come into effect automatically and Australia’s reservations have already been lodged, the Committee does not need to make a recommendation in relation to this treaty action.

The Universal Postal Union is a specialised agency of the United Nations responsible for formulating and setting the rules for the flow of international mail.

The Australian Government is proposing to ratify the amendments to the Constitution of the Universal Postal Union, the General Regulations, the Universal Postal Convention, the Final Protocol to the Convention, and the Postal Payment Services Agreement and Final Protocol, adopted by the 26th Congress of the Postal Union.

The documents adopted by the 26th Congress of the Postal Union reflect incremental refinement and improvement of the regulatory framework and operations of the international postal system.

The Committee supports the ratification of this treaty action.
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Abbreviations

Bonn Convention  Convention on the Conservation of Migratory Species
CA  Council of Administration
CHF  Swiss Franc
COP  Conference of the Parties
EMS  Express Mail Services
EPBC Act  Environment Protection and Biodiversity Conservation Act 1999
JSCOT  Joint Standing Committee on Treaties
MoU  Memorandum of Understanding
NIA  National Interest Analysis
POC  Postal Operations Council
PPSA  Postal Payment Services Agreement
RIS  Regulation Impact Statement
UN  United Nations
UPU  Universal Postal Union
Members

Chair
Hon Stuart Robert MP

Deputy Chair
Hon Michael Danby MP

Members
Mr John Alexander OAM, MP (*from 12.02.18*)
Senator Slade Brockman
Mr Chris Crewther MP
Senator David Fawcett
Senator Sarah Hanson-Young
Senator the Hon Kristina Keneally (*from 15.02.18*)
Senator Kimberley Kitching
Senator the Hon Ian Macdonald
Mrs Nola Marino MP
Senator Jenny McAllister
Ms Susan Templeman MP
Mr Ross Vasta MP

Mr Andrew Wallace MP

Mr Josh Wilson MP
Committee Secretariat

Ms Julia Morris, Committee Secretary

Dr Narelle McGlusky, Inquiry Secretary
Mr Kevin Bodel, Inquiry Secretary
Ms Cathy Rouland, Office Manager
Terms of Reference

The Resolution of Appointment of the Joint Standing Committee on Treaties allows it to inquire into and report on:

- matters arising from treaties and related National Interest Analyses and proposed treaty actions and related Explanatory Statements presented or deemed to be presented to the Parliament;
- any question relating to a treaty or other international instrument, whether or not negotiated to completion, referred to the committee by:
  - either House of the Parliament, or
  - a Minister; and
  - such other matters as may be referred to the committee by the Minister for Foreign Affairs and on such conditions as the Minister may prescribe.
List of Recommendations

Recommendation 1

1. Introduction

Purpose of the report

1.1 This report contains the Joint Standing Committee on Treaties’ review of the following treaty actions:

- Amendments to Appendices I and II to the Convention on the Conservation of Migratory Species of Wild Animals, (Manila, 28 October 2017); and

1.2 The Committee’s resolution of appointment empowers it to inquire into any treaty action to which Australia has become a signatory, on the treaty being tabled in Parliament.

1.3 Treaties, and matters arising from them, are evaluated to ensure that ratification is in the national interest, and that unintended or negative effects on Australia will not arise.

1.4 Prior to tabling, major treaty actions are subject to a National Interest Analysis (NIA), prepared by the Government. This document considers arguments for and against the treaty and outlines the treaty obligations and any consultations undertaken with State and Territory Governments, Federal and State and Territory agencies, and with industry and non-government organisations.

1.5 A Regulation Impact Statement (RIS) may accompany the NIA. The RIS provides an account of the regulatory impact of the treaty action where adoption of the treaty will involve a change in the regulatory environment.
for Australian business. The treaties examined in this report did not require a RIS.

