FY27 - 30

Statement of Corporate Intent

Australia Post

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Introduction

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Australia Post has launched its Post30 Strategy, which aims to expand upon the successes of the Post26 Strategy by introducing initiatives designed to simplify customer experiences and help them win in eCommerce. The Post30 Strategy focuses on preserving Australia Post's status as the top provider of parcels and logistics services in Australia, reinforcing its reputation as the country's preferred delivery company.

Post30 provides a clear path to strengthen Australia Post's role in a fast-changing market, and delivering this ambition will require ongoing reform to ensure the business remains fit for purpose. This includes modernising parts of the operating model, regulatory settings and service framework so Australia Post can balance its community obligations with commercial sustainability. Australia Post will continue to work constructively with Government and other stakeholders to support this transition in a way that serves customers, communities and the broader economy.

Australia Post is a critical enabler of Australia's eCommerce economy. Its network and services underpin the day-to-day trade of Australian businesses—large retailers, and, critically, small and medium enterprises—by connecting customers to goods across metro, regional and remote Australia. Australia Post's ability to compete and succeed in parcels and logistics matters to Australia's productivity, resilience and growth, not just to communities and essential services.

Australia Post has consistently innovated and adapted to meet changing customer needs and market demands, delivering reliable, efficient services and investing in new technologies.

In the past three years, Australia Post has delivered Australia's most popular free business app, offering trusted notifications and automatic parcel tracking, and helping customers avoid fraudulent scams. It has delivered features that enhance the customer experience, such as notification and tracking.

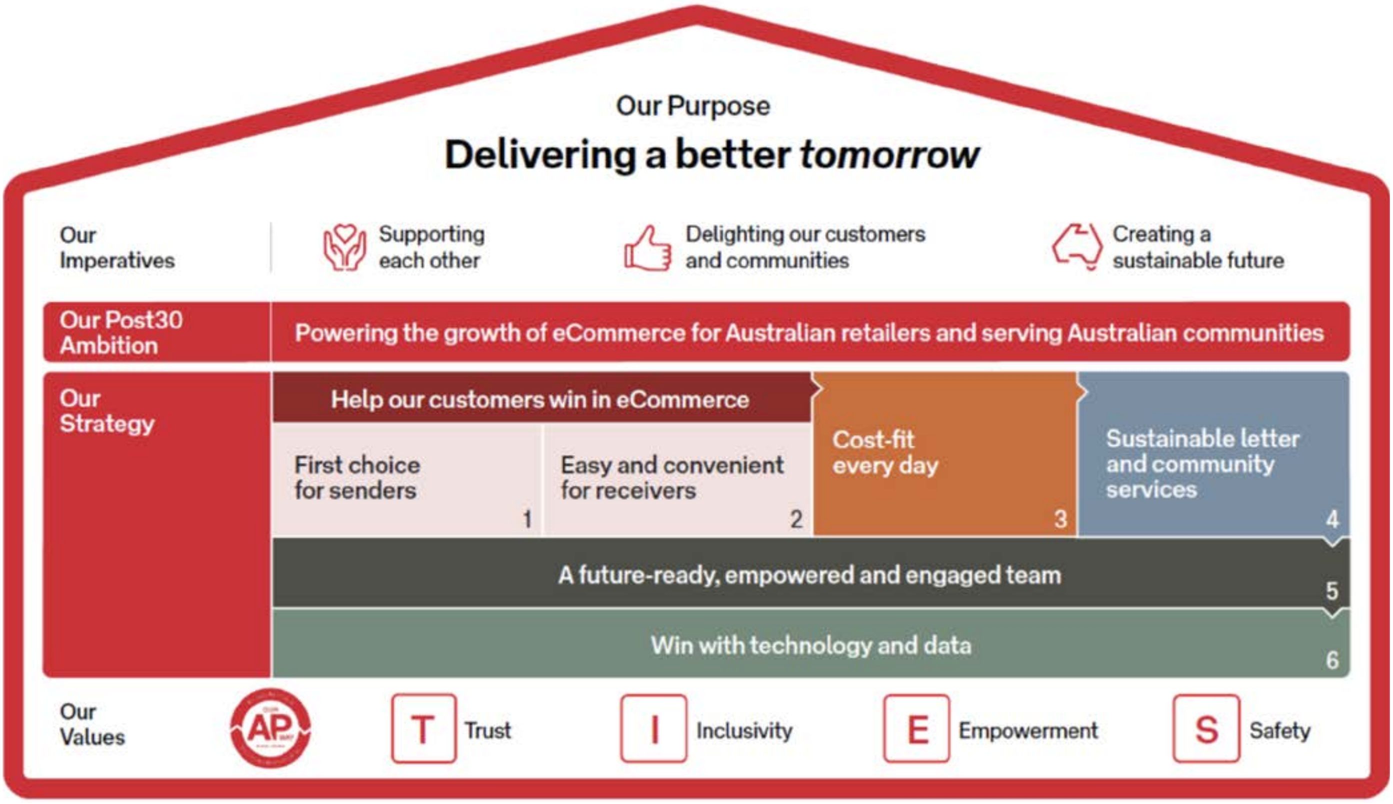
It has delivered record peak parcel volumes, improved its service performance and launched a new Metro product, recognising the demand for faster and more reliable deliveries.

