

Senate Standing Committee on Environment and Communications
Answers to Senate Estimates Questions on Notice
Supplementary Budget Estimates Hearings October 2011
Broadband, Communications and the Digital Economy Portfolio
Australia Post

Question No: 37

Program No. Australia Post

Hansard Ref: Page 65 (18/10/2011)

Topic: Board of Australia Post

Senator Abetz asked:

Senator ABETZ: Right, thank you. I move on to the issue, Minister, of the board of Australia Post. Are there any people on the board of Australia Post that, prior to their appointment, had postal industry experience? If you do not know, take it on notice.

Senator Conroy: Let me think: how would you get postal industry experience. I am happy to take that on notice.

Senator ABETZ: The Prime Minister has indicated that she wants to see 40 per cent of board members of Australia Post to be women by the year 2015. That, of itself, is not a bad aspiration, other than it will be foisted. If we are concerned about gender equity I am just wondering why the government does not also consider postal industry experience as being something that may be of benefit to Australia Post.

Senator Conroy: I will just check the 11 years of appointments you made on that basis.

Answer:

Both the *Australian Postal Corporation Act 1989* and the *Commonwealth Government Business Enterprise Governance and Oversight Guidelines* place on the Minister an obligation to have regard to the need to ensure that the directors collectively possess an appropriate balance of expertise including: commerce, finance, accounting, law, marketing, workplace relations and management.

The current Board members' experience includes: banking, finance, law, industrial relations, commerce, management, government, logistics, politics, retail and media.

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Question No: 38

Program No. Australia Post

Hansard Ref: Page 66 (18/10/2011)

Topic: Annual Fees for Small Businesses and Non-profit Bodies

Senator Abetz asked:

Senator ABETZ: ...Is it correct that there is a proposed \$100 annual account fee for small business and non-profit bodies if they want to pay their Australia Post account by cheque?

Mr Fahour: That is correct, yes.

Senator ABETZ: Why have we imposed this on small businesses and non-profit bodies?

Mr Fahour: We developed a strategy around how we can work with our suppliers for payments of services that we have rendered. We do not collect the money up front; we are collecting it either as we go or towards the end of account. But I might ask one of my colleagues to talk you through what we have done about that, particularly what we have done to look after those smaller organisations to ensure that they are capable.

Senator ABETZ: You can take that on notice and provide us with a detailed answer. You can indicate what consultation with any groups occurred prior to making this announcement which, for the small community non-profit organisations, sometimes is a bit of a hit.

Mr Fahour: Yes. We have made some arrangements since that date to take care of as many people as we can.

Senator ABETZ: Excellent. If you can set that out in the answer I would be much obliged...

Answer:

In June 2011, all Business Credit Account holders who pay their invoices by cheque were advised of the introduction of the \$100 annual fee and the payment options available to them if they wish to avoid the fee (i.e. EFT and direct debit).

Since then, Australia Post has had discussions with a number of small businesses and non-profit bodies regarding the introduction of the fee and the other no-fee payment options available. Many customers have taken the opportunity to switch their payment method to avoid this fee and Australia Post has been working with some non-profit bodies to assist them with this transition.

Because of these discussions, Australia Post will be writing to all of its customers that pay by cheque reminding them of the fee that will come into effect in January 2012. It will also be writing separately to non-profit bodies that currently pay by cheque advising them that Australia Post will impose an amnesty to this fee until 1 July 2012, thereby allowing them an additional six months to switch to other payment methods.

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Australia Post

Question No: 39

Program No. Australia Post

Hansard Ref: Pages 68-69 (18/10/2011)

Topic: Sale of Post Logistics

Senator Abetz asked:

Senator ABETZ: ... I understand Australia Post recently sold its Post Logistics operation. Is that correct?

Mr Fahour: Correct.

Senator ABETZ: During that transfer of business how much stock went missing during the consolidation of warehouses?

Mr Fahour: I can take that on notice, but there was nothing that was out of the ordinary.

Senator ABETZ: Was it a problem that came up on your radar at all?

Mr Fahour: Nothing came up.