1.6 Copies of the treaty actions considered in this report and their associated documentation may be obtained from the Committee Secretariat or accessed through the Committee’s website at:

- https://www.aph.gov.au/Parliamentary_Business/Committees/Joint/Treaties/BonnConventionAmendment/Treaty_being_considered; and

**Conduct of the Committee’s review**

1.7 The treaty actions reviewed in this Report were advertised on the Committee’s website from the date of tabling. The Committee received one submission for the inquiry into the Universal Postal Union amendments.

1.8 The Committee held a public hearing into the Acts of the Universal Postal Union adopted by the 26th Congress: Ninth Additional Protocol to the Constitution, First Additional Protocol to the General Regulations, Convention and Final Protocol, and Postal Payment Services Agreement and Final Protocol on 5 February 2018. The Committee determined not to hold a public hearing into the Amendments to Appendices I and II to the Convention on the Conservation of Migratory Species of Wild Animals as, due to the Christmas recess and the sitting pattern, the Committee was unable to consider the proposed amendments before they came into effect.

1.9 The transcript of evidence from the public hearing may be obtained from the Committee Secretariat or access through the Committee’s website. A list of submissions received is at Appendix A. A list of witnesses who appeared at the public hearing is at Appendix B.
2. Bonn Convention-amendments

Introduction

2.1 This Chapter reviews the Amendments to Appendices I and II to the Convention on the Conservation of Migratory Species of Wild Animals. The Amendments were adopted by the 12th Conference of the Parties to the Convention, held in Manila, Philippines, from 23 to 28 October 2017.\(^1\)

2.2 The Convention on the Conservation of Migratory Species (called the Bonn Convention) is a multilateral convention that entered into force in 1983. Australia has been a Party to the Convention since 1 September 1991.\(^2\)

2.3 The Bonn Convention seeks to conserve terrestrial, avian and marine species that migrate across or outside national jurisdictional boundaries.\(^3\) The Convention establishes two categories that define the conservation status of a migratory species: ‘endangered’ for a migratory species that is in danger of extinction throughout all or a significant proportion of the area of land or water that it inhabits (its range), and ‘unfavourable conservation status’ where the requirements for a favourable conservation status are not being met.\(^4\)

2.4 Parties to the Bonn Convention are obliged to:


\(^2\) NIA, para 6.

\(^3\) NIA, para 6.

\(^4\) Convention on the Conservation of Migratory Species of Wild Animals (Bonn, 23 June 1979) (hereafter referred to as the Bonn Convention), Article I.
acknowledge the importance of conserving migratory species and the need to take action to avoid migratory species becoming endangered;\(^5\)
- promote, cooperate and support research relating to migratory species;\(^6\)
- if they are Range States\(^7\) for species listed in Appendix I, endeavour to take specific measures to conserve the species and its habitat, to prevent the adverse effects of activities that impede or prevent migration and, wherever possible, to prevent or minimise factors that endanger the species;\(^8\)
- make the taking of Appendix I species prohibited, subject to limited exceptions;\(^9\) and
- if they are Range States for species included in Appendix II, endeavour to conclude agreements where these would benefit the species and give priority to those species having an unfavourable conservation status.\(^10\)

Amendments to Appendix I and Appendix II

2.5 The Convention includes two Appendices listing the species to which the Convention provisions apply. Appendix I lists migratory species which are endangered and Appendix II lists migratory species which have an unfavourable conservation status. Parties to the Convention must protect migratory species listed on Appendices I and II that live within, or pass through, their jurisdiction.\(^11\)

2.6 Article VII of the Bonn Convention requires a Conference of the Parties (COP) to be held every three years. One of the purposes of the Conference is to agree amendments to the Appendices of the Convention. Under Article XI(5), amendments to the Appendices enter into force automatically for all Parties 90 days after the meeting of the Conference. The amendments agreed at the 12\(^{th}\) COP entered into force automatically on 26 January 2018.\(^12\)

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5 Bonn Convention, Article II.
6 Bonn Convention, Article II.
7 Range States are the parties to the Convention over which a particular migratory species ranges.
8 Bonn Convention, Article III.
9 Bonn Convention, Article III.
10 Bonn Convention, Article IV.
11 NIA, para 2.
12 NIA, para 2.
2.7 Under Article XI(6) any Party may make a reservation with respect to a proposed amendment during the 90 day period.\textsuperscript{13}

2.8 Thirty-four species were added to the Appendices at the 12\textsuperscript{th} COP. Australia is a Range State for five of these species, listed in Table 1.