It has expanded its locker network, providing convenient points for senders and receivers to lodge and collect parcels, and enhanced customer experiences at retail outlets through its POST+ point of sale technology.

It has exited from products and businesses misaligned with its strategic direction and introduced new products, such as the very small parcel, in response to market demand, and invested in secure and modern technology.

Australia Post's Post30 Strategy aims to improve products and services for customers, and further modernise its business so it can succeed in a competitive and fast changing environment. It advances the groundwork laid by Post26, with programs of work centred around its six new priorities.

Australia Post's strategic imperatives are enduring: supporting each other, delighting our customers and communities and creating a sustainable future.



Australia Post will retain a strong and thriving parcels business by helping customers to win in eCommerce and by supporting Australian businesses to compete and grow. It will achieve this goal by being the first choice for senders and making it easier and more convenient for receivers.

The transformation of Australia Post's retail outlets will continue, with outlet designs that maintain its commitment to the community to provide services that are easily accessible. And it will continue to enhance the Australia Post app with valued features including easier and more secure parcels tracking.

Technology will be a pivotal component of a modernised Australia Post. This will include being a leader in the adoption of, and insights from, AI applications, a secure IT environment, and delivering new tools and technology.

2

Purpose

The Australian Postal Corporation, trading as Australia Post, is a GBE governed by the *Australian Postal Corporation Act 1989* (APC Act).

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Australia Post's purpose is expressed through the APC Act, which sets both community service and commercial obligations.

More specifically, Australia Post is required to meet its community service obligations by ensuring that the regulated letters service:

- is reasonably accessible to all Australians on an equitable basis;
- operates to performance standards that reasonably meet the needs of the community; and
- is provided at a uniform price for standard letters carried by ordinary post within Australia.

The principal function of Australia Post as per the APC Act is to supply postal services within Australia and between Australia and places outside Australia. While doing this, Australia Post will provide high-quality, efficient services to the community, operate commercially, and achieve a reasonable return on assets.

A Statement of Expectations (**SOE**) which took effect from 1 July 2024, outlines the Australian Government's expectations for Australia Post.

The Government's objectives in relation to Australia Post and a modernised postal service are to:

- retain Australia Post in full public ownership and maintain an equitable letter service that meets the contemporary needs of the Australian people and businesses;
- provide postal services that support Australia's economy, particularly as a critical enabler of the growing eCommerce market;
- maintain retail outlets throughout Australia, in accordance with the current Prescribed Performance Standards (**PPS**), particularly in regional and remote areas of Australia; and
- support a financially sustainable Australia Post and investment in its networks and services to improve national productivity and supply chain resilience and meet changing business and consumer expectations.

Australia Post has considered the SOE in preparing its Statement of Corporate Intent.

In an environment where non-letter products are an ever-increasing part of its network, Australia Post operates to a more expansive purpose of Delivering a Better Tomorrow.

