



newsXpress Forest Hill
Springfield Consulting Pty Ltd ABN 97 920 273 515
Head Office: Suite 10, 22 Horne Street Elsternwick VIC 3185
Telephone: 03 9524 8000 Facsimile: 03 9524 8099 Email: emef@ozemail.com.au

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Hon. F. Bailey
Minister for Small Business and Tourism
Parliament House
CANBERRA ACT 2600

Dear Minister

Australia Post

In a Government owned Australia Post retail outlet last week I saw first hand how Australia Post is abusing the Act under which they operate. I was there to conduct postal business which I can only conduct at Australia Post. The queue was long with nine people in front of me and four at the counter being served. Of these four, one was getting help on a shredder they purchased from Australia Post, another was asking for help with choosing a printer, another was trying to sort out which ink cartridge to buy and the fourth was buying greeting cards.

While I am certain that you are familiar with the *Australian Postal Corporation Act 1989*, here is what it says about the provision of these "incidental" services:

16 Functions—incidental businesses and activities

(1) The functions of Australia Post include the carrying on, within or outside Australia, of any business or activity that is incidental to:

(a) the supplying of postal services under section 14; or

(b) the carrying on of any business or activity under section 15.

(2) Without limiting subsection (1), the functions of Australia Post include the carrying on, within or outside Australia, of any business or activity that is capable of being conveniently carried on:

(a) by the use of resources that are not immediately required in carrying out Australia Post's principal or subsidiary function;

or

(b) in the course of:

(i) supplying postal services under section 14; or

(ii) carrying on any business or activity under section 15.

Including the four at the counter, there were thirteen customers in front of me. Only one was there to conduct postal service business from what I could see. How can such a barrier to me conducting postal business be considered incidental? This makes a mockery

mockery of the Act. Australia Post and, by association, the Government are abusing the Act to take business from newsagents and other independent retailers.

Enclosed is a copy of the ***Celebrate the Savings*** brochure from Australia Post for your information. This brochure demonstrates further abuse of the Act. Every page of the eight page brochure presents products which used to be the domain of newsagents. Having my own Government competing with me in this way is offensive.

I would like the Government, as the owner of Australia Post, to explain to me how they can claim that the sale of the items listed below is incidental to supplying postal services

- UBD street directory.
- Reflex copy paper.
- Printer ink.
- Printer toner.
- Calendars.
- Post brand calculators (made in China)
- USB sticks.
- Laminator.
- Shredder.
- Post branded stationery (made in China)
- Post brand blank CDs (made in China)
- Post branded CD-R (made in China)
- Diaries.
- Fax rolls.

Government ownership and regulation makes Australia Post stores destination stores. My newsagency does not have this monopoly advantage. Australia Post is abusing this advantage to encroach more and more into space previously the domain of newsagencies, some supermarkets and stationery stores.

I cannot land consumers to my store for the same low cost of Australia Post.

I cannot leverage a national brand like Australia Post to buy competitively.

I cannot control my opening and closing hours.

I cannot get the rent discount of an "essential service".

I do not have a government protected postal service brand with which to leverage the sale of unrelated items.

When farmers talk of the impact of droughts the government steps in with assistance.
When auto makers talk of the impact of cheap imports the government steps in and helps.
When newsagents talk of the impact of Australia Post the government ignores us.

Australia Post is our drought. For many years now it has been draining newsagencies of revenue. Many are close to death.

How many newsagencies need to close as a result of Australia Post competition before we see action?

I call upon you to demonstrate your commitment to small business by supporting an inquiry into the impact on independent small business of government owned Australia Post retail outlets.

I know from past correspondence from the Government that a likely response will be that the majority of outlets are privately owned. I am not as concerned about these outlets. It is the government owned outlets which are doing the damage small businesses like my newsagency.

Jobs are being lost in newsagencies because of the actions of Australia Post. Does anyone care?

Sincerely,

Mark Fletcher
Director
Springfield Consulting Pty Ltd trading as newsXpress Forest Hill