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**AUSTRALIAN COMPETITION  
AND CONSUMER COMMISSION**

**MR J. MARTIN, Presiding**

**THE ACCC'S PUBLIC FORUM INTO  
AUSTRALIA POST'S PROPOSED PRICE INCREASES**

**PERTH**

**9.05 AM, FRIDAY, 21 JUNE 2002**

**Continued from 19.6.02 in Sydney**

COMMISSIONER JOHN MARTIN: I would like to formally welcome everyone to this forum in Perth, looking into Australia Post proposed price increases. As you would be aware Australia Post has advised the Australian Competition and Consumer Commission of its intention to lodge a pricing notification under the Prices Surveillance Act and that is basically the reason why we are conducting these consultations.

My name is John Martin, I am a Commissioner with the Australian Competition and Consumer Commission. I have with me today Ambre Morris who is a member of staff working on our looking at this issue and we welcome you all here. Before I start on my spiel, I think it is useful just for the record for us to be able to identify everybody who is here. So, maybe we will go around the table and it is helpful in the discussion, I mean I have said hello to you, but it helps us remember who everyone is.

MR N. McKAY: Neil McKay from the WA Credited Newsagents Association.

MS R. ALGABA: Rhonda Algaba, Vice President of the Consumers' Association of WA.

MR T. DORE: Tom Dore, Newsagency in Fremantle, also a Committee and Manager Member of WANNA.

MR N. ROEDIGOR: Neville Roedigor, WA Accredited Newsagents Association.

MS J. THOMAS: Jenny Thomas from the Uniting Church in Australia, WA Synod.

MS C. HARMAN: Cheral Harman from the Wesley Mission.

CMR MARTIN: And just for the record?

MR R. DUVERAL: Ross Duveral of the Philatelic World.

CMR MARTIN: Ross Duveral.

MR DUVERAL: D-u-v-e-r-a-l.

CMR MARTIN: And we also have John from?

MR J. STEPHENS: Australia Post.

MS M. HUME: My name is Marnie; from Australia Post.

CMR MARTIN: Okay. So, everybody knows who everybody is. I assume we are picking up the people who are the table. It is just important, when you are speaking that we pick up what you are saying. Perhaps, Ambre, you might want to send that microphone down a bit. Well, it just means that Cheral is - it might be easier to pick her up, given this intricate layout. Okay, now, that is great.

Well, Australia Post has indicated its intention to increase the price of a range of postal services. As well as raising the price of the basic postage stamp from 45 cents to 50 cents, increases are proposed for pre sorted mail, greeting cards and large letters. The changes are to take effect, if they proceed, from 13 January next year. In addition, Australia Post proposes to introduce a new bulk mail category, clean mail, priced at a discount to the basic postage rate for unbarcoded bulk mail.

The primary aim of the forum that we are holding today is to provide an opportunity for consumers, consumer representatives, other community members, small businesses and other stakeholders to have their say on these changes. The format that we have adopted is as follows. Firstly, I will outline the role of the ACCC in assessing Australia Post's proposal and the process that the ACCC is following in the course of the assessment.

Secondly, I will discuss the key features of the draft notification and the arguments that Australia Post have put in support of the increase and then get down to the real idea of why we are here today, to open the floor, to let you have your say. The main reason we are transcribing today's conversation is so we have got a record of what is said and that can then be fed into the process that we are following and your views will, therefore, be a contribution to the consideration that the ACCC is giving to this matter.

In terms of the role of the ACCC, under the Postal Corporation Act, certain postal services are reserved to Australia Post. This means that Australia Post has the exclusive right to provide these services. In particular, Australia Post has an exclusive right to deliver letters within Australia and an exclusive right to issue postage stamps. There are a number of exceptions to the reserved services. Most of you probably know all this but in case anyone doesn't, most notably, letters weighing more than 250 grams are not reserved nor are letters that carry a charge more than four times the basic postage rate. With the current rate of 45

cents, this means that the letters carried for a fee of over \$1.80 are not reserved.

Australia Post also has a universal service obligation. This means that it must carry and deliver standard letters at a uniform rate, currently 45 cents, to anywhere in Australia. Reserve postal services are declared under the Prices Surveillance Act. This means that Australia Post must notify the ACCC which has the role of assessing the proposed price increases before it can increase the price of these services. The ACCC can object to, or agree with, the proposed price increases or it can set or specify prices between the current level that applies and the higher levels that are proposed. It is important to note that many services provided by Australia Post are not regulated by ACCC and so are not covered by the current proposals. For example, services such as the parcel delivery, international mail, mail holding or mail redirection, financial services and retail services are not included in this price notification.

In addition to the ACCC's role in assessing any proposed price increases to the reserved services area, Australia Post is also required by the Australian Postal Corporation Act to give the Minister for Communications, Information, Technology and the Arts written notice of any intention to vary the price of the postage stamp so that this will all be part of the process that Australia Post follows. Following what we come up with, they will make their decision then and give the Minister notification of whatever they are proposing, after the ACCC has given its view and the Minister then has 30 days in which to give Australia Post written notice either disapproving it or approving it.

In terms of our assessment process, Australia Post submitted to the ACCC its draft notification on 30 April. After discussion with Australia Post, the ACCC agreed to work towards a final decision on these matters around the end of September 2002. I am the Commissioner responsible for these type of matters in the ACCC, including matters relating to the Prices Surveillance Act and, therefore, I will be taking a direct role in the processes where we are dealing with staff and when this comes back before the Commission.

The Prices Surveillance Act requires the ACCC to consider the need to maintain investment and employment and the need to discourage any business or person who has a position to substantially influence a market from taking advantage of power when setting prices. In practical terms, the ACCC will look at things such as the efficiency of Australia Post. In particular, examining whether its costs are excessive and the reasonableness of the rate of return that Australia Post is seeking.

In considering these issues, the ACCC also looks at the related issues of service quality. For example, if improved productivity has occurred as a result of lower service quality, then the case for a price increase would be possibly weakened. In terms of our timetable, the key milestones in our assessment processes have been and will be, firstly, an issues paper was released on 10 May calling for submissions in June. The ACCC is currently in the process of receiving and now reviewing those submissions.

In addition, of course, we are conducting these public forums to seek the views of those who may or may not have provided written submissions. Certainly we find the forum process a useful way of getting face to face with community members, many of whom are not as aware of our processes or don't have as a direct a technical interaction with us. And I have been asked, as I have gone around, well, does the ACCC always hold this because we do a lot of reviews on pricing matters? It is quite unusual. We did it a couple of years ago in relation to a major Telstra price capping exercise and equally found the input, as we went around, to be helpful and picked up issues that the ACCC might not have otherwise been aware of and it certainly is helpful in giving the community stakeholders a feeling that they are involved in the process and it is not just being decided outside their jurisdiction without any reference to them.

