

Senate Environment and Communications – Legislation Committee

Inquiry into the performance, importance and role of Australia Post in Australian communities and its operations in relation to licensed post offices

Answers to written Questions on Notice for Australia Post

OPERATING AND CONTRACTUAL ARRANGEMENTS (LPO)

REQUESTED INFORMATION

1. Is there only one contract that governs all of the relationships between LPOs and Australia Post, or are there multiple versions?

The LPO Agreement is a standard contract across all licensed post offices subject to the provision for site specific special conditions.

2. Assuming that there is only one contract, when was that contract first introduced?

Refer to page 28 of Australia Post's Senate Inquiry submission.

3. Has the aforementioned contract been amended since its initial introduction? If so, when was it amended and what was the specific nature of the amendments?

Refer to page 28 of Australia Post's Senate Inquiry submission.

4. Does the aforementioned contract make reference to or rely upon any other documents, instruments or regulations to govern the contract? If so, what are those documents, instruments or regulations?

The LPO Agreement makes reference to *Post Office Rules* which is defined in Section 1 of the LPO Agreement as 'Postal Regulations, General Postal Services Terms and Conditions, Operational and Accounting Procedures, EPOS Reference Manuals, relevant Third Party Agency Instructions and Procedures and the Post Guide, as varied, rescinded or replaced by Australia Post from time to time and includes any other procedural instructions affecting Licensees issued from time to time by Australia Post'.

In addition, the LPO Agreement also makes reference to the *Licensed Post Office Manual* which is defined as 'the manual issued by Australia Post containing procedures and standards specific to the operation of a Licensed Post Office'.

5. What are the tenure terms of the contract and are these terms the same in every arrangement?

The LPO Agreement is in its standard format an indefinite term agreement.

In a limited number of cases Australia Post has put in place LPO Agreements for a defined period of time. This arrangement would typically occur as part of action to maintain services in a locality while a permanent arrangement was being progressed.

6. When an LPO is sold or transferred to another ownership, does the new owner inherit all of the benefits and obligations set out in the pre-existing contract?

As part of the assignment process a review of existing site specific requirements is undertaken. Where it is identified that a change to existing arrangements is appropriate this will form part of the information in the Disclosure Document and LPO Agreement provided to the prospective licensee.

7. Are there other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements?

Licensees also enter into a Credit Account arrangement with Australia Post for stock purchases.

8. Assuming that there are multiple contracts, what are these different contracts and when were they first introduced?

Not applicable. Refer to the answer to Q1 above.

9. Have the aforementioned contracts been amended since their initial introduction? If so, when were they amended and what was the specific nature of these amendments?

Not applicable. Refer to the answer to Q8 above.

10. Do the aforementioned contracts make reference to or rely upon any other documents, instruments or regulations to govern the contract? If so, what are those documents, instruments or regulations?

Not applicable. Refer to the answer to Q8 above.

11. What are the tenure terms of these contracts and are these terms the same in every arrangement?

Not applicable. Refer to the answer to Q8 above.

12. When an LPO is sold or transferred to another ownership, does the new owner inherit all of the benefits and obligations set out in the pre-existing contract? Is this the same for every sale or is it determined on an individual basis?

Not applicable. Refer to the answer to Q8 above.

13. Are there other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements?

Not applicable. Refer to the answer to Q8 above.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the operating and contractual arrangements between Australia Post (AP) and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the operating and contractual arrangements between these parties – whether a specific question has been advanced or not.

OPERATING AND CONTRACTUAL ARRANGEMENTS (LPO)

REQUESTED DOCUMENTS

1. If there is only one contract that governs all of the relationships between LPOs and Australia Post, please provide a copy of the contract.

[Refer to page 48, Appendix 1 of Australia Post's Senate Inquiry submission.](#)

2. Where the aforementioned contract has been amended, please provide the amended copy of the contract. Where the document has been amended more than once since introduction, please provide a relevant copy of each amended version of the contract.

[Refer to page 28, Table 8 of Australia Post's Senate Inquiry submission.](#)

3. Where the aforementioned contract or contracts make reference to or rely upon any other documents, instruments or regulations to govern the contract, please provide a copy of those documents, instruments or regulations.

[Refer to the attached LPO Manual, LPO Operational and Accounting Procedures, EPOS Reference Manual and Banking Manual.](#)

4. Where the tenure terms of the contract are not the same in every arrangement, please provide copies of any contracts with different tenure arrangements.

[The LPO Agreement in its standard format is an indefinite term agreement.](#)

[In a limited number of cases Australia Post has put in place LPO Agreements for a defined period of time – this variation is reflected in clauses 19 \(b\), 22 \(c\) and 30 \(f\) of the Agreement and through the inclusion of a site specific Special Condition.](#)

5. Where an LPO is sold or transferred to another ownership, please produce any relevant documentation that governs the terms and conditions of the assignment.

[The terms applicable to the assignment of a LPO is provided at clause 19 of the LPO Agreement.](#)

[A disclosure document is also provided as part of any assignment in accordance with the provisions of the Franchising Code of Conduct \(copy provided\).](#)

6. Where there are other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements, please provide a copy of all documentation that determines these allied agreements.

[Licensees also enter into a Credit Account arrangement with Australia Post for stock purchases.](#)

[Refer to the Credit Account application form attached.](#)

7. Where there are multiple contracts, please provide copies of these contracts.

The LPO Agreement is a standard contract across all licensed post offices subject to the provision for site specific special conditions.

8. Where the aforementioned multiple contracts have been amended since their initial introduction, please provide copies of all amended contracts?

Not applicable. Refer to the answer to Q7 above.

9. Where the aforementioned multiple contracts make reference to or rely upon any other documents, instruments or regulations to govern the contract, please provide copies of those documents, instruments or regulations.

Not applicable. Refer to the answer to Q7 above.

10. Where there are other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements, please provide copies of those agreements.

Not applicable. Refer to the answer to Q7 above.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the operating and contractual arrangements between Australia Post (AP) and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the operating and contractual arrangements between these parties.

PRICING MECHANISMS (SERVICES) (LPO)

REQUESTED INFORMATION

1. Please detail all pricing mechanisms and arrangements between Australia Post and an LPO.

[Refer to pages 36-41 of Australia Post's Senate Inquiry submission.](#)

2. When an LPO provides a service for Australia Post, is it remunerated on the basis of a fee for that service?

[Refer to pages 36-41 of Australia Post's Senate Inquiry submission.](#)

3. If an LPO is not remunerated on the basis of a fee for services provided, please explain how the LPO is remunerated for services they provide for and on behalf of Australia Post?

[Refer to pages 36-41 of Australia Post's Senate Inquiry submission.](#)

4. Can you confirm that all services provided by an LPO for and on behalf of Australia Post are published in the ANNEXURE A document attached to the Licensed Post Office Agreement (LPOA)?

[Annexure A provides details of all services provided by LPOs for and on behalf of Australia Post.](#)

5. Can you confirm that individual ANNEXURE As publish mandatory service settings for LPOs?

[As the services required to be provided by individual LPOs may vary, these are notated as mandatory in Annexure A of the LPO Agreement as applicable to the individual LPOs.](#)

6. Can you confirm that individual ANNEXURE As publish service settings (additional to the mandatory service settings) that may be available for an LPO to provide on an optional basis?

[Under the terms of the LPO Agreement licensees may choose to "opt in" for selected services. Once it is agreed between the licensee and Australia Post that these services will be provided, they become mandatory for that LPO. This is to ensure continuity of these services for customers.](#)

7. Can you please clarify whether there are any services set out in an ANNEXURE A document (other than mandatory services and optional services) that the signatory LPO might not be able to provide because of their permission levels?

[The availability of some Australia Post services at LPOs is limited due to operational requirements and the terms of individual agency agreements. Examples include bulk postage, Post Office Boxes/Bags, Facsimile services, delivery services such as mail contractors \(other than counter mail\). For agency services this would include passport interviews, Australian Tax Office agency services etc.](#)

8. Can you provide information that will allow the Senate Inquiry to interpret any ANNEXURE A document that they may have so that they can determine which services are mandatory, which services are optional and which services are prohibited; relative to that particular ANNEXURE A?

Section 2.2 of the LPO Manual which forms part of the LPO Agreement explains the mandatory products and services. Annexure B of the LPO Agreement – Protected Products and Services is further explained in Section 4.1.6 of the LPO Manual. A copy of the LPO Manual is attached.

9. Can you clarify how a payment, as published by the payment rate of the 'payment' column of ANNEXURE A is calculated where the reference in the 'payment' column is published as a percentage?

Where the payment rate is designated as a percentage the column designated Basis in Annexure A details the relevant item that the percentage is applied to. An example is in Part A of Annexure A - % discount on stock ordered. The LPO Payment Scheme (copy attached) provides further explanation of the basis of each payment.

10. Can you advise if the payment rates in the 'payment' column are adjusted (by increase or decrease) during the period of the life of the LPOA?

Refer to pages 28-29 of Australia Post's Senate Inquiry submission.

11. If the payments for services in ANNEXURE A are increased, can you explain what mechanism gives rise to a review for an increase and what formula and considerations are taken into account when that increase is calculated?

