

Lucio Di Bartolomeo
Chair
Australia Post

Opening Statement
13 April 2021

check against delivery

Thank you Chair. I would like to make a brief opening statement.

I appreciate the opportunity to assist the Committee in this inquiry. As you would have seen from our submission, we are treating this process seriously, in line with our longstanding commitment as a government business enterprise to meet all of our obligations with the Parliament.

Given the inquiry's substantial focus on the former Group CEO & Managing Director, I would like to provide the Committee with some important perspectives.

Christine Holgate was a very good chief executive for Australia Post. In our respective roles, I worked with her closely, particularly during the volatility and uncertainty created last year by the COVID-19 pandemic.

Against this backdrop, we faced some of the biggest challenges in our 200-year history - including soaring demand for parcel deliveries and a hastening of the decline of the letters business at a time when our operating environment was hampered by COVID restrictions. Despite all this, Australia Post remains a robust business – and last year delivered a profit that can be reinvested in our business for the benefit of the community. Christine's leadership was integral to this outcome.

More broadly, during her three years at Australia Post, Christine implemented important innovations and reforms that continued the transformation of our operations, helping to grow and strengthen the business.

With this context, it is reasonable to ask how we got here today.

On the 2nd of November last year Australia Post lost a dedicated, capable and highly valued CEO. The Board was very disappointed to see Christine go. When Christine agreed to stand aside on the 22nd of October, my objective was, subject to the findings of the investigation, to have Ms Holgate back performing her role as soon as possible.

But, as articulated by Christine in her letter of resignation:

“Regrettably, given recent events, I have come to the view that my continuation as Chief Executive is untenable.”

While the Board understood her rationale, I want to be clear that neither I, nor the Board, sought or encouraged Christine's resignation.

The events that Christine referred to was not so much the purchase of the four watches as reward for four executives who had secured a valued Bank@Post deal – a deal that would prove highly supportive for the long-term viability of many of our LPOs.

Rather, it was the increasingly acute public scrutiny, including media focus and commentary from right across the community spectrum that had developed on the back of our Estimates appearance and showed no signs of diminishing.

You are likely to be aware that, after Christine resigned last year, I told the Senate Estimates that if I had been the Chair at the time of the giving of the watches, I would have vetoed the purchase of the watches.

As the Maddocks report ultimately found, the purchase of the watches was inconsistent with both the obligations imposed by the PGPA Act on us, and public expectations.

Again, Christine in her public statement on the 2nd of November last year acknowledged this.

“I deeply regret that a decision made two years ago.....has caused so much debate and distraction and I appreciate the optics of the gifts involved do not meet the pub test for many.”

Christine's hope was that through her resignation the organisation could remain fully focused on serving its customers.

I view the purchase of the watches as an error of judgement made in good faith from an otherwise highly effective CEO.

I also recognise the circumstances surrounding the departure of the former CEO were unusual and difficult for Christine and everyone involved. All the way through the process, Christine's welfare remained a priority for Australia Post and we ensured the organisation continued to offer support during what has clearly been a trying time.

The legacy of a business leader is often judged by the simple question around whether the business was left in a better shape than when they started. Australia Post is clearly a better and stronger organisation thanks to Christine's contribution, and we sincerely wish her all the best in her future endeavours.

Yesterday, Australia Post announced the appointment of Paul Graham as the Group CEO and Managing Director. The announcement followed an endorsement by Cabinet last week.

Paul is currently Chief Supply Chain Officer at Woolworths Group. He was chosen to be our next CEO after an exhaustive search for the best candidate to lead Australia Post through the next phase of our transformation program.

The Board selected Paul because of his experience in logistics and supply chain over 40-years in Australia and internationally. We were also impressed by Paul's track record as a senior leader at Woolworths, and his ability to motivate and lead a national logistics team.

I am confident he is the right person to lead Australia Post in growing the business and delivering the services and products demanded by our customers.

Australia Post is a well-run organisation with a strong culture built on the dedication and commitment of our 75,000-strong extended workforce. Paul's job will be to maintain the momentum in a challenging environment.

I'm joined today by Nick Macdonald, Group General Counsel and Corporate Secretary.

I want to reaffirm Australia Post is committed to fully cooperating with the Committee as it completes its important work and am happy to take your questions.