In terms of our processes, then, after we have looked at all the submissions and the outcomes of the forums, we will be issuing what we call a draft decision, probably early August. Following the release of the draft decision, interested parties then have a further opportunity to make submissions back or give comments or suggestions that we have missed something. That can all be done prior to us then making a final decision which is given to Australia Post, hopefully by mid to late September.

In terms of Australia Post's actual pricing proposal, the key elements of Australia Post's proposals include, firstly, a 5 cent increase to the basic postage stamp rate, from 45 cents to 50 cents. Increases to large letter, local, seasonal greetings and pre-paid envelope rates to maintain relativities with the new basic postage rate. A variety of changes to the pricing for barcoded bulk mail and the introduction of a new service, as I mentioned, clean mail, for the lodgment of 300 or more machine addressed unbarcoded envelopes priced at 45 cents per standard sized envelope. So, at a discount of 5 cents from their proposed new price for the basic stamp.

I expect the changes to bulk mail rates and the clean mail services may not be as directly relevant to groups such as we have around the table here but then you may have an interest and we certainly welcome any comments on any aspect of these proposals, not just ones necessarily that directly affect you.

In its draft notification, Australia Post argued that the profitability of providing letter services is declining as a result of falling volume growth and fewer opportunities for improving their efficiencies within the organisation. Australia Post points to the fact that its community service obligation to provide a reasonably accessible service to all people in Australia imposes a significant annual cost and that the introduction of the GST reduced the amount of revenue that Australia Post received from the basic stamp from 45 cents to 40.9 cents per article.

Australia Post also argues that there have been improvements to both its delivery performance and productivity gains in recent years. We are interested in any comments on that. Australia Post believes that these improvements are due, at least in part, to the target setting and the accountability required of them under the Australian Postal Corporation Act. That is, the incentives that are provided by their profitability targets that are set for them under that Act and under the role in reporting back to their financial masters. Australia Post argues that the price increases proposed are necessary in order to secure adequate commercial returns in future.

In its draft notification to the ACCC, Australia Post claims that at 50 cents Australia Post's proposed basic postage rate would still be one of the lowest in the developed world. Using a price parity comparison Australia Post has indicated that Canada's basic stamp costs the equivalent in Australian cents of 53 cents. France, 61 cents. Germany, 76 cents. Italy, 66 cents. Japan, 71 cents. UK, 54 cents. And a couple that are lower. US, 45 cents. And New Zealand, 36 cents. The source of these comparisons is based on internal work and document of the Australia Post and at this stage the ACCC hasn't attempted to verify these figures and we have yet to form a view as to how we take the comparison with these international rates - what is charged in these other countries, how we take that into account.

Welcome, I am John Martin from the ACCC. You are?

MS M. EASTON: I just came in response to that article in the Sunday Times.

CMR MARTIN: Yes, you are welcome. Very welcome. We are just getting an idea of who is here.

MS EASTON: Well, I have a complaint against Australia Post, specifically Express Post.

CMR MARTIN: Okay. Well, I am just finishing up on kicking this off and then we will be going around the table. You are quite welcome to come and join us at the table if you like.

MS EASTON: Well, yes, because I am just here really to provide the facts.

CMR MARTIN: Well, just pull up another chair.

MS MORRIS: No, no, I won't take your seat.

CMR MARTIN: No, no, you are right. Better for us all to be cosy. So what I have done - I think you came in about half way through so - sorry, your name was?

MS EASTON: My name is Easton. The gentleman downstairs said that this meeting wasn't starting until 10 o'clock.

MS A. MORRIS: I have talked to him about this. I might go down now.

MS EASTON: It said in the Sunday Times, that small article, 9.00 am.

CMR MARTIN: Yes, yes, we will go down and tell him he is misleading the public. We can't have that, being from the ACCC.

MS EASTON: This is an opportunity not to be missed because - specifically Express Post.

CMR MARTIN: Okay. Well, we will get round to that as we go along. And, sorry, you were just telling us who you are.

MS EASTON: My name is Easton and my Christian names are Margaret Anne.

CMR MARTIN: Okay, Margaret. And you have come along as an interested citizen?

MS EASTON: More than an interest - I have a vested interest.

CMR MARTIN: Okay. Well, and, sorry, you are?

MS H. TRAN: My name is Huan Tran. I am from the Department of Industry and Technology and our area is actually managing a contract for Australia Post with government agencies. So, we are interested in the bar coding aspect and also any price changes for our contract.

CMR MARTIN: Excellent. So, I have just run through a lot of background about how we are conducting the forums and what we are looking at from the ACCC's point of view and what Australia Post have put in their submission. So, if anyone is interested in following up on anything that I have just said, copies of Australia Post's full submission, including all the details of the changes they are proposing to make, are on our website, the ACCC website, [acc.gov.au](http://acc.gov.au). And, in addition, ACCC has prepared an issues paper which we sent out in May and as we are receiving submissions from interested parties, they are going up on the website as well.

And all our consultations around the country in a week or two, we hope to have the transcripts up on the website as well so you will be able to see what you all said on the ACCC website. So, on that note - that is the process. And what we are really here for is to get your comments and I am not putting any restrictions on how we structure it. We are looking for you to indicate areas that you have views on in relation to what I have raised. Don't feel restricted by the fact that we are just looking at the reserved services. If there are aspects of Australia Post's activities you want to comment on, I certainly won't rule them out of order. Just to note that the ACCC has an area or specific purpose and role in what it is going to be covering in looking at the proposed price increases.

But we certainly want to hear fully from you and let you put any comments you would like to make. So who would like to kick off in terms of a comment? Does the newsagents, given that they are well versed - the newsagents have been very active at all our discussions so - not that I want to - we will move onto things that other people have, as we go through the morning. And if you could identify yourself when you first start.

MR ROEDIGOR: Neville Roedigor, WA Accredited Newsagents Association. I guess what I have got to say you have probably heard before. We have a number of concerns, particularly - well, our main concern is the number of unpaid or very low paid retailers of stamps out



in the community, particularly micro-businesses, like newsagents, that are doing it for very low margins. In some of our estimates, there is in excess of 10,000 organisations and we would like to see, sort of, some balance addressed there, where they can get a reasonable return on it, because they are providing a very real service to the public, particularly due to the fact that there are limits to the availability of stamps.

The other issue we raise is the possible cross-subsidisation of Australia Post's retail activities by their reserved activities. The possibilities there of using the freight system, which is a real issue in a State like Western Australia which is large and diverse and in remote areas freight is a real issue. And the third issue we would look at would just be the transparency of Australia Post's accounts, in regard to the reserved activities and how it fits with its retail activities. And I think some of the issues you mentioned, coming from the Issues Paper, things like productivity, rates of return, commerciality, we just question are they really commercial because being a fairly sensitive and protected environment in part, is that subsidising the retail activities at taxpayer's expense.

