

Committee:

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Witness: Ahmed Fahour
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Thank you, Chair.

As Senators are aware ... following approval by this Parliament late last year ... we introduced some significant reforms to Australia's letters service on 4 January.

... This included increasing the basic postage rate – and introducing a new two-speed timetable for letter delivery.

Importantly, the reform package also included freezing the cost of the Concession Stamp at 60 cents ... so that senior citizens and disadvantaged Australians continue to have access to discounted postage.

So, I would like to start by thanking the Members of this Parliament for supporting the vital regulatory changes that were needed to reform our letters service.

Implementation of the reforms has gone very smoothly – both on January 4 ... and since then.

I'd also like to place on the record my great appreciation for the hard work of our 50,000 employees, licensees and contractors – right around Australia.

They have done a terrific job of engaging the community in the need for these reforms ...

...And educating our customers about the changes to the letters service.

I can't speak highly enough of the great work of our people during this period of change.

Over the past few weeks ... we have been closing out our results for the first half of the financial year.

It has highlighted to us, again, how crucial this reform is to the sustainability of our services, nationwide.

With the reforms to the letters service underway ... our management team is now focusing our energy ... and our resources on ensuring the long-term sustainability of Australia Post – for ALL of our stakeholders.

As far as we're concerned ... there are three critical items at the top of our agenda for 2016:

1. The first issue involves sustaining the Post Office network beyond 2020.

To ensure the continued viability of Post Offices in communities throughout Australia ... we have boosted annual payments to our Licensees and Agents by \$125 million – per year.

But this is only a medium-term fix to the digital disruption that they are facing.

So, we have to develop a new model – a long-term model – for sustaining this vital community-based network of Post Offices.

2. The second issue involves defining the role of the Postie of Tomorrow.

Our Posties are a national icon – but their traditional role in delivering letters is changing rapidly.

Today, parcels already represent the bulk of the value in the Postie's mailbag.

In the near future, we know that their mailbag will be overwhelmingly comprised of Parcels and Express deliveries.

So, we need to change the Postie's role to support the needs of the community – as well as the needs of our customers, in an intensely competitive market.

3. And our third strategic priority involves building international networks and partnerships ... so that we can continue to deliver for all Australians in this era of borderless commerce.

The commercial reality is that in our globally connected world ... logistics providers need reliable end-to-end international networks – in order to compete and thrive.

We need to focus on the opportunities that lie on our doorstep – in Asia.

So, our strategy to be “Part of Tomorrow” needs to include an international growth element.

While these are our three BIG strategic challenges ... I want to assure this Committee that we will NOT be distracted from the main game.

Our entire team is very aware of the need to continue to operate efficiently and offer outstanding service to the Australian community.

Thank you Senators. ... We welcome your questions.