



The Australia Post information booklet

For prospective licensees

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Introduction

This booklet provides information to prospective licensees and endeavours to answer some of the more commonly asked questions. It also gives prospective licensees information about the process involved in applying for a licence and directs them to other sources for any further advice required.

To operate a licensed post office successfully, you will need to be:

- a confident and capable business person
- customer focused and have a desire to achieve
- able to demonstrate a successful track record in running a small business
- reliable and able to manage staff, if required
- in good health and prepared to work extended hours
- registered for GST, with an Australian Business Number (ABN)
- an Australian citizen or a permanent resident of Australia
- over 18 years of age
- good with your mathematical and analytical skills
- not have a criminal record within the current legal definitions of a recorded offence, and
- able to provide a signed statement confirming that any licensee's employees are of good character prior to assignment.

About Australia Post

Australia Post is a self-funding government business enterprise. It is one of Australia's major companies, employing over 35,000 full-time and part-time staff, handling 4.9 billion articles of mail every year and servicing over ten million delivery points nationally.

Australia Post operates the nation's largest retail network, with over 4,000 outlets. It services up to one million customers who visit an Australia Post retail outlet every business day.

Australia Post is building on its core business of delivering letters and parcels, using its extensive national infrastructure, to offer varied and improved products, services and "business solutions" to its customers.



About licensing

Licensing is where an individual or corporation (the licensor), grants permission to a sole trader, partnership, trust / company or approved instrumentality (the licensee), to perform a specified business function or carry on a particular arrangement, subject to the terms and conditions contained in a written agreement.

As far as the general day to day running of the business is concerned, the licensee operates as an independent distributor of the products and as an agent for services described in the licensed post office agreement.

If you are approved as an Australia Post licensee, you will be given product advice, a copy of the licensed post office manual and various other manuals and guides which detail our business systems and procedures.

Following payment of a "contribution to training" fee, you will also receive a minimum of four weeks (unpaid) training.

The retail network

Australia Post's retail network is the window to its retail customers. Licensed post offices comprise over 65 per cent of the national network of retail outlets.

There are two types of licensed post offices:

In-conjunction outlets

- This is a licensed post office which is operated in conjunction with another business approved by Australia Post from a separate and defined area in the premises.

The types of business suitable for in conjunction operation may include chemists, gift and stationery shops, general stores, and newsagents. The need for postal products, agency bill payments and banking facilities is an incentive for customers to visit the outlet and increases the opportunity for purchases of other products. Depending on local circumstances and Australia Post approval, the operation of a licensed post office, in most instances, can be incorporated into an existing business.

Stand-alone outlets

- As the name implies, stand-alone outlets are not operated in conjunction with any other business.

Generally, stand alone outlets carry a wider range of Australia Post related products and services.

The Agreement

The relationship between the licensee and Australia Post is governed by a formal Licensed Post Office Agreement, which sets out the respective obligations and responsibilities of Australia Post and the licensee.

Under the Agreement a licensee is granted a licence to use Australia Post systems, manuals, trade marks and image in the operation of a licensed post office from the premises in which the outlet is located.

The business structure

The manner in which the business is structured is left to the discretion of the licensee – this could be a company, partnership, trust or a sole trader. Depending upon the business format chosen, it will be necessary, especially in the case of a company, trust or partnership, to appoint a manager approved by Australia Post.

As well as the licensee, the manager must be an Australian citizen and will have direct contact with Australia Post and devote his or her full-time to the active management and operation of the licensed post office.

Hours of business

To ensure the best possible service to customers, licensed post offices are required to open during hours that meet customer demands. As a minimum, the core times are 9am to 5pm, Monday to Friday and in many instances, 9am to 12 midday Saturday. However, some licensees may operate beyond these hours depending on local circumstances and subject to Australia Post approval.

Products and services

Under the Licensed Post Office Agreement, all licensed post offices offer a mandatory range of Australia Post products and services, for example:

- postage stamps and prepaid stationery
- money orders
- banking services
- bill payment services for third party agency principles, eg. Telstra
- mail acceptance and processing.