Senator ABETZ: In that case, take it on notice and we will get the detail.

Answer:

In preparation for the transition of the Post Logistics Australasia 3PL business to DHL, a full stocktake was performed for all external customers prior to the handover to the new owner.

For Australia Post product, a stock reconciliation was undertaken when the two warehouses were consolidated into the Altona facility, with a full stocktake scheduled to be undertaken in early 2012 to identify any stock discrepancies. At this stage, Australia Post is not aware of any discrepancies that have become apparent.

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Question No: 40

Program No. Australia Post

Hansard Ref: Pages 68 - 69 (18/10/2011)

Topic: Mail Services

Senator Macdonald asked:

Senator IAN MACDONALD: So am I, Mr Chairman, but this is why this approach: there is no other way that these people can make their points known to Australia Post.

We have had the conferences. We have had offers of big walls that will not make any difference and will just cut off the breeze, so you will just exacerbate one complaint and create another.

There is a clear solution. They were there before you. If you were not a Commonwealth instrumentality, you would have been thrown into jail long before this; I am just surprised the government does not give you some directions to be a good corporate citizen. I know you are; you have tried, but whatever you have tried has not worked. You know from the way I have interacted with you, I accept that you are good. I just ask you to have another look at that.

I have two quick local matters that perhaps can be taken on notice. There is a place called Nabilla. I am not quite sure where it is—north of Rockhampton and south of Mackay. It used to be in the electorate of Capricornia and is now in Dawson. It is a new estate. Australia Post does not have a mail contractor to deliver the mail. Is it fair that residents have to pay for post office boxes? And it appears that there are no post office boxes available. So what they tell me is happening is that people have to go to the post office and say, 'Have you got any mail for me?' and they look under the counter and see if there is a bundle there for them and hand it out. Can we have a look at that for them? And also, from Bucasia, which is near Mackay, Australia Post has decided to remove a post office. Bucasia is a growing community; has that been taken into account? What services will be put in place for local residents?

Mr Fahour: Thank you; we will take both of those on notice.

Answer:

Regarding mail deliveries in Nabilla, this area is a new estate of the township of Marian and currently has no street mail delivery service. Consistent with policy, residents are offered reduced rate PO Boxes but, unfortunately, all 555 PO Boxes at the Marian LPO are currently let and there is no space to install any more.

Consequently, residents who choose not to lease a PO Box at an alternative nearby outlet (i.e. Mirani LPO approx 10km and Kuttabul LPO approx 13km) have their mail delivered over the counter at the Marian LPO.

Before changing delivery arrangements through the introduction of a new street/roadside delivery service, Australia Post undertakes a poll of affected residents and businesses to determine their preferred method of delivery.

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Majority support (i.e. over 50%) for a change is required to prevent a situation where a minority of residents could bring about a change to existing delivery arrangements, with significant implications for all including:

- the requirement to purchase and install a letterbox
- the loss of eligibility for PO Box concession rates
- possible impact on commercial liability of the local LPO

Australia Post last conducted a delivery poll in the Marian area in 1996. Of the 266 residents polled, only 29% voted in favour of the introduction of a mail delivery service.

Given there are now approximately 800 residents in the area, Australia Post will conduct a further delivery poll in early-2012 to determine their preferred method of delivery.

Regarding the relocation of the Bucasia Licensed Post Office, this issue was the subject of a Question on Notice in the House of Representatives (No 468), which was answered in Hansard on 11 October 2011 (p134).

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Question No: 41

Program No. Australia Post

Hansard Ref: Page 70 (18/10/2011)

Topic: Belconnen Shopping Centre – Mail Services

Senator Humphries asked:

Senator HUMPHRIES: I will repeat the question. The question is: can you categorically assure this committee, knowing what you now know about this situation, that it was indeed Westfield that initiated the policy of ceasing delivery to individual tenants and not Australia Post?

Mr Fahour: Senator, can I just jump in? In light of the misunderstanding that occurred the first time, I am not prepared for us, as Steve Ousley has just said, to just give you an answer on the spot, because I want it to be 100 per cent right—it is a case of once bitten, twice shy. We have offered to take it on notice. I hope you will accept our offer, and we will give you an exact answer to your question which will be 100 per cent right.

