

**Christine Holgate**  
**Group Chief Executive Officer & Managing Director**

**Opening Statement**  
**22 October 2020**

*\*\*Check against delivery\*\**

Thank you.

Senators, this has been one of the most challenging years in our recent history. From Bushfires to floods and then a global pandemic, the importance of Australia Post supporting communities has again proved critical.

Last week our 2020 Annual Report was tabled in Parliament. We are very proud of the results the business delivered. Achieving a record revenue of \$7.5 billion, up \$500 million or seven per cent, as our business continues our transformation.

Our results were underpinned by very strong performance in our parcel products, delivering strong operational efficiencies and tight cost control. Although our operational costs did rise as we supported significantly increased deliveries, which accelerated when COVID-19 hit, swift action on discretionary costs has enabled us to redirect investment to the front line, in order to keep our people safe and provide a lifeline to thousands of businesses and homes across the country, who have become increasingly dependent on us.

The profit before tax result for the year at \$53.6 million was up 30 per cent, ahead of our targets, and we were pleased we avoided a loss, which so many of our international peers have done.

Our result masks that letter losses in the year rose to \$242 million reflecting the 400 million fall in letter volumes to 2.4 billion. In the six months since COVID-19 began our letter volumes have fallen 287 million. To put this in perspective, this fall is almost equivalent to all the letters sent each year in New Zealand.

Letters remain a very important part of our business. We are working closely with the electoral commissions currently in Queensland and Victoria to ensure their current voting goes smoothly.

We have delivered almost 300 million parcels since COVID-19 began. The parcels have not only risen in number they have by size and weight. I thank the Committee for its support in maintaining the Temporary Regulatory Relief. The relief has proved critical in helping us to deliver more safely in such a challenging time.

Parcels now represent 61 per cent of our group revenues as our business continues to transform and grow, whilst facilitating 82 per cent of Australia's eCommerce.

In a recent survey by Deloitte Access Economics, 4 out of every 5 Australians stated that Australia Post was essential through the crisis and highlighted that we have helped facilitate a further \$4.2 billion in economic contribution since the pandemic began and helped thousands of businesses remain viable and open and able to keep their employees in jobs.

Protecting our people has from the beginning been our greatest priority.

We have introduced split shifts, safe distancing, temperature testing, pandemic leave and track & trace monitoring to help keep our people safe. Out of our almost 80,000 extended workforce we have only had one case of COVID-19 contracted at work. I thank our union partner, led by Mr Greg Rayner, for working with us on protecting the safety of our people.

We are very proud of how our people have adapted to our changing circumstances. It is very encouraging to hear their feedback, reflecting their optimism about working in a business that's growing again, and their appreciation for training and access to better conditions.

The continuing Victoria Stage 4 lockdown has caused further delivery challenges, as restrictions tightened whilst eCommerce significantly increased. In order to meet the strict safety guidelines of the Victorian Government we have needed to be able to work very differently. At our busiest times we were only able to have 67 per cent of our people in our processing sites and, with the four meter distance rule, they were further significantly affected in how they could work. We are now working very closely with the Victorian Government, as we prepare for the market to open up again.

Looking forward we are planning for a Christmas like no other. It is estimated that this years online Christmas shopping could be worth more than \$4 billion with consumers predicting they will spend 25 per cent more. We are significantly investing in our delivery and customer service capability.

We will be employing more than 5,000 additional employees to deliver customers' parcels, help in our customer contact centres, and our post offices.

We will have 3,000 more vehicles on the road than last Christmas, and now 18 dedicated air freighters and we are increasing the sectors they fly to by 88 per cent, which will give us the ability to carry many more letters and parcels than last year. We will have more stops in South Australia, Tasmania, Northern Territory and Perth as we want to ensure all Australians have a good Christmas.

We will open 47 extra delivery sites, up to 30 more Post Office parcel pick-up locations and we will be introducing more options for people to collect their parcels and tools to improve customer notifications.

The extended team at Australia Post will do all we can to support customers and communities through such an important Christmas period.

As I reflect back on the last six months it has certainly been challenging, but I am so proud of our people and appreciate sincerely their support, including from our extended partners, our delivery drivers and licensed Post Offices.

Through their innovation, adaptability and resilience, Australia Post has offered an economic lifeline to so many and has paved the way forward for a sustainable new future for ourselves. A future where our Post Offices can flourish, our Posties and delivery teams maintain their jobs, where our communities secure ongoing services and a future which can support the economic recovery of our country.

Our purpose in connecting Australians has not changed, how we are doing it has.

Finally, I would like to acknowledge the recommendations from the recent Senate Inquiry into our Temporary Regulatory Relief. We thank the Senate for its ongoing support and we can confirm the whole Executive Team has embarked on training to improve our engagement with the Senate. We also have considered the feedback shared in questioning. For example, the opportunity shared by Senator Carr to explore a partnership with Stealth, a local auto manufacturing company in Victoria and we can update the Committee later on progress.

Thank you.