**Table 2.1 Five species added to the Appendices of the Bonn Convention at the Conference of the Parties held in October 2017 for which Australia is a Range State**

<table>
<thead>
<tr>
<th>Species</th>
<th>Nominated for</th>
</tr>
</thead>
<tbody>
<tr>
<td>Christmas Island Frigatebird</td>
<td>Appendix I</td>
</tr>
<tr>
<td><em>(Frigate andrewsi)</em></td>
<td></td>
</tr>
<tr>
<td>Whale Shark</td>
<td>Appendix I</td>
</tr>
<tr>
<td><em>(Rhincodon typus)</em></td>
<td></td>
</tr>
<tr>
<td>Dusky Shark</td>
<td>Appendix II</td>
</tr>
<tr>
<td><em>(Carcharhinus obscurus)</em></td>
<td></td>
</tr>
<tr>
<td>Blue Shark</td>
<td>Appendix II</td>
</tr>
<tr>
<td><em>(Prionace glauca)</em></td>
<td></td>
</tr>
<tr>
<td>Whitespotted guitarfish</td>
<td>Appendix II</td>
</tr>
<tr>
<td><em>(Rhynchobatus australiae)</em></td>
<td></td>
</tr>
</tbody>
</table>

*Source: Compiled from the National Interest Analysis, paragraphs 3 and 4.*

2.9 Australia will not lodge a reservation to the listing of the Christmas Island frigatebird or the whale shark which have been included in Appendix I. According to the National Interest Analysis (NIA), these treaty actions are in the national interest as they reinforce Australia’s commitment to the international protection and conservation of migratory species.\textsuperscript{14}

2.10 The NIA states that Australia will lodge reservations in relation to the dusky shark, the blue shark and the white-spotted wedgefish, or white-spotted

\textsuperscript{13} Bonn Convention, Article XI(6).

\textsuperscript{14} NIA, para 3.
guitarfish as it is known in Australia, which have been added to Appendix II. The NIA notes that Australia supports conservation efforts for these species and will continue to cooperate in international efforts including through the Memorandum of Understanding on the Conservation of Migratory Sharks to which Australia is a signatory. However, the NIA explains that the purpose of the reservations for these species is to avoid unintended consequences in domestic law that arise automatically upon listing.\(^\text{15}\)

**Amendments for which proposed reservations will be lodged**

2.11 According to the NIA, reservations are required against the dusky shark, the blue shark and the white-spotted guitarfish to avoid enlivening unintended measures under Australia’s domestic law that go beyond Australia’s obligations under the Convention. Reservations are not considered to negate Australia’s support of international action related to these species. The NIA claims that Australia maintains suitable domestic management measures, and will continue to cooperate internationally to promote their conservation.\(^\text{16}\)

2.12 The NIA also points out that Australia is a signatory to the Memorandum of Understanding (MoU) on the Conservation of Migratory Sharks, developed under the Convention.\(^\text{17}\) Relevant species included in Appendix II will automatically be considered for inclusion in that MoU and the NIA says that this will cover the dusky shark, the blue shark and the white-spotted.\(^\text{18}\)

2.13 Inclusion of these species on Appendix II would oblige Australia to ‘endeavour to conclude agreements where these should benefit the species’. However, the NIA argues that once listed on either Appendix to the Convention, under the *Environment Protection and Biodiversity Conservation Act 1999* (the EPBC Act) the Minister is obliged to include that species on the list of migratory species established under that Act. Therefore, once listed as a migratory species under the EPBC Act, irrespective of whether it is listed

\(^{15}\) NIA, para 4.

