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Supplementary submission to
Senate Standing Committees on Environment and
Communications

Performance, importance and role of
Australia Post in Australian communities and its
operations in relation to
licensed post offices

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Licensed Post Offices

Survey of Licensee issues

1. In the short time available since the announcement of the current Senate Inquiry, POAAL has surveyed Licensees across Australia by mail, fax and email for feedback on what they think are the prime issues facing their businesses.
2. There has been a strong response from Licensees, with over 1200 responses received. Responses continue to be received at the POAAL National Office, however we have been able to discern clear trends from the sample so far.
3. A summary of the preliminary results:
 - a. 100% of respondents support POAAL's push for Australia Post to pay Licensees for acceptance and delivery scans for parcels and other mail items.
 - b. Almost 90% of respondents want to offer more Government services in their businesses.
 - c. Over 90% of all respondents agree that the margins Australia Post offers on Postpak are not commercial.
 - d. 85% of Licensees want Australia Post to remain in Government hands.
 - e. Almost half of respondents have problems with overweight and oversize parcels in their businesses.
 - f. Over 80% of Licensees want all Australia Post's products and services available at LPOs.
 - g. About 20% of respondents complained that Australia Post has transferred business customers away from the LPO to an Australia Post-owned corporate outlet.
4. Licensees also took the opportunity to give their own comments on issues important to them, including:
 - a. Minimum order quantities on Australia Post retail products;
 - b. Arrival time of mail for sorting; and
 - c. Australia Post refusing to negotiate Mail Service Payments.

General comments on the impact of the internet

5. The effects of the internet are being felt in all LPOs. The internet and the proliferation of mobile technology gives customers new ways to communicate, pay bills and shop.
6. The internet has created opportunities for Australia Post, including growing parcel sales associated with online buying and selling.
7. The downside, as noted in our principal submission, is the amount of parcels which cannot be delivered on the first attempt and are clogging up some LPOs' storage areas.
8. Australia Post is not responsible for the internet or the implications of the internet on customer behaviour. The internet and subsequent changing customer behaviour cannot be ignored.
9. As we stated in our principal submission, wherever possible Australia Post must use its online presence to drive foot traffic into post offices.

Australia Post Digital Mailbox

10. In 2012 Australia Post launched an online mailbox service called Australia Post Digital Mailbox (APDM). APDM is a secure electronic mail system that allows customers to receive communications from selected service providers, pay bills, set up automatic payments and reminders, and store documents online. APDM is not Australia Post's first attempt to enter the secure/authenticated email market.
11. Other companies have also launched similar products in Australia.
12. Licensees are wary of the impact that APDM might have on letter volumes and over-the-counter bill payments.
13. APDM is aimed at people who are heavy internet users and who, most likely, seldom do business at the post office. However, Licensees have expressed concern that Australia Post has marketed APDM to LPO customers, including PO Box holders.
14. Australia Post must continue to fully promote the value of mail in an increasingly competitive communications market.
15. Australia Post must find ways for Licensees to benefit from the APDM service.

Overweight/oversize parcels in the LPO network

16. As noted in POAAL's principal submission, Australia Post trialled then terminated a dedicated delivery network for the delivery of overweight and oversize parcels.
17. Following the termination of this delivery network, Australia Post stated that it would ensure that any undeliverable overweight and oversize parcels addressed to metro and suburban addresses would be sent to Business Hubs for collection, and never to LPOs. This has not been the case.
18. In the last week, in response to a specific call for comments by POAAL, many Licensees in metro/suburban areas have contacted POAAL to complain that they continue to receive overweight and oversize parcels. Overweight and oversize parcels pose a number of problems at LPOs, including storage, handling and risk of injury.
19. Licensees at LPOs in rural areas, where there are no Australia Post Business Hubs or alternative Australia Post outlets, continue to receive 100% of all undeliverable overweight/oversize parcels.
20. Many LPOs in rural areas are single-person operated businesses. It is unreasonable for Australia Post to expect these Licensees to handle overweight and oversize parcels on their own.



