



Statement of Corporate Intent Australia Post

2025/26 – 2028/29



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Introduction

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Australia Post is proud to provide services that have delivered for Australian communities for 216 years and will continue to do so.

In April 2024, the Prescribed Performance Standards (PPS) 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. The 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. Australia Post is also navigating a highly competitive parcels market.

Over the next 12 months, Australia Post will continue to implement key programs within its Post26 Strategy. This involves offering the best customer experience to its customers based on reliability, simplicity and choice, and enhancing delivery performance. It will continue to modernise the business and strengthen its technology capability with features that benefit customers and make life easier for team members. Australia Post will continue to invest in a future operational network that can continue to meet evolving customer expectations, now and into the future.

A modernised, future-focused Australia Post will provide:

- a superior online shopping experience through reliable, fair and inclusive parcel delivery – servicing every part of the country, including regional and remote areas;
- a national network of parcel-focused retail outlets, offering convenient access aligned to the growing needs of eCommerce customers and businesses;
- support to help small and medium-sized businesses (SMBs) succeed;
- a diverse, inclusive workplace that promotes opportunity and equity for all Australians; and
- an environmentally responsible organisation – targeting net zero emissions by 2050.

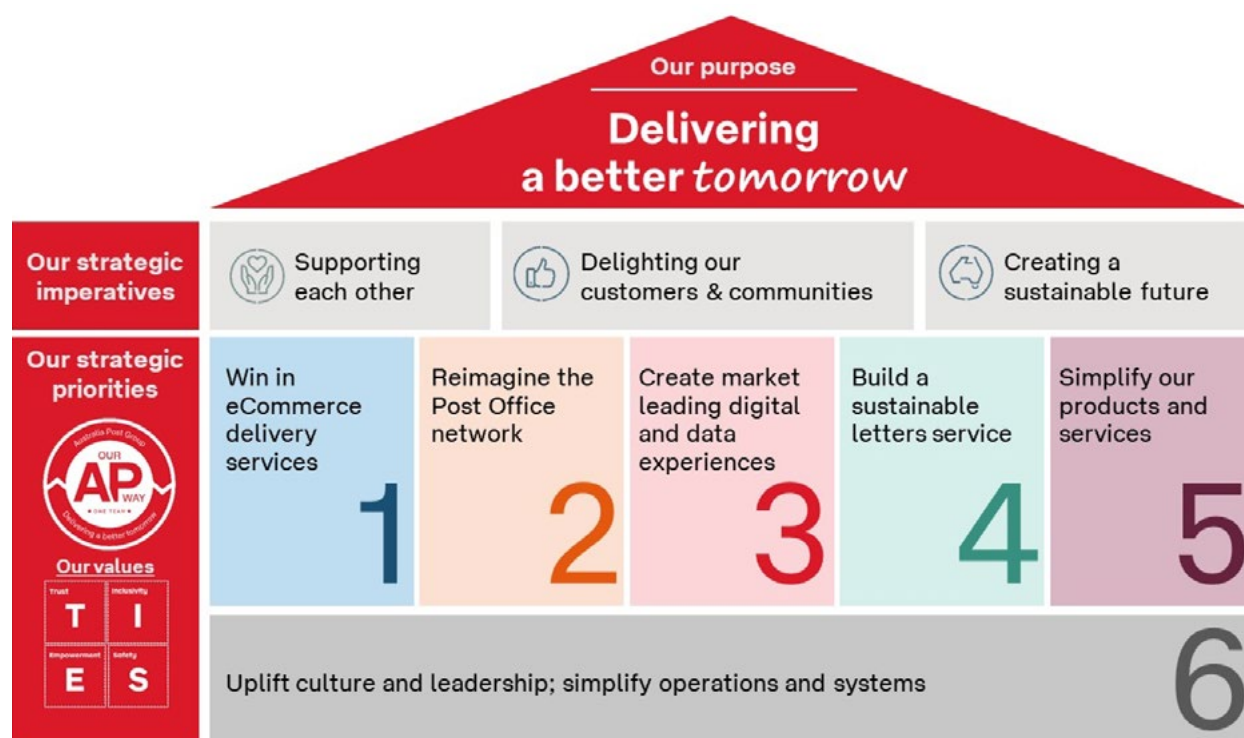


Australia Post will continue to create social impact through its community partnerships and programs in mental health, disaster support, indigenous literacy, and the environment.