Refer to pages 36-41 of Australia Post's Senate Inquiry submission. In addition, page 24 of the LPO Payment Scheme provides further explanation of the updating of payment rates.

12. If the payments for services in ANNEXURE A are decreased, can you explain what mechanism gives rise to a review for a decrease and what formula and considerations are taken into account when that decrease is calculated?

Refer to pages 36-41 of Australia Post's Senate Inquiry submission. In addition, page 24 of the LPO Payment Scheme provides further explanation of the updating of payment rates.

13. In the event of increases, can you clarify what percentage of the set increase is apportioned to the LPO as opposed to the proportion retained by Australia Post?

Refer to the LPO Payments Scheme document attached.

14. In the event of decreases, can you clarify what percentage of the set decrease is apportioned to the LPO as opposed to the proportion retained by Australia Post?

Refer to the LPO Payments Scheme document attached.

15. Notwithstanding whether it is a decrease or an increase in the unit price paid to the LPO for services provided on behalf of Australia Post, is the percentage of apportionment the same in both instances?

The methodology for determining “unit prices” is uniform for any decrease or increase.

NB: Any decreases have historically not been applied with Australia Post electing to maintain the existing rate which is then reviewed annually.

16. If the answer to the previous question is no, please provide advice as to why a different pro-forma differential is applied in the different circumstances?

Not applicable, refer to the answer to Q15 above.

17. Whatever the rules with respect to the increases or decreases, does the percentage of whole formula remain constant for every service or is there a disparity in the application of the formula from service to service?

Refer to the LPO Payments Scheme document attached.

18. If the answer to the previous question is no, please provide advice as to why the percentages change?

Refer to the LPO Payments Scheme document attached.

19. Do the aforementioned rules apply to each and every LPO, or is there disparity in the application of the rules (and indeed the elemental components of the formula) from LPO to LPO?

Yes, the payment rules as outlined in the LPO Payment Scheme and Annexure A apply to all LPOs.

20. If the answer to the previous question is no, please provide advice as to why the application of the rules change?

Not applicable, refer to the answer to Q 19 above.

21. At any stage, did Australia Post consider CPI increases when formulating increases in the cost of services available through the LPO network?

The basis for reviewing the payments made to licensees is provided within the LPO payment scheme.

Australia Post has not sought to vary LPO payments outside of these agreed arrangements.

22. If the answer to the aforementioned question is no, then could Australia Post advise on what benchmark or reference value they relied when modifying (increase or decrease) the cost of services through the LPO network?

Refer to the answer to Q21 above.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the pricing mechanisms for services provided by Licensed Post Offices (LPO) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the pricing mechanisms for services between these parties – whether a specific question has been advanced or not.

PRICING MECHANISMS (GOODS) (LPO)

REQUESTED INFORMATION –

1. When an LPO retails goods through their LPO, does this invoke a commission from Australia Post or are they simply remunerated by placing a margin on the goods sold?

Licensees are remunerated through the margin they receive on goods sold.

Refer to page 36 of Australia Post's Senate Inquiry submission.

2. If the sale of retail goods by an LPO does not invoke a commission from Australia Post and is not remunerated by the LPO placing a margin on the goods sold; how is the LPO operator remunerated for the sale of goods?

Refer to the answer to Q1 above.

3. With respect to the purchase of goods for retail, is it the case that each LPO can only purchase their goods for retail from Australia Post or an approved Australia Post supplier?

Licensees are not restricted to purchasing goods from only Australia Post or approved Australia Post suppliers.

4. Is every good (or goods) published in the Australia Post Stock Master File or are there alternative catalogues and or inventories available to LPOs to determine the schedule of products?

Licensees are not restricted to purchasing goods from only Australia Post or approved Australia Post suppliers.

Australia Post makes available to licensees through the Stock Master File and other product material details of products that are available to purchase directly from Australia Post and its associated suppliers.

5. How does an LPO that cannot electronically access the Stock Master File determine what stock is available to their enterprise for sale and establish the wholesale value and the approved retail value of the item/s available?

Licensees without access to the Stock Master File can obtain details of available products from their network manager.

6. If the aforementioned Stock Master File is provided to that LPO manually, how does Australia Post provide the relevant LPO with fluctuations in the price list?

Refer to the answer to Q5 above.

7. Can you confirm that the Stock Master File publishes all goods that may be available for an LPO to retail pursuant to the terms and conditions of their LPOA?

Refer to the answer to Q4 above.

8. Can you please clarify whether there are any goods set out in the Stock Master File that the signatory LPO might not be able to retail because of their permission or status levels?

Licensees are able to access all products outlined in the Stock Master File.

9. Can you provide information that will allow the Senate Inquiry to interpret the Stock Master File so that they may determine what stock and goods are available for LPOs to retail to their customer base?

A sample of the Stock Master File is attached.

10. Can you clarify how an LPO determines the wholesale and recommended retail value of goods published within the Stock Master File?

A listing of the licensee price and recommended retail price is contained within the Stock Master File with the exception of packaging material which is provided in a separate format.

11. Can you advise if the unit rates as published in the Stock Master File are adjusted (by increase or decrease) at any stage or at any set intervals?

The Stock Master File is updated on a weekly basis.

12. If the wholesale value of goods as published in the Stock Master File are increased, can you explain what mechanism gives rise to a review for an increase and what formula and considerations are taken into account when that increase is calculated?

Retail Merchandise pricing is determined by a number of factors. The starting point is the cost price that is negotiated with Suppliers. A margin is then applied, taking into account several typical influencing factors, including the cost of handling and moving the product, product quality, market forces and competition in the market, promotional activity, where the product is in its lifecycle etc.

There is no one formula that is applied as different pricing strategies are applied to different product categories and even different products within categories, based on the factors above. Each product price change (increases or decreases) is assessed on its merit and on its ability to be sold in the marketplace.

Prices are set as if the product were being sold via corporate outlets however LPOs are free to determine their own pricing at, above or below the RRP.

It should be noted that there are also numerous products that are purchased and sold exclusively for the LPO channel as these products are more suited to the LPO channel due to their mix of business.

13. If the wholesale value of goods as published in the Stock Master File is decreased, can you explain what mechanism gives rise to a review for a decrease and what formula and considerations are taken into account when that decrease is calculated?

Refer to the answer to Q12 above.

14. In the event of increases, can you clarify what percentage of the set increase is apportioned to the LPO as opposed to the proportion retained by Australia Post?

[Refer to the answer to Q12 above.](#)

15. In the event of decreases, can you clarify what percentage of the set decrease is apportioned to the LPO as opposed to the proportion retained by Australia Post?

[Refer to the answer to Q12 above.](#)

16. Notwithstanding whether it is a decrease or an increase in the unit price of the product, is the percentage of apportionment the same in both instances?

[Refer to the answer to Q12 above.](#)

17. If the answer to the previous question is no, please provide advice as to why a different pro-forma differential is applied in the different circumstances?

[Not applicable](#)

18. Whatever the rules with respect to the increases or decreases, does the percentage of whole formula remain constant for every product or is this disparity in the application of the formula from product to product?

[Refer to the answer to Q12 above.](#)

19. If the answer to the previous question is no, please provide advice as to why the percentages change?

[Not applicable.](#)

20. Do the aforementioned rules apply to each and every LPO, or is there disparity in the application of the rules (and indeed the elemental components of the formula) from LPO to LPO?

[Refer to the answer to Q12 above.](#)

21. If the answer to the previous question is no, please provide advice as to why the application of the rules change?

[Not applicable.](#)

22. Are the pricing mechanisms and arrangements between Australia Post and LPOs identical in all instances?

[Refer to the answer to Q12 above.](#)

23. At any stage, did Australia Post consider CPI increases when formulating increases in the cost of goods available through the LPO network?

[Refer to the answer to Q12 above.](#)

24. If the answer to the aforementioned question is no, then could Australia Post advise on what benchmark or reference value they relied when modifying (increase or decrease) the cost of goods through the LPO network?

Not applicable.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the pricing mechanisms for goods retailed by Licensed Post Offices (LPO) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the pricing mechanisms for the retail arrangements between these parties – whether a specific question has been advanced or not.

PRICING MECHANISMS (SERVICES) (LPO)

REQUESTED DOCUMENTS

1. Please provide copies of all pricing mechanisms and arrangements between Australia Post and an LPO.

[Details of licensee payments are provided at Annexure A of the LPO Agreement and within the LPO Payment Scheme \(copy attached\).](#)

2. Where an LPO provides a service for Australia Post and it is remunerated on the basis of a fee for that service, please provide copies of these arrangements.

[Refer to the answer to Q1 above.](#)

3. Where an LPO is not remunerated on the basis of a fee for services provided, please provide documentation on how the LPO is remunerated for services they provide for and on behalf of Australia Post.

[Refer to the answer to Q1 above.](#)

4. Can you please provide copies of documentation that contains information that will allow the Senate Inquiry to interpret any ANNEXURE A document that they may have so that they can determine which services are mandatory, which services are optional and which services are prohibited; relative to that particular ANNEXURE A.

