

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 for Australia Post

1. Can you provide the inquiry with a list of licensed post offices that have closed in the last 12 months and the previous two years?

2010/11 - 13 LPOs closed in the following areas: Glen Huon (TAS), Branxholm (TAS), Cremorne (TAS), Tennyson (VIC), Black Rock North (VIC), Clonard (VIC), New Gisborne (Vic), Huon (VIC), Garvoc (VIC), Currarong (NSW), Schofield's (NSW), Cumberland Park (SA) and Laura (QLD).

2011/12 - 11 LPOs closed in the following areas: Canberra Airport (NSW), Bulli (NSW), Lyons (NSW), Dampier (WA), Orana (WA) Mailors Flat (VIC), St James (VIC), Lemnos (VIC), Windsor (QLD), Bluff (QLD) and Cobdogla (SA).

2012/13 - 16 LPOs closed in the following areas: Lyndhurst (NSW), Wards River (NSW), Monash Park (NSW), Woodford (NSW), Orient Point (NSW), Capertee (NSW), Corrin East (NSW), Captains Flat (NSW), Barrengarry (NSW), Teralba (NSW), Drillham (QLD), Kalgarin (WA), Kinglake West (VIC), Sale North (VIC), Anakie (VIC) and Frankford (TAS).

2. How many LPOs or CPAs have closed from 2009-2012?

2009/10 - 8 LPOs and 14 CPAs
2010/11 - 13 LPOs and 23 CPAs
2011/12 - 11 LPOs and 14 CPAs.

3. Have many post offices have had their licences terminated by Australia Post in the last 3 years?

Refer to page 32 of Australia Post's Senate Inquiry submission.

4. On what grounds can LPOs have their licenses withdrawn or terminated by Australia Post?

The LPO Agreement provides that Australia Post may terminate the LPO Agreement on either a "with cause" or "without cause" basis.

With cause terminations may occur for the following reasons:

- if the licensee is in default under any of the terms, conditions or obligations under the LPO Agreement and the licensee has failed to remedy the default within 30 days;

- immediately:
 - where the licensee becomes bankrupt/insolvent;
 - if the licensee is fraudulent in connection with the operation of the licensed business;
 - if the licensee is convicted of a serious offence;
 - if the licensee voluntarily abandons the licensed business or relationship;
 - if the licensee operates the licensed business in a way that endangers public health or safety; and
 - where the licensee has been given three written notices of default within a 90 day period and then breaches again within this period.

Either party may terminate the LPO Agreement without cause. The reasons for invoking a without cause termination are not prescribed within the LPO Agreement with the provision being subject to providing 90 days notice to the licensee and paying termination compensation. Examples where this provision has been invoked include the establishment of a corporate outlet in close proximity to an existing LPO in a new regional shopping centre location and the unresolvable breakdown in the relationship between Australia Post and a licensee.

5. On what grounds was the license of the LPO in Campbell Town (Tasmanian) withdrawn?

In accordance with the Franchising Code of Conduct, Australia Post is required to provide reasons to a licensee for any termination without cause. The resolution of this matter resulted in the parties signing a settlement agreement which contains specific confidentiality provisions restricting the disclosure of information pertaining to this matter.

6. On what grounds was the license of the LPO in Vaucluse withdrawn in 2012?

In accordance with the Franchising Code of Conduct, Australia Post is required to provide reasons to a licensee for any termination without cause. The resolution of this matter resulted in the parties signing a settlement agreement which contains specific confidentiality provisions restricting the disclosure of information pertaining to this matter.

7. Is Australia Post required to pay fair compensation once a termination notice is issued to an LPO?

The LPO Agreement provides that termination compensation shall be an amount agreed between Australia Post and the licensee. However, such an amount shall not be less than an amount equal to the Business Revenue over the twelve (12) months prior to the date of termination nor greater than that amount multiplied by three (3).

8. How many post offices have had their credit stopped or are on Cash on Delivery (COD) at present?

As at 31 October 2013, 198 LPOs have had their credit facility suspended and are required to pay for their stock orders in advance of the order being fulfilled.