Senator HUMPHRIES: Fantastic. There is just one more thing that you can take on notice with that: if you come back and say to me, 'It was Westfield that initiated this policy and asked for the deliveries to cease,' would you be kind enough to table the correspondence, which undoubtedly you had with Westfield, in which that arrangement was—

Mr Fahour: Sure—there would be have to some information to support that assertion. That is absolutely accepted, Senator.

Answer:

The Point of Delivery policy (POD) is an Australia Post policy and, as such, it was Australia Post that initiated discussions with Westfield about the possibility of implementing the policy at Belconnen Shopping Centre, as part of the centre's planned refurbishment program.

After the first week of delivery to the newly installed letterboxes, Australia Post advised Westfield that many tenants had not cleared their letterboxes. As a one-off, Australia Post offered to clear the full letterboxes and deliver the mail directly to the tenants along with a further reminder regarding the new delivery arrangements.

Westfield declined the offer indicating it would facilitate the clearance of the letterboxes locally. It also advised that should Australia Post continue with to-the-door deliveries, it would seek compensation given it had already invested in the purchase and installation of the letterboxes.

Notwithstanding Westfield's position, Australia Post did not intend to continue to-the-door deliveries. The new delivery arrangements are in line with its POD policy, which has been successfully implemented in numerous shopping centres around Australia, without incident.

Westfield's position was put to Australia Post during the course of discussions at the local level and not via any formal written correspondence.

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Question No: 42

Program No. Australia Post

Hansard Ref: Pages 71 – 72 (18/10/2011)

Topic: Future of Post Offices in Bundarra and Attunga

Senator Williams asked:

Senator WILLIAMS: I am following on from Senator Nash. We have the Bundarra post office closing on 30 December. I do not know the population of Bundarra—perhaps 400 people—but they just cannot make a go of it. And we have Attunga, outside Tamworth, closing in November. Your profits have more than doubled while these little regional post offices are closing because they simply cannot make a go of it. Yet half an hour ago you said how much you support regional Australia. Isn't that in conflict?

Mr Fahour: Thank you for raising that point. While on the one hand we are pleased with the increase in profit for the whole corporation from 2010 to 2011, the reality is that that result only takes us back to where we were in 2009. Secondly, the mail business lost \$90 million this year and last year it lost \$250 million. It is the primary effort of what we are talking about; it is the largest part of our interaction with these people. We have a very serious and structurally difficult situation that is not going to reverse very easily. For the years to come, these losses will be there, and what is going to occur is inevitable. While this two-speed business that we have is going down—

Senator WILLIAMS: So you have a two-speed business. You are losing money on letters and you are making a fortune on parcels.

Mr Fahour: We are losing money on letters and we are making money on parcels. At the moment, with the digital economy that we have, online shopping is only just beginning. We are hoping this will continue over the next few years. As one side comes down and the other side comes up, the idea is to redeploy resources from that side and put them on this side.

Senator WILLIAMS: This is all fine, but what about those communities that lose their post office?

Mr Fahour: I will take on notice your question about those communities.

Answer:

Australia Post has no intention or desire to close the Bundarra LPO. The current licensee has provided formal notification that she will cease trading on 30 December 2011. Since receipt of the notification, Australia Post has been working closely with local businesses in the community in an effort to locate a new operator for the LPO and maintain continuity of postal services.

Discussions are continuing with local businesses and Australia Post will update the local community on developments as they occur.

Australia Post has found a new operator for the Attunga LPO. As of 21 November 2011, the LPO is being operated by the owner of the General Store, thereby maintaining continuity of postal services to the local community.

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Question No: 43

Program No. Australia Post

Hansard Ref: Page 72 (18/10/2011)

Topic: Delivery Performance

Senator Williams asked:

Senator WILLIAMS: The point I make is that it is a nail in the coffin for those communities and the contractors simply cannot make a go of it. I want to get to another point. I sent out 62,000 survey forms in the seat of Lyne and 57,000 in New England just a few weeks ago. They were supposed to go out on 19 September. We were getting replies on 15 September. Many people did not get the survey forms. People were bringing packets of them into my office that they had found on the ground. In a place like Uralla they got them 13 days later. I will give you the details on notice, but as much as I really admire the people who work in Inverell Post Office—they are great people and I have known them for many years—I think my mail-out was a monumental mess.