[Refer to the answer to Q8, Pricing Mechanisms \(Services\) \(LPO\).](#)

5. Where the payment rates in the 'payment' column are adjusted (by increase or decrease) during the period of the life of the LPOA, please provide any documentation which explains and shows these adjustments.

[Refer to the LPO Payment Scheme attached.](#)

6. Where the payments for services in ANNEXURE A are increased, please provide any documentation which illustrates what mechanism gives rise to a review for an increase and what formula and considerations are taken into account when that increase is calculated.

[Refer to the LPO Payment Scheme attached.](#)

7. Where the payments for services in ANNEXURE A are decreased, please provide any documentation which illustrates and explains what mechanism gives rise to a review for a decrease and what formula and considerations are taken into account when that decrease is calculated.

[Refer to the LPO Payment Scheme attached.](#)

8. In the event of increases, please provide any documentation which clarifies what percentage of the set increase is apportioned to the LPO as opposed to the proportion retained by Australia Post.

[Refer to the LPO Payment Scheme attached.](#)

9. In the event of decreases, please provide any documentation which clarifies what percentage of the set decrease is apportioned to the LPO as opposed to the proportion retained by Australia Post.

[Refer to the LPO Payment Scheme attached.](#)

10. Notwithstanding whether it is a decrease or an increase in the unit price paid to the LPO for services provided on behalf of Australia Post, please provide any evidence or documentation which shows the percentage of apportionment is the same in both instances.

[Refer to the LPO Payment Scheme attached.](#)

11. Where the answer to the previous question is no, please provide documentation to show why a different pro-forma differential is applied in the different circumstances.

[Refer to the LPO Payment Scheme attached.](#)

12. Where the percentage of whole formula remains constant for every service, please provide any documentation or evidence to support this.

[Refer to the LPO Payment Scheme attached.](#)

13. Where there is disparity in the application of the formula from service to service, please provide all documentation which supports this.

[Refer to the LPO Payment Scheme attached](#)

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the pricing mechanisms for services provided by Licensed Post Offices (LPO) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the pricing mechanisms for services provided by LPOs.

PRICING MECHANISMS (GOODS) (LPO)

REQUESTED DOCUMENTS

1. Where an LPO retails goods through their LPO, and this invokes a commission from Australia Post, please provide any documentation to illustrate the details of the commission.

[Details of licensee payments are provided at Annexure A of the LPO Agreement and within the LPO Payment Scheme \(copy attached\).](#)

2. Where an LPO retails goods through their LPO and they are remunerated by placing a margin on the goods sold, please provide any documentation to illustrate that margin.

[Discounts applied to products purchased by licensees under the LPO Agreement are detailed in Annexure A and the Stock Master File.](#)

3. Where the sale of retail goods by an LPO does not invoke a commission from Australia Post and is not remunerated by the LPO placing a margin on the goods sold, please provide documentation to show how the LPO operator is remunerated for the sale of goods.

[All retail products purchased from Australia Post are supplied at a margin to the licensee – refer Stock Master File and Annexure A of the LPO Agreement.](#)

4. Where goods are published in catalogues and/ or inventories other than the Australia Post Stock Master File, please provide copies of these documents.

[Packaging products are available on a separate price list as attached.](#)

5. Where an LPO cannot electronically access the Stock Master File to determine what stock is available to their enterprise for sale and establish the wholesale value and the approved retail value of the item/s available, and the Stock Master File is provided to that LPO manually, please provide a copy of that Stock Master File.

[Licensees are not restricted to purchasing goods from Australia Post or approved Australia Post suppliers.](#)

[Australia Post makes available to licensees through the Stock Master File and other product material details of products that are available to purchase directly from Australia Post and its associated suppliers.](#)

[Licensees without access to the Stock Master File can obtain details of available products from their network manager.](#)

[Refer to the attached sample of information provided to a non EPOS outlet.](#)

6. Please provide copies of any documentation to clarify whether there are any goods set out in the Stock Master File that the signatory LPO might not be able to retail because of their permission or status levels.

[Licensees are able to access all products outlined in the Stock Master File.](#)

7. Please provide copies of any documentation which could assist to clarify how an LPO determines the wholesale and recommended retail value of goods published within the Stock Master File.

[Refer to the sample from the Stock Master File attached.](#)

8. Please provide any documentation which shows any adjustments (by increase or decrease) in the unit rates as published in the Stock Master File at any stage or at any set intervals.

[Refer to the answer to Q12, Pricing Mechanisms \(Goods\) LPOs.](#)

9. Where the wholesale value of goods as published in the Stock Master File is increased, please provide copies of any documentation which explains what mechanism gave rise to a review for an increase and what formula and considerations were taken into account when that increase was calculated.

[Refer to the answer to Q12, Pricing Mechanisms \(Goods\) LPOs.](#)

10. Where the wholesale value of goods as published in the Stock Master File is decreased, please provide copies of any documentation which explains what mechanism gave rise to a review for a decrease and what formula and considerations were taken into account when that decrease was calculated.

[Refer to the answer to Q12, Pricing Mechanisms \(Goods\) LPOs.](#)

11. In the event of increases, please provide any documentation which may assist to clarify what percentage of the set increase is apportioned to the LPOA as opposed to the proportion retained by Australia Post.

[Refer to the answer to Q12, Pricing Mechanisms \(Goods\) LPOs.](#)

12. In the event of decreases, please provide any documentation which may assist to clarify what percentage of the set decrease is apportioned to the LPOA as opposed to the proportion retained by Australia Post.

[Refer to the answer to Q12, Pricing Mechanisms \(Goods\) LPOs.](#)

13. Where there is a decrease or an increase in the unit price of the product, and the percentage of apportionment is the same in both instances, please provide copies of any documentation to support this.

[Refer to the answer to Q12, Pricing Mechanisms \(Goods\) LPOs.](#)

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the pricing mechanisms for goods retailed by Licensed Post Offices (LPO) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the pricing mechanisms for the retail arrangements between these parties – whether a specific question has been advanced or not.

CREDIT TERMS (LPO)

REQUESTED INFORMATION

1. Does Australia Post extend credit to LPOs with respect to goods retailed by the LPOs on behalf of Australia Post?

Yes, refer to pages 34-35 of Australia Post's Senate Inquiry submission.

2. If the answer to the previous question is yes, how are the terms of this credit determined?

Credit terms for LPOs are governed by the Australia Post Credit Policy attached.

3. Assuming that credit limits exist between Australia Post and an LPO, are those credit limits consistent with each LPO or are there parity arrangements in certain circumstances?

Credit limits vary between licensees but are set with consideration to factors such as the transactional volumes at their LPO and historic/forecast product sales levels.

4. In the event that credit limit levels differ between LPOs, please provide explanation as to the formulas applied to determine the limits and the reasons for the differentials.

Refer to the answer to Q3 above.

5. Does Australia Post operate credit ratings between LPOs with respect to their access to and the limit of this internal credit?

No, refer to the answer to Q3 above.

6. Is the determination for the credit limits for LPOs calculated on a generic formula?

Refer to the answer to Q3 above.

7. Is there a relationship consideration between the gross operating turnover of an LPO and the amount of credit that they can receive from Australia Post?

Gross operating turnover is not part of the consideration for setting a licensee's credit limit.

8. What are the processes that are implemented with an LPO when they reach their credit limit?

Refer to page 34, section 6.6.6 of Australia Post's Senate Enquiry submission.

9. Does the contractual and operating arrangements between Australia Post and the LPOs provide for any bonus-like payments that have a nexus relationship to either volumes of sales of goods and services and/or quality levels of services provided?

There are no bonus-payments associated with volumes of sales of goods or quality of service, however Australia Post does operate a licensee rewards program where bonus points towards a national recognition program are associated with increasing sales levels and customer satisfaction scores.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the credit terms between Australia Post (AP) and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of the credit arrangements between these parties – whether a specific question has been advanced or not.

CREDIT TERMS (LPO)

REQUESTED DOCUMENTS

1. Where Australia Post extends credit to LPOs with respect to goods retailed by the LPOs on behalf of Australia Post, please provide copies of any documentation which explains and outlines how the terms of credit are determined.

[Australia Post's credit policy is attached.](#)

2. Please provide copies of any documentation which shows any parity between the credit terms between Australia Post and LPOs.

[Credit limits vary between licensees but are set with consideration to factors such as the transactional volumes at their LPO and historic/forecast product sales levels.](#)

3. Where the credit limit levels differ between LPOs, please provide copies of any documentation which explain the formulas applied to determine the limits and the reasons for the differentials.

[Credit limits vary between licensees but are set with consideration to factors such as the transactional volumes at their LPO and historic/forecast product sales levels.](#)

4. Where Australia Post operates credit ratings between LPOs with respect to their access to and the limit of this internal credit, please provide copies of any documentation which outlines the details of these credit ratings.

[Not applicable](#)

5. If the determination for the credit limits for LPOs is calculated on a generic formula, please provide copies of any documentation which explains this formula.

[Not applicable](#)

6. Please provide copies of any documentation which outlines the processes that are implemented with an LPO when they reach their credit level?