\(^{16}\) NIA, para 9.

\(^{17}\) NIA, para 4.

\(^{18}\) NIA, para 21.
on Appendix I or II, it becomes an offence under the Act to kill, injure, take or move the species in Commonwealth areas.\(^{19}\)

2.14 As the Committee noted previously in *Report 149*, the provisions of the EPBC Act reflect the protections provided to migratory species listed in Appendix I of the Bonn Convention. In particular this includes the prohibition on the taking of these species except in very limited circumstances. Therefore the listing of these species in Appendix II would automatically result in a prohibition of the taking of these species under the EPBC Act, even though that is not a requirement of the Bonn Convention.\(^{20}\) Thus, the NIA concludes that Australia’s domestic measures go well beyond that required by the Convention for Appendix II listed species.\(^{21}\)

2.15 The NIA indicates that these three species are currently caught in various Australian fisheries, both commercial and recreationally, and are subject to suitable domestic management measures consistent with conservation efforts required for species listed on Appendix II. The NIA states that there are strict management measures in place to manage the recreational take of shark species within Australian waters. Application of the domestic take prohibition to these three species is therefore considered to interfere with appropriately managed commercial and recreational fisheries, beyond what is required by the Convention.\(^{22}\)

**Amendments for which reservations will not be lodged**

2.16 Of the remaining 31 species to be added to the Appendices, Australia is a Range State for only two of them.\(^{23}\) These two species will be added to Appendix I. Species listed on Appendix I are considered endangered and therefore the take prohibition applies. Therefore, the NIA notes that the imposition of the EPBC Act prohibition for these species does not go beyond Australia’s obligations under the Convention.\(^{24}\)

**Implementation**

\(^{19}\) NIA, para 10.


\(^{21}\) NIA, para 10.

\(^{22}\) NIA, para 11.

\(^{23}\) NIA, para 12.

\(^{24}\) NIA, paragraph 12 and 14.
2.17 Under the EPBC Act, species listed on Appendices I or II for which Australia is a Range State must be included on the list of migratory species. The Christmas Island frigatebird and the whale shark added to Appendix I are already listed as migratory species under the EPBC Act.25

Costs

2.18 The NIA does not expect the amendments to impose any additional costs on Australia in terms of meeting its obligations under the Convention.26

Conclusion

2.19 The Committee noted in previous reports that the timing of the COP and the requirements of the Convention make it difficult for it to meaningfully consider any reservations that the Australian Government proposes to make to amendments to Appendix I and II of the Bonn Convention.27

2.20 In this case, the COP took place in October 2017 and the Australian Government had until 26 January 2018 to lodge reservations. The timing, as in the past, meant that the Committee was unable, due to the Christmas recess and the sitting pattern, to consider the proposed reservations before lodgement.

2.21 The Committee acknowledges the timely notice with which the Minister for the Environment and Energy alerted the Committee to the proposed reservations on this occasion. This allowed the Committee to consider the issues and gather further information.

2.22 The Committee encourages the Minister and the Department to continue this practice and provide information regarding proposed reservations in a timely manner to the Committee.

2.23 The Committee acknowledges, as it has done previously, that if these reservations are not made Australian fishers would break the law if they caught a member of these species.

2.24 The Committee reiterates its comments from Report 149, acknowledging that, as the EPBC Act has not been amended, the Government has no alternative

25 NIA, para 20.
26 NIA, para 23.
in these circumstances but to seek a reservation in relation to particular migratory species listed in Appendix II. However, the Committee notes that lodging reservations in this manner has the potential to be misinterpreted as diminishing the level of protection afforded to the migratory species in question.\textsuperscript{28}

2.25 The Committee concurs with the NIA that these treaty actions are in the national interest as they reinforce Australia’s commitment to the international protection and conservation of migratory species. However, as the reservations have already come into effect, the Committee does not need to make a recommendation in relation to this treaty action.

