

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: 183

Program No: Australia Post

Hansard Ref: Page 98-100 (28/5/2014)

Topic: LPO Stop Credit

Senator Xenophon asked:

Senator Xenophon: But that is not to do with stop credit though, is it?

Ms Corbett: No, that is actually to do with whether the stock is actually available for them in terms of stock availability. I think that what you are talking about is credit so that when a licensee is not on direct-debit arrangements and they have not actually paid their account, we then put them on a cash arrangement. That may be what you are referring to rather than availability of stock.

Senator Xenophon: Sure. It is 'stop credit'—

Ms Corbett: 'Stop'—sorry, I thought you said 'stock'.

Mr Fahour: I thought you said 'stock credit'.

Senator Xenophon: Sorry, my diction is not very good!

Mr Fahour: We are definitely happy to take that on notice and we will definitely get back to you.

CHAIR: It's just your accent, Senator Xenophon!

Senator Xenophon: You are on a roll tonight, aren't you, Chair! Okay, I will annunciate. Maybe I will spell out words that I am not enunciating clearly—S-T-O-P! So the issue is in terms of stop credit. What are the criteria for a stop credit order or a stop credit to be applied to a licensee? The concern is that a number of licensees cannot seem to get out of this vicious cycle of being able to get enough credit in order to sell stock.

Ms Corbett: Different licensees are on different credit arrangements—whether on direct debit or not—and when a licensee is not able to pay that account when it is due, we have our network partnership people call that licensee and often they will come to some specific arrangement. We want to make sure that stock is available in terms of stamps. What often happens is that once we make those individual arrangements they will then go on to what we say is a cash account, which means they pay up-front for that particular stock so that stock can be advanced to them. Then we come back to various repayments on an individual basis where we work directly with the licensee; that is why it is hard to generalise.

Senator Xenophon: I know it is hard to generalise, but are you able to say, on notice or otherwise, whether you have had an increasing number of licensees whose credit has been stopped because they have not met the usual criteria of payment terms with Australia Post?

Ms Corbett: Certainly, I will take that on notice. I have not been advised of any increasing trend. I think from memory, from previous Senate estimates, generally it is around 100 or so outlets out of close to 3,000 licensees at any one time—

Senator Xenophon: About three per cent.

Ms Corbett: might be actually on an arrangement—and they come in and out of that—and then they can go back to a credit arrangement.

Senator Xenophon: So, on notice, would you be able to tell me what those numbers are in terms of stop credit at any particular time?

Ms Corbett: Certainly.

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Senator Xenophon: Just so that I can establish whether it has gone up or down, whether there is increasing pressure in the LPO—

Mr Fahour: We are very happy to. But I think one of the things, just to give you comfort tonight, is that neither Christine nor myself are aware of any change in trend. Therefore, we are not alarmed by it, but we will give you the facts.

Answer:

Refer to the answer to Q183 – LPO Stock Credit.