

Modernising Australia Post

Annual Report 2024

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Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as a team, and recognises their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.





Australia Post is at the heart of the community.

We're evolving our business to focus on what our customers want – reliability, choice and simplicity. We want to create a sustainable future for our people, our business and the environment so that we can deliver for all Australians for another 200 years.



About this report

Our Annual Report provides an overview of Australia Post's business activities and our financial, environmental and social performance for financial year 2024 in a single, integrated report.

The report is prepared in accordance with legislative requirements applicable to a Government business enterprise, and in reference to the Global Reporting Initiative (GRI) Standards 2021 for the FY24 reporting period (1 July 2023 to 30 June 2024). It is aligned with the International Integrated Reporting <IR> Framework and the Ten Principles set out in the United Nations Global Compact (UNGC).

This report is approved by the Australia Post Board and presented to Australia Post's Shareholder Ministers in accordance with Section 46 of the *Public Governance, Performance and Accountability Act 2013*. Unless otherwise stated, the information in this report refers to the entire Australia Post Group for the FY24 reporting period. Any restatements of information (due to changes in cost allocations or to allow like-for-like comparisons) are clearly noted and explained. Other than those noted, there were no significant changes in the boundary or scope of this report in FY24.

The report includes a detailed Remuneration Report explaining our approach to executive and director remuneration. It shows the key components of remuneration for our Board members, and remuneration, including at-risk variable remuneration, for our Group Chief Executive Officer & Managing Director and other senior executives. The Diversity and Inclusion section demonstrates how we are developing and implementing our Equal Employment Opportunity program, meeting the requirements of the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987*.

EY provided limited assurance as defined by Australian Auditing Standards, over selected non-financial matters and associated performance disclosures in this report. EYs independent assurance report is on pages 169–170.

Our full Corporate Governance Statement and FY24 Sustainability Databook, including glossary and GRI Content Index, are available online at: https://auspost.com.au/publications.

FY24 in review

Supporting each other

9,000+
extended workforce team members completed *Our AP Way* culture program

4th year
as a Disability Confident Recruiter

$581.8 million
payments to our Licensed Post Office partners

Gold Tier
employer Australian Workplace Equality Index

67,900+
safety hazards recorded into the Scanit app

1,280
One Team shifts from support team members on the frontline during peak period

Delighting our customers and communities

2.3 billion
articles delivered

3 million
articles delivered in one day in December 2023

Australia Post Metro
launched highly reliable next day eCommerce service

POST+
rolled out to over 3,500 Post Offices

9 million
postcards distributed to connect people with mental health services and each other

$39.2 million
spent with social and Indigenous enterprises

Creating a sustainable future

Regulatory change
to letters deliveries

New Delivery Model
rollout commenced

29%
reduction in Scope 1 and 2 emissions from FY19 baseline

55%
increase in our own solar generation year on year

16%
reduction in waste to landfill year on year

85%
of our letter and parcel packaging sold contains at least 20% recycled content

About us

Australia Post is one of Australia's oldest and most iconic institutions. We connect people across the nation and around the world every day, delivering for all Australians and providing meaningful careers for our team members.

Team





64,000+

total workforce

5
generations in our workforce

143
team member nationalities

32.3%
culturally and linguistically diverse team members

3.0%
Indigenous team member representation

6.2%
team members living with disability

36.6%
female senior managers

Network





12.7 million
delivery points

4,198
Post Offices

2,553
Post Offices outside major cities

3,520
Licensed Post Offices & Community Postal Agents

773
parcel locker banks

14,000+
street posting boxes

5,131
electric delivery vehicles (eDVs) and electric bicycles

Customer



13.8 million
My Post customers

885 million
digital customer visits

6.4 million
AusPost app users

202 million
visits to Post Offices

243,106
businesses supported by MyPost business

9.5
million households shopped online (up 1.4%)

How we create value

Inputs

Our customers and communities

- Services to meet changing needs of our customers and communities
- Network that is accessible to all Australians

Our network

- Processing facilities, delivery fleet and points of presence

Our people

- Strong culture aligned to our TIES values of Trust, Inclusivity, Empowerment & Safety
- Diverse, inclusive workforce
- Team member training and development

Business performance

- Responsible capital allocation and strategic decisions balance short-term and long-term growth
- Disciplined cost management

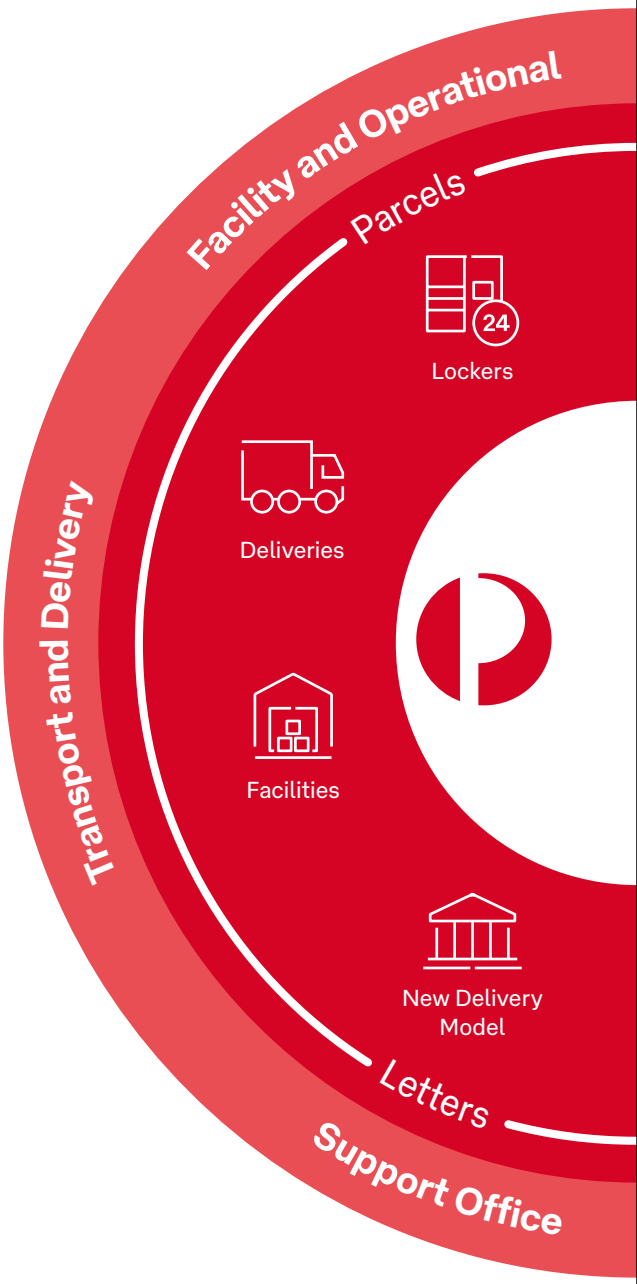
Our innovation and expertise

- AI capability, intelligent automation and data governance
- Leveraging 200+ years' experience in delivering for customers and communities

Our environment

- Ambition to ensure sustainable operations and deliveries
- Energy and resources required to deliver our products and service

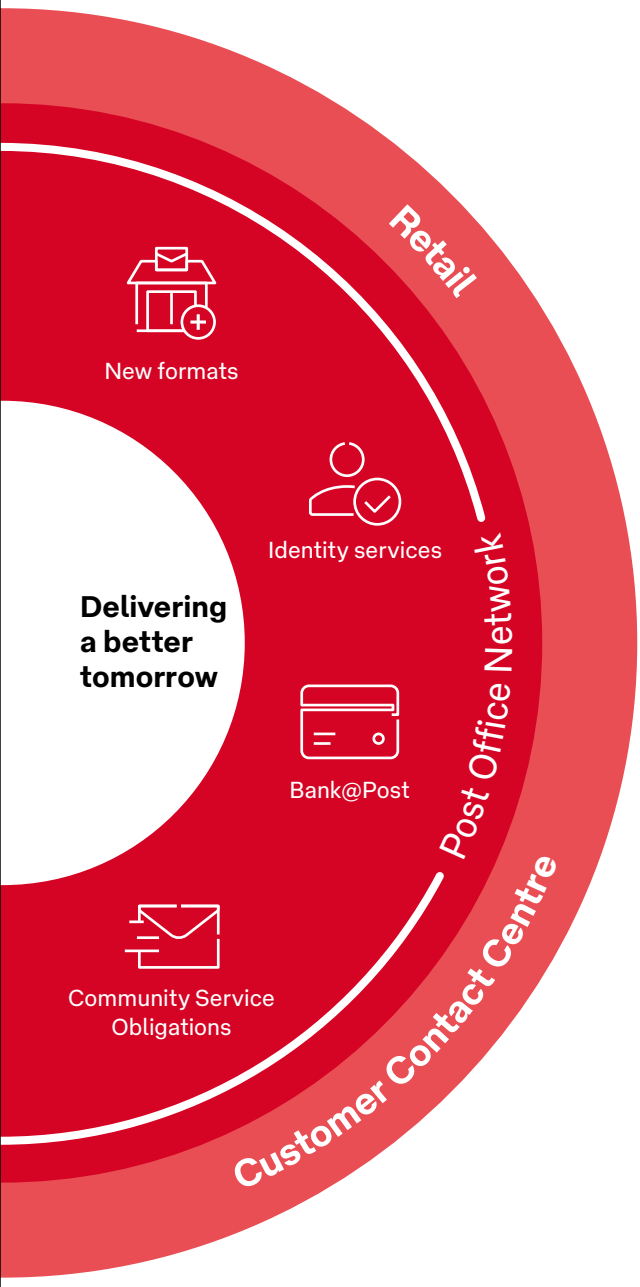
Our business activities



Refer to FY24 in review and About us sections for our performance across material outputs and outcomes.

As a Government Business Enterprise, Australia Post is a self-funded business with commercial and Community Service Obligations. We aim to create sustainable value for our shareholders, customers, team members, suppliers and the Australian community.

Outcomes



Our customers and communities

- Delighting our customers and communities Page 40
- Providing reliability, choice and simplicity Page 16

Our network

- Network that enables Australia's best sender and receiver experience Page 48

Our people

- Employer of choice with engaged team members performing meaningful work Page 24
- Safe and fair place of work Page 24

Business performance

- Financially sustainable performance Page 14
- Long-term profitable growth Page 14

Our innovation and expertise

- Market leading digital and data-driven experiences Page 55
- Continual business evolution Page 74

Our environment

- Targeting net zero emissions Page 66
- Enabling the circular economy Page 70



A message from our Chair

This year I have been proud to witness the Australia Post team delivering for our customers and communities across the nation, as we have done for more than 200 years.

However, since I joined Australia Post in December 2022, it has become clear that the structural challenges facing Australia Post are a threat to the organisation's long-term viability.

Change is needed.

The modernisation reforms, combined with the Post26 strategy and the dedication of the team, have already begun to improve Australia Post's financial outlook.

The historic first phase modernisation reforms, endorsed by the Federal Government in December 2023, have created an important opportunity for Australia Post to reshape its operations to ensure it better serves the community into the future.

Australia Post delivers 1.29 billion letters per year at a cost of $447.0 million as a Community Service Obligation; the number of letters delivered continues to fall each year as Australians increasingly rely on digital communication. The Federal Government's modernisation reforms will: allow stamp prices to gradually increase, to better reflect the actual cost of delivering a letter; and, will allow letters to be delivered every second day rather than every day.

While these modernisations to our letters business are important, Australia Post must also remain in step with the evolving needs of the nation and our customers, who are increasingly focused on parcel services and their delivery experience.

To thrive over the coming decade Australia Post must invest in the capability to deliver parcels more quickly, with greater reliability, and at times and to places where customers want parcels delivered. Therefore to complement the modernisation of letters delivery, Australia Post's Post26 strategy is guiding investments in technology systems, physical processing facilities, fleet, and our 64,000 team members. In the past year these investments totalled $306.1 million.

We are approaching this multi-year change program in partnership with our union colleagues. As we create a more financially sustainable future, Australia Post will balance providing the community with a ubiquitous letters service and a parcels service to regional Australia, while competing safely and sustainably with other providers in the highly competitive parcels market.

The modernisation reforms, combined with the Post26 strategy and the dedication of the team, have already begun to improve Australia Post's financial outlook. While we reported an $88.5 million pre-tax loss for the year, this was well below the $200.3 million deficit we reported in 2023.

I am confident that with our Group Chief Executive Officer & Managing Director and Leadership Team, supported by our dedicated extended team – including Posties, retail team members, delivery facilities, customer service, support offices and others – we are well placed to continue to move Australia Post towards becoming the modern eCommerce, digital, retail and mail business that Australia needs.

As part of our commitment to transparency, this Annual Report has been prepared in reference to the Global Reporting Initiative Standards for sustainable reporting and is aligned to the Integrated Reporting Framework, the Ten Principles of the UN Global Compact, and we look forward to aligning future reporting with upcoming mandatory climate-related financial disclosures.

On behalf of the Board, I thank our team members and Australia Post's extended workforce. Their hard work is central to our success and the positive impact we make in our communities. I remain inspired by the dedication and resilience of the Australia Post team who have continued to serve our customers with distinction, while significant transformation is underway in their workplace.

I also acknowledge my fellow Directors and the Leadership Team for their willingness to commit wholeheartedly to taking Australia Post on this modernisation journey.

Finally, I recognise the exceptional contributions of former Director Tony Nutt AO and I welcome new Board members Debra Hazelton, Steve Mann and the Hon Annastacia Palaszczuk, who will bring fresh perspectives and unique expertise as we navigate the next year of transformation.



Siobhan McKenna
Chair



Group CEO & MD's message

The 2024 financial year was another significant year for Australia Post. While the business faced into mounting challenges, we remained focused on simplifying the business and delivering on our Post26 strategy, and I am very proud of what the team has achieved.

Most notably in FY24, Australia Post worked closely with the Government, as well as our key stakeholders, to secure historical modernisation reforms. These reforms are a critical first step towards building a more sustainable business and support the continued progress against our Post26 strategy.

By focusing on what our customers want, we are delivering a better, more informed customer experience.

The New Delivery Model (NDM), developed in conjunction with our union partners, allows our Posties to deliver more parcels more regularly, which is what our customers want. As we roll out NDM more broadly, we will realise the benefits of this change, while still delivering important mail and other services to our customers and communities.

Building a sustainable future

While we recorded our second consecutive loss in FY24, it was a solid improvement from the year prior. Given the scale of transformation needed to make the business financially sustainable, it is pleasing that we are starting to see green shoots emerge two years into our Post26 strategy. However, we still have significant work ahead of us.

The long-term, structural headwinds we are facing are not going away, and it's most evident when we look at the increasing two-speed nature of our business. Letter volumes have declined to a level we have not seen in Australia since the 1950s, while our population has increased three-fold. Meanwhile, our parcels business remains strong, recording steady growth and supporting Australia's growing eCommerce sector.

By focusing on what our customers want, we are delivering a better, more informed customer experience. During the year, we launched Australia Post Metro, a new next-day parcel delivery service and continued to invest in new and upgraded parcel and processing facilities, many of which are located across regional Australia. Millions of Australians downloaded the Australia Post app over the past year and it remains one of the most popular business apps.

We have a laser-like focus on simplifying the business and throughout the past year we have continued to refine and simplify our operating model, remove non-core businesses and services as well as successfully managing our costs to drive significant efficiencies.

The year ahead

We have another challenging but exciting year ahead as we implement and embed the first phase reforms, continuing to work closely with key stakeholders to ensure that we execute these changes well.

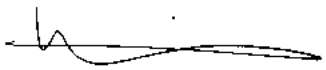
We are investing in key infrastructure, including a new facility at Brisbane Airport and expanding our fleet of electric delivery vehicles. Additionally, we are transforming our business and technology architecture to enhance our customers' experience based on the core themes of Reliability, Choice and Simplicity.

Finally, the most important part of delivering this is our people. We are focused on building a connected and engaged team. Having successfully rolled out the *Our AP Way* program to our entire workforce, we're extending this with our '*Be a Friend*' program to empower our people to focus even more to work safely and remain physically and mentally healthy.

Deliver a better tomorrow

Thank you to our customers and communities, who have supported Australia Post. Our purpose remains unchanged – to deliver a better tomorrow. We remain committed to our Post26 strategy, underpinned by *Our AP Way*, and cherish our role as a cornerstone of Australian communities.

On behalf of the Leadership Team, I want to sincerely thank all of our team members for their passion and commitment during a challenging year. Our people are Australia Post, and they are the reason why we will continue to play a critical role for customers and communities as we have for the past 215 years.



Paul Graham
Group Chief Executive Officer
& Managing Director

Our Post26 strategy

Our Post26 strategy was launched in August 2022, to help Australia Post deliver a better tomorrow for all Australians.

The second year of progress on our Post26 strategy was marked by the first phase of reform to modernise our business and the execution of initiatives within our power to deliver.

In December 2023, Australia Post welcomed a Government announcement outlining an initial phase of reform to our letters business, including:

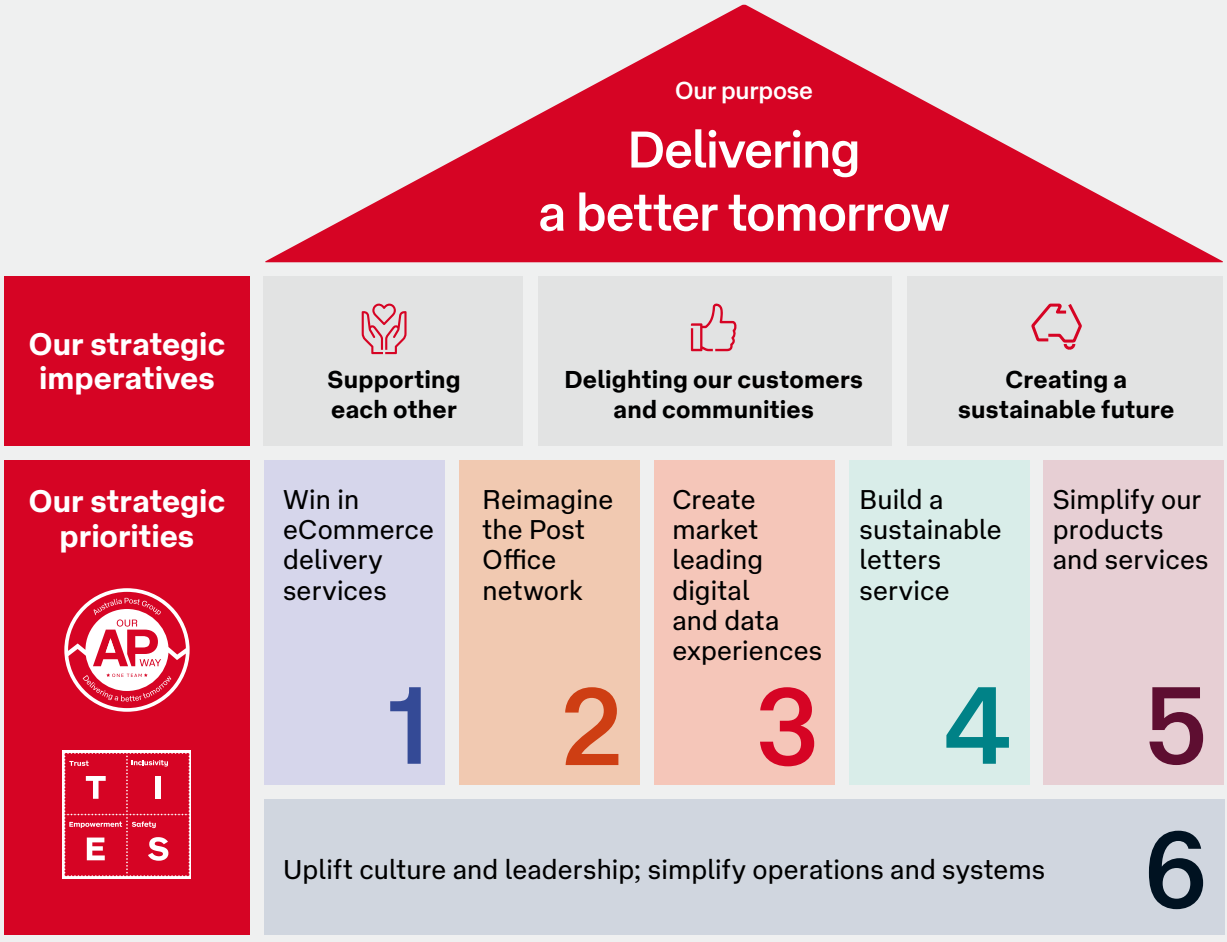
- an additional day to deliver regular letters across Australia; and
- flexibility to change the way we manage priority mail.

Read more about how we are implementing our new delivery model on page 74.

Alongside the Government announcement, we have delivered an extensive list of milestones through all areas of our strategy. These are highlighted in the progress table opposite.

Australia Post's customer focus has been matched by our attention to the wellbeing of our team members, particularly in the areas of physical and psychological safety.

To help reduce the risk of injuries to our delivery team members across both Australia Post and StarTrack, over 67,900 safety hazard notifications have been recorded by our delivery team into hand scanners providing photo and description warnings for parcel and letter deliveries. The psychological safety of team members has been supported through our Employee Assistance Program (EAP), which remains accessible to all team members and their families 24 hours a day, seven days a week.



What we achieved in FY24

1 Win in eCommerce delivery services

Improve the reliability, performance and efficiency of our networks while continuing to develop market leading receiving experiences

- Increased capacity and automation through our processing network, including new parcel facilities opening in Avalon and Ballarat, Victoria
- Delivered 477 million domestic parcels
- Increased safety of our team members through expansion of eDV delivery fleet

2 Reimagine the Post Office network

Reshape our network, connect with local businesses and support our people

- Completed rollout of POST+, new point of sale technology, throughout our retail network
- Established initial Community Hubs in Orange, New South Wales and Burnie, Tasmania
- Expanded parcel locker network and trialled new parcel-focused formats, such as parcel shops, and Collect and Send locations

3 Create market leading digital and data experiences

Deliver critical capabilities for our business and provide personalised solutions for our customers

- Provided customers with online information about their parcel through digital carding
- Introduced customer enhancements into the AusPost app including improved tracking and parcel visibility
- Improved our AI and data governance framework

4 Build a sustainable letters service

Meet and evolve our Community Service Obligations and Prescribed Performance Standards while we provide a letter service that meets contemporary Australian needs

- Achieved a 30 cent increase to the Basic Postage Rate
- Initial phase of reform to our Letters business announced by Government
- Progressed rollout of our New Delivery Model across Australia

5 Simplify our products and services

Refocus on what we do best with a simple portfolio of products and services and making it simpler for our customers

- Designed an improved customer parcel experience
- Exited products, services and businesses misaligned with our strategy, and continued to support customers to transition to new service providers

6 Uplift culture and leadership; simplify operations and systems

Provide the right culture and technology, and maintain a cost-efficient business

- Realised business efficiency targets, through productivity improvements within support areas
- Expanded *Our AP Way* culture program to our extended workforce
- Planned a technology and data architecture to meet our future needs

Our business performance



Revenue

$9,129m

Loss before tax

$88.5m

Capital investment

$306.1m

Business efficiencies

$268.9m

In FY24 Australia Post recorded a pre-tax loss of $88.5 million, compared to last year's $200.3 million deficit.

This improved performance is due to the implementation of the Post26 strategy and first phase reforms, which are focused on delivering a simplified and sustainable business while reducing costs and improving services.

The Letters business faces ongoing challenges as fewer customers send letters, and our retail network has seen foot traffic to Post Offices continue to decline.

The two-speed nature of the business is becoming even more pronounced with revenue from Parcels continuing to grow, increasing by 3.3% in FY24.

Domestic parcel volumes increased by 1.8% in FY24, contributing to Parcels revenue of $6.46 billion, an increase of 3.3% on the year prior.

The Letters business remains in decline, with volumes dropping a further 12.9% to an all-time low of 1.76 billion. Letters losses were $361.8 million, a slight improvement on the year prior.

This improvement was largely due to the $0.30 increase in the Basic Postage Rate on 3 April 2024 from $1.20 to $1.50.

Financial Performance

Performance against target	Target	Performance
Profit before tax	($244.0) million	($88.5) million
Shareholder return on equity	(7.6%)	(3.0%)
Dividend declared for FY24	$0	$0
Dividend paid in FY24	$0	$0

Five-year trends	2020	2021	2022	2023	2024
Revenue – letters ($m)	1,996.4	1,794.4	1,783.1	1,710.4	1,706.1
Revenue – non-letters ($m)	5,502.8	6,479.3	7,190.8	7,254.8	7,423.0
Expenditure (including finance costs) ($m)	7,447.5	8,174.4	8,918.7	9,167.4	9,217.7
Profit/(loss) before tax ($m)	53.6	100.7	55.3	(200.3)	(88.5)
Profit/(loss) after tax ($m)	42.9	69.6	49.5	(134.6)	(68.1)
Total assets ($m)	6,785.3	7,064.9	6,293.4	6,353.5	6,121.8
Shareholder return on equity (%)	1.9	3.0	2.0	(5.5)	(3.0)
Return on average operating assets (%)	2.1	2.6	1.7	(3.1)	(0.9)
Debt to debt plus equity (%)	24.6	15.7	12.0	18.9	14.7
Dividends declared ($m)	27.9	44.3	32.1	–	–
Dividends paid ($m)	21.0	46.2	36.3	21.8	–
Estimated cost of Community Service Obligations ($m)	393.3	348.3	348.5	442.2	447.0
Total taxes and government charges ($m)	480.6	571.0	660.6	547.8	576.7
Capital expenditure ($m)	316.1	450.0	427.2	343.1	306.1

Basic Postage Rate[1] (BPR) and Consumer Price Index (CPI)					
BPR (cents)	110	110	110	120	150
Concession (cents)	60	60	60	60	60
CPI all groups 8 capitals base 2011–12=100	114.4	118.8	126.1	133.7	138.8
Year on year change in BPR (%)	10.0	–	–	9.1	25.0

1 Postage rates applicable to standard letters carried within Australia by ordinary post.

Australia Post's Unaddressed Mail Service operates within a highly competitive market and continues to weigh heavily on the performance of the Letters business, losing $110.8 million dollars in FY24.

Over-the-counter transactions have fallen by 4.9% across the Corporate Post Office network in FY24 and by 28.7% since 2019 as more customers transact online.

In FY24, Australia Post paid Licensees $581.8 million compared to $565.5 million in the year prior. Licensee payments have become increasingly relied upon as foot traffic declines.

This year, the estimated cost to deliver Australia Post's regulated Community Service Obligations increased to $447.0 million, up from $442.2 million from FY23 and is entirely self-funded.

The first phase of modernisation reforms took effect in April 2024 and Australia Post expects to see improved financial sustainability across the medium term.

Productivity improvements under Post26 drove business efficiencies of $268.9 million in FY24, up from $236.7 million in the previous year.

Despite significant inflationary and other economic pressures, this cost reduction was achieved while still investing $306.1 million in new facilities, technology and fleet.

Australia Post is delivering on its Post26 strategy, by focusing on simplifying the business, disciplined cost management and investing in key future-focused programs designed to build a sustainable business delivering for customers and the community.



Transforming the customer experience

The expectations of both senders and receivers are changing rapidly, so we've established our Customer Experience Transformation (CXT) program, a major enterprise-wide program to enhance the experiences of all our customers.

CXT is a cross-functional program, which will enable us to take an end-to-end approach over the near and longer term.

As an enabler of our Post26 strategy, CXT is informed by customer and team member feedback, the trends we're seeing, both in Australia and internationally, and the continued growth of eCommerce. We want to be the partner of choice for eCommerce deliveries, so we're acting on this feedback and have developed a new Customer Value Proposition – aimed at delivering on the core themes of Reliability, Choice & Simplicity. The CXT program will enable us to improve our business by delivering initiatives and improvements aligned to these three themes.

Your delivery, your way.

Reliability

Reliable and transparent

Choice

Variety of options that suit your needs

Simplicity

Intuitive and frictionless experiences

Pricing Changes

Throughout the year, we sought to balance the increasing costs involved in processing and delivery with the ongoing value for money our products and services provide.

In April 2024, following consultation with the Australian Competition and Consumer Commission, Australia Post increased the price of the Basic Postage Rate (BPR) from $1.20 to $1.50. The 30-cent increase has aided us in contending with the rising cost of delivering letters, while maintaining one of the lowest stamp prices in the OECD.

The price of concession stamps ($0.60) and seasonal greetings stamps ($0.65) remained unchanged and have not increased since they were introduced in 2014. Changes were made to the price of a range of retail products and services effective July 2023. Increases across domestic and international parcel products, international letters, business letters, mail hold and redirection, and photo ID services helped to manage the cost of doing business and delivering to a fast-growing number of delivery points across Australia.

These changes are just one way we can support a sustainable letters service and continue to meet the needs of our customers and communities into the future.















2025 Sustainability Roadmap

Our Sustainability Roadmap guides our sustainability efforts across the Group.

Our priorities	Our initiatives	Our targets by 2025	Our progress	
Delivering for people	**Empower our people to work safely**	Year on year increase in the Safety Index	Our Safety Index changes year on year to ensure continuous performance	○
	Reflect and support Australia's diverse communities	2% reduction in Culture Gap per year	Refer to pages 24–39 to see how our culture is embedded	◌
		Maintain Social Licence to Operate	Refer to pages 40–63 to see how we maintain our Social Licence to Operate	○
		Spend $100 million with social enterprise and Indigenous suppliers	Across FY23 and FY24 we have spent $82.1 million	○
Delivering for our planet	**Target net zero by 2050**	Reduce emissions by 15% (FY19 baseline)	13%	○
		Source 100% renewable electricity	52%	○
	Reduce, reuse and recycle packaging and waste	100% 'fully sustainable' packaging range aligned to the 2025 National Packaging Targets	Refer to pages 72–73 to see how we're adopting better packaging solutions	◌
		Decrease waste to landfill by 20% (FY19 baseline)	26%	●
		Increase recycling rate to 70%	71%	●
Delivering prosperity	**Create sustainable customer solutions**	Automate customer carbon reporting tool	Achieved	●
		Annual increase in customer circularity solutions	Refer to pages 70–73 to see how circularity is embedded	○
		Meet or exceed Prescribed Performance Standards	Refer to pages 106–108 for our Annual Performance Statement	◌
		Realise annual financial targets	Refer to pages 14–15 for our business performance	◌
	Grow sustainably through good decisions	Governance and compliance reporting in accordance with best practice	Refer to page 2 to see the reporting frameworks we align with	○
		Continually improve supply chain sustainability, traceability and transparency	Refer to pages 36–37 to see how we're improving supply chain transparency	○

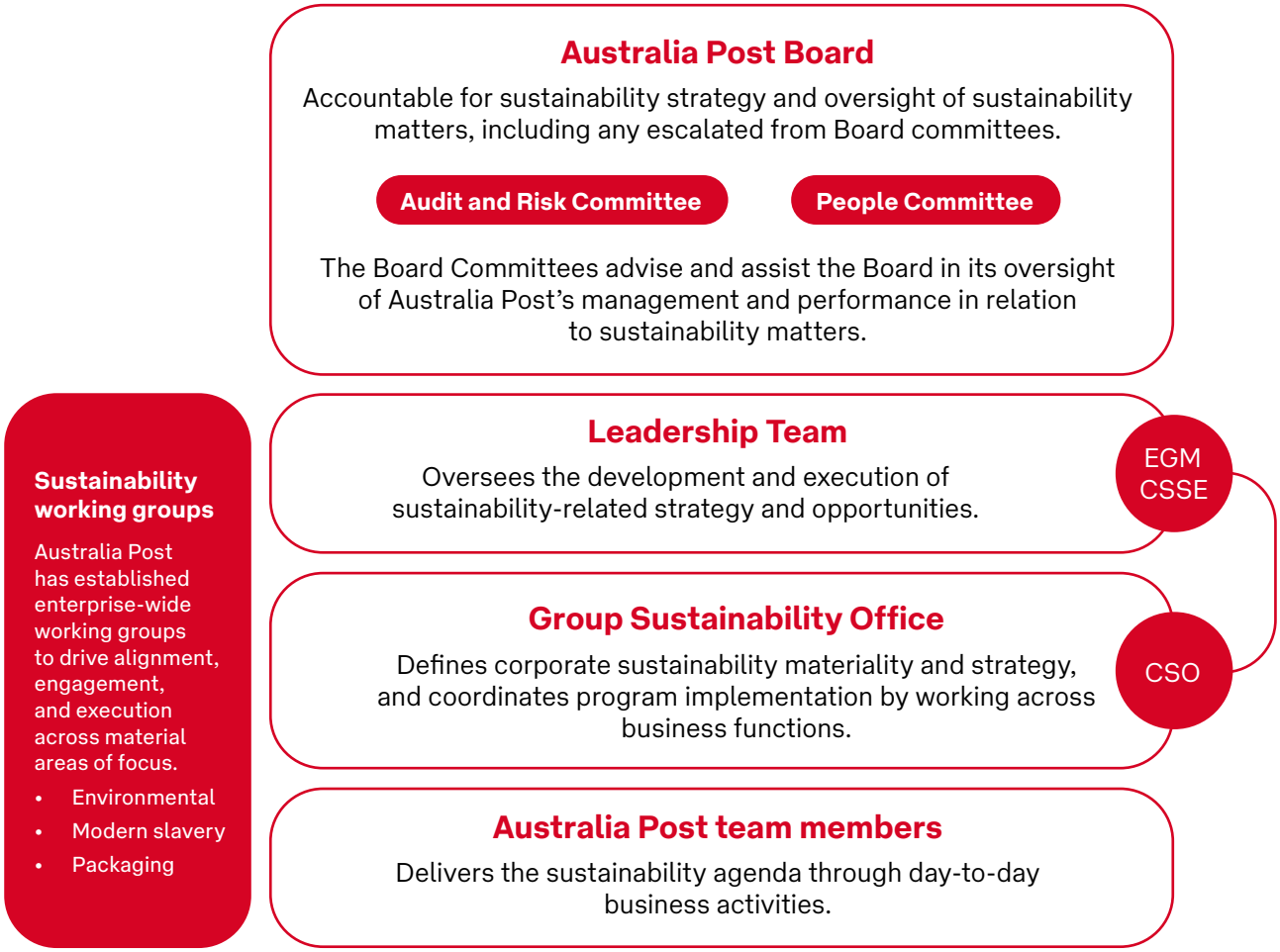
● Met ○ On track ◌ At risk

Sustainability governance

Our sustainability governance enables us to achieve our Roadmap targets.

We're proud to take an integrated approach to sustainability, wherein each team takes accountability over their sustainability impact, supported by the Group Sustainability Office.

Australia Post's approach to sustainability leverages our unique assets and capabilities as a logistics provider, retailer and trusted Government Business Enterprise.



The Board is responsible for overseeing our performance through the Audit and Risk and People Committees. They have ultimate oversight across sustainability group-wide.

The Leadership Team, headed by the CEO & Managing Director, meets regularly to assess sustainability performance across the business. The Chief Sustainability Officer is a direct report of the Executive General Manager of Community, Sustainability and Stakeholder Engagement.

The Chief Sustainability Officer leads the Group Sustainability Office and reports into the Leadership Team quarterly on performance.

Members of the Group Sustainability Office sit within cross-functional working groups to support initiatives throughout the business. These initiatives then get disseminated across Australia Post.

Sustainability KPIs are established across **Australia Post team members** to focus efforts across key imperatives.

Materiality assessment

In 2024, Australia Post conducted a comprehensive double materiality assessment for the first time.

This approach considers not only the impacts of Australia Post's activities on the environment, society and stakeholders but also the impacts of external factors on Australia Post's financial performance, reputation and long-term viability across the six <IR> capitals, of Financial, Social, Intellectual, Physical, Natural and Human.

This process supports Australia Post in effectively responding to a changing sustainability context by informing future sustainability strategy, target setting, reporting and communication.

As part of this process, interviews were conducted, and input was collated from over 200 survey respondents. Responses were sought from the Shareholder Departments, the Ombudsman, industry, environmental and community stakeholders, suppliers, mail and eCommerce customers, consumers, Licensees, Australia Post team members, the Board, the Leadership Team and the Stakeholder Council.

From these responses, material topics were prioritised using a financial and impact materiality approach, and then endorsed by the Chief Sustainability Officer, and Group Chief Financial Officer.

Through the new approach to materiality, previous material topics including risk management, viable Parcels business, Post Office network viability; and reliable Letters business were integrated into the scoring of each material topic.

Our process:

Identify › **Engage** › **Score** › **Validate**

Current state assessment

Analysis of macro trends

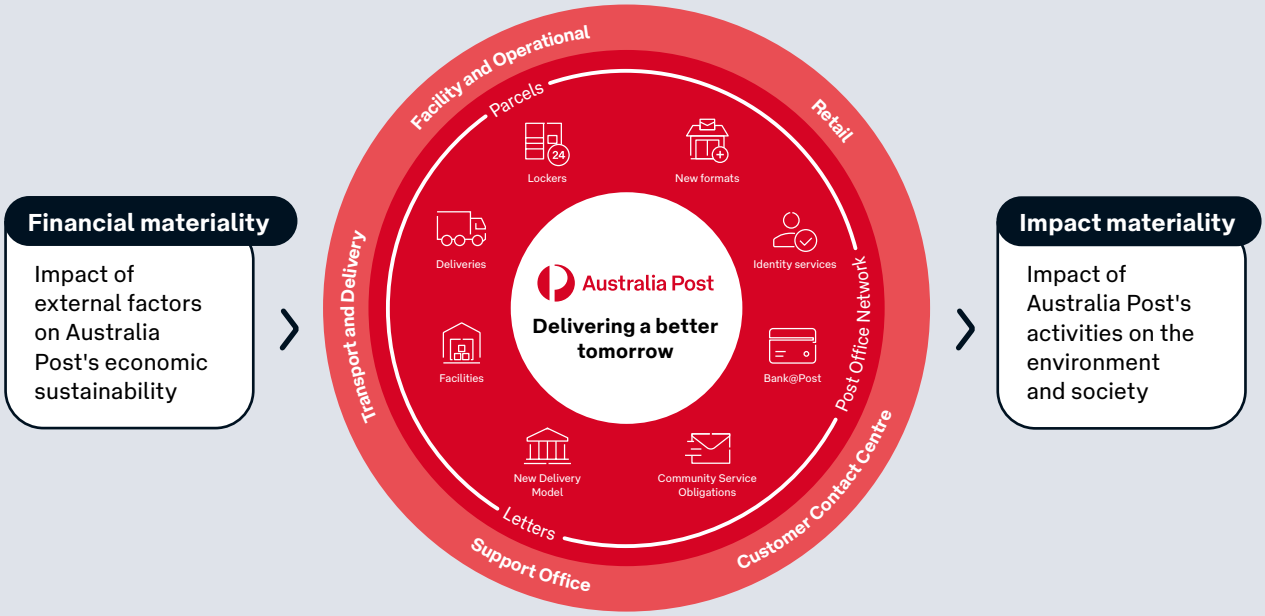
Internal and external engagement

Refer to page 22 for more information

Develop scoring methodology based on risk framework

Determine final materiality list, validated by Board

Through a double materiality lens, we can consider the risks and opportunities of material topics on our business, as well as the impact that we have up and downstream.



Materiality topics

The eight most material topics from a double-materiality perspective are summarised below. Each of these topics can be explored in more detail throughout the Annual Report and relevant policies can be found on our website: auspost.com.au/about-us/corporate-information/our-organisation/policies.