Australia Post's commitment to its customers is matched by its responsibility to team members. Its primary focus is the safety of all team members, with an increased vigilance on reducing manual handling injuries, improving road safety, and minimising dog attacks. Australia Post will progress a culture

transformation program supporting its values-driven, high-performance culture. It will deliver a future fit organisation that promotes workforce diversity through many programs and action plans, including an annual workplan for LGBTQIA+ inclusion, executing on its Reconciliation Action Plan and maintaining mental health partnerships with organisations including Beyond Blue and RUOK? and Healthy Heads in Trucks & Sheds.

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 deliver a social contribution to Australian communities, now and in the future.



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 FY26, priorities within the Post26 strategy include initiatives in all business areas.

Australia Post is approaching the final year of implementing its Post26 Strategy, with this latest Statement of Corporate Intent the last to be developed under the current strategic framework. A revised Post30 Strategy will be introduced in FY26.

In FY26, Australia Post's 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;
- executing its current modernisation opportunity flawlessly, maximising the opportunity provided by the Government's modernisation announcement;
- continuing to evolve Australia Post's customer value proposition of reliability, simplicity and choice;
- connecting and digitising the customer experience, improving business performance using data and AI, increasing resilience and security, and providing the right technology architecture;
- investing in increased capacity, cost efficiencies and accelerating deliveries; and
- continuing to create an environment that develops the best talent from within its business, and embeds enterprise capabilities across leaders and team members.

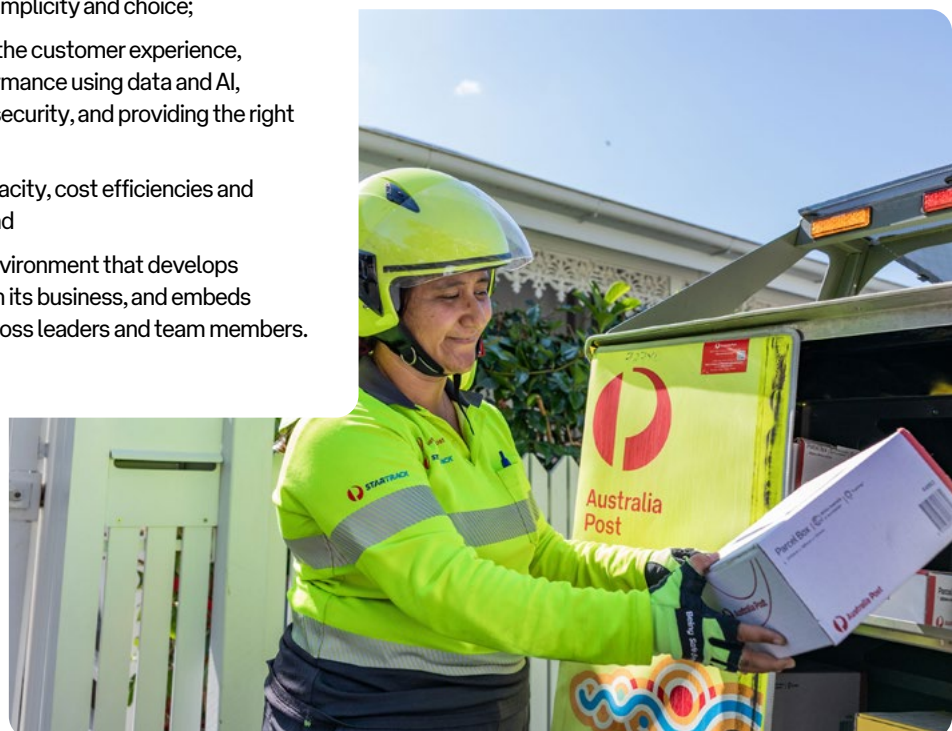
The key foundation of all Australia Post's initiatives will be continuing to improve the customer experience across all aspects of its business and in all product and commercial undertakings.

