



2024/25 – 2027/28

Statement of Corporate Intent

Australia Post

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1

Introduction

This Statement is prepared in accordance with paragraph 35(1)(b) of the *Public Governance, Performance and Accountability Act 2013*, for the reporting period 1 July 2024 to 30 June 2025. It covers the four-year period 2024/25–2027/28.

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Australia Post is proud to provide services that have delivered for Australian communities for 215 years and will continue to do so.

In April 2024, the Prescribed Performance Standards relating to Australia Post’s letters service were changed, enabling Australia Post to deliver regular letters every second day and have one extra day to deliver them.

This change has enabled Australia Post to focus on what Australians want most: faster and more reliable parcel deliveries with enhanced tracking technology and more delivery options.

As letter volumes continue to decline, Australia Post will need to evolve its method of delivering letters in line with changing use of the mail system, while continuing to meet the needs of sending customers and consumers.

Over the next 12 months Australia Post will be focusing on delivering excellent and innovative customer service, improving the efficiency and sustainability of its parcel deliveries, and bedding down changes to letters delivery. It will continue to refine and optimise the shape of its retail network introducing new formats that meet its customers’ evolving needs.

Australia Post’s commitment to its customers is matched only by its responsibility to team members. It promotes workforce diversity through many programs and action plans, including an annual workplan for LBTQIA+ inclusion, executing on its Reconciliation Action Plan and maintaining mental health partnerships with Beyond Blue, RUOK and the Healthy Heads in Trucks & Sheds.

It continues to build its female talent pipeline through programs that build capability and contribute to increasing female leadership across the enterprise.

Australia Post’s Post26 Strategy guides decisions on the networks, skills, customer-experience and technology that will be necessary for Australia Post to play its future role in Australian communities. With ongoing support to modernise its business, Australia Post will continue to make a positive contribution to Australian communities, now and in the future.



1 Introduction

The three strategic imperatives at the heart of the Post26 strategy remain unchanged:

- Supporting each other;
- Delighting our customers and communities; and
- Creating a sustainable future.

In FY25, priorities within the Post26 strategy include initiatives in all business areas

In FY25 strategic priorities will be focused on supporting its team members and delighting its customers. It will be:

- keeping team members safe, physically and psychologically. This will remain Australia Post's number one priority and will be aided by the launch of its new safety culture program 'Be a Friend';
- executing its current modernisation opportunity flawlessly, maximising the opportunity provided by the Government's first phase modernisation announcement;
- setting a clear plan of action for technology use, including the effective use of data and AI and building a technology architecture that can deliver its customer value proposition as well as drive internal efficiencies;

- driving simplification through all areas of its business to eliminate any unnecessary or duplicated processes; and
- continuing to create an environment that develops the best talent from within its business, and where needed, attracts team members externally, particularly in the Enterprise Services areas of AI, cyber security and big data.

The key foundation of all Australia Post's initiatives will be continuing to improve the customer experience across all aspects of its business and in all product and commercial undertakings.

The importance of a financially sustainable Australia Post to ensure it continues to meet the needs of Australian communities cannot be overstated.

Australia Post plays a critical role in the lives of all Australians. It is a key enabler of the economy and a touchstone for communities, particularly in regional, rural, and remote areas. Australia Post connects people kept apart by distance, provides support for businesses (especially small to medium enterprises) and access to important financial, identity and government services for customers. In FY24, Australia Post delivered 2.3 billion items around the country and carried out over 202 million customer transactions across 4,198 Post Offices.

As a self-funded Government Business Enterprise, Australia Post remains focused on strengthening its business so it can continue delivering and delighting customers and the community and adapting to meet the challenges it faces.





2 Purpose

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

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, and operate commercially and achieve a reasonable return on assets.