What it is	Why it matters	SDG	Pages
Health, safety and wellbeing Keeping our team safe	A healthy and safe workplace supports our team to reach their full potential		pages 26–29
Diversity, inclusion and accessibility Supporting diversity and inclusion throughout the business	Inclusive decision making helps us cater to the diverse communities we operate in		pages 30–35
Human rights and labour practices Promoting responsible business conduct and human rights practices	Protecting labour and human rights is essential to maintain business operations		pages 36–37
Customer privacy and data security Safeguarding our customers' data	Protecting data is paramount to remaining a trusted business partner		pages 55–57
Data management, cyber security and system availability Safeguarding our data and systems	Our own system availability is critical to running our operations smoothly		pages 55–57
Community engagement and relations Maintaining strong relationships with our community	Strong community engagement and relations enable us to maintain trust and reputation		pages 58–63
Decarbonisation Decarbonising our operations and supply chain	For Australia to hit its target of net zero by 2050, we need to play our part		pages 66–69
Waste management and packaging Reducing our waste impact	Minimising waste and improving packaging will help drive business circularity		pages 70–73

Stakeholder engagement

Maintaining corporate citizenship

We're proud of the central role we play in communities and for businesses across the country.

We engage our many stakeholders through a variety of formal and informal mechanisms to ensure their expectations and interests are understood, and work to identify and manage impacts to them from our operations.

As we progress the reforms to modernise our business, we continue to proactively engage with key stakeholders or their representatives to share information, anticipate risks and understand differing perspectives.

The table on the following page outlines our key stakeholder groups, their interests and examples of how we engage with them.



Australia Post Stakeholder Council (Council)

The Council provides a forum for Australia Post to consult with our stakeholders on a range of matters.

The purpose of the Council is to:

- improve communication with Australia Post's external stakeholders
- improve external stakeholder understanding of Australia Post's business and its portfolio of products and services
- improve Australia Post's understanding of stakeholder needs and expectations
- enhance Australia Post's service and product initiatives through review and feedback
- contribute, review and provide feedback on major Australia Post corporate responsibility initiatives.

At 30 June 2024, the Council had seven members and met four times during the financial year. Throughout the year the Council provided meaningful consultation and suggestions on and for Australia Post initiatives.

Council members

Council members have roles and experience in diverse segments of Australian communities, including small and medium-sized businesses, the environment, accessibility, corporate responsibility, innovation, community services and stakeholder relations.

At 30 June 2024, our Stakeholder Council members are:

- **Adèle Greenberg**, Executive Director, National Online Retailers Association
- **Ian Hamm**, Chair, First Nations Foundation
- **Bill Lang**, Executive Director, Small Business Australia
- **Dr Alastair McEwin AM**, Disability and human rights consultant
- **The Hon Dr Kay Patterson AO**, Former Age Discrimination Commissioner, Australian Human Rights Commission
- **Liz Ritchie**, CEO, Regional Australia Institute
- **Violet Roumeliotis AM**, CEO Settlement Services International.

Four long-standing members of the Council finished up their time on the Council during the financial year. We thank George Etrelezis (26 years), Graz van Egmond (18 years), Paul Greenberg (6 years) and Julia Landford (6 years) for their service and contributions.

FY24 Stakeholder Council Statement

After having had the opportunity to review the Overview and Business Review sections of Australia Post's draft 2024 Annual Report, the Australia Post Stakeholder Council believes that Australia Post has demonstrated its commitment to the key issues of corporate responsibility, including social and environmental sustainability.

As coverage of Australia Post's material issues evolves to further integrate its social and environmental performance, the 2024 Annual Report reflects a strategic approach to a whole-of-business focus on delivering improved social, environmental and business outcomes for the Australian community. The Council believes, on the basis of information provided to it, that the 2024 Annual Report provides a transparent and clearly integrated representation of material in relation to these matters and Australia Post's performance. *Australia Post Stakeholder Council, 30 August 2024.*

Stakeholder	Key areas of interest	Examples of how we engage
Shareholder	• Post26 strategy and future strategic direction • Financial sustainability and operational performance • Corporate governance • Community Service Obligations (CSOs)	• Corporate reporting and publications • Regular bilateral strategic and operational forums • Direct engagement with senior leaders
Government and regulators	• Post26 strategy and modernisation • Safety of team and fleet • Financial services • Freight & supply chains	• Direct engagement • Public policy submissions • Events and regular forums
Team members	• Job security, performance and recognition • Health, safety and wellbeing • Workplace flexibility • Diversity and inclusion	• Internal communication channels and collaboration tools to drive two-way engagement • Annual engagement surveys • Town halls and roadshows • Intranet and extranet
Customers	• Value for money • Reliable, efficient and secure parcel and letter delivery services • Tracking and flexible delivery options • Sustainable and ethical practices	• Customer-focused events • Direct digital and marketing communication • Customer Advisory Group • Support from dedicated relationship managers
Communities and consumers	• Accessibility, affordability and financial inclusion • Reliable and efficient services • CSOs	• Community grants programs • Community information sessions • Direct support via phone and online • Media and marketing activity
Licensee groups	• Financial sustainability and Licensee payments • CSOs • Product, service and operational changes • Workplace security and safety	• Regular bilateral strategic and operational forums • Monthly operational meetings
Unions	• Sustainable jobs • Health, safety and wellbeing • Fair pay and entitlements • Human rights and labour practices	• Representation via working groups • Consultative forums • Enterprise bargaining • Individual representation
Industry	• Reliable, efficient and secure parcel and letter delivery services • eCommerce growth and support • Digitisation and technological innovation	• Direct engagement with industry and industry associations • Commission of industry research and reporting

Supporting each other

Every day, team members across Australia bring to life our TIES values of Trust, Inclusivity, Empowerment and Safety.

Our 64,000+ team members and extended workforce are proud of Australia Post's trusted role in providing essential services to Australian communities for over 200 years. We understand that to continue delivering for Australians, we must continue to support each other. We're investing in our team members and our culture to foster an environment that puts safety and wellbeing first, and where everyone feels that they belong and can do their best work.

Safety and wellbeing	page 26
Diversity and inclusion	page 30
Human rights and labour practices	page 36
Supporting our teams	page 38

Sustainable Development Goals







64,000+
total workforce

143
team member nationalities

Our approach

We're a large organisation, with many sites and a vast workforce. So we have a wide range of processes in place to guide what we do and how we do it, and keep everybody safe. We continually review our policies and processes to ensure they are compliant with legislation and industry standards.

While critical across our whole organisation, the Safety function sits in our Network Operations business unit with the General Manager of Safety reporting directly to the Executive General Manager of Network Operations. Our safety strategy has four pillars: culture and leadership, managing critical risks, improving psychological safety, and managing and preventing injuries.

Work Health and Safety (WHS) Management System

We manage our WHS obligations through the implementation of appropriate systems and processes and our WHS Management System. Our management system meets Commonwealth legislative requirements, is aligned to ISO standards (ISO 45001:2018) and covers all directly employed team members and extended workforce, activities and workplaces.

We consult with team members on safety and provide avenues for safety updates across toolbox talks, meetings, emails, website and intranet. Team members can discuss safety improvements with their manager or raise online queries. We have designated safety work groups with involvement from leadership, team members and formally elected Health and Safety Representatives (HSRs). Work groups at Australia Post are covered by a health, safety and wellbeing committee that meets at least every three months. Consultative arrangements are documented in our Consultation and Issue Resolution procedures.



Occupational Health & Safety services

Australia Post has a range of physical and psychological metrics to provide assurance that our safety systems are operating effectively. Our lag measures include monitoring and analysing injuries and near misses within our safety reporting systems. We continue to enhance these systems to make them easier for people to report.

Lead measures include hazard reporting, closure of actions from investigations, reductions in telematics data that identifies risky riding or driving behaviour and Dock Safety data generated by our Google Machine Learning system. Our frontline delivery teams can now report and receive hazard alerts on their delivery scanners, using the Scanit app. In FY24, over 67,900 hazards were recorded into Scanit.

We continue to embed safety checks into our programs, including our Lean program, for which safety is a gateway measure for facilities to be considered for accreditation. In FY24 we had 32 facilities assessed and accredited to show they are Lean, safe and efficient operations, with a focus on continuous improvement.

Hazard identification

Australia Post's hazard and incident management system contains procedures and information for hazard reporting, and incident management and investigation, including near misses.

Work-related hazards are proactively identified through risk assessments, workplace inspections and safety audits. Scheduled reviews occur following incident investigations to ensure the implemented controls effectively address the risk.

Our procedures and guidelines for managing common hazards across our operations include how to remove team members from situations that could cause injury or ill health. Critical risk information is available to all team members and is supported by online training modules. We provide incident management training for our team members, with specialised safety investigation training for Safety team members.

Our delivery partners and contractors must make safety a priority too. Contractors have a responsibility to ensure the safety of themselves, their workforce and any other person who may be affected by how they run their business; and consult, cooperate and coordinate their safety activities with Australia Post.

Safety training

Australia Post provides team members, contractors, executives, and Directors with training on the Work Health, Safety and Wellbeing (WHSW) duties and obligations relevant to their role.

We conduct a training needs analysis to identify training and competency requirements related to WHSW legal duties for all levels of the business and other specific training and competency requirements such as first aid, emergency preparedness and licensing.

Proactive wellbeing activities

We empower team members to proactively manage their health and wellbeing, at work and at home, through materials such as videos, tip sheets, webinars and podcasts on our Health and Wellbeing Hub, and the annual Health and Wellbeing calendar. We create awareness of these resources via communications campaigns. Australia Post also provides resources to our contractors, Licensees and Community Postal Agents on topics such as mental health, isolated work, and reducing workload and stress.

Our progress

Our new reporting system, mySafety, provides greater visibility, insights and accountability of our safety events.

FY24 performance

This year our Total Recordable Injuries Frequency Rate (TRIFR) was 23.5. In FY24 no directly employed Australia Post team members died in workplace accidents, however, tragically, one member of our extended workforce (contractor) was killed in a vehicle accident, with a third party at fault.

In FY24 a range of internal and external audits and reviews were conducted. This included our Comcare annual Self Insurance audit that covered the full National Self Insurance Audit tool, resulting in a score of 99% and only one minor non-conformance.

We continue to engage with Comcare and the Safety Rehabilitation and Compensation Commission to inform them on our strategy, progress and challenges including sharing our experiences with other Licensees in the transport sector and at safety forums nationally. The MyRecovery Early Invention Program was introduced in June 2023 and to the end of FY24 has seen a 43% increase in uptake.

Safety performance Australia Post Group[1,2]

	FY24	FY23
TRIFR[3]	23.5	22.4
Injury rate (number of hours worked)	17.2	16.3
Disease rate	6.3	6.1
Fatalities[4]	0	1

1 Does not include controlled subsidiaries – SecurePay, Decipha – nor contractors.
2 Please refer to the Australia Post FY24 Sustainability Databook for methodology and definitions.
3 There have been 64 additional TRIs (accepted claims for FY24) that have been determined as at 31 July 2024. Note: For FY24 there were 1,378 TRIs and a total of is 58,719,125 employee exposure worked hours. Thus the TRIFR is calculated at 23.5 (rounded to 1 decimal point). The Injury Rate is 17.2 (based on 1,011 Injury TRIs) and the Disease Rate is 6.3 (based on 367 Disease TRIs), and these rates have been rounded to 1 decimal point respectively in the above table.
4 Employee fatalities are reported when accepted as workers' compensation claims under the *Safety, Rehabilitation and Compensation Act 1988*.

Return to work

Australia Post has a dedicated rehabilitation team of allied health professionals who support every facility. Our rehabilitation team support team members from date of injury through to recovery, and work closely with our operational teams to develop plans that support a safe and sustainable return to health. Our industry-leading programs focus on the mental and physical health of our injured colleagues. This has resulted in a rolling 12-month return to work rate of 94–96% over FY24, which compares favourably across workers' compensation schemes nationally.

Mental health and wellbeing

We're 18 months into our 2023-26 Psychological Health and Wellbeing strategy, with the objectives of organisational capability, psychosocial risk management and policy advisory support. Our key focus remains on enhancing leadership capability.

Our Mental Health Council brings together Australia Post's senior leaders and mental health corporate partners in a thought leadership forum, while our Mental Health and Wellbeing Working Groups (MHWG) continue to drive workplace mental health action plans. We've engaged two new MHWGs in Network Operations in FY24. Following the successful rollout of a Peer Support Program model in our contact centre, we are running a pilot program at two Network Operations sites in Western Australia.

In FY24 we launched a Thriving Minds e-learning module to build mental health literacy of team members, with over 5,500 team members completing the module.

Critical risk management

Manual handling

Manual handing continues to be our highest cause of injury, so with an ageing workforce moving more parcels than ever before, it is a significant challenge. In FY24 we have upskilled over 1,200 frontline team members in Manual Handling coaching techniques and continue to invest in new facilities and automation to reduce the risk to our people. For example, our transport teams are training all team members to use a manual handling aid that can reduce the muscular skeletal stress by up to 40% when opening and closing curtains on trailers and trucks.



Rising customer aggression

Team members across our workforce, particularly in Post Offices and our Customer Contact Centre, are increasingly subject to aggressive customer behaviour. We are investing in a range of supports and technology to reduce incidents and mitigate the risk to our team members.

Motorcycles & eDVs

In August 2023 we hit a significant milestone with more three-wheel electric delivery vehicles (eDVs) delivering on rounds than motorcycles. We are determined to remove motorcycles from our fleet as soon as possible, as eDVs consistently show 60% fewer accidents that lead to injuries compared to motorcycles.

In FY24 we trialled new electric motorcycles to replace our aging petrol fleet, as an interim step, and more capable three-wheel eDVs, including engineering reviews for safety and durability. Our stakeholders, including HSRs, unions and operational team members, have been active in our selection and testing processes. The first batch of electric motorcycles with enhanced safety features has been ordered. In FY25 we expect to see a significant reduction in our petrol motorcycle fleet from additional eDVs and the changes to rounds under the New Delivery Model (see page 75).

Dog attacks on Posties

Dog attacks represent a serious safety risk to our team member, with over 2,721 dog-related incidents across Australia over the past 12 months, a 5% increase on 2,592 incidents in FY23. Australia Post takes these risks seriously, running two major media campaigns each year to raise awareness of dog attacks and encourage the community to keep their dogs secure. Australia Post has also engaged with a range of industry and government bodies, including the Dog Safety Cross Industry Group, to seek improvements to existing dog control laws, to help ensure team members can safely deliver parcels without encountering a dog.



Organisational transformation

As we transform and modernise our business, we are addressing potential wellbeing risks by focusing on elevating leadership capability, and providing supportive change management resources, education and proactive EAP care to impacted team members.



Encouraging team members to '*Be a Friend*'

Australia Post is seeing an increase in incidents despite a strong understanding of safety compliance.

To address this challenge, we engaged with team members who revealed the need for increased mutual care and trust, safety as a shared responsibility, and an environment where questions are encouraged.

These insights informed the *Be a Friend* safety culture campaign, emphasising looking after your own safety and wellbeing, and watching out for others. The campaign builds on *Our AP Way* and aligns to our TIES values. Our ambition is that it matures our safety culture from compliance-based to behaviour-based where we understand 'why' the safety rules are important and intentionally applying them.

Leaders play a critical role in delivering and role modelling the program. Network Operations senior leaders were trained in FY24 ahead of the launch to Network Operations in FY25. The program will be launched across Australia Post in 2025.

Looking ahead

Safety will always be our first priority. We'll continue to invest in robust programs, training, policies, management plans, resources and actions to keep our team members, customers and communities safe.

Our approach

With a workforce representing 143 nationalities, Australia Post strives to be reflective of our communities. Our strategic priorities are to build an inclusive workplace culture, establish productive partnerships and an engaged community, while creating learning and development opportunities for our team.

We take an intersectional approach across five key areas of focus: cultural and linguistic diversity (including Refugees), disability, gender, Indigenous, and lesbian, gay, bisexual, transgender, queer, intersex and asexual (LGBTQIA+).

A clear governance framework includes responsibility for regular internal progress reporting, including through steering groups for Accessibility, Gender Equity and PostPride, and a number of team member working groups. Leaders across are our business are assigned roles in the Action Plans for our key focus areas, including Group Chief Executive Officer & Managing Director and executive sponsorship for each pillar of the strategy.

External measurement and benchmarking are completed where possible, including in Workplace Gender Equality Agency reporting, Australian Workplace Equality Index, Mindaroo Foundation First Nations Employment Index, Reconciliation Australia RAP Workplace Impact Survey and the Australian Disability Network Access and Inclusion Index.

We make a point of highlighting our successes and sharing personal stories of team members in our communications channels including Viva Engage and town hall meetings. Further information on our plans and activities can be found on the Australia Post website, with workforce diversity data available in the Australia Post FY24 Sustainability Databook.

Our progress

Refugee inclusion

We're making significant progress on supporting refugee and asylum seeker inclusion, with a draft Refugee Employment and Engagement Action Plan 2024–2026 underway, expected to be endorsed in early FY25. This plan was prepared in consultation with external and internal stakeholders with lived experience as a refugee.

We have established partnerships with several organisations and government departments to prioritise refugee employment, including collaborating with Thrive Refugee Enterprise, Department of Home Affairs and Department

of Workplace Relations on an Accelerated Refugee Employment Plan pilot. As part of our Welcome Project to help young refugees develop skills and experience, we worked with Foundation House to help 22 young people join our team as seasonal casuals during the 2023 peak period.

Our goal is to expand this program to include multiple facilities and roles. Australia Post is a sponsor of Refugee Week and our team members have the opportunity to participate in Refugee Week celebrations, become a mentor providing guidance for young refugees, or join our employee resource group.

LGBTQIA+ inclusion

Australia Post was recognised as an Australian Workplace Equality Index (AWEI) Gold status employer at the 2024 Australian LGBTQ+ Inclusion awards. This acknowledges the work across Australia Post to create a more inclusive workplace for LGBTQIA+ team members and demonstrates our TIES values of Inclusivity and safety. Over FY24, we introduced a new Gender Affirmation and People Leader Handbook to support team members wanting to affirm their gender in the workplace, enabled pronouns in Microsoft Teams and promoted the importance of active allyship, providing team members with strategies and practical workplace tips for supporting LGBTQIA+ colleagues, customers, and friends. We've continued to participate in Pride marches across Australia and to show support for the LGBTQIA+ community through events such as Wear it Purple Day and IDAHOBIT, and celebrating our ninth year in partnership with Midsumma.

PostPride remains our largest employee reference group, approaching 1,000 team members from across Australia Post. Sponsored by Gary Starr, Executive General Manager Parcel, Post & eCommerce Services, it provides education and networking opportunities to drive positive social change for LGBTQIA+ team members, customers and communities.

3.6%[1] team members identify as LGBTQIA+

1 This data is based on self-declaration of our direct employees. For more detail on methodology and definitions, please refer to the Australia Post FY24 Sustainability Databook.

Welcoming refugee team members to St Leonards

As we develop strategies to increase opportunities for refugees to join our workforce, we collaborated with LocalKind Northern Beaches, to support three Tibetan refugee candidates into roles at our St Leonards Delivery Centre.

There were number of challenges due to the candidates' limited proficiency in English and the need for support throughout the recruitment and onboarding processes. To overcome these, we engaged with the Tibetan community to secure language support, provided customised training, and ensured our people leaders recognised the unique needs of the candidates and cultivated a supportive environment.

After more than a year at Australia Post as Walking Posties, the Tibetan refugee team members have integrated seamlessly into our workforce, with positive feedback from people leaders and the team members themselves.

0.5% Footnote 1 team members identify as refugee or asylum seeker



Indigenous inclusion

We are proud that 3.0% of our workforce identify as Indigenous; and actively encourage further team members to self-identify and join our Mob@Post community. In FY24, 13 team members participated in our Indigenous Emerging Leaders program. This program, which includes a Certificate IV in Leadership and Management, is designed to support Indigenous team members in frontline or operational positions to develop into people leaders. They now join the 80-strong alumni, who continue to champion participants.

Our fifth Reconciliation Action Plan (RAP) titled *Amplifying Indigenous Voices*, was approved by Reconciliation Australia and the Australia Post Board in May 2023 and we are making good progress against our commitments. The RAP sets out our approach to create educational opportunities for our team members, customers and communities, build inclusive voices into everything we do and achieve social impact.

We continue to strengthen Indigenous Governance in our RAP with the creation of the Mob@Post Working Group in November 2023. To further amplify Indigenous voices and continue education and awareness within Australia Post, a cross-functional group led by our Marketing team has created a new Acknowledgement of Country video. The video features members of the Indigenous Community, including our team members, and conveys an essential message of respect for Traditional Custodians and their continuing spiritual connection of Country. In FY24, we were proud to partner with 22 Indigenous businesses and support social and Indigenous spend of $39.2 million over the year, and we continue to work with our partners to support education pathways. Read more on page 62.

3.0%[1] team members identify as Indigenous

1 This data is based on self-declaration of our direct employees. For more detail on methodology and definitions, please refer to the Australia Post FY24 Sustainability Databook.





Access and inclusion

Australia Post is committed to making our workplace, products and services more inclusive and accessible for everyone, as demonstrated through more than a decade of Access and Inclusion Plans (AIP), registered with the Australian Human Rights Commission. With 6.2% of our workforce identifying as having disability, we continue to enhance the accessibility of our workplace.

We are making good progress against our commitments in our AIP 2023–25, including renewing our Disability Confident Recruiter certification for the fourth year, launching Accessibility & Disability training for our team members, people leaders, recruitment and customer experience teams, and continuing to see the benefits of our workplace adjustment passport initiatives. We participated in the Australian Network on Disability's Stepping Into program for the 12th year, offering 12 intern positions for university students living with disability.

We continue to celebrate and raise awareness of disability with team member events including the fifth anniversary of our Accessibility Matters employee resource group, CEO listening sessions, National Week of Deaf People and International Day of People with Disability.

Outside the AIP, we have introduced Dignified Access training for team members to ensure Australia Post locations provide customers with a dignified in store experience and introduced an annual Hackathon Inclusive Excellence Award to encourage team members to keep accessibility front of mind when designing products and solutions. We were proud to be recognised as a finalist at the 2024 Australian Network Disability Awards for Intern of the Year and Disability Employee Network of the year.

6.2%[1] team members identify as living with disability

1 This data is based on self-declaration of our direct employees. For more detail on methodology and definitions, please refer to the Australia Post FY24 Sustainability Databook.

Gender equity

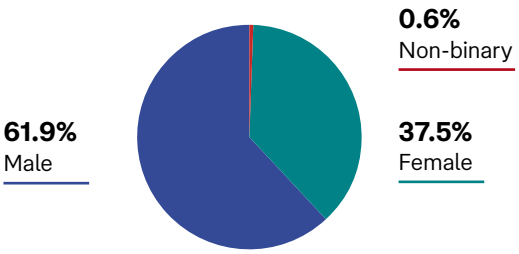
Australia Post is committed to supporting an equitable representation of gender across the organisation, so increasing women's participation across the business is a key focus area. We aim to have at least 40% of senior leadership roles filled by women by 2027. To achieve this goal, we continue to invest in building our female talent pipeline. In FY24, 75 participants graduated from our Elevate leadership development program. Of these, almost 50% of participants obtained a promotion, most within one to two years following program completion. For our female frontline team members, 295 participants completed our ProjectMe personal development and career progression program in FY24, with one in three obtaining a promotion after completion. Our Network Operations Women (NOW) movement to attract and retain more women into our frontline, continues to grow and we remain a proud partner of National Association of Women in Operations (NAWO).

In FY24, across our total workforce (direct employees plus extended workforce) we reached 37.5% female representation. Our direct employee workforce had 36.3% female representation and 36.6% women in senior manager roles. In calendar year 2023 Australia Post participated in the inaugural year of Public Sector reporting to the Workplace Gender Equality Agency (WGEA), including gender pay equity, and in FY24 submitted data for the 2022 calendar year.



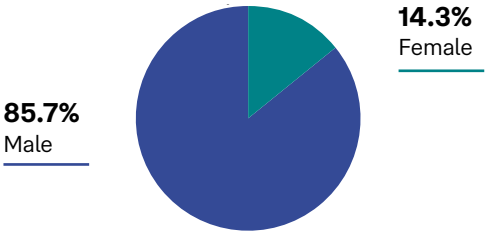
Total workforce[1]

1 Includes direct employees (permanent, fixed term & casual team members) and extended workforce (operational & non operational contractors and Licensees & staff).



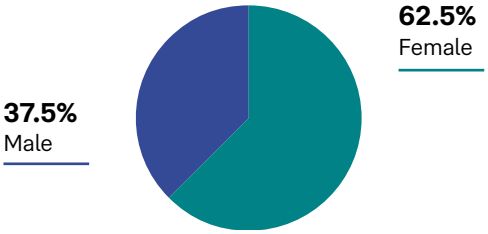
Leadership team[1]

1 Made up of Group Chief Executive Officer & Managing Director and Executive General Managers.



Board members[1]

1 Including Group Chief Executive Officer & Managing Director.



Looking ahead

As one of Australia's most diverse workforces, we will continue to work toward the targets and commitments relating to our five strategic priority areas, with a focus on tangible and sustainable outcomes for our team members, customers and communities.

All permanent team members [Footnote 1] (period FY24)

	Male			Female			Non binary			Total
2024	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total non binary	
NSW	6,482	606	**7,088**	2,624	861	**3,485**	11	6	**17**	**10,590**
QLD	2,947	429	**3,376**	1,561	716	**2,277**	11	2	**13**	**5,666**
SA	1,253	227	**1,480**	388	275	**663**	5	3	**8**	**2,151**
TAS	300	34	**334**	107	70	**177**	0	0	**0**	**511**
VIC	6,158	823	**6,981**	3,039	1,050	**4,089**	31	5	**36**	**11,106**
WA	1,711	175	**1,886**	841	404	**1,245**	6	3	**9**	**3,140**
ACT	405	46	**451**	97	57	**154**	2	1	**3**	**608**
NT	86	17	**103**	69	31	**100**	0	0	**0**	**203**
External territories	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	23	0	**23**	25	1	**26**	0	0	**0**	**49**
Total	**19,365**	**2,357**	**21,722**	**8,751**	**3,465**	**12,216**	**66**	**20**	**86**	**34,024**

All fixed term team members [Footnote 1] (period FY24)

	Male			Female			Non binary			Total
2024	Full time	Part time	Total male	Full time	Part time	Total female	Full time	Part time	Total non binary	
NSW	66	33	**99**	25	16	**41**	0	0	**0**	**140**
QLD	29	10	**39**	25	15	**40**	0	0	**0**	**79**
SA	29	8	**37**	8	17	**25**	0	0	**0**	**62**
TAS	2	3	**5**	2	1	**3**	0	0	**0**	**8**
VIC	70	26	**96**	79	31	**110**	1	0	**1**	**207**
WA	76	11	**87**	34	13	**47**	0	1	**1**	**135**
ACT	14	2	**16**	1	3	**4**	0	0	**0**	**20**
NT	5	2	**7**	0	1	**1**	0	0	**0**	**8**
External territories	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Total	**291**	**95**	**386**	**174**	**97**	**271**	**1**	**1**	**2**	**659**

Total team members [Footnote 1] (period FY24)

	Workforce representation		Female		Male		Non-Binary	
	No	%	No	%	No	%	No	%
Permanent								
Full-time	28,182	81.3%	8,751	70.1%	19,365	87.6%	66	75.0%
Part-time	5,842	16.8%	3,465	27.7%	2,357	10.7%	20	22.7%
Total Permanent	**34,024**	**98.1%**	**12,216**	**97.8%**	**21,722**	**98.3%**	**86**	**97.7%**
Fixed Term								
Full-time	466	1.3%	174	1.4%	291	1.3%	1	1.1%
Part-time	193	0.6%	97	0.8%	95	0.4%	1	1.1%
Total Fixed Term	**659**	**1.9%**	**271**	**2.2%**	**386**	**1.7%**	**2**	**2.3%**
Total Employment	**34,683**	**100.0%**	**12,487**	**100.0%**	**22,108**	**100.0%**	**88**	**100.0%**

Total team members [Footnote 1] (5 years summary)

	2024	2023	2022	2021	2020
Full-time team members	28,648	29,041	29,585	27,867	27,959
Part-time team members	6,035	6,455	6,789	6,867	7,039
Total team members	**34,683**	**35,496**	**36,374**	**34,734**	**34,998**

1 Excludes casuals and external contractors.

All permanent team members (period FY23)

	Male			Female			Non binary			Total
2023	**Full time**	**Part time**	**Total male**	**Full time**	**Part time**	**Total female**	**Full time**	**Part time**	**Total non binary**	
NSW	6,556	611	**7,167**	2,712	882	**3,594**	10	6	**16**	**10,777**
QLD	2,905	453	**3,358**	1,504	780	**2,284**	7	3	**10**	**5,652**
SA	1,245	242	**1,487**	378	293	**671**	2	3	**5**	**2,163**
TAS	303	36	**339**	102	77	**179**	0	0	**0**	**518**
VIC	6,292	876	**7,168**	3,118	1,084	**4,202**	19	6	**25**	**11,395**
WA	1,717	173	**1,890**	820	431	**1,251**	4	1	**5**	**3,146**
ACT	415	50	**465**	99	60	**159**	2	2	**4**	**628**
NT	87	20	**107**	70	29	**99**	0	0	**0**	**206**
External territories	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	22	0	**22**	26	1	**27**	0	0	**0**	**49**
Total	**19,542**	**2,461**	**22,003**	**8,829**	**3,637**	**12,466**	**44**	**21**	**65**	**34,534**

All fixed term team members (period FY23)

	Male			Female			Non binary			Total
2023	**Full time**	**Part time**	**Total male**	**Full time**	**Part time**	**Total female**	**Full time**	**Part time**	**Total non binary**	
NSW	83	54	**137**	39	38	**77**	0	0	**0**	**214**
QLD	50	17	**67**	35	34	**69**	0	0	**0**	**136**
SA	54	19	**73**	20	5	**25**	0	0	**0**	**98**
TAS	3	2	**5**	1	1	**2**	0	0	**0**	**7**
VIC	109	43	**152**	83	76	**159**	0	2	**2**	**313**
WA	83	10	**93**	48	30	**78**	3	0	**3**	**174**
ACT	11	2	**13**	2	3	**5**	1	0	**1**	**19**
NT	0	0	**0**	1	0	**1**	0	0	**0**	**1**
External territories	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Overseas	0	0	**0**	0	0	**0**	0	0	**0**	**0**
Total	**393**	**147**	**540**	**229**	**187**	**416**	**4**	**2**	**6**	**962**

Diversity profile[1]

	2024	2023	2022	2021	2020
Women	36.3%	36.7%	37.1%	37.1%	36.9%
Aboriginal and Torres Strait Islander people[1]	3.0%	3.0%	3.0%	3.0%	3.0%
People with disability[1]	6.2%	5.7%	5.6%	5.6%	5.7%
LGBTQIA+[1]	3.6%	3.6%	3.5%	3.2%	3.1%
Culturally and linguistically diverse[1]	32.3%	32.0%	31.9%	30.4%	30.0%
Female Senior Managers (Band 4 and above)	36.6%	36.3%	35.9%	38.2%	38.4%
Women on Australia Post Board of Directors	62.5%	50.0%	42.9%	37.5%	44.4%
Aged under 30	9.6%	9.3%	9.8%	9.2%	9.7%
Aged 30 to 50	41.0%	41.9%	42.9%	43.6%	41.2%
Aged over 50	49.4%	48.8%	47.3%	47.2%	49.1%

1 This data is based on self-declaration of our direct employees. For more detail on methodology and definitions, please refer to the Australia Post FY24 Sustainability Databook.

Our approach

Australia Post is committed to creating a respectful and equitable workplace, and to promoting responsible business conduct and the protection of human rights. We have a range of principles and practices aimed at improving our practice to trade fairly and ethically.

While responsible business conduct is the accountability of all leadership within Australia Post, our People & Culture and Sustainability functions manage our practices to protect the rights of our team members and people in our operations and supply chain.

Our Modern Slavery Working Group, established in 2019, leads an enterprise-wide program to assess and address modern slavery risks across our operations and supply chain.

Australia Post's TIES values of Trust, Inclusivity, Empowerment & Safety are foundational to the *Our Ethics* policy and expectations around our values are amplified through the *Our AP Way* culture program. ***Our Ethics*** applies to Australia Post and its Directors, team members, Licensees, contractors and other third parties performing services for or on behalf of Australia Post. As an integral part of Australia Post's onboarding process, team members are required to undertake training on *Our Ethics*. We also expect our suppliers to commit to respecting human rights within their businesses.

Our human rights commitment is guided by international treaties, such as the *United Nations Universal Declaration of Human Rights* and the *International Labour Organisation Declaration on Fundamental Rights at Work*.



Our progress

In line with our 2025 Sustainability Roadmap, Australia Post aims to grow sustainability through good decisions. We will do this by creating value through responsible business practices.

Modern slavery and human rights

We believe the people who work for us, contribute to our operations and supply chain or are part of our community should be treated with dignity and respect, whether in Australia or overseas.

The Group Modern Slavery Standard, introduced in 2020, promotes respect for people and aims to address modern slavery and related risks across our operations and supply chain. Our Australia Post Modern Slavery Statement 2023 outlines our focus areas, explains the nature of our risks and details the actions we are taking for our supply chain and extended workforce. It includes our approach to training, remediation and mechanisms to continuously improve the effectiveness of our actions.

We look to continuously improve our modern slavery program by driving deeper supply chain transparency and focusing on our highest risk areas. Australia Post has controls in place to support compliance with workforce laws, including laws aimed at protecting vulnerable workers. We have considered Commonwealth Guidance regarding contexts and sectors in which modern slavery has been found to take place, including high-risk countries, populations, products, industries and work practices.

We continue to leverage our membership with Sedex (one of the world's leading ethical trade service providers) and engage in multi-stakeholder forums such as the Australian Local Network of the United Nations (UN) Global Compact.

Providing avenues for raising and addressing concerns

We provide mechanisms for our team members, suppliers and customers to seek advice or raise concerns about misconduct, without fear of reprisal. Our Whistleblower hotline and portal provide a mechanism to report misconduct, grievances and concerns.

There were 228 reports made through the Whistleblower reporting channel in FY24. All reports raised through our Whistleblower reporting channel are investigated and responded to accordingly.

Our team members can report Harassment, Discrimination or Bullying (HDB) through channels including to their own people leader or another senior leader, People Services portal, the HDB Matters hotline or the Whistleblower hotline and portal.

We also have Harassment Contact Officers (HCOs) who provide support and assistance to team members by providing confidential information on relevant policies, complaints processes and support available to assist in resolving issues of concern.

There are approximately 250 HCOs across Australia Post with their details, and information on our Employee Assistance Program, communicated broadly across the organisation. Team members regularly undertake training on HDB and appropriate workplace behaviour.

We provide the opportunity for customer complaints, compliments and feedback on the Australia Post and StarTrack websites. Key stakeholders, including unions, are engaged in the development and ongoing running of these mechanisms for raising and remediating concerns and we are also a mandatory member of the Postal Industry Ombudsman Scheme.

Our Enterprise Agreements

Australia Post has five Enterprise Agreements across the Group, for more than 32,000 team members. The market-leading agreements were negotiated in FY22 and provide our team with much-needed security and certainty as we continue to build a sustainable future for our business. In FY24, 32,000 team members were paid an increase of 6.0%.

In the second half of FY24 we commenced bargaining for the Australia Post Enterprise Agreement 2024, with bargaining for the StarTrack Enterprise Agreement 2024 to commence in early FY25.

Looking ahead

Our Australia Post Modern Slavery Statement is updated each year. We monitor and review our mechanisms for fair and ethical treatment of team members and people in the supply chain and aspire to keep improving our practices to uphold our Modern Slavery and Human Rights commitments.

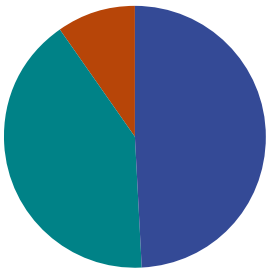
Celebrating our multi-generational workforce

We are proud to have a multi-generational workforce, with five generations working side by side. Almost a quarter of Australia Post team members are Baby Boomers (59+ years), while 32% are Gen Z and Millennial. As the age range in our workforce does not reflect the broader Australia community, it's important we understand and balance the complexities of the diverse needs and aspirations of each generation.

With changing customer expectations and the transformation of Australia Post, we are working to retain older generations with their significant operational knowledge, while attracting younger generations with different skills and capabilities to ensure the sustainability of our business. Continuing to offer more flexible work arrangements will attract younger and more diverse team members.

Our team members [1]

1 Data sourced from the year of birth of all direct employees (permanent, fixed term & casual).



49.4%
aged over 50 years

41.0%
aged 30 to 50 years

9.6%
aged under 30 years

Attracting great team members

In the past 12 months we have continued to strengthen our employer brand by leveraging team member experiences and storytelling, using new channels to share our team value proposition and career opportunities to broad audiences.

We've continued to attract diverse talent to join us and Randstad's Employer Brand Research Report (May 2024) placed Australia Post in the Top 10 most desirable places to work in Australia. Attracting great talent is only part of our team value proposition. Equally important is our ability to retain people through culture, targeted development, on the job coaching and benefits throughout the team member life cycle.

Investing in our leaders

Our flagship Leadership@Post program, which began in October 2021, continues to underpin our approach to uplifting leaders' capability. The program reinforces our enterprise leadership expectations and behaviours aligned to our TIES values. We were recognised by national body AHRI in December 2023, shortlisted for the Best Leadership Development Strategy Award.

To date, more than 3,200 leaders have completed the Activate leadership program, the equivalent to 80% of our in-scope frontline and mid-level leadership cohort. We continue to invest in leadership development, including requiring People Leader Fundamentals training for team members who are new or recently appointed to leadership roles.



Embedding our culture

We've continued to rollout *Our AP Way*, our program to embed the culture we need to ensure we continue to deliver for all Australians. This year we offered our extended workforce the opportunity to experience the program, with 9,000 people completing it. By the end of FY24, a total of 49,000 team members had completed Our AP Way since it launched in FY23.

In FY24 we introduced the *Our AP Way* Awards to recognise team members, sites and teams who demonstrate *Our AP Way* and celebrate their efforts to bring our TIES values, and Leadership Behaviours to life. The categories for the annual enterprise Our AP Way Awards included Safety Award, Corporate Post Office of the Year, Licensed Post Office of the Year, Delivery Partner Team of the Year, Network Site of the Year, Delighting the Customer Award and Sustainability Award.

Our new Melbourne Support Centre

Late in FY24, the first teams moved to our new Support Centre in Richmond, Victoria. Owned and managed by Charter Hall, the building is designed for collaboration, connection, inclusivity, wellbeing and sustainability.

While this is a new chapter for Australia Post in Melbourne, we're paying homage to some of our history throughout the building. We teamed up with Marcus Lee, the Indigenous artist behind our Indigenous logo, which has been transformed into a huge tapestry, and one of the town hall spaces has been named after and features the story of our first Indigenous postmaster, Mary Ellen Cuper.

The new building was constructed with a carbon neutral framework and is targeting a 6-star Green Star fit-out. In addition, we've refurbished and re-purposed items from our Bourke Street premises. Find out more about the sustainability of the new building on page 71.

Connecting our teams with Viva Engage

In May 2024 we celebrated the first anniversary of launching Viva Engage, Australia Post's internal social media and communications platform for team members. Viva Engage is an important communications channel that allows two way engagement with our team members, including our frontline Network Operations and Retail teams.