[Refer to page 34, section 6.6.6 of Australia Post's Senate Enquiry submission.](#)

7. Where the contractual and operating arrangements between Australia Post and the LPOs provide for any bonus-like payments that have a nexus relationship to either volumes of sales of goods and services and/or quality levels of services provided, please provide copies of any documentation which outlines these bonus-like payments.

[Not applicable.](#)

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the details of any credit terms used between Australia Post (AP) and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the system of any credit terms used between Australia Post (AP) and Licensed Post Offices (LPO).

PRICING TRENDS (LPO)

REQUESTED INFORMATION

1. Can you provide a synopsis of every historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the inventory on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail)?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

2. Are there any internal documents within Australia Post that compared all historical price increases from the 1st July 1993 through to 30th June 2013 on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail) against the Consumer Price Index guide?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. Are there working documents within Australia Post that relate to considerations and deliberations regarding the increase or decrease of pricing relating to the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail)?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

4. Are the proprietors of LPOs consulted regarding price alterations that occur with the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail)?

With the exception of the small mandatory range of postage stamps which have a percentage discount, all other products including satchels are optional. Licensees choose to participate in purchasing these products based on the range and pricing provided. Informal feedback through licensee meetings and buying patterns are also taken into account when setting prices.

5. Can you provide a synopsis of every historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the services published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

6. Are there any internal documents within Australia Post that compared all historical price increases from the 1st July 1993 through to 30th June 2013 published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period against the Consumer Price Index guide?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

7. Are there working documents within Australia Post that relate to considerations and deliberations regarding the increase or decrease of pricing relating to published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

8. Are the proprietors of LPOs consulted regarding price alterations that occur with the published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period?

Refer to the answer to Q4 above.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the pricing trends relating to commercial transactions between Australia Post (AP) and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of the historical pricing trends for goods and services – whether a specific question has been advanced or not.

PRICING TRENDS (LPO)

REQUESTED DOCUMENTS

1. Please provide copies of any documents that determine any historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the inventory on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail).

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

2. Please provide copies of any internal documents within Australia Post that compare all historical price increases from the 1st July 1993 through to 30th June 2013 on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail) against the Consumer Price Index guide.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. Please provide copies of any documentation within Australia Post that relates to considerations and deliberations regarding the increase or decrease of pricing relating to the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail).

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

4. Please provide any documentation which details any instance where the proprietors of LPOs are consulted regarding price alterations that occur with the Stock Master File (or any other manual or electronic inventory relating to goods supplied to LPOs for retail).

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

5. Please provide copies of any documents that determine any historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the services published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

6. Please provide copies of any internal documents within Australia Post that compare all historical price increases from the 1st July 1993 through to 30th June 2013 published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period against the Consumer Price Index guide.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

7. Please provide any copies of documentation or working documents within Australia Post that relate to considerations and deliberations regarding the increase or decrease of pricing relating to items published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

8. Please provide copies of any documentation relating to any consultations between LPOs and Australia Post regarding price alterations that have occurred relating to the services published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the pricing trends for goods and services provided or retailed by Licensed Post Offices (LPO) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the pricing trends for goods and services sold and provided by LPOs on behalf of Australia Post – whether a specific question has been advanced or not.

COMPETITION (LPO)

REQUESTED INFORMATION

1. Notwithstanding the existence of contracts and licenses between Australia Post and LPOs, does Australia Post have the lawful ability to engage in retail practices regarding the sale of goods and services that is in direct competition with LPOs?

Australia Post ensures that at all times it acts in accordance with all applicable legal and legislative requirements.

2. If the answer to the previous question is yes, can Australia Post provide information to show where the LPOs would be aware that there existed the potential for Australia Post to engage in retail practices regarding the sale of goods and services that is in direct competition with their enterprises?

The LPO Agreement provides details of the relationship between Australia Post and licensees.

In addition, the disclosure document provides advice around the potential impact of Australia Post activities on licensee revenues.

3. Can Australia Post advise of any policy or initiatives directly designed to engage in retail practices regarding the sale of goods and services that is in direct competition with LPOs?

Australia Post's network of Post Offices is one of a number of channels that customers can choose to use to conduct their postal business.

Australia Post does not compete with its licensees, but rather as a general rule provides its customers with the choice of how and where they wish to conduct their postal business.

4. Where Australia Post engaged in direct retail practices regarding the sale of good or services, were there any parity issues with respect to the pricing of those goods and services as opposed to the ability of the LPOs to provide the same goods and services on the same financial terms?

Refer to the answer to Q3 above.

5. In the period between 1st July 1993 and 30th June 2013, has Australia Post engaged in any direct sales campaigns with customers regarding the retail of goods and services that were also available through the network of LPOs?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the competitive retails activities between Australia Post and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of these competition activities – whether a specific question has been advanced or not.

COMPETITION (LPO)

REQUESTED DOCUMENTS

1. Please provide copies of any documentation relating to Australia Post's lawful ability to engage in retail practices regarding the sale of goods and services that is in direct competition with LPOs?

The LPO Agreement provides details of the relationship between Australia Post and licensees.

In addition the disclosure document provides advice around the potential impact of Australia Post activities on licensee revenues.

2. Please provide copies of any documentation where there are any Australia Post policies or initiatives directly designed to engage in retail practices regarding the sale of goods and services that is in direct competition with LPOs.

Not applicable.

3. Please provide copies of any documentation which shows that Australia Post engaged in direct retail practices regarding the sale of good or services and there were parity issues with respect to the pricing of those goods and services as opposed to the ability of the LPOs to provide the same goods and services on the same financial terms.

Not applicable.

4. Where Australia Post has engaged in any direct sales campaigns with customers regarding the retail of goods and services that were also available through the network of LPOs in the period between 1st July 1993 and 30th June 2013, please provide copies of any documentation relevant to those campaigns.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the competitive retails activities between Australia Post and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation) that might assist it to determine competition activity between Australia Post and LPOs - whether a specific question has been advanced or not.

COMPLAINTS (LPO)

REQUESTED INFORMATION

1. Does Australia Post have a formal centralised complaints management section relating to the operations with the LPOs?

Refer to pages 30-31 of Australia Post's Senate Inquiry submission.

2. Can Australia Post advise of any complaints received by LPOs regarding the conduct of Australia Post for the period between and inclusive 1st July 1993 through 30th June 2013?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. If the answer to the previous question is yes, could Australia Post provide a synopsis brief of the nature of the complaints?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

4. Can Australia Post advise if they have been a party to any civil proceedings in any jurisdiction where the plaintiff has been a licensed post office operator?

Yes.

5. If the answer to the previous question is yes, could Australia Post provide a synopsis brief of the proceedings?

Centralised records of civil proceedings are only available for the past three years. During this time there have been three civil proceedings issued against Australia Post by licensees/ex licensees.

Burwood North NSW – 2011 – Ex licensee seeking recovery of legal fees incurred at assignment. Court found against plaintiff and awarded Australia Post legal costs.

Campbell Town TAS – 2012 – Licensee sought injunction in the NSW Supreme Court to cease termination without cause action taken by Australia Post under the LPO Agreement. Court found against plaintiff and the matter was subsequently settled prior to trial.

Erina Fair NSW – 2013 – Licensee seeking damages and restriction of Australia Post's right to terminate – Ongoing.

6. Does Australia Post keep a copy of complaints for a period of time and, if so, what is that period of time?

Complaints by licensees are kept with their LPO file whilst they remain licensees of Australia Post. Records of ex licensees are archived for up to seven years.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the system for handling complaints within Australia Post and LPOs. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of this complaints system – whether a specific question has been advanced or not.

COMPLAINTS (LPO)

REQUESTED DOCUMENTS

1. Where Australia Post has a formal centralised complaints management section relating to the operations with the LPOs, please provide copies of the documentation which outlines this.

[Refer to pages 30-31 of Australia Post's Senate Inquiry submission.](#)

2. Please provide copies of any complaints received by LPOs regarding the conduct of Australia Post for the period between and inclusive 1st July 1993 through 30th June 2013.

[The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.](#)

3. Where Australia Post has been a party to any civil proceedings in any jurisdiction where the plaintiff has been a licensed post office operator, please provide copies of any documentation relating to these proceedings.

[Refer to the answer to Q5 above.](#)

4. Where Australia Post keeps a copy of complaints for a period of time, please provide copies of these complaints.

[The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.](#)

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the complaints system between Australia Post and Licensed Post Offices (LPO). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation) that might assist it to determine the complaints system between Australia Post and LPOs - whether a specific question has been advanced or not.

BUSINESS SALES (LPO)

REQUESTED INFORMATION

1. Do the sales of a LPO from one party to another require the prior approval of Australia Post?

Refer to page 26 of Australia Post's Senate Inquiry submission.

2. Does Australia Post maintain records relating to the transfer of LPO businesses?

Yes.

3. If the answer to the aforementioned question is yes, does Australia Post collate information such as the date of the transaction, the location of the business, and/or the gross value of the sale?

Records of the date of any assignment/transfer and the location of the post office business are kept by Australia Post. As Australia Post is not a party to any "sale" between the licensee and a third party no records are kept of any gross sale value.

