



24 March 2019

Pauline Davis

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Dear Pauline,

RE: Process and consideration of Mount Molloy Postal Services

I refer to your letter of 19 March, responding (after 11 days) to our initial inquiry of 08 March. In that letter we provided you with an opportunity to clarify the basis on which AusPost has handled the situation with the local postal service in Mount Molloy.

Your response did not address the key questions put to you by the community. Your lack of transparency in these matters leaves the community confused, anxious, and mistrustful.

I assume this was not your intent, particularly in light of AusPost's commitment to healthy engagement with the community per the Community Service Obligations in the *Postal Corporation Act (1989)*, Section 27, point 4, which require that:

- **the performance standards for the service reasonably meet the social, industrial and commercial needs of the community.**

We have made it clear that, by reasonable standards, AusPost are falling short of this expectation. We are cc'ing all further correspondence to the Postal Industry Ombudsman as a matter of record.

Further developments

You may not be aware of various matters unfolding since AusPost unilaterally reassigned the license and approved the National Hotel in late Feb. For example:

1. There are repeated reports of lack of required security at the National Hotel
2. There are numerous examples of mis-delivered mail causing inconvenience
3. The Top Shop building inspection has not been undertaken to verify the extensive termite damage (see attached photos)
4. The reports of soil contamination at the site due to a long history of fuel leakage have not been verified and would have impact on any future sale/transfer of the property.
5. AusPost have not explained their legal risk-management in relation to any traffic accidents arising as a result of the significantly lowered usability of the Top Shop traffic arrangements. Although no traffic study is technically required, there is an

obvious and well-remarked increase in vehicle hazard relative to the historical location. Through its pre-emptive approval of the Top Shop as a postal agency location, AusPost is knowingly facilitating a material increase in traffic danger without exhausting alternatives.

6. The new licensee has not provided a reasonable justification for continuing to operate out of a vastly inferior location at the pub when a secure, affordable, and available option is right across the street, thus providing a suitable alternative for as long as the Top Shop renovations might take.
7. Given the uncertainties with the Top Shop location, structure, and the capacity of the owner to capitalise all the improvements in a timely manner, it is highly doubtful that the postal service will be ready to re-open in May as promised in your letter. AusPost has not informed the community how it intends to compensate for any extended delays in re-establishing proper services (in addition to the 6-mon box rental discount already committed).
8. AusPost has not explained why new boxes would be offered for free to the new licensee instead of exploring similar investment to support the historical location.
9. The business model proposed by the current licensee fails to include decrease in postal agency revenue due to cancelled postal services in town and the financial impact on the proposed Top Shop due to loss of goodwill.
10. AusPost have not explained why alternative proposals have not been invited, especially given the potential for identifying a much improved service operating from the historical location.

You have highlighted the serious challenges faced by small postal operations, and put this forward as AusPosts' justification for how it has handled this matter. You asserted that small postal agencies would struggle unless they are supported by a complementary income.

We fully acknowledge your concerns in this regard and have asked to be given the details so that we can see for ourselves if this is a challenge the community or other entrepreneurs are prepared to undertake.

Instead of making the challenges clear, you have not yet given us any of the necessary specifics. This completely disempowers the community, and pointlessly delivers a "sweetheart deal" to a single entity without any regard for competitive validation.

In keeping with your corporate commitments, you must provide a reasonable process for the community to respond to the opportunity to run a sustainable postal agency in our village. This is the right and proper process, and AusPost has plenty to gain by taking this extra effort.

Our expectation is that AusPost will see the benefit in running an open process and invite expressions of interest for the local license. As outlined in our first letter, this is a simple and

sensible way to bring the community along on the journey. It will dispel mistrust over the current arrangements, it will shed any suggestion of insider deals, and it *might* actually surface a better solution than any of us are currently able to come up with. That would be a great outcome and much to AusPosts' credit.

Given the importance of this matter to our community, JAMARR is requesting that you attend a community information session within the next fortnight in order to provide a reasonable level of engagement on this matter.

We are happy to organise the venue and will arrange for a local Councillor to moderate the session to ensure a respectful and informative decorum is maintained. JAMARR is happy to cover your accommodation expenses at the National Hotel to reduce the need for night-time travel.

As emphasised in previous discussion, this matter is of deep importance to the local community. We look forward to your positive and constructive response.

Yours faithfully,



John Brisbin, Secretary

CC:

- JAMARR Executive Committee
(Gerda Domen, President; Rupert Russell, Vice President; TJ McCaldin, Treasurer)
- Julatten Initiative Group (Tan Dickson)
- Senator Bob Katter and Gordon Rasmussen
- Cr Nipper Brown, Mareeba Shire Council
- Shane McElligott, publican - National Hotel
- Bruce Ferguson, owner - TopShop
- Tracy Gulliver, owner - Mount Molloy Post Office
- Christine Holgate, CEO - AusPost
- Nicole Sheffield, Executive General Manager - AusPost
- Postal Industry Ombudsman
- Post Office Agents Association

Attached:

Images of structural timber damage due to white ants in TopShop

Attachment 1

Structural timber damage due to white ants in TopShop