The platform offers a single point of access to all important enterprise updates and information, including video messages, photo sharing, team announcements, Q&A forums and community discussions. In FY24, Viva Engage adoption increased to be accessed by over 31% of team members.

Delighting our customers and communities

As trends and expectations change, Australia Post has an unwavering commitment to serve our customers and communities.

We continue to focus on what matters most for our customers – flexible and more reliable parcel deliveries, new and innovative services, greater online accessibility through our market leading app and better customer service. Through our community partnerships and programs, we are helping to build stronger, more connected communities.

Delivering for our customers	page 42
Our network and reach	page 48
Keeping our customers' data safe	page 55
Our communities	page 58

Sustainable Development Goals







2.3 billion
articles delivered

3 million
articles delivered on a single day

Our approach

Australia Post is focused on delighting our customers by being easy to do business with and delivering great products and services.

Our Post26 strategy clearly outlines our priorities to win in eCommerce delivery service, and to simplify our products and services. Australians last year spent about $64 billion[1] on online shopping purchases and Australia Post is the vital eCommerce link between those digital stores and the front door of millions of homes, nationally. Our customers have told us very clearly that parcels are now their priority.

Our Parcel, Post and eCommerce Services and Retail, Brand and Marketing business units design and deliver customer products and services, supported by our Network Operations, Enterprise Services and People & Culture teams.

Our progress

Supporting our customers to win in eCommerce

Australia Post continues to take a leadership role in the eCommerce community, supporting our customers through sharing insights, celebrating success and providing opportunities for exchanging ideas.

The Australia Post Online Retail Industry Awards (ORIAs) event recognises brands who have achieved retail excellence over the past 12 months. In 2023 we were proud to sponsor three new categories, closely aligned to our values and Post26 strategy, and equally important to a growing number of Australian online retailers – Small Business Innovation, Sustainability Impact and Diversity & Inclusion Impact. The 2024 Australia Post ORIAs will mark 10 years of celebrating business leadership, impact and excellence.

Our Australia Post *Business Talks* webinar series continued in FY24, providing our eCommerce customers with access to industry thought leaders sharing ideas, insights and inspiration to help them do business better. This year we combined our unique data and insights with an industry-led narrative on topics such as *Make resilience your business advantage* and *The dynamic eCommerce landscape*.

1 Online Physical Goods, CommBank iQ, Jan 2024. This value includes buy now pay later (BNPL) payments.

In partnership with the National Online Retailers Association, we bring together a strategic selection of Australia Post customers as our Customer Advisory Group (CAG). The CAG provides an opportunity for Australia Post and major customers to network and discuss how Australia Post can help grow a customer's business. We encourage members to provide feedback and share their experiences to benefit the collective and inform Australia Post's ongoing modernisation journey.

We provide practical support to our business customers with MyPost Business smart parcel sending tools to save them time and money. In FY24 we introduced new MyPost Business features to enable printer-free returns by removing the need for a physical signature for dangerous goods, removing guesswork with our address validation tool for almost all international destinations and providing more ways to automate shipping labels. As eCommerce continues to grow, we'll continue to refine and enhance MyPost Business.

Growing our international business

Our international business has continued to expand in FY24, connecting Australians and Australian businesses to the ever-growing global eCommerce market. We now send parcels to 235 global destinations. With enhanced connectivity and improved customer experience, our outbound parcel volumes have grown more than 20% year on year.

As cross-border eCommerce continues to grow, we are also leveraging the technology and capabilities of our offshore based cross-border parcel solutions business AP Global. This capability has allowed us to further strengthen our offer with integrated commercial network solutions into New Zealand, United States and the United Kingdom.





Next-day deliveries with Australia Post Metro

Developed in response to the customer want of "buy today, receive tomorrow" Australia Post's next-day delivery service, Australia Post Metro, was launched in August 2023. Australia Post Metro is the first new delivery service from Australia Post in recent years and provides eligible retailers and their customers with both speed and greater certainty when they shop online. The service is a direct response to data suggesting that 68% of online shoppers are likely to abandon their shopping cart if they deem the delivery method too slow.[1]

Initially available in Melbourne, Sydney, Brisbane and the Gold Coast, Metro has been so successful that the service has now extended to Adelaide and Perth. We know that customers expect more certainty, simplicity and speed when ordering online and Australia Post Metro delivers on that. We've simplified our back-end systems with dedicated parcel sorters to quickly identify Australia Post Metro orders, prioritising them for next-day delivery.

Online shoppers benefit from reliable next-day delivery, giving them the ability to add an item to their shopping cart today and seamlessly get it in their hands by 5pm the following day. We also offer the largest and most flexible delivery network with parcel lockers, PO Boxes and home delivery. For retailers, Australia Post Metro offers a competitively priced next-day delivery service, an unparalleled delivery network, six-day pick up and five-day delivery. Since launch, we've seen a reduction in the carding of parcels, meaning more successful first-time deliveries, and a reduction in customer services enquiries.

1 PowerRetail Trajectory Report 2021.

How do Aussies shop online?

In March, we released our 2024 *Inside Australian Online Shopping* eCommerce industry report, providing exclusive insights into which Aussies spent the most online in the past year.[1]

According to the data, 8 in 10 Australian households[2] shopped online in calendar year 2023 – that's 9.5 million households (+1.4% year on year) across the nation that received a parcel. We've seen significant progress over the years with an additional 1.5 million households choosing to do their retail shopping online compared to 2019. In calendar year 2023, on average 5.6 million households made an online purchase each month as Aussies turned to smaller, more frequent buys. In the past few years, rural areas have seen more growth in households shopping online than metro areas. They've experienced a significant increase of 18% since 2019, while metro areas have seen a 16% growth rate. The 2024 report, (ecommerce-report.auspost.com.au) also compares online shopping habits across states and generations.

1 Data is based on the analysis of 2018-2023 parcel data recorded by the Australia Post Group, unless otherwise stated.
2 All household counts are limited to residential households and exclude households that received an excessive number of parcels per year to remove outliers from the distribution.



Gen Z Born 1998–2006 Age 18–26	Gen Y Born 1981–1997 Age 27–43	Gen X Born 1965–1980 Age 44–59	Baby Boomers Born 1946–1964 Age 60–78
Total online spend: **$10.6 billion**	Total online spend: **$22.1 billion**	Total online spend: **$17.5 billion**	Total online spend: **$12.5 billion**
YoY change in online spend: **-11%**	YoY change in online spend: **-2%**	YoY change in online spend: **+1%**	YoY change in online spend: **+7%**
Average basket size for online spend **$80**	Average basket size for online spend **$95**	Average basket size for online spend **$110**	Average basket size for online spend **$109**
YoY change in basket size: **-6%**	YoY change in basket size: **-6%**	YoY change in basket size: **-5%**	YoY change in basket size: **-3%**

Delivering for all Australians during our peak period

We prepared all year for the peak period over November and December 2023 by adding more capacity in our network, investing in new facilities, and hiring thousands of seasonal casuals to help us deliver what was our biggest peak to date.

This was driven by an increase in 'strategic shoppers' in the past year, taking full advantage of online sales events like the cyber sales weekend and Boxing Day sales to make their dollar stretch further. The 2023 cyber sales period was the biggest in Australian online shopping history, with online purchases up 4.6% on the previous year. Boxing Day sales still proved popular with consumers, with online purchases online during the sales period, growing 2.8% year on year.

Australia Post delivered nearly 100 million articles during November and December with the best service performance (DIFOT) for the peak shopping period since before the pandemic.

This result was underpinned by ongoing investment in our network facilities, technology and aircraft freighter fleet, including our new A330 freighter, which uplifted 35 tonnes on its busiest day. We operated three additional freighter aircraft to support increased demand for our express services, with a total 15 million kilograms of air freight during the peak period.

To support our scaled-up network, we welcomed more than 3,200 new team members and, through our One Team program, diverted team members from our support centres to our frontline to help us deliver like never before.

32%
year on year increase in parcel locker deliveries

1,280
One Team shifts

3.8 million
active users AusPost app

8.9 million
parcels sent with MyPost Business

15 million kg
air freight uplifted

3 million
articles delivered in a single day



Marketing milestones

Launched in FY24, the 'You ask. We deliver' marketing campaign, surpassed all marketing benchmarks and was the most recalled campaign for this financial year.

The engaging campaign showcased our most innovative customer experience changes through six advertisements. It profiled customer benefits with new two-hour delivery notifications, digital delivery cards, parcel locker expansion, next day delivery and the AusPost app security.

Australia Post always has Christmas well and truly covered, which has often left the big guy in red wondering – how are they doing it? To find out how, Santa went undercover as 'Nick the Intern' in our 2023 Christmas campaign to learn all the ways Australia Post delivers Christmas for Australia. He learned that it's not with magic and elves, but with connected technology and people power.

The campaign highlighted the different ways Australia Post can help during the busy festive season, using clever products and services like the AusPost app and parcel lockers.

The best received advertisement from this series showcased a particularly positive change for customers, extending our cut off time for 'last day' sending.





Creating iconic collectables

At Australia Post, we recognise the significant role we play in preserving history through our iconic collectables.

The FIFA Women's World Cup Australia and New Zealand 2023™ in July and August 2023 was the first to be held in the southern hemisphere and the first to be hosted by two countries. The event was commemorated with a single stamp release in July 2023.

To celebrate the Summer Olympic Games in Paris, a "Path to Paris" stamp was released in the lead-up to the 16-day event, showing support for all Olympic and Paralympic teams competing across 32 sports. Australian Olympic and Paralympic gold medal winners will be celebrated through stamp releases to recognise their significant achievements.

Other notable FY24 stamp releases included the King's Birthday and King's Coronation stamps commemorating the change in monarch, Christmas Island, Lunar New Year of the Dragon, and "Aussie Big Things", featuring the much loved, over-sized statues of animals, produce and objects from across Australia.

After selling out the first-ever AFL collectable coin range in FY23, Australia Post again partnered with the AFL, AFLW and Royal Australian Mint to release a new range of 20 collectable coins marking the 2024 AFL season.

Making things right

Australia Post prides itself on delivering a world-class experience for our customers and communities and, when we fall short, we listen and take complaints seriously. Over the financial year our Customer Contact Centre heard and resolved more than 1.16 million customer complaints, representing approximately 0.05% of the 2.3 billion articles entrusted to us over the same period. This is an 8% decrease in complaints compared to FY23.[1]

We classify complaints as any instance where a customer has contacted Australia Post to express dissatisfaction with a product, service, perceived failure, or an interaction with our team. In this financial year, our Contact Centre has prioritised streamlining our processes and driving efficiencies, to simplify the experience of raising a complaint and having it resolved. We continue to focus on improving our customers' experiences, while meeting and exceeding their changing needs, to make things right if we've let them down. Every complaint made to Australia Post is an opportunity for us to learn and improve to ensure we continue to serve our communities today and in the future.

From customer service to Customer Success

We're transforming the way we service and engage with our customers. Following extensive consultation with our contact centre frontline team members and relevant unions, in April 2024, we brought together our Australia Post and StarTrack customer service teams to streamline how we work, making life simpler for our customers and team.

Our customer unification project resulted in all former contact centre frontline StarTrack contract team members transitioning to Australia Post contracts to create one unified Customer Success team. Our transformation is working toward providing a single customer service structure and set of standardised processes. Our team members will have a single 360-degree view of our customers, regardless of whether their item is Australia Post or StarTrack, meaning better outcomes for team members, our customers and our business.

1 Australia Post received 1.26 million customer complaints in FY23.

Award-winning customer service

Australia Post has won the Top Award for Customer Service Excellence at the Kahala Posts Group (KPG) Customer Service awards.

This award makes our International Services team the highest performing Customer Service team across all KPG postal operators.

That includes Canada, China, France, Hong Kong, Japan, Korea, Spain, Thailand, the United Kingdom and the United States.

This award recognises our efforts over the past four years to improve the quality and timeliness of our response, and to help drive consistency across the wider KPG group of postal operators.

Looking ahead

We are evolving our business to better meet the needs of our loyal customers and partners; focusing on the things that matter and giving customers choice. We aim to provide exceptional and innovative customer service, improving the efficiency and sustainability of our parcel deliveries and adjusting how we deliver letters. This is designed to give our customers more of what they want – reliability, simplicity and choice.



Our approach

We're continuing to invest in the right physical and digital infrastructure to deliver on our Post26 strategy priorities of reimagining the Post Office network, winning in eCommerce delivery, building a sustainable letters service and creating market leading digital and data experiences.

Our Post Office network, and the services they provide, are managed by our Retail, Brand and Marketing business unit. Our Enterprise Services team works with Retail, Brand and Marketing on evolving our online experience and our Network Operations team ensures we have the right facilities and operations in place.

See pages 74–77 in *Creating a sustainable future* for more detail on how we are modernising our business

Our progress

Investing and upgrading facilities

Australia Post is committed to investing in infrastructure that supports the changing needs of our customers and the growth of our business.

Through our regional capacity network program we are developing new sites that are fit for purpose to meet modern expectations of parcel and letter delivery. In FY24 we invested in 29 new and upgraded facilities, including 16 in regional areas.

To service the needs of one of Victoria's biggest regional cities, where parcel delivery volumes have increased by 70% over the past four years, we opened a new parcel delivery centre at Ballarat in July 2023.

Also in Victoria, a state-of-the-art parcel facility was officially opened at Avalon in October 2023. With 150 team members, the new facility boosts Australia Post's capacity to support eCommerce growth across the Greater Geelong region.

The facility is 14,000 sqm and can process 85,000 parcels per day. Strategically located next to the airport and close to key business customers within the new industrial park, the Avalon Parcel Facility has been purpose built to support parcel and mail processing, pick-up and delivery, as well as transport and linehaul operations. The high-tech equipment installed in this facility can process more than 5,000 large parcels every hour through automated sorting machines, which ensures we get deliveries out to customers faster. In June 2024, StarTrack Road Express operations relocated from Corio into the adjoining shed at Avalon Parcel Facility, improving safety, and supporting parcel growth and operational efficiencies through improved interoperability with Australia Post operations on the same site.

Australia Post also announced we're significantly boosting our investment in Queensland by committing over $50 million to build a cutting-edge parcel facility at the Brisbane Airport Industrial Park. Expected to open in first half FY26, this StarTrack Premium facility will be the second largest sorting facility in the state.



StarTrack turns 50

From humble beginnings with just a handful of team members working from a warehouse in Sydney in 1974, StarTrack has grown into an Australian industry leader today. After undergoing several evolutions over the years, the StarTrack name and iconic blue branding was introduced in 2012.

Through strategic partnerships with companies like Qantas, StarTrack has expanded its logistics and freight capabilities across Australia. Over the decades we've worked closely with our customers, including Sportsmaster Athletic International, who we've serviced for 29 years, and Addicted to Audio, which has been delivering with StarTrack for 14 years.

Each month, our StarTrack team delivers an average 8.1 million items, and this year we moved over 1 million tonnes across air, road and rail. StarTrack is an integral part of our Post26 strategy and is a key to our success in the ecommerce delivery service sector.[1]

1 Revenue tonnes determined by the charge weight, which is the higher of dead weight or cubic weight.





Growing with Ballarat

Australia Post has been at the heart of the Ballarat community since our first Post Office opened in a tent in Golden Point back in 1851. In July 2023, Minister for Infrastructure, Transport, Regional Development and Local Government for Ballarat, the Hon Catherine King MP officially opened our new parcel delivery centre, deepening our long-term investment in the region.

Built to accommodate parcel volume growth in the region, the modern 5,722m² centre will improve turnaround times and help process more than 10,000 parcels on an average day and up to 20,000 during peak periods.

The Ballarat facility introduces the latest in automated parcel sorting technology, which is undergoing final stages of testing. The new parcel sorter can sort up to 3,000 parcels per hour, boosting the site's overall capacity. The automation will also reduce manual handling and improve safety for team members.

With our commitment to improving services for regional communities, the Ballarat facility layout is scalable to cater for different operational requirements across the country, and the design is intended to be replicated for future regional sites.



Taking off with a new A330

In October 2023, we added a new freighter to our fleet, providing critical capacity and flexibility to support growing eCommerce demands during the busy peak Christmas period and beyond.

Operated in partnership with Qantas Freight, the newly converted A330-200P2F aircraft doubles the volume of Australia Post's largest current freighter. Providing 130 tonnes of capacity each night, initially the new freighter will operate between the east coast and Perth, carrying StarTrack and Express Post parcels.

This investment marks a major milestone in Australia Post's commitment to enhancing our delivery network and increased overall peak capacity by 29%. Additionally, the new freighter will support us meeting our emissions reduction targets as we continue to modernise our operations (see page 69 for more on emissions).

Our new A330 freighter delivers increased flexibility within our freighter fleet, creating a sustainable, long-term solution to meet growing customer demand driven by eCommerce. This new freighter also builds on our long standing partnership with Qantas Freight, which operates our existing freighter fleet.

Australia Post has a fleet of 12 dedicated freighter aircraft via its air services partner Qantas Freight.

Helping save lives with Next Flight

The work of our StarTrack Next Flight team is literally life-saving – transporting organs around the clock to patients who are waiting for transplants. In FY24, we supported the delivery of 184 live organs.

Our StarTrack Courier team transport organs by road between hospitals, and where necessary, deliver or collect the precious cargo from Qantas passenger flights.

Under the Australia and New Zealand Paired Kidney Exchange, Australia Post team members, trained by our Next Flight team, escort the organ as carry-on luggage, to or from New Zealand, and then over last mile courier delivery or to the surgery door.

The challenges of rapid transportation of live human organs involve precise planning and coordination across multiple forms of transport and Government agencies; detailed knowledge of the hospitals for collection and delivery; and, of course, a high level of care.

Pacific Postal Development Program

Australia Post has partnered with the Australian Government to help our Pacific Island neighbours provide efficient postal services to their communities. Under the three-year partnership, announced in August 2022, Australia Post has provided postal operators in the Pacific with a range of equipment, technology and training to assist them to modernise their operations through the Pacific Postal Development Program.

The Solomon Islands, Tonga, Fiji, Vanuatu and Papua New Guinea were the first countries to receive equipment in August 2023, with more Pacific nations to receive assistance over the life of the partnership. Each country received equipment consisting of items for facilities and network infrastructure, personal protective equipment, IT equipment and postal delivery vehicles, including motorcycles and eDVs.

In June 2024, team members from across Australia Post came together in Brisbane with delegates from eight Pacific Island postal operators for an exchange of knowledge and insights through workshops focused on safety, sustainability, marketing and branding, customer care and international accounting, all targeted at improving efficiencies and modernising postal networks right across the Pacific.

Modernising our Post Office network

As traditional mail declines, and more customers shop online, we're reimagining what the Post Office customer experience looks like.

Our network of 4,198 Post Offices, including 2,553 outside major cities, received more than 202 million visits from Australians this year. We know that the main reason for more than half of these visits was to collect or lodge a parcel. With that in mind, we are trialling new formats and layouts which improve convenience and available hours for customers. Within Australia Post, we have adopted a test and learn culture, better enabling the use of customer insights to drive innovation.

This year we launched a differentiated full service model through our Community Hubs. Our first Community Hub launched in Orange in October 2023. Each Hub provides a 24/7 lobby, where customers can send or receive mail and parcels day and night. Inside the Post Office we have space allocated for selected small businesses to display their product, giving a presence and exposure not typically available to them. A second Community Hub was launched in Burnie, Tasmania in June 2024, with Williamstown, Victoria and Noosa Heads, Queensland to launch in early FY25.

We're continuing to explore the opportunities for smaller parcel focused sites in major city locations such as Manly, New South Wales and Werribee, Victoria which offer customers a more efficient experience prioritising parcel pick up and drop off, complemented by a core packaging merchandise range.

As we redesign our Post Offices with customer's parcels needs in mind, back of house and logistics improvements will result in reduced queues and improved service times. With customers increasingly expecting 24/7 access and one in five parcels now being delivered out of home, we're also offering more self-service options such as parcel lockers and vending machines.

We are focused on increasing our points of presence so now have 773 parcel locker banks at 693 locations, totalling more than 59,000 individual compartments. Of these, 66% of parcel locker banks are co-located with our Post Offices, with the balance in locations convenient to our customers.

We've introduced services such as carding direct to lockers when an Australia Post team member cannot safely deliver an eligible parcel[1] to a customer's address and can't return the parcel to the nearest Post Office. The Postie places the parcel in a free 24/7 Australia Post Parcel Locker and MyPost customers are notified that their parcel is ready to collect whenever it suits them over the next 48 hours. PO Boxes continue to play a role in our footprint with 40 million parcels delivered through PO Boxes in FY24.

1 Eligible parcels are those with mobile numbers linked to a delivery that can be matched to a MyPost account.







Providing all Australians with essential services

Across our network we've continued to build on the vital face to face services we provide to customers, particularly in regional and rural areas, including agency banking, identity services, home, car and travel insurance services.

We continue to provide crucial agency personal banking and business banking services on behalf of 80 financial institutions at over 3,400 Post Offices. This service benefits our customers and small businesses across Australia but particularly those in regional and rural locations where the local Post Office is often the only access point for physical banking. From cash withdrawals and deposits to business banking deposits, there were more than 17 million Bank@ Post transactions in FY24. We're also delivering critical banking support via the Bank Branch Closure Program. Australia Post has partnered with NAB and BankWest to offer customers a physical space at nominated outlets where banking team members provide face-to-face interactions, assisting customers to transition to Bank@Post services in regional or remote areas where a bank branch is closing.

Over the past financial year, we took more than 3.1 million identification photographs and completed 2.5 million passport applications. This included a record 28,654 passport applications received in one day on 28 June 2024.



POST+ Our new Retail point of sale (POS) solution

In June 2024 Australia Post completed the rollout of a new Retail point of sale (POS) solution to all Corporate and Licenced Post Offices. The new solution, named POST+, has introduced major benefits for our customers, team members and our organisation and is helping us to deliver on the Post26 strategy.

Since commencing the POST+ program in 2019, Australia Post has leveraged team member and Licensee feedback to develop a new solution that is functional, intuitive and accessible for those that use it each day – including team members living with disability. It features a touch screen, adjustable stand and carefully designed interface compliant with accessibility standards. Early feedback has been positive with team members valuing how quickly they become competent using the new solution – enabling them to deliver great customer experiences.

POST+ has a modern cloud-based architecture that further enhances security and provides greater potential to introduce new products and services through the Retail network.

Australia Post continues to invest in POST+, to deliver a roadmap of enhanced functionality based on user feedback.

Introducing JoyUp

In FY24 we launched a range of retail products under a new Australia Post brand – JoyUp. JoyUp offers customers a diverse selection of lifestyle products, including toys, back-to-school stationery, appliances and accessories bringing more choice to Australia Post customers, particularly in regional and remote locations. With an initial range of around 50 products the collection aims to provide quality and affordable choices for our customers with an extended range of products expected to follow.

The integral role of our Licensees

Licensed Post Offices (LPOs) make up the majority of our Post Office footprint. Our Licensees are a vital and valued part of Australia Post, playing a key role in local communities right across Australia. For example, in regional Australia, more than 500 Licensees are now also performing mail delivery, becoming the primary provider of postal services for their local community.

This model supports LPO sustainability by enabling services to be maintained in regional communities and providing a better customer experience. Australia Post continues to work with our Licensee partners to drive the success of the network. This year a range of initiatives were progressed to support Licensees in their day-to-day operations, including significant investment in the deployment of POST+ to all LPOs nationally. We've simplified, and will continue to review, our product and service offering to drive profitability while ensuring the needs of local customers and communities are met, allowing Licensees to focus on customer experience and engagement.

The Local Business Partner program also continues to receive great support from Licensees and is proving to be a valuable source of additional revenue through customised support of local businesses. This year we have updated the LPO incentive program to make it easier for Licensees who meet Australia Post's requirements to benefit financially. To support our Licensees to run their small businesses more successfully, we offer a range of training and development opportunities as well as membership to the Australian Retailers Association, which provides them with access to expert external advice on key business matters such as employment and leasing.



Supporting local businesses

This year we achieved the significant milestone of more than $500 million revenue generated from our Post Office managed customer base, the Local Business Partner (LBP) program.

We're proud of this accomplishment, which is the result of our LPO partners and CPO outlets taking the lead in customer account management, by actively engaging with customers, and building strong relationships.

This year we saw an additional 197 LPOs onboarded as Local Business Partners, bringing the total number of Post Offices in the program to 1,558. Since the program began in October 2019, we have experienced an average year on year growth of up to $100 million per year. In FY25 we'll enter a new stage of the program with a new LBP catchment model. This will allow all partners to benefit from the same sales and support model, irrespective of their tier.

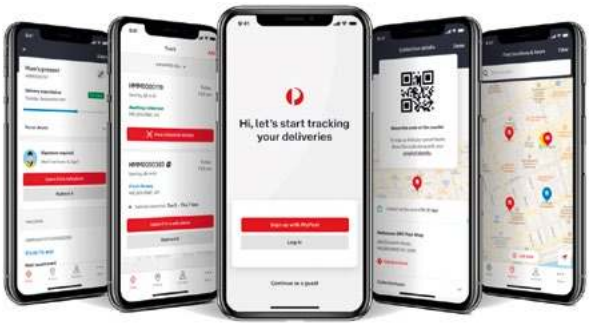
The new model will provide enhanced sales support in each catchment, as the link between Field Engagement Leads and Channel Partner Managers will be more closely aligned, empowering our partners to expand their customer base, helping to increase sustainability and profitability of the Post Office network.

Making the AusPost app even easier

We continue to improve the AusPost app with new features to give customers more choice, control and security. Currently the AusPost app offers customers:

- two-hour delivery window notifications
- more tracking features to see where their parcel is and get updates when they're on the way
- in-app messaging to help customers avoid scams from text messages
- QR codes to collect carded articles
- choice of redirection to a locker, street address, Post Office or PO Box; or request to leave in a safe place.

Use of the AusPost app continues to grow with 6.4 million unique users, with the app now comprising 49% of our digital traffic. May 2024 was the first month that app traffic was higher than traffic to the Australia Post website – a trend we expect to continue. The average time used has increased to 13 times per month, up from 12 times in FY23, unsurprisingly with a high of 15 times per month during December 2023.



Looking ahead

As customer behaviour changes and we move to a parcel-focused future, we're continuing to find ways to reshape our retail formats and investing in our physical and digital networks to deliver for all Australians.

Introducing digital notifications

To provide registered MyPost members with safer and more reliable information about when and where to pick up their parcels, while also helping Australia Post to reduce paper waste, we introduced new digital push notifications in October 2023.

MyPost is a free, personal account for Australia Post customers that offers access to a range of benefits, such as tracking for parcels that can be matched to their account and re-directing deliveries, as well as greater protection from online fraud.

Linking the AusPost app to a MyPost account and enabling notifications is the best way for customers to receive trusted, accurate and legitimate delivery updates from Australia Post, and not from scammers.

Our customers tell us they like the certainty and flexibility they get from our in-app notifications. Along with notifications about estimated delivery windows, Australia Post is focused on giving customers greater convenience. Reducing paper parcel notification cards is expected to save hundreds of trees over the next 12 months, along with approximately 670 tonnes of CO_2 emissions – the equivalent of taking 234 cars off the road.



Our approach

As we continue to digitise our business and operations, customer privacy and data protection, cyber security and system resilience are more critical than ever.

These essential areas are managed by several key leadership roles in our Enterprise Services and Risk functions.

Our commitment to keeping our customers' personal information safe and secure is reflected in our policies and frameworks and day-to-day practices, and we have robust processes in place to investigate and respond to incidents as they arise.

Privacy

The *Privacy Act 1988* (Cth) (Privacy Act) guides how we comply with privacy obligations, respond to privacy requests, and enable our customers to exercise their rights as set out in the Privacy Act. In addition to the Privacy Act, Australia Post adheres to the Australian Government Agencies Privacy Code 2017 (The Code). The Code sets out specific requirements and key practical steps that agencies must take to comply with one of the Australian Privacy Principles.

Our Privacy Statement sets out how we collect and handle personal information, and how our customers can access or correct their information, raise a complaint or contact us. Our dedicated Privacy team assists team members and customers with privacy-related queries.

Cyber security

Cyber security threats continue to be significant. Our approach to mitigating cyber security risk involves a range of controls across people, technology, and processes, and we continually invest to protect our systems and minimise disruption.

We maintain and regularly test our incident response and crisis management processes and technology recovery capabilities, to be prepared should a cyber attack be realised. To ensure continuous improvement, our cyber controls include ongoing alignment to the Australia Signals Directorate (ASD) Essential Eight mitigation strategies and we are a partner of the Australia Cyber Security Centre.

Data governance

We have established a Data and Artificial Intelligence (AI) Governance Office, with supporting data and AI management policies, process and practices being designed and implemented.

Our progress

Privacy

This year there were no notifiable data breaches identified under the Notifiable Data Breaches scheme.

In FY24 we received four new privacy complaints escalated to the Office of the Australian Information Commissioner (OAIC), which have been resolved. The complaints had been through our internal dispute handling processes before they were escalated to the OAIC. Privacy complaints received from the OAIC are recorded in our Risk, Governance and Compliance system.

Cyber security and system resilience

Australia Post continuously defends against attacks using a broad range of cyber controls, detection capabilities, and education and awareness programs. We maintain a range of internal and external mechanisms to assess our information security capability. Our cyber security team is focused on maintaining our defences against the evolving threat environment, running regular simulations to improve our response and ability to recover rapidly from any incidents.

The resilience and availability of our systems is vital. As part of the simplification pillar of our Post26 strategy, we continue to upgrade and modernise legacy platforms.

Scam awareness and protection

Scams targeting customers are a growing problem in Australia, so we're doing our part to help our customers protect their personal and financial information. We provide awareness of scams, publishing alerts and examples on our social media channels and website.

We continuously monitor and deactivate fraudulent websites and actively work with industry partners to reduce the impact of scams on our customers.

Team member training and awareness

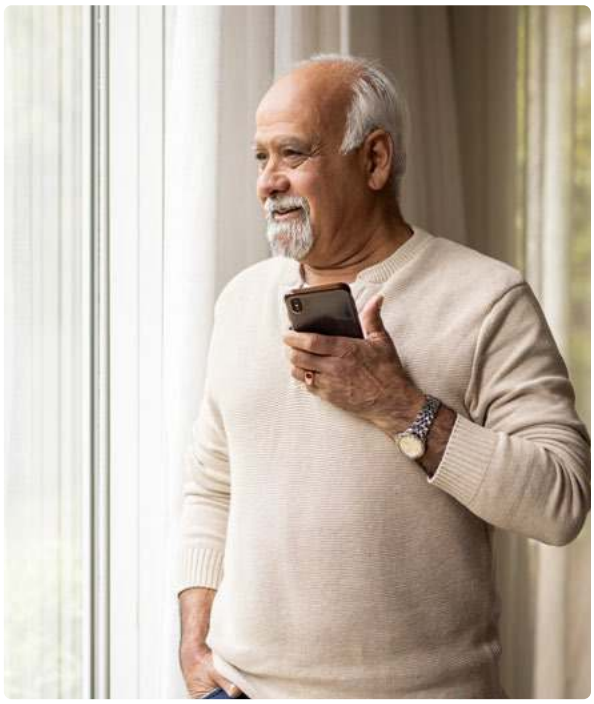
Our team members play an important role in protecting data, undertaking mandatory privacy and cyber security training when they join Australia Post and throughout their employment, as appropriate to their role. We continually educate and create awareness among our workforce with information security awareness campaigns across topics such as scams, password security and information management.

Looking ahead

To continue keeping our customers protected in an ever-changing landscape, Australia Post is investing in technology and solutions to help reduce the impact and frequency of scams and to keep information secure. We are improving data security by uplifting policy guardrails, processes and controls to protect data.

Understanding that protecting businesses and individuals from cyber crimes is broader than Australia Post, we take a collaborative approach and support industry and Government initiatives providing input and feedback as required.

Ahead of upcoming reforms to the *Privacy Act 1988* (Cth), we are prioritising the protection of our sensitive commercial and customer data.



Helping Aussies to avoid delivery scams

Australians receive shipping or package delivery scams far more than any other scam according to research commissioned by Australia Post. [1] We shared this research with a public awareness campaign in May 2024.

Close to three-quarters (73%) of respondents indicated they have received fake delivery or package scam messages, underscoring the need to track parcels through official apps or websites. More than a quarter of respondents admitted they had fallen victim to a scam, often resulting in a financial loss or identity theft.

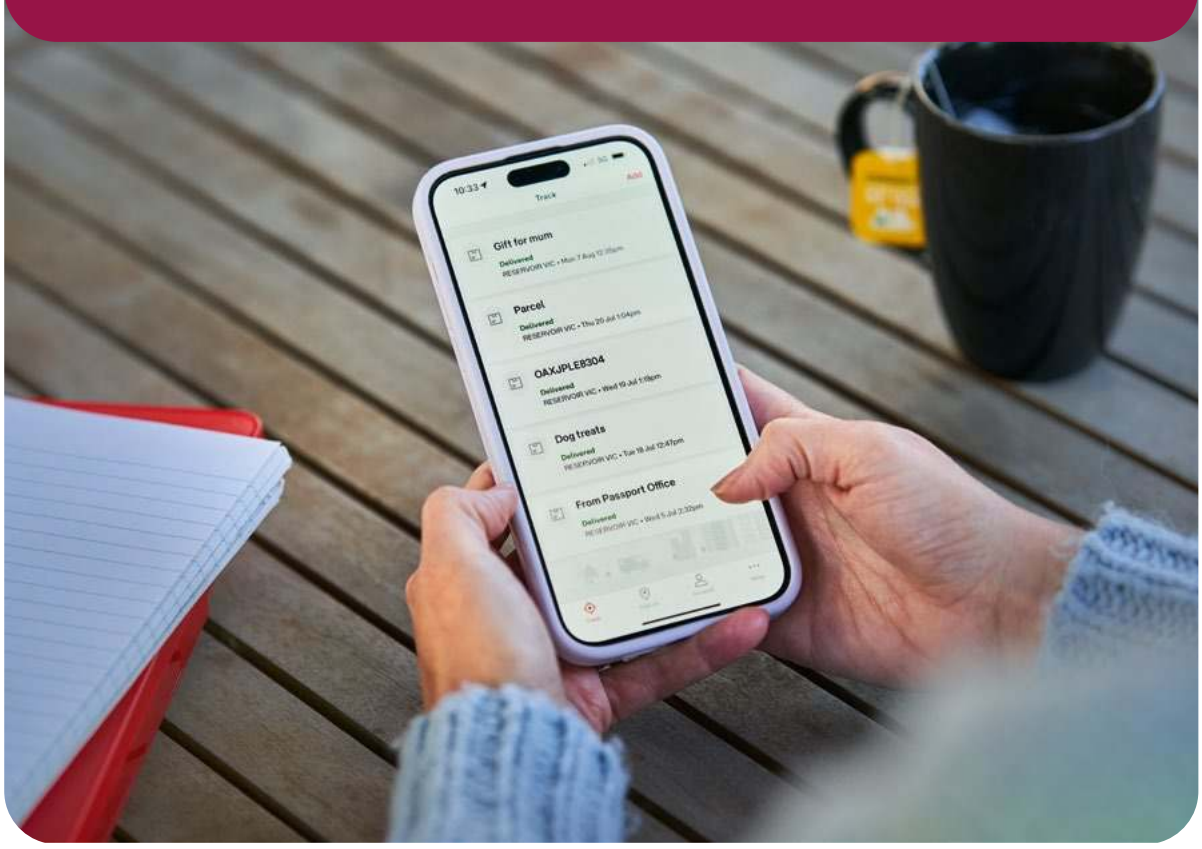
Australia Post urges people to protect themselves as scams continue to increase and become more convincing. More than half (54%) of those surveyed revealed they had initially believed a fake delivery message was legitimate and pursued it before realising the content was fraudulent.

With many people being bombarded with fake texts, emails and calls the best way for customers to stay safe from scams is by using the free AusPost app, which tracks deliveries securely.

Australia Post will never:

- call, text or email a customer asking for personal or financial information including password, credit card details or account information
- call, text or email to request payment
- ask a customer to click on an email link to print off a label to redeem a package.

1 Survey conducted by Pollfish in April 2024 on a nationally represented sample of 1,495 Australians.





Our approach

Australia Post's Community Strategy has been established to reflect the expectations of our stakeholders and the needs of our communities.

Aligned to Australia Post's strategic imperatives, the Community Strategy is designed to create local and national impact through our community programs and community partnerships. There are four key pillars of the strategy: mental health, disaster support, literacy and environment.

We support local, community-led causes through our ongoing Community Grants and People of Post Grants.

We leverage our nationwide network and infrastructure to support key national partnerships with Beyond Blue, Australian Red Cross, the Indigenous Literacy Foundation, World Wide Fund for Nature Australia, DeadlyScience and The Big Issue.

We engage our team members in our partnerships and programs through community engagement and awareness activities that aim to build connection. Team members are also encouraged to support causes that are important to them through our Workplace Giving program.

Our progress

In FY24 Australia Post's community investment was $28,460,657. Cash contributions were made through national partnerships and our grant programs.[1]

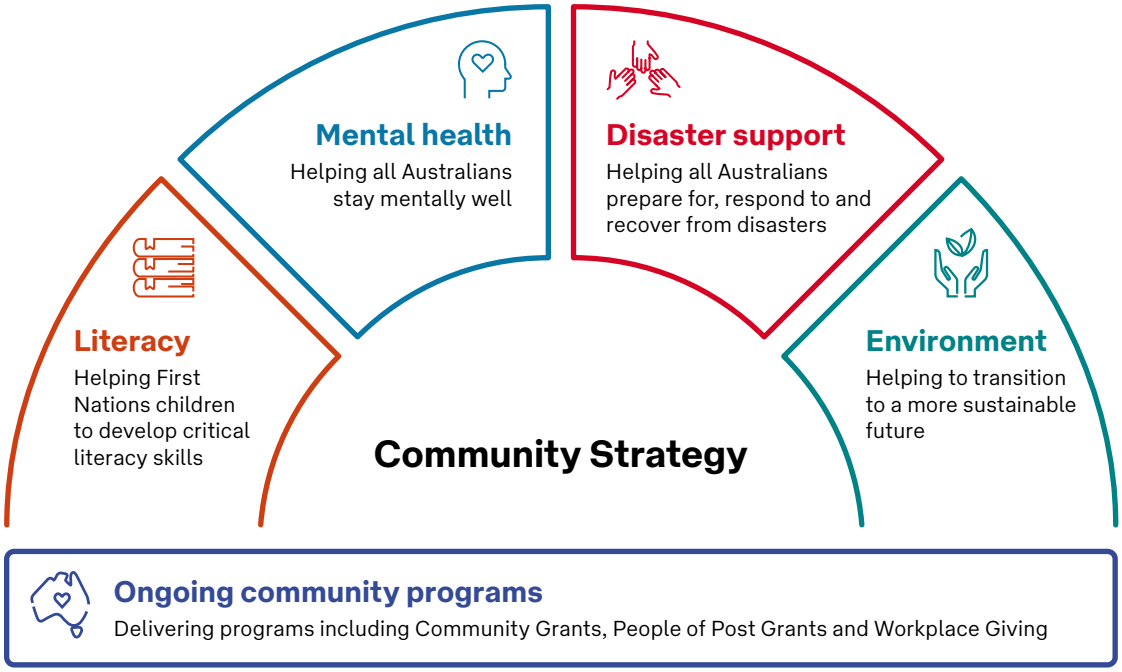
We also contributed through team member time, value-in-kind products and services like charity mail. In FY24, we have forgone revenue of $25,426,007. This is revenue from products and services that we would have received but chose to waive totally or partially for community benefit.

