POAAL

Post Office Agents Association Limited
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12 August 2011

Ms Stephanie Mikac
Inquiry Secretary
Joint Committee on the National Broadband Network
Parliament of Australia
PO Box 6021
Parliament House
CANBERRA   ACT   2600

Email: jcnbn@aph.gov.au

Dear Stephanie,

National Broadband Network and the post office:
Supplementary submission

At the public hearing of the Joint Committee on the National Broadband Network held in Melbourne on 28 July 2011, the Committee asked that POAAL provide some further information. A further submission is enclosed, addressing various matters relating to the NBN.

If the Committee has any further questions regarding POAAL's submission, I may be contacted at the POAAL National Office or via email at ian@poaal.com.au.

Yours faithfully,

Ian Kerr
CEO

Encl.

POAAL supplementary
submission to the

Joint Committee on the
National Broadband Network

August 2011

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Australia Post's Electronic Point Of Sale system (EPOS)

1. At the Committee's Public Hearing in Melbourne on 28 July, the Committee requested an indicative costing of the installation of EPOS at a manual (i.e. non-EPOS) Licensed Post Office.

2. Australia Post has advised that the approximate installation cost is $20,000 per LPO.

3. The Committee also requested the bandwidth requirements for EPOS. While the information is not presently available, Australia Post has indicated that it will provide the information as soon as possible.

LPOs without access to EPOS

4. The Committee requested a listing of all LPOs that currently do not have access to EPOS. A list has been forwarded to the Committee Secretariat by email.

Effect of increased broadband availability on postal network

5. The post office has seen many changes to how we communicate, many of which could have been viewed as a threat: telephone, telegram, fax, SMS text messaging, email and the internet.

6. The greater availability of broadband internet has been linked to falling letters volumes globally along with an increase in parcels volumes. To give a recent example, PostNL (the Dutch postal group) this month reported that addressed mail volumes fell 8.9%, in part due to electronic substitution, while the parcels service increased revenues by 10.6% and increased profits by 10.5%[1].

7. Results such as these give an indication of the changing nature of the postal service. Addressed mail continues to be important for businesses – especially given the severe trust issues associated with email – and the parcels service is becoming an increasingly important distribution channel for businesses, in particular online businesses.

8. Increased broadband access will probably further stimulate e-commerce, resulting in an increase in parcel volumes.

9. Advances in technology reinforce POAAL's call for point-of-sale technology to be installed at all LPOs. The communities served by LPOs without EPOS are not able to access the full range of Australia Post's services, including financial services.

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[1] PostNL Q2 & HY 2011 Results Press Release, 8 August 2011

A reminder of what these 464 communities are missing

10. According to Australia Post's records, 464 LPOs do not have access to Australia Post's EPOS system. These manual LPOs are typically small, and serve rural and remote communities. They are critical to Australia Post meeting its Community Service Obligations.

11. These 464 manual LPOs are unable to offer a range of services, including the following:

    a. EFTPOS banking transactions;

    b. CBA debit card deposits/withdrawals;

    c. Mobile phone top-ups;

    d. Proof of identity transactions;

    e. Local, State or Federal Government services; and

    f. Business banking.

12. The recently announced proposed partnership between Australia Post and Rural Bank – a marvellous opportunity for LPOs in rural areas and the communities they serve – will not be available at LPOs without EPOS.

NBN as a means to bolster existing infrastructure

13. If the NBN is to be Australia's next major infrastructure project, then it should be used not only to build new infrastructure but to help maintain or improve the existing infrastructure.

14. Of the nearly 3000 LPOs in Australia Post's retail network, 464 do not have access to Australia Post's electronic point-of-sale system (known as EPOS). Australia Post has not installed EPOS at these LPOs because they process a small number of transactions (typically less than 2500) each year. There is no compelling commercial case for Australia Post to install its electronic point-of-sale system at these LPOs.

15. Without access to Australia Post's electronic network, and all the products and services available through that network, it is unlikely that a manual LPO will ever grow its business to such a level that the LPO's transaction levels meet Australia Post's minimum criteria for the installation of its electronic point-of-sale system.

16. If the NBN can provide remote and rural LPOs with access to high speed data connections at a low cost, then this will reduce a significant cost barrier to installing EPOS in small LPOs.

17. POAAL believes that all Australians deserve access to a first-class postal service, regardless of where they live. The changing nature of the postal industry, driven by factors such as improvements in technology and the growth of parcel delivery volumes, means that the post office continues to be relevant to Australian businesses and everyday Australians.