

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2015

Communications Portfolio

Australia Post

Question No: 22

Program No. Australia Post

Hansard Ref: Written

Topic: PO Box Price Rise

Senator Xenophon, Nick asked:

1. I refer you to the Herald Sun article dated 13 February 2015, 'Australia Post raises prices again to stem huge losses'. In this article, Michelle Skehan from Australia Post is quoted as saying, 'Higher post office box charges would benefit licensed post office owners battling declining mail volumes'. Can you please indicate how licensees would benefit from any price rises to PO Box service fees, when we know that licensees have their payments for PO Boxes linked to the Basic Postage Rate?
2. I note the 2015 high increase in PO Box fees to customers. Can you indicate the modelling used by Australia Post to determine this price rise?
3. Have you commissioned any modelling as to how this price rise will impact on the number of customers who will not renew their PO Boxes?

Answer:

1. The comment made by Australia Post representative, Michelle Skehan, was taken out of context and immediately clarified with the journalist the morning the article went to print. Licensees do not benefit from any price rises to PO Box service fees.
2. PO Box pricing is determined using internal modelling (which incorporates elasticity analysis) undertaken by the Postal Services Finance team.
3. Australia Post has not currently commissioned any modelling as to how the 2015 price rise will impact on the number of customers who will not renew their PO Boxes. Modelling is undertaken internally.

It is important to note that year on year, PO Box occupancy rates at Licensed Post Offices have increased by 0.3%.