

Nundah Post Office

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Senator Linda Reynolds CSC Chair
Environment & Communications Legislation Committee,
P.O. Box 6100,
Senate, Parliament
House
CANBERRA, A.C.T., 2600.

Dear Senator Reynolds,

I am writing to you regarding what transpired at the Environment and Communications Legislation Committee Budget Estimates on Wednesday 24th May 2017 of which you are the Chairperson. I am particularly interested in what occurred at 19:30 hours where Australia Post made submissions to your Committee (refer pages 98 to 109 of the Hansard of that day).

I am the Licensee of the Nundah Post Office (an LPO) which is a small office in the inner north of Brisbane. I am very concerned at some of the statements made by Australia Post, as I feel they have been made to mislead or give only part of the facts concerning their operation.

Mrs. Corbett opening remarks.

Mrs. Corbett states that letters have dropped by 11.4% this maybe very well be true for your Standard Letter and a profit was made despite this drop. One thing she has failed to tell you and to other Senate Estimates hearings is how much discount they apply in the

letter streaming system. If you have an Australia Post charge account (called RAF) and set up a Print Post charge facility account, you receive a 23% discount on an ordinary letter. Australia Post holds a monopoly on this service, so why give any discount on a service you losing so much money on. With other items you get an unbelievable discount, 49% and it goes up to a massive 79%. The items I talking about are the Large Letters C5, A4 and B4 letters, the magazines, reports and such like. I am sure your Office staff will be able to show you these items if you don't receive them yourselves. How can Australia Post justify such discounts in it's so called loss making section? I am quite prepared to give examples as I handle them through my office and I see how they are charged. Then there is the matter of community objectives, I have over a period of about 18 months amassed some where between 700 to 900 complaints most of which when brought to Australia Posts attention were ignored. I had to raise this issue in an LPO11 complaint with Australia Post and it went so far that a mediated agreement was reached and Post ignored my customers complaints. I have their name and address on the grounds of the complaint and in most cases a phone number. Australia Post Customer Service takes on average 30 to 40 minutes wait before you speak to a person and then little is done. Who wants to phone again for the same outcome so they give up and Australia Post thinks that if customers stop complaining the problem is resolved. The phrase of Mark Twain comes to mind "there are lies, damn lies and statistics" and I think it applies here to Australia Post as they frame their own statistics.

Australia Post EBA9. Question posed by Senator Dastyari.

Senator Dastyari asked many questions on this question and other labour and pay matters. I have had "communications" with Mrs. Corbett on the policy that Australia Post has been pursuing in relation to Contractors doing tasks directly related to Australia Post Operations. Under the leadership of Mr. Fahour and Mrs. Corbett, Australia Post has pursued a policy of using entities that "engage" foreign nationals to do tasks that should be done by Australian Citizens. We have been dragged into this situation because of the quality of the work done by Parcel Contractors (who are foreign nationals), which has been appalling. We had to use an LPO11 dispute process on this matter as the poor service performance was impacting on our reputation. If I were to do the same to Australia Post I

would have my License revoked by Post but there are no ramifications for their poor service.

Payments and Services relating to LPO's. Question posed by Senator Abetz.

Senator Abetz asked specific questions relating to "Carded Items". Carded items are post items that could not be delivered and a card is left at the address advising were the

items can be picked up. The protocol which Senator Abetz is seeking is Australia Post can decide where they and they alone wish to send a carded item. I have tested this in an LPO11 as I had about 30% of my carded item area removed from me for no reason and given to other Post Offices. I will gladly supply the details of this case as it went the full course of action. Here lies one of the main stumbling points in the LPO Agreement as both parties are bound to act “in the mutual benefit” by sending carded items to where ever they choose, this is not acting in the Licensees mutual benefit and here is the problem with the LPO Agreement. As for the idea of the “Parcel Collect” service, it would form under 0.25% of our street carded items, we receive about 500 to 600 street carded items per week. I have checked with some other offices in the area and their uptake in the service is only 2 to 3 items a day. So the uptake of this option is poor, it is all very well to talk up these services but do they actually work? Maybe Mrs. Corbett could tell you what percentage they form of the network so you may get a real idea of the use of the service. More “smoke and mirrors” I think on the part of Australia Post. We keep very detailed records of the items we receive which I would be happy to supply to confirm what I have stated.

Yours faithfully

Steve Bass-Rees

Licensee

Nundah LPO

10th of June 2017.



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11 August 2017

Ms Christine McDonald
Secretary, Standing Committee on
Environment and Communications
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Ms McDonald

I make reference to your letter addressed to Australia Post's former Managing Director & Group CEO, Mr Ahmed Fahour which was received by Australia Post on 4 July 2017. The letter contained a number of written questions on notice in response to correspondence received from a stakeholder concerning evidence provided by Ms Christine Corbett at the May 2017 Budget Estimates.

Attached to this letter are responses to those questions.

Yours sincerely

Erin Kelly

Questions on notice – Australia Post

Discounting of postal items

1. Could you please provide the committee with details regarding the discounts currently available for letters including reserve service letters, other letters and print post?

Price applicable to all Australia Post products and services are outlined in the Post Charges booklet (MS11, which is publicly available / accessible. A copy has been included for your reference.

The domestic letter prices in the MS11 are set in accordance with section 32(1)(b) of the Australian Postal Corporation Act, 1989 (APC Act), where the Board of Australia Post is able to determine the terms and conditions (including pricing) that are applicable to the supply of the letter service.