This year more than 2,000 team members participated in Workplace Giving, with much needed funds going directly to 379 charities. Donations made by eligible team members are matched by Australia Post, up to $200 per person per year. A total of $557,704.58 was contributed, including $363,732.17 in team member donations and $193,972.41 matched donations by Australia Post. We also support our community partners through our Post Office network by selling co-branded merchandise and through fundraising.

Through our network, we have managed to fundraise $111,730 for our strategic community partners.

Our community tote bag collection launched at the end of 2023, with $1 from each bag sold being donated to the respective community partner, raising $20,151 in FY24.

1 For more detail on methodology and definitions, please refer to the Australia Post FY24 Sustainability Databook.



Grants programs

Australia Post runs two grants programs annually.

The Australia Post **Community Grants** program supports community-led, local projects that connect people for improved mental health and wellbeing outcomes; with grants of up to $10,000. In October 2023, we funded 72 projects across Australia with grants totalling $501,622 awarded to organisations in every state and territory. Half the successful projects were located in regional and remote areas.

Our **People of Post Grants** program enables our team members to contribute to their community by nominating local not-for-profit groups they are passionate about for a grant of up to $2,000. In May 2024, $290,034 in grants was awarded to 152 not-for-profit organisations for projects aligned to our Community Strategy.

People of Post Grants

90% of the 110 team members surveyed felt more proud to work for Australia Post after participating

Community Grants

Projects funded in FY24 run from 1 October 2023 to 30 September 2024. Information on the impacts of projects is available in the FY24 Sustainability Databook at auspost.com.au/publications

Supporting *Food for Thought*

The Bonnie Doon Community Group was delighted to receive a 2024 Australia Post Grant for the Comensality seniors' lunch project. Held fortnightly, with the meal prepared and served by younger generations of local volunteers, it is a place of sharing, gathering and social connectedness, aiming to combat mental health issues felt by many in rural Australia.

"The community has an ageing population, many of whom are alone and don't eat cooked meals. The community centre may be their only place of connection. Younger volunteers say that being part of serving the elderly has brought them a sense of belonging," says Rebecca Oslund, Manager of the Bonnie Doon Community Centre. Watch the video at auspost.com.au/grants.



Mental health

Australia Post mobilises our network to connect Australians with each other and to mental health information and services.

We support Beyond Blue to help Australians know where to access key information about mental health support and services; connect with loved ones and their community; and help normalise conversations about mental health to reduce stigma. As a proud partner of Beyond Blue, the key activities we support are:

- The delivery of prepaid Connection Postcards to help Australians access Beyond Blue's mental health services, while encouraging people to connect with someone they care about
- The Community Events and Speakers Program, which builds connections in communities and increases access to early intervention mental health support services
- The delivery of information on the NewAccess mental health coaching support program for individuals and small business owners.

Connecting regional Australians with Beyond Blue

This financial year, nine million prepaid postcards were distributed across Australia to help raise awareness of Beyond Blue's support services and encourage people to connect with each other.

Jenny from Lockington, Victoria is one of many Australians who connected with loved ones through the Connection Postcard campaign.

Jenny said that she sent a postcard to a close friend that had experienced loss, as she felt it was important to connect and make sure they were okay. With research[1] indicating that nearly one in three Australians grapple with loneliness, especially in remote or rural areas, this initiative offers a simple way for people to connect. Watch the video to learn how we have connected Australians at auspost.com.au/mentalhealth.

1 State of the Nation Report: Social Connection in Australia 2023, Ending Loneliness Together.



Connection Postcards

9 million

Connection Postcards distributed across Australia

95%

of people surveyed who sent on the postcard felt more positive

77%

of people surveyed felt more informed about where to access mental health information

Community Speakers Program

345

in-person Speakers Program events held

89%

of people surveyed agreed they had a greater awareness of the signs and symptoms of a mental health condition after hearing a Beyond Blue speaker

90%

of people surveyed agree they feel more comfortable supporting someone else with their mental health after hearing a Beyond Blue Speaker

NewAccess Coaching information

1 million

NewAccess coaching flyers delivered

78%

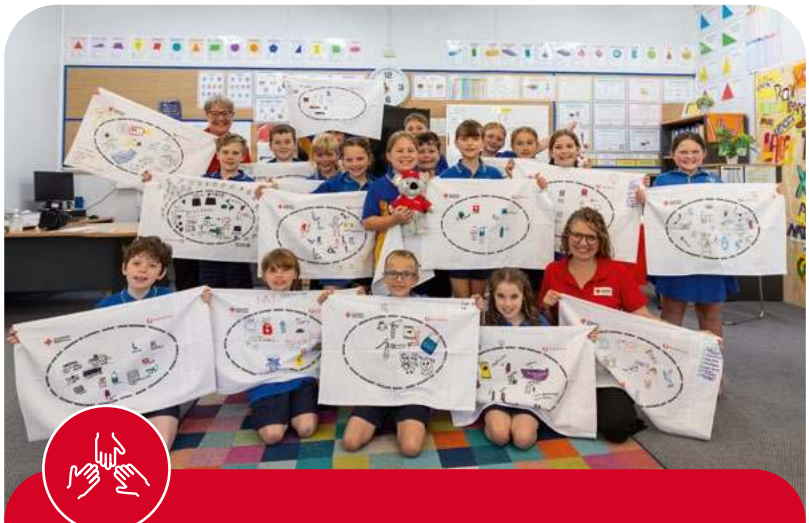
of people surveyed felt better equipped to seek mental health support

Disaster support

With a presence in every community, Australia Post helps Australians prepare for, respond to and recover from disasters.

Using our vast network, and in partnership with Australian Red Cross, we're encouraging disaster preparedness by supporting the Pillowcase workshops and Emergency Ready Week. Through these initiatives, we support Australia Red Cross to increase awareness of the importance of preparing for disaster and provide Australians with essential information and resources. The activity is focused on supporting communities located in areas at high risk of disaster.

In times of disaster, Australia Post activates our community response, including fundraising for Australian Red Cross via Post Offices and online, and providing free mail redirection and mail hold services. In FY24, we provided 404 free mail redirection and 15 mail hold services to support communities impacted by disaster, including those affected by flooding in far north Queensland in December 2023, the Pomonal bushfires in February 2024 and flooding along the east coast of NSW in April 2024.



Helping kids get ready for disaster

In August 2023, we expanded our support of Australian Red Cross to include Pillowcase workshops, a national disaster preparedness education program engaging primary school aged students in high-risk locations.

The program teaches children practical skills like what to pack for an emergency, and how to prepare their minds for the thoughts and feelings that may arise before, during and after an emergency. Australia Post is supporting Australian Red Cross to deliver the program and co-create educational resources – including the emergency kit pillowcases.

The residents of Cobdogla, a small regional town in Riverland, South Australia, know first-hand the impacts of being faced with disaster. To prepare for potential flooding, Cobdogla Primary School reached out to Australian Red Cross for support. Watch the video to learn how Pillowcase workshops helped Cobdogla students face a disaster at auspost.com.au/disaster.

Emergency Ready campaign

7,422
people completed the Australian Red Cross Disaster Preparedness quiz

94%
of people surveyed felt more informed after completing the quiz

1.47 million
Disaster Ready postcards distributed

75%
of people surveyed felt more informed after receiving the Disaster Ready postcard

Pillowcase workshops

6,000
children reached through Pillowcase workshops

95%
of teachers surveyed rate the workshops as very good or excellent in preparing students

97%
of students surveyed can write or draw at least four things to pack in their emergency kit

Fundraising

$38,989
funds raised for the Australian Red Cross Disaster Response and Recovery Fund via Post Offices and online

Literacy

We leverage our network and scale to provide access to culturally appropriate books and educational resources for First Nations children.

Australia Post's partnership with the Indigenous Literacy Foundation (ILF) reached the significant milestone of delivering over 500,000 books to more than 400 remote Communities. Australia Post has supported ILF's *Book Supply* program since the partnership began in 2020.

As a proud partner of ILF, we also support the *Create Initiative*, a program that provides the opportunity for people from remote First Nations Communities to write, illustrate and publish a story of their choice under the mentorship of ILF Ambassadors. This year we also supported the development of a teachers guide to bring First Nations storytelling, culture and history into the classroom.

With our partner DeadlyScience, we delivered 1,509 parcels of science, technology, engineering and maths resources to more than 686 schools, and developed a Science Week teacher guide in partnership with DeadlyScience and Wingaru on the theme of *Innovation: Powering Future Industries*.

Book Supply program

129,474

books distributed to First Nations Communities

98%

of recipients surveyed said the books had a significant impact on children's interest in reading

Fundraising

$18,963

raised for ILF via Post Offices and online

Cunnamulla Library celebrates *Book Supply* milestone

Cunnamulla Library in South West Queensland, was the proud recipient of the 500,000th book distributed by Australia Post, *Moli bin git stak (Molly gets stuck)*, written by Karen Manbulloo and illustrated by the Binjari Buk Mob. Cunnamulla Library has been receiving free ILF *Book Supply* packs for more than 12 years, recognising the value of literature that shares stories written by and for First Nations peoples.

Over 50% of books distributed through ILF's *Book Supply* program incorporate First Nations languages, giving people from different Communities the opportunity to share their culture, and see themselves depicted in everyday stories, helping to build a sense of connection, belonging and pride.

Watch the video of the 500,000th book being delivered to Cunnamulla Library at auspost.com.au/ilf.



Environment

In partnership with World Wide Fund for Nature Australia (WWF-Australia), Australia Post is helping to protect and restore the habitat of Australia's most loved species, the koala.

Together, we are raising critical awareness and funds for koala conservation. In support of Earth Hour 2024, we collaborated with WWF-Australia to create a series of lesson plans to educate primary school students about the threats that are pushing koalas to extinction.

We raised $22,131[1] for WWF-Australia's Koalas Forever program supporting koala conservation efforts by collecting donations via Post Offices and online, and donating $2 for every Pip the Koala plush toy sold. Watch the video to learn how we're helping to protect the koala from extinction at auspost.com.au/environment.

1 The raised funds cover the FY24 reporting period. EY has assured the total fundraising amount across Australia Post's four strategic partners as $111,730.

953 times the lesson guides were downloaded by teachers

The Big Issue

In FY24, we continued to leverage our network and people to support vulnerable members of the community through our partnership with The Big Issue, which is in its 28th year. Through the sale of *The Big Issue* magazine, the not-for-profit supports and creates work opportunities for people experiencing homelessness, marginalisation and disadvantage.

We continued to increase accessibility for The Big Issue vendors in metropolitan and regional areas, with 22 selected Post Offices serving as magazine distribution points. We once again engaged The Big Issue Women's Workforce, providing employment opportunities through our community programs for 15 women experiencing disadvantage.

Looking ahead

Through our community programs and partnerships, we will identify ways to deepen our impact, aligned with our commitment to build stronger, more connected communities around the country.



Delivering the Goods

Australia Post continues to 'deliver the goods' in every corner of our country. To showcase this deep commitment to the people of Australia, the *Delivering the Goods* campaign has continued to run since it launched in January 2023. The campaign connects all community and environmental sustainability partnerships and programs with a uniting message, which as a result has significantly improved recall and impact. It's promoted across YouTube, radio and most recently, Out of Home.



Creating a sustainable future

We are striving to create a more sustainable business to maintain our special place in the lives of millions of Australians.

We're continuing to enhance our customer experience through new, innovative, and more sustainable products and services, investing in technology and simplifying our business.

Through targeting net zero by 2050, we're reducing the environmental impact of our operations and creating positive outcomes for our business, our customers and the community.

Decarbonisation	page 66
Waste management and packaging	page 70
Modernising our business	page 74
Transforming for the future	page 77

Sustainable Development Goals



30%

delivery sites transitioned to New Delivery Model

71%

recycling rate

Our approach

Governance

We have an executive-chaired cross-functional Environmental Sustainability Working Group that monitors our environmental performance, including carbon emissions, energy management and setting targets beyond 2025.

Australia Post's Leadership Team oversees climate-related risks and opportunities in accordance with the strategies, policies and targets endorsed by the Audit and Risk Committee and approved by the Board. The Audit and Risk Committee and the Board have oversight of all enterprise risks, and are responsible for overseeing management's implementation of the 2025 Sustainability Roadmap.

Risk management

The impact of decarbonisation and climate change more broadly is identified, assessed and monitored in line with the Group Risk Management Policy. We seek to manage physical and transition climate-related risks associated with our retail, delivery and processing activities. This approach allows us to identify and respond appropriately, while ensuring our business is resilient, our team members are safe and we can continue to sustainably serve the community.

Strategy

We continue to refine the climate-related physical and transition risks identified across our operations and supply chain. This involves the consistent identification, assessment, escalation, management (including implementation of mitigating controls) and monitoring of risks in line with strategic, operational, financial and compliance risk categories.

In FY24, we began preparing for mandatory climate reporting. Building operational resilience and capacity is instrumental to enable Australia Post to adapt to climate change. We are collaborating with external partners to support our decarbonisation process. One of the first planned initiatives is to commence a Climate Scenario Analysis in FY25. The outcome will focus our efforts to address decarbonisation to remain sustainable. The ability of our operations and systems to withstand, recover from, and adapt to the impacts of climate change, while maintaining essential functions and services, is critical.

Our pathway to net zero emissions by 2050

Now to 2025

Foundational emissions reduction opportunities

- Upgrade the energy efficiency of our properties
- Invest in Sustainable Aviation Fuel through the Qantas SAF Coalition
- Reduce delivery fleet emissions, focusing on our last mile
- Model carbon trajectory and financial impact
- Increase network efficiency
- Invest in 100% renewable electricity
- Establish Climate Action Plan

By 2030

Additional emissions reduction opportunities

- Continue decarbonising our supply chain
- Reduce delivery fleet emissions, focusing on medium-sized vehicles
- Find alternative solutions to landfill and explore product and waste circularity initiatives
- Drive adoption of low-emission vehicles in our contractor supply chain
- Continue to partner with key suppliers

By 2040

Additional emissions reduction opportunities

- Reduce delivery fleet emissions, focusing on larger vehicles
- Accelerate reduction of air freight emissions
- Decrease reliance on gas-related emissions

2050
Target net zero emissions



To achieve our ambitions, we will focus on:

- **Decarbonising our fleet** by investing in electric trucks, low-carbon liquid fuels such as renewable diesel, electric delivery vehicles and charging infrastructure
- **Property upgrades** to improve energy efficiency in existing and new properties, such as our new carbon neutral office in Richmond
- **Renewable integration**, including solar panel installations at existing and new facilities and purchasing renewable electricity
- **Network efficiency**, such as increasing loose-loading, trailer configuration, network planning
- **Decarbonise our supply chain**, by innovating with key suppliers such as Qantas on Sustainable Aviation Fuel.

Whilst we focus on decarbonising our business, we recognise that creating a lower carbon future means each partner in the value chain needs to work more closely with the other, with the same goals in mind, so that we are all part of the solution.

Our emission scopes

At a high level, our emission scopes can be broken down into three areas of focus:

Scope 1

Our fleet



We operate Australia's largest fleet of electric delivery vehicles (eDVs), and are continually expanding this fleet as we replace petrol-based motorcycles and work to decarbonise the last mile.

Electrification of larger vehicles remains a significant challenge. The technology is still evolving, effective operational range is substantively less than traditional internal combustion vehicles, whilst availability, the absence of nation-wide charging infrastructure and cost are all additional barriers. Despite these challenges we are trialling various vehicles to assess how they perform in our network.

Given the above challenges, Australia Post supports investment in 'drop-in' low-carbon liquid fuels to enable them to be brought to the Australian market at scale and pace. This approach enables rapid update, the utilisation and life-extension of existing vehicles, and proves a viable transition fuel until alternate technologies mature.

FY24 Scope 1 emissions

121,613 tonnes CO_2-e

Scope 2

Our properties



Australia Post has a track record of reducing the grid electricity requirements of existing and new properties. Our extensive property portfolio that spans across the entire continent requires an integrated approach to decarbonisation.

New standards are being adopted to support new property developments, existing sites and potential new leases. By leveraging these standards we are improving the efficiency of our industrial properties. Our new support centre in Richmond is a 5-star Green Star and NABERS energy rating property. Our upcoming projects include the Gold Coast Parcel Facility, which is targeting a 5-star Green Star rating, and the Brisbane North pilot program to increase battery storage capacity to maximise our solar capture.

In addition, regular site assessments focused on opportunities for energy efficiency and solar installation are undertaken throughout the year.

FY24 Scope 2 emissions

65,203 tonnes CO_2-e

Scope 3

Our partners



We continue to innovate to reduce aviation emissions with our freight partner Qantas, focusing on newer more fuel-efficient aircraft and fuel efficiency within our network. We're an inaugural member of the Qantas Sustainable Aviation Fuel (SAF) Coalition, supporting the purchase and trial of SAF, while advocating for SAF production in Australia and scaling the market to reduce SAF costs.

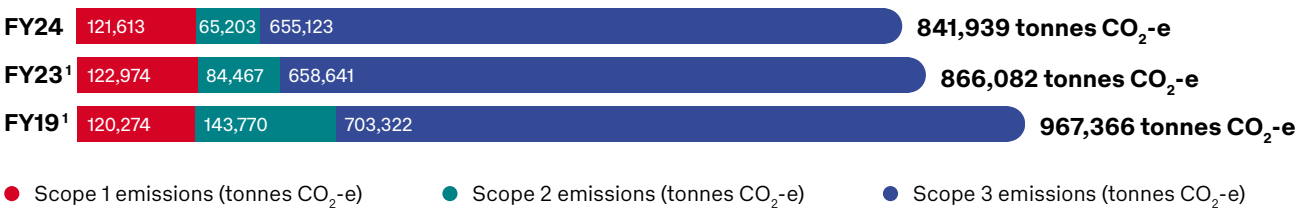
SAF is made from sustainable biogenic sources such as used cooking oils, council waste, plant oils, agricultural residues and non-biological sources. Compared to regular jet fuel, lifecycle carbon emissions are reduced by up to 80%, and up to 90% for non-biological SAF.

Air freight accounts for approximately 40% of our Scope 3 emissions (and 31% of our Scopes 1, 2 and 3 combined). Our investment in the SAF Coalition and new aircraft procurement highlights our continued focus on Scope 3 emissions reduction opportunities.

FY24 Scope 3 emissions

655,123 tonnes CO_2-e

For a detailed look at our emissions inventory and methodology, refer to the Australia Post FY24 Sustainability Databook.



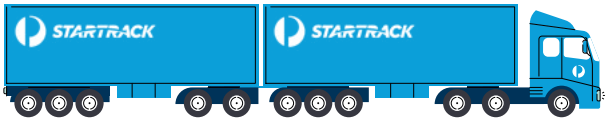
Footnote 1 Based on an internal review of packaging emissions over the FY19–FY23 period, Scope 3 and total emissions have been restated. Refer to the FY24 Sustainability Databook for more information.

Our progress

Australia Post is currently pursuing our most ambitious environmental agenda to date, targeting net zero emissions by 2050. We are proud to be making strong progress towards the goals outlined in our 2025 Sustainability Roadmap.

New trailer configurations

Australia Post and StarTrack have collaborated with road transport partners to trial the use of longer trailer configurations with the aim of improving route productivity and fuel efficiency. Routes traditionally driven by single or B-Double trucks have been replaced with B-Triple and A-Double trucks, increasing pallet spaces per trip. Initial trials on the Melbourne-Sydney route demonstrate promising results; a reduction in trip frequency, fewer trucks on the road, and a reduction in fuel consumption and corresponding carbon emissions.

		Pallet spaces
B-Double		34
A-Double		44
B-Triple		46

New A330 freighter

Australia Post is investing in newer, more efficient freighter aircrafts. This includes an A330 freighter, introduced in October 2023, which provides 130 tonnes of capacity each night between the east coast and Perth. Operated in partnership with Qantas Freight, the newly converted A330-200P2F replaces a Boeing 737F and produces 42% less carbon emissions per kilogram of cargo.

Solar

Australia Post continues to invest in new solar systems to increase renewable energy production and reduce reliance on the grid. Highlights include system installations at Sydney West Letters Facility, Perth Parcel Facility and Melbourne Gateway Facility. Each system typically generates up to 20% of site energy requirements.

Brisbane North Parcel Facility, to be completed next year, represents a milestone as the first site to incorporate battery technology into the solar design solution. This will enable better optimisation of the solar array and facilitates the capacity to import electricity from the grid when prices are cheaper.

Looking ahead

In FY25, we will be undergoing a refreshed climate scenario analysis across our network to reassess salient climate-related risks and opportunities in accordance with Commonwealth Climate Disclosure Requirements.

We are working to re-assess and evaluate the impacts of climate change on our business over different short – and long-term timeframes, and to embed management of these risks into our business. We continue to foster collaboration with other GBEs to share knowledge and learnings.

In parallel, Australia Post continues to investigate potential pathways of emissions reductions using current technology to support our pathway to net zero emissions by 2050.

Waste management and packaging

Australia Post is committed to minimising waste through better end-to-end waste management solutions and reducing the impact of packaging across our product range.

Material topic:

Waste management and packaging

Waste management

Our approach

Waste, and the loss of valuable resources that this brings, has a critical impact across our value chain. Our philosophy to managing waste begins with an objective to avoid its generation. Our waste prevention strategies are contingent on collaboration across the value chain to maximise resource use and reduce waste to landfill.

Primary waste generated by segment

Operations

Waste from our delivery network, includes: general waste, cardboard, timber, paper, and shrink wrap.

Support offices

Waste from our offices, includes: general waste, office paper, and commingled recycling.

Retail

Waste from our Post Office network, includes: general waste, cardboard, paper, and commingled recycling.

Our commitment to waste reduction, underpinned by a comprehensive approach to maximise resource recovery, has led us to exceed our 2025 Sustainability Roadmap targets. Within the Group Sustainability Office, we have experts dedicated to waste management, circularity, and product packaging, who work closely with business functions, our customers and service providers to implement waste reduction strategies and identify opportunities for avoidance or recovery. We conduct regular site visits to assess unique challenges across our distribution centres, support enterprise-wide toolbox talk communication programs to upskill team members, and identify further opportunities to improve waste management outcomes.

In FY24, we created a national e-waste procedure for e-waste generated in our operational sites. This procedure aims to establish clear guidelines and responsibilities to facilitate the proper management of e-waste. This includes disposal of different categories of e-waste, comprising materials typically eligible for recycling, recovery and reuse.

Our progress

In FY24, we increased the number of site-based waste action plans from 30 to 43. These plans detail required actions and waste mitigation strategies to improve waste management practices in operational facilities and support our 2025 target of reducing waste to landfill by 20% (FY19 baseline) and increasing our recycling rate to 70%.

Resource recovery and waste management outcomes can often be improved by ensuring availability of appropriate facilities and matching this with the right knowledge and understanding. Site visits conducted by the sustainability team and service providers identified common issues across our operational facilities, including:

- lack of signage on some bins and containers for correct source waste segregation
- recyclable items going to landfill such as broken timber, hard plastics, and commingled
- overservicing general waste
- contamination of recycling materials that are already segregated onsite.

In FY24, the scope of services at a number of operational facilities was increased to include additional waste streams such as commingled, broken timber and scrap metal. This has helped reduce waste to landfill. However, for those items that cannot be recycled through collection on-site we are exploring opportunities to reduce or eliminate waste in the first instance. An example is the elimination of single-use cups in some operational facilities and provision of reusable cups. This has saved approximately 30,000 cups from going to landfill, helping support our reduction in waste to landfill across general waste.

26%
reduction of waste to landfill (FY19 baseline)

71%
recycling rate[1]

1 For a detailed look at the recycling rate methodology, refer to the Australia Post FY24 Sustainability Databook.

Looking ahead

Building on our past success in FY25, we will increase the number of site-based interactions to drive ongoing reduction of waste to landfill and increase our recovery and recycling of various source streams, including hard plastics.

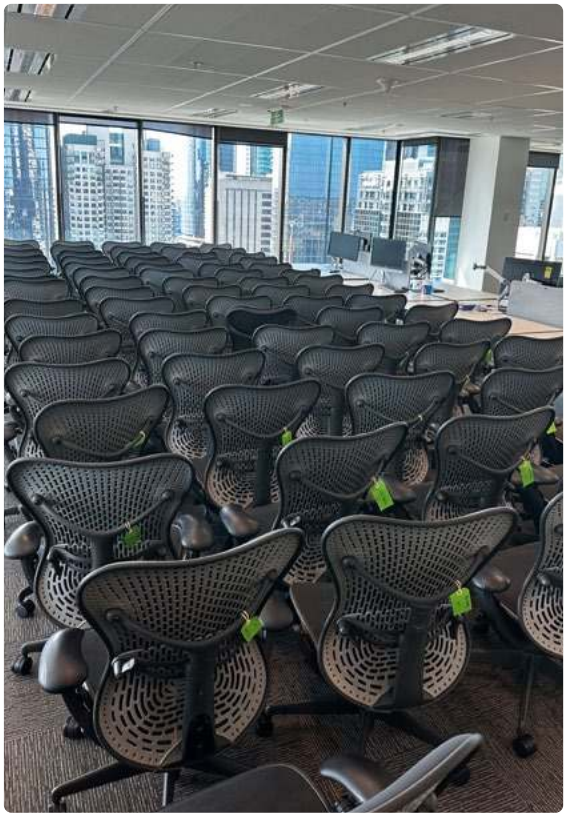
Recycling and reuse of office furniture

To accelerate the transition to a circular economy, we remain vigilant in finding new opportunities to eliminate waste and improve processes to reduce waste to landfill.

This philosophy was brought to life as part of the relocation to our new Melbourne Support Centre in Richmond, by reusing existing office chairs.

Driven by both sustainability and cost-saving benefits, over 1,800 chairs were cleaned and serviced for reuse. This has extended the life of each chair, and prevented approximately 29,340kg of waste going to landfill.

In addition to recovering and reusing our office chairs, another 4,500+ separate items including table bases, meeting room chairs and other items have been re-purposed to the new support centre or other Australia Post sites nationally, promoting reuse, avoiding landfill and saving money.



Packaging

Our approach

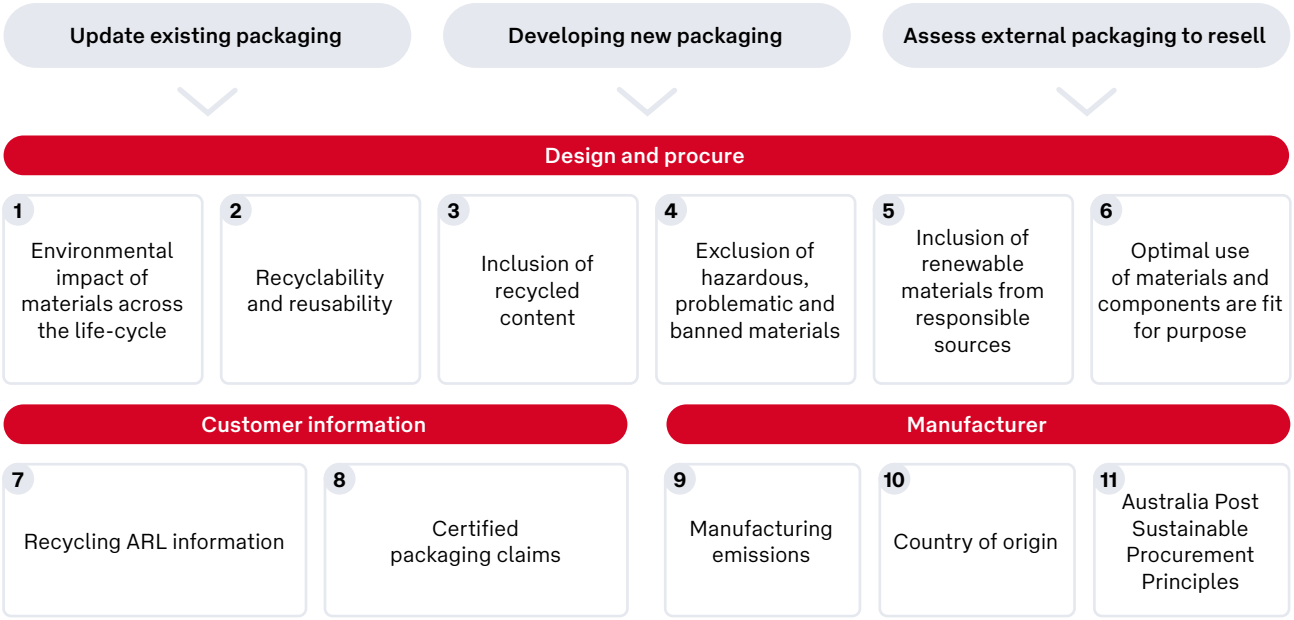
Australia Post offers a wide range of packaging options for letter and parcel delivery, including parcel boxes, satchels, tough-bags, padded bags, and envelopes. These packaging products can be branded, co-branded, or unbranded. In addition, Australia Post is responsible for consumables (e.g. bubble-wrap and tape) and the packaging of branded merchandise.

The most popular packaging sold by Australia Post is packaging for eCommerce, accounting for around 49% of total packaging sold. Consequently, we have focused our efforts on reducing the environmental impact of this packaging range.

As at the end of 2023 calendar year, our letter and parcel delivery packaging is primarily made from cardboard (59%), paper (22%), or soft plastics (19%).

Australia Post has been a member of the Australian Packaging Covenant Organisation (APCO) since 2011 and is committed to supporting the 2025 National Packaging Targets. Our Sustainable Packaging Principles, depicted below, guide packaging design decisions and aim to support our goals to increase the use of recycled materials, increase the use of the Australasian Recycling Label (ARL), and improve the recyclability of our packaging. Australia Post sources the packaging for letter and parcel delivery from third-party suppliers. Last calendar year, Australia Post sourced packaging from 11 suppliers. We collaborate closely with suppliers to identify the most suitable packaging for its intended purpose while also minimising its environmental impact. There are numerous challenges associated with sourcing recycled materials including inconsistencies in quality and availability, lack of collection, sorting and processing infrastructure, regulatory requirements, and the high cost of recycled content compared to virgin materials. These challenges reveal the complexities of sourcing recycled materials and emphasize the need for better recycling systems and greater supply chain collaboration. To help address some of these challenges, in FY24 we developed a new process to improve oversight of packaging production. The Sustainability Evidence Register (SER) enables Australia Post to gather and record packaging information, formats, component materials and supporting documentation at a SKU level. The packaging information in the SER will be continuously updated for existing, new, and optimized products. We anticipate that this approach will serve as the foundation for our packaging data repository. This process will be continually monitored and reviewed throughout FY25 to ensure best practice.

Packaging considerations



Our progress

Australia Post is dedicated to reducing the use of virgin materials in packaging by prioritising recycled materials. Our most popular items, branded satchels and parcel boxes, incorporate at least 80% and 50% recycled content respectively. More than 85% of our letter and parcel packaging placed on market for sale contains 20% or more recycled content. Approximately 65% of letter and parcel packaging contains 50% or more recycled content.

Branded parcel boxes also display the Forest Stewardship Council (FSC) logo, indicating the materials used in production are recycled and sustainably sourced, and passes the council's high environmental and social standards. They are also made locally, which reduces emissions associated with transport when compared to options produced overseas.

The ARL is an on-pack label that provides instructions about how to recycle correctly. It aims to increase the recoverability of materials for recycling and supports the 2025 National Packaging Targets. In the 2023 calendar year, approximately 52% of the letter and parcel packaging sold included an ARL label.

Currently, all Australia Post branded parcel boxes can be recycled through regular kerbside recycling bins. Several other products have also been replaced so that they can be recycled, including wine box packaging.

Optimising the packaging of StarTrack satchel multi-packs

StarTrack markets a range of packaging options to our business customers. In 2023, the StarTrack packaging range was subject to a transformation to reduce its impact and improve efficiency. Notably, the outer packaging for multi-pack satchels, one of StarTrack's most popular packaging products, changed from 25 units wrapped in soft plastic to 250 units packaged in corrugated cardboard. This innovation provided customers with a more convenient way of storing StarTrack satchels, has removed close to 400,000 non-recyclable soft plastic items per year and improved transportation efficiency by reducing frequency of orders being shipped. The StarTrack product team has also transitioned shipping of packaging and consumables orders from air freight to road freight, to reduce transport emissions.



Looking ahead

We will continue to work with our suppliers to increase the amount of packaging that contains recycled content, is recyclable and contains the ARL, while also continuing to develop and embed the SER.

Creating a sustainable future

Modernising our business

With our Letters business in an unstoppable decline for more than a decade while eCommerce continues to grow, in April 2024 we welcomed historic changes to the regulations governing Australia Post.

A crucial first step of reform

Previously Australia Post was required to focus on everyday letter delivery, even when there were no letters to deliver. This has been contributing to significant financial losses.

Following extensive community consultation, and with the support of the Federal Government, changes were implemented as a first step to focus our services on the growing parcel-delivery business, while still maintaining a letters service that cost-effectively continues to meet the contemporary needs of all Australians.

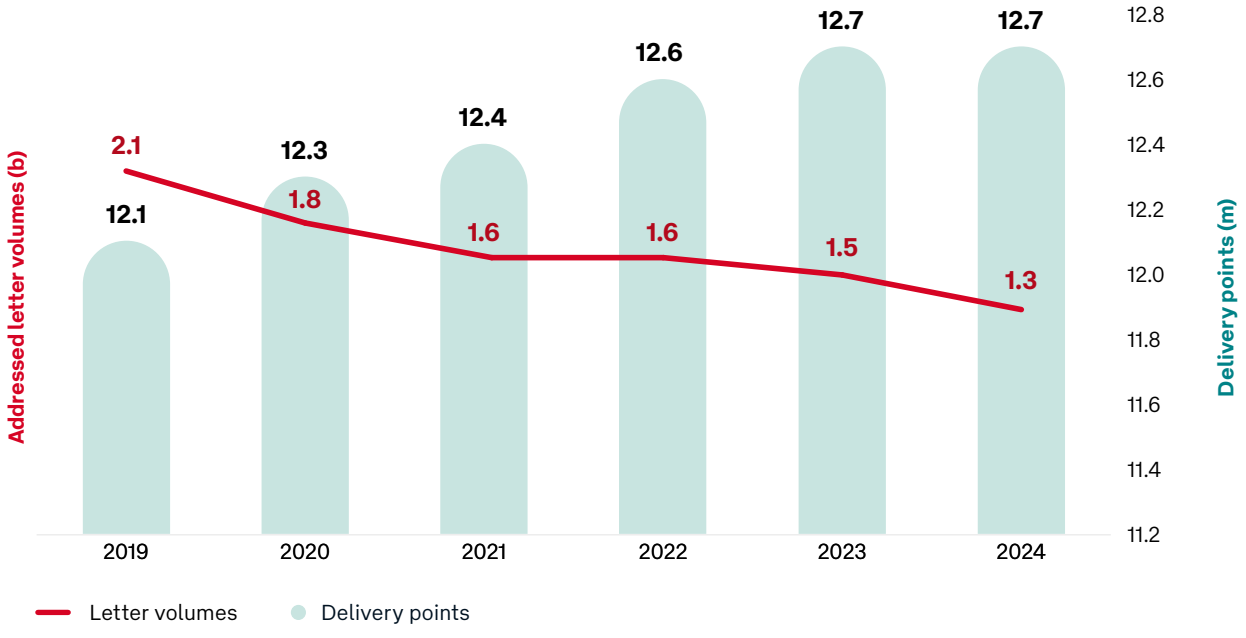
Under the regulatory changes, the delivery of non-urgent letters will take place every second business day. Urgent mail, including Express Post, will still be delivered as it always has been, with our Posties still coming past letterboxes every day to deliver for all Australians.

We've worked closely with our team members and the Communication Workers Union to find new ways to deliver that are better for our Posties and our customers. We're now focused on implementing these regulatory changes, including the New Delivery Model, which will be gradually rolled out across Australia through to the end of 2025. Read more on pages 75–76.

The geographic classification of Australia Post retail outlets has also been updated based on the latest census data, rather than the 1991 Census data. This accurately reflects the significant population and geographic changes over the last 30 years and supports Australia Post with the monitoring and planning we do to respond to customer needs, identify trends and support our network.

Modernising the regulations will enable us to focus on what matters most to Australians – flexible and more reliable parcel deliveries with enhanced tracking technology and more delivery options.

Addressed letter volumes and delivery points



A new way to deliver

We're embedding a new way to deliver that's more convenient for our customers and better for our Posties.



Embedding our New Delivery Model

Following a successful trial at the Hornsby Delivery Centre last year, and several subsequent trials in other states, Australia Post together with the Communications Workers Union (CWU), commenced rolling out our New Delivery Model.

The new model sees changes to the way we sort and process items, helping Posties to cover an expanded round in the usual time and increase the number of parcels that can be delivered. The first half of the round is heavier and includes regular and priority letters, Express Post, parcels and unaddressed mail with Posties stopping frequently. For the second half Posties only deliver to points that have priority letters, Express Post and parcels.

We have now completed the transition to the New Delivery Model at more than 30% of our delivery sites across Australia. Team members are embracing the change and are proactively sharing their progress and learnings on our internal communications channel, Viva Engage. Local working groups at each site, including team members and CWU representatives, work closely to ensure all rounds are fit for purpose. Some of the improvements made include keeping rounds geographically compact, avoiding safety risks such as unnecessary right hand turns across traffic, crossing busy roads and left-hand delivery (for letter mail) wherever possible. Throughout the transition, and when the new model is embedded, team member safety and prescribed delivery timetables are consistently maintained.

Australia Post is tracking to complete this transition for all eligible sites by end of FY25. To ensure all communities receive a consistent level of service, we're also rolling out this change to contracted mail rounds where possible.



Creating a sustainable future

Transforming for the future

Boosting our digital transformation

Investing in key strategic technology platforms is crucial to Australia Post delivering on our Post26 strategy, as we continue to modernise and simplify our operations.

With our strong focus on innovation and security, we're partnering with leading technology companies worldwide that can bring the best engineering capability and talent.

Digitisation and automation are key to our strategic priority to deliver market leading digital and data experiences for customers. We're exploring the safe and secure use of AI to boost efficiency for business tasks and customer service, and investing in cloud technology.

In 2023 Australia Post consolidated several software platforms into one under the Microsoft umbrella, minimising security risk by containing data within a single technology ecosystem. In June 2024, we announced a three-year partnership renewal with Microsoft, following the announcement of a new multi-year deal with Salesforce in February 2024, in support of our ongoing technology simplification and our CXT program.



Our Operating Model

In early 2023, we initiated a program to simplify our support office operating model, in line with our Post26 strategy, to ensure our business is future-ready, efficient and adaptive. Our focus in FY24 was ensuring we have the right people in the right structure to deliver for our customers and the community, while managing our costs in a rapidly changing environment.

We undertook three phases of change to transform our support centre operating model, including simplifying reporting lines at the leadership and team levels to improve transparency and accountability, and transitioning major projects (such as POST+) to business as usual. New roles were created as part of the operating model developments over the year.

With a focus on our customers' experience, we simplified how customers and partners engage with us by reducing duplication, optimising synergies, and centralising functions. In some cases, portfolios and teams were realigned to a customer geographic support model ensuring better local support. Recognising the value of technology in the customer experience, our Technology team were restructured to enhance our governance, and data and AI capability and resources.

Throughout the change process, we provided support for people leaders and team members affected by the changes, including access to Converge International, our employee assistance program.

