

Hansai Witness Ref	Statement	Correction/Issue - Response from Aust Post
2 Mr Buskariol	<p>We bought the business 5 years ago. Then we were paid a fee, which is the same fee that exists today, for the purposes of processing parcels for our PO box holders at our Post Office outlet.</p>	<p>Licensees received an increase in the payments related to post office boxes in 2008 (+10.0%) and 2010 (+9.01%)</p>
	<p>Response Licensees have had no adjustment over the last 5 years to compensate for the substantial increase in volumes of parcels now being received by Licensees to be delivered via a POB. The increase referred to by Aust Post is for the management of all mail for the POB. This increase referred to is at most 10c per day per POB. The 10% increase was an increase of 1c per box per day. Licensees have had no adjustment to compensate for the parcel boom for POB delivery.</p>	<p>Refer AP submission Appendix 2 Q1</p>
5 Mr Buskariol	<p>The business model of Australia Post allows them to prohibit Licensed outlet from processing credit card orders over the phone... I have looked at that legislation, I am not a lawyer, but it appears to me that that only applies to digital storage of data not the physical paper storage of data</p>	<p>Corporate and Licensed Post offices are subject to identical credit/debit card payment rules</p>
	<p>Response Australia Post accepts credit card payments via telephone at their call centres and LPO customers must purchase via Australia Post call centres to use this facility. LPOs are not subject to the same payment rules as corporate Australia Post This is another form of poaching LPO customers.</p>	
7 Ms Cramp	<p>There was previously a process and procedures manager in the LPO chain of Australia Post and that person was generally an independent umpire</p>	<p>The position(s) with the role described have not previously existed within Australia Post at either a state or national level.</p>

that advocated for both sides. That position has been removed.

Response The position was known as National Retail Procedures Manager up until 1999 then the roles were given the names of -
National Manager Retail Operations & Policy
State Licensed Operations Unit Policy & Administration Manager

7 Mr Buskariol Yes. The payments that we receive for PO boxes have remained static for the last 4 years, whereas the cost to the customers for those very boxes has increased quite dramatically.

Licensees received an increase in the payments related to post office boxes in 2008 (+10.0%) and 2010 (+9.01%)

Response Licensees have received no proportion of the substantial annual increases to customers for the PO box rentals. Licensees have received payments increased in line with the BPR increase but received no portion of the annual increases charged directly to PO box customers for rental of Licensees assets at all.

Refer AP submission Appendix 2 Q1

7 Mr Buskariol For a small box we are paid \$74; it is costing us more than that per annum to service so it would be \$30 a box that we are losing in terms of paying staff and-

Licensees receive 2 payments for each leased post office box with the combined fee for each small box amounting to \$102

Response Licensees receive a post office box payment and a mail management fee for each POB

The mail management fee does not relate to the POB service but is for additional work that may be related to the POB but is not mandatory for POBs
In 2001 the payment for a small POB for the customer was **\$55**
Licensees received a payment of **110%** of the retail cost of the POB - **\$60**
The mail management fee was an additional **\$22**

Refer AP submission Appendix 2 Q1

Licensees received a payment equivalent to 149% when both fees are combined

In 2013 the payment for a small POB for the customer was \$107
Licensees received a payment of 69% of the retail cost of the POB - \$74
The mail management fee was an additional \$29.35

Licensees received a payment equivalent to 96% when both fees are combined

Licensees are paid 53% less in 2013 than in 2001 if both fees are combined

Note: In 1997 POAAL reported to members that Post charged \$10,325,000 for POB rentals

and paid Licensees \$17,010,000 in POB payments. Post paid another \$6,000,000 in MMF

In 1997 Post paid Licensees 223% of the POB rental fees paid by customers if the two payments are combined.

8 Ms Cramp	We have recently had a new point of sales system across Australia Post that is now requiring 25 to 50 per cent more processing time for each transaction over the counter with no increased remuneration - no substantial increase	Transaction times have not increased by 25 to 50 per cent as suggested
Response	Passbook banking under EPOS -processed on 2 screens 36.56 seconds Passbook banking under CE-POS - processed on 8 screens 143 seconds Actual increase is 384%	Refer AP submission Appendix 2 Q9 Q10 and Q11
	Parcel assessment under EPOS 13 sec on 1 screen Parcel assessment under CE-POS 22 sec on 5 screen Actual increase is 169% Examples do not include method of payment screens.	

Post could be correct in their response. It is probable that the new platform has added much more processing time than 50% for most transactions.

8 Ms Cramp	If you look at the ratio of the agreement in 1993, the payment was based on what it cost the Licensee to provide that service and it was set at 110% of the retail cost in 1993	The payment Licensees receive for post office boxes is not (and has never been linked to the customer fee
Response	There was no suggestion made that the POB payment was linked to the customer fee however the ratio of the 1993 agreed payment remained unchanged until 2006 and has been dramatically reduced as customer costs are increased over the last 8 years and Licensees are substantially underpaid for the service in real terms now Payment should be linked to CPI or AWE of original ratio is not continued	Refer AP submission Appendix 2 Q1

8 Mr Buskariol	That Post is paid around \$40 for the passport interview transaction, whereas we get \$12.50	Post can confirm that the amount paid is significantly less than the \$40 suggested
Response	The payment received by a Licensee for passport processing does not adequately remunerate the Licensees for the work required for this transaction.	

9 Ms Cramp	I have that issue at Lightning Ridge - no street address delivery and the community of 7000 is serviced by counter delivery or reduced rate boxes. With no street delivery our problem is that we are supposed to manage any mail that is	Licensees receive two separate payments for each leased post office box and counter mail delivery (Poste Restante) point: Mail management fee and
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addressed to a street address for free. I am managing up to 4000 delivery points for no remuneration, because Post maintains that the service should be provided by us for the cost of a single delivery point. I might have four or five delivery points that are to be diverted into one POB

Counter Mail Delivery fee or Post Office Box service fee as applicable

Response Licensees that service reduced rate boxes receive a payment for one delivery point for the POB but are expected to manage any mail addressed to the residential addresses in addition to the POB mail as a free service because Post do not manage the delivery to the street address. It is more cost effective for Post to subsidize the POB rental than to provide the street delivery yet the Licensees must manage multiple delivery points for the single fee. This is only required by LPOs that service areas without street delivery
All other street delivery is service at a fee per delivery point by a contractor or by Post

11 Ms Cramp

Senator Fawcett - street delivery versus post office: if you are in a regional town where there is no street delivery then you are obliged to take the parcel but you do not get paid the same fee that somebody would in a metro area where there is a street delivery service. Is that correct?

Ms Cramp: If we have a street carded service at our post office we get the same rate,

In localities where there is no street delivery, Licensees receive payment for the handling of these articles through the mail management fee.
In metro areas payment is through a combination of carded article fee and scanning fee

the 29c, if we get that 29c across the board, that is the only payment that is available for street carded items.

Refer AP submission Appendix 2 Q12

Where there is no street delivery the Licensees does not get paid the same fee as an office that has street delivery.

Where there is no street delivery the Licensee is expected to deliver an unlimited

number of parcels for the mail management fee of 11c per day for the delivery point.

A metro office receives 29c plus 22c scan fee for each parcel delivered.

A country Licensee delivered 93 parcels on one day to one POB

for a total payment of 11c

A metro office would receive, for the same work, total payment of \$47.43

Star Track (owned by Aus Post) \$1.98 per parcel delivery x 93 would pay \$184.14
