

Department of Finance

Response to Question on Notice

SENATE ENVIRONMENT AND COMMUNICATIONS REFERENCES COMMITTEE

Inquiry into Australia Post

Hearing of 27 April 2021

Written Question on Notice 3 (Senator Hanson-Young)

Please specify the recent work that KordaMentha has undertaken regarding Australia Post (from 2017) including:

- whether this work was commissioned by Australia Post, shareholder ministers and/or departments;
- terms of reference;
- timeframes for projects;
- costs—including whether these were paid by shareholder departments or Australia Post;
- a list of products provided to shareholders and/or Australia Post from any projects undertaken, and copies of these products;
- the key findings, reform options and/or recommendations.

Response

KordaMentha was engaged by the then Department of Communications and the Arts on two occasions since 2017 to undertake work related to Australia Post. The engagements were:

- between 22 June 2018 to 12 September 2018, to provide commercial advice with respect to Australia Post's 2018-19 Corporate Plan; and
- between 19 June 2019 to 31 August 2019, to provide commercial advice with respect to Australia Post's 2019-20 Corporate Plan.

On both occasions, KordaMentha was commissioned to provide an independent report to the then Department of Communications and the Arts and the Department of Finance (the Shareholder Departments), which informed the briefing by both Departments to respective Ministers (the Shareholder Ministers) on the commercial strategy and forecast financial performance of Australia Post. KordaMentha assessed the robustness of assumptions and completed analysis of the operating environment, competitive landscape and risks.

The total costs of these engagements was \$300,000 in 2018 and \$200,000 in 2019. Both of the relevant contracts were reported on AusTender in accordance with the Commonwealth Procurement Rules. The cost of both engagements was met by Shareholder Departments.

For each planning period, having considered KordaMentha's report, Shareholder Ministers provided a response on the draft Corporate Plan prepared by Australia Post, in accordance with the *Commonwealth Government Business Enterprise – Governance and Oversight Guidelines*. The final Corporate Plan was subsequently approved by the Australia Post Board.

Both reports prepared by KordaMentha contain information that is commercially sensitive and its disclosure would negatively impact Australia Post's commercial activities.