Australia Post's unique position at the intersection of community service and national infrastructure makes financial resilience vital to maintaining its broad public value.

A financially sustainable Australia Post is essential to meeting Australians' needs – now and into the future.

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 FY25, Australia Post delivered more than 2.1 billion items around the country across 1,595 major city and 2,523 non-major city Post Offices.

As a self-funded Government Business Enterprise (GBE), 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.





Purpose

In 1989, when Australia Post became corporatised, its purpose was expressed through the *Australian Postal Corporation Act 1989* that set both Community Service Obligations (CSOs) and commercial obligations.

Purpose

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

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

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 Letters 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 PPS, particularly in regional and remote areas of Australia; and
- support a financially sustainable Australia Post, investment in its networks and services to improve national productivity, supply chain resilience, and meet changing business and consumer expectations.

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.

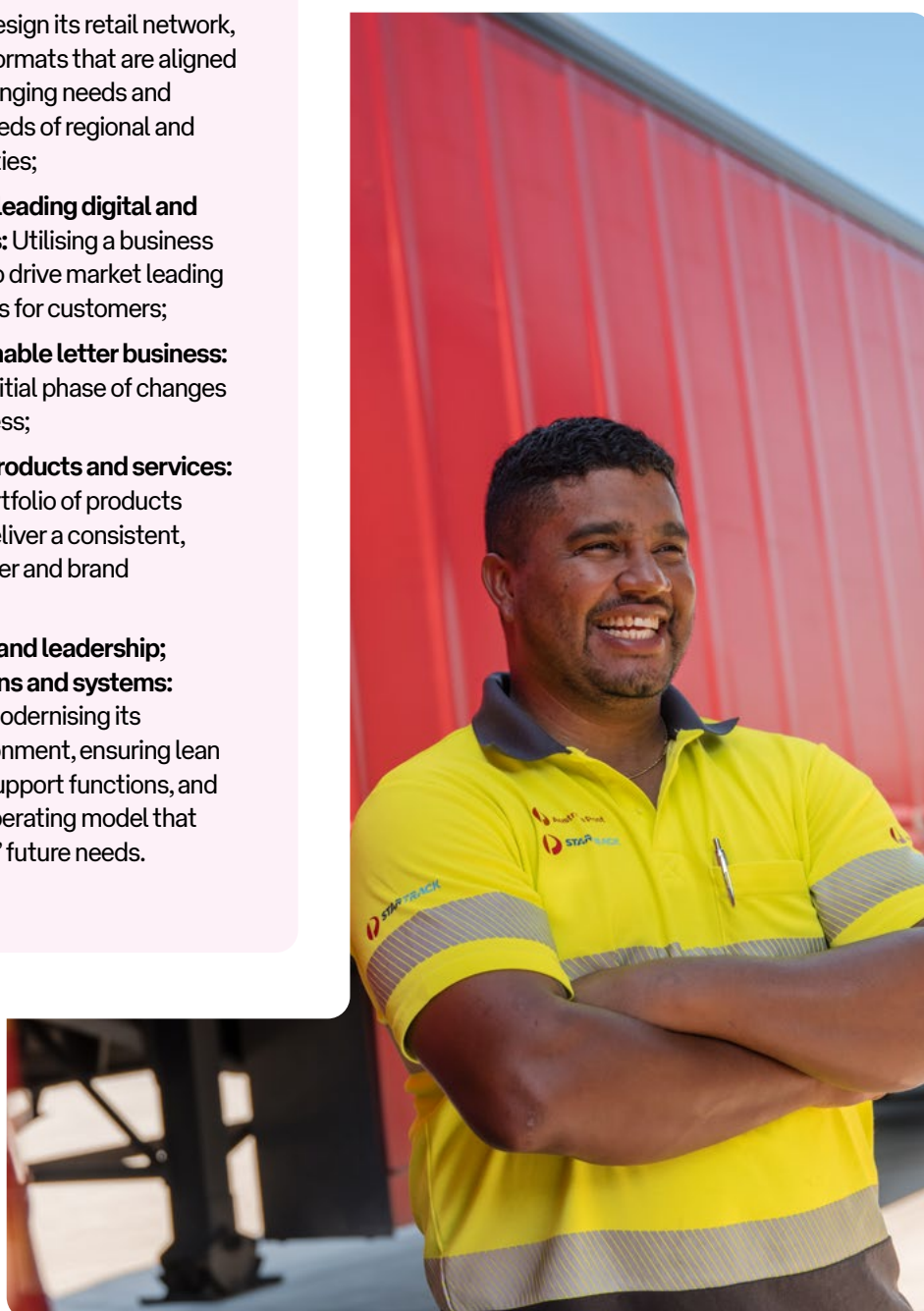
The PPS require that Australia Post maintain a minimum of 4,000 retail outlets, which provide Australia Post products and services. While many of the services offered in Post Offices are subject to digital disruption and substitution, in-person services remain valued by some Australians.