Australia Post delivers letters and parcels to all Australians. It delivers incoming international letters and parcels and offers outbound international services. It offers an extensive range of letter and parcel services, to a range of delivery times.

The PPS require that Australia Post maintain a minimum of 4,000 retail outlets which provide Australia Post products and services. While many of the services offered in Post Offices are subject to digital disruption and substitution, in-person services remain valued by some Australians.

In FY27, Australia Post's activities will be centred around the six priorities in its Post30 Strategy:

1. **First choice for senders -** Making Australia Post the easiest choice for businesses to send with. Removing barriers, simplifying how customers do business with us, innovating with new products and lifting speed and service;
2. **Easy and convenient for receivers -** giving people more visibility, choice and control, and making delivery, collection and returns simpler. It's part of our focus on helping customers win in eCommerce;
3. **Cost fit every day -** simplifying the way we work, removing waste, and using technology to work smarter — so we can reinvest where it matters most and optimise for the future;
4. **Sustainable letter and community services -** modernising and adapting how we deliver essential services as letter volumes decline — while continuing to serve communities across the country;
5. **A future-ready empowered team -** building the skills, tools and ways of working that help team members do their best work — safely, confidently and with pride; and
6. **Win with technology and data -** modernising our platforms and technology, integrating AI and leveraging data to make better decisions and deliver better experiences for our customers, teams and communities.

Australia Post manages an extensive operational asset base (Figure 1), with unrivalled community presence through its retail outlets (Figure 2).

> Team members live Australia Post's values of Trust, Inclusivity, Empowerment, and Safety.

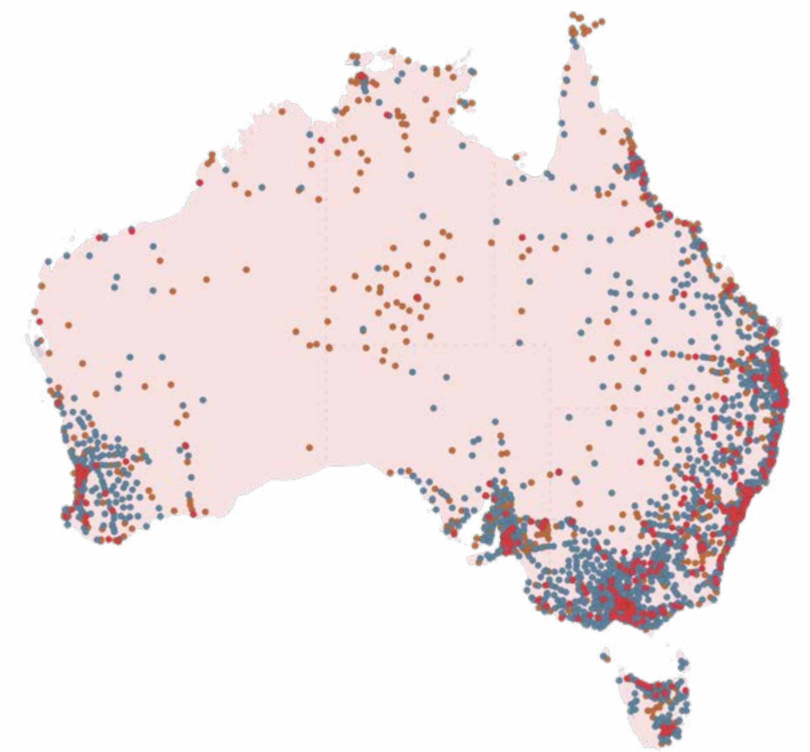
Australia Post's values underpin everything it does. Team members can be trusted to do the right thing; Australia Post is inclusive, respects everyone and team members are empowered to find a way to help customers. The safety and wellbeing of team members is Australia Post's highest priority.

Figure 1. Operational asset base[1]

4,100 Post Offices	**1,510** Parcel Locker banks	**11,632** Street Posting Boxes
4,630 Vans, utes, trucks	**5,611** eDVs, eAMBs	**3,868** Motorcycles
173.6m[2] Physical customer visits	**1,005m** Digital customer visits	**~12.9m** Delivery points

Figure 2. Retail outlets throughout Australia

- **661** Corporate Post Offices
- **2,661** Licensed Post Offices
- **778** Community Postal Agents



1. As at 30 June, 2026
2. Physical customer visits represents the total number of customer visits to Post Offices, using updated methodology for FY26.

