

### We need certainty in a turbulent time:

- Christine Holgate returned to the CEO position as a matter of urgency
- Two seats on the Board – representation to reflect our substantial investment in Australia Post.
- Formal consultation on major change.
- Licensed Location Rules and Protection of new Services including Local Business Partner Program and Bank@Post.

### We are invested in Australia Post

- There are 2,850 Community Licensed Post Offices in Australia
- Average Investment for a licensee is an upfront Commitment of over \$1.1m. Cost of License plus 10 yrs retail lease plus Stock and employment of staff.
- Together we represent a commitment of \$3.bn+ and 10,000 jobs, the largest investor group in Australia Post.
- We represent the CSO commitments of Australia Post – 2500 Rural & Regional Post Offices, 2,300 are Community Licensed Post Offices.
- Hundreds of communities no longer have street letter deliveries to the home and rely totally on their Community Licensed Post Office.
- Historically our role was to support letters, but now our business is dependent on two major services, Bank@Post and Parcels.
- Approx. 1700 Communities in Australia have no Bank branches and depend solely on their Community Licensed Post Office for access to basic financial services.
- 55% of all Australia Post's parcels are lodged in a Community Post Office.
- 10 Million Australians have a My Post Account and collect their Parcels at a Post Office.



### **We are a Powerful Representation for Australia Post and the Government:**

- 2013 Senate Inquiry into Australia Post was supported by all Political Parties. We demonstrated how the Community Post Office can be a powerful influencer in Canberra.
- We enable all Australians to have equal access to important information and services.
- We enable the social economic inclusion of all Australians. This proved critical in COVID, Bushfires and Floods.
- We provide local support to get an identity verification, Police Check, Childcare Certificate and importantly 83% of all Passports are secured through a Community Post Office.
- The new Local Business Partner Program leverages our local knowledge and presence with supporting local small businesses. A win for Community Licensed Post Offices, Australia Post and local small businesses.
- Through 2020 we have validated our importance to serve communities as evidenced by Deloitte Access Economics Research:
  - In the Bushfires, communities lost power and depended on Licensed Post Offices to secure access to cash.
  - In COVID – as households became restricted, they depended on the post office for access to finance and services and family.
  - We supported small businesses throughout the country to embrace ecommerce – protecting jobs and providing a valuable income – buy from the bush. Small Businesses lodge at their local Post Offices. Many of the world’s largest ecommerce players started in a Post Office, including Amazon and Kogan and Catch of the Day.
  - Research in October 20, stated over 80% of Regional Customers said our services were either very important or important through COVID.
  - Regional & Rural Customers are likely to be older and earning less. Those over 65, rated us 85%.
  - For every job we employ, we know it creates two extra roles in the community in Rural & Regional Australia..

### Recent Events have left us very concerned:

- We lost our CEO for giving 4 watches, 2 years ago, in recognition of securing \$220m investment from 3 major banks, CBA, Westpac and NAB.
  - This arrangement saved Bank@Post, enabling communities to keep this essential service.
  - It brought technology investment into LPOs, the old system was 30 years old and we had to pay monthly fees for access.
  - It changed the viability of Post Offices with Transaction Fees renegotiated and Licensees fairly paid for the work.
  - There is an estimated 1700 communities in Rural & Regional Australia with no bank branch. If Post Offices in these communities lose this service, these communities face serious risk of decay. Small Businesses depend on us for coin floats, depositing takings, they are time poor and can not travel tens or hundreds of kilometers just to bank.
- **Early Signals have concerned us.**
  - Arbitrary reduction of proposed payment eg. Address manifesting on parcel assessment proposed payment reduced by 33%
  - Any engagement with Board and Ministers has been very challenging or ignored.
  - BCG review of Australia Post is widely talked about, but not public, why can we not see it?
  - If Australia Post make a strategy change, it has a direct impact on our business. We are concerned they implement change that negatively impacts us, cut to letter services in Rural & Regional Australia, fail to renegotiate Bank@Post or sell off Parcels. Licensee are left with the debt and responsibility – Australia Post refuses to accept any shared liability for failure.