CMR MARTIN: I mean, you have said low paid retailing of stamps and to some extent I think the comment has been that there is no margin given to a lot of - - -

MR ROEDIGOR: If you become a postal point, you pay a licence fee of 325 per year. That gives you a margin of 6 per cent. But there are a lot more - - -

CMR MARTIN: But you can just stop stamps; don't pay any fee but don't get any margin?

MR ROEDIGOR: Exactly.

CMR MARTIN: Yes.

MR ROEDIGOR: And Tom can give some detail of that in regard to what happens in Fremantle. I don't know whether you would like to talk to that, Tom?

MR DORE: There are 10 outlets in the CBD area of Fremantle, all newsagents and of those there is two post point outlets, myself and there is one other that do it. The other five I am supplying to try and pay my post point licence as well as trying to provide a service to the public. Australia Post, of course, is not open on the weekends and I am.

Extended trading hours as well. So, it is a genuine service that we are providing people.

MR ROEDIGOR: Yes. I was going to say, some would be making 6 per cent. The majority would be making 0 per cent. And I believe the margins in the licensed post offices are between 13 and 14 per cent.

CMR MARTIN: Do you see a major consumer in terms of, therefore, the service relating to the post? Do you see a major consumer detriment?

MR ROEDIGOR: Being provided by those that are getting no return?

CMR MARTIN: Well, yes, or what is the - - -

MR ROEDIGOR: Yes. Well, I guess the point we would make, they are doing it as a response to their customers and I think they deserve some margin for that. And I think if that service wasn't available to the wider community, then there would be some sort of backlash.

CMR MARTIN: Now, we are happy to hear other comments from around the table. I think that is also newsagents, Ron, but did you - - -

MS R. ALGABA: Rhonda Algaba of Consumers Association of WA. I speak on behalf of consumers of all ages. And with an issue like this, we have to realise that the younger generation are increasingly using e mails and what have you. As somebody just recently said to me, he hasn't posted a letter in years or bought a stamp. But we have to address the issues for most consumers and the elderly and I think it is inevitable that it will have to be increased to the round figure of 50 cents. I am just wondering if you can give us, or if Australia Post has got a certain date in mind where they will review it again. Will it be, say, in 10 years time? I mean, will you be telling the public that it will be 50 cents for a specific length of time?

CMR MARTIN: I mean, that hasn't been put to us. I think it will be probably a bit hard for Australia Post. It is a point we will take on board - well, this proposal, what is the context? Is there some suggestion we then start to get annual increases of 5 cents or - I take the point you are making.

MS ALGABA: Yes, that is my main point.

CMR MARTIN: Which is, representing the community, you are saying it might be acceptable that we have an increase and, I mean, one

of the things that I didn't mention is it is 10 years since there has been any increase. But the point you are making is, well, what happens in the future.

MS ALGABA: Yes.

CMR MARTIN: I don't think Australia Post would be able to give us a response to that. John has positioned himself somewhere where I can't actually look into his eyes.

MR ROEDIGOR: Can I make a comment about the relationship between price and volume? Just looking at the forecast, they are predicting by 2005/6 it will be a zero increase. And the first decrease will be 06 to 07. And, I mean, if volume is an issue, you put prices up generally volume comes down. So, I just throw that comment in.

CMR MARTIN: Yes. I mean, that becomes for that area and given their universal service obligation, so actually they have got to be prepared everywhere and reach certain standards. That becomes a bit of a commercial judgment that Australia Post are obviously making. And they are running the business, so obviously there is a trade-off there. If it was an area where there was competition, there would be different dynamics and there is not really competition. But you have put your finger on, sort of, the key point there. I mean, normally in an economic sense, if your demand is going down, putting the price up tends to make the demand go down further.

MR ROEDIGOR: Okay, yes.

MS EASTON: What margin do you make on the selling of multi riders?

MR STEPHENS: 5 per cent.

MS EASTON: 5 per cent? Because when you go to the newsagents to settle up your bill for delivery, you usually buy a multi-rider. So, you are not getting equal to the profit on a multi-rider?

CMR MARTIN: That is a bus ticket, is it?

MR ROEDIGOR: It is a bus ticket.

CMR MARTIN: Okay, yes. Well, this came up at yesterday's discussion in Adelaide, that I asked a group yesterday is there any other area where they have got a service or hand something out.

MS EASTON: Yes, because when you go in - the other ones I subscribe to, Collectmania and Quokka and the others, BRW, Personal Investment and Shares. They are subscribed to and when you go to pay your bill you usually buy a multi-rider if you need to and anything else. So, the margin should be equal to at any time, not less than.

CMR MARTIN: Well, I think that is the argument.

MS EASTON: I mean, you are getting a service from multi-riders. You are not getting much of a service from Australia Post.

CMR MARTIN: Anything else from the ACA - from the Consumer?

MS ALGABA: Consumer Association of WA; yes.

CMR MARTIN: Sorry about that.

MS ALGABA: No, that is fine.

CMR MARTIN: I should remember from years of coming to Western Australia, I should use the State title very carefully.

MS ALGABA: No, we are often mistaken for them.

CMR MARTIN: Yes, yes.

MS ALGABA: We are often asked do we put out Choice and things like that. We are not that big. No, another issue is just the promotion of this. That I just want to make a point that we do need proper promotion of the rise. Proper education of consumers as to the rise, when it will happen, and on what products will be affected. And a little bit more, perhaps, review for the general public, I am just taking this opportunity to get to Australia Post, of post office preferred letters and as we have newsagents here, it is quite fitting also that they sell gift cards and birthday cards that come - very often they come as a square.

MS EASTON: In appropriate sizes.

MS ALGABA: And people buy these to obviously post. I mean, they are not always just handed to somebody. Very often they are posted. The newsagents shouldn't have to be explaining to someone as they sell the item, do you realise that this is going to cost you extra to post?

CMR MARTIN: So these are things that cost 90 cents?

MS ALGABA: They cost 98, if they are a square. They are not shaped. You see, they are not post office preferred.

MR DORE: We all get away with it.

MS ALGABA: Yes, they get away with it.

MS ..... : It is very dear, isn't it.

MS ALGABA: And people do post them with an ordinary 45 cent stamp at present.

CMR MARTIN: So you have a feeling that people purchase that wherever, at, say, the newsagent, and they don't realise that they can't use a 45 cent stamp?

MS ALGABA: That is right. They put a 45 on it. I don't know Australia Post chases up all of these. Especially around Valentine's Day and things like that or Mothers Day or something. But it is something that the general public is not aware of.