In FY26, Australia Post's activities will be centred around the six priorities of its Post26 Strategy

- 1. Winning in eCommerce Delivery Services:** Improving the customer experience for both senders and receivers, and ensuring that its operational networks provide 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 and supporting the needs of regional and remote communities;
- 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:** Completing 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 a cost-efficient operating model that meets customers' future needs.

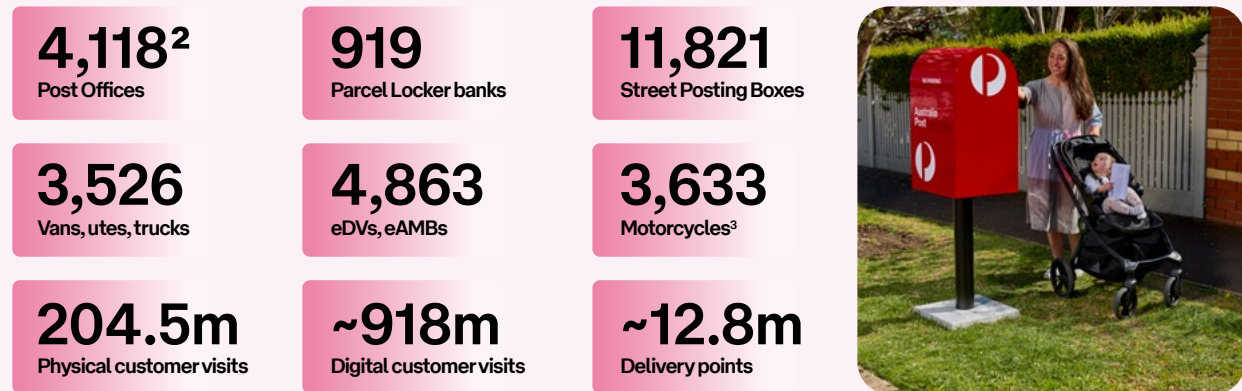
Team members live Australia Post's values of Trust, Inclusivity, Empowerment, and Safety.

Australia Post's values underpin everything it does. The safety and wellbeing of team members is Australia Post's highest priority. 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.



Australia Post manages an extensive operational asset base (Figure 1), with unrivalled community presence through the Post Office network (Figure 2), to meet its purpose and deliver its Post26 Strategy.

Figure 1. Operational asset base¹



1. Australia Post network and transport fleet figures are at 30 June 2025.

2. ArcGIS mapping as at 30 June 2025.

3. In service motorcycles.



Environment

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In FY25,

82.9%

of revenue⁴ was generated in competitive non-regulated markets, that are impacted directly by the external operating environment.



The world continues to rapidly change, with external trends expected to have significant impacts on Australia Post's operating environment:

1. Technology advancement and adoption

AI is accelerating business changes, boosting productivity and analytics, reshaping jobs, and enhancing data use. Customers increasingly expect seamless, 24/7 convenience due to continuous digital advancements.