9. Australia Post payments to licensees in 2012-13 totalled \$324 million. Considering there are some 2,900 licensees, this is an average payment of some \$112,000 per licensee. Has Australia Post taken any steps to assess whether payments from AP to those many licensees who rely primarily on AP payments for their income are viable with AP payments of this order?

Refer to pages 36,37 and 42 of Australia Post's Senate Inquiry submission.

10. Australia Post's total fees to licensees have risen 1.8 per cent per annum since 2008. However, AP MD Mr Ahmed Fahour told the Senate communications committee that inflation has gone up 18 per cent in the last five years and wages growth amongst AP award workers has been 21 per cent. During the past five years, why has Australia Post taken no action to ensure payments to licensees to at least match inflation?

LPOs are owned and operated as small business entities and as such returns are typically measured in profit. Like many franchisees, LPOs are incentivised to grow their business with payments based on the volume they transact. A large number are operated in conjunction with another business which leverage the high profile and trusted Australia Post brand and commensurate foot traffic for add-on sales (of which Australia Post has no visibility).

With this in mind Australia Post considers that the comparison of revenue from the postal portion of the LPO business with inflation and wages cannot be made.

11. The AP 2012-13 Annual Report notes: that a change in accounting standards will create *“a new recurring expense of more than \$175 million in 2013–14 relating to the Australia Post Superannuation Scheme. This equates to around 44 per cent of our 2013 profit before tax.”* Given that the AP dividend paid to the Australian Government last financial year was some \$244 million, what impact will this new recurring expense have on AP’s ability to continue paying an annual dividend of that order to the Government?

[Australia Post’s 2013/14 – 2016/17 Corporate Plan as submitted to Shareholder Ministers outlines Australia Post’s forecasted dividend payments over the life of the Corporate Plan. These details are commercial-in-confidence. Any dividend payments made to the Government will be approved by the Australia Post Board in accordance with its dividend policy.](#)

12. Further, to what extent is this new recurring expense likely to constrain AP’s ability to make increased payments for a range of services to licensees (given that, with roughly 3,000 licensed post offices [LPOs], an increase of even \$50,000 a year equates to \$150 million, without considering increased payments to community postal agents [CPAs])?

[The impact of the change in superannuation will have a significant impact on Australia Post’s profit before tax and will need to be taken into consideration when making any additional payments to licensees.](#)

13. Mr Fahour undertook to provide the Senate communications committee with an overview of what AP intends to put to the commission of audit. When will that overview be provided?

Australia Post believes it is well equipped to provide a broad range of Government Services. Specific details contained in Australia Post’s submission to the Commission of Audit are commercial-in-confidence.

14. Mr Fahour advised the Senate communications committee that the majority of LPOs are “mixed businesses” and that AP is unable to determine what the total profitability (or otherwise) of these LPOs may be. Does Australia Post restrict the ability of LPOs to stock non-Australia Post merchandise?

[Refer to page 53 \(Qs 22 and 23\) of Australia Post’s Senate Inquiry submission.](#)

15. AP spokesperson Ms Corbett told the Senate communications committee: “We offer direct debit terms, and licensees who are on direct debit have up to 255 days credit offered to them.” How many, and how often, do LPOs receive 255 days’ credit, and for what merchandise and/or services?

[It should be noted that Hansard does not correctly reflect the statement Ms Corbett made to the committee, which should read 55 days credit, not 255 days credit.](#)

Refer to pages 34, 35, 50 (Q5) and 52 (Q18) of Australia Post's Senate Inquiry submission.

16. Mr Fahour told the Senate communications committee that approximately \$200 million of the \$324 million AP paid to licensees last year was linked to the basic postage rate, or BPR, or the basic price of posting a letter. Why are AP payments to LPOs tied to the BPR and why hasn't AP sought a new arrangement to maintain payments to LPOs closer to the rate of inflation, given that it has been acknowledged the price of stamps has fallen behind the CPI by some 40 per cent since 1993?

The payment scheme that underpins the LPO Agreement provides a range of discounts, commissions and fees for providing goods and services on behalf of Australia Post.

