

**Senate Standing Committee on Environment and Communications**  
**Answers to Senate Estimates Questions on Notice**  
**Budget Estimates Hearings May 2015**  
**Communications Portfolio**  
**Australia Post**

**Question No: 81**

**Program No. Australia Post**

**Hansard Ref: Page 88, 27/5/2015**

**Topic: Western Union fees**

**Senator Ruston, Anne asked:**

**Ms Corbett:** I am aware that there has been an issue that has come to my attention this week in the franchise agreement with Western Union and the commission that is outlined in the agreement. That came to my attention earlier this week and it is currently being investigated. I am waiting to get all the details to hand because there is a discrepancy between what is actually articulated in the agreement and what is being paid.

**CHAIR:** I am aware of a particular franchisee, whom I will not identify, who had to have a new agreement drawn up because of circumstantial changes. He believed that his agreement had been redrawn only to deal with his change of circumstances in terms of the technicalities of who the agreement was actually with and has subsequently identified the fact that the payment agreement, the 12.5 per cent, had actually been changed to the percentage that had been being paid as opposed to what was in his original agreement. Can you confirm whether that is the case or not?

**Ms Corbett:** I am not aware of any specific circumstances. As I said, I am aware that there has been an issue that there are differences in different contracts.

**CHAIR:** Did this come to your attention in the last few days?

**Ms Corbett:** On Monday. So, literally we are looking into it now. I have asked the team to go back through all of the contracts to understand when it was introduced, what we have paid and if there are any differences amongst the individual franchisees, to do that investigation so we can report back because the franchisees have brought it to our attention.

**CHAIR:** It would seem an issue. I am assuming that the franchisee I am talking about did not have his agreement signed on Monday, so obviously it was a matter that was well within the understanding of people in Australia Post that this issue existed and they have obviously sought to rectify it in this particular agreement, possibly surreptitiously, but I do not know. You will find that out in your investigation. I would be keen for a very full explanation as to how that could happen because on the surface of it it does not look particularly good.

**Ms Corbett:** Certainly. As I said, I have asked for a full investigation and I am happy to share the findings of that with you.

**Answer:**

Australia Post has completed its investigation into Western Union commission payments for franchisees.

The investigation has confirmed a typographical error in some franchise agreements, which had a commission rate of 12.5% listed for Western Union money transfer transactions rather than the correct rate of 2.5%.

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Franchisees have been paid the correct commission rate of 2.5% throughout their franchisee term. It is noted that franchisees receive from Australia Post each month a schedule of service fees receivable. This schedule correctly lists the commission rate for Western Union money transfers as being "2.5% of Revenue".

Australia Post corrected the typographical error within the national master-copy of the franchise agreement and is in the process of correcting the error with individual franchisees where this had not previously been done.

For the un-named franchisee referred to at the Estimates hearing, the correction was made at the time of the franchise assignment in 2012. It should be noted that for this franchisee, up until the error was found, Australia Post staff directly involved in discussions with the franchisee were acting in good-faith around the payment rates and agreement terms remaining unchanged as a result of the assignment.

Australia Post is taking steps to address with individual franchisees any remaining concerns they have in relation to this matter.