

Senate Finance and Public Administration Legislation Committee
ANSWERS TO QUESTIONS ON NOTICE
ADDITIONAL ESTIMATES 2013-2014

Finance Portfolio

Department/Agency: Department of Finance

Outcome/Program: 2/2.1

Topic: Government Business Enterprises

Senator: Bernadi

Question reference number: F37

Type of question: Hansard, F&PA Committee, Page 78, 25 February 2014

Date set by the committee for the return of answer: Friday, 11 April 2014

Number of pages: 1

Question:

CHAIR: Australia Post is a government business enterprise, and I would make a subjective assessment that it faces some long-term trends that threaten its existing business model. Have dividends that been provided by Australia Post in the past three years—and I m not sure of the quantum—been moderated to take that into account?

Mr Tune: Yes, I think that is true ...

The dividend in 2011-12 was \$194 million and in 2012-13 it was \$244 million. We are in constant discussion with Australia Post around not only that but their whole corporate strategy and the future of their business model.

CHAIR: Which year was the \$194 million?

Mr Tune: In 2011-12. In 2012-13 it was \$244 million. But I think profit was higher in 2012-13—or did we increase the dividend ratio? We did at some point. I would have to take that on notice—the causes for that.

Answer:

The increase in dividends was due to an improvement in the overall profitability of the business. Australia Post's after tax profit in 2012-13 was \$311.9 million, an increase of 10.9 per cent from 2011-12. Growth in the domestic parcel volumes of 9.3 per cent, the acquisition of StarTrack and cost management initiatives were the key drivers of this profit result, and were sufficient to offset losses in the traditional mail business.