

Additional Comments by Senator Nick Xenophon

'The cheque's in the mail'

1.1 I am strongly supportive of the inquiry's recommendations and commend the Committee for the non-partisan way it tackled this important issue.

1.2 There is no question that Australia Post is at the cross roads, and with it the future of nearly 3000 licensed post offices across the country together with a number of franchisees. Further, many of the LPOs and franchisees have been 'hanging on' for the outcome of this inquiry because of the dire and difficult financial circumstances they find themselves in, generally through no fault of their own.

1.3 Pointedly, many LPO operators have told me that they would be happy just to receive the same rate of pay for the long hours they work as their employees who are on the award. The fact that so many LPO operators, are working on subsistence levels of pay, or indeed are eating into their existing assets to keep their businesses afloat is unacceptable and unsustainable.

1.4 The Committee's recommendations, particularly those that relate to fair recompense for services provided and for a streamlined and effective dispute resolution process, must be implemented as a matter of urgency. If they are not there is a genuine fear that an increasing number of LPOs will not survive, with enormous consequences for the individual operators involved and for the broader community, particularly in regional Australia. There is also no question that Australia Post would be paying much more to operate such post offices if they had to pick up the pieces.

1.5 I am very disturbed at the lack of candour and cooperation from POAAL. I believe that organisation and its leadership have by and large failed many of its members. I consider that a number of unanswered questions from Senator O'Sullivan reflect very poorly on POAAL. That organisation's credibility to effectively represent its members must be seriously questioned. In contrast, the relatively recently formed LPO group seems to be much more active and engaged in advocating for its members.

1.6 The way Australia Post has treated mail houses is very disturbing. Given that direct mail is a highly effective form of marketing (particularly in the era of so many spam emails) it beggars belief that Australia Post would cruel a strong part of the business with its steep price increases.

1.7 The evidence heard from franchisees indicates a significant failure on the part of Australia Post to achieve a fair outcome for franchisees, who were put in a difficult commercial position through no fault of their own.

1.8 The serious and difficult circumstances that so many LPOs and franchisees are facing cannot be understated, nor can it be ignored by the Federal Government. Unless there is urgent remedial action taken the personal and community consequences will be enormous. The Government cannot afford to sit on these recommendations – to do so would be equivalent to that old adage that 'the cheque's in the mail'.

1.9 Finally, I wish to express my gratitude for the work and assistance of Angela Cramp and the LPO group, and the many LPO licensees I have met and spoken to. Without exception they all have a strong commitment to the communities they work in – they just don't want to go broke in the process of providing a valuable community service.

Senator Nick Xenophon
Senator for South Australia