

ACCC SUBMISSION

MAY 2017

For the Attention of Anna Pound

Re: Applications for Authorisations A91583 & A91584

Hello Anna,

I am writing to you on behalf of [REDACTED]. We are members of the LPO Group. I wanted to share with you the predicament we find ourselves in since purchasing a small Licensed Post Office [REDACTED].

I have not included any specific claims we have against Australia Post, we are confident this has been thoroughly covered by the LPO Group.

[REDACTED]. We invested our life savings (\$300,000) into a Government owned entity and have endured the gradual demise of our business, which we believe is the result of actions by Australia Post over this time. At this point in time the business is worth less than half our investment.

While AP claim that falling mail volumes are to blame there appears to be plenty of money available to pay massive salaries and bonuses to executives and employees, and they are still running at a profit.

AP has actively engaged in poaching our customers by offering online products and services cheaper than we can offer instore, we have seen many of our customers no longer purchasing satchels from us but now come in with online products which we are expected to accept and scan into the system for less than half the commission we used to earn. They have introduced or changed many new transactions which has been proven in the PIP report that in some instances it is costing us more to provide the service than what we get paid.

Another issue we are having is AP inability to pay us correctly and on time each month. We spend hours each week having to reconcile our payments.

When we entered into this business we were of the understanding that AP products and services could only be provide by the Post Office, now you can go to office works and buy stamps, or you can purchase many AP products online, and AP has done very little to protect our interests and stop this occurring, it would appear that the license we paid for is now worthless.

We [REDACTED] provide our community with much needed support and assistance on a daily basis for which we receive very little compensation. The paltry Representation Allowance AP pay us does not cover the hours we spend helping and advising customers, and providing AP with a retail outlet to service the area.

The 1993 contract we are locked into, is outdated and unfair and gives AP a huge advantage as we cannot negotiate any payments or vary hours of business. We have to open for 9 hours a day during the week and Saturday morning. For the past 5 years we have been earning approximately \$10 per hour, which I'm sure you would agree is not sustainable. This financial year we are earning 10% less, yet our costs to run the business are increasing. [REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]. Our greatest fear is that AP will let us go broke, then sell the business on to some other entity.

Our agreement has a "FAIR AND MUTUAL BENEFIT" clause, but AP has in our opinion not honoured this part of the deal.

The Senate inquiry from 3 years back highlighted our plight but very little has changed, we don't understand why AP and the Government would not want a vibrant, commercially viable Post Office network, and why we have been treated in this manner, but we are hoping that the ACCC can bring about the required changes.

We don't want handouts, or ridiculous salaries, we just want some security and to be paid a fair remuneration for the daily services and commitment we are providing Australia Post, the Government and our local community.

Yours truly

[REDACTED]
[REDACTED]