Mr Fahour: If that is the case first of all I apologize on behalf of them and the organisation. As you well know these are good people out there—

Senator WILLIAMS: Absolutely they are good people.

Mr Fahour: and they do a fantastic job. Our success in delivery performance, which is measured scientifically, says that we deliver at 96 per cent and we are at 98.9 per cent success rate. So let me apologise when these occasional errors occur. I will investigate what caused that particular incident. I acknowledge what you said, as well. They are normally pretty good people.

Answer:

Regarding the incorrect distribution figures, bookings for the Unaddressed Mail service can be made two ways. Either via Locality or Political bookings (which are to a complete electorate, either State or federal).

Australia Post's investigations revealed on the day this particular booking was made, the Unaddressed Mail Political bookings system was unavailable. The booking officer, in an attempt to be helpful, decided to book by Locality. Unfortunately, this was a clear error on their behalf and explains the big variance in the distribution numbers Senator Williams' office would have expected versus the numbers provided. Because of this error, staff in Australia Post's Customer Call Centre who are responsible for taking Political bookings have been briefed on the correct procedures to follow in future.

Regarding complaints about the survey mail out, Australia Post's investigations identified 27 complaints, the breakdown of which was as follows:

- | | | |
|---------------------------------------|---|----|
| • non-receipt | - | 21 |
| • received but claimed others did not | - | 3 |
| • received outside set delivery dates | - | 1 |
| • found a dozen littering street | - | 1 |
| • threw away one and wanted another | - | 1 |

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In 14 of the 27 cases, Unaddressed Mail Service records indicate the deliveries were completed. In eight cases where there were no records (because LPOs are not required to keep them), the licensee or delivery contractor responsible for the delivery could recall the survey in question and confirmed they were delivered. In five cases, the complainant's address was unknown and no further inquiries could be made.

Against this background, Australia Post regrets it is unable to offer a satisfactory explanation for the specific service failures outlined above.

The Unaddressed Mail Service is a "best endeavours" service and this is clearly outlined in the Terms and Conditions. However, Australia Post acknowledges the initial distribution figures provided to Senator Williams' office were incorrect and, as a gesture of goodwill, has written separately to Senator Williams offering him a refund of the delivery component of this particular mail out or a free future lodgement for delivery in the electorates concerned.

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Question No: 44

Program No. Australia Post

Hansard Ref: In Writing

Topic: Carbon Tax

Senator Abetz asked:

Will Messenger Post contractors be disadvantaged by the Carbon Tax? If they have no mechanism to increase their contract price in response to rising costs thanks to the Carbon Tax, what options will be available to them?

Answer:

It is not expected that Messenger Post contractors will be disadvantaged by the Carbon Tax.

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Question No: 45

Program No. Australia Post

Hansard Ref: In Writing

Topic: Carbon Tax

Senator Abetz asked:

What initiatives has Australia Post taken to reduce electricity consumption in Corporate POs, and can these be applied to LPOs?

Answer:

Energy Efficiency Opportunities audits on retail facilities have been used to drive various efficiency initiatives, including:

- New building control systems technology, sourced to incorporate lighting and Heating Ventilation and Cooling (HVAC) controls
- Life Cycle planning used to replace existing HVAC units with New Energy efficient HVAC systems
- Supplementary HVAC systems installed to small work areas to reduce running costs to whole building
- Energy efficient lighting trials over the last twelve months that have resulted in changes to lighting guide lines in all new Retail fit outs

It is feasible that energy modelling for Corporate outlets could be compared to LPOs, however, the implementation of efficiency initiatives is ultimately the responsibility of the Licensee.

Australia Post has produced and distributed an energy reduction booklet for LPOs that advises on simple and cost effective changes that can be made in LPOs to reduce energy.