A Licensee with an oversize parcel

Parcel delivery trends

21. There has been a range of international research conducted investigating the trends are in parcel delivery and parcel collection.
22. Two main trends are apparent across the world:
 - a. Customers want more control of their deliveries. They will choose who delivers their parcels, when their parcels are delivered, and how they will be delivered; and
 - b. Competition is fierce.
23. One recent survey by Accenture considered the delivery needs of various customer segments.
24. According to Accenture's research, delivery scheduling is a prime pain point for customers. Across customer segments, an average of 10% of customers had difficulty with receipt of their parcel. Of these, 70% concerned the timing of the delivery.
25. The research showed that many customers are prepared to pay for add-on services to improve first-time delivery rates and for enhanced security of their shipment. However, tracking is now considered standard and customers are generally not willing to pay extra for a tracking service.
26. As parcel delivery systems become more sophisticated (including timed deliveries, mid-delivery redirection of parcels and advanced security features) it could be anticipated that the proportion of failed first-time parcel deliveries will fall over time.
27. Another option that has been trialled by overseas postal groups, including the UK's Royal Mail, is "household as aggregator". That is, parcels can be left with a neighbour instead of being returned to a post office for customer collection, in the event that the customer isn't at home when delivery is attempted.
28. There are some security concerns with the deliver-to-neighbour option – it depends on neighbours sharing mutual trust.
29. Research by IMRG (the UK's trade association for e-retail) shows that the delivery experience is critical to repeat custom. Online shoppers increasingly want to specify the day and time of delivery of their order.
30. Royal Mail sends a pre-delivery message to the recipient on the day of delivery. However, even though there is no delivery time advised and no option to defer the delivery if inconvenient, the delivery cost is still incurred.

31. DPD (part of France's La Poste) uses its routing software to provide pre-delivery one-hour time slot ETAs to recipients with the option to defer the delivery if inconvenient. This manages the customer's expectations, improves satisfaction and avoids failed delivery attempts. If this system were implemented in Australia, this would reduce the number of carded parcels awaiting collection at LPOs.
32. Same-day delivery is a growing trend in many major cities around the world. In selected major metropolitan areas in the USA, some e-retailers are now offering **same hour** delivery.
33. Another headline-grabbing announcement recently was Amazon's plans to deliver parcels by drone.
34. In Europe, commercial parcel delivery companies are setting up their own retail networks to integrate with their existing delivery and automated parcel collection networks. Competition is fierce.
35. There are tools and technologies available that can assist in increasing first-time delivery rates. The outcomes of increased first-time delivery rates include:
 - a. Improved customer satisfaction;
 - b. Less carded parcels awaiting collection at LPOs;
 - c. Securing Australia Post's reputation as the best parcel delivery network in Australia; and
 - d. Savings to Australia Post. (According to IMRG's research, the UK e-retail sector could recover £850m in avoidable costs.)

Returns of unsold, out-of-date stamps

36. Australia Post has, with a few notable exceptions, refused to accept returns of unsold, out-of-date stamps from LPOs.
37. For example, if Licensees are left with large numbers of unsold international Christmas stamps (which could occur if customers are put off by a stiff increase in international Christmas postage rates) then Australia Post will not accept unsold Christmas stamps for credit or refund.
38. POAAL is aware of some instances where, through no fault of the Licensee, the Licensee has been left with over \$1000 worth of unsold Christmas stamps. Australia Post has refused to accept the return of these stamps.
39. Australia Post should accept for return or exchange unsold Christmas stamps from LPOs.



Australia Post management of the LPO network in NSW

40. For some years, POAAL expressed its deep frustration with Australia Post's NSW management team and its dealings with LPOs.
41. A disproportionate amount of Licensee complaints arose from NSW, at times outnumbering Licensee complaints from the rest of Australia.
42. In the last year or so Australia Post has made wholesale changes to its management in NSW and has appointed managers who are blessed with common sense. They have shown a willingness to work with Licensees and with POAAL to improve Licensees' lot.
43. This is a positive development, however the results of the years of poor management by Australia Post in NSW are still being felt in some quarters today.