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.**

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

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 Prescribed Performance Standards 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 FY25 Australia Post's activities will be centred around the six priorities in its Post26 strategy:

1. **Winning in eCommerce Delivery Services:** Improving the customer experience for both senders and receivers, and ensuring that its operational network provides the reliability and features that meet customer expectations;
2. **Reimagining the Post Office network:** Continuing to redesign its retail network, introducing new formats that are aligned to customers changing needs;
3. **Creating market leading digital and data experiences:** Utilising a business led architecture to drive market leading digital experiences for customers;
4. **Building a sustainable letter business:** Implementing the initial phase of changes to its letter business;
5. **Simplifying our products and services:** Simplifying its portfolio of products and services to deliver a consistent, seamless customer and brand experience; and
6. **Uplifting culture and leadership; simplify operations and systems:** Simplifying and modernising its technology environment, ensuring lean operational and support functions, and ensuring that a cost-efficient operating model meets customers' future needs.

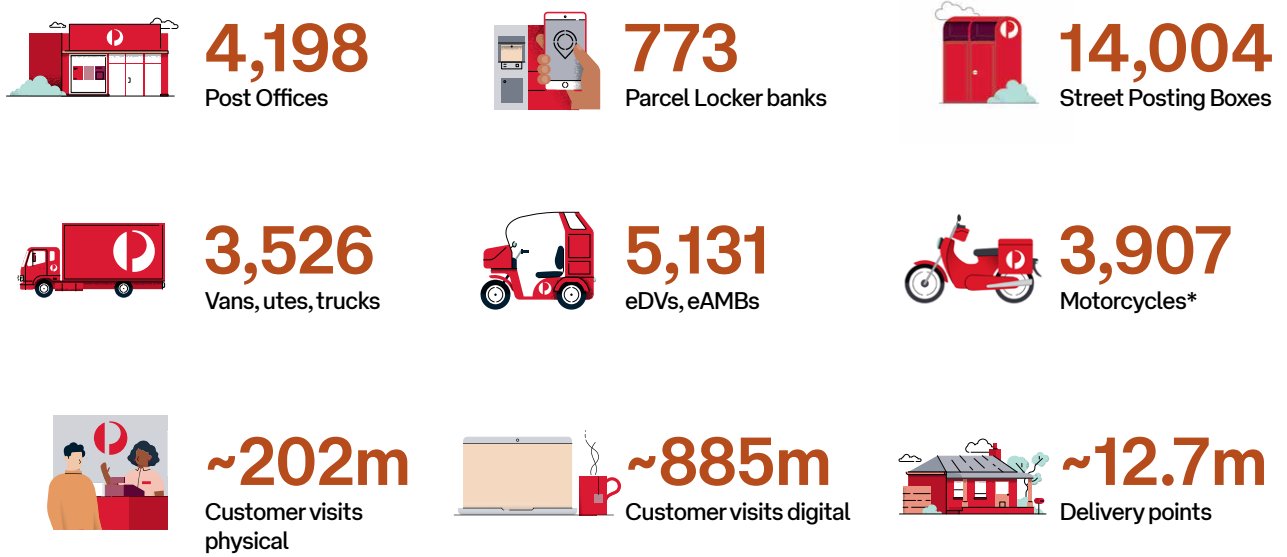
Australia Post manages an extensive operational asset base (Figure 1), and unrivalled community presence through the Post Office network (Figure 2).

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

Australia Post's values underpin everything it does and are the ties that bind it. 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, and it has transitioned from an organisation where safety is a necessity, to one where safety is a value.

