

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Additional Estimates 2012

15 – 17 February 2012

Question: AET 1230

Topic: Australia Post fees

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Senator Bushby asked:

I will start with a few brief questions regarding some recent changes to Australia Post transaction fees. Is ASIC aware that for business credit accounts Australia Post, as of 1 August 2011, charges a \$100 annual processing fee for payments made by cheque? Is that an issue that has been raised for ASIC to consider?

Mr Day: Not to my knowledge, but if you like we could take that on notice.

Senator Bushby: If you are a business and you seek to pay your Australia Post bill by cheque, even if you just do it once, you will get charged a \$100 fee. It is a one-off fee per year. It is an annual fee. You can continuing paying for the rest of the year.

Mr Medcraft: So you pay a flat fee—

Senator Bushby: Yes, it is a flat fee of \$100.

Mr Day: I am not aware, but we will take it on notice and see if it has been raised with ASIC.

Mr Medcraft: We will take it on notice and come back on it.

Senator Bushby: Yes, if you would take it on notice because I would be interested in knowing—if you do have a look at it—whether you consider that \$100 fee—even if you just did one cheque—is excessive and whether it meets ASIC regulations and guidelines as to Australia Post costings et cetera.

Mr Medcraft: We will have a look at it.

Answer:

When a business opens up a credit account with Australia Post for the procurement of goods and services there is a \$100 annual processing fee for payments made by cheque.

If the business pays their Australia Post invoice by cash or EFTPOS there is no charge. Equally, Australia Post do not charge for paying a bill using the POSTbillpay service.

These fees are determined by Australia Post.