An inner-suburban LPO in Sydney

Mail Contractors

About Mail Contracts

44. There are over 3000 Mail Contractors operating about 5,500 mail contracts across Australia. Mail Contractors form a significant part of Australia Post's delivery network.
45. Australia Post has engaged contractors to deliver mail and parcels for decades.
46. There are a number of different types of mail contract, including:
 - a. RSD (roadside delivery) or rural mail contracts – delivering a mix of letters and parcels to rural communities and remote areas;
 - b. Parcel contracts – delivering parcels, usually to metropolitan areas;
 - c. Depot bag contracts – transporting bags of mail to pickup points for street delivery;
 - d. Street mail contracts – delivering letters (and now some small packets) usually to outer metropolitan areas, regional centres and country towns; and
 - e. Line haul contracts – transporting large consignments of mail from point to point.
47. For the purposes of this submission, the term “Mail Contractors” will refer to all contractors who hold any of the above mail contracts with Australia Post.
48. Most contracts are typically for five-days-per-week delivery, while in some country areas contracts might be for only two days per week.
49. There are some instances involving small contracts where one Contractor performs one mail contract in the morning and a second in the afternoon.
50. Many Licensees and Community Mail Agents also hold a Mail Contract, which makes sense in a logistical and financial sense – especially in rural and remote areas. There are 929 LPOs that host Mail Contractors. About 500 Licensees also hold mail contracts.
51. Some Mail Contractors have employees or subcontractors. Others operate on their own.
52. Mail Contractors own or lease their own vehicles.
53. Some Mail Contractors are based in Australia Post owned and operated facilities, while others work from Licensed Post Offices.

54. Typically, Australia Post awards mail contracts via a competitive tendering process.
55. Australia Post demands that Mail Contractors be incorporated companies, and it is that company that holds the contract with Australia Post.
56. Mail Contracts are typically for a five-year term.
57. Messenger Post Contracts were covered in POAAL's principal submission.

Awarding of Mail Contracts

58. The mail contract tendering process is a competitive tendering process.
59. Australia Post advertises contracts for tender and invites interested parties to submit a tender in a prescribed format.
60. POAAL actively encourages tenderers to submit a tender cost statement that reflects their true operating costs. In the tender cost statement, a fuel cost component is specified as part of the tender price.
61. Australia Post sets out in the tender specification documentation critical factors such as distance, number of delivery points, anticipated volumes of mail/parcels, estimated daily sorting time and estimated delivery time.
62. The tender specification documentation also lists other mandatory requirements such as insurance, uniforms and any relevant safety equipment.
63. For many Mail Contractors, Australia Post is their primary hirer; that is, they derive little or no income from any other sources. In these cases, tenderers are expected to base their "labour rate", that is, the hourly labour costs excluding all other operating costs, on the relevant classification under an applicable transport industry award.
64. Often Australia Post will negotiate with tenderers in an attempt to further reduce the price put forward by the tenderer. In these situations, Australia Post staff must tread carefully to ensure that what might be considered good business practice (negotiating as low a price as possible with a supplier) does not cross over into unconscionable conduct (abusing its relative bargaining strength or exerting undue pressure on the weaker party).

Renewing contracts – “Direct Negotiation”

65. When a contract is approaching expiry, and if Australia Post deems that the Contractor has met his/her obligations during the term of the contract, Australia Post will extend an invitation to the incumbent Contractor to engage in “Direct Negotiation”.
66. If the Contractor accepts, then Australia Post will offer the incumbent Contractor a new contract fee, to commence from the expiry of the current contract.
67. 2013 was the first year of this new process for dealing with expiring contracts.
68. Initially, Australia Post’s offer to incumbent Contractors was an annual fee only, with no breakdown of how Australia Post had calculated the revised fee.
69. Following representations from POAAL, Australia Post supplied incumbent Contractors with breakdowns of what components (such as labour and fuel) made up the revised fee.
70. In some instances Australia Post gave the Contractor less than 48 hours to consider the proposed contract fee.
71. The negotiation part of “Direct Negotiation” was in many cases an attitude of “take it or leave it” on Australia Post’s part.
72. Contractors in country areas noted that Australia Post did not take a realistic approach to rural Australia operating costs. Fuel costs and maintenance costs in rural Australia are usually higher than in metropolitan areas.
73. In some instances, incumbent Contractors were able to negotiate a mutually acceptable contract fee with Australia Post under Direct Negotiation.
74. Australia Post’s overall approach to the calculations and negotiations led to some Contractors refusing the Australia Post offer altogether. No agreement was reached and the contract was put out to tender. The incumbent Contractor could then submit a tender if he/she chose to do so.
75. If Australia Post is to persist with the Direct Negotiation process, then the process must be completely transparent and Australia Post must be prepared to negotiate in good faith with Contractors, bearing in mind the gulf in bargaining power between the two parties and any local conditions relevant to the contract.