When the payment scheme was originally introduced a number of delivery related payments were linked to adjustments in the BPR due to the relationship of the work required with the letters product.

Due to the recent changing nature of Australia Post's business (ie a reduction in letters and increase in parcels) there may now be opportunities to reassess selected payments and better align them to licensee's costs and Australia Post's business drivers for a mutually beneficial outcome.

17. In one response to questions about Australia Post competing for customers with its own licensed post offices – what is called “poaching” or “cannibalising” customers – Mr Fahour told the Senate communications committee, quote, “I can assure you we have no benefit in undermining our LPOs, and why would we? They help us meet our community service obligations and they do provide a valuable service.” Is it a fact that Australia Post has offered discounted postage or other incentives for customer of LPOs to deal direct with Australia Post?

Refer to page 49 (Q3) of Australia Post's Senate Inquiry submission.

18. As a franchisor – operating the largest franchise business in Australia and thus arguably the franchise industry leader – would you consider it appropriate for Australia Post to operate in direct competition with its franchisees?

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 on how and where they wish to conduct the postal business.

19. It has been suggested to the committee by operators of licensed post offices in Queensland, New South Wales, Victoria and WA that Australia Post is cannibalising or poaching by Australia Post of customers from LPOs. LPO franchise-owners complain that customers who previously lodged significant volumes of items with various LPOs have been approached by Australia Post and offered discounts and other incentives to deal directly with Australia Post, cutting out the LPOs.

(a) Is this the case? If so, how do you justify this action, which must damage the profits of LPOs, potentially threaten their ongoing viability and, in turn, reduce their eventual re-sale value such as it is)? What measures are you prepared to put in place to stop the cannibalisation of LPOs?

[Refer to page 49 \(Q3\) of Australia Post's Senate Inquiry submission.](#)

(b) They also complain about Australia Post establishing corporate offices within the existing watershed of LPOs, siphoning off business in direct competition with those LPOs. Is this correct? If so, where has this occurred in the last 3 years? How do you justify this behaviour? What measures have you taken to prevent from this happening in the future?

[Refer to page 54 \(Q27\) of Australia Post's Senate Inquiry submission.](#)

20. Is it true that stock purchased from Australia Post by LPO can be purchased cheaper online from Australia Post?

[Products are not offered online by Australia Post at a lesser price than is available to licensees.](#)

21. Do Australia Post staff receive any form of extra payment or other incentive – beyond their base salary – to bring in customers to deal direct with Australia Post?

[Australia Post sales staff are focussed and rewarded on growing overall business levels through increasing business from existing customers and acquiring new customers from competitors.](#)

[Australia Post does not reward staff for the "transfer" of customers from LPOs to corporate outlets.](#)

22. Mr Fahour told the Senate communications committee on November 18: “We have a whole licensed post office area – a unit dedicated to ensuring that we work with these people and identify if there is any bad behaviour.” Has this unit in fact detected any “bad behaviour” by AP staff and, if so, what are examples of the behaviour detected and what were the consequences for the AP staff involved?

From time-to-time issues are identified with respect to decisions or actions which have a negative impact on our licensees. Typically our investigations identify the cause as being a lack of understanding by the individual involved re our relationship with our LPOs and the consultative arrangements that play an important part in making any changes to our operations, systems and processes.

Australia Post has in place a formal process for dealing with the conduct of its staff.

23. Has the unit informed you of the significant problems faced by LPOs covering a range of problems from underpayments, delivery of parcels and compensation for delivery of parcels?

Australia Post is aware through its engagement with individual licensees and its various consultative forums of the challenges being faced by licensees.

24. Has this unit reported to you the number of complaints that they have received from LPOs in the last financial year? If so what is that figure?

Australia Post maintains a central record of formal LPO disputes rather than complaints.

Refer to page 31 of Australia Post’s Senate Inquiry submission.