Dependent on customer demand licensed post offices may also offer a range of other Australia Post products and services, for example:

- philatelic items (stamp collecting products)
- Postpak products
- complementary products, such as cards, stationery and gifts
- post office boxes

Australia Post competes with other retailers in the industry. In this market, the following two principles are paramount:

- the product range within categories should be extensive
- licensees should have good product and service knowledge and quality customer service should be paramount.

When you examine our retail outlets you will see that Australia Post has focused its attention on catering for customers who wish to browse in comfortable and friendly surroundings and easily locate the right products at competitive prices.

Mail delivery and processing

Depending on the location of a licensed post office, a licensee may also be required to undertake mail processing and delivery work. Where this is the case, the licensee is responsible for the receipt and processing of mail in preparation for despatch or delivery.

The type and extent of such work will vary from outlet to outlet. The Australia Post local area manager will provide prospective licensees with the necessary information relative to the outlet under consideration.

The actual task of delivering mail to street and rural addresses is conducted by a mail contractor and is covered under a separate agreement with Australia Post. However, separate mail delivery contracts may also be held by licensees, providing an additional source of income.

Where a mail delivery contract is held by a separate contractor, who operates from a licensed post office, it is necessary for the licensee to provide a liaison role with the contractor.

Fixtures and fittings

Australia Post has standards to which each licensed post office is required to conform and has developed a range of quality fixtures and fittings to enable these standards to be met across the retail network. Fixtures and fittings requirements will vary according to the type of outlet.

These fixtures and fittings include service counters, philatelic (stamp collecting) display counters, counter top spinners, writing tops, standard wall fixtures for product display and a range of merchandising units. As each individual unit has been designed to interlock with other modules, the configurations can be tailored specifically to your premises.

The extent of the mandatory Australia Post fit-out requirements and signage varies according to the size and location of the licensed post office. Generally, larger offices with significant retail activities will be required to undertake a full mandatory fit-out whilst in smaller outlets the extent of fit-out will be negotiated between the licensee and Australia Post.

Location of premises

In today's modern competitive environment, the location of commercial premises can mean the difference between success and failure.

You may propose a location in answer to an Australia Post advertisement for a licensed post office, or you may consider transferring or relocating an existing licensed post office to other premises nearby. In all cases approval must be sought from Australia Post who will provide assistance and advice on suitable locations. In determining the suitability of the premises, factors such as customer access, location of other postal outlets, accessibility for the receipt and despatch of mail and suitability for the installation of post office boxes, will be considered.

Income

Licensees receive a discount for the purchase of Australia Post products and receive payment upon the sale to customers either:

- a flat fee for services such as counter mail paid monthly in arrears, or
- commissions or percentage commission for the provision of services such as third party agency bill payments which are paid during the month.

As with any small business, income generated from a licensed post office must meet all day to day operating costs. Accordingly, licensees are responsible for business operating costs, for example:

- staffing
- accommodation
- technology*
- telephone and fax
- electricity
- insurance
- stationery items, excluding specialised stationery and forms
- remittance of GST on taxable sales.

* Subject to business volumes, it may be mandatory for a licensee to install electronic point of sale technology which will improve the efficiency and economics of their office.

This technology is installed and maintained by Australia Post with the licensee paying a monthly leasing maintenance / shortfall fee. The provision of technology is covered under a separate agreement with Australia Post.

Australia Post support

As part of the licensed post office arrangements, Australia Post provides a range of support services, including:

- initial training during the set-up period and ongoing mandatory training, as required
- regular information on products and services
- area network meetings
- appropriate technology support
- standardised accounting systems to simplify the book-keeping process
- support manuals detailing the operational and financial procedures for licensed post offices
- procedures for the resolution of disputes between Australia Post and licensees.



Australia Post is seeking licensees who share our enthusiasm for servicing the needs of our customers.

Tax, licensees and Australia Post

Any Goods and Services Tax (GST) paid in relation to work performed at the licensed post office is claimed as input tax credits from the Australian Taxation Office (ATO) this includes GST paid on various post products purchased from Australia Post for resale.

