

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings October 2015
Communications Portfolio
Australia Post

Question No: 130

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Topic: LPOs – Westpac Arrangements

Senator Xenophon, Nick asked:

Senator XENOPHON: It is not so wonderful for the LPOs, Mr Fahour. That is what they are telling me.

Mr Fahour: I can assure you that the LPOs as a whole are very grateful to win business like that. There is no question that, in the financial services payments area, there are some subcategories, which you have correctly called out, that are less profitable than some others. What they are saying is, 'Let me hold onto the others, but I don't want to do these,' or 'I want to be paid more for these,' and we are saying that it does not work like that.

Senator XENOPHON: Mr Fahour, do you accept that those LPOs that have had a retainer with Westpac per month plus a transaction fee are, from my understanding, going to be worse off because of the deal that has been done, because they are already providing business banking and it is going to be a substantial cost to them? Westpac are not exactly down to their last billion dollars; they are still a profitable bank, which is a good thing. Will you look into that and report back to us?

Mr Fahour: I am very happy to look into it, but I do want to be clear that I am not aware of what Westpac's arrangements were with third-party organisations. I do not know what those are, but I am very happy to look into ours and take that on notice.

Answer:

Australia Post understands that a small number of licensees held separate private agreements with a financial institution. We are not party to these agreements and are unaware of the payment/service arrangements offered between the signatories. As such we are unable to comment on any differences in payments.