25. In responding to a question at the Senate communications committee, “What steps has Australia Post taken to satisfy itself that POAAL genuinely represents the views of LPOs?” Mr Fahour said: “POAAL is an organisation that was formed in the 1930s. It was set up as an association to represent the licensees. We have been working constructively with it and with a number of other associations to identify ways to ensure the effective delivery of the management of a very large network.” So, what steps has Australia Post taken to satisfy itself that POAAL genuinely represents the views of LPOs? And, further to this statement by Mr Fahour, what other associations has Australia Post been working with?

Refer to pages 29 and 30 of Australia Post’s Senate Inquiry submission.

Australia Post is satisfied that POAAL represents the views of licensees with consideration to the nature of the issues they represent on behalf of licensee to Australia Post and Australia Post’s engagement directly with licensees who are POAAL members at various POAAL hosted events throughout each year.

26. How many LPOs have been replaced by community postal agents, or CPAs?

Refer to page 54 (Q29) of Australia Post's Senate Inquiry submission.

27. The committee understands that dealings between Australia Post and the LPOs are governed by an agreement drawn up in 1993. Do you accept that operating conditions have changed dramatically in 20 years: for example, commercial internet services were in their infancy in 1993. When will the agreement be updated to reflect the changing operations of the postal network?

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

28. Can you provide a copy of this Australia Post /LPO agreement to the Senate Committee?

Refer to page 48 of Australia Post's Senate Inquiry submission.

29. What is the cheapest price a parcel can be mailed within Australia?

A customer can use their own packaging and send a small parcel up to 500g anywhere in Australia for \$6.95 (Parcel Post delivery days is 2+). This charge does not depend on distance as long as dimensions do not exceed 105cm or 0.25m³. (*For details on Cubing refer to the Post Charges booklet).

Regular parcels over 500grams up to 22kg* are charged based on a formula calculated as basic charge of \$8.95 for destinations in the same state or \$11.45 for interstate destinations (\$10.45 for Norfolk Island), plus a distance charge per kg or part thereof, set at a rate from our table of lodgement zones published in the Post Charges booklet.

Alternatively Prepaid Parcel Post satchels provide a flat rate to send the item anywhere in Australia, starting at \$8.25 for a small satchel up to 500g. This price is inclusive of packaging. Prepaid Parcel Post satchel bulk discounts also apply, starting at \$78.40 for a pack of 10 or \$72.20 for a pack of 10 when you purchase 100 or more small satchels.

30. What is the highest payment an LPO can receive for handling a parcel?

Licensees receive three separate payments for handling parcels:

- to assess postage and accept the parcels – payment is a commission based on the amount of postage paid (12%);
- to stream (sort) the parcel – payment is an additional commission based on the amount of postage paid (1.5%, 5% or 8%, depending on the level of streaming required); and
- where applicable to deliver parcels to customers:

- for street addressed carded articles payment is either a combination of the mail management fee and “scanning fee” or the carded article fee and “scanning fee”; and
- for post office box or “care of post office” addressed articles payment is through a combination of per-delivery-point post office box sorting or counter mail delivery fee and the mail management fee.

In addition, from 1 February 2014 an additional scanning fee payment for post office box and care post office trackable articles was introduced for licensees.

31. Is it the case that, since 2005, Australia Post has increased the price for a standard post box from \$56 to \$104 and in this time its payment to LPOs for servicing these boxes has increased from \$61 to only \$73? If so, what is the justification for the level of the increase returned to the LPOs, whom the committee understands are required to pay for the installation of the boxes?

Refer to response to Question on Notice No. 2971 by Senator Eric Abetz.

LPO payments for post office boxes are not linked to the customer service fee.

Licensees receive two separate payments from Australia Post for each post office box leased. The Post Office Box Service Fee which provides for the selling, processing of mail into and the supply/ maintenance of the box and the Mail Management Fee which is a delivery point payment providing for the receipt and handling of mail and the interaction with customers/ contractors/ delivery staff.

The payment to licensees for each post office box leased typically exceeds the leasing fee charged to the customers. For example, for a small “consumer” post office box the payments amount to \$102.69 and for a “business” post office box \$146.68. This compares to the \$99 charge payable by the “full rate” customers or where the post office box is provided at a “reduced rate” the \$23 payable by the customer. Reduced rate boxes are located primarily in rural and remote areas.