4. Has Australia Post maintained records which include part or all of the aforementioned period from 1st July 1993 through 30th June 2013?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

5. Does Australia Post maintain records of the gross revenues paid to LPOs for goods and services sold and provided by LPOs on behalf of Australia Post?

Australia Post maintains records in regards to the total payments made to LPOs. Refer to pages 39-40 of Australia Post's Senate Inquiry Submission.

6. Does Australia Post have those records for the period 1st July 1993 through 30th June 2013?

With regards to the response provided for Q5 above, the specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

<p>NOTE: The aforementioned questions are specifically designed to determine, in detail, the sale transactions of LPOs. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details the sales – whether a specific question has been advanced or not.</p>
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BUSINESS SALES (LPO)

REQUESTED DOCUMENTS

1. Where the sales of an LPO from one party to another require the prior approval of Australia Post, please provide copies of any documentation which details the conditions surrounding approval.

The terms applicable to the assignment of a LPO are provided at clause 19 of the LPO Agreement.

2. Where Australia Post maintains records relating to the transfer of LPO businesses, please provide copies of all records including the date of the transaction, the location of the business, and/or the gross value of the sale where available.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. Where Australia Post has maintained records which include part or all of the aforementioned period from 1st July 1993 through 30th June 2013, please provide copies of these records.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

4. Where Australia Post maintains records of the gross revenues paid to LPOs for goods and services sold and provided by LPOs on behalf of Australia Post, please provide copies of these records.

Australia Post maintains records in regards to the total payments made to LPOs. Refer to pages 39-40 of Australia Post's Senate Inquiry Submission.

5. Where Australia Post has those records aforementioned for the period 1st July 1993 through 30th June 2013, please provide copies of these records.

With regards to the answer to Q4 above, the specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining the basic details of sale transactions of LPOs. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation) that might assist it to determine the details of these sales - whether a specific question has been advanced or not.

OPERATING AND CONTRACTUAL ARRANGEMENTS (APF)

REQUESTED INFORMATION

1. Is there only one contract that governs all of the relationships between APFs and Australia Post, or are there multiple versions?

One contract governs the relationship between franchisees and Australia Post.

2. Assuming that there is only one contract, when was that contract first introduced?

The first franchise agreement was commenced in October 2006.

3. Has the aforementioned contract been amended since its initial introduction? If so, when was it amended and what was the specific nature of the amendments?

No amendments have been made to this contract.

4. Does the aforementioned contract make reference to or rely upon any other documents, instruments or regulations to govern the contract? If so, what are those documents, instruments or regulations?

The franchise agreement makes reference to Manuals which means the Australia Post Franchise Operations Manual, EPOS manuals, General Procedures, Accounting Instructions – Post Offices, relevant instructions and procedures from third parties for whose benefit Services are provided (e.g. Telstra), EPOS Retail Information System, National Retail Merchandising Standards Manual, Security Standards – Australia Post Retail Outlets, A Guide to Post Office Security, Retail Outlet Crime Protection Booklet, Fire-Safety and Emergency Procedure Guidelines, Australia Post's Fraud Control Policy and Guidelines and any other Manuals or instructions issued, amended, replaced or substituted by Australia Post from time to time.

5. What are the tenure terms of the contract and are these terms the same in every arrangement?

There is a ten year term associated with the contract which is uniform across the network.

6. When an APF is sold or transferred to another ownership, does the new owner inherit all of the benefits and obligations set out in the pre-existing contract?

Any changes to the existing arrangements are outlined in a disclosure document provided as per the Franchising Code of Conduct prior to the time of transfer. This document is also available to the existing franchisee.

7. Are there other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements?

No.

8. Assuming that there are multiple contracts, what are these different contracts and when were they first introduced?

Not applicable.

9. Have the aforementioned contracts been amended since their initial introduction? If so, when were they amended and what was the specific nature of these amendments?

No.

10. Do the aforementioned contracts make reference to or rely upon any other documents, instruments or regulations to govern the contract? If so, what are those documents, instruments or regulations?

Refer to the answer to Q4 above.

11. What are the tenure terms of these contracts and are these terms the same in every arrangement?

Refer to the answer to Q5 above.

12. When an APF is sold or transferred to another ownership, does the new owner inherit all of the benefits and obligations set out in the pre-existing contract? Is this the same for every sale or is it determined on an individual basis?

Refer to the answer to Q6 above.

13. Are there other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements?

No.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the operating and contractual arrangements between Australia Post (AP) and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the operating and contractual arrangements between these parties – whether a specific question has been advanced or not.

OPERATING AND CONTRACTUAL ARRANGEMENTS (APF)

REQUESTED DOCUMENTS

1. If there is only one contract that governs all of the relationships between APFs and Australia Post, please provide a copy of the contract.

[Refer to the Australia Post Franchise Agreement attached.](#)

2. Where the aforementioned contract has been amended, please provide the amended copy of the contract. Where the document has been amended more than once since introduction, please provide a relevant copy of each amended version of the contract.

[Not applicable.](#)

3. Where the aforementioned contract or contracts make reference to or rely upon any other documents, instruments or regulations to govern the contract, please provide a copy of those documents, instruments or regulations.

[Refer to the Franchise Disclosure Document, General Procedures Manual, Accounting Instructions Manual attached.](#)

4. Where the tenure terms of the contract are not the same in every arrangement please provide copies of any contracts with different tenure arrangements.

[Not applicable.](#)

5. Where an APF is sold or transferred to another ownership please produce any relevant documentation that governs the terms and conditions of the assignment.

[Preliminary and Occupancy agreements are attached.](#)

6. Where there are other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements please provide a copy of all documentation that determines these allied agreements.

[Not applicable.](#)

7. Where there are multiple contracts, please provide copies of these contracts.

[Not applicable.](#)

8. Where the aforementioned multiple contracts have been amended since their initial introduction, please provide copies of all amended contracts?

[Not applicable.](#)

9. Where the aforementioned multiple contracts make reference to or rely upon any other documents, instruments or regulations to govern the contract, please provide copies of those documents, instruments or regulations.

[Not applicable.](#)

10. Where there are other trading obligations between the two entities that are governed by agreements that are outside the base contract arrangements and if so, please provide copies of those agreements.

Not applicable.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the operating and contractual arrangements between Australia Post (AP) and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the operating and contractual arrangements between these parties.

PRICING MECHANISMS (SERVICES) (APF)

REQUESTED INFORMATION

1. Please detail all pricing mechanisms and arrangements between Australia Post and an APF.

Franchisees are paid commissions in respect of products sold by the franchisee and services provided. Specifics are outlined in Schedule 3 Products and Services of the Franchise Agreement.

2. When an APF provides a service for Australia Post, is it remunerated on the basis of a fee for that service?

No, as franchisees act as agents for the provision of services a commission is payable for each service provided. Further information is available in Schedule 3 Products and Services of the Franchise Agreement.

3. If an APF is not remunerated on the basis of a fee for services provided, please explain how the APF is remunerated for services they provide for and on behalf of Australia Post?

Refer to the answer to Q2 above.

4. Can you confirm that all services provided by an APF for and on behalf of Australia Post are published in the ANNEXURE A document attached to the Licensed Post Office Agreement (LPOA)?

No, all services provided by an APF are contained in Schedule 3 Products and Services of the Franchise Agreement.

5. Can you confirm that individual ANNEXURE As publish mandatory service settings for APFs?

No, an Annexure A document is not part of the APF agreement. Franchisees are however obligated to provide a standard range of services in the premises.

6. Can you confirm that individual ANNEXURE As publish service settings (additional to the mandatory service settings) that may be available for an APF to provide on an optional basis?

No, refer to the answer to Q5 above.

7. Can you please clarify whether there are any services set out in an ANNEXURE A document (other than mandatory services and optional services) that the signatory APF might not be able to provide because of their permission levels?

Some outlets are not authorised to undertake certain third party agency transactions including those associated with Extended Identity Services.

8. Can you provide information that will allow the Senate Inquiry to interpret any ANNEXURE A document that they may have so that they can determine which services are mandatory, which services are optional and which services are prohibited; relative to that particular ANNEXURE A?

An Annexure A document does not apply to the franchise agreement. All services are mandatory under the franchising agreement.

9. Can you clarify how a payment, as published by the payment rate of the 'payment' column of ANNEXURE A is calculated where the reference in the 'payment' column is published as a percentage?

[Refer to the answer to Q4 above.](#)

10. Can you advise if the payment rates in the 'payment' column are adjusted (by increase or decrease) during the period of the life of the LPOA?

[Not applicable.](#)

11. If the payments for services in ANNEXURE A are increased, can you explain what mechanism gives rise to a review for an increase and what formula and considerations are taken into account when that increase is calculated?

[Whilst most payments are expressed in percentage terms those with set amounts are reviewed annually.](#)

12. If the payments for services in ANNEXURE A are decreased, can you explain what mechanism gives rise to a review for a decrease and what formula and considerations are taken into account when that decrease is calculated?

[Whilst no service payments have been decreased a review is conducted annually as per the answer to Q11 above.](#)

13. In the event of increases, can you clarify what percentage of the set increase is apportioned to the LPOA as opposed to the proportion retained by Australia Post?