CMR MARTIN: But are you saying these are envelopes that Australia Post actually put out?

MS ALGABA: No, no, birthday cards. I said birthday cards. You see? They are completely square.

CMR MARTIN: By a card company?

MS ALGABA: Yes, put out by a card company. But as newsagents sell them - you see? I mean, it is not up to newsagents - - -

CMR MARTIN: Yes. I mean, I think there is a bit of an issue about the consumer being made aware of that.

MS ALGABA: Education, exactly.

CMR MARTIN: Yes.

MS EASTON: Or, alternatively, Australia Post bring their price down to an appropriate price.

CMR MARTIN: Well, that certainly fits, because the 98 cent stamp fits within the service area so we will certainly take a note of that.

MS ALGABA: I just want this opportunity of a price rise for Australia Post to do a little bit of review of their public education, all right?

CMR MARTIN: Yes.

MS ALGABA: Thank you very much.

CMR MARTIN: Thanks, Rhonda, for that.

MS J. THOMAS: Yes, Jenny Thomas, from the Uniting Church. The Uniting Church is one of many not-for-profit organisations and I do wonder if the not-for-profit organisations that have contributed to this discussion rely on people's donations. We cannot govern by any means an increase of income as people in a commercial situation can. But not for-profit organisations do not fit into charity declaration either. So, we can't get the discounts as the charities can. And often you will find that the not-for-profit organisations are the ones that are using the postal service a lot because they are the ones that are providing information to the general public.

CMR MARTIN: Yes, this matter was raised, I think, in our Sydney discussions. To the extent you have to use the post, are there no discounts available?

MS THOMAS: Some areas of the Church can because some areas are within the new charity thing. They will certainly be able to take advantage of the new charity classification that is being proposed, I think, to come in shortly. But such as the Synod Offices, the head offices in each State, and many other not-for-profit organisations, we wouldn't be able to qualify for those discounts and yet we actually are probably the ones that are doing the work to support the charity.

CMR MARTIN: Yes.

MS THOMAS: It is a difficult position to be in. And we are obviously not using Australia Post as much as some of the commercial organisations who are doing huge mass mail-outs all the time, but when you think, just in WA, which is one of the smallest synods, we have 167 congregations throughout the State and we are mailing to them every week and we can't control our income. It is certainly a valid point.

CMR MARTIN: The reduction that charities get, do you know what the - - -

MS THOMAS: Cheral will probably be the one.

MS C. HARMAN: I am Cheral Harman. I am from the Wesley Mission. I don't know at all but we use the services that Australia Post give us as a charitable organisation well. And it works well. In fact, I think just recently there has been new levels set and three times a year we probably send out about 10,000 letters to various people looking for money and we are quite happy with the service we get. We bulk mail, we put it into bulk service. But we barcode it, etcetera. I am interested in knowing what the increases are going to be to, you know, the letters we send out as a charitable organisation.

CMR MARTIN: What, the new barcoding arrangements?

MS HARMAN: No. Well, if these increases that are proposed, if this is also going to affect charitable mail. I am assuming it will. If we are paying something like - I am not sure of my figures, but something like 18, 20, 22 cents for these letters.

CMR MARTIN: Yes. Maybe we can - yes, so that we know what field we are playing on.

MR J. STEPHENS: Yes, I can clarify that. That is why I walked out earlier. Yes, the 2.2 cents in percentage terms will flow through to charitable mail.

MS HARMAN: Right.

MR STEPHENS: Because the charitable mail is a discount off the barcoded pre-sort rate.

CMR MARTIN: Okay. So, provided it is barcoded and all the same thing.

MR STEPHENS: Correct.

CMR MARTIN: They get a further 2.2 if it is charity?

MR STEPHENS: Well, less the percentage discount. So, it will be something less than 2.2.

CMR MARTIN: Okay.

MS HARMAN: So, we will be looking at, what, about 2 and a half cents per letter? Is that what you just said?

MR STEPHENS: No, I would say closer to 2 cents.

MS HARMAN: Per letter to send out?

MR STEPHENS: Yes. And that is off that barcode - the cheaper - - -

MS HARMAN: Of course, every increase that we get limits the amount of work that we can do in the community.

CMR MARTIN: And what is the barcoded rate? You are not meaning the clean mail? This is bulk?

MR STEPHENS: The bulk mail.

CMR MARTIN: Yes. And what rate is that generally?

MR STEPHENS: It varies, depending on - - -

CMR MARTIN: The volume?

MR STEPHENS: No, destination and size of the article.

CMR MARTIN: Right.

MR STEPHENS: About 34 cents?

MS M. HUME: For charity mail?

MR STEPHENS: No, not charity. No, for just general barcoded.

MS HUME: For barcoded mail, it is currently 38 cents. Sorry, from 1 July.

MS HARMAN: That is barcoded and sorted though, isn't it? Not just normal barcoded?

MS HUME: That is correct.

MS HARMAN: For normal barcoded mail, I think is more than the 38 cents, is it not?

MS HUME: It needs to be barcoded and sorted.

MS HARMAN: And sorted, yes. Which means that you have to go to Australia Post, get the boxes and sort it into the postcodes yourself. I mean, most charities have a lot of volunteers so we are able to do that. But we are doing quite a bit of your work to get that discount.



MR STEPHENS: Yes. That is the purpose of the discount.

MS HARMAN: Correct, yes, that is fine.

CMR MARTIN: Well, that has, sort of, clarified that. And you are saying that the Uniting Church itself can't directly access that?

MS THOMAS: That is correct. Like, for instance, in most of the States we have our newspapers as well that we distribute. Now, two years or so again Australia Post had a big advertising campaign to encourage people to use parcel post to take over from couriers at a lower rate. So, we took advantage of that with our distribution of our newspaper here. And, of course, there have been, I think, two price rises since we have accepted that. Now, I realise that it is a commercial organisation. They must have their price increasing. But it was a bit disappointing for us to have had those regular increases that are not controlled as the lower rates are.

CMR MARTIN: So, they are outside the - - -

MS THOMAS: And they are able to just put their rates up.

CMR MARTIN: So, just explain to me, you said you had moved to parcel post instead of courier.

MS THOMAS: We were using couriers, because we have to get parcels out all over the State. And we are time limited because it is a newspaper and we like our newspaper to be out on the same weekend each month. And we went from couriers through to Australia Post parcels.

CMR MARTIN: But what are you actually sending? Are you sending sets of newspapers?

MS THOMAS: Yes, bundles of newspapers.