32. In regard to figures that indicate that letter volumes have declined, what categories of letters have declined in volume since 2008 and in what quantity have they have fallen each financial year?

Volumes (m)	FY08	FY09	FY10	FY11	FY12	FY13
Ordinary	1,950.2	1,853.2	1,734.3	1,633.1	1,540.6	1,388.7
Presort	2,352.5	2,274.1	2,165.3	2,127.6	2,025.1	1,935.2
Unaddressed	575.3	511.2	546.8	612.7	606.2	582.7
Print Post	309.6	295.8	280.4	265.0	261.0	263.3
	5,187.6	4,934.3	4,726.9	4,638.3	4,432.9	4,169.9
Volume decline (m)		(253.3)	(207.4)	(88.5)	(205.5)	(263.0)
Volume decline (%)		(4.9%)	(4.2%)	(1.9%)	(4.4%)	(5.9%)

33. Does the Australia Post \$187 million dollar loss from regulated mail include income derived from unaddressed mail, Clean Mail, Franked Mail and Print Post Mail?

Refer to response to Question on Notice No 5 by Senator Scott Ludlam.

34. During Senate Estimates Mr Fahour stated in response to a question from Senator Whish-Wilson said “So what I am saying is be careful what you ask for, because if people say, 'We want a share in the economics of parcels,' from our point of view they will have to share in the economics of letters. That will be a very bad decision for the licensed post offices”.

The majority of LPO's are losing money now. Are you saying that Australia Post will inflict more losses on LPOs?

This point relates to Australia Post's letters product and how, irrespective of declining letter volumes and the associated significant impact on Australia Post's profitability, there has been no reduction in the “per-item” revenue that licensees receive.

For example licensees receive payment through:

- percentage discount on stamp purchases – this percentage has not been varied despite higher per-article transportation/ processing/ delivery costs; and
- mail management fee (per-delivery-point) – this payment has not been adjusted despite the significant reduction in the number of letters per-delivery-point.

The impact is that Australia Post currently absorbs these additional per-article costs while maintaining licensee per-article/ per-delivery-point revenues.

Any changes to the existing payment structure would need to consider the dynamics of the changes in emphasis from letters to parcels.

35. What margins do LPO's work on with the sale of Australia Post merchandise?

The average margin to licensees for Australia Post merchandise products is in the order of 41%.

36. What is the relationship between Australia Post and the Post Office Agents Association Limited, POAAL?

Refer to pages 29 and 30 of Australia Post's Senate Inquiry submission.

37. What steps has Australia Post taken to satisfy itself the POAAL genuinely represents the views of LPOs?

Please refer to response to Q25 above.

38. Have you received any representations from POAAL claiming that LPOs are becoming unviable?

POAAL has represented to Australia Post the issue of LPO viability and as a result there are ongoing discussions on how this can be enhanced. In recent times Australia Post and POAAL have agreed on the:

- introduction of new scanning fee;
- introduction of new scanning technology at no cost to licensees;
- increase in minimum payment allowance; and
- a number of operational changes such as by-pass arrangements, subsidised equipment and improved carding arrangements.

39. POAAL have recently issued a number of points to be included in their submission to the Senate inquiry. The document refers to specific issues confronting LPOs including poaching of customers, the difficulty in obtaining a mail service payment, unrealistic margins and cost increases in electricity, rates and water. Surely if POAAL are raising these issues now they must have raised them with Australia Post management in the past – what discussions has Australia Post had with POAAL in relation to these issues?

Refer to response to Q38 above. Australia Post and POAAL have ongoing discussions on a broad range of matters relating to LPOs, which include these matters.

40. What can you tell us about the structure of POAAL that allows LPO operators to participate in decision making?

Australia Post considers from its long standing consultative arrangements with POAAL that there are a number of opportunities for licensees to engage with POAAL including:

- state committee structure;
- state POAAL chairman who represents licensee issues directly with Regional Managers;
- state based meetings; and
- involvement in formal dispute processes.