Increased digital communication continues to reduce letter volumes, and this trend will persist.

2. Environment and sustainability

Governments and businesses are investing in infrastructure and operations that are resistant to climate conditions due to the increasing frequency of extreme weather events.

Global standardisation of sustainability reporting is leading to increased scrutiny of corporate environmental claims, while governments are enhancing oversight of Environmental, Social, and Governance (ESG) practices.

Circular solutions for sustainable resource management are increasingly common, with businesses adopting circular models due to economic and environmental advantages.

3. Inflation and economic pressures

Inflationary pressures have continued to ease, and both headline and underlying inflation are forecast to be within the Reserve Bank of Australia's 2–3% target range.

Labour market conditions have been steady. The unemployment rate has remained around its current level of 4.1% and employment growth has remained firm, however the increase in household consumption seems to be softer than previously expected.

The global economic outlook has worsened following the introduction of higher tariffs by the United States Government and a significant increase in uncertainty related to trade policies. This is expected to weigh on Australia's domestic activity and inflation.

4. At June 2025

4. Cyber security change

Cyber-attacks are becoming more frequent and sophisticated, with the human and financial impact of attacks rising alongside the increasing digitisation of infrastructure and supply chains. Australia Post is also impacted by a new wave of scam messages and emails impersonating Australia Post.

Australia Post safeguards against cyber threats through its maintenance of the Essential Eight mitigation strategies⁵.

5. Geopolitical uncertainty

Ongoing geopolitical challenges and tensions, such as strategic and trade competition between major powers, regional conflicts, and slowing economic growth, are contributing to an uncertain geopolitical environment.

6. Shifting workforce landscape

The workforce composition is changing, with ageing workers (especially Baby Boomers) transitioning to retirement and younger workers (particularly Gen Z) entering the workforce.

The nature of work is evolving due to automation and new technology, which necessitates new skills and job designs.

7. eCommerce Market

Alongside the external trends, Australia Post will be directly impacted by online shopping trends during the planning period, which impact its parcel volumes.

2024 broke previous eCommerce records, with 9.8 million households spending more than \$69 billion online⁶.



5. Essential Eight | Cyber.gov.au

6. Australia Post 2025 Online Shopping Report



Performance

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These activities will lead to fundamental revenue and cost planning assumptions that underpin Australia Post's FY26 budget.

Key revenue assumptions include letter volume declines and price movements, and parcel volume and price movements.

Key expenditure assumptions include volume related costs, internal wage movements, forecast expenditure to the Licensed Post Office (LPO) network and to the delivery contractor network, and movements in technology spend.

Key capital costs include investments in the delivery and retail network and in technology uplift.

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

Subsidiary AP Global Holdings Pty Ltd provides cross-border logistic services to the global eCommerce marketplaces.





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.