Electronic terminals, at those outlets which meet the criteria, provide a GST reporting mechanism for customers and licensees.

Equally, eligible businesses can claim back from the ATO the GST included in the products purchased from the Licensed Post Office (LPO).

Australia Post produces recipient created tax invoices for commissions and fees paid to licensees, simplifying the monthly paperwork.

You can register for the GST electronically at **www.business.gov.au** or contact the ATO for paper based applications. The ATO has publications available for retailers to provide further information on a variety of topics. As well, a tax adviser or accountant can give specific advice about tax matters relevant to your proposed business.

You can contact the ATO via:

- business infoline on 13 24 78
- its website at **www.taxreform.ato.gov.au**
- PO Box 9935, in your capital city.

The business opportunity

Australia Post is seeking licensees who share our enthusiasm for servicing the needs of our customers.

The Australian postal service has been in existence for over 200 years. There are few businesses who can match the customer knowledge and size of the Australia Post network.

In many retail outlets, customers can purchase an array of stationery, gifts and business items as well as pay a vast range of bills. Australia Post's retail business generates increased foot traffic, which will provide the opportunity to generate additional sales.

Further advice and assistance

This booklet has been designed to provide an overview of how licensed post offices operate. Should you have any further questions, call 1800 657 975.

Australia Post does not offer financial or investment advice and if you have concerns or questions about these issues as they pertain to the operation of a licensed post office, you should seek the advice of a qualified financial adviser or accountant.

In addition, the small business development corporation in each state may be of assistance.

You might also like to consider visiting one or more of the different types of retail outlets, for example a licensed post office, and an Australia Post business centre to gain a further insight into the network. Australia Post's local area manager can arrange these visits.

Obtaining a licence

A licence to operate a licensed post office can be obtained only by:

- the transfer of the right to operate a licence from an existing licensee (generally, licensees who wish to assign advertise in the major newspapers), or
- responding to an Australia Post advertisement for a new outlet or a former corporate outlet.

In all cases, Australia Post must approve the prospective licensee.

An overview of the assignment process

The following is the process currently in place should you decide to become an Australia Post licensee.

1. The licensee and the licensed post office manager must be an Australian citizen or a permanent resident and approved by Australia Post prior to any assignment.
2. Existing licensee contacts their Australia Post area office to inform of a potential assignment and provide your details.
3. Australia Post will then forward a consent to obtain personal information licensed post office applicants form and confidentiality agreement which must be completed and returned as soon as possible.
4. At the first interview you will be required to complete an application to operate a licensed post office form, a confidentiality agreement and a numeric reasoning, general reasoning and work attitude assessment.

The following personal and business certificates will also be required at the interview:

- Australian Business Number
- birth certificate, proof of Australian Citizenship or permanent residency
- certificate of incorporation (if a company)
- memorandum and article of association of the company (if a company)
- details of previous work experience
- name, address and contact details of two personal and two business referees
- details of any personal company bankruptcy or liquidation
- details of any criminal history
- a basic business plan detailing strengths, weaknesses, opportunities and threats for the business and how you intend to use and overcome them
- financial documentation.

The Australia Post representative will provide a brief overview of the licensed post office you wish to operate.

5. Following the interview Australia Post will evaluate your application, assessment results, character check report, and referees to confirm your suitability to continue through the process.
6. If you pass the selection criteria of the first interview, Australia Post will arrange a second interview. At this interview a disclosure document as required under the franchising code of conduct* will be provided to you. Payment for the "contribution to training" fee will also be required at this stage.
7. Unpaid computer based training will commence at a corporate Australia Post retail outlet.
8. At the conclusion of the training period you will be required to complete a test on the subjects studied.
9. If the training has been successful, further training will take place at the licensed post office being assigned.
10. The final step is the signing of the Licensed Post Office Agreement and commencement as a licensee.

* Further information on the franchising code of conduct can be found at www.accc.gov.au/smallbus

The Privacy Act 1988

The Privacy Act 1988 creates strict privacy safeguards that Commonwealth Government Departments, agencies and private sector organisations must observe when handling an *individual's* "personal information".