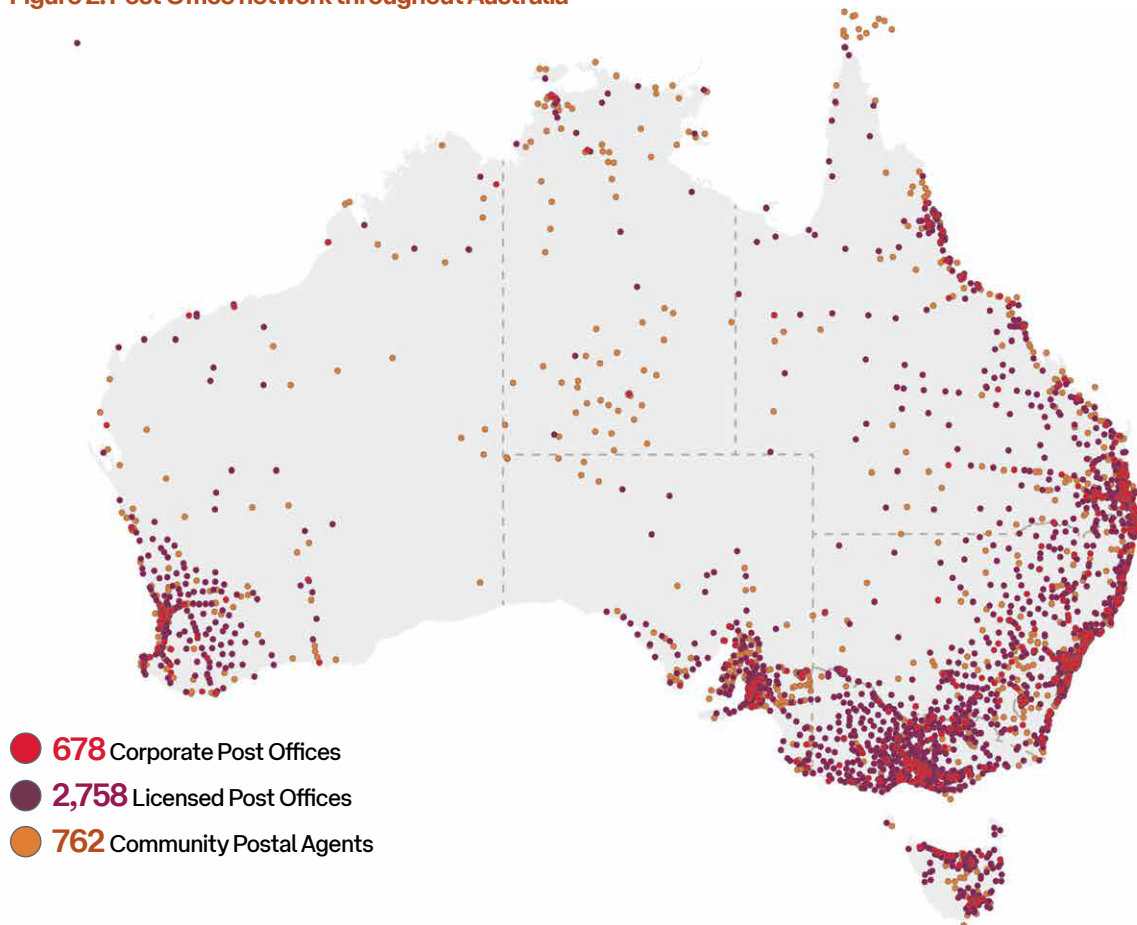
2 Purpose

Figure 1. Operational asset base²



*In service motorcycles

Figure 2. Post Office network throughout Australia³



2. Australia Post network and transport fleet figures are as at 30 June 2024.

3. ArcGIS mapping as at 30 June 2024



3

Environment

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In FY24, 83% of revenue was generated in competitive non-regulated markets, that are impacted directly by the external operating environment.

The world continues to rapidly change with macro forces expected to have significant impacts on Australia Post's operating environment:

1. Technology advancement and adoption

Emerging technologies such as AI, data management and analytics, robotics and automation will transform and enhance global logistics and eCommerce markets. eCommerce growth, driven by new entrants and changing customer behaviour is driving technology advancement and adoption which will impact Australia Post.

2. Environment and sustainability

Environmentally sustainable resources are reshaping politics and trade, driving consumer choices towards environmentally friendly practices. The financial and environmental impacts on Australia Post are considerable as it continues to prioritise the safety of its team members. Continuing the rollout of electric delivery vehicles will be a significant component of Australia Post's environment and sustainability commitment.