Australia Post also understands that POAAL regularly surveys its members as the basis for consultation with Australia Post.

41. Are LPOs and CPAs on different rates of pay?

Refer to response to Question on Notice No 5 by Senator Scott Ludlam.

42. Is It Australia Post's intention in the future to replace LPOs with CPAs and postal points?

Refer to response to Question on Notice No 5 by Senator Scott Ludlam.

43. Are LPOs that hold contracts to deliver mail being asked to drop their prices or re-tender for the mail delivery contracts at significantly less than their existing contracts? Evidence in one instance suggests that it was as much as a 20% reduction.

Australia Post sources or retains contractors via three approaches to the market open tender, invitation to tender and inviting current contractors to directly negotiate on the next term of the mail contract with the latter being subject to meeting operational needs, satisfactory performance and fair pricing for both parties. Mail contracts are generally let for a period of up to five years with the contract fee amended in accordance with the rise and fall in labour, fuel and other vehicle costs.

The tender process commences with a review of the work to be undertaken to develop the tender specification which is provided to tenderers and used to calculate the Reasonable Assessed Price. The tenderer is required to submit their costs, including proposed operational, contingency and safety plans and any relevant prior work history. Tenders are then assessed against selection criteria to assess the cost and capability of the tenderers. Based on this assessment tenderers are assessed for interview. The successful tenderer has a short time to establish their company, purchase necessary vehicles and obtain appropriate insurances prior to commencing the service.

Licensees holding mail contracts operating from their outlet are given a further 5% preference over other tenderers at renewal time.

44. How many mail contracts has been awarded to the Sri-Lankan based company Aus-Lanka? Does Aus-Lanka employ 457-visa-holders to undertake deliveries? (These questions can be answered on camera)

Aus-Lanka Express Pty Limited is an Australian based company, located in Point Cook, Victoria, not Sri-Lankan as indicated in the question. Aus-Lanka currently holds 31 mail contracts across Australia and according to their current list of employees/subcontractors, do not employ anyone on a 457 visa to undertake deliveries.

45. Do Australia Post corporate retail outlets receive a different level of remuneration, either in the price transfer or other payment arrangements, used for corporate office accounting than a licensed post office? If a comparable corporate office was paid the same remuneration as an LPO receives, for the same level and transactions, mail services and staff requirements, would the corporate office show a commercial profit?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

46. Are you aware that not only has the asset value of these LPOs declined but also owners are propping up their business with money from their superannuation, selling assets and many of them returning to work on weekends to keep them afloat? Do you accept that this can only go on for so long?

[Refer to page 42 of Australia Post's Senate Inquiry submission.](#)

47. Would you recommend an LPO as a good investment to a friend?

[Refer to pages 26 and 53 \(Q21\) of Australia Post's Senate Inquiry submission.](#)

48. Does Australia Post plan to downsize manual LPO, or smaller Electronic Point of Sale Licenced Post Offices to Community Postal Agents?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

49. Are Community Postal Agents paid less than half the commission that Licenced Post Offices are paid for the same work? Do they offer exactly the same services?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

50. Do Community Postal Agents offer electronic services, and will they in the future?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

51. Does Australia Post intend to set up Community Postal Agents in competition with existing Licenced Post Offices or does Australia Post intend to reduce Licenced Post Offices?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

52. If Australia Post does intend to establish Community Postal Agents instead of Licenced Post Offices, how many Community Postal Agents are proposed?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

53. If Australia Post intends to reduce Licenced Postal Offices to Community Postal Agents, will the current Licensee be offered compensation for downsizing their office?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

54. How much commission does Australia Post allocate to a corporate office for a Telstra billpay transaction?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

55. How much commission does Australia Post allocate to a corporate office for a new passport application?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

56. How much commission does Australia Post allocate to a corporate office for a bank deposit?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

57. What percentage profit does Australia Post allocate to a corporate office for a cash postage sales?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

58. How much commission does AP allocate to a corporate office for account postage sales?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

59. What is the dollar value Australia Post allocates to a corporate office for the delivery of a street carded article?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

