

Senate Standing Committee on Environment and Communications
Answers to Senate Inquiry Questions on Notice
Inquiry into the performance of Australia Post and our Licensed Post Offices
December 2013
Australia Post

Question No: 5

Program No. Australia Post

Hansard Ref: [Hansard Page 49](#)

Topic: [Organisational Structure Changes](#)

Senator PRATT: Thank you very much, Chair. Mr Fahour, you have indicated that there will be some changes in the future to give LPOs some support and some immediate relief. I am interested in the long term in terms of your corporate structure and your strategy—what changes you might like to make. It strikes me that in any organisation that has franchisees as such a large part of their business, whether it is petrol stations or whatever, often the decision-making structure is biased to those things that are actually in house as opposed to being really responsive to—

CHAIR: The question is?

Senator PRATT: Can you outline the future strategy and whether you will be making any changes to your corporate structure to respond to the issues of LPOs?

Mr Fahour : I am almost too scared to, given the time available, Senator. I would be either insulting you or insulting the chair, and I do not choose to do either. I do not know where to go with that.

Senator PRATT: Take it on notice.

Answer:

Answer provided on Hansard Page 50 as follows:

Mr Fahour: We have submitted a corporate strategy to our shareholder. The previous government had endorsed it and the current government has endorsed that strategy. We do think it is actually quite a viable future, but it does require radical change in a number of our activities to allow us to remain a sustainable business into the future.

Senator PRATT: How about your responsiveness to LPOs? Essentially, you have people who are your franchisees. How do you embed responsiveness to them within that structure?

Mr Fahour: We intend to absolutely do so, but I can assure you of one thing: our corporate plan going out into the future fully embraces and assumes that the licensees that are in place today will remain a viable part of the future. That is included in our corporate plan.

Senator PRATT: It has been put to us that often things are rolled out to LPOs without consultation, that they might have been tested in corporate post offices but not within LPOs. Are you going to adjust that form of practice within your business model?

Mr Fahour: There are always ways to be better, but I believe we take very seriously our obligation to communicate and to explain and to demonstrate. It is proven by the fact that, if you look at our submission, the amount of payments made for new services has gone up. I heard the previous witnesses say, 'We welcome all the new services Australia Post is offering, we just want to be paid a fair margin because we're a business.' That is exactly right, they are a business.