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Question No: 46

Program No. Australia Post

Hansard Ref: In Writing

Topic: Carbon Tax

Senator Abetz asked:

Solar lighting: does Australia Post use solar-powered lighting in any of its corporate outlets, especially for outdoor lighting? Will Australia Post encourage and assist Licensees to use solar lighting at their LPOs?

Answer:

Australia Post does not use solar-powered lighting in any of its corporate outlets. It has continually tested various solar powered outdoor lighting for car parks, footpaths and delivery areas over the last few years but has been unable to date to find a device that meets its operational demands as well as satisfy its OH&S responsibilities.

Australia Post's current focus with regard to solar energy is at its large operational facilities that have high-energy consumption. These facilities have large roof spaces and, therefore, the capacity to accommodate large numbers of solar panels, which would return a better business outcome. The viability of applying this initiative to corporate outlets, which tend to have limited roof space, will be assessed in due course.

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Question No: 47

Program No. Australia Post

Hansard Ref: In Writing

Topic: Parcels

Senator Abetz asked:

The Australia Post annual report notes an increase in revenue from the parcels business, and Australia Post is to be congratulated on growing this business. What steps have been taken by Australia Post to address the issue of international transfer pricing? Is Australia Post making a loss for every inbound international parcel it delivers?

Answer:

Australia has lodged a Terminal Dues rate increase notification to the Universal Postal Union for consideration at the February 2012 Postal Operations Council meeting. It is also negotiating bilateral agreements with major trade lanes to improve transfer-pricing arrangements.

Australia Post does not lose money on all international inbound parcels that it delivers. It is currently analysing the extensive mix of less than 2kg global volume to determine the format and weight characteristics that are profitable and loss making.

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Question No: 48

Program No. Australia Post

Hansard Ref: In Writing

Topic: Parcels

Senator Abetz asked:

Some delivery contractors with street mail contracts are now being asked by Australia Post to deliver parcels. How can a contractor zipping about on a little postie bike be expected to carry parcels? Why aren't these parcels being given to parcel contractors, who have appropriate vehicles for parcel delivery?

Answer:

Small packets/parcels weighing less than two kilograms are delivered by street mail delivery contractors and postal delivery officers, where it is practicable to do so. A volume metric gauge is used to validate the physical size of the packet/parcel to ensure it can be safely carried on a motor bike. Declining letter volumes has created capacity in pannier bags for delivery of small packets/parcels.

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Question No: 49

Program No. Australia Post

Hansard Ref: In Writing

Topic: Parcels

Senator Abetz asked:

What is the largest and heaviest parcel that Australia Post would expect staff or contractors or Licensees to handle?

Answer:

For general lodgement and delivery, parcels up to 20 kg within the dimensions of 105 cm in length and 140 cm in girth.

In addition:

- Contract parcels up to 22 kg within the dimensions of 120 cm in length and 0.25m³ cubic. These customers may seek approval to lodge parcels up to 32kg, subject to the volume of these heavier parcels being less than 5% of their total volume. If more than 5% are outside the 22 kg weight limit, the customer will not be able to enter into a contract with Australia Post.
- International parcels up to 30 kg may be received for delivery.

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Question No: 50

Program No. Australia Post

Hansard Ref: In Writing

Topic: Parcels

Senator Abetz asked:

Is Australia Post working to eliminate all overweight and oversize parcels from its delivery network?

Answer:

All acceptance points throughout the network are asked to reject parcels that fall outside the dimensions specified in the reply to Question on Notice 49.

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Question No: 51

Program No. Australia Post

Hansard Ref: In Writing

Topic: Parcels

Senator Abetz asked:

In the Productivity Commission's current retail inquiry, it has been suggested that the tax-free threshold for parcels arriving from overseas be lowered. If Australia Post were to collect customs duty and other taxes from customers receiving parcels from overseas has Australia Post been able to calculate how many more parcels would need to be stored in the post office network while awaiting payment and collection?

Answer:

The impact would depend on the revised threshold level. Currently, the collection of duties and taxes is the responsibility of Australian Customs and Border Protection Services (ACBPS). Australia Post would need to undertake a study to determine the impacts of various threshold and operational options in the event that responsibility was to shift from ACBPS to Australia Post. This study has not been undertaken.

