

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates May 2017**

**Communications Portfolio**

**Australia Post**

**Question No: 97**

**Australia Post**

**Hansard Ref: Written, 07/06/2017**

**Topic: Sale of Sydney GPO**

**Senator Urquhart asked:**

On 31 May 2017, the Sydney Morning Herald published quotes from a heritage report commissioned by Australia Post that warned “the sale or alienation of the place is considered to be very undesirable”.

1. Why did Australia Post continue with the sale when warned by the National Trust against selling the GPO?
2. Detail the guarantees Australia Post has sought in the contract of sale that the purchasers will invest in sufficient heritage maintenance works on the Sydney GPO.

Australia Post’s statement of 31 May 2017, in relation to the sale of the Sydney GPO, stated “This transaction will free up valuable capital to invest in our people and in our services to the community, without any impact on the continued operation of and heritage protections covering the Sydney GPO site.”

3. Provide specific details of Australia Post’s proposed investments in “our people” that are made possible as a result of this sale. This information should be provided on a national basis and on a state-by-state basis broken down for each of: management staff, EBA staff, contractors, and licensees.
4. Provide specific details of Australia Post’s proposed investments in “our services to the community” that are made possible as a result of this sale. This information should be provided on a national basis and on a state-by-state basis and include specific details of new services and redesigned services.
5. Will any of the proceeds of this sale be used to facilitate Australia Post’s 2016 purchase of 4.5% of the logistics and transportation company Aramex for \$100 million?

Australia Post’s statement of 31 May 2017 stated “As previously confirmed and reported by The Australian on 4 May 2017, Australia Post plans to sell the Sydney GPO freehold, subject to all relevant approvals. Australia Post has not operated the site since 1997 when it handed over management under the terms of a 99-year leasehold. A substantive part of the Martin Place site where the Westin Hotel operates was previously sold in 1997 and is now owned by the Sino Group.”

6. When did Australia Post decide to put the Sydney GPO freehold up for sale on an individual basis?
7. In which publications (online and print) did Australia Post advertise its intention to sell the Sydney GPO freehold?
8. From which entities did Australia Post seek a bid for the Sydney GPO freehold?
9. How many bids were received (both in total and from different entities) for the sale of the Sydney GPO?
10. If the purchase was a private sale with a bid from only one entity, what advice did Australia Post receive with regards to the value of the property?

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11. In which publications (online and print) did Australia Post announce the successful sale of the Sydney GPO freehold? If no announcement was made, please outline the reasons for keeping such a significant sale private until questioned by the media?
12. As the current Melbourne and Perth GPO retail shops are no longer at the historical sites in Bourke St, Melbourne and Forrest Place, Perth, why is the Sydney GPO retail shop remaining in the building at Martine Place, Sydney?
13. What is the total cost of the lease for the Sydney GPO retail shop?
14. Is there a clause in the lease that allows Australia Post to move the Sydney GPO retail shop to a different site at no cost to Australia Post? If not, why not when the Melbourne and Perth GPO retail shops are no longer at their historic sites?

#### Answer:

1. Australia Post has complied with all applicable regulatory requirements regarding the sale of the Sydney GPO including notifications and consultation. In terms of heritage protection, Australia Post has provided notice of the proposed sale to the Minister for the Environment and Energy as required under section 341ZE of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). This notice is currently under review.
2. The contract for sale of the Sydney GPO will contain a covenant by the purchaser to protect the Commonwealth heritage values of the Sydney GPO in a manner consistent with the Heritage Management Plan, which was commissioned by Australia Post. The Heritage Management Plan has been submitted to the Minister for the Environment and Energy for review and comment as part of notification under section 341ZE of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth). As set out in the Heritage Management Plan, the Sydney GPO is subject to a number of heritage constraints, controls and registrations. These will not be affected by the sale of the Sydney GPO. The statutory constraints include registration on the State Heritage Register and inclusion as a heritage item in the City of Sydney Council Local Environment Plan 2012. The Sydney GPO is also included on a number of registers which are detailed in the Heritage Management Plan.
3. The sale of the Sydney GPO is still subject to Heritage review under section 341ZE of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) and as such the funds generated have not been specifically allocated.
4. The sale of the Sydney GPO is still subject to Heritage review under section 341ZE of the *Environment Protection and Biodiversity Conservation Act 1999* (Cth) and as such the funds generated have not been specifically allocated.
5. The equity investment in Aramex has already been fully funded from existing cash reserves.
6. The sale of the Sydney GPO was approved by the Australia Post Board on 1 May 2017.
7. None.
8. Forty organisations were targeted as part of an expression of interest (EOI) process in relation to the GPO Trust.
9. Of the 40 organisations invited to submit an EOI, 17 requested access to the data room and 11 provided responses apportioning value to each GPO on an individual basis.
10. Not applicable, noting that expressions of interest were received from multiple entities.

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11. An article appeared both online and hard copy in The Australian newspaper on 4 May 2017 advising of the intended sale.
12. The retail presence in the Sydney GPO building allows Australia Post to maintain a well-located presence within the retail footprint of the Sydney CBD.
13. Rental for the Sydney GPO Post shop and ancillary areas is \$1.3 million per annum.
14. The current term of the Sydney GPO retail outlet lease expires on 31 August 2019, providing the ability to relocate if Australia Post decides to not exercise further lease option. The lease includes a number of options which, if taken, provide a presence until 2096.