CMR MARTIN: Yes. And to get them to another town somewhere else in - - -

MS THOMAS: Yes. And some of them in the country. Physically it works very well because every town has got a postal service which means that we can use the same service wherever it was going. Before we were using couriers and we had to use three different courier services to get them to different parts of the State. So, it has helped us in the actual organising of the parcels too. But it is, to me, a bit

disappointing that not all of the Australia Post costings are regulated. Because that way they can just - after getting the business, can just keep putting up the price if they want without that control.

CMR MARTIN: Yes, but they do have competition there. Other people can do these - I mean, that is the couriers who you used to use.

MS THOMAS: Yes.

CMR MARTIN: And I mean what is the benchmark rate that you are talking about?

MS THOMAS: It is a sliding scale.

CMR MARTIN: Like a sliding scale, depending where it is and how big the parcel is?

MS THOMAS: Yes.

CMR MARTIN: Well, you have quite rightly noted that it is outside the reserved area. Do you feel that those increases have been excessive?

MS THOMAS: No, they haven't been excessive. But coming back to the not-for-profit organisation, every little increase is always noticed in an organisation which can't control its income. And it gets tighter and tighter and tighter and other things have to go. Because some things have to stay.

CMR MARTIN: Yes.

MR ROEDIGOR: Yes, I was going to say, I would have to challenge what was issued in the Issues Statement where they are talking about the average cost per household of \$2.70 a year and the average small business, \$34.70 per year. I mean, just in our situation where we circularise members regularly, you know, you could multiply that by 10 comfortably and, you know, \$2.70, that is one letter a year for a household.

CMR MARTIN: So, this was what Australia Post said would be the average?

MR ROEDIGOR: Yes, the impact on users. Average household, \$2.70 a year. Average small business, 34.70 a year. I think they are a little bit light.

CMR MARTIN: Any data to - apart from the fact yours is higher?

MR ROEDIGOR: Well, looking at my personal situation, I would post more than one letter a week.

CMR MARTIN: Yes. But you might be above average.

MR ROEDIGOR: Well, I mean, that is only one bill you have to pay.

MS HARMAN: Yes, I would. Yes, I would post a couple, if I am looking at bills. Yes, yes. I mean, I try and pay most of them over the internet but there are the odd ones that you can't.

MR ROEDIGOR: Yes, yes.

MS HARMAN: Yes.

MS EASTON: But they pay a lot of bills at the post office, don't they?

MS HARMAN: True.

CMR MARTIN: Which means they don't get a letter. So, that is, sort of, a substitute that Australia Post have themselves.

MS HARMAN: Yes, but there are still a lot of small consumer things that you can't pay at the post office.

CMR MARTIN: Yes, yes. Well, obviously - I mean, we will take that into account as being perhaps that estimate of - I think you said 3.70 or - - -

MS HUME: 2.70.

CMR MARTIN: 2.70 and \$43 is perhaps - of course, these are average figures so you have got to take account a lot of people, I think - did you say these youths that you talked to, they say they never post a letter?

MS ALGABA: That is right, yes. I mean, it does happen that some people just don't need to.

CMR MARTIN: So, we are taking these people into account that have said, you know, don't know about mail.

MS ALGABA: That is right.

MS HARMAN: They don't have bills so their parents have got the bills.

MS ALGABA: No, no, no. Pay their bills electronically. So, you know, the generations are changing and we are going into this electronic mail so much. But we have got respect the older people as well who like to keep in touch with friends and that and use their stamps.

CMR MARTIN: But it was an interesting point. It is Margaret, is it?

MS EASTON: Yes.

CMR MARTIN: An interesting point you made that in fact there is more and more where people just go and pay these bills at Australia Post itself which they might have posted once.

MS EASTON: Yes. But now it is getting better than that. You can now pay your bills at Coles.

MS HARMAN: Yes.

MS EASTON: So, that will be taking some of the things away from Australia Post.

CMR MARTIN: Right.

MS EASTON: You can pay some of them. Primus, that is one I have, which I used to pay at Australia Post and you will find that there are a few of the other accounts. And it is so simple, especially if you have got discount card from Myers. You can just do your shopping and go across and fix up your accounts and you don't leave the building. And a lot of post offices are agencies. They are agencies.

CMR MARTIN: Yes.

MS EASTON: Whereas you may or may not be able to pay your bills there.

CMR MARTIN: Some of the agencies, you can't pay your bills?

MS EASTON: No.

CMR MARTIN: Is that right?

MS EASTON: Depending on what they are.

CMR MARTIN: Okay. And how do you find the relative service, say, between Coles and the post office?

MS EASTON: Well, that is part of my complaint, which we will come to later.

CMR MARTIN: No, no, let us - - -

MS EASTON: No, I have got no complaint with Coles. No complaint with Coles. But I have got a very big complaint with Australia Post.

CMR MARTIN: Well, maybe we need to get onto that now, since you have got the floor.

MS EASTON: Well, I have one daughter in Chile. I have one daughter who has been in New South Wales. She is at present in Queensland. And I have been in the habit - you usually send them presents. I have been in the habit of buying the Express Post bag. A large size, it costs you \$9, that you can put up to 3 kilos.

CMR MARTIN: To send something to Chile?

MS EASTON: No, not to Chile. No. An ordinary letter is \$1.50. So what you do with the excess weight, instead of paying the excess which was \$7.50 to Chile, what you do is you divide into letter 1 and letter 2. \$1.50 and \$1.50 comes to \$3 which is \$4.50 less than \$7.50, isn't it? So, now we will come to Express Post. So I have a set of scales and you weigh the things. But there is just a limited size and I have sent her tax papers off. Thankfully they arrived. However, I have now found a better thing than bothering with Australia Post. Coles Myer. You can have 30 kilos sent anywhere in Australia for \$6. \$6. Not only do they send it but you get a call from them to say that the thing has arrived. That is Coles Myer. And it is even better.

You don't get any discount on that with your discount card. Right. Better than that. We come to David Jones. Now, David Jones have a quality product. They do. Now, my daughter was living here in Western Australia and she went to Forbes, New South Wales, and Pickfords, the transport people, for 18 cubic metres to Parkes, New South Wales, which is the nearest point to Forbes, 2200 to \$2500. Better than that. Right, her good stuff is here. Why bother to transfer it there when she is probably going to change her mind and come back home? Better than that. Buy the things at David Jones in Perth, make it a decent parcel - well, I bought six bath towels and I bought two sets

of pyrex things. And you get that sent to Forbes, New South Wales, for \$10.30.

CMR MARTIN: Compared to?

MS EASTON: Compared to God only knows what Australia Post would charge you. They wanted \$7.50 for a little packet like this that was made lightweight, so I didn't bother to send it. So, that was that. Now, we get onto Express Post.

CMR MARTIN: Margaret, just on that last one. This was a product, though, that David Jones were selling so they had a certain interest in.