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Question No: 52

Program No. Australia Post

Hansard Ref: In Writing

Topic: Post Logistics Sale to DHL

Senator Abetz asked:

Why did Australia Post sell Post Logistics? Did Australia Post offer the business for sale or was Australia Post approached directly by DHL?

Answer:

Post Logistics Australasia (PLA) offered 3PL services in a highly competitive market place. At the time of disposal, PLA held less than 1% of the addressable 3PL market and operated in a market that was not core to Australia Post's longer-term strategy.

Accordingly, the disposal of PLA to DHL will allow management attention and resources to be redirected to other business opportunities that better reflect sustainable growth options for Australia Post.

Australia Post undertook an active campaign to divest the PLA business. This campaign commenced at the end of 2010 when an Information Memorandum was prepared and released to selected parties. Australia Post engaged in active discussions with two potential buyers until mid-2011 with DHL emerging as the preferred bidder.

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Question No: 53

Program No. Australia Post

Hansard Ref: In Writing

Topic: Post Logistics sale to DHL

Senator Abetz asked:

What benefits have there been to Australia Post? Will there be any benefits to the post office network – for example, will they receive their stock sooner?

Answer:

Australia Post will benefit from the sale of PLA through the opportunity to provide greater focus and redirect resources to activities that are in line with Australia Post's longer-term business strategies.

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Question No: 54

Program No. Australia Post

Hansard Ref: In Writing

Topic: Post Logistics sale to DHL

Senator Abetz asked:

How much stock went missing during the consolidation of warehouses?

Answer:

In preparation for the transition of the Post Logistics Australasia 3PL business to DHL, a full stocktake was performed for all external customers prior to the handover to the new owner.

For Australia Post product, a stock reconciliation was undertaken when the two warehouses were consolidated into the Altona facility, with a full stocktake scheduled to be undertaken in early 2012 to identify any stock discrepancies. At this stage, Australia Post is not aware of any discrepancies that have become apparent.

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Question No: 55

Program No. Australia Post

Hansard Ref: In Writing

Topic: Post Logistics sale to DHL

Senator Abetz asked:

How far behind now is Post Logistics in processing and fulfilling stock orders?

Answer:

The order backlog at the DHL Altona facility is currently averaging 1-2 days.

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Question No: 56

Program No. Australia Post

Hansard Ref: In Writing

Topic: Tendering for Mail Contracts

Senator Abetz asked:

How many Mail Contractors have taken up Australia Post's "first offer" system for Contractors whose contracts are about to expire?

Answer:

Of the 921 contracts expiring in 2011, 764 (83%) were taken up by contractors through Australia Post's "First Offer Process".

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Question No: 57

Program No. Australia Post

Hansard Ref: In Writing

Topic: Tendering for Mail Contracts

Senator Abetz asked:

What reasons would Australia Post have for not making this offer to a Contractor?

Answer:

Australia Post advised contractors when it wrote to them about the introduction of the “First Offer Process”, that it would not make the offer where:

- there has been a significant change to the way the service is performed
- the contractor’s performance was not assessed as satisfactory
- the costs were not fair and reasonable.

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Question No: 58

Program No. Australia Post

Hansard Ref: In Writing

Topic: Tendering for Mail Contracts

Senator Abetz asked:

Has this new system been a success? Has it saved Australia Post money?

Answer:

The "First Offer Process" has been a success and saved money by reducing advertising costs and work hours previously spent on managing a full open tender call.

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Question No: 59

Program No. Australia Post

Hansard Ref: In Writing

Topic: Licensed Post Offices

Senator Abetz asked:

How many LPOs have closed in the past year? (by name)

Answer:

9 LPOs have closed on a permanent basis YTD 31 October 2011 - Black Rock North, Clonard, Garvoc, Mailors Flat, St James (VIC), Canberra Airport (ACT), Cremorne (TAS), Laura (Qld), Schofields (NSW).