[Not applicable to franchisees, but basis of payment is explained in Schedule 3 of the Franchising Agreement.](#)

14. In the event of decreases, can you clarify what percentage of the set decrease is apportioned to the LPOA as opposed to the proportion retained by Australia Post?

[Refer to the answer to Q13 above.](#)

15. Notwithstanding whether it is a decrease or an increase in the unit price paid to the APF for services provided on behalf of Australia Post, is the percentage of apportionment the same in both instances?

[Refer to the answer to Q13 above.](#)

16. If the answer to the previous question is no, please provide advice as to why a different pro-forma differential is applied in the different circumstances.

[Refer to the answer to Q13 above.](#)

17. Whatever the rules with respect to the increases or decreases, does the percentage of whole formula remain constant for every service or is there a disparity in the application of the formula from service to service?

Refer to the answer to Q13 above

18. If the answer to the previous question is no, please provide advice as to why the percentages change?

Refer to the answer to Q13 above.

19. Do the aforementioned rules apply to each and every APF, or is there disparity in the application of the rules (and indeed the elemental components of the formula) from APF to APF?

Any changes to franchisee payments apply to all franchisees.

20. If the answer to the previous question is no, please provide advice as to why the application of the rules change?

Not applicable

21. At any stage, did Australia Post consider CPI increases when formulating increases in the cost of services available through the APF network?

CPI was not considered particularly relevant as it was and is not specific to Australia Post's commercial activities.

22. If the answer to the aforementioned question is no, then could Australia Post advise on what benchmark or reference value they relied when modifying (increase or decrease) the cost of services through the APF network?

The majority of payments in number and amount are a percentage of the retail price payments (similar to license discounts and commissions) so effectively move upwards. The small number of set rates remaining is reviewed annually in line with changes to customer revenue.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the pricing mechanisms for services provided by Australia Post Franchises (APF) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the pricing mechanisms for services between these parties – whether a specific question has been advanced or not.

PRICING MECHANISMS (GOODS) (APF)

REQUESTED INFORMATION

1. When an APF retails goods through their APF, does this invoke a commission from Australia Post or are they simply remunerated by placing a margin on the goods sold?

Franchisees are paid a commission on the sale of each good as per Schedule 3 of the Franchise Agreement.

2. If the sale of retail goods by an APF does not invoke a commission from Australia Post and is not remunerated by the APF placing a margin on the goods sold; how is the APF operator remunerated for the sale of goods?

Refer to the answer to Q1 above.

3. With respect to the purchase of goods for retail, is it the case that each APF can only purchase their goods for retail from Australia Post or an approved Australia Post supplier?

Franchisees are provided Australia Post stock on consignment. No upfront payment is required from the franchisee.

4. Is every good (or goods) published in the Australia Post Stock Master File or are there alternative catalogues and or inventories available to APFs to determine the schedule of products?

Franchisees are able to access all products available through the National Stock Master File.

5. How does an APF that cannot electronically access the Stock Master File determine what stock is available to their enterprise for sale and establish the wholesale value and the approved retail value of the item/s available?

Not applicable as all APFs have access to Electronic Point of Sale.

6. If the aforementioned Stock Master File is provided to that APF manually, how does Australia Post provide the relevant APF with fluctuations in the price list?

Not applicable, refer to the answer to Q5 above.

7. Can you confirm that the Stock Master File publishes all goods that may be available for an APF to retail pursuant to the terms and conditions of their LPOA?

Refer to the answer to Q4 above.

8. Can you please clarify whether there are any goods set out in the Stock Master File that the signatory APF might not be able to retail because of their permission or status levels?

The APFs have access to the same range of products as the corporate stores – these are listed in the Stock Master File.

9. Can you provide information that will allow the Senate Inquiry to interpret the Stock Master File so that they may determine what stock and goods are available for APFs to retail to their customer base?

[Refer to Pricing Mechanisms \(Goods\) LPO for a copy of the Stock Master File.](#)

10. Can you clarify how an APF determines the wholesale and recommended retail value of goods published within the Stock Master File?

[Australia Post range a number of merchandise products in the Stock Master File. Retail Merchandise pricing is determined by a number of factors. The starting point is obviously the cost price that is negotiated with Suppliers. A margin is then applied, taking into account several typical influencing factors, including the cost of handling and moving the product, product quality, market forces and competition in the market, promotional activity, where the product is in its lifecycle etc. There is no one formula that is applied as different pricing strategies are applied to different product categories and even different products within categories, based on the factors above. Each product price change \(increases or decreases\) is assessed on its merit - assessed on its ability to be sold in the marketplace.](#)

11. Can you advise if the unit rates as published in the Stock Master File are adjusted (by increase or decrease) at any stage or at any set intervals?

[All pricing decisions are made in line with the answer to Q10 above.](#)

12. If the wholesale value of goods as published in the Stock Master File is increased, can you explain what mechanism gives rise to a review for an increase and what formula and considerations are taken into account when that increase is calculated?

[Refer to the answer to Q10 above.](#)

13. If the wholesale value of goods as published in the Stock Master File is decreased, can you explain what mechanism gives rise to a review for a decrease and what formula and considerations are taken into account when that decrease is calculated?

[Refer to the answer to Q10 above.](#)

14. In the event of increases, can you clarify what percentage of the set increase is apportioned to the LPOA as opposed to the proportion retained by Australia Post?

[Refer to the answer to Q10 above.](#)

15. In the event of decreases, can you clarify what percentage of the set decrease is apportioned to the LPOA as opposed to the proportion retained by Australia Post?

[Refer to the answer to Q10 above.](#)

16. Notwithstanding whether it is a decrease or an increase in the unit price of the product, is the percentage of apportionment the same in both instances?

[Refer to the answer to Q10 above.](#)

17. If the answer to the previous question is no, please provide advice as to why a different pro-forma differential is applied in the different circumstances.

Not applicable.

18. Whatever the rules with respect to the increases or decreases, does the percentage of whole formula remain constant for every product or is this disparity in the application of the formula from product to product?

Refer to the answer to Q10 above.

19. If the answer to the previous question is no, please provide advice as to why the percentages change?

Not applicable.

20. Do the aforementioned rules apply to each and every APF, or is there disparity in the application of the rules (and indeed the elemental components of the formula) from APF to APF?

All pricing decisions are made in line with the answer to Q12 above.

21. If the answer to the previous question is no, please provide advice as to why the application of the rules change?

Not applicable.

22. Are the pricing mechanisms and arrangements between Australia Post and APFs identical in all instances?

Refer to the answer to Q10 above.

23. At any stage, did Australia Post consider CPI increases when formulating increases in the cost of goods available through the APF network?

Refer to the answer to Q10 above.

24. If the answer to the aforementioned question is no, then could Australia Post advise on what benchmark or reference value they relied when modifying (increase or decrease) the cost of goods through the APF network?

Refer to the answer to Q10 above.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the pricing mechanisms for goods retailed by Australia Post Franchises (APF) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the pricing mechanisms for the retail arrangements between these parties – whether a specific question has been advanced or not.

PRICING MECHANISMS (SERVICES) (APF)

REQUESTED DOCUMENTS

1. Please provide copies of all pricing mechanisms and arrangements between Australia Post and an APF.

[Refer to Schedule 3 of the Franchising Agreement attached.](#)

2. Where an APF provides a service for Australia Post and it is remunerated on the basis of a fee for that service, please provide copies of these arrangements.

[Refer to the answer to Q1 above.](#)

3. Where an APF is not remunerated on the basis of a fee for services provided, please provide documentation on how the APF is remunerated for services they provide for and on behalf of Australia Post.

[Franchisees receive a fee for all services provided as per Schedule 3 of the Franchising Agreement.](#)

4. Can you please provide copies of documentation that contains information that will allow the Senate Inquiry to interpret any ANNEXURE A document that they may have so that they can determine which services are mandatory, which services are optional and which services are prohibited; relative to that particular ANNEXURE A.

[No Annexure A as such applies to the Franchise Agreement as all franchises operate as a post office business within the Australia Post leased accommodation. Section 8 of the Franchise Agreement provides further information.](#)

5. Where the payment rates in the 'payment' column are adjusted (by increase or decrease) during the period of the life of the LPOA, please provide any documentation which explains and shows these adjustments.

[All services provided by an APF are contained in Schedule 3 Products and Services of the Franchise Agreement and are mainly percentage based. Those on fixed rates are reviewed annually.](#)

6. Where the payments for services in ANNEXURE A are increased, please provide any documentation which illustrates what mechanism gives rise to a review for an increase and what formula and considerations are taken into account when that increase is calculated.

[Refer to the answer to Q5 above.](#)

7. Where the payments for services in ANNEXURE A are decreased, please provide any documentation which illustrates and explains what mechanism gives rise to a review for a decrease and what formula and considerations are taken into account when that decrease is calculated?

[Refer to the answer to Q5 above.](#)

8. In the event of increases, please provide any documentation which clarifies what percentage of the set increase is apportioned to the LPOA as opposed to the proportion retained by Australia Post.