Fluctuating fuel prices

76. As independent owner/drivers, Mail Contractors are unable to absorb price increases in the way that a larger organisation (such as Australia Post) might. Nor are they able to drive efficiencies available to large postal or logistics companies through their buying power. Similarly, because of the size of their mail contract business, Contractors are unable to engage in fuel hedging strategies to reduce the impact of future fuel price rises.
77. Mail Contractors cannot pass on cost increases to their customers. Mail Contractors are locked into a contract with Australia Post. The contract does not allow for the occasionally volatile nature of oil prices.
78. Higher fuel costs have an immediate effect on Mail Contractors, leading Contractors to consider:
- a. Reducing spending in other areas in order to purchase fuel. POAAL is concerned that this could lead to reduced spending by Contractors on critical maintenance, servicing, tyres and other safety measures.
 - b. Reducing the amount that they pay themselves from their contract fee. Their pride in their work and their sense of duty towards their community are sometimes all that keep them going. (Not to mention the threat of financial penalty from Australia Post for failing to perform their Contract.)
 - c. Resigning their contract.
79. Fuel volumes consumed in the course of performing Mail Contracts vary depending on the distances travelled, the nature of the terrain, the vehicle used and the number of delivery points.
80. Australia Post's commitment to driving tender prices as low as possible leaves Contractors at the mercy of increases in fuel costs.
81. POAAL holds grave concerns that mail services to rural areas are under threat due to rising fuel costs. Rural areas are especially vulnerable to loss of mail service because in the event of a Mail Contractor resigning his/her contract, it can be difficult for Australia Post to maintain mail delivery services to the area while securing the services of a replacement Contractor.
82. The resultant loss of mail service would have an immediate and deleterious effect on a community.

Allowing for escalating fuel prices in Mail Contracts

83. As noted above, mail contracts are awarded following a competitive tendering process. As part of the tender, a fuel cost component is specified as part of the tender price.
84. The standard Australia Post Mail Contract makes allowance for the review of the fuel cost component of a mail contract fee. The provision for the review is contained in Clause 10 of the Mail Contract.
85. The contract is eligible for a review under Clause 10 where the wholesale price of fuel (as determined by an independent fuel monitor, applicable to the capital city of the State in which the majority of the Contract is performed) has varied by +/- 7% and at least three months have elapsed since the last Clause 10 review.
86. Australia Post does not inform the Contractor of when they might be eligible for a fuel price review.
87. If an application for review is not successful, then the Contractor must wait a further three months before being eligible to apply for another review under Clause 10 of the contract.
88. Clause 10 fuel price reviews can also be initiated by Australia Post. Should the fuel price dip by 7% – even if only for a short time and contrary to an overall trend – Australia Post can take advantage of the situation and perform a fuel price review. To compound the situation, the Contractor cannot apply for a further fuel price review for another three months, even if fuel prices rebound immediately following the review.
89. This is not to suggest that rising or fluctuating fuel prices are the fault of Australia Post. But the capacity to deal fairly with rising fuel costs is within Australia Post's means. Alternatively, the Federal Government could take the view that Australia Post delivers an essential service to all Australians, and as such extend preferential fuel excise arrangements to Australia Post and/or its Mail Contractors.
90. POAAL has written to Australia Post proposing the introduction of a fairer system of reviewing fuel payments made to Mail Contractors by Australia Post.
91. POAAL proposes a system of monthly automated fuel price reviews.
92. Each month, Australia Post would apply the relevant fuel index to the fuel cost component of each contract, and vary the Contractor's payment appropriately.
93. This simple system would be fair to both parties, transparent, easy to administer and easy for Contractors to understand and monitor.

94. There is a further inequity in the existing system of fuel price reviews, in that tenders are called some months before the contract commences. This means that the fuel price upon which the tender fuel costs are calculated can be months out of date. This could be simply fixed by Australia Post adjusting the fuel price component upon commencement of contract.
95. It must be noted that what POAAL proposes in no way undermines the competitive tendering process. Contractors would still be encouraged to submit a competitive tender price to Australia Post, however the days of Australia Post's delivery arm being subsidised by Contractors must come to an end.
96. It is worth noting that Mail Contractors are at the mercy of the weekly cycle of retail fuel prices. Contractors are usually in no position to take advantage of lower price days because of the sheer quantity of fuel that their vehicles consume while performing the mail service.

