

Chapter 1

Introduction

Referral of the inquiry

1.1 On 14 November 2013, the Senate referred the following matter to the Senate Environment and Communications Legislation Committee, for inquiry and report by 11 December 2013:

- (a) the overall performance, importance and role of Australia Post in Australian communities, and the challenges it faces in the immediate and longer term;
- (b) the operations of Australia Post in relation to Licensed Post Offices (LPOs), with particular reference to:
 - (i) the importance and role of the LPO network in the Australian postal system, with particular reference to regional and remote areas,
 - (ii) the licensing and trading conditions applicable to LPOs, including the Community Service Obligations, and any effects these may have on operating an LPO business, and
 - (iii) marketing, retail and trading arrangements between Australia Post and LPOs and other entities; and
- (c) any related matters.¹

1.2 Following the tabling of an interim report on 11 December 2013, the reporting date for the committee's final report was extended to 31 March 2014.² The reporting date was subsequently extended to 27 August 2014 and then to 24 September 2014.³

Conduct of the inquiry

1.3 In accordance with usual practice, the committee advertised the inquiry on its website and wrote to relevant organisations inviting submissions by 25 November 2013. The committee received 213 submissions and these are listed at Appendix 1. The submissions may be accessed through the committee's website. The committee also received 845 form letters from Licensed Post Offices.

1.4 The committee held public hearings in Canberra on 6 December 2013, 4 March and 19 March 2014 and in Adelaide on 5 August 2014. A list of witnesses who appeared at the hearings may be found at Appendix 2.

1 *Journals of the Senate*, No. 3, 14 November 2013, p. 127.

2 *Journals of the Senate*, No. 10, 11 December 2013, p. 349.

3 *Journals of the Senate*, No. 26, 27 March 2014, p. 743; *Journals of the Senate*, No. 47, 27 August 2014, p. 1312.

1.5 The committee would like to thank all the organisations and individuals that contributed to the inquiry and the witnesses who attended the public hearings.

Submissions

1.6 The committee received many submissions from individual licensees. It was not the role of the committee to address the specific problems raised by some licensees. However, the committee has used this evidence to build a picture of the issues before it and to inform its deliberations.

1.7 In addition, a number of submitters requested that their submissions be received as confidential or be published with their name withheld. While the committee prefers evidence to be taken in public, the committee was mindful that submissions contained information concerning the submitter's private circumstances. In other instances, even with the protection of parliamentary privilege, submitters were unwilling to provide their evidence in public because of their commercial relationship with Australia Post.

Structure of the report

1.8 The committee's report is structured as follows:

- Chapter 2 provides an overview of Australia Post including its business model, its obligations under the *Australian Postal Corporation Act 1989* and a description of the postal network as well as the importance of Australia Post and Licensed Post Offices to the Australian community;
- Chapter 3 provides information on changes in the postal environment including the decline in letter volumes;
- Chapter 4 analyses the performance of Australia Post and matters influencing its performance;
- Chapter 5 canvasses opportunities and challenges for the future development of Australia Post's business;
- Chapter 6 provides an overview of Licensed Post Office arrangements;
- Chapter 7 discusses the outlook for the Licensed Post Office network including viability issues;
- Chapter 8 canvasses issues in relation to specific payments and other matters impacting on the viability of Licensed Post Offices; and
- Chapter 9 addresses issues related to mail delivery contracts and franchisees.