

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: 91

Program No. Australia Post

Hansard Ref: Written, 3/6/2015

Topic: Bulk Purchases

Senator Urquhart, Anne asked:

In the most recent estimates, you mentioned that LPOs can buy products cheaper than Australia Post's online price. I have heard a number of concerns from LPOs that they wouldn't have the capacity to sell the products in the volumes they are required to purchase them in to get the discount. Do Australia Post's bulk purchase prices for LPOs take into consideration their sales capacity and often very limited capital availability? How has Australia Post been working with LPOs to address this issue?

Answer:

Licensees are eligible to receive two discounts when purchasing domestic prepaid Express Post and Parcel Post satchels in bulk, at a discount to the individual unit price. The first discount a licensee is eligible for is the customer bulk discount. The discount that applies is dependent on the volume purchased. For 100 satchels the discount is 12.5% below the individual unit price. For 10 satchels, the discount is 5%.

The second discount a licensee is eligible for is the licensee discount of 12% off the recommended retail price of stock ordered, including any customer bulk discount.

Licensees are able to break these packs and sell the satchels at their individual unit price (i.e. effectively obtaining the benefit of both discounts off the individual satchel unit price). Australia Post does not sell these products online at prices lower than these discounted rates.