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Senator Doug Cameron  
Chair  
Environment and Communications  
Legislation Committee  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600

Dear Senator Cameron

At POAAL's request, I am writing to clarify a statement made at the Environment and Communications Legislation Committee hearing on 24 May 2012 regarding the termination of Licensed Post Office Agreements (see attached).

POAAL is concerned the statement inferred that it was a party to the two terminations in question, which was not the case.

Yours sincerely

Paul Burke

**Senator ABETZ:** In relation to clause 22, about termination without cause—and it indicates the compensation that is payable—does Australia Post acknowledge and accept that the licensed post office is often the honey that might attract customers? There is also being an offshoot of a newsagency or some other service which the licensed post office can then build on for their business. If you terminate the licensed post office arrangement, it basically guts their newsagency or whatever adjunct business they might have. Is that acknowledged by Australia Post?

**Mr Fahour:** There is no question that, as part of a sustainable business model for any small business owner, the licensed post office plays a very important role, I suspect, in some cases. In some cases, it is quite a small role. But it is more about the cachet of the brand and the legitimacy that we give them. The vast majority of licensed post office owners not only do it but do it with pride, and they are excellent in their service to their customers.

**Senator ABETZ:** You would expect me not to disagree with that.

**Mr Fahour:** I certainly would hope that you would say that.

**Senator ABETZ:** I champion their cause.

**Mr Fahour:** But there are some who are not members of POAAL, I might add, who behave in a way that puts the brand in a very, very difficult position with customers. We get written complaints. We issue warnings. We work with the rogue licensee. They tend to deal with people who behave in a very bad way, be they brokers or other people trying to make a buck out of their misery—not that all lawyers and brokers do that kind of thing, but some do. Quite frankly, we and POAAL are outraged that one or two would put this great brand at risk with their behaviour. Where we see a great risk—

**Senator ABETZ:** So all the fault is on one side?

**Mr Fahour:** Where POAAL and we see that we cannot remediate—and we try to do so in good faith—we will pull the licence away before it causes brand damage to 4,400 others. I have no hesitation in saying that.

**Senator ABETZ:** Australia Post's behaviour with some of these licensed post offices also leaves a lot to be desired. The suggestion by you, Mr Fahour, that basically all the fault lies on one side is, regrettably, indicative of the attitude that has been described to me by numerous licensed post offices. Can I simply—

**Mr Fahour:** I would like to say something in reply to that. I thoroughly—

**Senator ABETZ:** You had a fair go at trashing a number of licensed post offices.

**Mr Fahour:** Out of 4,400, I said there are less than a handful where I would say that. Out of 4,400, for 99.9 per cent I am in violent agreement with you.

**Senator ABETZ:** Can I tell you that I have more than a handful of licensed post office complaints right here in this folder. Undoubtedly they are all rogues. If I may, Chair, you can make contact later, if you are available today.

**Mr Fahour:** I will see you straight after this if you are free, Senator.

**Senator ABETZ:** I will be. Thank you very much.

**CHAIR:** Just on this issue that Senator Abetz has raised, what is the process of natural justice for these so-called rogue licensees? Is a formal process gone through?

**Mr Fahour:** I will ask Christine Corbett, at least in summary, to give you the process that we take and have taken with regard to your question.

**CHAIR:** Given what Senator Abetz has said and how determined you are to make sure that the brand is safeguarded, there always can be problems arising from that. I would like to, as Senator Abetz is, make sure people have natural justice and proper processes that are in place.

**Ms Corbett:** Thank you for the question. I think, to start with, that terminations that we have mentioned under clause 22 are probably very rare for us at Australia Post. There have been two this year that we have terminated, regrettably. But we do go, as our managing director and CEO have said, to great lengths to find ways to look at how we can improve the relationship before it gets to that stage. So before it gets to that stage either party has a right under the agreement with licensees to terminate their licence with 90 days notice. Before Australia Post exercises that right, we will conduct many, many site visits with the licensee. We will identify whether it is a training issuing or a relationship issue. There is formal mediation that we will also undertake and go through because there is an LPO dispute resolution process that is actually agreed upon. It is only when all of these avenues are exhausted that we have found ourselves there. This year, regrettably, on two occasions the relationship on both sides irrevocably broke down. As a result of that, we terminated two licences.