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Question No: 60

Program No. Australia Post

Hansard Ref: In Writing

Topic: Licensed Post Offices

Senator Abetz asked:

How many LPOs have been converted to CMA operations? (by name)

Answer:

For the FYTD ending 31/10/2011, no LPOs have converted to CMA operations.

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Question No: 61

Program No. Australia Post

Hansard Ref: In Writing

Topic: Australia Post Premises

Senator Abetz asked:

How many premises does Australia Post own (freehold) for:

- a. Corporate Post Offices
- b. Licensed Post Offices

Answer:

- a. 262.
- b. 10.

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Question No: 62

Program No. Australia Post

Hansard Ref: In Writing

Topic: Australia Post Premises

Senator Abetz asked:

Where Australia Post owns the premises for an LPO, how are leasing arrangements made – through Australia Post directly or through an agent? If an agent, how is that agent appointed?

Answer:

All leasing arrangements are done through Colliers International. Instructions /approvals regarding rental amounts & terms are made via Australia Post's National Asset Manager, Real Estate. A total of 10 LPOs occupy Australia Post owned premises nationally. Colliers International was appointed as Australia Post's real estate provider for a five-year term in 2009 after a competitive process.

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Question No: 63

Program No. Australia Post

Hansard Ref: In Writing

Topic: Australia Post Premises

Senator Abetz asked:

What plans does Australia Post have for converting corporate outlets to licensed operations?
When this occurs, how does Australia Post attract purchasers?

Answer:

The Australia Post Retail Network is subject to constant change through outlet openings, relocations, conversions and closures. In the face of an ongoing decline in customer numbers associated with our core Postal and Agency businesses, it will continue to review the network to ensure it strikes the appropriate balance between service delivery and financial viability.

When Australia Post wishes to attract purchasers for a LPO because of a conversion, a tender process is followed.

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Question No: 64

Program No. Australia Post

Hansard Ref: In Writing

Topic: Australia Post Travel

Senator Abetz asked:

How much did Australia Post spend on taxis and limousines in 2010/11?

Answer:

Australia Post spent a total of \$1,519,990 on taxis/limousines in 2010-11.

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Question No: 65

Program No. Australia Post

Hansard Ref: In Writing

Topic: Australia Post Travel

Senator Abetz asked:

How much did Australia Post spend on airfares in 2010/11?

Answer:

\$4,778,084.

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Question No: 66

Program No. Australia Post

Hansard Ref: In Writing

Topic: Australia Post Travel

Senator Abetz asked:

What level of executives travel business class?

Answer:

All executives are entitled to travel business class for international flights and economy for domestic flights.

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Question No: 67

Program No. Australia Post

Hansard Ref: In Writing

Topic: Australia Post Travel

Senator Abetz asked:

How much of the total spend on airfares was on overseas travel?

- a. How much could be attributed to the MD/CEO and how much to the Board?

Answer:

\$1,213,825

- a. The total cost for the board, of which the MD/CEO is a member was \$127,497.

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Question No: 68

Program No. Australia Post

Hansard Ref: In Writing

Topic: Legal Expenses

Senator Abetz asked:

What did Australia Post spend on external legal advice during 10/11 – please provide breakdown by legal firm.

Answer:

Australia Post spent approximately \$6,809,915 on external legal services in 2010/11. Details about expenditure by legal firm are considered Commercial-in-Confidence.

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Question No: 69

Program No. Australia Post

Hansard Ref: In Writing

Topic: Staffing

Senator Abetz asked:

Has Australia Post reduced its staffing at Headquarters and State levels in the past year? How much has this saved the corporation in costs?

Answer:

Australia Post is no longer structured into Headquarters and State administrations. The corporation's Future Ready structure aligns Australia Post to a new business model - comprising four Strategic Business Units and four Functional Business Units - that provides a greater focus on its customers and their requirements.

At the end of the 2010-11 financial year, the total number of employees was 33,472, compared to 34,258 at the end of the previous financial year. Australia Post's systems cannot isolate the cost of staff separations, therefore, the cost impact of this change is not available. The net employee cost movement is shown on p77 of Australia Post's 2010-11 Annual Report.