MS EASTON: Yes. \$10.30. Well, the Australia Post packet is \$9 for 3 kilos. I mean, there is no comparison. And there is no comparison with the service. Australia Post, with a parcel, they don't bother to come to the door. They just sling it. And it is God help you if anything is breakable in it.

MS HARMAN: It doesn't happen at my house. I get parcels. They actually come to the door.

MS EASTON: Now, we will come onto the postal system. Now, the distance between Forbes in New South Wales and Glen Eagles in Queensland - my daughter has horses. And there are points in between where they are out of range with a phone and a mobile phone. There are points in Victoria, there are points in New South Wales, there are points in Queensland. So, that is all right.

Anyway, we come to electronic transfer of money. Now my daughter had a trust management thing in William Street, Australia Place, ANZ. She banked on the corner of William Street and St George's Terrace, which is a matter of a couple of hundred yards. For an electronic delivery - I asked on the Friday. On the Thursday, we will send it on the Friday. That distance. A couple of hundred yards. So it was a couple of hundred yards. So, the money wasn't cleared until the following Thursday. We are getting to the point. Anyway.

CMR MARTIN: But did you ask ANZ or Australia Post?

MS EASTON: No, no, I asked the sharebrokers. So, that was all right. We get onto the next one. Apart from collecting stamps, which I have collected for years, and I did collect first day covers but I have given them up. But the Perth Mint is just across here, up the street. Now I was dealing at that time with brokers, Carmichaels. Because

when you collect proof coins, it is not a matter of a couple of dollars, you know. And once you start collecting, you do collect. So, that was fair enough. So, I took the Perth Mint a cheque from Carmichaels for my proof coins. The Perth Mint rejected it. Right. I came back. So, I wanted to see the manager. So, I saw the manager of the Perth Mint.

He duly came down. So, I spoke to him. They wanted - this is the Perth Mint - 10 working days for a cheque. Where do I bank? I bank at BankWest, the Corner of St George's Terrace and William Street. Where does the Perth Mint bank? On the opposite corner. On the corner of St George's Terrace and William Street. 10 working days. So, I didn't like that. I don't like carrying money, seeing I have had trouble with people - well, a man with his hand in my handbag. So, I had to draw the money off and carry it down to the Perth Mint. Right.

CMR MARTIN: And, Margaret, in terms of - - -

MS EASTON: We are coming back onto this.

CMR MARTIN: Yes. I will have to bring it back to Australia Post though. Yes?

MS EASTON: Yes. Well, we will getting to Australia Post. Now, Bob Gregson's, they are an auction house in this town, which have closed. Which we have been dealing, my father and I, I suppose, over a period of 70 years. And they had their final sale. And I know you say that you shouldn't send money by post. However, my daughter, before she left for Queensland - this is from Forbes, New South Wales. She purchased \$500 worth of money. Ten \$50 notes. Which she put in an Express Post package which cost \$3.70 and I have now got the number. So, she said to me, "All reference books on the first day of sale. This is an opportunity you only get once. You don't get a second chance like this."

And then the second day. So, right, on the Monday, it was 31 May that she posted it. And she rang me at half past 9 in the morning and said, "Mum, I have sent you this money." So, Monday, in Perth, Western Australia was a public holiday on 3 June. So, I stayed in all day in the front room so I could hear it on Tuesday. Wednesday was the day of the sale of the reference books. I stayed in all day. No appearance of Express Post. Stayed in part of the day on Thursday, because I usually run the sheets for Bob. That saves time. And I went and I came back. By Friday I was getting a bit concerned about why I hadn't received this Express Post packet. \$3.70.

So, I rang the GPO and this woman more or less said it was a bit facetious of me. So, fair enough. I had missed the sale. The thing had gone. So, then they said, had I been down to the post office. So, down I trot to the Maylands post office. And they wanted identification. And she would look. Then she told me, "This is only an agency." So, I thought, well, there is nothing else I can do that day. Monday was a public holiday in New South Wales. Tuesday evening my daughter rings and wants to know what I have bought for her. And I said, "Nothing. The money had not arrived." I had my own money for what I had already asked Bob to buy in for me. So, that was all right. Then, on the Wednesday, I rang the 13 - well, I have got the numbers. I rang the - Marie Louise also - they kept on saying about the number. Well, how was I to know the number of the - - -

CMR MARTIN: Your daughter would have had it.

MS EASTON: No. Of the Express Post number.

CMR MARTIN: Your daughter would have had it.

MS EASTON: Yes. She gave it to me on the phone. So, I rang the next day and I went through and I gave them the number. And he rang back later and said they had traced the - to Forbes and through the Morley Exchange and I still have not received it. So, I would say it was a case of postal theft. Was else has gone missing? That God she got her tax papers when I sent them. Now, just what are you paying for? You are paying \$3.70, and I have got the things for the registered letters. Right. You could have bought a money order. It is quite a distance for me to walk on foot to go down to the agency. One, I am going to miss the sale. I have two lots of transport to get to Belmont.

CMR MARTIN: Well, I think, Margaret, I can see that is an issue. I mean, Australia Post do have statements about the reliability of that service. And I would have thought if I hadn't got it the next day, I would have been straight onto them.

MS EASTON: Well, the next day the thing - - -

CMR MARTIN: With the number from your daughter - - -

MS EASTON: No, the next day when I got the number, I did get onto them the next day. But I gave them that time. And then they said two working days. Well, just how long is two working days? I still have not received it. Right. They saying about money orders. Now, I will tell you a few things about money orders, if you don't know them



already. The money order is the greatest tax dodge of them all. And it is a way that people use of hiding money. Not in a safety deposit box. Not in a bank account. But what they do is they purchase orders and it is quite prevalent of one of the ethnic groups and it is very hard - money orders can be traced. Well, my dear, how come the Commissioner for Taxation and Centrelink haven't caught up with these people? Because I can assure you this has been going on and it has been going on for quite some time.

CMR MARTIN: Okay. Well, look, thanks for that. I think we have got to let a few other people make comments.

MS EASTON: So, anyway, that is my complaint.

CMR MARTIN: Okay.

MS EASTON: And the thing is this. Electronic transfer, if it takes that long from one side of William Street to the other and if the Mint takes 10 working days from one side of St George's Terrace and William Street to the other, then something is radically wrong. Isn't there?

CMR MARTIN: Okay. Thanks for that. Now, other comments from the - - -

MS EASTON: Service. No, the thing is when they send or when I send presents, I don't ring them up and tell them they are getting something. You know? You buy the thing, put it in a bag and send it. You shouldn't have to be keeping records like - anyway, I have the numbers.

CMR MARTIN: Okay. Well, we will certainly be monitoring the - - -

MS EASTON: And I have got the warrant - the gentleman gave me a warrant number for when I rang and I rang my daughter this morning. I gave them her postal address in Queensland. I gave them her mobile phone. And I rang her before I left this morning and Australia Post have yet to contact her. She has not been contacted.

