



POAAL

Post Office Agents Association Limited

POAAL submission regarding Unfair contract term protections

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Introduction

1. The Post Office Agents Association Limited (POAAL) welcomes the opportunity to provide comments on unfair contract protections for small business owners.
2. POAAL was formed in 1939 to assist the owner/operators of privately owned post offices. There are around 2900 Licensed Post Offices across Australia, comprising about 80% of the Australia Post retail network. In addition, there are in excess of 800 Community Postal/Mail Agents operating agencies in small mostly rural and remote communities.
3. Our members are also drawn from the operators of the approximately 5,500 mail contracts, delivering mail and parcels for Australia Post and Star Track to customers across the country.
4. POAAL also has a category of membership for courier owner/drivers who operate either as independent couriers or on contract to larger courier firms. They are not connected in any way to Australia Post.

About Licensed Post Offices and the LPO Agreement

5. LPOs are operated under the Licensed Post Office Agreement. The LPO Agreement is an indefinite term agreement with no territory.
6. LPOs are considered franchises under the Franchising Code of Conduct.
7. Each individual LPO Agreement can be customised via Special Conditions

Legality and penalties

8. The introduction of unfair contract term provisions failed to improve the contracts or protections previously afforded to Licensees under the LPO Agreement.
9. Australia Post's attitude towards its Licensees and Contractors has not improved since the introduction of unfair contract term protections. The lack of significant fines to Franchisors (in Licensees' case to Australia Post) for breaches of unfair contract protections has not helped Licensees. The inflexible attitude and intimidating behaviour of some Australia Post managers is still evident.
10. There currently is no true deterrent for a business as large as Australia Post to abide by the unfair contract protections. Court action is expensive and out of reach for small business owners, especially when up against a large corporation like Australia Post with its deep pockets.

11. Here are three practical example of how Australia Post fails in the UCT test in the LPO Agreement:

- a. **Failure to supply core stock on time.** While Australia Post too often fails to supply core stock to Licensees on time, or action credit notes promptly, there are no penalties for that failure. However Australia Post can take action against Licensees for not paying their stock invoice on time.
- b. **Failure to pay Licensees all payments for which they are eligible.** Too many Licensees who are eligible for certain payments, such as Mail Service Payment or Rent Subsidy, are not paid for these by Australia Post.
- c. **Accepting parcels outside the maximum weight and dimensions.** Licensees must adhere to maximum weight and dimensions of parcels which are posted “over the counter” at LPOs, however Australia Post regularly accepts parcels from contract customers for delivery that exceed the maximum dimensions and weight limits. This practice often breaches WHS guidelines and has a deleterious effect on the health and wellbeing of Licensees, LPO staff and contractors expected to deliver these items.

12. All franchisees should be protected by UCT provisions, and a good start would be the imposition of penalties to franchisors for non-performance.