\textsuperscript{28} JSCOT, Report 149, p. 10.
3. Universal Postal Union - amendments

Introduction

3.1 This chapter reviews the Acts of the Universal Postal Union adopted by the 26th Congress: Ninth Additional Protocol to the Constitution, First Additional Protocol to the General Regulations, Convention and Final Protocol, and Postal Payment Services Agreement and Final Protocol (the proposed Acts). The proposed Acts were signed in Istanbul on 6 October 2016 and tabled in the Parliament on 29 November 2017.

3.2 The Universal Postal Union (UPU) is a specialised agency of the United Nations with 192 member countries and is the key international agency responsible for formulating and setting the rules for the flow of international mail. It aims to foster the sustainable development of quality, universal, efficient and accessible postal services. The UPU provides information on international postal standards, technical systems, performance measures and service developments to the designated operators of member countries.

3.3 The UPU was established in 1874, and Australia has been a member since 1907. According to the National Interest Analysis (NIA), participation in the UPU allows Australia and Australia Post (as Australia’s designated operator) to have input into the conduct of the UPU’s affairs and the international policy, regulatory and operational frameworks governing the exchange of international mail.

3.4 If taken, the proposed treaty actions will enable Australia to continue to engage in the international postal system at a multilateral level, and leverage the effectiveness of the postal channel as a means of international
communication and goods exchange. The NIA suggests that this will enable Australia to promote and safeguard its interests in the UPU and to continue to work to improve the international postal system, for the benefit of Australian consumers and Australia Post.¹

Overview of proposed treaty action

3.5 The proposed treaty action is the ratification of the amendments to the Constitution of the Universal Postal Union (the Constitution), the General Regulations, the Universal Postal Convention (the Convention), the Final Protocol to the Convention (the Final Protocol), and the Postal Payment Services Agreement and Final Protocol (PPSA).

3.6 The Constitution and General Regulations are continuously in force and were amended by way of the Ninth Additional Protocol to the Constitution and First Additional Protocol to the General Regulations respectively. The NIA notes that technically the Convention, Final Protocol and PPSA are new instruments, as they are adopted afresh, with amendments, at each Congress of the UPU.²

3.7 Mr Faris, from the Department of Communications and the Arts, advised the Committee that:

The UPU holds congresses every four years to consider issues facing the international postal system and proposals to amend the acts of the UPU. The proposed treaty action … is the regular ratification of the rules that make the international mail system work, arising from the latest congress.³

Reasons to undertake proposed treaty action

3.8 According to the NIA, Australia has routinely ratified the Acts of the UPU adopted by Congresses. Most of the statements adopted are developed by


² NIA, para 1.

³ Mr Christopher Faris, Assistant Secretary, Post and ACMA Branch, Department of Communications and the Arts, Committee Hansard (proof), Canberra, 5 February 2018, p. 1
one of both of the UPU’s governing bodies, the Council of Administration (CA) and the Postal Operations Council (POC).

3.9 The NIA states that the proposed Acts reflect incremental refinement and improvement of the regulatory framework and operational terms of the international postal system, and are expected to deliver a net financial benefit to Australia Post over the next four years (2018–2021).

3.10 The NIA cautions that a decision not to ratify the proposed Acts could reflect negatively on Australia’s ongoing commitment to the UPU. It could also create uncertainty as to Australia’s status regarding the Acts of the UPU and participation in the international mail system.

Obligations

3.11 The NIA explains that the UPU is governed by three treaty-level instruments which are binding on all members: the Constitution, the General Regulations and the Convention. The UPU may also establish other treaty-level agreements to regulate services other than those of letter-post and postal parcels between the countries that choose to become parties to them. The PPSA is one such agreement, to which Australia became a Party by acceding to the Acts of the UPU adopted by the 24th Congress, held in 2008. The Convention and PPSA are supplemented by Regulations (adopted and amended by the POC) that further detail and implement their terms.

