

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Budget Estimates Hearings May 2014

Communications Portfolio

Australia Post

Question No: 182

Program No: Australia Post

Hansard Ref: Page 98-99 (28/5/2014)

Topic: LPO Stock Credit

Senator Xenophon asked:

Senator Xenophon: Going to stock issues, over the last few months in particular my office has experienced a higher than usual number of emails and calls from licensees experiencing issues with Australia Post stock. Can you advise how you expect licensees to decrease their credit levels if they are on 'stop credit'. In other words, how many people are on stop credit at the moment?

Mr Fahour: That is a fair question, Senator. Ms Corbett can give you a sense of that and if we cannot right now, we are happy to take that on notice. Christine, are you in a position to be able to give a bit of information on that?

Ms Corbett: I will certainly take on notice how many licensees are on stock credit at the moment.

Senator Xenophon: Do you have a rough idea how many there would be?

Ms Corbett: I will take that on notice, because it does actually go up and down all the time. I think we put on notice previously—

Senator Xenophon: Can you give me an idea of whether it is gone up or down, whether it is trending upwards or trending downwards? That would be useful.

Ms Corbett: Okay. I will get that information for you. I do not have that information to hand.

Answer:

Licensees are provided with access to an Australia Post credit account as part of their licensing arrangements with Australia Post. This provides credit of up to 55 days on the purchase of stock and typically allows sufficient time for stock sales in one period to fund stock purchases in the next.

Ongoing access to the credit account is subject to payment of monies owed in the agreed timeframe.

Where it is proposed to suspend an account the following steps are taken:

- The licensee is contacted when their direct debit fails or if not on direct debit where they have not made payment by the required date.
- When contacted, they are offered the opportunity for a further direct debit event or to make payment within an agreed timeframe.
- If the second direct debit fails or if the licensee indicates they are not able/do not wish to have the second direct debit undertaken/make payment, the account is then suspended.

In the event that access to the credit account is suspended due to non-payment the licensee remains able to order stock and receive the applicable stock discounts subject to payment for their orders being by cash.

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As at 31 May 2014:

- 148 licensees have their Australia Post credit account suspended (9 less than same time last year)
 - 68 involve amounts of less than \$5,000
 - 80 (around 3% of the network) involve amounts of \$5,000 or more.