

Freshwater Management Pty Ltd

ABN: 25 080 234 859

16 September 2009 Accountancy • Insolvency • Strata Management

Mr A Wing
General Manager – Transport & General Prices Oversight
Australian Competition & Consumer Commission
GPO Box 520
Melbourne VIC 3001

Dear Sir

AUSTRLIA POST SUBMISSION

There are three issues I would like the Commission to address in dealing with the submission by Australia Post for a price increase.

1. Delay in Delivery of Normal Postal Articles
2. Alleged Frauds by Post Office Franchisees
3. Customer Accounts.

Delay in Delivery of Normal Postal Articles.

My business is based at Freshwater in suburban Sydney and I send out a considerable amount of ordinary mail on a weekly basis. Each month I send out a bulk lot of ordinary letters of between 100 and 400 letters. On other occasions I send out bulk lots of ordinary letters ranging from 20 to over 100 letters. On numerous occasions we have received complaints from the recipients that the letters were not delivered in time for them to attend a meeting. On these occasions we have been able to confirm that the letters have taken 4 to 5 days to be delivered to addresses in the Sydney Metropolitan area and the Central Coast of NSW. The worst example of slow delivery occurred last month when it took 10 days to deliver a letter to the Central Coast.

I often send mail to the ASIC at the Gippsland Mail Centre in Victoria and I have to allow at least 4 days for delivery. Given the tight statutory deadlines I operate under, this is totally unsatisfactory. The alternative is to send the mail to the street address of the Sydney office of the ASIC, however, even this takes an average of 2 days to be delivered.

Non delivery is a lesser issue but still relevant. Unfortunately unless registered there is no means of proving non delivery. I can recount that my strata management licence renewal was alleged to have been issued by the Office of Fair Trading in Parramatta on 4 January 2009, however, it was never received in this office. This occurred at the same time that

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Australia Post closed the Freshwater Post Office for over three months due to an alleged fraud said to have been committed by the franchisee.

Alleged Frauds by Post Office Franchisees.

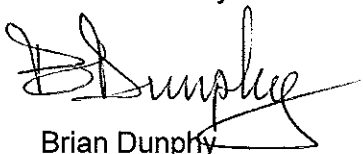
There have been reported in the media two cases of alleged fraud by franchisees in the past twelve months, at Freshwater and Roselle, in Sydney. It has been claimed by Australia Post that both frauds have involved millions of dollars loss to Australia Post and have been committed over a number of years. I question the accuracy of these claims by Australia Post on the basis that the post offices in question are small suburban post offices and to generate a fraud of this magnitude and go undetected for several years seems impossible to reconcile. If it can be proven that the frauds were of that magnitude and committed over that timeframe the very big question that Australia Post need to answer is "How did they allow it to happen?" The next questions are "What steps have they taken to improve their security and enhance their audit procedures?" and "How many other undetected frauds are still being committed by franchisees and staff?"

Customer Accounts.

When Australia Post closed the Freshwater Post Office for some four months I was forced to take my bulk mail to another post office. On the first occasion I was told that I couldn't use bulk mail facilities at that post office as my account was not registered to that post office. I was advised that I needed to apply to have my account recognised at post offices other than Freshwater. This is nothing short of ludicrous. A nation wide business with customer accounts that can only be operated in a single location. Can you believe it? I can't, and I wonder how successful businesses such as Office Works or transport and courier companies would be if they didn't allow for customers to use their accounts at any location. An Australia Post employee told me that the reason for the restriction was to prevent fraud, which is mostlikely correct given that they can't prevent fraud by their own franchisees.

If Australia Post is going to continue, as what is basically a monopoly business, then they must be made to provide a full range of services. As a shareholder in the business, being a taxpayer and citizen of Australia, I demand that they answer for their inefficiency of service and their failure to safeguard the business from fraud.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Brian Dunphy', written over a horizontal line.

Brian Dunphy