The Constitution

3.12 The Constitution contains the fundamental rules that provide the legal foundations of the UPU and remains in force indefinitely and is amended by means of an Additional Protocol adopted by a Congress.

3.13 Articles 1 (Scope and objectives of the Union) and 1 bis (Definitions) were amended as part of the work to modernise the UPU’s products and services to meet changing customer needs and in recognition of the increasing significance of the exchange of parcels. The amendments: allow the Acts of the Union to further specify conditions relating to key terms; apply the

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4 NIA, para 7.
5 NIA, para 8.
6 NIA, para 9.
7 NIA, para 10.
8 NIA, para 11.
single postal territory to ‘postal items’ (previously ‘letter-post items’), thereby expanding coverage to parcels; include a definition for ‘postal item’; and expand the definition of ‘postal service’ to include processing of postal items.9

The General Regulations

3.14 The General Regulations implement the Constitution and contain provisions for the operation of the UPU’s main bodies, including with regard to composition, functions and meetings. The General Regulations remain in force indefinitely and amendments are effected by an Additional Protocol.10

3.15 The Committee notes that all proposed changes (amendments to existing articles and the inclusion of a new article) are clearly described in the NIA. The Committee considers that all are administrative in nature and are not controversial.

The Universal Postal Convention

3.16 The Convention comprises the operational rules applicable to the international postal service. The Convention does not remain indefinitely in force. It expires and is approved afresh by each Congress, taking effect on the date specified by Congress. The approval of the Convention by the 26th Congress therefore constitutes the creation of a new treaty, although the content is the Convention agreed to at the 25th Congress and already in force, as amended by changes agreed to at the 26th Congress.11

3.17 The Committee notes that the 26th Congress adopted a recast of the Convention which restructured the Convention articles to modernise, streamline and update its terms.12 It further observes that the NIA lists in detail the effects of these changes, noting that most arise from amendments to Article 1 (Definitions), which now provides specific definitions of ‘letter-post item’, ‘parcel-post item’, ‘Express Mail Service (EMS) item’, ‘documents’, ‘goods’ and ‘inquiry’. These replace general definitions of ‘postal item’ and ‘parcel’ hence modernising the UPU’s products to better distinguish between letters and parcels.13

9 NIA, para. 11.
10 NIA, para. 13.
11 NIA, para 23.
12 NIA, para 23.
13 NIA, para 24.
3.18 The Committee accepts that none of the proposed changes are controversial, and are designed to improve clarity and efficiency.

**The Postal Payment Services Agreement**

3.19 The PPSA is a treaty that provides the basis for a secure and accessible international postal payment service between designated operators. The PPSA remains in operation until the entry into force of the Acts adopted by the next Congress. The approval of the PPSA by the 26th Congress therefore constitutes the creation of a new treaty, although its content is merely the PPSA already in force, as amended by the 26th Congress. Australia Post does not currently offer services covered by the PPSA, however being a party to the PPSA provides Australia Post with the option to commence offering PPSA services.\(^{14}\)

**Reservations to the Acts of the UPU**

3.20 Article 22(1) of the Constitution provides that the Constitution and General Regulations shall not be subject to reservations. Reservations may be made to the Convention or PPSA subject to the terms outlined in Article 39 of the Convention and Article 26 of the PPSA respectively. No reservations to the PPSA were lodged by Australia.\(^{15}\)

3.21 Australia made 15 reservations to the Convention which are recorded in the Final Protocol to the Convention. Of these, 13 renew existing reservations and two (below) add Australia to reservations lodged by other member countries:

- Article III(5) reserves the right of Australia to more fully recover the costs of delivering remail items (mail sent in a third country for the purpose of obtaining cheaper postage rates) rather than being limited to specified bulk mail rates that do not recover costs of delivery
- Article XI(2) reserves the right of Australia to collect a processing charge from customers for any items presented to customs authorities.\(^{16}\)

**Implementation**

3.22 According to the NIA, the amendments to the Acts of the UPU can be implemented by Australia Post within current legislative authority by

\(^{14}\) NIA, para 40.

