

To the: [Environment and Communications Legislation Committee](#)

Ref: Australia Post

We have been in this LPO at Laura SA for just on 18 months, and although we have not seen the changes that others have witnessed, we still would like to make our thoughts known.

From the LIPOM provided to us on purchase of the Post Office we have seen a decline in revenue from Australia Post of 5% this is at a time when for the same period we have seen substantial increases in operating overheads (Electricity Rates etc.) so the value of our investment is declining despite our best efforts to boost sales and turnover.

When we purchased the Business we anticipated a decline in letters, which we thought would be offset by payment for an increase in parcels. In our time we have not noticed a great decline in letters, *perhaps due to the age of our clients*, but we have noticed a marked increase in parcels.

We also feel that to focus only on payments for scanned parcels is not the answer. There is an increase in all parcels not only scanned (or tracked) Items. Our understanding of payment for handling parcels is that it is included in our "Mail Management Fee." This payment does not appear to have been adjusted to reflect the increase in time required to handle the increased volume of parcels (some very large and heavy) and we feel frustrated when we have to navigate around them in the office area.

AP's argument that the decline in letters is enough of an offset against increased parcels is not the case as the only saving we can see is a minor reduction in sorting time for the letters. The delivery round is just as many kms. And the time difference in delivering one item or several is negligible. The space needed for sorting parcels is also quite different to sorting letters. We have also seen that unaddressed mail seems to be taking more time as some items come in a form that requires folding before they can be put into P.O. boxes or letter boxes. If we receive any remuneration for unaddressed mail we have no idea what it is. We also note that for the busy pre Christmas period Australia Post is imposing a surcharge on the unaddressed mail customers which we are sure is not passed on to us, the people who actually deliver them.

We had also anticipated a decline in business as more customers turn to the Internet, however we did not anticipate Australia Post being a major competitor! Nor a Partner encouraging services onto the internet that only AP can do like address redirections and holding mail.

Early in our time here, one of our customers who did quite a bit of business using the parcel post satchels, now purchases pre-paid satchels direct from AP at about the same price we pay for the satchels we sell to customers. This customer now only leaves their satchel parcels with us to scan into the system. Supposedly we are given some commission for this but the LIPOM is such a complex document that we do not know if we are paid for doing this, and if so at what rate.

We are encouraged to increase our business in merchandise and non-postal areas, however in a small country town this means to remain viable we are competing with other small businesses who we know are also struggling to remain viable.

We came into the Post Office believing (and told by representatives of AP) that Australia Post is a fair and equitable Business Partner but now we are not so sure. They trial ideas such as paying LPO's for parcel scanning and allowing LPO's to purchase stock in less quantities from one of their close corporate outlets but there seems to be a delay in the introduction to all. Even when they report that the trials are working well. I guess the decision is based on AP's bottom line rather than fairness to LPO's.

We certainly believe that AP's major competitive advantage against other delivery networks is its almost total coverage of Australia both suburban and rural. If Post Offices start to close because they are not viable this will be both a loss for mainly country areas, and also AP's strong coverage advantage, and of course devastating for the individuals who lose their investment.

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