Reviews of mail contracts

97. Clause 10 of the mail contract allows for "contract fee adjustments".
98. Contract fee adjustments allow for mail contract fees to be adjusted for fuel price rises (as detailed above), labour rate rises and vehicle operating costs.
99. Clause 9 of the mail contract allows for variations to the mail contract, such as variations to the delivery area or an increase in delivery points.
100. Contractors report that Australia Post can be very slow in responding to any review requests under Clauses 9 and 10 of the mail contract. This is usually to the financial disadvantage of the Contractor who requested the review.
101. Australia Post must respond to review requests promptly and backdate any payments due to the date of the application for the review.

Delivery methods in rural areas

102. In rural Australia, Contractors are expected to deliver to a customer's letter box, which must be located at the property boundary. In the case of properties with a driveway, the mail box must be at the junction of the driveway with the road.
103. Australia Post has verbally informed some Contractors in rural areas that it expects deliveries to be made to the door.
104. In some instances this would require the Contractor driving down a driveway for some kilometres to reach the customer's door.
105. This is time consuming and will increase the Contractor's operating costs for no increased payment. Furthermore, by venturing off public roads Contractors are exposed to other risks, including roaming stock, dogs and poor road

conditions, as well as the liability risk of accidentally leaving a gate open and allowing stock to escape onto the road.

106. Australia Post must not verbally and unilaterally change mail contracts.

Overweight and oversize parcels issues for Mail Contractors

107. The maximum allowable weight for a parcel delivered by Australia Post is 32kg.

108. The maximum allowable size for a parcel is:

- a. The greatest linear dimension must not exceed 105cm;
- b. The maximum cubic dimensions must not exceed 0.25m³.

109. POAAL's Mail Contractor members have expressed their continuing deep concerns that Australia Post frequently demands that they carry overweight and oversize parcels for delivery.

110. This poses a risk of injury to the Contractor.

111. Carrying oversize parcels also has a direct negative effect on Contractors' incomes, as a large parcel takes up more space in their vehicle, perhaps necessitating extra returns to base to collect other parcels for delivery.

112. Furthermore, a Contractor is paid the same parcel fee for delivering (or attempting to deliver) an overweight/oversize parcel as for a normal parcel.

113. Overweight and oversize parcels can also be a source of conflict between Contractors and Licensees if a Contractor brings an undeliverable overweight/oversize parcel to an LPO for customer collection.

114. As detailed in POAAL's earlier submission to this Inquiry, POAAL urges Australia Post to reintroduce its dedicated overweight/oversize parcel delivery network, known as the XL Parcels Network.

115. Australia Post must also investigate extending its XL Parcels Network to rural areas. Presently, Mail Contractors and Licensees bear the brunt of overweight/oversize parcels in rural areas.

Mail boxes

116. Australia Post only delivers mail into mail boxes of an approved size in an approved location.
117. Customers must make sure that they have appropriately sized mail boxes for the letters and parcels they receive and for the area in which they live.
- In rural areas, POAAL urges customers to have mail boxes large enough to accommodate not just letters but some parcels.
118. There are mail boxes commercially available that can securely accept parcel deliveries.
- A simple, technology-free mail box has been developed that allows for parcels to be delivered securely. Once deposited in the mail box, the parcel can only be retrieved by the customer with a key.
 - New electronic parcel lockers are now available that are suitable for parcel deliveries. If a customer is not home to receive a parcel, an RFID-enabled awaiting collection card can be left in the customer's mail box. The parcel is placed in a secure parcel collection locker at the customer's residence. The customer then accesses the parcel using the RFID-enabled awaiting collection card. This has already been implemented in Austria by Austrian Post.
119. Developers of new apartment blocks must be encouraged or compelled to install parcel lockers or appropriate-sized mail boxes to accommodate customer's letter and parcel needs.



An unusual roadside mailbox in a rural area.

Standing orders

120. Previously, Australia Post allowed customers to authorise Mail Contractors to sign for signature-required items. This was used primarily in rural areas. For example, a farmer might authorise the Contractor to sign for signature-required articles addressed to the farmer, so that the Contractor could leave those delivery items in the farmer's mail box instead of requiring the farmer to come to the nearest post office to sign for the article.
121. Australia Post no longer allows this.
122. As a result, for off-road rural properties no delivery attempt is made for any signature-required articles (including letters and parcels). The articles are left at the nearest post office for collection, and an "awaiting collection" card is left in the customer's mail box.