2. What factors does Australia Post take into account when setting the discount level for postal items?

While Australia Post is required to provide a uniform rate for an ordinary small letter e.g. the Basic Postage Rate (BPR), we provide a range of letter prices (lower or higher than the BPR) that vary based on a number of attributes including:

- size and weight e.g. small and large sizes, weight steps for large letters;
- volume at time of lodgement e.g. minimum volume for local delivery;
- format of letter e.g. correct addressing principles for Clean Mail;
- presorting and other prework e.g. barcoding;
- content e.g. seasonal greeting card rate, promo post;
- sender, e.g. charity mail, concession Stamp/price;
- method of payment and lodgement (e.g. use of postage meter or paid for via an Australia Post charge account and lodged at post office counter); and
- use of additional services (e.g. delivery via the priority timetable, reply paid service).

Complaints received

3. Could you provide the committee with the KPIs in relation to complaints handling and resolution?

Australia Post's Customer Service Charter outlines that Australia Post has an obligation to respond to all complaints within 10 business days.

4. For the financial years 2013–14 to 2015–16 could you provide:

- a. the total number of complaints received:

	FY13/14	FY 14/15	FY 15/16	FY 16/17
Complaints	553,076	656,738	908,315	1,051,922

- b. the number of complaints received regarding the letter service:

	FY13/14	FY 14/15	FY 15/16	FY 16/17
Letter Service Complaints	61,324	152,459	193,732	191,542

- c. the number of complaints received regarding parcel delivery:

	FY13/14	FY 14/15	FY 15/16	FY 16/17
Parcel Service Complaints	100,140	452,976	627,531	774,182

- d. the number of complaints received through the call centre;

See response to 4.a.

- e. the number of complaints received from other sources:

In addition to the above Australia Post receives enquiries from the Postal Industry Ombudsman. I would refer you to the Postal Industry Ombudsman's Annual Reports for this data.

Additionally, there is a small team that sits external to the call centre that manages high level customer complaints on behalf of the Shareholder, Board, Managing Director, Senators & Members of Parliament. Approaches received from these channels are detailed below, noting that we are unable to difference a complaint from an enquiry:

	FY13/14	FY 14/15	FY 15/16	FY 16/17
Enquiries	1,131	1,481	1,437	1,311

- f. the number of complaints resolved to the satisfaction of the customer who made the complaint; and

The satisfaction of a customer who made the complaint is not measured specifically. However the Customer Contact Channels monitor Net Promoter Score and our results over the same time period are included below:

	FY 13/14	FY 14/15	FY 15/16	FY 16/17
Net Promoter Score	Data not captured.	-24.99	-13.43	-13.74

- g. the average time taken to resolve complaints:

	FY13/14	FY 14/15	FY 15/16	FY 16/17
Average Resolution Time (dd:hh)	9d & 19h	10d & 22h	11d & 12h	6d & 6h

5. Could you provide the committee with the KPIs in relation to customer contact centre times?

Measure	Target	FY13/14	FY14/15	FY15/16	FY16/17
Grade of Service	80% of all calls answered within 30 seconds	48.62%	27.12%	47.38%	53.40%
Average Wait Time (sec)	N/A	288	277	259	141
Abandonment Rate (%)	N/A	27.70%	26.48%	25.15%	11.25%

6. What was the total number of staff employed in the customer contact centres for the financial years 2013–14 to 2015–16?

FTE	FY13/14	FY14/15	FY15/16	FY16/17
# *	713	651	683	795

*Average FTE across the 12 months of the year

Use of contractors

7. Could you provide the committee with an update on implementation of the Lay review recommendations?

In 2016 a range of new internal processes and controls were introduced to address each of the recommendations from the Ken Lay review. These processes and controls have now been transitioned to 'business as usual' for ongoing compliance monitoring and continuous improvement.

8. Has Australia Post undertaken any random audits to ensure correct payments are being made to subcontractors? If so, how many have been undertaken and what was the outcome? If not, why not?

In FY17 Australia Post undertook 37 random audits of its delivery contractors as part of its spot audit regime. Of the 31 spot audits completed to date, in 2 cases an actual or potential issue with payments made by the delivery contractor has been identified. In both cases Australia Post issued the delivery contractor with an improvement notice, which required rectification of the issue identified and implementation of an improvement plan to prevent recurrence.

9. Does Australia Post provide contracts in languages other than English as recommended in the Lay review? If so, in what languages are contracts available?

In 2016 Australia Post translated a summary of its current Mail Contractor Agreement as well as other compliance related information into 5 languages commonly spoken by its delivery workforce (Vietnamese, Tagalog, Sinhala(ese), traditional Chinese and Hindi).

Parcel Collect service

10. How many customers have taken up delivery of their parcels through the Parcel Collect service since its inception?

Parcel collect was introduced in September 2013. As at June 2017:

- Over 259,000 verified customers have registered for a parcel collect address. (vs 172,000 as at 30 June 16); and
- Over 47,700 Parcels delivered (vs 17,700 in June 2016).

11. How is this service being marketed?

Parcel Collect forms part of the wider promotion of Australia Post's collection options including (Parcel Collect, Parcel Lockers and PO Box Services).

Key messages are:

- Receive your parcels your way;
- Home isn't your only delivery address; and
- Collect your parcel where it suits (PO Box, Parcel Lockers, Parcel Collect).

Outlined is the summary of activity to consumers over the last quarter and going forward:

- Tim Cahill – Parcel Collection Campaign (which covered both Lockers and Parcel Collect);
- May Mayhem – which was part of Click Frenzy in May;
- In store material focus on carded articles and online shoppers (from Aug); and
- Collection Services always on – Digital Marketing.

In addition a sales pack has been developed to educate senders of the benefits of alternative address including Parcel Collect, Parcel Lockers and PO Box Services.