

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Additional Estimates Hearings February 2014

Communications Portfolio

Australia Post

Question No: 150

Program No. Australia Post

Hansard Ref: Page 94 (25/2/2014)

Topic: Franchises

Senator Boswell asked:

This may be just a rumour, but I want you to either refute it or accept it. Did Australia Post disclose to the prospective franchisor the binding arrangements of the EBA6 regarding converting only 20 corporate outlets? In other words, those people told me that they were told that there would be 150 franchises and they would be in the pack, and then the unions said, 'No. We're limiting you to 20.'

Ms Corbett: I will take that on notice to find out exactly what was communicated to the franchisees. When the franchisees bought in, marketing material and roadshows were done and we said that, aspirationally, we wanted to have a network of up to 150 franchises. That network was going to be made up of licensees that may have converted to the franchise model, corporate outlets that we would convert to the franchise model, as well as green field brand new sites. So it was a mix of all of those things.

Answer:

Australia Post believes this question refers to its agreement with the CEPU within the then Enterprise Agreement (EBA6). This was a commitment that for the life of that agreement (2004 – 2006), Australia Post would not convert more than 20 corporate outlets to a franchise.

This agreement did not restrict Australia Post on the size of its franchise network. At the time Australia Post advised prospective franchisees its network would be achieved through a combination of the conversion of existing corporate outlets, conversion of licensed outlets and the establishment of new sites.