CMR MARTIN: Okay. Well, look, thanks for that. Anything from the industry? Sorry, you were saying you were interested in the bulk?

MS H. TRAN: We manage the government contract or State Government contract for post mail and bulk mail and we have been told

that once the barcoding deadline comes in all our postage rates will go up. I am just wondering how many people can actually access barcoding. Like, can anybody do that? And just in terms of government agencies, if we don't all change over to barcoding, you know, we could be costing taxpayers, you know, up to half a million dollars a year. We have tested the barcoding system and a lot of agencies, sort of, said that it doesn't actually work for them.

CMR MARTIN: Okay. But in terms of what? You say you manage it? Do you then outsource to a mail house or how does it work?

MS TRAN: Australia Post Mail House. Mail West.

CMR MARTIN: Australia Post. But there are other mail houses, aren't there?

MS TRAN: Yes, but they are the only ones on the government contract. They are the only sole suppliers.

CMR MARTIN: Why would that be?

MS TRAN: They have got a contract with government. Just to provide post services for however long.

CMR MARTIN: And you are asking how is the rate affected by these changes, is that a question?

MS TRAN: Yes. I mean, we have got some different arrangements to the person on the street. But, I mean, we are interested in getting as many discounts as we can. And, you know, we were talking about barcoding before and if we are getting the same sorts of discounts are you or - so, basically, I mean, what sorts of discounts can people get?

MS HARMAN: Australia Post are very forthcoming. You only need to give them a ring and someone will come out and see you and, you know, tell you exactly what is best for your business. Of for, you know, your departments.

MS TRAN: Yes, sure. We have had a lot of people come out and we have had a lot of people test the system and obviously you have worked with it for a while. Does it work for you?

MS HARMAN: Well, for the mail that we send, yes. We send a lot of mail. We send it as a charitable organisation. We get the appropriate discounts and it works well for us.

MS TRAN: It does?

MS HARMAN: Yes. I mean, you know, we want all we can get, of course, when it comes to prices.

MS TRAN: Yes. Do you post just around WA or?

MS HARMAN: Mainly in WA but Australia-wide. But mainly WA.

MS TRAN: Yes.

MS HARMAN: Yes, yes.

MR MARTIN: But are you saying the government hasn't yet introduced the barcoding?

MS TRAN: No. Only one or two agencies have.

MS HARMAN: Barcoding is not required by law until, I think, it is now, is it? June or July.

CMR MARTIN: To get this bulk discount?

MS HARMAN: Yes, that is right, yes.

CMR MARTIN: So, you have been getting the bulk discount but at some stage you have got to barcode it to get the maximum discount?

MS TRAN: Yes, that is right. Otherwise all our rates will go up. And as of 1 July it is going to start costing us a lot more to do mail.

MS HARMAN: I think most companies probably use franking machines. I imagine that the government would too.

CMR MARTIN: Yes, but you just get the basic rate for that, don't you?

MS HARMAN: Well, yes. We pay for the stuff that we send, you know, through the franking machine. The majority of our mail, we don't get charitable rates for that. We pay, you know, 45 cents and obviously it will be 50. You know? As a charity we are not entitled to the discounts on all the mail that we send. No, that is right.

CMR MARTIN: Unless you bulk. Unless you package it in a - - -

MS HARMAN: Because in joint with the synod we use the one machine and I think we spend a few thousand dollars - - -

CMR MARTIN: Yes. And that is just a convenient way not to have to - - -

MS HARMAN: That is correct, yes, yes.

CMR MARTIN: But it just intrigued me a little. You actually use Australia Post as a service provider for the bulk mail. So, wouldn't they barcode it?

MS TRAN: No. The barcoding that is available to us is only for ad hoc mail which is just your individual letters that you do off your computer. Not bulk mail, no. Not big mail-outs or anything. So, I mean, we are just interested in accessing as many discounts as we can. But the people that have tested it have said to us that it is just going to cost us and give us more trouble than it is worth at the moment because the data on the barcoding system is not always accurate and it doesn't suit people's systems and those sorts of issues.

CMR MARTIN: So, that is an issue around the bulk side and quite a big proportion of Australia Post's actual volume must go through these, sort of, bulk rates which are - - -

MS TRAN: Yes. It just adds up.

CMR MARTIN: I mean, if you are managing this, is there a tendency for the volumes to continue to grow or do you know what - - -

MS TRAN: I don't think that the rate increase will change what people do on a daily basis.

CMR MARTIN: Yes. But what is the observation with, say, the State Government, that you are sending out as much in mail as ever or more or - - -

MS TRAN: Well, the e-mail is definitely a lot more popular. People are sending out newsletters via e-mail now.

CMR MARTIN: Yes. Must be substituting the need for hard copies to be mailed out to some extent.

MS TRAN: Yes, yes. People use faxes as well and they are getting a bit more lenient on hard copies, original signatures and things, yes.

CMR MARTIN: Well, that is one of the issues. I mean, maybe from the newsagents point of view, one of the attractions of mail as opposed to faxes or e-mails is this. That people, you have got a hard copy or a signed thing. Is that an issue in terms of a lot of the business you do?

MR ROEDIGOR: Well, I think there are some things that just have to be sent by mail, as you say, that require a signature and a lot of business requirements. Certainly, a lot of the information does go via e mail until the point you put pen to paper.

CMR MARTIN: Yes. But I know lawyers, solicitors, used to say certainly until a few years ago, well, don't just sign it and fax it to me. You have got to post it. But I think what you are saying is right though. That times now, they are saying, no, that is fine. That you can fax these things.

MS THOMAS: I think so. Banks and that accept signatures by fax as a rule now. Which I think, some years ago, they didn't.

CMR MARTIN: Yes.

MS THOMAS: Most departments seem to accept a faxed document.

CMR MARTIN: Yes. The other thing - I mean, we have had some comments about Australia Post's level of service. Do others around have comments in terms of it has got better, got worse?

MS EASTON: As a collector of stamps, they are bringing out too many different issues. There are too many different issues of the one stamp. See, I was buying quarter blocks of four to start with. This was how I started. Quarter blocks of four. First day covers. And then you can't always keep a track of stamps. People have a habit of lifting them. So, then a way out of that was to buy it by the sheet. And then a way of having them not stolen was to have a safety deposit box to keep your sheets in. But sometimes it would be three sheets. One for me, one each for my daughters. But there are just too many. And I am quite sure that I wouldn't be Robinson Crusoe.

CMR MARTIN: Okay, I think we have got another comment.