[Refer to the answer to Q5 above.](#)

9. In the event of decreases, please provide any documentation which clarifies what percentage of the set decrease is apportioned to the LPOA as opposed to the proportion retained by Australia Post.

[Refer to the answer to Q5 above.](#)

10. Notwithstanding whether it is a decrease or an increase in the unit price paid to the APF for services provided on behalf of Australia Post, please provide any evidence or documentation which shows the percentage of apportionment is the same in both instances.

[Refer to the answer to Q5 above.](#)

11. Where the answer to the previous question is no, please provide documentation to show why a different pro-forma differential is applied in the different circumstances.

[Not applicable.](#)

12. Where the percentage of whole formula remains constant for every service, please provide any documentation or evidence to support this.

[Refer to the answer to Q5 above.](#)

13. Where there is disparity in the application of the formula from service to service, please provide all documentation which supports this.

[Refer to the answer to Q5 above.](#)

<p>NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the pricing mechanisms for services provided by Australia Post Franchises (APF) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the pricing mechanisms for services provided by APFs.</p>
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PRICING MECHANISMS (GOODS) (APF)

REQUESTED DOCUMENTS

1. Where an APF retails goods through their APF, and this invokes a commission from Australia Post, please provide any documentation to illustrate the details of the commission.

[Refer to the Franchising Agreement attached.](#)

2. Where an APF retails goods through their APF and they are remunerated by placing a margin on the goods sold, please provide any documentation to illustrate that margin.

[Refer to the answer to 1 above.](#)

3. Where the sale of retail goods by an APF does not invoke a commission from Australia Post and is not remunerated by the APF placing a margin on the goods sold, please provide documentation of how the APF operator is remunerated for the sale of goods.

[Franchisees receive a commission on all products and services sold.](#)

4. Where goods are published in catalogues and/ or inventories other than the Australia Post Stock Master File, please provide copies of these documents.

[Not applicable.](#)

5. Where an APF cannot electronically access the Stock Master File to determine what stock is available to their enterprise for sale and establish the wholesale value and the approved retail value of the item/s available, and the Stock Master File is provided to that APF manually, please provide a copy of that Stock Master File.

[Not applicable as all APFs have access to Electronic Point of Sale](#)

6. Please provide copies of any documentation to clarify whether there are any goods set out in the Stock Master File that the signatory APF might not be able to retail because of their permission or status levels.

[Not applicable.](#)

7. Please provide copies of any documentation which could assist to clarify how an APF determines the wholesale and recommended retail value of goods published within the Stock Master File.

[Refer to the answer to Q2, Pricing Mechanism \(Goods\) \(LPO\)](#)

8. Please provide any documentation which shows any adjustments (by increase or decrease) in the unit rates as published in the Stock Master File at any stage or at any set intervals.

[Not applicable as franchisees are remunerated as per the rates stated in the Franchising Agreement.](#)

9. Where the wholesale value of goods as published in the Stock Master File is increased, please provide copies of any documentation which explains what mechanism gave rise to a review for an increase and what formula and considerations were taken into account when that increase was calculated.

Not applicable as franchisees are remunerated as per the rates stated in the Franchising Agreement.

10. Where the wholesale value of goods as published in the Stock Master File is decreased, please provide copies of any documentation which explains what mechanism gave rise to a review for a decrease and what formula and considerations were taken into account when that decrease was calculated.

Not applicable as franchisees are remunerated as per the rates stated in the Franchising Agreement.

11. In the event of increases, please provide any documentation which may assist to clarify what percentage of the set increase is apportioned to the LPOA as opposed to the proportion retained by Australia Post.

Not applicable as franchisees are remunerated as per the rates stated in the Franchising Agreement.

12. In the event of decreases, please provide any documentation which may assist to clarify what percentage of the set decrease is apportioned to the LPOA as opposed to the proportion retained by Australia Post.

Not applicable as franchisees are remunerated as per the rates stated in the Franchising Agreement.

13. Where there is a decrease or an increase in the unit price of the product, and the percentage of apportionment is the same in both instances, please provide copies of any documentation to support this.

Not applicable as franchisees are remunerated as per the rates stated in the Franchising Agreement.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the pricing mechanisms for goods retailed by Australia Post Franchises (APF) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the pricing mechanisms for the retail arrangements between these parties – whether a specific question has been advanced or not.

CREDIT TERMS (APF)

REQUESTED INFORMATION

1. Does Australia Post extend credit to APFs with respect to goods retailed by the APFs on behalf of Australia Post?

No, stock is provided to APFs on consignment.

2. If the answer to the previous question is yes, how are the terms of this credit determined?

Refer to the answer to Q1 above.

3. Assuming that credit limits exist between Australia Post and an APF, are those credit limits consistent with each APF or are there parity arrangements in certain circumstances?

Not applicable as stock credit is not available under the APF model.

4. In the event that credit limit levels differ between APFs, please provide explanation as to the formulas applied to determine the limits and the reasons for the differentials.

Not applicable as stock credit is not available under the APF model.

5. Does Australia Post operate credit ratings between APFs with respect to their access to and the limit of this internal credit?

Not applicable as stock credit is not available under the APF model.

6. Is the determination for the credit limits for APFs calculated on a generic formula?

Not applicable as stock credit is not available under the APF model.

7. Is there a relationship consideration between the gross operating turnover of an APF and the amount of credit that they can receive from Australia Post?

Not applicable as stock credit is not available under the APF model.

8. What are the processes that are implemented with an APF when they reach their credit limit?

Not applicable as stock credit is not available under the APF model.

9. Does the contractual and operating arrangements between Australia Post and the APFs provide for any bonus-like payments that have a nexus relationship to either volumes of sales of goods and services and/or quality levels of services provided?

No.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the credit terms between Australia Post (AP) and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of the credit arrangements between these parties – whether a specific question has been advanced or not.

CREDIT TERMS (APF)

REQUESTED DOCUMENTS

1. Where Australia Post extends credit to APFs with respect to goods retailed by the APFs on behalf of Australia Post, please provide copies of any documentation which explains and outlines how the terms of credit are determined.

Not applicable as stock credit is not available under the APF model.

2. Please provide copies of any documentation which shows any parity between the credit terms between Australia Post and APFs.

Not applicable as stock credit is not available under the APF model.

3. Where the credit limit levels differ between APFs, please provide copies of any documentation which explains the formulas applied to determine the limits and the reasons for the differentials.

Not applicable as stock credit is not available under the APF model.

4. Where Australia Post operates credit ratings between APFs with respect to their access to and the limit of this internal credit, please provide copies of any documentation which outlines the details of these credit ratings.

Not applicable as stock credit is not available under the APF model.

5. If the determination for the credit limits for APFs is calculated on a generic formula, please provide copies of any documentation which explains this formula.

Not applicable as stock credit is not available under the APF model.

6. Please provide copies of any documentation which outlines the processes that are implemented with an APF when they reach their credit level.

Not applicable as stock credit is not available under the APF model.

7. Where the contractual and operating arrangements between Australia Post and the APFs provide for any bonus-like payments that have a nexus relationship to either volumes of sales of goods and services and/or quality levels of services provided, please provide copies of any documentation which outlines these bonus-like payments.

Not applicable.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the details of any credit terms used between Australia Post (AP) and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the system of any credit terms used between Australia Post (AP) and Australia Post Franchises (APF).

PRICING TRENDS (APF)

REQUESTED INFORMATION

1. Can you provide a synopsis of every historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the inventory on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to APFs for retail)?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

2. Are there any internal documents within Australia Post that compared all historical price increases from the 1st July 1993 through to 30th June 2013 on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to APFs for retail) against the Consumer Price Index guide?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. Can you provide a synopsis of every historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the services published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

4. Are there any internal documents within Australia Post that compared all historical price increases from the 1st July 1993 through to 30th June 2013 published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period against the Consumer Price Index guide?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

5. Are there working documents within Australia Post that relate to considerations and deliberations regarding the increase or decrease of pricing relating to published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

6. Are the proprietors of APFs consulted regarding price alterations that occur with the published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period?

Franchisees are provided with pricing updates on a regular basis but are not specifically consulted on pricing changes.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the pricing trends relating to commercial transactions between Australia Post (AP) and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of the historical pricing trends for goods and services – whether a specific question has been advanced or not.

PRICING TRENDS (APF)

REQUESTED DOCUMENTS

1. Please provide copies of any documents that determine any historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the inventory on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to APFs for retail).

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

2. Please provide copies of any internal documents within Australia Post that compare all historical price increases from the 1st July 1993 through to 30th June 2013 on the Stock Master File (or any other manual or electronic inventory relating to goods supplied to APFs for retail) against the Consumer Price Index guide.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. Please provide copies of any documentation within Australia Post that relates to considerations and deliberations regarding the increase or decrease of pricing relating to the Stock Master File (or any other manual or electronic inventory relating to goods supplied to APFs for retail).

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

4. Please provide any documentation which details any instance where the proprietors of APFs are consulted regarding price alterations that occur with the Stock Master File (or any other manual or electronic inventory relating to goods supplied to APFs for retail).

No such documentation exists.