3. Inflation and economic pressures

While there are encouraging signs that inflation is moderating, the economic outlook remains uncertain. Household consumption growth remains weak amid high inflation and increased interest rates. After recent declines, real incomes have stabilised and are expected to grow from here, which is expected to support growth in consumption later in the year.

4. Cyber security change

There is an increased focus on cyber security regulation in Australia and globally after recent major cyber-attacks.

Supply chain attacks have increased in prevalence and are becoming more sophisticated, with the use of AI and machine learning creating serious data breaches. Australia Post safeguards against this through its maintenance of the Essential Eight mitigation strategies.

Other operating trends

Alongside the macro forces, several retail industry trends will be providing opportunities and challenges for Australia Post during the planning period:

1. Retailing trends

Growth in retail spend decelerated in 2023, with year-on-year growth dropping from an exceptional 9.3% to a modest 2.0%, below the pre-COVID average.

The demand for sustainable goods and services is on the rise, with many consumers preferring to make purchases from environmentally friendly and socially conscious brands.

2. eCommerce market

From a rate of around 5% a decade ago and following dramatic acceleration over 2020 and 2021 due to COVID lockdowns, Australia's online penetration rate has stabilised at 16.8%⁴ in 2023.

3. Logistics trends

Technology advancements in robotics, AI and data analytics are driving enhancements in logistics. Competitors are constructing giant automated warehouses in Australia and overseas.

Logistics companies are utilising partnerships to expand their delivery networks more easily.



4. Retail Trade Australia, online retail turnover Australia by type of activity percentage of total Australian retail turnover, ABS, 2023



4 Performance

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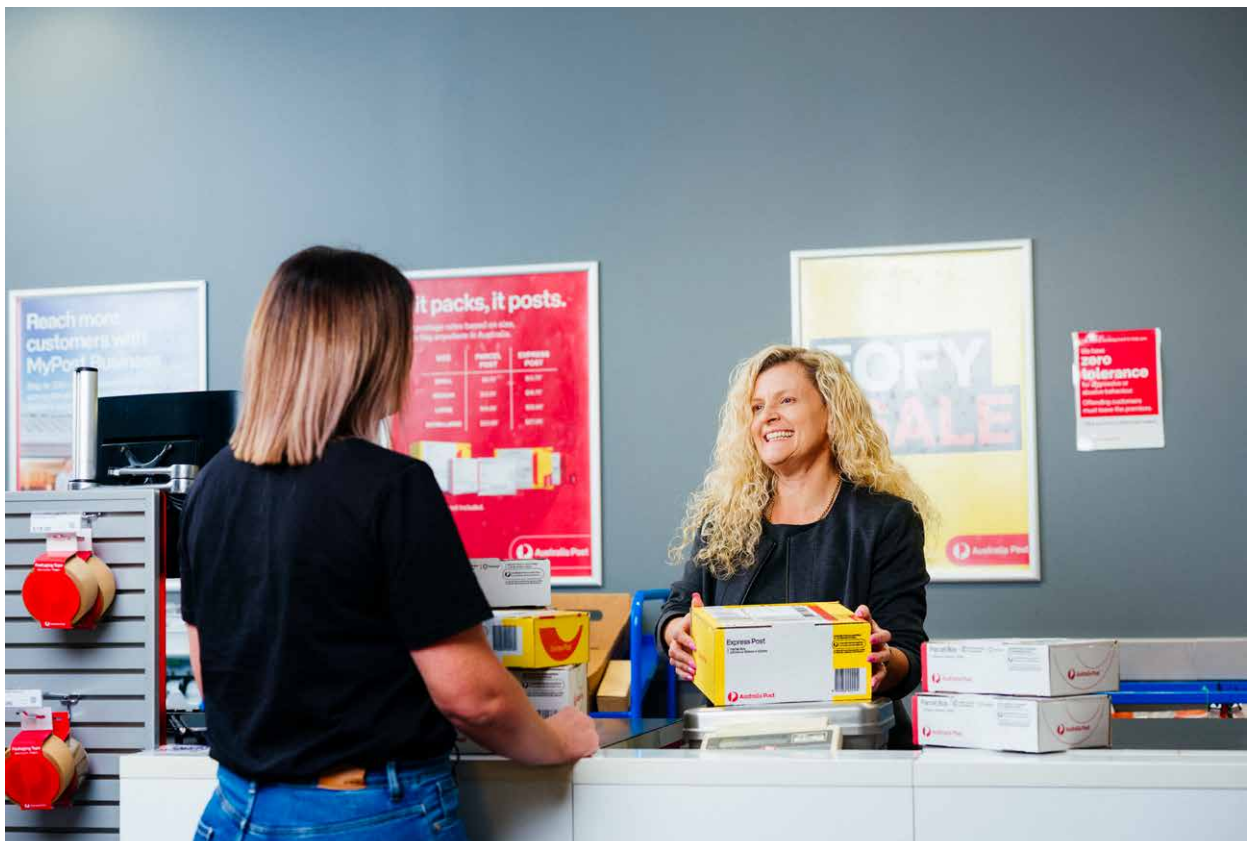
Key expenditure assumptions include volume related costs, internal wage movements, forecast expenditure to the Licensed Post Office network, and forecast superannuation expenditure. Key capital costs include investments in the delivery and retail network and in technology uplift.