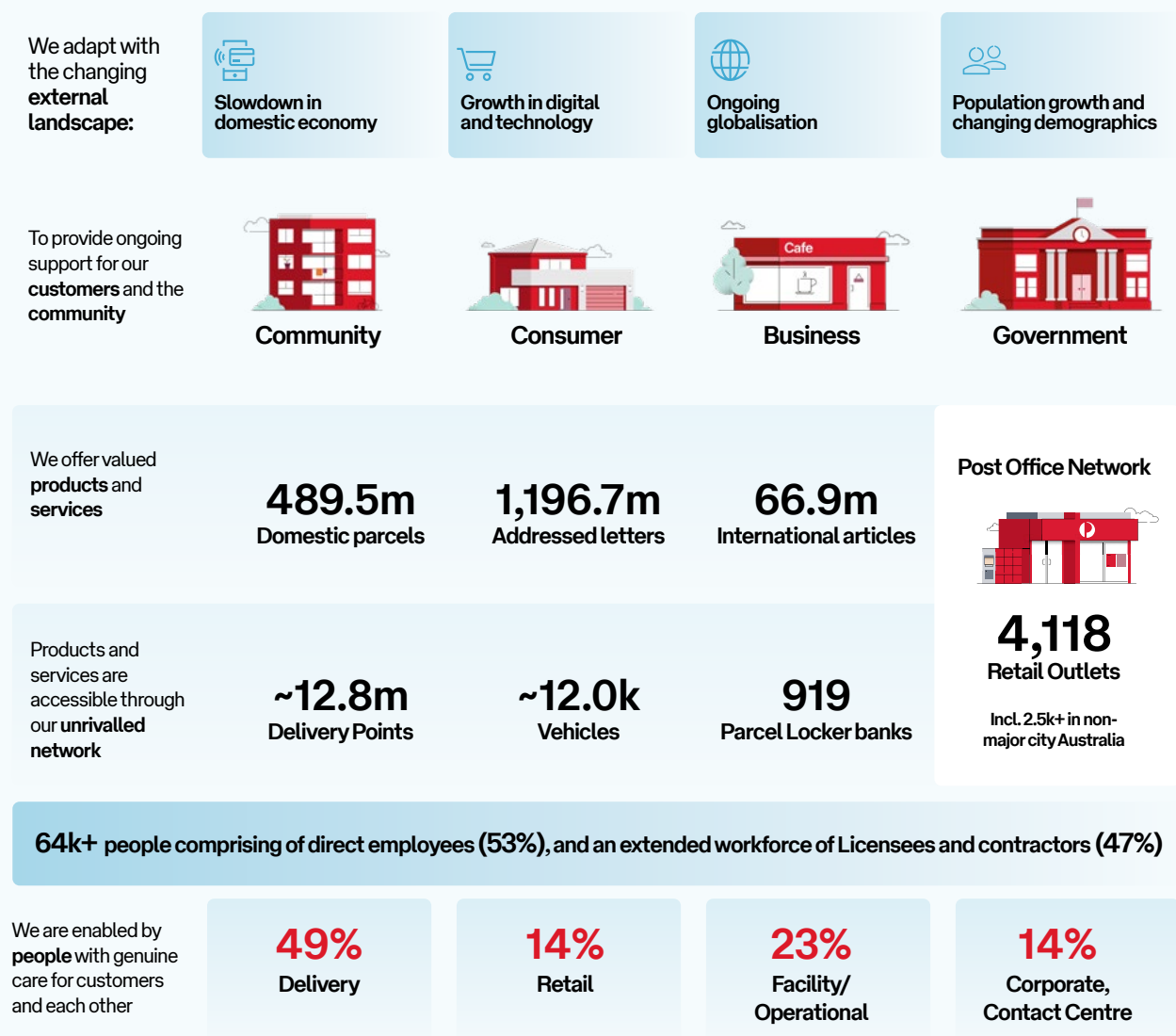
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As depicted in Figure 3.

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 physical network and digital channels.

Figure 3. Operating context⁷



7. As at 30 June 2025.

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

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

The Australia Post Group (**Group**) Risk Policy, Group Risk Appetite Statement, and Group Risk Management Framework direct the management of risk at Australia Post. 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.

Managing risk is crucial for maintaining the trust of customers, team members, and the wider community. Australia Post's effective management of risks protects its trusted brand. Risk management is integrated into governance processes, allowing for continuous improvement as it navigates evolving risks and opportunities. The Group is dedicated to nurturing a positive culture, ensuring that both its workforce and business partners understand and manage risks effectively.

Australia Post's most important risks remain the safety and wellbeing of team members and meeting the challenges of maintaining profitability, with decreasing volumes from its Letter service and intensifying competition in the parcels market.

Additional key risks include an increasingly competitive environment, rapidly evolving workforce and industrial relations environment, cyber security, including unauthorised access, data loss, 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 and are monitored regularly through the governance process.



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 network), and connecting international customers with Australia and the world;
- **Team members:** comprises of 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 maintains a Customer Advisory Group (**CAG**) as a forum where customers discuss market trends for different industries. The CAG provides an opportunity Australia Post and customers to network and discuss how Australia Post can help grow a customer's business.



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.