5. Please provide copies of any documents that determine any historical price increase or decrease between the period and inclusive of 1 July 1993 through to 30th June 2013 relating to the services published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

6. Please provide copies of any internal documents within Australia Post that compare all historical price increases from the 1st July 1993 through to 30th June 2013 published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period against the Consumer Price Index guide.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

7. Please provide any copies of documentation or working documents within Australia Post that relate to considerations and deliberations regarding the increase or decrease of pricing relating to items published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

8. Please provide copies of any documentation relating to any consultations between APFs and Australia Post regarding price alterations that have occurred relating to the services published in the Transaction Codes inventory (and any other inventory relating to services) during the relevant period.

Not applicable. Refer to the answer to Q6 above.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the pricing trends for goods and services provided or retailed by Australia Post Franchises (APF) on behalf of Australia Post. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation – e.g. regulations etc.) that might assist it to determine the pricing trends for goods and services sold and provided by APFs on behalf of Australia Post – whether a specific question has been advanced or not.

COMPETITION (APF)

REQUESTED INFORMATION

1. Notwithstanding the existence of contracts and licenses between Australia Post and APFs, does Australia Post have the lawful ability to engage in retail practices regarding the sale of goods and services that is in direct competition with APFs?

Australia Post ensures that at all times it acts in accordance with all applicable legal and legislative requirements.

2. If the answer to the previous question is yes, can Australia Post provide information to show where the APFs would be aware that there existed the potential for Australia Post to engage in retail practices regarding the sale of goods and services that is in direct competition with their enterprises?

The Franchise Agreement provides details of the relationship between Australia Post and licensees.

In addition the disclosure document provides advice around the potential impact of Australia Post activities on franchisee revenues.

3. Can Australia Post advise of any policy or initiatives directly designed to engage in retail practices regarding the sale of goods and services that is in direct competition with APFs?

Australia Post's network of Post Offices is one of a number of channels that customers can choose to use to conduct their postal business.

Australia Post does not compete with its franchisees, but rather as a general rule provides its customers with the choice of how and where they wish to conduct their postal business.

4. Where Australia Post engaged in direct retail practices regarding the sale of good or services, were there any parity issues with respect to the pricing of those goods and services as opposed to the ability of the APFs to provide the same goods and services on the same financial terms?

Refer to the answer to Q3 above.

5. In the period between 1st July 1993 and 30th June 2013, has Australia Post engaged in any direct sales campaigns with customers regarding the retail of goods and services that were also available through the network of APFs?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the competitive retails activities between Australia Post and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of these competition activities – whether a specific question has been advanced or not.

COMPETITION (APF) –

REQUESTED DOCUMENTS

1. Please provide copies of any documentation relating to Australia Post’s lawful ability to engage in retail practices regarding the sale of goods and services that is in direct competition with APFs.

The Franchise Agreement provides details of the relationship between Australia Post and franchisees.

In addition the disclosure document provides advice around the potential impact of Australia Post activities on licensee revenues.

2. Please provide copies of any documentation where there are any Australia Post policies or initiatives directly designed to engage in retail practices regarding the sale of goods and services that is in direct competition with APFs.

Not applicable.

3. Please provide copies of any documentation which shows that Australia Post engaged in direct retail practices regarding the sale of good or services and there were parity issues with respect to the pricing of those goods and services as opposed to the ability of the APFs to provide the same goods and services on the same financial terms.

Not applicable.

4. Where Australia Post has engaged in any direct sales campaigns with customers regarding the retail of goods and services that were also available through the network of APFs in the period between 1st July 1993 and 30th June 2013, please provide copies of any documentation relevant to those campaigns.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the competitive retails activities between Australia Post and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation) that might assist it to determine competition activity between Australia Post and APFs - whether a specific question has been advanced or not.

COMPLAINTS (APF)

REQUESTED INFORMATION

1. Does Australia Post have a formal centralised complaints management section relating to the operations with the APFs?

The contract is between individual franchisees and Australia Post and as such allows individual franchisees to represent opportunities and issues directly to Australia Post.

2. Can Australia Post advise of any complaints received by APFs regarding the conduct of Australia Post for the period between and inclusive 1st July 1993 through 30th June 2013?

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. If the answer to the previous question is yes, could Australia Post provide a synopsis brief of the nature of the complaints?

Refer to the answer to Q2 above.

4. Can Australia Post advise if they have been a party to any civil proceedings in any jurisdiction where the plaintiff has been a licensed post office operator?

Yes.

5. If the answer to the previous question is yes, could Australia Post provide a synopsis brief of the proceedings?

Coorparoo – Qld – 2013 – ex franchisee sought damages for alleged breach of the Trade Practices Act through the Qld Supreme Court. Matter was settled in confidence prior to trial.

6. Does Australia Post keep a copy of complaints for a period of time and, if so, what is that period of time?

Complaints by franchisees are kept with their FPO file whilst they remain franchisees of Australia Post. Records of ex franchisees are archived for up to seven years.

NOTE: The aforementioned questions are specifically designed to determine, in detail, the system for handling complaints within Australia Post and APFs. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details of this complaints system – whether a specific question has been advanced or not.

COMPLAINTS (APF)

REQUESTED DOCUMENTS

1. Where Australia Post has a formal centralised complaints management section relating to the operations with the APFs, please provide copies of the documentation which outlines this.

The contract is between individual franchisees and Australia Post and as such allows individual franchisees to represent opportunities and issues directly to Australia Post.

2. Please provide copies of any complaints received by APFs regarding the conduct of Australia Post for the period between and inclusive 1st July 1993 through 30th June 2013.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

3. Where Australia Post has been a party to any civil proceedings in any jurisdiction where the plaintiff has been a licensed post office operator, please provide copies of any documentation relating to these proceedings.

Coorparoo – Qld – 2013 – ex franchisee sought damages for alleged breach of the Trade Practices Act through the Qld Supreme Court. Matter was settled in confidence prior to trial.

4. Where Australia Post keeps a copy of complaints for a period of time, please provide copies of these complaints.

The specific details sought are not captured on any central database. As such, Australia Post is not in a position to provide the information as requested.

NOTE: The aforementioned request for documents have been specifically designed to assist in determining, in detail, the complaints system between Australia Post and Australia Post Franchises (APF). Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation) that might assist it to determine the complaints system between Australia Post and APFs - whether a specific question has been advanced or not.

BUSINESS SALES (APF)

REQUESTED INFORMATION

1. Do the sales of a APF from one party to another require the prior approval of Australia Post?

Yes.

2. Does Australia Post maintain records relating to the transfer of APF businesses?

Yes.

3. If the answer to the aforementioned question is yes, does Australia Post collate information such as the date of the transaction, the location of the business, and/or the gross value of the sale?

Yes, Australia Post collates information on all of the above for APFs.

4. Has Australia Post maintained records which include part or all of the aforementioned period from 1st July 1993 through 30th June 2013?

Yes, for APFs this information is maintained

5. Does Australia Post maintain records of the gross revenues paid to APFs for goods and services sold and provided by APFs on behalf of Australia Post?

Yes, Australia Post maintains records of all payments made to APFs acting as agents for the sale of products and services.

6. Does Australia Post have those records for the period 1st July 1993 through 30th June 2013?

No, only those records for the period 2006 to 2013 that franchises have been established are available.

<p>NOTE: The aforementioned questions are specifically designed to determine, in detail, the sale transactions of APFs. Australia Post is encouraged to provide the Senate Inquiry with any information that might assist it to determine the details the sales – whether a specific question has been advanced or not.</p>
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BUSINESS SALES (APF)

REQUESTED DOCUMENTS

1. Where the sales of an APF from one party to another require the prior approval of Australia Post, please provide copies of any documentation which details the conditions surrounding approval.

[The terms applicable to the assignment of a Franchise Post Office is provided at clause 40 of the Franchise Agreement.](#)

2. Where Australia Post maintains records relating to the transfer of APF businesses, please provide copies of all records including the date of the transaction, the location of the business, and/or the gross value of the sale where available.

[Assignment details for franchises:](#)

- [Rosanna \(Vic\) – 16 Nov 2009](#)
- [Stones Corner \(Qld\) – 6 Dec 2010](#)

[Details of the sale price for individual franchises are commercial in confidence.](#)

3. Where Australia Post has maintained records which include part or all of the aforementioned period from 1st July 1993 through 30th June 2013, please provide copies of these records.

[Refer to the answer to Q2 above.](#)

4. Where Australia Post maintains records of the gross revenues paid to APFs for goods and services sold and provided by APFs on behalf of Australia Post, please provide copies of these records.

[Details of the payments made to individual franchisees are commercial in confidence.](#)

5. Where Australia Post has those records aforementioned for the period 1st July 1993 through 30th June 2013, please provide copies of these records.

[Refer to the answer to Q4 above.](#)

NOTE: The aforementioned request for documents have been specifically designed to assist in determining the basic details of sale transactions of APFs. Australia Post is encouraged to provide the Senate Inquiry with any documents (including but not limited to any primary documents and any ancillary supporting documentation) that might assist it to determine the details of these sales - whether a specific question has been advanced or not.