Hand-held scanners (Portable Data Terminals)

123. Parcel Contractors have been using hand-held scanners for about 10 years. The scanners are used for track-and-trace purposes. By scanning barcodes of items on delivery, or when awaiting collection, the customer is informed of the progress of their delivery.
124. These hand-held scanners allow Contractors to capture customers' signatures upon delivery of parcels. This replaces the old manual system of writing details in a small portable journal that the customer had to sign.
125. Some concerns have been raised about the effect of extreme heat on the battery life of hand-held scanners.
126. Australia Post has issued instructions not to store scanners at temperatures of 40 degrees and above, however in some areas of Australia the temperature often reaches 40 degrees.
127. Australia Post has started distributing hand-held scanners to all Mail Contractors, including Mail Contractors in rural Australia. This programme must be completed without delay.

Delivery of small parcels (under 2kg)

128. In 2012, Australia Post unilaterally decided to allocate small parcels to Street Mail Contractors and PDOs for delivery, instead of being delivered by Parcel Contractors.
129. Australia Post wrote to Street Mail Contractors affected by this decision to inform them of the change.
130. These changes had a direct operational and cost/profitability impact on Street Mail Contractors and Parcel Contractors:

- a. Parcel Contractors are paid a fee per parcel delivered. By losing some parcels, their incomes were reduced.
 - b. Parcel Contractors base their per-parcel fee on an average of small through to large parcels. By losing the small, easy-to-handle parcels, Parcel Contractors were left with the difficult (and more costly) parcels to deliver.
 - c. Australia Post claimed that no Parcel Contractor will be worse off under these parcel delivery arrangements.
131. Street Mail Contractors, who mostly perform their deliveries on “postie bikes”, have told POAAL that their operating costs and delivery times will increase. They have noted that if letter volumes are down marginally, they certainly don’t have the capacity to deliver very many small parcels.
132. POAAL met with senior Australia Post managers to discuss the allocation of small <2kg parcels for delivery. Australia Post claimed that because of the overall decline in letter volumes, Street Mail Contractors have capacity to carry small parcels for delivery. This is contrary to the advice from Street Mail Contractors.
133. Australia Post stated that any parcel allocated to a Street Mail Contractor would be small enough to be left in a mailbox and therefore not need to be carded. Street Mail Contractors report that Australia Post often gives them items that are too big to fit in customers' mailboxes.
134. Many Street Mail Contractors have told POAAL that their operating costs and delivery times will increase if they deliver more small parcels. Australia Post gave an undertaking that it would perform a fair contract review of any contract where the Contractor shows that operating costs have increased.
135. Some Licensed Post Offices have observed a substantial increase in items carded to the Post Office as a result of Australia Post’s policy.



Some parcels that were carded to a Licensed Post Office without a delivery attempt being made.

Conclusion and recommendations for Mail Contractors

136. Australia Post is a GBE. It pays taxes and delivers a dividend to the Federal Government each year. Part of its profitability derives from the efficiencies it is able to generate from contracting out its delivery services.
137. Higher fuel prices continue to impact upon Australia Post's own delivery fleet, as shown by price increases to domestic parcels in the last 12 months.
138. Contractors play an integral role in enabling Australia Post to meet its CSOs.
139. There continues to be discontent among Contractors that one of the most critical resources they require for their business is subject to a high level of taxation. A common comment from Contractors in rural areas is that the standard of the roads that they drive on to perform the mail service does not seem to reflect the amount of fuel excise they pay just to run their business.
140. POAAL recommends that Australia Post review the entire mail contract in consultation with POAAL.
141. POAAL recommends that Australia Post introduces a low-cost, simple dispute resolution procedure for Mail Contractors, similar to that available to Licensees.
142. POAAL recommends that Australia Post introduces automated monthly fuel price reviews for its Mail Contractors.
143. POAAL recommends that the Federal Government consider extending preferential fuel excise arrangements to Australia Post and/or its Mail Contractors.
144. Australia Post must respond to requests for contract review promptly and backdate any payments due to the Contractor to the date of application for the review.