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

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

A key subsidiary is Australia Post Global, which provides cross-border logistic services to the global eCommerce marketplaces.

Australia Post maintains a joint venture company with China Post, Sai Cheng Logistics International Company Ltd (Sai Cheng). Sai Cheng provides an integrated supply chain solution and cross-border eCommerce logistics capabilities.





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Operating Context

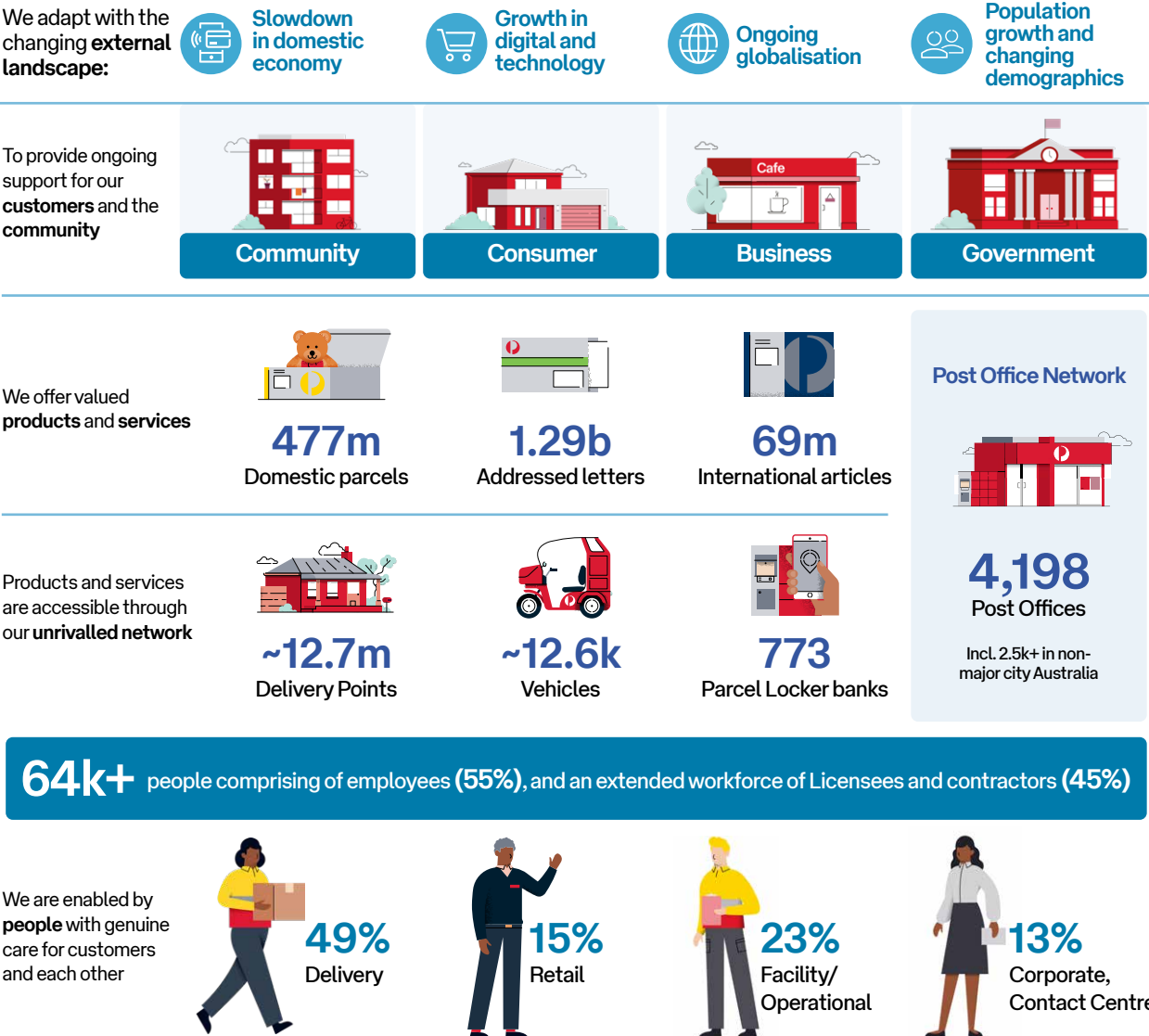
Australia Post operates in an Australia-wide and global environment.