3

Environment

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The global landscape is evolving swiftly, with external trends anticipated to substantially influence Australia Post's operating environment.

1. Geopolitical Environment

Geopolitical tensions, particularly in the Middle East, make international shipping and fuel prices unpredictable. These global tensions can lead to higher transport costs and unexpected delays that fall outside of local control.

2. Headline Inflation

As the cost of living rises, it becomes more expensive for the organisation to run vehicles and maintain facilities. Simultaneously, many Australians are tightening their budgets, which can lead to a decrease in online shopping and parcel volumes.

3. Environmental Sustainability

There is a growing customer expectation for Australia Post to reduce its carbon footprint and adopt cleaner energy, with consumers increasingly choosing brands that prioritise sustainability[3]. The SOE further outlines the Government's expectation that Australia Post will implement initiatives to reduce greenhouse gas emissions consistent with the national commitment to Net Zero emissions by 2050.

Australia Post must also manage more frequent extreme weather events, such as floods and fires, which can physically block delivery routes.

4. Labour Market Dynamics

The workforce faces a significant transition as the core business shifts from letter delivery to physically demanding parcel logistics. This change creates a gap between current workforce profiles and the high-stamina requirements of modern delivery roles. Economic factors are also leading to longer employee tenures, which can limit opportunities to bring in new talent and impact the overall speed of operational renewal.

5. AI and Logistics Technology

New technology and AI are changing how parcels are sorted and tracked across the globe. Australia Post must keep up with these trends to provide the digital features that modern customers now expect.

6. Growth in Online Shopping

More Australians are choosing to shop online rather than in person. This shift requires infrastructure to be capable of handling much higher parcel volumes, particularly during busy seasonal peaks like Christmas.

7. eCommerce Competition

New delivery companies and global online marketplaces are entering the Australian market. These competitors often offer fast, low-cost services, meaning the organisation must continue to demonstrate the value of its national reach and local presence.

8. Digital Substitution

Digital substitution has materially reduced demand for letters and continues to do so. Australia Post's reserved letters business has been in terminal decline for 17 years, with ongoing volume erosion as bills, statements, notifications and government communications move online. Growth in digital use is still accelerating: 97.1% of Australians were internet users in early 2025, 99.3% of banking transactions are now digital, and 98% of Australians use communication or social media apps. Together, these trends show that digital channels have become the default for many interactions once served by letters, with substitution still increasing.

3. Australia Post 2026 eCommerce Report

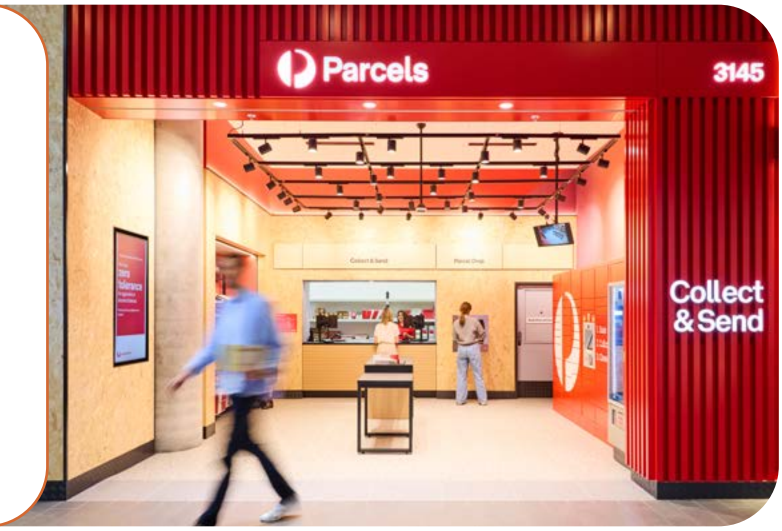
4

Performance

The strategic imperatives of supporting each other, delighting our customers and communities, and creating a sustainable future, will be delivered by activities within Australia Post's six strategic priorities.

