

Opening Statement to Senate Estimates

Chair, I'd like to make a brief opening statement regarding Australia Post.

First, on behalf of the Australian Government, I would like to thank Mr Ahmed Fahour AO for his services to Australia Post, following the recent announcement of his resignation as Managing Director and group CEO.

Mr Fahour commenced in the role of Managing Director and Group CEO of Australia Post in early 2010.

Under Mr Fahour's leadership, Australia Post has experienced strong growth in its Parcels and eCommerce business, and took on full ownership of the StarTrack business.

The company has also introduced innovative digital platforms such as MyPost to provide greater convenience to customers.

Australia Post has delivered on its community service obligations and continues to provide a sustainable letters service for all Australians, despite the fact that Australians are now sending 1.8 billion fewer letters per year than in 2008, when letter volumes peaked.

Mr Fahour played an integral role in the Australia Post reform process throughout 2015, which allowed the company to stem the financial losses experienced in its letters business and return to overall profitability in 2015-16.

This has allowed Australia Post to continue to be self-funding, even during the company's first-ever annual financial loss in 2014-15.

Earlier this year, Mr Fahour was appointed as an Officer of the Order of Australia for distinguished service to business, particularly in the area of postal communications, to the banking and investment sectors, and as a supporter of improved multicultural relations.

Secondly, I'd like to give a brief summary of matters relating to Australia Post remuneration.

As members of the Committee would know, earlier this month the Committee published correspondence between the Committee Chair and Australia Post regarding the Managing Director's remuneration.

This followed Committee questions to the last Estimates hearing on October 2016.

Subsequently, along with joint shareholder Minister, the Minister for Finance, I wrote to the Chairman of Australia Post on February 8 requesting that the Board be conscious of community expectations in regards to the setting of executive remuneration, and also to provide greater transparency in its annual reports in this regard.

On February 16, the Minister for Finance wrote an additional letter to GBEs, including Australia Post, asking them to publish disaggregated executive remuneration in annual reports.

On February 23, the Finance Minister and I wrote to the Australia Post Chairman to notify him that we had asked for the Remuneration Tribunal to determine the terms and conditions of the managing director's position as a "Principal Executive Officer".

On 24 February, the Minister Assisting the Prime Minister for the Public Service Minister Cash confirmed these arrangements.

While the Australia Post Board will continue to determine the Managing Director's remuneration, the board will now be required to ensure that the terms and conditions are consistent with the determinations of the Remuneration Tribunal.