Simplifying our business

A priority of our Post26 strategy is to simplify our products and services portfolio to help ensure we can remain sustainable and competitive. In late FY23 we announced our intention to close third-party logistics provider Fulfilio, document scanning service Decipha and alternative payments platform POLi. This frees up capital to invest in our growing Parcels and Retail Services business.

In FY24 we ceased offering our Decipha services to new customers, while continuing to provide services to existing customers until June 2025, the asset sale of POLi was completed in October 2023, and we will continue to offer Fulfilio third party logistics services at a single site in Melbourne until late calendar year 2024.



Managing our key risks

Australia Post operates in a highly competitive and dynamic environment with increasing competitor pressures and declining letter volumes.

This requires Australia Post to modernise, to ensure it meets its community requirements while adapting itself to be more agile to meet its customer requirements.

To manage this uncertainty and to maximise the opportunities presented, Australia Post has a robust risk management framework that supports its goals and objectives.

The Board, supported by its committees, sets Australia Post's strategy and direction, approves the Group Risk Policy, Group Risk Management Framework and the Group Risk Appetite Statement.

The Audit and Risk Committee is the primary committee for overseeing the effectiveness of risk management and the ongoing adequacy of the risk management framework.

In addition, the People Committee also takes a leadership role in managing risk for its area of responsibility.

Our Leadership Team led by the Group Chief Executive Officer & Managing Director are charged with embedding a positive approach to the management of risk across Australia Post, operationalising the risk appetite statements and Risk Management Framework and building risk management thinking into decision making.

The Leadership Team is supported by the three lines model to manage risk which includes leadership from management and their teams for the active management of uncertainties, challenge, support, and oversight from an objective Risk function, an independent third line Internal Audit program, and external assurance across a range of compliance and accreditation programs.

The diagram opposite provides an overview of Australia Post's risk governance and the key risks faced by Australia which may impact our ability to achieve our key strategic priorities.

Risk Governance

Australia Post Board

Strategy **Risk policy** **Risk appetite** **Risk framework**

Audit & Risk Committee **People Committee**

Leadership Team

(Supported by Business Unit Leadership Teams)

Strategic risks

Risks that impact Australia Post's ability to meet its strategic objectives

- Maintaining strong stakeholder relationships
- Achieving long-term financial sustainability
- Post Office network
- Technology stability and availability
- Competitor

Operational risks

Risks that impact Australia Post's ability to deliver its operational objectives

- Safety
- Workforce & industrial relations
- Cyber risk
- Operational network disruption
- Data

Emerging & watchlist risks

Environmental, social & governance **Artificial intelligence** **Strategic program delivery**

Three lines model

Management **Independent assurance**

First line

Own, manage & report risk

- EGMs and their Leadership Teams
- Functional Business Units
- Site Managers & Teams

Second line

Business engagement, oversight and sets the framework & standards

- Group Risk, Compliance & Security

Third line

Provides independent assurance of frameworks & controls effectiveness

- Internal Audit
- External Assurance Providers

The following table is a summary of our major strategic and operational risks, along with the controls and mitigating actions we're adopting.

Safety and wellbeing

Our people are our most valuable resource and we strive to create a safe working environment for all. As safety risks are an inherent element of Australia Post's operational work, we continually invest to keep our people safe.

Strategies implemented to manage this risk include:

- governance and oversight structures including Board, Audit and Risk Committee, People Committee
- continual review and improvement of comprehensive controls to reduce critical safety risks
- investment in automation, safer delivery models, infrastructure and technology safety training across Australia Post.

Maintaining strong relationships with all stakeholders

We maintain strong relationships with our stakeholders to secure support for the modifications required to adapt to a changing product mix, volume growth and customer and community expectations.

Strategies implemented to manage this risk include:

- stakeholder engagement to articulate regulatory challenges, understand stakeholder views and balance proposed changes with our long-term sustainability and stakeholder needs
- regular engagement with Federal Ministers, Ministerial Advisers, Shareholder Departments, Members of Parliaments and their offices, Senators and their officers, Industry, Unions, Licensee Groups, customers, team members, communities and consumers.

Achieving long-term sustainability

Australia Post seeks to operate in a financially sustainable manner. With declining letter volumes, and significant levels of high fixed costs necessary to support its regulatory requirements the business needs to rapidly evolve to remain financially viable.

Strategies implemented to manage this risk include:

- short, medium, and long-term budgets, including cash flows, aligned to strategy, informed by eCommerce and retail market drivers
- capital investment plan derivation and monitoring processes
- monthly performance review and quarterly reforecasting processes
- shareholder engagement on key operational requirements.

Post Office network

We are focused on operating an efficient, modern and relevant Post Office Network to the highest operational standards. It aims to be responsive to its competitive environment and exceed customer and community expectations. However, regulatory requirements on the size and shape of the network are impacting our commercial viability.

Strategies implemented to manage this risk include:

- Investing in modern and convenient new formats focusing on core products and services, primarily parcels
- rationalising underutilised products and services and being more targeted to meet local community and customer needs
- pursuing a sustainable network through CPO closures and LPO Voluntary Licence Handback program in metropolitan areas with high penetration of Post Offices
- reconfiguring existing stores for improved capacity and trialling new store formats

Technology: stability and availability

Australia Post continues to modernise and simplify our technology landscape, to streamline a diverse operating environment. We continue to build resilience and availability of critical systems, particularly those serving our customers, aligning with our commitment to continuous improvement and service excellence.

Strategies implemented to manage this risk include:

- evolving our Technology Strategy to prioritise programs that focus on simplification and modernisation
- enhancing service management disciplines such as change, incident and problem processes
- assessing third party supplier environments for adequacy against internal technology standards
- periodic testing of Technical Recovery Plans and back up processes.

Workforce and industrial relations

Australia Posts's labour model must evolve to align with changes in customer and community needs. In addition, as one of the country's largest direct and indirect employers, complexity exists to manage a diverse and dynamic workforce.

Strategies implemented to manage this risk include:

- proactive engagement and active monitoring of five Enterprise Bargaining Agreements in place covering the majority of our workforce
- Union Consultation Framework
- audit and compliance activities including due diligence (payments, visas, subcontracting) processes, compliance reviews and spot audits.

Cyber risk

Australia Post faces a continually evolving cyber threat landscape creating risks to our operations, and privacy / information security objectives. We proactively manage this risk with a highly skilled cyber team, investment into security technology and aligning to better practice frameworks.

Strategies implemented to manage this risk include:

- security and endpoint monitoring to prevent or detect threats
- privileged access management remediation and continued investment into identity solutions
- cyber security assessment, training, and awareness programs
- incident management processes for management of outages or cyber events
- information security assessment and assurance of supply chain parties.

Operational network disruption

Australia Post's ability to maintain operations in response to challenges, including weather events, pandemic, and technology / key facility disruptions, is key to its ability to continue to meet its stakeholder and community expectations.

Strategies implemented to manage this risk include:

- Business Continuity and Incident Management program, training and contracts with major third-party suppliers covering disruption arrangements
- investment in major processing site and infrastructure to allow a distributed and more resilient multi-hub network
- Network Operations ability to alter business as usual operations to adjust to / or bypass disruption affected areas of the operational network.

Data governance

The Group is focused on effectively managing and safeguarding a significant volume of data, of varying sensitivity and confidentiality, through robust governance, data security and quality processes.

Strategies implemented to manage this risk include:

- Data Governance Framework which provides a consistent, and repeatable, and practical approach for the effective management and governance of data
- data training to ensure the coordinated deployment of data management activities
- privacy compliance monitoring and alignment with key obligations.

Competition

Australia Post operates in a highly competitive environment that poses challenges to its market share, employee relations landscape and long-term financial sustainability. Key competitors are enhancing their service offerings, leveraging technology and targeting our various traditional markets.

Strategies implemented to manage this risk include:

- simplifying product portfolio, standardising pricing, and streamlining buying decisions
- redefining eCommerce freight services and customer experience
- creating new capabilities for data-driven decision making and productivity improvements.

Our Board



Siobhan McKenna **BEc. (Hons), MPhil** Chair (non-executive)

Siobhan McKenna was appointed Chair of Australia Post in December 2022 (current term expires in December 2025). Siobhan has a significant international background in strategy and operations in the public and private sectors. As a CEO, she has led consumer-facing businesses in the media and digital sectors and she is currently CEO Broadcasting, News Corp. She was previously a Commissioner of the Australian Productivity Commission, Chair of NBN Co, Partner of McKinsey & Company and Director of Woolworths Group Limited and AMCIL. Siobhan is also Executive Chairman of Foxtel, Fox Sports and Australian News Channel, and Chairman of Nova Entertainment.



Steve Mann **BASc., (Eng Science), MBA (Distinction), GAICD** Deputy Chair (non-executive)

Steve Mann was appointed to the Australia Post Board in October 2023 (current term expires in October 2026). Steve has over 25 years of senior executive experience across multiple geographies and in different industries including transport & logistics, rail, aviation, infrastructure, manufacturing and resources. He has significant experience in strategy, transformation and business development. He has held senior executive roles across a wide range of organisations including Aurizon, TNT, Qantas, BlueScope Steel and Western Sydney Airport. Steve is currently a non-executive director of Qube Holdings Ltd (ASX:QUB) and chair of the Audit and Risk Management Committee. He was previously a non-executive director with AWE Ltd and Novus Petroleum Ltd. He is also an executive mentor with Stephenson Mansell Group. Steve began his career as an engineer in the oil industry in Norway.



Dr Jodie Auster **MBBS, MBA** Director (non-executive)

Dr Jodie Auster was appointed to the Australia Post Board in July 2023 (current term expires in July 2026). Jodie has extensive experience working with global consumer technology platforms and has led several start up businesses to achieve scale in Australia and the United States. Dr Auster is currently Strategic Advisor to the global CEO at Uber. Prior to this role, she led Uber Eats across Asia Pacific as the Regional General Manager. Previously, Dr Auster was a Director of Customer Operations and Vice President of People for Thumbtack in San Francisco, General Manager of Scoopon in Australia, and a consultant for Bain & Company in Australia. Jodie started her professional career as a doctor in the Victorian public health system and trained as an emergency physician. Jodie is currently a non-executive director of AMCIL.



Robyn Clubb AM **BEc., CA, SF Fin, MAICD** Director (non-executive)

Robyn Clubb was appointed to the Australia Post Board in September 2022 (current term expires September 2025). Robyn has over twenty years of senior executive experience within the financial services industry, including roles with Citibank and AMP. She is also an experienced non-executive director within the agribusiness, energy and government sectors. Robyn is currently a non-executive director of Elders Limited (ASX:ELD) and the Chair of ProTen Limited. She also chairs the Audit Risk and Compliance Committee of Elders Limited. She is a former non-executive director of Essential Energy (NSW Government-owned), Murray Irrigation Ltd, The Rice Marketing Board for the State of NSW, Rural Bank, Landcom and Craig Mostyn Group and the former Chair of the Australian Wool Exchange and Fresh Country Farms Leasing Limited. Robyn is also Chair of the RAS Foundation, the charitable arm of the Royal Agricultural Society of NSW. She resides on a property in rural south eastern NSW and maintains a strong interest and involvement in rural and regional issues.



Dr Richard Dammery **BA(Hons), LLB, MBA, Ph.D, FAICD** Director (non-executive)

Richard Dammery was appointed to the Australia Post Board in September 2021 (current term expires in September 2024). Richard is an experienced company director and senior adviser. He is currently the Chair of the Australian Ballet and WiseTech Global Ltd (ASX:WTC), and a non-executive director on the boards of Aussie Broadband Limited (ASX:ABB) and Salta Properties Pty Ltd. His previous directorships include leading data analytics group, Quantium Group and Australian Leisure and Hospitality Group (now part of ASX-listed Endeavour Group), Creative Partnerships Australia and Doctor Care Anywhere PLC (ASX:DOC). Richard has held a range of senior leadership roles in major Australian companies, and was a corporate partner with Minter Ellison. He is an adjunct Professor at Monash University Business School.



Debra Hazelton **BA (Hons), Master of Commerce, GAICD** Director (non-executive)

Debra Hazelton was appointed to the Australia Post Board in October 2023 (current term expires in October 2026). Debra has over 30 years' experience in global financial services, with a particular focus on Australia and Japan. She has senior executive experience across treasury, institutional banking, risk management and global financial markets as well as business development and human resources/organisational culture. Debra is an experienced non-executive director currently also serving as Chair of Export Finance Australia, and as a non-executive director on the boards of Treasury Corporation of Victoria (TCV) and Persol Co. Ltd (Tokyo Stock Exchange: 2181). Debra is also Vice President of the Australia-Japan Business Cooperation Committee. Debra is a former Chair of AMP Ltd and AMP Bank.



Launa Inman **BCom (Hons), MCom, GAICD, MCEW** Director (non-executive)

Launa Inman was appointed to the Australia Post Board in May 2022 (current term expires in May 2025). Ms Inman is a professional non-executive director having served on the Boards of several ASX companies including CBA and Super Retail Group. She has significant governance experience on both Remuneration and Audit committees and brings a wealth of experience in retail, finance, restructures and transformation. Launa is the Chair of the PayPal Melbourne Fashion Festival. She is an Advisory Board Member of Fantastic Furniture Holdings Limited. Launa is a Director of the not-for-profit organization, the Alannah and Madeline Foundation. Prior to her non-executive director roles, Launa was the Chief Executive Officer/Managing Director of three iconic Australian companies; Billabong International, Target Australia and Officeworks.



Paul Graham **Group Chief Executive Officer & Managing Director** (executive)

See profile on page 84.

New director



Hon Annastacia Palaszczuk **BA, LLB, MA(Hons), GradDipLegalPrac, Chevening Scholar** Director (non-executive)

Annastacia Palaszczuk was appointed to the Australia Post Board in August 2024 (current term expires in August 2027). Annastacia was sworn in as Premier of Queensland on 14 February 2015 and served for nearly 9 years, chairing Cabinet and overseeing the Cabinet Budget Review Committee. During her term, the Queensland economy grew strongly with significant investment in infrastructure and increased levels of employment. Given the geographical size of Queensland, Annastacia was particularly focused on improvements in services and employment in rural and regional areas. As a member of National Cabinet, she developed Australia's response to the Covid epidemic. Annastacia was the 2016 Queensland recipient of the Women and Leadership Australia's (WLA) Award for Excellence in Women's Leadership. In 2018 she was awarded the International Leadership Award by the Biotechnology Innovation Organisation (BIO).

Former director

Tony Nutt AO

Term on the Board concluded 1 March 2024

Our Leadership Team



Paul Graham — Group Chief Executive Officer & Managing Director

Paul Graham is the Group Chief Executive Officer & Managing Director of Australia Post. Paul is a supply chain industry leader, with more than 30 years' experience. Paul comes to Australia Post from Woolworths Group, where he was Chief Supply Chain Officer and Managing Director of Primary Connect. In this role he oversaw a strategic rebuild of the supply chain network, including over $2 billion of infrastructure investment. He has held senior roles working across logistics in Australia, the UK, Taiwan, Singapore and Germany, including as Global Chief Operating Officer and Chief Executive Officer for Europe, Middle East & Africa for DHL. Passionate about mental health and wellbeing, Paul is the Chair of the Healthy Heads in Trucks and Sheds Foundation, with a goal to improve mental wellbeing within the transport and logistics industry. Migrating from Northern Ireland, Paul knows the value of Australia Post as an essential service; trusted to connect Australians to each other and to friends and family around the world.



Josh Bannister — Executive General Manager, Retail, Brand & Marketing

Josh Bannister is Australia Post's EGM Retail, Brand & Marketing. Josh joined Australia Post in July 2022 and was appointed to the role of EGM Retail, Brand & Marketing in January 2024. With an extended network of approximately 4,200 Post Offices and over 17,400 team members, Licensees and extended workforce, Josh is responsible for leading Australia Post's strategy to drive future sustainable growth. Prior to this, Josh held leadership roles at McDonald's, holding deep expertise in field operations, commercial development and business growth. Josh is a true champion of the customer and has led significant growth programs that have resulted in increased customer base, profitability and market share. With over 25 years of experience in operations, network strategy and commercial development and property, Josh plays a critical role to how Australia Post's retail network continues to serve customers and the community. Josh has a track record in all areas of business operations, property and portfolio management, combining strategic nous with a commitment to high performance. Josh holds membership as a Certified Practicing Accountant.



Rod Barnes — Executive General Manager, Network Operations

Rod joined Australia Post in January 2016, bringing three decades of experience in logistics. He has played a significant role in how Australia Post has evolved to serve the growing eCommerce market. As Executive General Manager, Network Operations, Rod is responsible for leading Australia's biggest logistics network, which delivers billions of items annually to millions of delivery points across Australia and 212 countries, territories and regions across the world. With a focus on improving the delivery experience and safety, Rod also leads the significant investment in network automation to efficiently handle parcel volume growth, while reducing manual handling risks to protect our people's safety. Prior to joining Australia Post, Rod spent 28 years at TNT in executive and management logistics positions, with responsibility for sales, administration, credit management, air freight charters and operations.



Michael Bradburn — Group Chief Financial Officer

Michael joined Australia Post as the Group Chief Financial Officer in November 2023. He brings a rich tapestry of experience spanning over 25 years across logistics, airports and energy. He is dedicated to commercial excellence, nurturing high-performance cultures and championing the success of customers and employees. Michael's solid foundation and business acumen underscores his approach as a strategic CFO. He has an unwavering commitment to people-centred transformation and delivering social good in the communities in which these companies operate. Throughout his career, Michael has led change that benefits organisations, their customers and their communities. Before joining the Australia Post team, he was the CFO of Ausgrid, Viva Energy Australia and Brisbane Airport and has had leadership roles in Asciano and Patrick Corporation. Michael is a Chartered Accountant, a Fellow of the Association of Chartered Certified Accountants, and a Graduate of the Australian Institute of Company Directors. He holds a Master of Business Administration from the Australian Graduate School of Management and a Bachelor of Business. He is also a Member of the Reporting Committee at the Australian Institute of Company Directors.



Susan Davies — Executive General Manager, People & Culture

Sue is Australia Post's EGM People and Culture, having joined the business in February 2015 and being appointed to this role in July 2018. Sue is responsible for leading Australia Post's people strategy to drive future growth by continuously meeting changing customer and community needs. With over 30 years industry experience, Sue has held a range of senior HR and operational roles across the transport and logistics industry, in Australia and internationally. Sue is committed to providing a workplace that is accessible and inclusive, and is the Executive Sponsor of Accessibility Matters, providing people with disability a voice, influence and support. She is a Board member of the Australian Network on Disability, sponsors the Australia Post Indigenous Emerging Leaders Program and represents Australia Post on the Refugee Settlement Success Advisory Body. As an advocate for mental health and wellbeing awareness, Sue previously served on the Board of the Healthy Heads in Trucks & Sheds Foundation.



Michael McNamara — Executive General Manager, Enterprise Services

Michael joined Australia Post as Executive General Manager, Enterprise Services in July 2023. Prior to this, Michael was the CEO at Digital Victoria for two years and also held the roles of Chief Information Officer and Deputy CEO for Services Australia, where he led the Australian Government's program of widescale digital transformation. This included centralising digital services, and digitising critical government services to support millions of Australians through the COVID-19 Pandemic. With more than 25 years of experience in digital transformation, Michael has played a critical role in this evolving space. Before joining the public sector, he had a lengthy private sector career supporting the likes of ANZ, CBA and other banking and energy providers to build and modernise their digital infrastructure. Michael was ranked in the top 10 in the CIO50 awards in 2021 for his work supporting essential government services such as Centrelink and Medicare during COVID-19 lockdowns.



Gary Starr — Executive General Manager Parcel, Post & eCommerce Services

As Executive General Manager, Parcel, Post & eCommerce Services, Gary is helping to transform Australia Post into a customer-led, solutions-based organisation. Gary is an accomplished business leader with more than 30 years' of experience in the telecommunications and technology sectors. During this time, Gary has held a range of senior leadership roles across sales, marketing, operations and executive management. Prior to joining Australia Post in 2016, Gary spent a decade at Motorola. In this role, he led Motorola Solutions' business across South East Asia, with a particular focus on the public safety, transportation, retail, supply chain and manufacturing sectors. With a focus on innovation, customer centricity and world-class go-to-market capability, Gary has ensured Australia Post continues to delight its customers – even through periods of unforeseen global disruption. As the Senior Executive sponsor for LGBTQIA+ inclusion, Gary is passionate about recognising and celebrating Australia Post's diverse workforce.

New Leadership Team member



Jane Anderson — Executive General Manager, Community, Sustainability & Stakeholder Engagement

Jane is the Executive General Manager, Community, Sustainability & Stakeholder Engagement, responsible for Australia Post's engagement with our key communities and stakeholders, including our customers, communities, team members, government stakeholders, the media, and many others. Prior to joining Australia Post in July 2024, Jane held senior corporate affairs appointments at some of Australia and New Zealand's leading insurance and financial services organisations, including IAG and AMP. Jane was responsible for managing these companies' profile and reputation in complex and highly regulated environments. In addition, Jane was accountable for major customer and stakeholder engagement programs and community relationships. Jane has a Post Graduate diploma in banking and a Master of Management (Communications) from Massey University. Jane is a former member of CEDA's NSW State Advisory Council and a former member of the NZ Advertising Standards Complaints Board.

Corporate Governance Statement

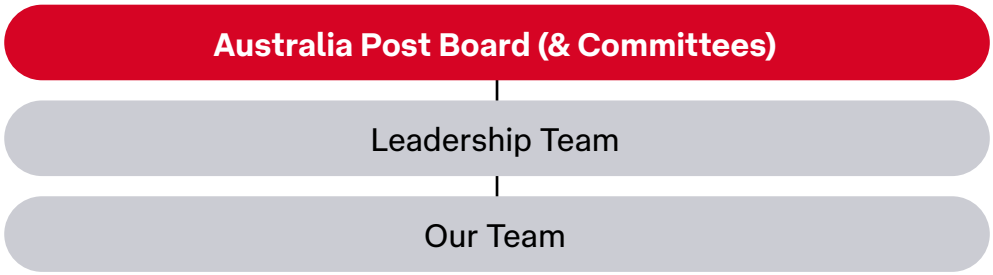
for financial year 2024

This is a summary version of the Corporate Governance Statement approved by the Board of the Australian Postal Corporation (Australia Post / the Corporation) on 28 August 2024.

Australia Post maintains a comprehensive system of corporate governance practices designed to provide appropriate levels of governance, disclosure and accountability.

These practices derive principally from the provisions of the *Australian Postal Corporation Act 1989* (APC Act) and the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and guidance in the *Commonwealth Government Business Enterprises – Governance and Oversight Guidelines* (GBE Guidelines).

Further details in relation to corporate governance at Australia Post, and information on how Australia Post's corporate governance arrangements align to the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th Edition), are published on Australia Post's website.



The Australia Post Board is responsible for the governance of Australia Post. The role of the Board is to decide the objectives, strategies and policies to be followed by Australia Post and to ensure that Australia Post performs its functions in a manner that is proper, efficient and, as far as practicable, consistent with sound commercial practice. The Board derives its authority from the APC Act.

The PGPA Act obliges the Board to govern Australia Post in a way that promotes the proper use and management of public resources, the achievement of its purposes, and its financial sustainability. The Board must also establish and maintain appropriate systems of risk management and internal control.

At 30 June 2024, the Board had two Committees – a People Committee and an Audit & Risk Committee. Each Committee's members bring a range of qualifications, knowledge, skills, and experience to assist the Committees to perform their functions and responsibilities.

The Board and its Committees each have a formal Charter that is reviewed annually for Committees, and at least biannually for the Board. A copy of the Board and Committee Charters is available on Australia Post's website at https://auspost.com.au/about-us/corporate-information/our-organisation/board-and-committee-charters. More information on the structure, functions and responsibilities of the Board and its Committees is contained in the Corporate Governance Statement on Australia Post's website.

Non-Executive Directors are appointed by the Governor-General on the nomination of the Minister for Communications. Australia Post seeks to maintain a Board of Directors with a broad range of skills, experience and knowledge relevant to overseeing the business of a 21st century eCommerce, digital, retail and mail enterprise and to managing business, risk and governance issues as they arise. Diversity of the Board, including through gender, age, ethnicity and geography, is also a consideration for new appointees.

Australia Post considers a Director to be independent if the Director is free of any interest, position, association or relationship that might influence, or reasonably be perceived to influence, their capacity to bring an independent judgment to bear on issues before the Board and to act in the best interests of the organisation and its Shareholder. The Board has determined that each Non-Executive Director is, and was throughout the entirety of the financial year, independent.

The Board reviews its own performance each year, including its performance against the requirements of its Charter, as contemplated by its Charter and the GBE Guidelines. An independent review of the Board's performance is conducted every two years, while an internal review is conducted in the intervening years. Each Committee undertakes an annual self-assessment of their performance against the requirements of its Charter and provides that information to the Board.

The Board's performance review for 2023/2024 was conducted by an external provider.

The Group Chief Executive Officer and Managing Director has responsibility for implementing Australia Post's strategic priorities and for managing Australia Post's day-to-day operations. The Board may impose specific limits on the authority of the Group Chief Executive Officer and Managing Director from time to time, for example matters required to be notified to Shareholder Ministers under the PGPA Act.

Australia Post has established a formal Shareholder Communication Program that records the arrangements in place that facilitate effective communication between Australia Post and its Shareholder Ministers and Shareholder Departments. The Shareholder Communication Program is published on Australia Post's website.

Australia Post has a Group Risk Management Framework in place that describes the core strategies and processes that support our business in effectively managing risks, along with providing clarity on the roles and responsibilities for managing risk.

Australia Post has a Code of Conduct, referred to as 'Our Ethics', that applies to Australia Post and its Directors, employees, licensees, agents, contractors and other third parties performing services for or on behalf of the Australia Post. Our Ethics is available on Australia Post's website.

Directors' attendance at meetings 2023-24

	Australia Post Board		Audit and Risk Committee		People Committee	
	(a)	(b)	(a)	(b)	(a)	(b)
Siobhan McKenna	9 Footnote 1	9	4	3	4 Footnote 1	4
Paul Graham	9	9	–	–	–	–
Steve Mann	6	5	–	–	2 Footnote 1	2
Jodie Auster	9	9	–	–	4	4
Robyn Clubb AM	9	8	4 Footnote 1	4	–	–
Richard Dammery	9	9	4	4	–	–
Debra Hazelton	6	4	–	–	2	1
Launa Inman	9	9	4	4	–	–
Tony Nutt AO	6	6	–	–	3	3

Notes:

(a) Number of meetings held while a Director/Committee member.

(b) Number of meetings attended while a Director/Committee member.

Footnote

1 Forum Chair for all or part of financial year. Where part year: People Committee – Siobhan McKenna until 21 November 2023; Steve Mann from 22 November 2023.

Remuneration report

Message from the People Committee Chair

On behalf of the Board, I am pleased to present Australia Post's FY24 Remuneration Report. This report summarises the organisation's performance over the year and the resulting remuneration of its Group Chief Executive Officer & Managing Director, Senior Executives and Directors.

Key Management Personnel Changes

In addition to my joining the Board this financial year, we welcomed Dr Jodie Auster and Debra Hazelton as Directors during the year. Additionally the Hon. Annastacia Palaszczuk joined our Board from 15 August 2024. Her leadership experience, public policy expertise, and success in serving regional and rural communities will greatly enhance our Board's ability to tackle future challenges. On behalf of the Board, I also acknowledge and thank former Board member Tony Nutt AO whose term ended on 1 March 2024 after six years as a highly valued colleague.

We have a strong Board with a diverse range of skills, experience and knowledge relevant to overseeing the business of a 21st century eCommerce, digital, retail and mail enterprise, and to manage business, risk and governance issues as they arise.

During the year we were also pleased to welcome several high-calibre executives, underscoring the strength of our team value proposition. Michael McNamara joined as EGM Enterprise Services, Michael Bradburn became our Group Chief Financial Officer and Josh Bannister was promoted to the role of EGM Retail Brand & Marketing. In July 2024, Jane Anderson joined as EGM Community, Sustainability & Stakeholder Engagement. These appointments reflect our ability to attract top-tier talent, reinforcing our commitment to leadership excellence and organisational growth. We extend our gratitude to former executives Rodney Boys, Tanny Mangos, and Catriona Noble who left the organisation during the year.

FY24 Performance Scorecard outcomes

The main driver of scorecard outcomes was progress against the Post26 strategic imperatives as reflected through the FY24 Enterprise Scorecard.

Safety is a core value for Australia Post and the safety and wellbeing of our people are our highest priorities. We are committed to cultivating a culture of shared accountability for safety across our organisation. An independent review this year validated that our safety program is both appropriate and well executed, while also highlighting areas for improvement as we plan for the upcoming year.

The FY24 Enterprise Scorecard results indicate strong performance across several financial and operational areas. Group Profit Before Tax (PBT) met the stretch target, surpassing expectations due to improved operational efficiencies and higher-than-expected revenue streams. The Letters Budget PBT result exceeded target performance driven by a combination of effective cost containment measures as we modernise our Letters business. The successful implementation of process improvements and streamlined operations were reflected in the Business Simplification metric performance.

This year we achieved record DIFOT levels and delivered a record peak period including nearly 100 million parcels during November and December 2023. Despite these achievements, our full year Net Promoter Score (NPS) customer metric result reflected the impact of changes to the letter delivery service related to the first phase of modernisation reforms approved by the Government, Post Office closures and price increase on customer sentiment.

Remuneration Review

Each year the Board reviews the remuneration framework and the measures used to reward performance to maintain alignment with our strategic imperatives and the Government's expectations on executive remuneration arrangements.

During the last 12 months the Board consulted with independent external remuneration advisers to review and assess our executive remuneration framework in the context of market practice and Government guidelines. The review assessed the effectiveness of remuneration elements and explored alternative models to traditional incentive structures aimed at attracting, motivating and retaining high calibre executives.

For FY25, the Board has determined to retain our current remuneration structure to maintain consistency and continuity following a period of significant change. The Board believes maintaining a stable incentive structure at this time is crucial for motivating executives to achieve our large multi-year transformational program aimed at making the business sustainable over the medium-term.

In summary

Achieving our financial targets will continue to be challenging in the face of rising cost pressures, strong competition in parcels, and continued declines in letters and Post Office transaction volumes. The Board acknowledges management's significant effort progressing the modernisation of the organisation to keep our business sustainable. These changes are a significant first step to enable Australia Post to transform itself into the modern business that Australia needs.

Our strong emphasis on safety continues to be at the forefront of everything we do, and our people will continue to deliver for the community into the future. We remain committed to meeting the needs of our customers and the community, and delivering a better tomorrow.

The Board remains resolute that the collective effort of all our people guided by the Post26 strategy is the path to delivering for all our stakeholders, ensuring sustainable growth and financial viability.



Steve Mann
People Committee Chair

Remuneration report 2024

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Remuneration report

1 Who is covered by this report?

The Remuneration Report (report) serves as a comprehensive guide detailing the principles, policies, and strategy employed by the Australian Postal Corporation (Australia Post) in remunerating key management personnel (KMP) and other highly paid staff (OHPS). Furthermore, the report provides an in-depth explanation of how the remuneration strategy is intricately linked to the organisation's overarching goals and strategic imperatives. This strategic alignment enables Australia Post to effectively drive positive outcomes by concurrently fostering the attraction and retention of top-tier Senior Executives and other team members.

The information provided in this report has been prepared in accordance with disclosure requirements outlined in the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).The remuneration disclosure tables contained in this report are prepared in accordance with the requirements of the PGPA Rule and *AASB 124 Related Party Disclosures*.

The report details remuneration information for the financial year ended 30 June 2024 (FY24) as it applies to KMP, comprising Non-Executive Directors, the Group Chief Executive Officer & Managing Director (Group CEO & MD) and Senior Executives. For the purposes of this report, Senior Executives are defined as the team members reporting to the Group CEO & MD who have responsibility or substantial input into the planning, directing and controlling of the operations of Australia Post and its controlled entities (often referred to as the 'Australia Post Group', 'Group', or the 'Enterprise'). These roles are typically titled 'Executive General Manager' (EGM) and include the Group Chief Financial Officer.

The report also includes aggregate disclosures of Australia Post's OHPS, where total remuneration exceeded $250,000,

in accordance with the PGPA Rule. Reporting under the PGPA Rule is provided in bands, with the first band being from $250,000 to $270,000 and subsequent bands in increments of $25,000.

The KMP covered in this year's report and the details of movements throughout FY24 are outlined in the table below:

Table 1: FY24 Key Management Personnel

Name		Position[1]	KMP Status
Board of Directors	Siobhan McKenna	Chair	Full Year
	Steve Mann[2]	Deputy Chair	Part Year
	Paul Graham	Group CEO & MD	Full Year
	Dr Richard Dammery	Director	Full Year
	Launa Inman	Director	Full Year
	Robyn Clubb AM	Director	Full Year
	Dr Jodie Auster[3]	Director	Part Year
	Debra Hazelton[4]	Director	Part Year
Former Directors	Tony Nutt AO[5]	Director	Part Year
Group CEO & MD and Senior Executives	Paul Graham	Group CEO & MD	Full Year
	Rod Barnes	EGM Network Operations	Full Year
	Susan Davies	EGM People & Culture	Full Year
	Gary Starr	EGM Parcel, Post & eCommerce Services	Full Year
	Michael McNamara[6]	EGM Enterprise Services	Part Year
	Michael Bradburn[7]	Group Chief Financial Officer	Part Year
	Josh Bannister[8]	EGM Retail, Brand & Marketing	Part Year
Former Executives	Rodney Boys[9]	Group Chief Financial Officer	Part Year
	Tanny Mangos[10]	EGM Community, Sustainability & Stakeholder Engagement	Part Year
	Catriona Noble[11]	EGM Retail, Brand & Marketing	Part Year

1 Position reflects position title at end of financial year or at employment cessation date.
2 Steve Mann was appointed to the Board as Deputy Chair, with effect from 26 October 2023.
3 Dr Jodie Auster was appointed to the Board with effect from 6 July 2023.
4 Debra Hazelton was appointed to the Board with effect from 26 October 2023.
5 Tony Nutt's term on the Board concluded on 1 March 2024.
6 Michael McNamara was appointed EGM Enterprise Services, with effect from 10 July 2023.
7 Michael Bradburn was appointed Group Chief Financial Officer, with effect from 18 December 2023.
8 Josh Bannister was appointed EGM Retail, Brand & Marketing, with effect from 15 January 2024.
9 Rodney Boys ceased employment with Australia Post with effect 27 October 2023.
10 Tanny Mangos ceased employment with Australia Post with effect from 18 January 2023.
11 Catriona Noble ceased employment with Australia Post with effect from 15 January 2024.

2 FY24 Remuneration Structure

2.1 Our remuneration framework aligns to our strategic priorities and purpose

Our remuneration framework supports our purpose and strategy, reinforces our focus on making Australia Post a sustainable business into the future and aligns to the expectations of our shareholders and the Australian public. Our strategic priorities are linked to remuneration through a set of clear remuneration principles guiding our remuneration decisions. Remuneration outcomes are linked to performance against our strategic priorities through a single Enterprise Scorecard shared by all executives.

Our executive remuneration structure complies with the principles of the Australian Public Service Commission's *'Performance Bonus Guidance – principles governing performance bonus use in Commonwealth entities and companies'* framework. Australia Post's executive performance and variable remuneration framework is carefully designed to ensure we are delivering performance and outcomes strictly aligned with our Enterprise strategy to deliver public outcomes. Variable remuneration is an at-risk component of total remuneration for a limited number of executives to reward out-performance that exceeds normal and planned activities producing improved outcomes for Australia Post, the Shareholder and the community.

Strategic Priorities

- Win in eCommerce delivery services
- Reimagine the Post Office network
- Create market leading digital experiences
- Build a sustainable letters service
- Simplify our products and services
- Uplift culture and leadership; simplify operations and systems

Remuneration Principles

Australia Post's remuneration approach supports the strategic objectives of the Enterprise through a performance-based remuneration and recognition framework designed to drive outcomes, whilst remaining aligned to community expectations. Australia Post increasingly operates in highly competitive commercial markets and must ensure its remuneration framework is competitive with market practice and effectively attracts and retains a skilled workforce.

- Externally accountable
- Simple & transparent
- Fair, equitable and motivational
- Strategically aligned and performance linked
- Shared responsibility and personal accountability
- Clear governance

Remuneration Governance

The Board is responsible for actively overseeing Australia Post's remuneration framework and strategy. The Board takes into consideration advice and recommendations of the People Committee as well as from external remuneration consultants engaged by the Board or the People Committee.

Remuneration report

2.2 FY24 remuneration elements

Fixed Annual Remuneration (FAR)

Fixed Annual Remuneration (FAR) generally includes base salary, benefits and entitlements received in cash, superannuation and any salary sacrificed items.

Group CEO & MD

- The Remuneration Tribunal sets the Total Remuneration Reference Rate (TRRR) applicable to the Australia Post Group CEO & MD position. This position is classified by the Remuneration Tribunal as a Principal Executive Officer (PEO) Band E.
- The Board then determines the Group CEO & MD's FAR within a range from 10% below to 5% above the TRRR. The Group CEO & MD's FAR may not exceed the TRRR within the first 12 months of appointment.
- The Board may seek external independent remuneration advice.

Senior Executives

- Remuneration is set with reference to various factors determined as appropriate by the Board and the Group CEO & MD including external benchmarking.
- Senior Executives' remuneration is determined by the Group CEO & MD and reviewed annually by the People Committee.

FAR is regularly benchmarked and positioned competitively to attract, motivate and retain Senior Executives reflecting individual responsibilities, skills, performance, qualification and experience.

At-risk Variable Remuneration (VR)

VR is an "at risk" remuneration opportunity awarded subject to the achievement of relevant individual, team, strategic objectives represented by Enterprise Scorecard KPIs.

VR Purpose

VR rewards the GCEO & MD and Senior Executives for delivery of annual financial and non-financial goals that specifically drive sustainable performance. In FY24, VR was offered to those Senior Executives who are most capable of leading the achievement of our strategic imperatives. At-risk VR is designed to incentivise and reward Senior Executives whose roles are pivotal in driving the company's strategic direction and performance.

Group CEO & MD and Senior Executives

The Remuneration Tribunal has determined that the Group CEO & MD position is eligible for VR up to 100% of FAR. For FY24, the Group CEO & MD's VR arrangements were aligned to those of the Senior Executives. Their target VR opportunity was set at 70% of FAR and 100% at maximum.

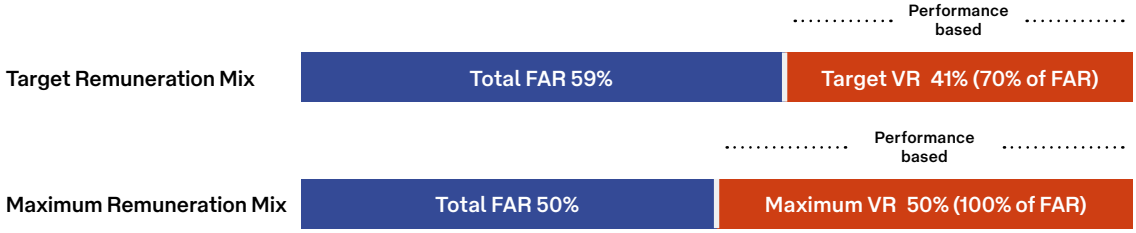
VR outcomes are calculated based on performance against the Enterprise Scorecard aligned to the strategic imperatives of the Post26 strategy. The Enterprise Scorecard comprised measures and weightings endorsed by the People Committee and determined by the Board aligned to the strategic imperatives as follows:

- 20% *Supporting each other*
- 60% *Creating a financially sustainable future*
- 20% *Delighting our customers & communities*

2.3 FY24 remuneration mix

The Board aims to ensure that the mix of FAR and VR is appropriate and that a suitable portion of remuneration remains "at risk" to ensure that the Group CEO & MD and Senior Executives are only rewarded when delivering performance that is aligned to the Enterprise strategy. They all share a consistent remuneration mix, with performance-based remuneration contributing 41% of total target mix and 50% of total maximum mix.