\(^{15}\) NIA, para 42.

\(^{16}\) NIA, para 43.
adjusting its internal systems and processes. The NIA states that no change to the Australian Postal Corporation Act 1989 or related primary legislation is required.\(^\text{17}\)

### Financial considerations

3.23 Article 21 of the UPU Constitution provides that member countries choose their contribution class upon joining the UPU and requires member countries to jointly bear the expenses of the UPU. The NIA states that Australia elected to contribute 20 units and provides CHF 0.87 million (approximately AUD 1.2 million) per annum, approximately 2.4 per cent of the total UPU budget of approximately CHF 37.2 million. This amount is paid by Australia Post.\(^\text{18}\)

3.24 The NIA notes that, in addition to Australia’s contribution to UPU expenses, Australia Post incurs expenses for a range of mandatory and voluntary participatory activities. Such activities include for example the Telematics Cooperative, the EMS Cooperative, the Direct Mail Advisory Board and fees for publications and English translation services. These expenses amount to around $0.5 million per annum.\(^\text{19}\)

3.25 The NIA advises that Australia Post estimates that the changes to terminal dues\(^\text{20}\) under articles 28, 29 and 30 of the Convention are expected to result in an annual increase in revenue of approximately AUD $18 million by 2020.\(^\text{21}\) These figures are based on internal estimates and are subject to mail volume variations, currency fluctuations and changes in mail profiles. Mr Faris advised the Committee that:

> Australia achieved significant improvements to its terminal dues rates and a new remuneration arrangement relating to small packets, resulting in forecast cumulative increased payments to Australia Post of approximately $69 million over the period 2018 to 2021.

3.26 Mr Faris also noted that while this was a good result, further improvements are still being pursued, as Australia Post still makes losses in delivering

\(^{17}\) NIA, para 44.

\(^{18}\) NIA, para 46.

\(^{19}\) NIA, para 47.

\(^{20}\) Terminal dues is the remuneration to designated postal operators for delivering inbound international letter post mail.

\(^{21}\) NIA, para 48.
inbound international mail; in 2016–17, it was around $55 million. Mr Faris outlined the benefits to Australia arising from the agreement at the 26th Congress to develop an integrated product plan (IPP), which will allow postal operators to offer products which are more differentiated and consumer focused:

Critically for Australia, it allows us an opportunity to influence the structure of future remuneration rates for UPU products which more accurately reflect the cost of delivering these items.

Conclusion

3.27 The Committee agrees that ratification of these proposals will support Australia’s ongoing participation and leadership in the international mail system and will continue to allow ongoing participation in efforts to shape efficient, effective and responsive rules based international institutions, and recommends that binding treaty action be taken.

Recommendation 1


Hon. Stuart Robert MP

Chair

26 March 2018

22 Mr Faris, Assistant Secretary, Post and ACMA Branch, Department of Communications and the Arts, Committee Hansard (proof), Canberra, 5 February 2018, pp. 1 and 2.

23 Mr Faris, Assistant Secretary, Post and ACMA Branch, Department of Communications and the Arts, Committee Hansard (proof), Canberra, 5 February 2018, p. 2.
A. List of Submissions

1 Department of Communications and the Arts
B. List of Witnesses

Monday, 5 February 2018

Universal Postal Union amendments

Canberra

Mr Christopher Faris, Assistant Secretary, Post and ACMA Branch, Department of Communications and the Arts

Miss Bhavana Chhagan, Head of International Regulatory Affairs, Australia Post