Personal information can be defined as any information, or an opinion, (*whether true or not, and whether recorded electronically or as hardcopy*) that can identify an individual. What can constitute personal information is very broad.

The Privacy Act has two sets of "privacy principles" governing how personal information is collected, stored, used and disclosed. They are the:

- information Privacy Principles ("**IPPs**") – applying to Commonwealth Government Departments and agencies since 1988
- national Privacy Principles ("**NPPs**") – applying to private sector organisations since December 2001.

The Privacy Act also gives individuals certain rights of access to any personal information held about them and to have it corrected, if necessary.

As a Government Business Enterprise, Australia Post is in a unique position of having to comply with **both** the IPPs **and** NPPs. The IPPs apply to our "*non commercial activities*", such as our carriage of letters under 250 grams, our change of address function or issuing postage stamps. The NPPs apply to our "*commercial activities*", such as our Postbillpay service, sales of stationery and office supplies, sale of traveller's cheques and so on.

Australia Post has additional privacy and confidentiality obligations under the Australian Postal Corporation Act. As a licensee or franchisee, you will also have other confidentiality obligations stemming from your Licensed Post Office or Franchise Agreement.

Rather, than develop privacy policies and procedures for complying with the Privacy Act that are driven by specific product or service function, Australia Post has developed its own Privacy Policy reflecting our joint obligations under the IPPs and NPPs. Where any conflict exists between the two sets of privacy principles, Australia Post has adopted the more stringent privacy obligation.

The Australia Post Privacy Policy sets out how we handle personal information. These obligations also apply to licensees and franchisees. The privacy obligations to customers relate to the following “*information handling practices*” and associated processes:

Collection – describes what, when and how personal information can be collected. It also requires individuals to be informed of certain matters when their personal information is collected.

Use and disclosure – requires that personal information may only be collected if it is necessary for carrying out one of Australia Posts’ functions and activities. The information must be collected in a fair and lawful way and the individual must be told of how personal information may be used and to whom this may be disclosed.

Data quality and data security – sets the standards that must be met for the accuracy, currency, completeness and security of an individual’s personal information. Reasonable steps must be taken to protect the personal information held against misuse, loss, unauthorised access, modification or disclosure. Reasonable steps must also be taken to permanently de-identify, or destroy, personal information if it is no longer required.

Openness – requires clearly expressed policies on Australia Posts’ management of personal information to be set out in a publicly available document and to make it available to anyone who asks for it. There is also an obligation to let an individual know, should they ask, what sort of personal information is held, for what purposes, and how it is collected, held, and used.

Access and correction – unless a specified exception applies, an individual may request to see any information held about him / her, should they ask. If personal information held is incomplete, out of date, or inaccurate, reasonable steps must be taken to correct that information.

Identifiers – says that generally, Commonwealth government identifiers cannot be used to identify Australia Post’s customers.

Anonymity – requires that, where lawful and practicable, customers must be allowed to interact with Australia Post without being required to identify themselves.

Transborder data flows – outlines privacy protections that apply to the transfer of personal information out of Australia.

Sensitive information – is a subset of personal information and it includes such things as such as health information, criminal records, political opinions, religious beliefs, membership of a professional or trade organisation or union. Australia Post recognises this type of information receives “special protection” under the Privacy Act and will consider this in all relevant policies and procedures.

The Privacy Act also requires the following types of personal information to be treated as “special”. Australia Post will recognise this obligation in all relevant policies and procedures:

- tax file numbers
- credit information
- old conviction information (spent convictions).

As an Australia Post licensee you will be occupying a special place in the Australian community. Australia Post customers expect that when they provide their personal information it will be treated with the utmost of care and confidentiality. Compliance with the Privacy Act is fundamental to the way Australia Post serves its customers and is a cornerstone of our excellent reputation. This philosophy applies to how our licensees and franchisees represent Australia Post as well.

Further information on how Australia Post handles personal information is contained in the “*Australia Post, Privacy and You*” brochure, available from all Australia Post retail outlets and customer service centres.



For more information
contact us on 1800 657 975

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