Remuneration mix for our Group CEO & MD and Senior Executives



2.4 Approach to FY24 Variable Remuneration

The FY24 VR plan is designed to reward executives for delivering performance against the Enterprise Scorecard through a range of financial and non-financial key performance indicators (KPIs) that are aligned to the strategic imperatives of the Group. Importantly, the Enterprise Scorecard collectively focuses the whole-of-company effort required to transform our interconnected network business, and therefore all VR outcomes are determined from the one shared scorecard.

Board oversight

The Board is responsible for overseeing and, in the case of the Group CEO & MD, determining VR outcomes. Board discretion may be applied when determining VR outcomes in exceptional circumstances.

Individual performance and behavioural & performance gateways

Individual performance is reviewed regularly, and individual behavioural gateways must be met prior to an individual being eligible for a VR payment:

- Living our Enterprise values and meeting minimum behaviour expectations
- Meeting our Code of Ethics
- Completion of all assigned compliance training
- Minimum performance rating of "Achieving Expectations" or equivalent

Delivering VR outcomes

VR outcomes are determined on the achievement of performance levels against each individual KPI of the Enterprise Scorecard – applying as follows for Senior Executives:

- zero is awarded for performance below Entry
- 50.0% of Target opportunity is awarded for Entry performance
- 100.0% of the Target opportunity is awarded for Target performance
- 142.9% of the Target opportunity is awarded for Stretch performance

For the financial KPIs of the Enterprise Scorecard, VR outcomes are determined on a pro rata basis between performance levels.

FY24 Enterprise Scorecard

The Enterprise Scorecard was developed at the beginning of the performance year aligned to the Board approved objectives and measures in both our corporate plan and Post26 strategy. Performance against the Enterprise Scorecard set out below is used to determine VR outcomes.

Strategic imperatives & priorities	KPI Measure	Weighting	Link to Strategy
Supporting each other	Safety Performance	20%	Safety and wellbeing is a core value and our highest priority that underpins our commitment to our people. We strive to cultivate a culture where every team member prioritises both their own safety and that of their colleagues. Leaders are entrusted with ensuring a safe work environment by focusing on safety to enhance engagement, boost productivity and always keep our people safe. The Total Recordable Injury Frequency Rate (TRIFR) measure focuses efforts on lowering to lower injury rates and workers' compensation costs.
Creating a financially sustainable future	Letters Budget	20%	Letters Budget PBT represents budgeted performance for meeting the Community Services Obligations and the Prescribed Performance Standards for delivery frequency, speed and lodgement points for our Letters business. Optimising the Letters service by driving efficiencies and minimising associated losses is a key plank in the Post26 strategy to help build an ongoing financially sustainable business.
	Board Approved Budget (Group Profit Before Tax)	20%	Group PBT reflects the underlying performance of the enterprise and is the foundation for the Post26 strategy to help build an ongoing financially sustainable business. It is critical to focus on improving the financial performance of Australia Post to create a financially sustainable future.
	Business Simplification Target	20%	Driving efficiencies across the enterprise enables the Group to invest in our products and services, improve the customer experience and profitability. The Business Simplification Target is a financial efficiency target that acts as critical driver in overall enterprise profitability and helps build an ongoing financially sustainable business.
Delighting our customers & communities	Net Promoter Score	20%	NPS is key to understanding brand sentiment, driving customer advocacy and ultimately improving customer experiences. Our NPS is an aggregated measure of Consumer and Business customers (weighted 50% each); both contributing to our future success and financial sustainability.

Remuneration report

2.5 Performance against FY24 Enterprise Scorecard

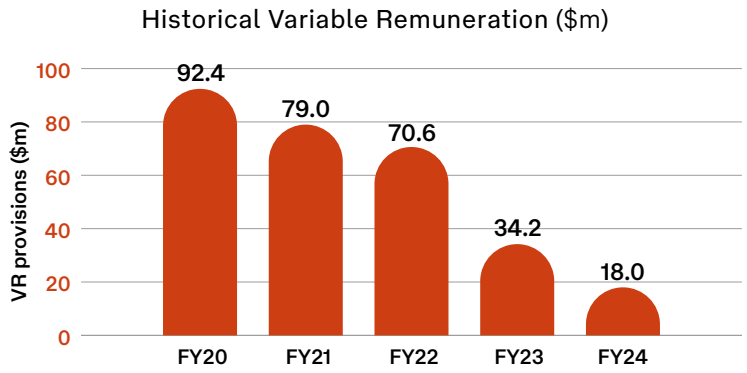
The FY24 Enterprise Scorecard focused our executives on the critical elements of the strategic imperatives of the Post26 strategy to strive for our purpose of delivering a better tomorrow. The following table details the FY24 VR performance measures and assessment.

FY24 Performance against the Enterprise Scorecard ⊗ Not met ○ Met Entry ✓ Met Target ⊕ Met Stretch

KPI Measure (Performance)	Outcome
Safety Performance Our TRIFR increased from FY23 to FY24, reaching a full-year rate of 23.47, which was higher than our target of 22.00. This rise was attributable to an increase in Total Recordable Injuries (TRIs) resulting in claims, and partly due to changes in the Future Operating Model, where a reduction in support roles led to lower hours from low-risk roles, thereby impacting the TRIFR outcome. Despite this, there were positive improvements in many critical risks, including a reduction of over 40% in risky riding behaviour and continued strong results from Google monitoring of people and mobile plant separation. However, an increase in Body Stressing claims from aging workers performing manual labor in a highly industrial setting and a rise in Postal Delivery Officers being impacted by third-party vehicle accidents were key contributors to the higher claims.	⊗
Group Profit Before Tax The Group delivered a full-year Loss Before Tax for FY24 of $88.5 million, which is lower than budgeted targets by $155.5 million and outperformed the previous year by $111.8 million. This exceptional outcome was driven by increased revenue from robust trading volumes and successful pricing initiatives aimed at addressing loss-making products and lines of business. Additionally, rigorous cost management in operational and support areas significantly reduced expenses. The benefits from modernisation efforts and streamlined processes also contributed to the improved performance.	⊕
Letters Budget Total Letters operations generated a Loss Before Tax of $361.8 million for the full year FY24, which was $73.6 million ahead of target. This was primarily driven by productivity gains within the Postal Delivery Officer network, resulting from modernisation changes. Additionally, revenue performance improved due to lower-than-budgeted volume declines following significant price growth in Unaddressed Mail and the Basic Postage Rate increase in April 2024.	✓
Business Simplification Target The Group achieved Business Simplification savings of $268.9 million, which was $68.9 million better than budget. This favourable outcome was mainly driven by labour savings within Network Operations, resulting from the modernisation reforms, improved management of external labour and overtime, and cost efficiencies from the increased capacity of the new A330 aircraft. Additional support labour savings were realised through a new operating model across various business units.	⊕
Net Promoter Score The FY24 Strategic NPS result was +20, which was one point below the FY23 result and did not meet our Enterprise Scorecard Entry performance level. Consumer NPS for FY24 was +16.7, matching the FY23 full year, while Business NPS was +23.9, down 1.5 points compared to FY23. The Strategic NPS was affected by negative perception headwinds that overshadowed positive changes in service and customer experience made throughout FY24.	⊗

Group CEO & MD and Senior Executives VR outcomes

FY24 VR outcomes for the Group CEO & MD and Senior Executives were determined by performance against the Enterprise Scorecard as described above. These performance results delivered average total VR outcomes of 85% of Target opportunity and 53% of Maximum VR opportunity for this group. The FY24 VR outcomes reflected performance against our Enterprise Scorecard metric performance. Across the Group, the total at-risk VR provisions for FY24 were $18 million, a significant reduction relative to previous years.



Historical VR outcomes[1]	FY20	FY21	FY22	FY23	FY24
VR outcome (average % of Maximum opportunity)	58%	60%	57%	30%	53%
VR outcome (average % of Target opportunity)	109%	113%	109%	57%	85%

1 All VR participants, includes Group CEO & MD, Senior Executives, OHPS and other VR eligible team members.

Remuneration report

2.6 FY25 remuneration outlook

Review of Australia Post's remuneration framework and benchmarking

In FY24, the Board undertook a comprehensive review of our executive remuneration arrangements, considering several critical factors, including the Government's expectations regarding variable remuneration as outlined by the Australian Public Service Commission's *Performance Bonus Guidance*. The review also examined recent reviews and changes in executive remuneration at other Government Business Enterprises (GBEs) and other large, listed companies of similar size with similar operational complexities.

Ensuring that the Group's remuneration principles, policy, structure, and outcomes are effective, predictable and fair is paramount. This fairness extends to variable remuneration arrangements, which must attract, motivate, and retain high-calibre executives necessary to deliver on a challenging transformation agenda. Australia Post faces the added challenge of competing against private sector companies for talent, such as with large publicly listed organisations where alternative remuneration components such as long-term incentives are frequently used.

Following this review the Board determined to maintain the current executive remuneration structure for our Group CEO & MD and Senior Executives for FY25. All participants of the VR plan will remain fully aligned with the FY25 Enterprise Scorecard, which includes consistent KPIs and weightings for all scorecards as it did in FY24. This shared scorecard will be the basis for calculating VR outcomes for FY25 and engenders a collaborative performance culture across the enterprise during our continued transformation.

Australia Post outlook and target setting

The outlook for Australia Post in FY25 continues to be challenging, marked by a dynamic market environment that our modernisation agenda is facing. FY25 targets have been set with careful consideration of these challenges, incorporating both budgeted performance expectations and strategic objectives. Key factors influencing the target setting include anticipated market fluctuations, evolving customer demands, and the need for continuous innovation in our services. Additionally, competitive pressures from both private sector companies locally and internationally have been accounted for, ensuring that the targets are ambitious yet achievable. The focus will be on maintaining operational efficiency, enhancing customer satisfaction, and driving sustainable growth, all while navigating the complexities of a rapidly changing postal and logistics landscape.

3 Remuneration Governance

3.1 Role of the Board

The Board has responsibility for the governance of remuneration at Australia Post and actively oversees Australia Post's remuneration framework and strategy. The Board takes into consideration advice and recommendations of the People Committee as well as from external remuneration consultants engaged by the Board or its People Committee.

3.2 People Committee role

The primary function of the People Committee is to provide counsel, guidance and governance regarding Australia Post Group's strategies, frameworks and programs related to people; incentive plans, remuneration policy and reporting; and workplace health, safety and wellbeing. Within the scope of its responsibility, the People Committee endorses certain matters for Board determination. The People Committee:

- reviews and makes recommendations to the Board regarding remuneration levels for the Group CEO & MD in accordance with parameters set by the Remuneration Tribunal;
- provides counsel and guidance to the Group CEO & MD on performance and remuneration for Senior Executives;
- provides counsel and guidance on Australia Post's approach to the performance review of employees and structure of its VR plan;
- reviews and endorses the Group Remuneration Policy for Board determination;
- provides counsel and guidance on strategies, frameworks and programs related to workplace health, safety, and wellbeing; and
- reviews the effectiveness of policies and initiatives in these areas and assesses the safety performance against agreed-upon targets.

During the year there were changes to the Board's committee structure with corresponding changes to the functions and responsibilities of committees. The last of the functions ascribed to the People Committee, referred to above, was previously performed by the Audit & Risk Committee.

3.3 Engagement of independent external advice

Where appropriate, the Board or its People Committee consult external remuneration advisers. When such advisers are used, the Board considers potential conflicts of interest and ensures terms of engagement regulate access to and (when required) set out their independence from members of management. Independent external remuneration advice was received during FY24 to conduct the review outlined above. None of this advice received included remuneration recommendations as defined by the *Corporations Act* 2001.

3.4 Management

Management makes recommendations to the People Committee on individual remuneration arrangements for the Group CEO & MD and Senior Executives. Additionally, management makes recommendations to the People Committee on people management and remuneration policies and practices.

Upon People Committee endorsement and Board approval, management documents and implements the remuneration framework.

Remuneration report

3.5 Group CEO & MD and Senior Executive contract terms

The terms of employment for the Group CEO & MD and Senior Executives are formalised in employment contracts with no fixed term.

Employment contracts typically outline the components of remuneration paid to the individual but do not prescribe how much the total remuneration quantum may be adjusted year to year. The Group CEO & MD's remuneration is determined by the Board relative to the TRRR determined by the Remuneration Tribunal.

Executive employment contracts generally provide for participation in an at-risk VR opportunity governed by relevant VR plan rules. The extent to which VR eligibility is retained if employment ceases, will be determined in accordance with the VR plan rules. The participant forfeits eligibility to any VR payment when employment ceases by reason of resignation, performance or misconduct prior to the VR payment date, or where employment ceases by way of redundancy during the performance year. Where the cessation reason is death, permanent disability or redundancy after the performance year and before VR payment has been made, eligibility to VR is retained. The Board retains the right to exercise its discretion to vary the VR plan rules.

Continuation of employment is subject to ongoing performance reviews by the Board (for the Group CEO & MD) and by the Group CEO & MD (for Senior Executives). A description of each employment contract termination scenario for the Group CEO & MD and Senior Executives is detailed in Table 2.

Table 2: Employment contract cessation

Scenario	Definition
Termination on notice by the executive	The Group CEO & MD may terminate their own employment contract by providing six months' notice in writing. All other Senior Executives may terminate their employment contract by providing twelve weeks' notice in writing.
Termination on notice by Australia Post	Australia Post may terminate the Group CEO & MD's employment contract by providing six months' notice or providing payment in lieu of all or part of the notice period. That notice period is extended to twelve months if Australia Post gives notice at any time during the first twelve months of employment. Australia Post may terminate all other Senior Executives' employment contracts by providing twelve weeks' notice or providing payment in lieu of all or part of the notice period.
Termination on notice payments	Termination on notice payments by Australia Post are compliant with legislation and designed to ensure consistent and equitable practices are applied. For the Group CEO & MD and Senior Executives, termination on notice payments are calculated based on length of service and are no less than an amount equal to the notice period and no more than twelve months' of fixed annual remuneration.
Termination without notice	In certain scenarios as set out in the employment contracts of the Group CEO & MD and Senior Executives (e.g. breach of contract, improper conduct or conviction for a criminal offence), Australia Post may terminate the employment contract at any time without notice, and the Group CEO & MD or Senior Executive will be entitled to payment of FAR only up to the effective date of termination.

4 Non-Executive Board Director fees

All Australia Post Non-Executive Directors are appointed by the Governor-General on the nomination of the portfolio Minister. Non-Executive Directors' fees are set by the Remuneration Tribunal. Australia Post has no role in determining the level of Non-Executive Director fees.

The Remuneration Tribunal regularly reviews and sets Non-Executive Director fees for the roles of Chair, Deputy Chair and other Non-Executive Directors (Members) (excluding statutory superannuation contributions which are paid in addition to the fees set by the Remuneration Tribunal). Non-Executive Director fees cover all activities including Board membership and participation in sub-Committees unless otherwise stated in the table below.

The following table sets out the Non-Executive Directors' fees (excluding superannuation) as set by the Remuneration Tribunal and covering the financial years FY24 and FY25.

Table 3: Non-Executive Director fees

Role	Annual Fee with effect from:	
	1 July 2023 [1]	1 July 2024 [2]
Chair	$207,010	$214,260
Deputy Chair	$115,530	$119,580
Non-Executive Directors (Members)	$103,550	$107,180
Audit & Risk Committee Chair [3]	$23,980	$24,820
Audit & Risk Committee Member [4]	$12,000	$12,420
People Committee Chair [5,6]	$20,430	$21,150
People Committee Members [Footnote 6]	$10,230	$10,590

1 Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2023.
2 Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2024.
3 Australia Post Board Chair is not entitled to receive these additional fees if they are the Chair of this Committee.
4 Australia Post Board Chair is not entitled to receive these additional fees if they are a member of this Committee.
5 Australia Post Board Chair and Deputy Chair are not entitled to receive these additional fees if they are the Chair of this Committee.
6 Australia Post Board Chair and Deputy Chair are not entitled to receive these additional fees if they are members of this Committee.

Remuneration report

5 FY24 statutory remuneration tables

5.1 Overview of statutory requirements

The information provided in this report has been prepared and is aligned to disclosure requirements outlined in the PGPA Act and PGPA Rule.

This sees disclosure made in two areas:

1. remuneration for Non-Executive Directors, Group CEO & MD and Senior Executives individually disclosed; and
2. aggregate reporting of OHPS.

Australia Post has defined KMPs as Non-Executive Directors, the Group CEO & MD and Senior Executives (i.e. people who report directly to the Group CEO & MD and who have responsibility or substantial input into the planning, directing and controlling of the operations of Australia Post).

These team members are the only team members considered to have the capacity and responsibility for decision making that can have a significant and direct impact on the strategic direction and financial performance of Australia Post.

Remuneration received directly or indirectly by KMPs is provided under an accrual basis for the years ending 30 June 2023 and 30 June 2024. All remuneration is provided in Australian Dollars.

In 2019 the PGPA Rule was amended to require a number of Commonwealth Entities to report on OHPS who are neither KMP nor Senior Executives. Disclosures are provided on an aggregated banded basis for those team members of Australia Post whose total remuneration exceeds $250,000 in FY24. The initial band is from $250,000 to $270,000, with subsequent bands in $25,000 increments.

Reporting is provided on an accruals basis, with the following average remuneration components disclosed:

- base salary;
- at-risk variable remuneration;
- other benefits & allowances;
- superannuation;
- long service leave;
- other long-term benefits; and
- termination benefits.

5.2 Statutory tables

Remuneration received directly or indirectly by KMP under an accruals basis for the most recent financial year FY24 and previous financial year FY23 is as follows:

Table 4: Non-Executive Director Remuneration:

Non-Executive Directors	Year	Director fees[1] $	Other Benefits and Allowances[2] $	Superannuation[3] $	Total Remuneration $
Siobhan McKenna (Chair)[4]	**2024**	**207,010**	**–**	**22,771**	**229,781**
	2023	108,290	–	11,370	119,660
Steve Mann (Deputy Chair[5]	**2024**	**78,649**	**–**	**8,651**	**87,300**
	2023	–	–	–	–
Dr Jodie Auster[6]	**2024**	**112,467**	**–**	**12,371**	**124,838**
	2023	–	–	–	–
Robyn Clubb AM[7]	**2024**	**127,530**	**–**	**14,029**	**141,559**
	2023	95,211	–	9,997	105,208
Dr Richard Dammery	**2024**	**115,550**	**–**	**12,711**	**128,261**
	2023	115,384	–	12,116	127,500
Debra Hazelton[8]	**2024**	**76,710**	**–**	**8,438**	**85,148**
	2023	–	–	–	–
Launa Inman	**2024**	**115,550**	**–**	**12,711**	**128,261**
	2023	114,489	–	12,021	126,510
Former Non-Executive Directors					
Lucio Di Bartolomeo (Former Chair)[9]	**2024**	**–**	**–**	**–**	**–**
	2023	77,786	–	8,168	85,954
Andrea Staines OAM (Former Deputy Chair)[10]	**2024**	**–**	**–**	**–**	**–**
	2023	119,613	–	12,559	132,172
Tony Nutt AO[11]	**2024**	**76,583**	**–**	**8,424**	**85,007**
	2023	109,390	–	11,486	120,876
Deidre Willmott[12]	**2024**	**–**	**–**	**–**	**–**
	2023	119,759	–	12,575	132,334
Total (8 Non-Executive Directors)	**2024**	**910,049**	**–**	**100,106**	**1,010,155**
Total (8 Non-Executive Directors)	2023	859,921	–	90,292	950,213

1 Non-Executive Director fees are set by the Remuneration Tribunal and paid in cash.
2 Other benefits and allowances comprises reportable and non-reportable fringe benefit amounts as determined for taxation.
3 Minimum superannuation contributions are provided as prescribed under Superannuation Guarantee legislation.
4 Siobhan McKenna was appointed Chair, with effect from 15 December 2022.
5 Steve Mann was appointed to the Board as Deputy Chair, with effect from 26 October 2023.
6 Dr Jodie Auster was appointed to the Board, with effect from 6 July 2023.
7 Robyn Clubb AM was appointed to the Board, with effect from 15 September 2022.
8 Debra Hazelton was appointed to the Board, with effect from 26 October 2023.
9 Lucio Di Bartolomeo's term on the Board concluded on 21 November 2022.
10 Andrea Staines' term on the Board concluded on 26 June 2023.
11 Tony Nutt AO's term on the Board concluded on 1 March 2024.
12 Deidre Willmott's term on the Board concluded on 26 June 2023.

Remuneration report

Table 5: Group CEO & MD and Senior Executives' base salary, short-term benefits and post-employment benefits (accruals basis)

		Short-Term Benefits			Post Employment Benefits	Other Long-Term Benefits			
Group CEO & MD and Senior Executives and Position Titles	Year	Base salary[1] $	At-risk variable remuneration[2] $	Other benefits & allowance[3] $	Superannuation[4] $	Long service leave[5] $	Other long-term benefits[6] $	Termination & retirement benefits[7] $	Total Remuneration $
Paul Graham Group CEO & MD	**2024**	**1,644,638**	**965,031**	**1,729**	**27,399**	**48,765**	**–**	**–**	**2,687,562**
	2023	1,428,510	887,819	2,831	25,292	41,158	–	–	2,385,610
Josh Bannister[8] EGM Retail, Brand & Marketing	**2024**	**381,477**	**226,367**	**350**	**9,997**	**11,460**	**–**	**–**	**629,651**
	2023	–	–	–	–	–	–	–	–
Rod Barnes EGM Network Operations	**2024**	**806,088**	**531,443**	**–**	**27,399**	**32,365**	**–**	**–**	**1,397,295**
	2023	791,105	339,690	–	25,292	26,921	100,000	–	1,283,008
Michael Bradburn[9] Group Chief Financial Officer	**2024**	**475,315**	**297,583**	**4,556**	**14,740**	**8,318**	**–**	**–**	**800,512**
	2023	–	–	–	–	–	–	–	–
Susan Davies EGM People & Culture	**2024**	**766,938**	**498,257**	**1,664**	**27,399**	**30,801**	**–**	**–**	**1,325,059**
	2023	745,562	343,055	4,565	25,292	24,729	–	–	1,143,204
Michael McNamara[10] EGM Enterprise Services	**2024**	**776,010**	**460,766**	**363**	**27,399**	**14,300**	**–**	**–**	**1,278,838**
	2023	–	–	–	–	–	–	–	–
Gary Starr EGM Parcel, Post & eCommerce Services	**2024**	**815,919**	**501,155**	**–**	**27,399**	**31,598**	**–**	**–**	**1,376,071**
	2023	807,851	332,690	–	25,292	30,791	–	–	1,196,625
Former Senior Executives									
Rodney Boys[11] Group Chief Financial Officer	**2024**	**250,264**	**–**	**–**	**13,699**	**6,697**	**–**	**152,821**	**423,481**
	2023	821,736	329,699	–	25,292	21,836	–	–	1,198,563
Tanny Mangos[12] EGM Comm, Sustain & Stakeholder Engagement	**2024**	**356,577**	–	**1,695**	**20,549**	**(20,134)**	**–**	**159,100**	**517,787**
	2023	640,676	255,944	579	25,292	12,644	–	–	935,137
Catriona Noble[13] EGM Retail, Brand & Marketing	**2024**	**384,904**	**–**	**1,319**	**20,549**	**(26,634)**	**–**	**192,117**	**572,255**
	2023	817,365	327,381	–	25,292	19,059	–	–	1,189,097
Leonie Valentine[14] EGM Customer Experience & Digital Technology	**2024**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
	2023	475,560	–	–	18,969	(7,575)	–	248,836	735,791
Total (10 Senior Executives)	**2024**	**6,658,130**	**3,480,602**	**11,676**	**216,529**	**137,536**	–	**504,038**	**11,008,511**
Total (8 Senior Executives)	2023	6,528,366	2,816,278	7,975	196,016	169,564	100,000	248,836	10,067,034

1 Base salary comprises the cash salary, including amounts paid on sick leave, net annual leave benefits, purchased leave and amounts salary sacrificed.
2 At-risk variable remuneration comprises accrued performance based at-risk variable remuneration payable within 12 months of the end of the period.
3 Other benefits and allowances comprise cash allowances and reportable and non-reportable fringe benefit amounts as determined for taxation.
4 Superannuation is calculated in accordance with requirements prescribed in the Superannuation Guarantee legislation.
5 Long service leave (LSL) comprises the amount of leave accrued for the period, with reference to actuarial assessments. Where the LSL vesting requirements have not been met on separation, the reversal of the cumulative LSL accrual is reported as a non-cash adjustment to remuneration.
6 Other long-term benefits comprise the paid and accrued cost of long-term retention arrangements for certain key team members.
7 Termination and retirement benefits are payments made on separation of the Senior Executive role.
8 Josh Bannister was appointed EGM Retail, Brand & Marketing, with effect from 15 January 2024.
9 Michael Bradburn was appointed Group Chief Financial Officer, with effect from 18 December 2023.
10 Michael McNamara was appointed EGM Enterprise Services, with effect from 10 July 2023.
11 Rodney Boys ceased employment with Australia Post on 27 October 2023.
12 Tanny Mangos ceased employment with Australia Post on 18 January 2024.
13 Catriona Noble ceased employment with Australia Post on 15 January 2024.
14 Leonie Valentine ceased employment with Australia Post on 10 February 2023.

Other Highly Paid Staff Remuneration reported in FY24 (Accruals Basis)

Table 6 sets out remuneration on an accruals basis received directly or indirectly by Australia Post's OHPS. Total reportable remuneration disclosed is the average compensation received by team members in each remuneration band for the duration of employment within the reporting period.

Table 6: FY24 Other highly paid staff – Aggregate reporting

		Short-Term Benefits			Post Employment Benefits	Other Long-Term Benefits		Termination Benefits	
Remuneration band	Number of highly paid staff	Average base salary[1] $	Average at-risk variable remuneration[2] $	Average other benefits & allowances[3] $	Average superannuation[4] $	Average long service leave[5] $	Average other long-term benefits[6] $	Average termination benefits[7] $	Average total remuneration $
$250,000 to $270,000	85	171,456	5,220	1,910	16,153	10,367	(29)	54,052	259,130
$270,001 to $295,000	76	195,965	5,547	1,142	17,671	11,252	–	49,995	281,571
$295,001 to $320,000	49	226,386	6,123	1,014	18,417	14,220	–	40,602	306,762
$320,001 to $345,000	37	208,774	5,907	713	16,723	13,695	–	85,166	330,977
$345,001 to $370,000	22	238,294	13,602	127	19,746	15,269	–	71,045	358,082
$370,001 to $395,000	9	237,824	10,968	222	20,665	12,118	–	96,129	377,924
$395,001 to $420,000	5	233,428	57,599	–	19,698	10,642	–	84,512	405,878
$420,001 to $445,000	8	227,901	34,661	2,031	18,879	15,801	12,500	118,367	430,141
$445,001 to $470,000	10	285,732	85,141	85	23,328	13,588	–	51,176	459,049
$470,001 to $495,000	9	275,780	70,250	40	19,585	12,297	–	108,239	486,192
$495,001 to $520,000	4	211,690	41,503	16	20,790	10,728	–	221,326	506,053
$520,001 to $545,000	5	260,285	26,937	–	25,228	15,842	–	199,543	527,835
$545,001 to $570,000	4	318,881	112,301	2,005	27,009	15,221	18,750	59,431	553,598
$570,001 to $595,000	4	358,833	118,289	–	23,759	12,048	–	73,220	586,149
$620,001 to $645,000	3	391,528	196,020	2,207	27,399	13,849	–	–	631,002
$645,001 to $670,000	3	322,460	59,968	–	21,050	32,345	–	222,190	658,013
$720,001 to $745,000	2	490,093	196,226	–	26,760	15,328	–	–	728,408
$745,001 to $770,000	1	503,264	207,166	–	27,399	15,828	–	–	753,657
$770,001 to $795,000	1	499,705	213,550	359	27,399	45,875	–	–	786,887
$820,001 to $845,000	1	358,637	4,025	–	17,588	50,415	–	397,586	828,251
Total[8]	**338**								

1 Base salary comprises the average cash salary, including amounts paid on sick leave, net annual leave benefits, higher duties, purchased leave and amounts salary sacrificed.
2 At-risk variable remuneration comprises accrued performance based at-risk variable remuneration payable within 12 months of the end of the period.
3 Other benefits and allowances comprises cash allowances and reportable and non-reportable fringe benefit amounts as determined for taxation.
4 For employees who are members of the defined benefit fund, the superannuation benefit represents the contribution paid to the fund by Australia Post (employer contribution). If the employee is a member of a superannuation contribution scheme, the benefit is calculated in accordance with the requirements prescribed in Superannuation Guarantee legislation.
5 Long service leave (LSL) comprises the movement in the LSL provision based on actuarial assessment. Where the LSL vesting requirements have not been met on separation, the reversal of the cumulative LSL accrual is reported as a non-cash adjustment to remuneration.
6 Other long-term benefits comprises the accrued cost of long-term retention arrangements for certain key team members.
7 Termination benefits are payments made on separation of employment.
8 For the purposes of this note, Senior Executive remuneration is not disclosed within these disclosures, but is reported in Table 5 of the Remuneration Report.

Financial and statutory reports 2024

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Statement by Directors, Group Chief Executive Officer & Managing Director and Group Chief Financial Officer

FY24 FINANCIAL STATEMENTS

In our opinion:

(a) the accompanying financial statements for the year ended 30 June 2024:

  (i) present fairly the entity's financial position, financial performance and cash flows;

  (ii) comply with the accounting standards and any other requirements prescribed by the *Public Governance, Performance and Accountability Act 2013* and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

  (iii) have been prepared based on properly maintained financial records.

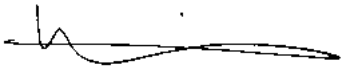
(b) at the date of this report, there are reasonable grounds to believe that the group will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.



Siobhan McKenna
Chair
Board of Directors
(on behalf of Directors)

Melbourne
29 August 2024



Paul Graham
Group Chief Executive Officer
& Managing Director

Melbourne
29 August 2024



Michael Bradburn
Group Chief Financial Officer

Melbourne
29 August 2024

Annual performance statement

for the year ended 30 June 2024

Statement of Preparation

I am pleased to present, on behalf of the Board of Directors (Board) of the Australian Postal Corporation (Australia Post) and in accordance with a resolution of the Board, Australia Post's Annual Performance Statement (Statement) for the financial year 2023-24 reporting period.

The Statement is prepared for paragraph 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013*.

In the Board's opinion, based on information provided to the Board, the Statement accurately reflects the performance of Australia Post in financial year 2023-24, and complies with section 39(2) of the *Public Governance, Performance and Accountability Act 2013*.



Siobhan McKenna
Chair
13 September 2024

Purpose

Australia Post's purpose is expressed in the Australian Postal Corporation Act 1989 (Act) which, among other matters, sets out Australia Post's commercial obligation, community service obligations and general governmental obligations.

As expressed in the Act, the principal function of Australia Post is to supply postal services within Australia and between Australia and places outside Australia. While carrying out this principal function and other subsidiary functions, Australia Post aims to provide high-quality, efficient services to the Australian community, and operate commercially and achieve a reasonable return on assets.

Australia Post is obliged to meet its Community Service Obligations by ensuring that the letter service it is obliged to provide is reasonably accessible to all Australians on an equitable basis, in view of the social importance of the letter service, and is provided at a uniform rate for standard letters carried by ordinary post within Australia. Australia Post is also subject to prescribed performance standards relating to the letter service, including standards relating to the frequency, accuracy and speed of delivery, and standards relating to accessibility of services via retail outlets, and via street posting boxes and other mail lodgement points.

In an environment where parcel products are an ever-increasing part of our network, Australia Post operates to a more expansive purpose of Delivering a Better Tomorrow.

We deliver letters and parcels to all Australians. We deliver incoming international letters and parcels and offer outbound international services. We offer an extensive range of letter and parcel services, to a range of delivery times.

We provide financial services through a network of more than 4,000 retail outlets, including over 2,500 in rural and remote non major cities throughout Australia (i.e. not in major cities). While many of the services offered in post offices are subject to digital disruption and substitution, some in-person services remain valued by the Australian community, particularly in remote and very remote areas. We manage an extensive operational asset base, including unrivalled community presence through the Post Office network.

Our team members live our values of trust, inclusivity, empowerment, and safety. Our values underpin everything we do and are the ties that bind us. We can be trusted to do the right thing; we are inclusive, respecting everyone; and our people are empowered to find a way to help customers. The safety and wellbeing of team members is our highest priority. Safety is a value – it is who we are.

In financial year 2023-24 (FY24), our purpose has been Delivering a better tomorrow for our customers and community. Our Post26 strategy was designed to deliver three strategic imperatives: Supporting each other; Delighting our customers and communities; and Creating a sustainable future. We have been progressing the same six strategic priorities to realise these imperatives as we were last year:

1. Winning in eCommerce delivery services;
2. Reimagining the Post Office network;
3. Creating market leading digital and data experiences
4. Building a sustainable letters business
5. Simplifying our products and services; and
6. Uplifting culture and leadership; simplifying operations and systems.

Results

Australia Post's performance against key commercial measures in FY24 is summarised below:

Measure	Performance
Profit/(Loss) before tax	($88.5) million
Shareholder return on equity	-3.0%
Dividends declared in respect of 2023-24	–
Dividends paid in 2023-24	–

The Prescribed Performance Standards changed on 13 April 2024, as part of the Government's implementation of certain reforms to support postal services modernisation. Australia Post's performance under the current and the superseded standards (for the period they each applied during FY24) is summarised below:

Prescribed Performance Standard		Performance 12 April 2024 (superseded PPS)	Performance 30 June 2024 (current PPS)
On-time letters delivery	94%	97.50%	99.50%
Letters delivery frequency			
– to delivery points every business day	98%	94.71%	N/A
– to delivery points every second business day	98%	N/A	98.82%
– to delivery points at least two days per week	99.70%	99.98%	99.99%
Delivery timetables	Maintain	Maintained	Maintained
Street posting boxes	10,000	14,428	14,004
Retail outlets			
– in total	4,000	4,241	4,198
– in total rural and remote areas	2,500	2,491	N/A
– in metropolitan areas, residence to be located within 2.5 kms of an outlet	90%	93.70%	N/A
– in non-metropolitan (ie rural and remote) areas, residences to be located within 7.5 kms of an outlet	85%	89%	N/A
– not in major cities (must also be at least 50% of all outlets)	2,500	N/A	2,553
– in major cities, residences to be located within 2.5 kms of an outlet	90%	N/A	92.00%
– not in major cities, residences to be located within 7.5 kms of an outlet	85%	N/A	89.50%

Annual performance statement

for the year ended 30 June 2024

Analysis

FY24 was a year of revenue growth for Australia Post, comprising a return to parcels volume growth and a continuing relentless decline in letter volumes. Australia Post again delivered on the objectives of providing an accessible and reliable letters service, meeting all prescribed performance standards and improving safety outcomes for team members.

Australia Post again delivered for its customers during the 2023 peak period, realising the following achievements:

- 99.7 million parcels delivered;
- 15 million kgs air freight lifted;
- Over 1.3 million Parcel Looker deliveries; and
- 8.9 million parcels sent with My Post Business.

In FY24 Australia Post realised significant changes to delight customers and support team members, including regulatory reforms that have enabled it to continue modernising its business.

In December 2023, Australia Post welcomed a Government announcement outlining a first phase of changes to its letters business, comprising:

- delivery frequency amended to every second day and an additional day to deliver regular letters across Australia;
- flexibility to change the way it manages priority mail;
- major city and non-major city retail network classifications to reflect the latest Australian Statistical Geography Standard published by the Australian Bureau of Statistics; and
- updates to the regulatory pricing oversight of regular letter services to enable stamp prices to be set over multiple years.

This marked a crucial first step to help Australia Post improve its longer-term financial position and build on the progress it has made with its Post26 Strategy.

Alongside the Government announcement, Australia Post has delivered an extensive list of milestones focused on Delivering a Better Tomorrow for its customers. In the second full year of the Post26 Strategy, significant achievements included the following:

- a 30 cent increase to its Basic Postage Rate in April 2024, enabling Australia Post to reduce losses in its letters business;
- a metro parcels product, providing merchants and their customers with the reassurance of overnight delivery in selected locations in Melbourne, Sydney, Brisbane, Adelaide and Perth;
- establishing the Customer Experience Transformation program, to transform the parcel customer experience for both senders and receivers;
- new retail formats. This includes the launch of Community Hubs in Orange, New South Wales, and Burnie, Tasmania, bringing together a range of new services and products in a central hub that is tailored to the local community;
- a modern point of sale technology with new touch screen terminals in its Post Offices, enabling a full suite of transactions delivered faster for customers and more intuitively for team members, at an investment cost of more than $250 million
- enhancements to Australia's top-rated business app, improving the delivery experience for online customers with enhanced features such as greater tracking visibility and control;
- ongoing investments in increasing capacity and automation through investing in new facilities and upgrading existing ones;
- investments in the parcels customer experience through features including digital carding and custody scanning, informing customers of the point where Australia Post has taken custody of their parcel;
- leasing an A330 air freighter to expedite parcel volumes faster, enabling a successful peak season;
- an expansion of its parcel locker network, providing additional out of hour delivery choices for customers. Australia Post's parcel locker network has increased locations by 47% since FY21; and
- implementing New Delivery Model trials, enabling regular letters to be delivered every second day, improving the cost effectiveness of the letter service and meeting the contemporary needs of all Australians.

This customer focus has been matched by Australia Post's attention to the wellbeing of its team members, particularly in the areas of physical and psychological safety. More than 90% of its direct workforce have completed an *Our AP Way* program that connects team members and articulates how everyone can contribute to Australia Post's success.

To reduce the risk of injuries to its Postal Delivery Officers, over 50,000 safety hazard notifications have been loaded into hand scanners providing photo and description warnings for parcel and letter deliveries. Importantly the psychological safety of team members has been supported through its Employee Assistance Program, which remains accessible to all team members and their families 24 hours a day, seven days a week.

Australia Post has successfully transitioned its support office to 480 Swan St, Richmond, with a first tranche of team members having moved to these new premises at 30 June 2024.

Financial statements audit report

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Auditor-General for Australia

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Communications

Opinion

In my opinion, the financial statements of the Australian Postal Corporation and its subsidiaries (together the Group) for the year ended 30 June 2024:

(a) comply with Australian Accounting Standards and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and

(b) present fairly the financial position of the Group as at 30 June 2024 and its financial performance and cash flows for the year then ended.

The financial statements of the Group, which I have audited, comprise the following as at 30 June 2024 and for the year then ended:

- Statement by Directors, Group Chief Executive Officer and Managing Director, and Group Chief Financial Officer;
- Consolidated statement of comprehensive income;
- Consolidated balance sheet;
- Consolidated statement of changes in equity;
- Consolidated statement of cash flows; and
- Notes to the financial statements comprising material accounting policy information and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Group in accordance with the relevant ethical requirements for financial statement audits conducted by me. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key audit matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

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Key audit matter	How the audit addressed the matter

Valuation of unearned revenue liability
 	
Refer to Note A1 'Revenue and other income' and Note B7 'Payables'
 	
The Group has recognised an unearned revenue liability of $299.1 million, which includes a provision for the estimated value of postage products sold but not yet used at 30 June 2024.
 	
