

Hobart Public Forum

Monday 24 June 2002

Attendees:

- Drew Downie, Australia Post.
- Peter McCleod
- Rod Viney
- Russell Stevens, Mailhouse Tasmania.
- Elizabeth Triffin, Newsagents Association of Tasmania.
- Graham, Newsagents Association of Tasmania.
- Jon Burns, National Institute of Accountants.
- Hayden Roberts, Tattersalls.
- John McDonnell.
- Rod Cotton, Acting State Manager, Australia Post Tasmania.
- Carole Murray, Manager Communications, Australia Post Tasmania.
- John Martin, Commissioner, ACCC.
- Bretta Merifield, ACCC

Commissioner Martin opened proceedings by introducing the forum, and the reasons for which it was being held. A summary of Australia Post's proposed price increases was given. Comments from the floor were then invited.

A number of issues were raised at the public forum. These are listed below, in no particular order.

1. Cross-subsidisation

A number of attendees expressed concern about possible cross-subsidisation between non-reserved and reserved services. The suggestion was made that Australia Post may be funding unprofitable non-reserved services with profitable reserved services. Attendees believe that Australia Post ought to be required to provide more transparent information in order to allow for a more thorough understanding of Australia Post's costing processes.

2. Quality of Service

A number of attendees raised the issue of Australia Post's service quality. In particular, some attendees were concerned that small businesses, notably newsagents, provide similar retail facilities to Australia Post, but for extended working hours.

3. Sale of Stamps by Newsagents

A number of attendees were concerned that the bulk of newsagents that sell stamps do so for zero margin. That is, they purchase the stamps at the face value, and sell them at face value. Newsagent Association representatives commented that they did not sell any other items at zero margin, but continued to sell stamps as the public demanded this service. It was suggested that Australia Post queues can be long, and that people may get quicker service at a newsagents instead.

4. Demand for Postal Services

The issue of demand for postal services was raised. In particular, some attendees were interested in better understanding the breakdown of different letter segments – that is, household to household mail, household to business mail, business to household mail and business to business mail. The suggestion was made that a better understanding of letter segments would allow interested parties to better assess the impact of Australia Post's proposed price changes.

5. Other Comments

Other comments made to the ACCC included:

- the suggestion that Direct Mail is continuing to grow; and
- that Local Mail requirements need to be better explained, advertised and assessed by Australia Post.