

Committee Secretary  
Senate Standing Committees on Environment and Communications  
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Canberra ACT 2600

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

We supplied a submission in November 2013 submission number 17. However, we are concerned that the horror stories submitted will overshadow some important concerns that we believe should be considered by the Committee.

We have been operating the Laura Post Office since 1<sup>st</sup> June 2012 as licensees.

We wonder why Australia Post has not sought a price increase in the basic postage stamp before now when they are claiming such losses in this area. Since the 1<sup>st</sup> June up to today Australia Post has increased prices over the range of postal services 6 times. Most of these occurred in 2013 with one so far this year. In the latest information 21<sup>st</sup> February which is from Ahmed Fahour, he states that the stamp price has only increased 3 times in the past 22 years, and these increases have not kept pace with inflation. It is very obvious that this increase won't either.

In the short time we have been with Australia Post we have concluded, that as the other postal products were not subject to ACCC approval, these have been the easiest increases to implement and they have the benefit of having little impact on the payments to Licensees.

We have also seen that it has only been due to the efforts of the new licensee group, LPOG, that the issues facing licensees has been brought to the fore front. This has also spurred the group asserting to represent licensees to Australia Post, POAAL, into action. This action by POAAL has been in the form of emails to licensees informing us of how much they have done for the licensees and how much they are working with Australia Post representing licensees. I am sorry if my cynicism is loud.

In a recent meeting with POAAL the representative only denigrated the efforts of the new group indicating that the major players had axes to grind with Australia Post. They also had an unrealistic expectation of the Sydney business market and the issues stemmed from a government Business Migration policy that inflated the purchase prices of LPO's and therefore the return on investment expectation. This is not the difficulty we have as we explained in our first submission.

Now we are receiving letters via the Australia Post messaging system from the MD/CEO and EGM.

The latest of these tells us and I quote "We remain committed to supporting you and your business and in the past three years we have introduced a range of new products to boost LPO revenue. These include confectionery; gift cards, reloadable cards (Load & Go, Multi-currency cash passport) and we've also increased our identity services from 92 to 152 agency partners. This is an important start but we know that there is more that we need to do to keep customers coming into our

outlets". Notice how the emphasis changes from your to our. All of these products were introduced to the Australia Post Corporate offices long before they were permitted into the LPO's.

This is all very nice, [only it is payment for the work we do in the postal products that Licensees want to receive fair compensation for](#). We could have bought a deli if we wanted to sell confectionery or a gift store if we wanted to sell gift cards. These items are also available at the major supermarkets.

It is stated that now we are to be paid .22 cents for scanning trackable parcels. What about the payment for handling parcels not requiring scanning? Is .22c really compensation for handling parcels up to 22 kilograms? So far Australia Post is operating on free delivery by the LPO's!

In this communique we are also told and I quote "We are also very mindful that we need to support you to manage the growing parcel volumes coming through our network. A key part of this is to improve our success rate for first –attempt deliveries to reduce carding back to outlets. We're now offering customers the option to nominate an alternative delivery point such as a 24/7 parcel locker or parcel collection location and using parcel scanning data to better diagnose issues. In cities, we are diverting larger parcels to Business Hubs and working on solutions for regional Australia. We're working closely with you to arrange "bypass" arrangements when there are capacity issues at your outlet." No mention here of keeping the customer in touch with their local Post Office nor compensation to the licensee and are the Business Hubs Australia Post owned outlets? I bet they are. Australia Post seems to have a 'take it away and no payments necessary' attitude.

Australia Post decided to pay licensees a pre-payment for the PO Box renewal fee in January 2014 to assist the LPO's with cash flow. Normally we get this payment in full in the April payment. If licensees were paid just compensation for what they do maybe this pre- payment would not have been necessary.

We are also told that if the ACCC does approve the increase in stamp prices at the end of March (this now has happened) we will only receive our increase from the May payment. Why the delay?

We have been informed recently that the many ID services are only available to those licensees who have Australia Post camera/printer equipment. Australia post charges a \$12 per month rental on this equipment and also only a portion of the fee charged to the customer is returned to the licensee. The arrangement we have with our equipment supplier (who advertises in the magazine issued by POAAL) is that the equipment and initial promotional material is free. We pay only for the media. Why the restriction in offering the ID services? The licensee is the one doing all the work.

We have overall concerns that Australia Post will either leave the situation with the LPO's only having the increase in the basic stamp price now approved. Or they will only come up with a range of payments to LPO's based on the minimum they can, rather than what is fair and equitable; Much like the major supermarkets dealing with their suppliers or the AHA trying to avoid legislative controls on alcohol and opening/closing hours.

Yours sincerely

Peter Hay & Felicity Vear

Managing Licensees