Performance

Australia Post's strategic imperatives — supporting each other, delighting our customers and communities, and creating a sustainable future—are put into action through specific activities across its six strategic priorities.



These activities will directly shape the revenue and cost forecasts that form the foundation of Australia Post's future financial performance.

1. Key Revenue Drivers and Expectations

The financial health of Australia Post depends on balancing a decline in traditional mail with a highly competitive parcel delivery market. Revenue forecasts for FY27 are built around two main areas:

- **Letter Volumes and Price Changes:** Ongoing digital substitution continues to reduce letter volumes across the standard mail network. Because maintaining the regulated nationwide delivery mandate requires significant fixed infrastructure, this decline creates higher delivery costs per letter. To help manage these expenses, Australia Post relies on periodic changes to letter prices and updates to delivery timetables to support the financial sustainability of the mail service.
- **Parcel Volumes and Price Changes:** Parcel revenue forecasts depend on broader consumer spending trends, retail business conditions, and the ability of Australia Post to retain market share against domestic and international logistics competitors. To grow this revenue, Australia Post is challenged from intensifying competition constraining its ability to increase prices, thereby compressing margins.

2. Key Expense Drivers and Expectations

Operating a nationwide network involves managing complex supply chains and inflationary pressures. Planned expenses for FY27 focus on four main areas:

- **Delivery-Related Costs and Wages:** Fluctuations in parcel and freight volumes directly influence variable logistics expenses, including heavy transport, linehaul fuel surcharges, and fleet maintenance. Concurrently, employee wages make up a significant portion of total expenses. These costs are guided by enterprise bargaining agreements, market competition for team members, and superannuation changes, requiring ongoing operational efficiency to offset rising expenses. Increased rates of inflation place upward pressure on Australia Post's labour costs and payments to its Licensed Post Office (**LPO**) and Delivery contractor team members.
- **LPOs and Delivery Contractors:** The retail footprint of Australia Post relies heavily on the LPO network. Planned spending includes the fees and commissions paid to these partners to ensure the commercial viability of community outlets. For final-mile logistics, Australia Post utilises an independent contractor network to handle a large share of parcel drop-offs, with expenditure driven by contractor service rates, route optimisation, and fuel indexation.
- **Technology Spending:** Operating technology expenses include subscription fees for software-as-a-service platforms, cloud data storage, and electronic tracking networks. These systems run automated parcel sorting machines, power customer-facing digital applications, and maintain core enterprise websites.

Australia Post has a joint venture and subsidiaries, which provide services that serve the community and build a sustainable future.

Australia Post maintains key subsidiary companies, Australia Post Global, which provide cross-border logistic services to the global eCommerce marketplaces, and Rendr, a technology company that provides a last mile delivery orchestration platform.

5

Operating Context

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Australia Post realises its purpose of Delivering a Better Tomorrow for its customers and communities by providing products and services that are aligned to customers' needs through an unrivalled network of physical and digital channels.

Figure 3. Operating context[4]

We adapt with the changing **external landscape:**

- **Slowdown in domestic economy**
- **Growth in digital and technology**
- **Ongoing globalisation**
- **Population growth and changing demographics**

To provide ongoing support for our **customers** and the **community**

Community

Consumer

Business

Government

We offer valued **products** and **services**

517.0m Domestic parcels	**1,096.6m** Addressed letters	**62.4m** International articles

Products and services are accessible through our **unrivalled network**

~12.9m Delivery Points	**~14.1k** Vehicles	**1,510** Parcel Locker banks

4,100
Retail Outlets
Incl. 2.5k+ in non- major city Australia

64k+ people comprising of direct employees (53%), and an extended workforce of Licensees and contractors (47%)

We are enabled by **people** with genuine care for customers and each other

49% Delivery	**14%** Retail	**23%** Facility/Operational	**14%** Corporate, Contact Centre

4. As at 30 June, 2026

Capability

Australia Post continuously delivers capability upgrades throughout its business to meet customers' changing expectations. These include:

- investing in team members and their safety;
- adding critical network capacity and capabilities to meet evolving customer expectations;
- transforming the end-to-end sender and receiver parcel experience following the principles of reliability, choice and simplicity;
- simplifying and enhancing the product portfolio;
- providing seamless digital and data experiences; and
- strengthening sales capability to provide customers improved experiences.