The Group defers revenue to reflect the postage products sold which are either unused or undelivered at reporting date, where service will be provided in future accounting periods. The Group's estimate of unearned revenue is considered subjective. It is reliant on key assumptions and inputs including, estimating the amount of postage products sold which are still unused at reporting date and estimating the expected timing and amount of future utilisation of those unused postage products. This requires judgement and expertise to be applied in the calculation.
 	
Due to its subjectivity, I consider the valuation of unearned revenue liability to be a key audit matter.
	To audit the valuation of unearned revenue liability, I performed the following procedures:
	
	• assessed the design, implementation, and operating effectiveness of key controls over revenue recognition by testing a sample of transactions;
	• conducted analytical procedures, including monthly trend analysis, on revenue transactions during the period to confirm year-end unearned revenue balances. Where material variances were identified against set expectations, such as parcel and mail volumes and seasonality of business, supporting documentation has been examined and enquiries made of the Group to obtain explanations for the variances; and
	• assessed the actuarial calculation of postage products sold but not yet used. This involved:
	  ○ testing the integrity of the underlying postage product revenue data used in the actuarial calculation; and
	  ○ assessing the reasonableness of the key assumptions related to the expected timing and amount of future utilisation of those unused products, through comparison to historical balances and past practice.

Key audit matter	**How the audit addressed the matter**
Valuation of goodwill *Refer to Note B3 'Intangible assets' and Note B5 'Impairment of non-financial assets'* The Group has recognised $501.6 million in relation to goodwill. These assets are required by the Australian Accounting Standards to be tested annually for impairment. The estimation process includes the use of a valuation model which is complex, involves significant judgement, and is based on assumptions about the future, such as the discount rate adopted and cash flow forecasts. As such, I consider this to be a key audit matter. The Group provides details on the assumptions used in the impairment tests, including those regarding the level at which the assets are tested, the discount rate, the expected future cash flows and the type of valuation model used, in Note B5 to the financial statements.	To audit the valuation of goodwill, I performed the following procedures: • evaluated the appropriateness of the methodologies used by the Group to perform the valuation; • assessed the reasonableness of the composition of the discount rate adopted by the Group, by independently determining the discount rate; • agreed the cash flow forecasts used in the impairment test to the business plans approved by the Board; • assessed the Group's historical accuracy in meeting its forecasts, through comparison of actual results to original budgets; and • assessed the adequacy of the financial statements disclosures. The assumptions that have the most significant effect on the determination of the recoverable amount of its assets were evaluated. These disclosures were considered with reference to the applicable Australian Accounting Standards requirements.

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Key audit matter

Valuation of net superannuation asset

Refer to Note C3 'Post employment benefits'

The Group recognised a net superannuation asset of $610.6 million at 30 June 2024 which comprises a superannuation asset and defined benefit obligation. The measurement of the net superannuation asset involves significant judgement.

The measurement of the Group's superannuation asset includes investments which are recognised at fair value.

The measurement of the defined benefit obligation involves the selection and application of multiple complex assumptions such as salary growth, discount and inflation rates.

The valuation of the net superannuation asset is sensitive to long-term assumptions consistent with those disclosed in Note C3. Movements in these assumptions for the defined benefits obligation together with the fair value movement of the investments can result in material movements in the net superannuation asset. As such, I consider this a key audit matter.

The Group provides disclosures in Note C3 on how the changes in the present value of the defined benefit obligation and change in fair value of plan assets are recognised and measured in the statement of comprehensive income.

How the audit addressed the matter

To audit the valuation of the net superannuation asset I performed the following procedures:

- assessed the design, implementation and operating effectiveness of internal controls over the management of the defined benefit scheme, including management of the members' data used for the valuation;
- assessed and evaluated the independence and competency of the Group's actuary;
- tested the superannuation contribution data provided to the Group's actuary for accuracy and completeness including assessing the quality assurance processes used by the Group to confirm the integrity of the data;
- evaluated the appropriateness of the methodology and reasonableness of the key assumptions applied when performing the valuation by:
    - comparing economic assumptions to long-term expectations over the term of the defined benefit obligation, based on the Government's economic forecasts;
    - assessing the detailed analysis undertaken by the Group's actuary for consistency with historical membership experience in relation to:
        - rates of mortality, redundancy, resignation, disability and retirement;
        - the proportion of members who will select each form of payment option available under the plan terms; and
        - promotion and future salary increases;
- assessed the reasonableness of the results of the valuation by confirming the appropriateness of the reconciliation of changes in the valuation of the scheme asset and defined benefit obligations;
- tested the fair value of the investments including agreement of amounts to supporting documentation such as external confirmations; and
- evaluated the appropriateness of the disclosure of the significant assumptions applied and of the uncertainties that impact the key assumptions, including the sensitivity analysis.

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Financial statements audit report

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Group, the Board of Directors is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards and the rules made under the Act. The Accountable Authority is also responsible for such internal control as the Accountable Authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Authority is responsible for assessing the ability of the Group to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Accountable Authority is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

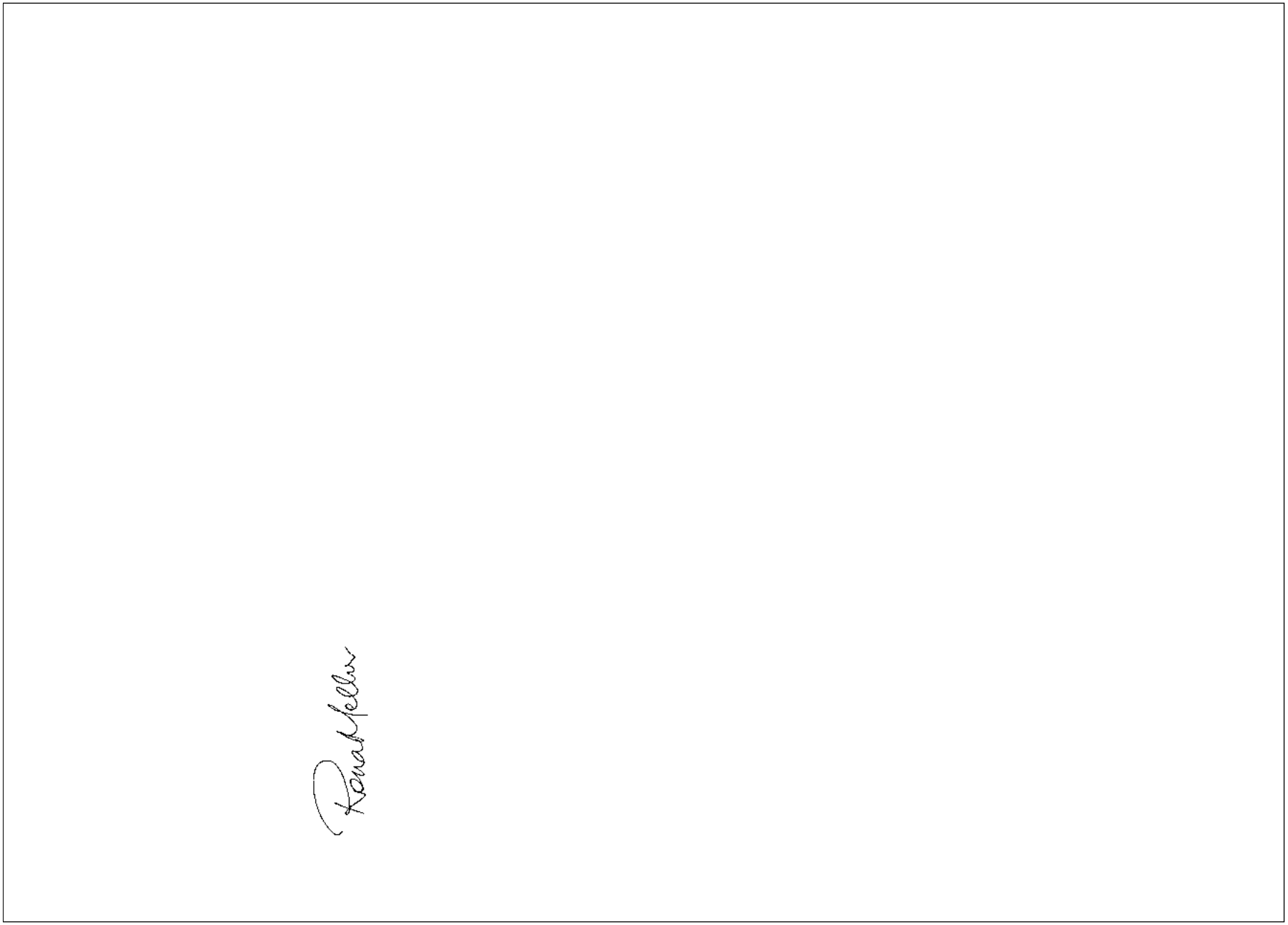
Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Group audit. I remain solely responsible for my audit opinion.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



Consolidated statement of comprehensive income

for the year ended 30 June 2024

Consolidated ($m)	Note	2024	2023
Revenue			
Goods and services	A1	9,043.3	8,864.8
Other income			
Interest	A1	14.9	9.3
Rental	A1	31.6	36.5
Other income and gains	A1	39.3	54.6
	A1	85.8	100.4
Total income	A1	**9,129.1**	**8,965.2**
Expenses (excluding finance costs)			
Employees	A2	3,631.9	3,558.7
Suppliers	A2	4,720.6	4,871.8
Depreciation and amortisation	A2	651.2	577.2
Other expenses	A2	158.5	112.9
Total expenses (excluding finance costs)	A2	**9,162.2**	**9,120.6**
Profit/(loss) before income tax, finance costs and share of net profits of equity-accounted investees		**(33.1)**	**(155.4)**
Finance costs	A2	(55.5)	(46.8)
Share of net profits/(losses) of equity-accounted investees		0.1	1.9
Profit/(loss) before income tax		**(88.5)**	**(200.3)**
Income tax (expense)/benefit	A3	20.4	65.7
Net profit/(loss) for the year attributable to equity holders of Australian Postal Corporation		**(68.1)**	**(134.6)**
Other comprehensive income/(loss)			
Items that will not be reclassified to profit or loss			
Remeasurements of defined benefit plans	C3	(156.4)	(115.7)
Income tax on items that will not be reclassified to profit or loss	A3	46.9	34.7
Total items that will not be reclassified to profit or loss, net of tax		**(109.5)**	**(81.0)**
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		0.3	(0.9)
Unrealised gains/(losses) on cash flow hedges		(0.5)	1.1
Income tax on items that may be reclassified to profit or loss	A3	3.4	(0.3)
Total items that may be reclassified to profit or loss, net of tax		**3.2**	**(0.1)**
Other comprehensive income/(loss) for the year		**(106.3)**	**(81.1)**
Total comprehensive income/(loss) for the year attributable to equity holders of Australian Postal Corporation		**(174.4)**	**(215.7)**

This statement should be read in conjunction with the accompanying notes.

Consolidated balance sheet

as at 30 June 2024

Consolidated ($m)	Note	2024	2023
Assets			
Current assets			
Cash and cash equivalents	A4	617.7	640.2
Trade and other receivables	B1	925.8	827.5
Prepayments		149.8	132.6
Inventories		44.1	52.7
Other current assets		1.4	3.4
Assets held for sale	B2, B6	8.8	6.9
Total current assets		**1,747.6**	**1,663.3**
Non-current assets			
Net superannuation asset	C3	610.6	800.5
Property, plant and equipment	B2	1,726.6	1,861.3
Intangible assets	B3	760.1	805.7
Right-of-use assets	B4	920.2	891.2
Investment property	B6	100.5	125.7
Deferred tax assets	A3	222.6	154.3
Equity-accounted investees		5.6	11.4
Other non-current assets		28.0	40.1
Total non-current assets		**4,374.2**	**4,690.2**
Total assets		**6,121.8**	**6,353.5**
Liabilities			
Current liabilities			
Current lease liabilities	B4	248.9	239.6
Trade and other payables	B7	1,386.1	1,320.6
Employee provisions	C1	785.7	792.0
Interest-bearing liabilities	D2	–	174.4
Other provisions	B8	42.0	26.3
Income tax payable		0.3	1.9
Total current liabilities		**2,463.0**	**2,554.8**
Non-current liabilities			
Interest-bearing liabilities	D2	373.6	372.0
Employee provisions	C1	285.4	265.3
Other provisions	B8	55.3	63.9
Non-current lease liabilities	B4	772.7	750.0
Other non-current liabilities		6.5	7.8
Total non-current liabilities		**1,493.5**	**1,459.0**
Total liabilities		**3,956.5**	**4,013.8**
Net assets		**2,165.3**	**2,339.7**
Equity			
Contributed equity		400.0	400.0
Reserves		8.2	17.7
Retained profits		1,757.1	1,922.0
Equity attributable to equity holders of the parent		**2,165.3**	**2,339.7**

This statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

for the year ended 30 June 2024

Consolidated ($m)	Contributed equity	Reserves	Retained profits	Total equity
Balance at 30 June 2022	**400.0**	**17.8**	**2,159.4**	**2,577.2**
Comprehensive income				
Profit/(loss) for the year	–	–	(134.6)	**(134.6)**
Other comprehensive income/(loss)	–	0.2	(115.7)	**(115.5)**
Tax on other comprehensive income/(loss)	–	(0.3)	34.7	**34.4**
Total comprehensive income/(loss) for the year	**–**	**(0.1)**	**(215.6)**	**(215.7)**
Transactions with owners				
Distribution to owners (refer to note A5)	–	–	(21.8)	**(21.8)**
Balance at 30 June 2023	**400.0**	**17.7**	**1,922.0**	**2,339.7**
Comprehensive income				
Profit/(loss) for the year	–	–	(68.1)	**(68.1)**
Other comprehensive income/(loss)	–	(0.2)	(156.4)	**(156.6)**
Tax on other comprehensive income/(loss)	–	3.4	46.9	**50.3**
Total comprehensive income/(loss) for the year	–	3.2	(177.6)	**(174.4)**
Transfer of reserves	–	(12.7)	12.7	**–**
Balance at 30 June 2024	**400.0**	**8.2**	**1,757.1**	**2,165.3**

Contributed equity is the issued capital. Reserves include asset revaluation, foreign currency translation and hedging reserves. This statement should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

for the year ended 30 June 2024

Consolidated ($m)	Note	2024	2023
Operating activities			
Cash received			
Goods and services		9,827.4	9,755.9
Interest		15.4	9.0
Income tax refunds		1.7	10.4
Total cash received		**9,844.5**	**9,775.3**
Cash used			
Employees		(3,588.5)	(3,457.1)
Suppliers		(5,234.7)	(5,347.5)
Financing costs [1]		(55.7)	(44.8)
Goods and services tax paid		(314.9)	(315.8)
Total cash used		**(9,193.8)**	**(9,165.2)**
Net cash from operating activities	A4	**650.7**	**610.1**
Investing activities			
Cash received			
Proceeds from sales of property, plant and equipment and investment properties		71.8	50.7
Repayment of loan from equity-accounted investees		–	3.7
Total cash received		**71.8**	**54.4**
Cash used			
Purchase of property, plant and equipment		(215.6)	(209.3)
Purchase of intangibles		(90.5)	(133.8)
Total cash used		**(306.1)**	**(343.1)**
Net cash used by investing activities		**(234.3)**	**(288.7)**
Financing activities			
Cash received			
Proceeds from borrowings		–	200.0
Total cash received		**–**	**200.0**
Cash used			
Repayment of borrowings		(175.0)	–
Cash payments for the principal portion of lease liabilities		(264.0)	(239.6)
Dividends paid		–	(21.8)
Total cash used		**(439.0)**	**(261.4)**
Net cash used by financing activities		**(439.0)**	**(61.4)**
Net increase/(decrease) in cash and cash equivalents		**(22.6)**	**260.0**
Effects of exchange rate changes on cash and cash equivalents		0.1	(0.7)
Cash and cash equivalents at beginning of year		640.2	380.9
Cash and cash equivalents at end of the year		**617.7**	**640.2**

1 For the year ended 30 June 2024 financing cost includes interest paid on lease liabilities of $30.2 million (2023: $22.3 million).

This statement should be read in conjunction with the accompanying notes.

Notes to the financial statements

for the year ended 30 June 2024

About the financial statements

This section outlines the basis on which the Australian Postal Corporation and its controlled entities (the 'Group') financial statements have been prepared, including discussion on any new accounting standards or government rules that directly impact financial statement disclosure requirements. In this section, we also outline significant events and transactions that have occurred after balance date affecting the Group's financial position and performance.

The Australian Postal Corporation (the Corporation) is incorporated under the provisions of the *Australian Postal Corporation Act 1989* as amended, and is an Australian Government owned for-profit entity.

Australia Post support office:

480 Swan Street
Richmond VIC 3121
Australia

The consolidated general purpose financial report of the Group for the year ended 30 June 2024 was authorised for issue in accordance with a resolution of the Directors on 29th August 2024.

The consolidated financial report is a general purpose financial report which:

- is required by clause 1(a) of Paragraph 42 of the *Public Governance Performance and Accountability Act 2013* (PGPA Act);
  - (a) has been prepared in accordance with the requirements of: *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
  - (b) Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB);
- has been prepared on an accrual basis and in accordance with the historical cost convention, except for investment property and derivative financial instruments, which have been measured at fair value. The carrying values of recognised assets and liabilities that are designated as hedged items in fair value hedge relationships are adjusted to record changes in the fair values attributable to the risks that are being hedged;
- is prepared on the basis that it will continue to operate as a going concern;
- is presented in Australian dollars with all values rounded to the nearest hundred thousand dollars unless otherwise stated;
- presents reclassified comparative information where required for consistency with the current year's presentation;
- adopts all new and amended Accounting Standards and Interpretations issued by the AASB that are relevant to the operations of the Group and effective for reporting periods beginning on or after 1 July 2023. Refer to note E5 (d) for further details; and
- does not early adopt any Accounting Standards and Interpretations that have been issued or amended but are not yet effective. Refer to note E5 (e) for further details.

As per the prior comparative period, the Leadership Team contemplates business decisions on the basis of Group profitability, with the Group viewed as a single operating segment, comprising the provision of delivery and related services to customers across a shared network. Consistent with the manner in which the chief operating decision makers view performance information, total income and net profit or loss after tax are the relevant measures of performance.

In accordance with AASB 8 *Operating Segments*, segment information is not required as the Group's equity and debt instruments are not traded in a public market, nor does the Group file the consolidated financial report with a securities commission or other regulatory organisation for the purpose of issuing any class of instruments in a public market. It is noted that performance information within the single operating segment is available at a profit before tax level for reserved and non-reserved product lines. However, the business is not managed on this basis, and the information is made available only to satisfy regulatory requirements within the *Australian Postal Corporation Act 1989*. The Directors will continue to monitor, in future periods, the need to present any additional Group profitability information.

Key judgements and estimates

In the process of applying the Group's accounting policies, management has made a number of judgements and applied estimates and assumptions to future events. Judgements and estimates which are material to the financial report are found in the following notes:

Note	Note description
A1	International mail revenue
B1	Allowance for expected credit losses
B4	Leases
B5	Impairment
B6	Investment property
B7	Unearned delivery revenue
B8	Other provisions
C1	Employee provisions
C3	Post-employment benefits

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group. A list of controlled entities (subsidiaries) at year end is contained in note E1.

A subsidiary is an entity that the Group controls. Control is deemed when the Group is exposed to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity.

Subsidiaries are consolidated from the date on which control is obtained through to the date on which control ceases. The acquisition of subsidiaries is accounted for using the acquisition method of accounting.

The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to align any inconsistent accounting policies that may exist.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Foreign currency translation

The functional currency of the Corporation and its Australian subsidiaries is Australian dollars.

The Group has five overseas subsidiaries, as discussed in note E1. On consolidation:

- assets and liabilities are translated into Australian dollars at the rate of exchange prevailing at the reporting date; and
- the statement of comprehensive income is translated at exchange rates prevailing at the dates of the transactions.

The exchange rate differences arising are recognised in other comprehensive income.

Transactions in foreign currencies are initially recorded by the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are retranslated at the presentation currency spot rate of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

Other accounting policies

Other material accounting policies that summarise the measurement basis used and are relevant to an understanding of the financial statements are provided throughout the notes to the financial statements.

Notes to the financial statements

for the year ended 30 June 2024

The notes to the financial statements

The notes to the financial statements include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps explain the impact of significant changes in the Group, for example, acquisitions and restructuring activities; and
- it relates to an aspect of the Group's operations that is important to its future performance.

The notes have been grouped into sections to help readers understand how the Australia Post strategy, as outlined in the Annual Report, is reflected in the financial performance and position of the Group. These sections comprise:

- **Our business performance:** Our Post26 strategy focuses on creating a modernised and financially sustainable e-commerce, digital, mail and retail organisation. Our financial performance section provides the key financial performance measures of these business areas, as well as Group level financial metrics incorporating revenue, taxation, cashflow and dividends.
- **Our asset platform:** Delivery of our Group strategy requires optimising the use of our balance sheet including streamlining and integrating certain operations. Our asset platform section outlines the key operating assets owned and liabilities incurred by the Group.
- **Our people:** To support the execution of our Group strategy we must embed our values of Trust, Inclusivity, Empowerment and Safety and align and engage our workforce. This requires us to continue to invest in our people so that we may achieve an inclusive and capable workforce. This investment includes remuneration activities outlined in this section of the financial report.
- **Our funding structure and managing our risks:** The Group is exposed to a number of financial risks. Our funding structure and managing our financial risks section sets out the strategies and practices the Group utilises to minimise the exposure to these risks in order to execute our Group strategy in a prudent way, as well as outlining the current Group funding structure.
- **Other information:** This section includes mandatory disclosures required by Australian Accounting Standards and the Australian Government's *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*, all of which Australia Post must comply with.

Events after balance date

There are no matters or circumstances that have arisen since balance date which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

Our business performance

This section analyses the financial performance of the Group for the year ended 30 June 2024. The focus is on Group revenue streams, expenses, taxation, cashflows and dividend performance.

A1 Revenue and other income

Revenue and other income for the year

The components of revenue and other income for the year ended 30 June are as follows:

Consolidated ($m)	2024	2023
Rendering of services to:		
– Related entities [1]	194.8	179.4
– External entities	8,630.9	8,416.3
	8,825.7	8,595.7
Sale of goods to external entities	217.6	269.1
Revenue from contracts with customers	**9,043.3**	**8,864.8**
Interest income from:		
– Cash and cash equivalents	14.9	9.2
– Loans and receivables	–	0.1
Interest income	**14.9**	**9.3**
Rental income from:		
– Operating lease income	13.2	17.5
– Operating sub-lease income	18.4	19.0
Rental income	**31.6**	**36.5**
Net gain from sales of investment property	9.3	6.3
Net revaluation gain on investment property	–	0.2
Gain on disposal of property, plant & equipment	11.5	11.5
Gain on lease reassessments/modifications (lessee)	6.5	0.6
Other income	12.0	36.0
Other income and gains	**39.3**	**54.6**
Total other income	**85.8**	**100.4**
Total income	**9,129.1**	**8,965.2**

1 Related entities – related to the Australian Government

Revenue from contracts with customers

Within the Group's contracts with customers, the Group identifies its performance obligations for each of the distinct goods or services it has promised to provide to the customer. The expected consideration in the contract is allocated to each performance obligation identified based on their relative standalone selling prices, and is recognised as revenue when or as performance obligations are satisfied by transferring the promised goods or services to customers. Revenue is recognised on a commission basis where the Group acts as an agent rather than a principal. Estimates of variable consideration are constrained where it is not highly probable they would not be reversed when the cause of variability is resolved.

For the Group's domestic mail products, parcels and express services and international letters and parcels, the Group's collection, processing and distribution of articles is identified collectively as a single performance obligation to deliver the series of articles lodged to the specified destination in the manner requested by the customer. In respect of a single delivery, the Group has assessed that another entity would not need to re-perform previously completed collection, processing or distribution activities if it were to fulfil the remainder of a partially complete delivery. Accordingly, the delivery performance obligation is satisfied progressively over time and revenue is recognised on this basis. Time elapsed (delivery days) since lodgement is used to reflect progress towards satisfaction of each delivery performance obligation.

Notes to the financial statements

for the year ended 30 June 2024

A1 Revenue and other income (continued)

Key estimates

The Group recognises an accrual for revenue earned from international deliveries where statements have not been received. Revenue is determined based on a number of factors including the volume of articles delivered, the international postal organisation counterparty and with reference to the Universal Postal Union guidelines. At 30 June 2024, the international mail related accrual was $82.2 million (2023: $46.9 million).

For the Group's retail, agency and other products and services, the Group identifies the following performance obligations:

- For services the Group provides consumers on behalf of the Group's customers, including payment, banking, identity and insurance offerings, the Group identifies a single performance obligation to perform the agency services over the agreed duration of the customer contract. The performance obligation is satisfied over time as each individually distinct day of service elapses, with variable transactional revenue recognised on the day that the specific agency services are provided.
- For retail services including post office box and mail redirection offerings, the Group identifies a single performance obligation to provide the service over the agreed contract duration. As the benefit of these services is simultaneously received and consumed by customers over time, revenue is recognised over time on a straight-line basis.
- For sale of merchandise, the Group identifies a single performance obligation to supply the product (inclusive of delivery). Revenue is recognised at the point of completion of the delivery to the customer, when control of the product is deemed to have been transferred.

Disaggregation of revenue from contracts with customers

Revenue from contracts with customers is disaggregated by products and services, as well as the manner in which the Group satisfies its performance obligations and recognises revenue:

Consolidated ($m)	2024	2023
Over time		
– Domestic mail products, parcels and express and international	8,202.8	7,869.7
– Retail, agency and other	622.9	726.0
Point in time		
– Retail, agency and other	217.6	269.1
Revenue from contracts with customers	**9,043.3**	**8,864.8**

Remaining performance obligations

The Group's contracts with customers for certain products and services include performance obligations which the Group has either not satisfied, or partially satisfied, at 30 June 2024.

Excluding estimated amounts of variable consideration which are constrained, revenue from completing these performance obligations that is expected to be recognised in future periods commencing more than one year from reporting date is $243.2 million (2023: $284.0 million).

The Group has elected not to disclose the amount of revenue expected to be recognised from unsatisfied performance obligations with a remaining contract duration of less than one year from reporting date.

Other income

Interest income

Interest income is recognised in profit or loss as it accrues using the effective interest method and if not received at balance date, is reflected in the balance sheet as a receivable.

Rental income

Rental income consists of rentals from investment properties and sub-lease rentals. Rentals received under operating leases and initial direct costs are recognised on a straight-line basis over the lease term. Lease incentives granted are recognised as an integral part of the total rental income.

A2 Expenses

Expenses for the year

The components of expenses for the year ended 30 June are as follows:

Consolidated ($m)	2024	2023
Salaries and wages	2,839.5	2,784.3
Leave and other entitlements	327.1	309.1
Superannuation expenses	268.0	257.3
Other employee expenses	197.3	208.0
Employee expenses	**3,631.9**	**3,558.7**
Purchase of services from external entities	4,543.4	4,675.0
Purchase of goods from external entities	177.2	196.8
Supplier expenses	**4,720.6**	**4,871.8**
Depreciation:		
– Property, plant and equipment	262.7	261.8
– Right-of-use assets	257.9	231.6
Amortisation	130.6	83.8
Depreciation and amortisation expenses	**651.2**	**577.2**
Impairment of assets:		
– Receivables	11.6	10.3
– Inventory	9.6	9.7
– Property, plant and equipment	11.2	25.9
– Right-of-use assets	14.7	4.2
– Intangibles	31.4	6.7
– Equity-accounted investees	6.2	–
	84.7	56.8
Net revaluation loss on investment property	7.7	–
Sundry expenses	66.1	56.1
Other expenses	**158.5**	**112.9**
Total expenses (excluding finance costs)	**9,162.2**	**9,120.6**

The components of finance costs for the year ended 30 June are as follows:

Consolidated ($m)	2024	2023
Bonds	20.5	20.1
Interest on lease liabilities	30.2	22.3
Other interest	4.8	4.4
Total finance costs	**55.5**	**46.8**

Finance costs

Finance costs are recognised as an expense as they are incurred, except for certain interest charges attributable to major projects, for which interest is capitalised into the cost of the asset. Interest expense is calculated using the effective interest method.

Provisions and lease liabilities are measured at their present value. Interest on lease liabilities and the impact of unwinding of discounted provisions and any changes in discount rate adjustments are also recognised in finance costs. The impact of unwinding of discounted employee provisions and changes in discount rate adjustments are recognised as employee benefits expense.

Notes to the financial statements

for the year ended 30 June 2024

A3 Taxation

Taxation for the year

The major components of tax expense/(benefit) are:

Consolidated ($m)	2024	2023
Statement of comprehensive income		
– current income tax charge	0.9	0.1
– adjustments for current income tax of previous years	(3.3)	7.1
– deferred income tax relating to origination and reversal of temporary differences	(22.9)	(65.8)
– adjustments for deferred income tax of previous years	4.9	(7.1)
Income tax expense/(benefit) reported in the statement of comprehensive income	**(20.4)**	**(65.7)**
Other comprehensive income		
Net remeasurement on defined benefit plans	(46.9)	(34.7)
Sundry items	(3.4)	0.3
Income tax expense/(benefit) recognised in other comprehensive income	**(50.3)**	**(34.4)**

Tax reconciliation:		
Profit/(loss) before income tax	**(88.5)**	**(200.3)**
At the Group's statutory income tax rate of 30% (2023: 30%)	(26.5)	(60.1)
Adjustments relating to prior years	1.6	–
Capital gains tax impact of property disposals, revaluations and divestments	3.7	(10.6)
Associate and overseas subsidiary tax impacts	(1.3)	2.4
Impairment of goodwill	–	1.9
Impairment of equity-accounted investees	1.9	–
Sundry items	0.2	0.7
Income tax expense/(benefit) on profit/(loss) before tax	**(20.4)**	**(65.7)**

Deferred income tax in the balance sheet relates to the following:

	2024	2023
Accrued revenues	(32.1)	(23.7)
Right-of-use assets	(277.1)	(268.7)
Net superannuation asset	(183.2)	(240.1)
Other	(10.9)	(11.6)
Deferred tax liabilities	**(503.3)**	**(544.1)**
Property, plant and equipment	28.6	22.7
Lease liabilities	317.3	307.3
Intangibles	25.9	11.9
Accrued expenses and other payables	38.1	36.0
Provisions	278.6	270.1
Make good	20.4	22.7
Tax losses	14.6	27.5
Other	2.4	0.2
Deferred tax assets	**725.9**	**698.4**
Net deferred tax assets	**222.6**	**154.3**

A3 Taxation (continued)

Deferred income tax relates to the following:

Consolidated ($m)	2024	2023
Provisions	(8.5)	(10.5)
Research and development	–	(0.3)
Intangibles	(14.0)	(1.5)
Right-of-use assets and lease liabilities	(1.6)	1.0
Property, plant and equipment	(5.9)	(16.4)
Accrued expenses	(2.1)	(13.7)
Accrued revenue	8.4	6.2
Net superannuation asset	(10.0)	(10.3)
Make good	2.3	(1.5)
Tax losses	12.9	(27.5)
Other	0.5	1.6
Deferred income tax expense/(benefit)	**(18.0)**	**(72.9)**
Net superannuation asset	(46.9)	(34.7)
Other	(3.4)	0.3
Deferred tax charged to other comprehensive income	**(50.3)**	**(34.4)**

Recognition and measurement

Income tax

Current income tax is calculated based on tax laws that are substantively enacted at reporting date. For deferred income tax, consideration is given to the tax laws expected to be in place when the related asset is realised or the liability is settled.

Current tax assets and liabilities reflect the amount expected to be recovered from or paid to taxation authorities. In some instances, income tax is recognised directly in other comprehensive income rather than through the income statement.

Deferred tax assets and liabilities

Deferred tax assets and liabilities are recognised for all assets and liabilities that have different carrying values for tax and accounting purposes, except for:

- the initial recognition of goodwill; and
- any undistributed profits of subsidiaries, associates or joint ventures where either the distribution of those profits would not give rise to a tax liability or the timing of reversal of the temporary differences can be controlled.

Deferred tax assets are:

- recognised only to the extent it is probable that there is sufficient future taxable amounts to recover these assets. This assessment is reviewed at each reporting date.
- offset against deferred tax liabilities only if a legally enforceable right exists to do so and the deferred tax assets and liabilities relate to the same taxation jurisdiction.
- acquired as part of a business combination but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would be treated as a reduction to goodwill (as long as it does not exceed goodwill), if it was incurred during the measurement period, or reflected in profit or loss.

Tax consolidation

Australian Postal Corporation (the head entity) and its 100 per cent owned Australian resident subsidiaries (members) formed a tax consolidated group effective 1 July 2002.

Members of the tax consolidated group continue to account for their own current and deferred tax amounts and have entered into a tax sharing arrangement in order to allocate income tax expense to the subsidiaries on a pro-rata basis. This agreement allows the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement on the basis that the possibility of default is remote.

Members have also entered into a tax funding agreement which provides for the allocation of current taxes to members of the tax consolidated group in accordance with their contribution to the actual tax payable by the head entity for the period, while deferred taxes are allocated to members of the tax consolidated group in accordance with the principles of AASB 112 *Income Taxes and UIG 1052 Tax Consolidation Accounting*.

Notes to the financial statements

for the year ended 30 June 2024

A4 Cash flows

Consolidated ($m)	2024	2023
Cash at bank and on hand	483.5	525.8
Cash equivalents	134.2	114.4
Total cash and cash equivalents	**617.7**	**640.2**

The reconciliation of net profit after tax to net cash provided by operating activities for the year ending 30 June is as follows:

Consolidated ($m)	2024	2023
Net profit/(loss) for the year	**(68.1)**	**(134.6)**
Impairment of assets:		
– Property, plant and equipment	11.2	25.9
– Intangibles	31.4	6.7
– Inventory	9.6	9.7
– Right-of-use assets	14.7	4.2
– Equity-accounted investees	6.2	–
– Receivables	11.6	10.3
	84.7	56.8
Other non-cash/investing items:		
– Depreciation and amortisation	651.2	577.2
– Net revaluation (gain)/loss on investment property	7.7	(0.2)
– Net gain from sale of investment property	(9.3)	(6.3)
– Net gain from sale of property, plant and equipment	(11.5)	(11.5)
– Loss/(gain) on lease reassessments/modifications (lessee)	(6.5)	(0.6)
– Sundry items	(4.6)	(4.9)
(Increase)/decrease in assets:		
– Receivables	(112.8)	(19.5)
– Other current assets	(2.6)	2.0
– Deferred income tax asset	(18.0)	(72.7)
– Superannuation asset	33.5	34.4
Increase/(decrease) in liabilities:		
– Creditors, other payables and accruals	98.7	109.2
– Employee entitlements	9.9	63.4
– Income tax payable	(1.6)	17.4
Net cash from operating activities	**650.7**	**610.1**

Recognition and measurement

Cash and cash equivalents comprise cash at bank and on hand, short-term deposits, negotiable certificates of deposit and commercial papers with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, is classified as part of operating cash flows.

A5 Dividends

The breakdown of dividends paid during the year ended 30 June is as follows:

Consolidated ($m)	2024	2023
Final ordinary dividend (from prior year results)	–	21.8
Interim ordinary dividend	–	–
Total dividends paid	**–**	**21.8**
Dividend not recognised as a liability	–	–

Our asset platform

This section analyses the primary elements of our asset platform used to generate the Group's financial performance and operating liabilities incurred as a result.

B1 Receivables

The composition of trade and other receivables at 30 June is:

Consolidated ($m)	2024	2023
Trade receivables	734.1	728.2
Accrued revenue	218.3	125.2
Allowance for expected credit losses	(40.1)	(33.2)
	912.3	820.2
Other receivables	13.5	7.3
Total current trade and other receivables	**925.8**	**827.5**

Total trade receivables are aged as follows ($m):

Consolidated ($m)	2024	2023
Not past due	648.8	650.2
Past due 1 – 30 days	43.3	38.7
Past due 31 – 60 days	12.6	6.3
Past due 61 – 90 days	3.5	4.2
Past due 91 days	25.9	28.8
Total trade and other receivables	**734.1**	**728.2**

Recognition and measurement

Receivables for the sale of goods or performance of services (trade receivables) are recognised initially at the price on the invoice issued to the customer and subsequently at the amount considered receivable from the customer (amortised cost using the effective interest rate method) less any expected credit loss. Receivables are written off when deemed uncollectable. Factors indicating there is no reasonable expectation of recovery include insolvency and ageing of the invoice issued. Refer to note D2 for further information on the Group's credit risk management policy.

Accrued revenues in relation to the sale of goods or performance of services are recognised when the good has been transferred or the service has been performed, but an invoice has not yet been issued.

These receivables are interest-free and for Australian customers, they normally have settlement terms of between 10 and 30 days. International customers are settled in accordance with Universal Postal Union arrangements that may be longer than 30 days.

Key estimate: Allowance for expected credit losses

The Group recognises lifetime expected credit loss allowances on initial recognition of receivables and accrued revenue using the simplified approach with a provision matrix based on the historical credit loss experience within invoice ageing categories, adjusted for the Group's forward-looking estimate of recovery conditions based on macroeconomic data specific to receivable and accrued revenue profiles.

The Group also considers broader macroeconomic impacts, recognising the uncertainty that exists in relation to the evolving nature of domestic and international economic factors. Expected credit loss allowances are not recognised on receivables or accrued revenue from entities related to the Australian and State Governments with a carrying value of $63.4 million (2023: $60.0 million) for which the probability of default is negligible.

At 30 June 2024, the total receivables determined to be impaired is $40.1 million (2023: $33.2 million).

Notes to the financial statements

for the year ended 30 June 2024

B2 Property, plant and equipment

The reconciliation of the opening and closing balances of owned property, plant and equipment at 30 June is as follows:

Consolidated ($m)	Land	Buildings	Total land and buildings	Plant and equipment	Total
Gross book value	223.5	1,728.2	1,951.7	2,299.4	**4,251.1**
Accumulated depreciation	–	(1,116.8)	(1,116.8)	(1,227.6)	**(2,344.4)**
Net book value at 30 June 2022	**223.5**	**611.4**	**834.9**	**1,071.8**	**1,906.7**
Additions	0.7	64.4	65.1	153.0	**218.1**
Depreciation	–	(81.7)	(81.7)	(180.1)	**(261.8)**
Disposals	(0.8)	(2.9)	(3.7)	(2.0)	**(5.7)**
Impairment	–	(3.5)	(3.5)	(22.4)	**(25.9)**
Sundry items[1]	–	10.2	10.2	19.7	**29.9**
Gross book value	223.4	1,779.1	2,002.5	2,383.1	**4,385.6**
Accumulated depreciation	–	(1,181.2)	(1,181.2)	(1,343.1)	**(2,524.3)**
Net book value at 30 June 2023	**223.4**	**597.9**	**821.3**	**1,040.0**	**1,861.3**
Additions	0.3	57.6	57.9	132.8	**190.7**
Depreciation	–	(84.3)	(84.3)	(178.4)	**(262.7)**
Disposals	(20.9)	(1.4)	(22.3)	(3.9)	**(26.2)**
Impairment	–	(0.8)	(0.8)	(10.4)	**(11.2)**
Sundry items[1]	(1.5)	(10.2)	(11.7)	(13.6)	**(25.3)**
Gross book value	201.3	1,784.5	1,985.8	2,379.2	**4,365.0**
Accumulated depreciation	–	(1,225.7)	(1,225.7)	(1,412.7)	**(2,638.4)**
Net book value at 30 June 2024	**201.3**	**558.8**	**760.1**	**966.5**	**1,726.6**

1 Sundry items comprised of:
2024 – ($21.6 million) of net transfers to intangible assets, ($3.8 million) of reclassification to assets held for sale and $0.1 million of foreign currency translation.
2023 – $31.6 million of net transfers from intangible assets, ($1.3 million) net transfers to investment properties and ($0.4 million) of foreign currency translation.