60. What is the percentage of Licensed Post Offices that are 30 days or greater behind in their stock repayments to Australia Post?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

61. What does Australia Post understand the return in dollar figures licensees are receiving for their capital investment?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

62. Australia Post's Annual Report indicated a \$187m loss from regulated mail. Does this figure include income derived from Large Letter Mail postage, i.e. the \$1.20, \$1.80 and \$3.00 postage rates?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

63. Does the \$187m loss from regulated mail include income derived from Unaddressed Mail, Clean Mail, Franked Mail and Print Post Mail? If not, what is the profit or loss from these mail products?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

64. In the last three years, how much has non-basic postage rates (such as rates for pre-paid, parcels, international and express) increased?

[Refer to response to Question on Notice No 5 by Senator Scott Ludlam.](#)

65. Disputes between LPOs and Australia Post. Describe the procedures for resolving disputes between LPOs and Australia Post.

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

66. How many LPO Form 11s were received by Australia Post in the twelve months to; 30/6/11, 30/6/12, 30/6/13, and from 1/7/13 - 15/11/13?

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

[Australia does not maintain a central database relating to the receipt of LPO11 forms, but rather records disputes which have progressed to Stage 2 and beyond of the dispute resolution process.](#)

67. How many LPO Form 11s are resolved to the satisfaction of LPO operators within:
- a. One week
 - b. One month
 - c. Three months
 - d. Six months
 - e. Twelve months
- since 1 July 2010?

While the timeframe for the resolution of disputes is provided within the LPO dispute resolution process, the actual time taken is also subject to the provision of responses to correspondence, etc.

For disputes since 1 January 2011, the finalisation of the dispute is recorded as being within:

- a) One week – Nil
- b) One month – 1
- c) Three months – 20
- d) Six months – 8
- e) Twelve months – 4
- f) > Twelve months - 11 caused by licensee inaction or litigation.

The specific details sought prior to 1 January 2011 are not captured on any central database. As such, Australia Post is not in a position to provide the information requested.

68. How many mediations involving disputes between LPOs and Australia Post have taken place since 1/7/10, and how many of those mediations have involved confidentiality agreements?

Fifteen disputes have been subject to mediation since 1 January 2011. The specific details sought prior to 1 January 2011 are not captured on any central database. As such, Australia Post is not in a position to provide the information requested.

A confidentiality agreement between the parties to the dispute is a standard part of the mediation process and is expected to have formed part of all 15 mediations.

69. How many disputes were resolved via mediations since 1/7/10, and how many of those have involved confidentiality agreements?

Ten disputes were resolved through the mediation process since 1 January 2011. The specific details sought prior to 1 January 2011 are not captured on any central database. As such, Australia Post is not in a position to provide the information requested.

On 5 occasions an agreement between the parties was not able to be reached.

A confidentiality agreement between the parties to the dispute is a standard part of the mediation process and is expected to have formed part of all 15 mediations.

70. Please provide a standard confidentiality agreement for mediations and resolution of disputes between LPOs and Australia Post.

Australia Post does not utilise a standard form confidentiality agreement as part of the LPO dispute resolution process. The form of the confidentiality agreement is subject to the individual mediator chairing the dispute resolution hearing.

71. What remedies are available for failure to comply with a negotiated settlement at mediation?

This answer requires a legal opinion, which Australia Post is unable to provide. . In this situation, each party would need to seek its own legal advice. Further, there are many elements that would impact the remedies available and would be largely dependent on the nature and terms of the negotiated settlement reached.

72. What remedies are available for failure to comply with a confidentiality agreement between Australia Post and an LPO in respect of the resolution of a dispute?

This answer requires a legal opinion, which Australia Post is unable to provide. In this situation, each party would need to seek its own legal advice. Further, there are many elements that would impact the remedies available and would be largely dependent on the terms of the confidentiality agreement.

73. Please provide documents in relation to the protocols for a dispute resolution process, both used internally, within Australia Post and those documents provided to LPOs

Refer to page 31 of Australia Post's Senate Inquiry submission.