Operating Context

Australia Post operates in an Australia-wide and global environment. It offers a range of products and services to all Australians, accessed through both physical and digital channels, as depicted in Figure 3.

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 context⁵



5. As at 30 June 2024.

Capability

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

- adding critical network capacity and capabilities to meet evolving customer expectations;
- creating a leading-edge marketplace that connects Australians with the world;
- providing seamless digital and data experiences;
- simplifying and enhancing the product portfolio to grow revenue;
- strengthening sales capability to provide customers improved experiences; and
- investing in team members and their safety.

Risk oversight and management

Australia Post supports a culture of proactive risk management by ensuring that all business areas are accountable for identifying, managing and mitigating the risks associated with their activities and strategic objectives. All team members are also responsible for managing risks and complying with the regulatory obligations, policies and procedures associated with their roles.

Australia Post's Group Risk Appetite Statement describes the levels of risk that it is willing, and in some instances, encouraged to take for different risk categories.

Australia Post's predominant risks remain the safety and wellbeing of its team members and meeting the challenges of maintaining profitability with the decreasing volumes from its regulated services.

Additional key risks include an increasingly competitive environment, rapidly evolving workforce and industrial relations environment, cyber security, including unauthorised access, manipulation or disclosure of business critical or sensitive information by internal or external parties, and the risk of operational and technology interruptions impacting critical business services and operations. Mitigation strategies and actions are in place to manage these risks.

The Group Risk Management Framework describes the core components of its risk management strategies, governance and processes in place to support the business effectively and efficiently manage risks, including team member roles and responsibilities.

Who Australia Post co-operates 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 the Post Office), 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;
- **Shareholder:** The Minister for Communications and the Minister for Finance, and their respective Departments; and
- **Government:** which is both a customer and regulator.

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 has established the 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 Prescribed Performance Standards that align to its community service obligations.

Performance Standards

Australia Post is required to meet Prescribed Performance Standards 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.

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 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 will be delivered by the advertised delivery times.





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.