Risk oversight and management

The Group is led by its purpose, "delivering a better tomorrow," and its Post30 ambition "powering the growth of eCommerce for Australian retailers and serving Australian communities." Achieving this requires effective risk management across the Group. The Board provides oversight of risk management, supported by the Audit and Risk Committee. Management is accountable for identifying, assessing and managing risks in line with the Group Risk Management Framework, with regular reporting to the Board and its Committees.

Risk management is embedded in strategic planning, investment decision-making, and day-to-day operations. The Group operates a three lines of defense model, under which: management owns and manages risks; oversight functions provide advice, challenge and support; and the third line delivers independent assurance. This approach supports the effective management of material risks while enabling business modernisation, continued delivery of essential services, and responsiveness to evolving customer and community expectations.

Who Australia Post works with

Australia Post engages with a broad range of parties including:

- **Community:** particularly groups with special needs, and the socially disadvantaged and isolated;
- **Customers:** enabling online shopping and services for consumers, supporting businesses to grow in eCommerce (in Australia and internationally), providing access to government and corporate services (both online and through retail outlets), and connecting international customers with Australia and the world;
- **Team members:** comprises directly employed team members, and partnerships with licensees and contractors, who manage a large component of the delivery and Post Office networks;
- **Partners:** network of suppliers, industry and strategic partnerships; and
- **Government as Shareholder:** The Minister for Communications and the Minister for Finance, and their respective Departments.

Australia Post's external Stakeholder Council reviews and gives feedback on issues including corporate responsibility, stakeholder relations and social and environmental sustainability. The purpose of the Council is to:

- improve communication with Australia Post's external stakeholders;
- improve external stakeholder understanding of Australia Post's business and its portfolio of products and services;
- improve Australia Post's understanding of stakeholder needs and expectations;
- enhance Australia Post service and product initiatives through review and feedback; and
- contribute, review and provide feedback on major Australia Post corporate responsibility initiatives.

Australia Post maintains a Customer Advisory Group (**CAG**) as a forum where major customers discuss market trends for different industries. The CAG provides an opportunity Australia Post and major customers to network and discuss how Australia Post can help grow a customer's business.

6

Performance Standards

Australia Post is required to meet PPS that align to its community service obligations. These relate to frequency, speed and accuracy of letter delivery, and the availability or accessibility of retail outlets or mail lodgement points.

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Central to Australia Post's legislative mandate are its Community Service Obligations (**CSOs**), which ensure the accessibility, equity and uniform pricing of standard letter services across Australia. The organisation remains resolutely committed to delivering on its CSOs.

The following PPS are aligned to Australia Post's CSOs.

Lodgement points

At least 4,000 offices (retail outlets) and 10,000 street posting boxes will be maintained.

At least 2,500 retail outlets in operation that are not in major cities.

Retail outlets will be located so that:

- at least 90% of residences in major cities are located within 2.5 kilometres of a retail outlet; and
- at least 85% of residences not in major cities are located within 7.5 kilometres of a retail outlet.

Delivery timetable

For regular letters posted by the latest advertised posting times:

Address of Letter	Regular
Delivery within a State	
Metro to metro	Four business days
Same/adjacent country to country	Four business days
All else	Five business days
Delivery between States	
Metro to metro	Six business days
Country to metro	Seven business days
Metro to country	Seven business days
Between country areas	Eight business days

Delivery frequency

Australia Post must service:

At least every second day (disregarding a Saturday, a Sunday or a public holiday in the place where the delivery point is located)

98% **of all delivery points; and**

At least two days each week **99.7%** **of all delivery points.**

Accuracy and speed of delivery

At least 94% of reserved services letters carried by Australia Post must be delivered in accordance with the delivery timetable.

Australia Post's performance against these standards is externally assessed and the results are published annually in its Annual Report.

Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as a team. We recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

Australia Post