

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2014

Communications Portfolio

Australia Post

Question No: 148

Program No. Australia Post

Hansard Ref: Page 90/91 (25/2/2014)

Topic: LPO Credit Limit

Senator Xenophon asked:

I am happy for a couple of these to be put on notice, except one that is specific for my home state. Again, the context of this is that we have come a long way since the last few months, when I think that people really wanted to work together and with goodwill. You may want to take this on notice. I was recently informed by a number of LPOs that they have had their credit limit reduced due to, apparently, a recent policy change whereby they say their credit limit is now being assessed on the number of EPOS terminals at the outlet. Perhaps on notice, could you advise whether this is the case; when licensees were informed of this policy change; and by what method they were notified. It is an issue of communication and also the intrinsic fairness of that. Also, I have received some communication from constituents in relation to the closure of the Summertown general store, which had a post office or a post office outlet. They now have to travel to Uraidla, which is a couple of kilometres away in the Adelaide Hills. Can you just advise, again on notice, about the level of communication there was from Australia Post to that local community—

Mr Fahour: Yes, certainly.

Answer:

The LPO stock account credit limits for individual licensees take into account a number of factors including the history of stock purchases for the LPO and, using the number of EPOS terminals as a proxy, the transactional levels at the LPO.

Changes were made to the credit limits for some licensees in October 2013. Following feedback from a small number of licensees credit limits were either varied further in consultation with individual licensees or in some cases restored to their original levels.

Steps have been taken to ensure that any future change in LPO credit limits will include consultation with the individual licensees involved prior to any change being made to their credit limit.

The Summertown LPO closed on 14 March 2014 following the decision of the licensee to terminate their LPO Agreement with Australia Post.

Federal and State members of parliament and customers affected were advised in December 2013 of the prospect of closure while Australia Post continued to seek an alternative operator for a retail outlet.

In the absence of alternative arrangements being identified customers were notified on 23 January 2014 of the proposed relocation of services to the Uraidla LPO (1.4km away) and advised to contact Retail Network Partnerships SA/NT on the phone number provided if they wished to make alternative arrangements. A further letter was issued to customers on 13 February 2014 that again included relevant contact details for customer enquiries.

A final letter was issued to customers on 7 March 2014 confirming the transfer of services to the Uraidla LPO from 14 March 2014.