MS THOMAS: Well, I would like to compliment Australia Post on the service that they have provided us. The actual service has been good. When we moved from delivering all our parcels by courier to Australia Post, we did have concerns as to whether they would arrive in time and

whether they would get direct to the people who needed them. They were time limited.

And I think in two and a half years, I have only had two parcels not arrive on the time, which is pretty good. And also all my addressees are very happy, even when the churches have post office boxes, they all now know to just go down on that Friday before the first Sunday of the month and they know that their parcel will be there. They are that confident, that they will go. So, I think they do need to be complimented on their parcel post service.

MS HARMAN: We have good service. We have found that the people that have come out to see us have explained fully, you know, what we are entitled to. And though I am not doing that, the consultant that we have has a good relationship with Australia Post representatives. They have been good.

MS ALGABA: Regarding clearing of boxes, I am just remembering we did have an issue last year in our Association, that someone was concerned that they would be just walking up to post a letter with a stamp on it, to see the van disappearing around the corner, having just cleared the box. And that might be at about half past 3 in the afternoon. Whereas on the box it says, you know, it will be cleared at 6. But, I mean, I know they can't be at 6 o'clock, at every box.

CMR MARTIN: Yes. Aren't they saying that if you do it by 6 that that box will be cleared that day?

MS ALGABA: Yes, yes.

CMR MARTIN: So, it doesn't mean the truck didn't come back.

MS ALGABA: But it is of concern that people think, will he really come back again and clear the box.

CMR MARTIN: To be fair to Australia Post, the fact that they do it half way through the day as well probably means the box doesn't get too full well, I don't think we have had any evidence that there are problems. What they say about, you know, if you post before 6?

MS ALGABA: Well, it is all part of Australia Post's education of the public. All right? Thank you.

MS ROEDIGOR: Well, I am happy with the service of Australia Post but I would just like to move onto the impact on competition.

CMR MARTIN: Yes?

MS ROEDIGOR: And as most people would be aware, Australia Post are becoming retailers in their own rights in a number of areas. And they also use direct mail as part of their advertising regime, as many retailers do. And I just, sort of, question, does the reserve product subsidise their retail activities? And, secondly, if they are able to use the postal service to promote their retail products for nothing, well, when their competitors have to pay for it, there is unfair advantage there. And I just make those comments.

CMR MARTIN: They are points to some extent that have also been raised elsewhere. We will certainly raise that with Australia Post as we go through those issues of the link between the protected or the restricted area and the other area which you make points about. I mean, what is the view from the commercial sector about the Australia Post shops? Do you see them as a good addition to the retail marketplace? We got some quite positive comments yesterday from some of your colleagues that, well, provided, you know, like, everybody is on a level playing field, they are quite happy to have them there because they bring business. I think some of your colleagues are disappointed that they open at such restricted hours. Because then clients can't use them, yet they are a good drawing card and people will then go on and shop at newsagents and other stores as well. So, it is really in that context that I am asking the question.

MR ROEDIGOR: Well, my comment would be, I mean, I don't have a point of view as to good or bad. They are a fact of life. And the issue is the common playing field, as you mentioned. And, you know, I guess we have a saying, when it comes to Australia Post, you queue or they are closed. So, from us, that gives us a competitive advantage. And the trading hours is certainly an issue. And, in fact, we have a lot of members that have LPOs as part of their business. So, you know, we are not saying it is good or bad. It is a fact of life. It is a competitive world. And that is the environment we live in.

CMR MARTIN: So, anybody want to raise any other thing? I think we have canvassed some very useful issues here. We have had a range of views about the service areas within Australia Post and we will take all of those into account. And, as I mentioned, the comments today will appear as part of what we put up on the website from today's discussion.

MR ROEDIGOR: Has the issue of productivity been canvassed at other meetings? Do I need to raise that one?

CMR MARTIN: No, not to - no. I would be interested to hear that.

MR ROEDIGOR: Well, my question was who assesses what productivity gains are available in an organisation? We have seen the assessment from Australia Post's point of view. Is there a third party that has an assessment on that? And following that, if they are talking about declining volumes, there must be opportunities for productivity gains there as well.

CMR MARTIN: Well, they have already made statements and given indication themselves. We will be testing that in - well, the ACCC doesn't ever just take everybody's word for what they say in these things and we will be applying our own analysis, which we do in a whole range of regulated industry areas. So, we are quite expert in putting a test on issues about, you know, the returns and the profits and the productivity issues. But I think in fact, there was some references to that in our Sydney meeting and claims that Australia Post did make large profits but it is the restricted area that they are facing a downturn in terms of return.

MS EASTON: It is time we privatised it then, if it is making good profits.

CMR MARTIN: Okay, Margaret, are you going to say something complimentary about them now?

MS EASTON: No, I am not. With Express Post, what are you paying for and what guarantee have you that the article is going to be received? This is it. I mean, there is no card. This is when I have had the parcels. Or they could have left a card in the box. There has been no personal contact whatsoever. Yet Myers, a courtesy phone call.

CMR MARTIN: I think you make a good point, Margaret, that there are other alternatives. You do have alternatives in terms of sending things, beyond the \$1.80. You know, these type of courier services.

MS EASTON: \$1.80. It is more than \$1.80.

CMR MARTIN: No, only \$1.80.

MS EASTON: Well, that is \$3.70.

CMR MARTIN: Yes. But there are other options. You don't have to use Australia Post.



MS EASTON: Yes, what I meant was the limited time - thinking that you are going to have two working days, that that time would be shorter than an electronic transfer from one side of William Street to the other, which was literally from a Thursday of one week. Not to have the money cleared. And that is an electronic transfer. In this day and age.

CMR MARTIN: But that is Australia Post doing it.

MS EASTON: No. But Australia Post, that money should have at least been received by Thursday of the next week. And I still haven't received it.

MS HARMAN: And I guess it is your prerogative to follow it up.

MS EASTON: Well, my dear, don't think I haven't.

MS ALGABA: That is why it is good to have competition, isn't it?

CMR MARTIN: Yes. And in that area, beyond the restricted area, there is competition.

MS EASTON: Well, after seeing it was going to cost so much to transfer the goods by Pickfords, it is much cheaper to buy the articles and send them courtesy of Myers or courtesy of David Jones.

CMR MARTIN: Okay. Well, thanks for that comment. And I think with that, I would like to thank you all for coming today. We appreciate the comments that have been given to us and we certainly take them seriously. And watch out on our website for the transcript being put - it will take us a few weeks, by the time the process goes through. And we make sure that the comments truly reflect what was said. But thank you for all coming today. And I will close the consultation. Thank you.

MS ALGABA: Thank you.

MR ROEDIGOR: Thank you.

MS HARMAN: Thank you.

MS EASTON: Thank you.

MS THOMAS: Thank you.

FORUM CLOSED

[10.22am]

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