Recognition and measurement

Owned property, plant and equipment assets are measured at the cost of the asset, less depreciation and impairment. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation, and the cost of major inspections. Where the replacement of part of an asset is considered significant, the Group recognises these as separate assets with specific useful lives. All other repairs and maintenance are recognised in the statement of comprehensive income as incurred. The expected cost for decommissioning an asset after its use is included in the cost of the respective asset at its present value, if the recognition criteria for a provision are met.

Depreciation

Owned property, plant and equipment assets, excluding land and any assets under construction, are depreciated to their estimated residual values over the expected useful lives using the straight-line method of depreciation. Useful lives and residual values are reviewed annually considering key assumptions including forecast usage, changes in technology, physical condition and potential climate change implications which are recognised in the current or future reporting periods, as appropriate.

A summary of the useful lives of owned property, plant and equipment assets is as follows:

Asset	Useful life
Buildings	General post offices: 70 years Other facilities: 40 – 50 years
Plant and equipment	Motor vehicles: 3 – 10 years Specialised plant and equipment: 7 – 20 years Leasehold improvements: lower of lease term and 10 years Other plant and equipment: 3 – 10 years

B2 Property, plant and equipment (continued)

Derecognition

An item of owned property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no further future economic benefits are expected from its use.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income in the year the asset is derecognised.

Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

Consolidated ($m)	2024	2023
Owned property, plant and equipment	112.3	90.0

B3 Intangible assets

The reconciliation of the opening and closing balances of intangible assets at 30 June is as follows:

Consolidated ($m)	Computer software	Goodwill	Brand names and trademarks	Customer relationships	Total intangibles
Gross book value	1,417.4	507.6	29.6	19.1	**1,973.7**
Accumulated amortisation	(1,152.8)	–	(12.3)	(10.0)	**(1,175.1)**
Net book value at 30 June 2022	**264.6**	**507.6**	**17.3**	**9.1**	**798.6**
Additions	129.5	–	–	–	**129.5**
Amortisation expense	(78.9)	–	(2.9)	(2.0)	**(83.8)**
Impairment	–	(6.3)	–	(0.4)	**(6.7)**
Sundry items [1]	(32.3)	0.3	–	0.1	**(31.9)**
Gross book value	1,510.8	501.6	29.5	18.8	**2,060.7**
Accumulated amortisation	(1,227.9)	–	(15.1)	(12.0)	**(1,255.0)**
Net book value at 30 June 2023	**282.9**	**501.6**	**14.4**	**6.8**	**805.7**
Additions	89.9	–	5.6	–	**95.5**
Amortisation expense	(125.7)	–	(2.9)	(2.0)	**(130.6)**
Impairment	(25.8)	–	(5.6)	–	**(31.4)**
Sundry items [1]	20.9	–	–	–	**20.9**
Gross book value	1,593.1	501.6	29.5	18.8	**2,143.0**
Accumulated amortisation	(1,350.9)	–	(18.0)	(14.0)	**(1,382.9)**
Net book value at 30 June 2024	**242.2**	**501.6**	**11.5**	**4.8**	**760.1**

1 Sundry items comprised of:
2024 – $21.6 million of transfers from property, plant and equipment, ($0.6 million) of reclassification to other assets and foreign currency translation of ($0.1 million).
2023 – ($31.6 million) of transfers to property, plant and equipment and foreign currency translation of ($0.3 million).

Recognition and measurement

Goodwill

Goodwill is initially measured at the excess of the aggregate consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

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for the year ended 30 June 2024

B3 Intangible assets (continued)

Brand names, trademarks, computer software and customer relationships

Brand names, trademarks, computer software and customer relationships that are acquired separately are initially measured at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. After initial recognition, intangible assets are measured at cost less amortisation and any impairment losses. Intangible assets with finite useful lives are tested for impairment whenever there is an indication of impairment while intangible assets with indefinite lives are tested for impairment in the same way as goodwill, as discussed in note B5 Impairment of non-financial assets.

Derecognition

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of comprehensive income when the asset is derecognised.

Commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

Consolidated ($m)	2024	2023
Intangible assets	9.5	12.7

Amortisation

Intangible assets with finite lives are amortised over their useful life. Amortisation is calculated on a straight-line basis over the anticipated useful lives. The amortisation period and the amortisation method for each intangible asset with a finite useful life is reviewed annually.

A summary of useful lives of intangible assets is as follows:

Asset	Useful life
Computer software	Finite between 4 – 8 years
Brand names and trademarks	Finite not exceeding 10 years
Customer relationships	Finite up to 8 years

Goodwill with indefinite useful lives acquired through business combinations have been allocated to individual cash generating units (CGUs) as follows:

Consolidated ($m)	2024	2023
Goodwill – Parcels	492.9	492.9
Goodwill – Australia Post Global CGU	8.7	8.7
	501.6	**501.6**

B4 Leases

This note provides information on the Group lease arrangements, as a lessee and lessor, including where the Group is an intermediate lessor.

As a lessee

The Group primarily leases commercial buildings, industrial sites, retail stores and parcel lockers. Additionally, the Group leases other assets including dedicated freighters network, vehicles fleet, load-shifting equipment and IT equipment. The leases for which the Group is a lessee are shown below along with a maturity analysis of the corresponding lease liabilities.

Right-of-use assets

The reconciliation of the opening and closing balances of right-of-use assets at 30 June is as follows:

Consolidated ($m)	Property	Plant & equipment	Total
Balance at 1 July 2022	**805.5**	**152.4**	**957.9**
Additions	144.3	15.5	**159.8**
Depreciation	(181.2)	(50.4)	**(231.6)**
Reassessments and modifications	1.6	7.7	**9.3**
Impairment	(3.6)	(0.6)	**(4.2)**
Balance at 1 July 2023	**766.6**	**124.6**	**891.2**
Additions	225.2	84.1	**309.3**
Depreciation	(191.6)	(66.3)	**(257.9)**
Reassessments and modifications	(5.7)	(2.0)	**(7.7)**
Impairment	(14.7)	–	**(14.7)**
Balance at 30 June 2024	**779.8**	**140.4**	**920.2**

Lease liabilities

The Group's lease liabilities at 30 June are as follows:

Consolidated ($m)	2024	2023
Current lease liabilities	248.9	239.6
Non-current lease liabilities	772.7	750.0
Total lease liabilities	**1,021.6**	**989.6**

The table below detailed the contractual undiscounted cash flows for arrangements where the Group is a lessee:

Consolidated ($m)	2024	2023
Less than 1 year	274.8	259.6
1 to 2 years	231.6	199.5
2 to 5 years	358.2	372.2
Over 5 years	280.5	247.3
Total undiscounted lease liabilities	**1,145.1**	**1,078.6**

Other amounts recognised in the statement of comprehensive income for the year ended 30 June are as follows:

Consolidated ($m)	2024	2023
Depreciation expense for right-of-use assets	257.9	231.6
Interest expense on lease liabilities	30.2	22.3
Expenses relating to short-term leases	1,351.6	1,319.6
Expenses relating to leases of low-value assets	25.8	22.0
(Income) from sub-leasing of right-of-use assets	(18.4)	(19.0)

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B4 Leases (continued)

Amounts recognised in the statement of cash flows for the year ended 30 June are as follows:

Consolidated ($m)	2024	2023
Interest paid on lease liabilities	30.2	22.3
Principal portion of lease payments	264.0	239.6
Total cash outflow for leases	**294.2**	**261.9**

The value of future cash outflows of leases not yet commenced to which the Group is committed is $103.9 million (2023: $178.7 million).

Key judgement: Determining whether an arrangement is or contains a lease

The Group has applied judgement when assessing commercial arrangements as to whether it is or contains a lease. Specifically, the Group has considered whether or not it has the right to direct how and for what purpose any identified assets related to such commercial arrangements are used throughout the period of use.

Where it is determined that the Group has a right to direct how and for what purpose an identified asset can be used in an arrangement, the Group accounts for the identified asset subject to the agreement as a lease, and, to the extent it has not applied any short-term or low-value practical expedients, a lease liability and corresponding right-of-use asset is recognised from the commencement date of the lease.

Recognition and measurement

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the date of inception. A contract is or contains a lease when there is an identified asset, and the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the contract term. Furthermore, the lessee must be able to direct the use of the asset throughout the period of use.

Where the Group is a lessee, at the lease commencement date, the Group recognises lease liabilities and right-of-use assets for all leases with a term of more than 12 months, unless the underlying asset is of low value (AUD 10,000 or less).

Right-of use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any incentives received and an estimate of the cost of removing or dismantling the underlying asset. Right-of-use assets are subsequently depreciated on a straight-line basis over the lease term.

Lease liabilities

Lease liabilities are measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any incentives receivable, variable lease payments that depend on an index or rate and amounts expected to be paid under residual value guarantees. Variable lease payments not included in the measurement of the lease liability are recognised as an expense in the period in which it is incurred.

In calculating the present value of lease payments, the Group uses an Incremental Borrowing Rate (IBR) where the interest rate implicit in the lease is not readily available, which considers the asset type, the lessee's credit quality and level of indebtedness, the lease term and macroeconomic factors such as currency and the general economic environment.

After the commencement date, the amount of lease liabilities is adjusted to reflect the accretion of interest and lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or re-assessment of lease terms after the commencement date.

B4 Leases (continued)

Key judgement: Determining the lease term

The Group determines a lease term as the non-cancellable period of a lease, together with both:

- Periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option;
- Periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option; and
- If a significant penalty or economic disincentive exists for either party to the lease agreement on termination. When assessing whether an option to extend or terminate a lease is reasonably certain, the Group considers several factors including the nature of the asset, its location and its strategic significance to the Group.

At 30 June 2024, the Group's lease arrangements contain options to extend leases. However, the Group has assessed that there are extension options that are not reasonably certain to be exercised and the Group has not committed any cash flows in respect of these optional terms. Accordingly, these cash flows have not been included in the measurement of the Group's lease liabilities as at 30 June 2024. The undiscounted cash flows of these extension options not considered reasonably certain of being exercised are estimated to be $1,333.4 million (2023: $1,596.9 million).

The Group regularly re-assesses its determination of lease terms for leases that include options to ensure that any exposure to these options which is reasonably certain of being exercised is reflected in the Group's lease liabilities.

As a lessor

The Group leases or sub-leases commercial buildings, industrial sites and retail stores to external parties. The total operating lease income received from these arrangements is $31.6 million (2023: $36.5 million).

Operating leases

Lease payments receivable generally comprise a base amount plus an incremental contingent rental based on movements in the Consumer Price Index and reviews to market-based levels.

The future aggregate minimum lease payments receivable under non-cancellable operating leases are as follows:

Consolidated ($m)	2024	2023
– within 1 year	18.5	27.2
– from 1 year to 2 years	13.0	14.6
– from 2 years to 3 years	10.2	9.6
– from 3 years to 4 years	8.5	8.5
– from 4 years to 5 years	5.3	8.1
– over 5 years	10.0	15.5
Total lease receivable under operating leases	**65.5**	**83.5**

Recognition and measurement

Where the Group is a lessor or an intermediate lessor in a sub-lease arrangement, it is required to classify each of its leases as either an operating or finance lease. The Group is a lessor where the Group is the entity providing the right to use an underlying asset for a period in exchange for consideration, or an intermediate lessor in sub-leasing arrangements, where the Group has entered into a lease as a lessee and subsequently re-leases the underlying asset to a third party.

As a lessor, lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all of the risks and rewards incidental to ownership of an underlying asset.

As an intermediate lessor, a sub-lease is classified as a finance lease or operating lease by reference to the right-of-use asset arising from the head lease, rather than by reference to the underlying asset. If the head lease is a short-term lease that the Group, as a lessee, has accounted for applying the short-term practical expedient, the sub-lease is classified as an operating lease.

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B5 Impairment of non-financial assets

Assessing for impairment

The Group tests property, plant and equipment, right-of-use assets, intangible assets, intangible assets not yet available for use and goodwill for impairment:

- at least annually for indefinite life intangible assets, intangible assets not yet available for use and goodwill; and
- where there is an indication that the asset may be impaired (which is assessed at least each reporting date); or
- where there is an indication that previously recognised impairment (on an asset other than goodwill) may have changed.

If the asset does not generate largely independent cash inflows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the CGU to which it belongs. Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or CGU is determined as the higher of its fair value less cost of disposal or value in use. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units or groups of units.

During the year, the Australian Government agreed to a number of changes, to modernise postal services and deliver postal reform. This package of reforms, resulting in amendments to the *Australian Postal Corporation (Performance Standards) Regulations 2019*, was operational from 15 April 2024. The new standards reduce the frequency of reserved letters to every second business day for 98 per cent of locations, extend the time that Australia Post has to deliver letters by one business day, remove the performance standards regarding speed and accuracy of delivery for priority letters, and update the geographic classification applicable to the performance standards for the Group's retail outlets.

The Group will continue to monitor changes in Government policy with respect to the regulatory framework and modernisation of postal services, particularly where changes result in a material change to the Group's estimated cash flows.

CGUs containing goodwill

There was no impairment recognised during the 2024 financial year for CGUs containing goodwill (2023: $6.3 million).

Impairment testing for CGUs containing goodwill

The recoverable amount of each CGU is determined using a value in use calculation based on a discounted cash flow model. Cash flow forecasts are extracted from four year corporate plans approved by senior management and the Board. The corporate plans are developed annually with a four year outlook and, for the purpose of value in use calculations, are adjusted on the understanding that actual outcomes may differ from the assumptions used. The forecasts are extrapolated for a further one year and a terminal value applied based on Group estimates, taking into consideration historical performance and consensus forecasts of the long-term average growth rate for the industry of each CGU or asset.

The Group continues to assess the potential impacts of climate change and the transition to a lower carbon economy in impairment assessments. To the extent applicable, financial impacts of meeting our medium-term goals as outlined in the Group's 2025 Sustainability Roadmap are incorporated into management forecasts. Whilst a best estimate of these impacts has been considered in the current period impairment assessment, the Group will continue to assess its understanding of the potential long-term financial impacts from climate-related physical and transition risks and opportunities, and update the cashflow forecasts used for impairment testing as required.

A pre-tax discount rate applicable to the specific cash generating unit has been applied. Discount rates used are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary. Other assumptions are determined with reference to external sources of information and use consistent, risk adjusted estimates for variables such as terminal revenue growth rates. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values.

B5 Impairment of non-financial assets (continued)

Key assumptions for impairment testing for CGUs containing goodwill

The value in use calculations used to determine the recoverable amount of all CGUs includes management estimates to determine income, expenses, capital expenditure and cash flows for each CGU.

The revenue growth rate applied to the one year period outside the Corporate Plan, terminal growth rate and pre-tax discount rate applicable to each CGU are as follows:

	Revenue growth rate one year outside Corporate Plan (%)		Terminal growth rate (%)		Discount rate (%)	
Consolidated	2024	2023	2024	2023	2024	2023
Parcels CGU	5.5	6.3	2.0	2.0	11.5	12.8
Australia Post Global CGU	4.9	2.5	2.0	2.0	19.8	20.8

Management believes that any reasonably possible change in the key assumptions would not cause the carrying amount of any CGUs containing goodwill to change materially.

B6 Investment property

Investment property as at 30 June is as follows:

Consolidated ($m)	2024	2023
Investment property	100.5	125.7

Investment property is held by the Group for leasing to third parties for rental return as well as capital appreciation. Approximately 60.0 per cent (2023: 60.0 per cent) of the Group's investment properties generate rental return with the remainder being held for development and capital appreciation. Rental income from investment property is included in operating lease income in note A1.

At 30 June 2024, one investment property is classified as held for sale where its carrying amount of $5.0 million (30 June 2023: two investment properties are classified as held for sale where their carrying value of $6.9 million) will be recovered principally through a highly probable sale transaction rather than continuing use and measured at fair value.

The Group has no restrictions on the use of its investment property portfolio but is subject to an annual maintenance requirement on a number of properties subject to heritage requirements.

Recognition and measurement

Investment property is measured initially at cost, including transaction costs. The cost of the asset also includes the cost of replacing parts that are eligible for capitalisation, but excludes the costs of day-to-day servicing.

Subsequent to initial recognition, investment property is measured at fair value, with gains or losses arising from changes in the fair value recognised in the statement of comprehensive income.

Derecognition

When investment properties are disposed of, they are derecognised with the difference between the net disposal proceeds and the carrying amount of the investment property recorded in the statement of comprehensive income.

Transfers

Transfers are made to investment property when there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to a third party. Where an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use. Where an investment property is reclassified to owner-occupied property, the deemed cost of the property for subsequent accounting is its fair value at the date of change in use.

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B6 Investment property (continued)

Key judgement: Classification

The classification of property as investment property requires management judgement, with the determination subject to change over time depending on how the property is being used by the Group. The Group has determined that these properties classified as investment property are held for the primary purposes of generating rental income or for capital appreciation. Where a property is also occupied by the Group, it is classified as an investment property where the floor space occupied for internal use is an insignificant portion of total floor space.

Key estimate: Valuation

At each period end, the Group reassesses the fair value of its investment property portfolio. In the 2024 financial year, this assessment was conducted by Opteon Property Group (Opteon) (2023: Opteon), an accredited, external and independent valuer. Opteon is an industry specialist in valuing these types of investment properties in accordance with Australian Valuation Standards. The fair value for each property has been determined by reference to the highest and best use of the property taking into account the specific characteristics and location of the assets and the economic environment as at the reporting date.

Key valuation inputs and sensitivities

The Group's valuer has considered the effects of increased economic uncertainty and has reported on the basis that market uncertainty exists at the reporting date which may affect future valuation assessments, where relevant.

The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, information is considered from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences;
- discounted cash flow projections based on reliable estimates of future cash flows; or
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence.

At 30 June 2024, the measurement of fair value for most of the investment properties has been categorised as level 2 with the exception of a General Post Office owned by the Group which has been categorised as level 3 as there is no active market for similar properties. Refer to note D4 for fair value categories.

At reporting date, the investment property that is measured at level 3 is carried at $64.9 million (2023: $69.5 million).

B6 Investment property (continued)

Key valuation inputs and sensitivities (continued)

Level 3 key inputs

Inputs to the level 3 fair value hierarchy are the capitalisation of income and discounted cash flow valuation methods that require assumptions to be made to determine certain inputs that are not based on observable market data. At reporting date, the key unobservable inputs used by the Group's valuer in assessing the fair value of the investment property measured under level 3 are summarised below, all key assumptions have been taken from the latest external valuation reports:

Unobservable inputs	2024	2023
Capitalisation rate [1]	7.75%	7.00%
Discount rate [2]	7.75%	7.50%
Terminal yield [3]	8.00%	7.50%

1 The capitalisation rate is the required annual yield of net market income used to determine the value of the property. The rate is determined with regards to comparable market transactions.
2 The discount rate is a required annual total rate of return used to convert the forecast cash flow of an asset into present value terms. It should reflect the required rate of return of the property given its risk profile relative to competing uses of capital. The rate is determined with regards to comparable market transactions.
3 The terminal yield is the capitalisation rate used to convert forecast annual income into a forecast asset value at the end of the holding period when carrying out a discounted cash flow calculation. The rate is determined with regards to comparable market transactions and the expected risk inherent in the cash flows at the end of the cash flow period.

Level 3 sensitivities

Sensitivity is considered with regard to the tabled unobservable inputs. The higher the capitalisation rate, discount rate and terminal yield, the lower the fair value.

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B7 Payables

The components of payables at 30 June are as follows:

Consolidated ($m)	2024	2023
Trade creditors and accruals	741.3	685.7
Agency creditors [1]	81.1	65.1
Salaries and wages	141.0	139.9
Unearned revenue:		
– Unearned delivery revenue	129.1	138.8
– Other advance receipts	170.0	166.0
Borrowing costs	1.6	2.9
Other payables	122.0	122.2
Total current trade and other payables	**1,386.1**	**1,320.6**

1 Non-interest bearing and normally settled on next business day terms

Unearned revenue

Current year unearned revenue comprises both unearned delivery revenue of $129.1 million (2023: $138.8 million) and other advance receipts of $170.0 million (2023: $166.0 million), representing obligations to transfer goods or services to customers for which the Group has received consideration (contract liabilities). The reconciliation of the opening and closing is as follows:

Consolidated ($m)	2024	2023
Balance as at 1 July	**304.8**	**296.4**
Additions (consideration received)	362.8	369.8
Utilised (recognised as revenue)	(368.5)	(361.4)
Balance as at 30 June	**299.1**	**304.8**

Recognition and measurement

Trade and other payables are carried at the amount owing to counterparties for goods and services provided, which is usually the invoice amount that remains unpaid. Trade creditors includes both domestic and international non-interest bearing creditors. Domestic creditors are normally settled on 30-day terms, while international creditors are settled in accordance with Universal Postal Union arrangements, which may be longer than 30 days. Salaries and wages are accrued for in accordance with note C1.

Unearned delivery revenue arises where payment has been received from or invoiced to an external party, but the associated delivery performance obligation (refer to note A1) has yet to be fully satisfied.

Other advance receipts is comprised predominantly of consideration received from external parties for post office boxes and bags which are rented out to the public, where the performance obligation has yet to be fully satisfied.

Other payables includes amounts accrued for capital expenditure, GST obligations and other accruals of the Group.

Key estimate: Unearned delivery revenue

With respect to revenue generated from postage product sales, an allowance is made at balance date where products have not yet been used. An actuarial valuation is undertaken every three years incorporating updates to key input assumptions including changes to product mix and patterns of purchase and use. The actuarial valuation also makes certain assumptions including applying an average initial credit balance before each postage meter reset, constant postage meter usage between resets and that the timing of resets follows a reasonably random process for business customers. The provision is reassessed every six months and where necessary, an update to the actuarial factors is made where a significant change in assumption is observed.

With respect to revenue generated from delivery related products and services, the Group performs a cut-off adjustment on balance day to allow revenue for partially completed delivery related services to be recognised over time. The adjustment is calculated using time elapsed since lodgement against delivery timeframes, as indicated by delivery survey performance data and published delivery timetables.

B8 Other provisions

The Group's other provisions at 30 June are as follows:

Consolidated ($m)	Property make good provision	Other provisions [1]	Total
Balance at 30 June 2022	**75.2**	**1.5**	**76.7**
– current provision	**14.4**	**1.5**	**15.9**
– non-current provision	**60.8**	**–**	**60.8**
Reassessments and additions	8.2	10.0	18.2
Unused amount reversed	(2.7)	(0.2)	(2.9)
Utilised	(2.4)	(0.1)	(2.5)
Discount rate adjustment	0.7	–	0.7
Balance at 30 June 2023	**79.0**	**11.2**	**90.2**
– current provision	**15.1**	**11.2**	**26.3**
– non-current provision	**63.9**	**–**	**63.9**
Reassessments and additions	0.4	18.0	18.4
Unused amount reversed	(2.9)	(0.3)	(3.2)
Utilised	(7.1)	(1.6)	(8.7)
Discount rate adjustment	0.6	–	0.6
Balance at 30 June 2024	**70.0**	**27.3**	**97.3**
– current provision	**14.7**	**27.3**	**42.0**
– non-current provision	**55.3**	**–**	**55.3**

1 Includes legal provisions $26.1 million (2023: $11.2 million) and onerous agreement provision $1.2 million (2023: nil).

Recognition and measurement

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a financing cost.

Key estimates: Property make good provisions

Property make good provisions represent the estimated cost to make good leases entered into by the Group. The estimated cost is based on management's best estimate of the cost to restore a square metre of floor space and is dependent on the nature of the building being leased. The provision recognised is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs are recognised by adjusting both the asset and provision. The expected timing of the make good cost is based on the expiry of each underlying individual lease agreement.

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Our people

This section describes a range of employment and post employment benefits provided to our people.

C1 Employee provisions

The components of employee provisions at 30 June are as follows:

Consolidated ($m)	2024	2023
Current provisions		
Annual leave	240.5	237.6
Long service leave	409.2	397.9
Separations and redundancy	49.1	54.2
At-risk variable remuneration	18.0	34.2
Workers' compensation	58.6	51.8
Other employee provisions	10.3	16.3
Balance at 30 June	**785.7**	**792.0**
Non-current provisions		
Long service leave	63.0	55.2
Separations and redundancy	10.1	12.9
Workers' compensation	212.3	197.2
Balance at 30 June	**285.4**	**265.3**

Recognition and measurement

Employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Annual leave

The liability for annual leave benefits where the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting date are presented as current. Liabilities for benefits which are expected to be settled beyond 12 months are discounted to present value using market yields on corporate bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows. On-costs included within the liability for the year amounted to $26.3 million (2023: $24.0 million).

At-risk variable remuneration

The Group recognises a liability and expense for at-risk variable remuneration payments to be made to employees. The Group recognises a provision where current performance indicates that a probable constructive obligation exists.

Separation and redundancy

Separation and redundancy provisions are recognised when the recognition criteria for provisions are fulfilled, and steps have been taken to implement a detailed plan and discussions with affected personnel have created a valid expectation that the restructuring is being carried out or the implementation has been initiated already.

The provision recognised comprises the expected severance payments, employee entitlements (including notice period), outplacement costs and payroll tax based on the location of the employee, staff level affected by the restructuring and their anticipated years of service. In estimating the expected severance payments, historical severance payments have also been considered.

C1 Employee provisions (continued)

Long service leave

The liability for long service leave is recognised and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to key assumptions as below. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currencies that match, as closely as possible, the estimated future cash outflows. On-costs included within the liability for the year amounted to $31.2 million (2023: $29.0 million).

Key estimates:

The long service leave provision at balance date required management judgement and independent actuarial assessment of key assumptions including, but not limited to:

- future salaries and wages increases;
- future on-cost rates; and
- period of service and experience of employee departures.

Workers' compensation

The Group self-insures the majority of its liability for workers' compensation as a licence holder under the *Safety, Rehabilitation and Compensation Act 1988* (SRC Act). A provision is recognised in the financial statements based on claims reported, and an estimate of claims incurred but not reported. The provision is measured using an independent actuarial assessment at each balance date, with the estimate of present value taking into account key assumptions as below, as well as pay increases, attrition rates, interest rates and the time over which settlement is made.

The liability for workers' compensation at balance date includes $58.3 million of claims made in the 2024 financial year (2023: $53.6 million).

Key estimates:

The self-insured risk liability required management judgement and independent actuarial assessment of key assumptions including, but not limited to:

- future inflation;
- interest rates;
- average claim size;
- claim development; and
- claim administration expenses.

Notes to the financial statements

for the year ended 30 June 2024

C2 Key management personnel remuneration benefits

This note has been prepared in accordance with the requirements of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* and AASB 124 *Related Party Disclosures*.

For the purposes of this note, the Group has defined key management personnel as Non-Executive Directors, the Group Chief Executive Officer and Managing Director (Group CEO & MD) and Senior Executives who report directly to the Group CEO & MD and who have authority and responsibility for planning, directing and controlling the activities of the organisation. These employees, typically titled Executive General Managers, are the only employees considered to have the capacity and responsibility for decision making that can have a significant and direct impact on the strategic direction and financial performance of the Group. Executive directors are classified as Senior Executives and are disclosed in this note.

Key management personnel remuneration by category

Remuneration received directly or indirectly by key management personnel under an accrual basis for the year ended 30 June is as follows:

	Key management personnel	
Corporation and consolidated ($)	**2024**	**2023**
Short-term employee benefits[1]	11,060,457	10,212,539
Post-employment benefits	316,635	286,308
Other long-term benefits[2]	137,536	269,564
Termination and retirement benefits[3]	504,038	248,836
Total key management personnel remuneration	**12,018,666**	**11,017,247**

1 Short-term employee benefits comprises cash salary, accrued annual leave, at-risk variable remuneration (if payable within twelve months of the end of the period) and reportable and non-reportable fringe benefit amounts as determined for taxation.
2 Other long-term benefits comprises accrued long service leave and long-term retention arrangements for certain key team members.
3 Termination and retirement benefits are payments made on separation of the Senior Executive role.

Total number of key management personnel

The total number of key management personnel who held office at any time during the year is disclosed below:

	Key management personnel	
Corporation and consolidated (number)	**2024**	**2023**
Senior Executives	10	8
Non-Executive Directors	8	8
	18	**16**

Related party transactions

Transactions entered into directly by key management personnel or key management personnel related entities with the Australian Postal Corporation have been either domestic or trivial in nature.

A number of key management personnel of the Australian Postal Corporation are also directors of or have interests in other entities which have transacted with the Australian Postal Corporation Group. These transactions have occurred on terms and conditions no more favourable than those which it is reasonable to expect the Group would have adopted if dealing with any third party on normal commercial terms.

C3 Post-employment benefits

Prior to 1 January 2012, new Contract employees and prior to 1 July 2012, new Award employees could choose to join either the Australia Post Superannuation Scheme (APSS) defined benefit or a complying accumulation superannuation fund of their choice. The APSS provides members with a lump sum superannuation benefit that is based on a formula that accrues at a fixed rate based on the member's final average salary and length of service. The APSS closed to new employees from the above dates and since then all new employees have joined either the Corporation's default accumulation fund or a complying accumulation fund of their choice. All employees who are members of an accumulation fund receive employer superannuation contributions at least at the rate prescribed by the *Superannuation Guarantee (Administration) Act 1992*. Australia Post and StarTrack Award employees receive superannuation benefits of 12.0 per cent of their ordinary time earnings (OTE) while all other employees receive superannuation benefits of 10.5 per cent of their OTE for the financial year ended 30 June 2023, 11.0 per cent of their OTE for the financial year ended 30 June 2024 and 11.5 per cent of their OTE from 1 July 2024.

Defined benefit post-employment benefits

Amount recognised in the statement of comprehensive income and in the balance sheet

The amount recognised in the statement of comprehensive income for the year ended 30 June is as follows:

Consolidated ($m)	2024	2023
Current service cost	125.4	132.3
Interest cost on benefit obligation	170.0	159.4
Interest income on plan assets	(209.0)	(202.9)
Plan expenses	2.6	2.7
Defined benefit superannuation expense	**89.0**	**91.5**

The reconciliation of the changes in the present value of the amounts recognised in the balance sheet at 30 June is as follows:

Changes in the present value of defined obligation		
Opening defined benefit obligation at 1 July	3,117.7	3,142.6
Interest cost	170.0	159.4
Current service cost	125.4	132.3
Benefits paid and payable	(401.7)	(285.8)
Actuarial (gain)/loss due to changes in financial assumptions	60.4	(0.5)
Actuarial (gain)/loss due to changes in demographic assumptions	(1.0)	–
Other remeasurements	28.4	(30.3)
Closing defined benefit obligation at 30 June	**3,099.2**	**3,117.7**
Changes in the fair value of the plan assets		
Opening fair value of plan assets at 1 July	3,918.2	4,093.1
Return on plan assets excluding interest income	(60.7)	(138.3)
Interest income on plan assets	209.0	202.9
Contributions by employer	55.5	57.2
Benefits paid and payable	(401.7)	(285.8)
Plan expenses	(2.6)	(2.7)
Contributions tax reserve	(7.9)	(8.2)
Fair value of plan assets at 30 June	**3,709.8**	**3,918.2**
Amount recognised in other comprehensive income		
Remeasurements on liability	(87.8)	30.8
Return on plan assets excluding interest income	(60.7)	(138.3)
Contributions tax	(7.9)	(8.2)
Total amount to be recognised in other comprehensive income	**(156.4)**	**(115.7)**

Notes to the financial statements

for the year ended 30 June 2024

C3 Post-employment benefits (continued)

Recognition and measurement

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms approximating the terms of the related obligation.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised in the statement of comprehensive income as past service costs at the earlier of the date on which the amendment or curtailment occurs or when associated restructuring costs are recognised. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Superannuation plan

From 1 July 1990 to 29 April 2022, the APSS was operated by the APSS Trustee (PostSuper Pty Ltd) in accordance with the APSS Trust Deed. On 30 April 2022, members and assets of the APSS defined benefit were transferred, via successor fund transfer, to Australian Retirement Trust (ART) and since then it has operated as a sub-fund within ART, hereafter referred to as the APSS Plan. The APSS Plan also provides accumulation benefits to members who make voluntary contributions to their APSS Plan account, however accumulation benefits are excluded from these disclosures. The APSS was closed to new entrants on 1 July 2012.

The Corporation is the Principal Employer contributing to the APSS Plan. In addition, certain employees of the Associated Employers (StarTrack Express Pty Ltd, StarTrack Retail Pty Ltd and Decipha Pty Ltd) are also members of the APSS Plan as at 30 June 2024 and are included in these disclosures.

The APSS Plan is governed by the following documents:

- The Trust Deed of the Australian Retirement Trust;
- The Benefit Deed, Participation Deed and Services Agreement between Australian Retirement Trust, Australian Postal Corporation, StarTrack Retail Pty Ltd, StarTrack Express Pty Ltd and Decipha Pty Ltd dated 3 March 2022; and
- The Successor Fund Transfer Deed and Deed of Indemnity between Australian Retirement Trust and PostSuper Pty Ltd dated 3 March 2022.

ART is a "regulated fund" under the provisions of the *Superannuation Industry (Supervision) Act 1993* ("SIS") and is a complying defined benefit superannuation fund for taxation purposes. The APSS Plan is operated by the ART Trustee, with a separate APSS Committee acting as a liaison between ART and the Corporation to represent members of the APSS Plan and oversee ART's member services and performance to employee members. The ART Trustee is required to act in good faith and in the best financial interests of members at all times and operate in accordance with the governing rules of the APSS Plan.

Funding arrangement and requirements

The APSS Plan is funded by the Corporation and its Associated Employers, with the funding requirements being based on the recommendations of the APSS Plan Actuary. The current funding recommendations are based on a methodology that calculates the long-term costs to provide the APSS Plan defined benefits, taking into account expected long term investment returns of the assets used to fund the APSS Plan, plus additional contributions that may be required in the event that assets are not sufficient to meet members' vested benefits. The Group is expected to make employer contributions (excluding salary sacrifice contributions in respect of accumulation accounts) of $52.8 million for the year ending 30 June 2025 (2024 actual employer contribution: $55.5 million).

As under the current arrangements, the Corporation can cease making contributions at any time to the APSS Plan, the Corporation has no legal requirement to contribute to the APSS Plan. As such, the Corporation does not currently have any minimum funding requirements in respect of the APSS Plan.

C3 Post-employment benefits (continued)

Categories of plan assets ($m)[1]

The fair value of total plan assets is as follows:

Consolidated ($m)	2024	2023
Cash and cash enhanced	947.7	667.0
Australian public equities	315.4	346.5
International public equities	171.0	187.3
Private equity	948.3	958.9
Property	271.1	354.9
Infrastructure	218.6	257.1
Fixed income	727.8	1,079.8
Other	109.9	66.7
Total fair value of plan assets	**3,709.8**	**3,918.2**

1 There are no in-house assets included in the fair value of the APSS assets, however there may be an immaterial amount of indirect investments in shopping centres where the Corporation has leased certain areas for retail outlets.

Fair value of plan assets

Active market: Investments for which values are based on quoted market prices in active liquid markets, e.g. recognised stock exchanges and therefore classified as level 1 investment (consistent with note D4 on fair value categories), include listed equities and exchange traded derivatives.

Inactive or unquoted market: ART's financial assets and liabilities are a combination of directly held investments and indirectly held investments made via unlisted trusts which in turn invest in a variety of underlying investments. These include investments in infrastructure, private credit, private equity and property that are domiciled in Australia and overseas. ART has adopted a valuation policy, the purpose of which is to ensure it has an appropriate framework to value investment assets in a manner that ensures they are valued on an equitable and consistent basis. ART ensures that valuation techniques are consistent and may utilise independent parties to undertake reviews of the investment valuation framework controls and procedures on a periodical and as needs basis.

(i) Directly held assets: ART or its investment manager appoints independent external valuation experts and property appraisers to provide regular investment valuations with most material investments being valued at least annually. ART has policies and procedures governing the appointment and rotation of third-party valuers. The expertise, knowledge and familiarity with local market conditions, market transactions and industry trends of the independent valuation experts and property appraisers are important inputs to the valuation process. Valuations performed by third party valuers are reviewed by internal teams within ART to confirm that an appropriate valuation methodology has been used and that key inputs, assumptions and judgements made by the valuer are appropriate.

ART has a management committee ("Valuation Review Committee") which provides assistance to the Audit, Finance & Risk Committee to fulfil its responsibilities to manage valuation risk of the ART's investments. During the year, the Valuation Review Committee may review valuations of the investments with significant unobservable inputs (level 3 investments) more frequently to ensure that the most current valuations are reflected in member balances. This is to improve the responsiveness and accuracy of the current valuation process in both normal and stressed market circumstances. Where valuations are performed at a date other than balance sheet date, ART considers whether the valuation continues to remain appropriate as at the balance sheet date.

(ii) Indirectly held assets: ART generally values interests in level 3 investments managed by external investment managers using the valuation provided by the relevant external investment manager. As ART's underlying interests in these investments are not actively traded in a public market, the valuation provided by the external investment manager is considered unobservable and is therefore classified as a level 3 investment. ART reviews the valuation methodology adopted by the relevant investment manager and makes further enquiries, as appropriate, relating to valuation methodology and key inputs used to determine valuations.

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C3 Post-employment benefits (continued)

Amount recognised in the balance sheet

The amount recognised in the balance sheet as at 30 June is as follows:

Consolidated ($m)	2024	2023	2022	2021	2020
Present value of benefit obligation (wholly funded)	(3,099.2)	(3,117.7)	(3,142.6)	(3,495.7)	(3,429.2)
Fair value of plan assets	3,709.8	3,918.2	4,093.1	4,426.9	4,056.1
Net superannuation asset/(liability)[1]	**610.6**	**800.5**	**950.5**	**931.2**	**626.9**

1 The Corporation's entitlement to any surplus in the APSS Plan is limited by the terms of the relevant Trust Deed and applicable superannuation laws. On termination, any money and other assets remaining in the APSS Plan after the payment of benefits and expenses of the Scheme would ultimately be realised and the proceeds distributed to the employers (including the Corporation) in such shares as determined by the Corporation. Outside termination, there is scope for the Corporation to request a return of surplus, which may be no more than the amount (as determined by the APSS Plan Actuary) by which the total fund value exceeds the total accrued benefit value. In addition, the Corporation benefits from the surplus through reduction in future superannuation expense and contributions.

Management of the plan risks

The funding of the plan is dependent upon future experience. Material adverse risks in respect of funding include market risk, salary inflation risk, liquidity risk, and the risk of higher than expected death and disability benefits.

Key assumptions and sensitivities

The significant actuarial assumptions used in determining superannuation obligations for the Group's plan are shown below (expressed as weighted averages), as well as the sensitivity for each significant assumption:

	Actuarial assumption (% per annum)		Sensitivity ($m)			
			Rate increase of 1%		Rate decrease of 1%	
Consolidated	2024	2023	2024	2023	2024	2023
Discount rate	5.5	5.6	(165.5)	(171.3)	186.4	193.3
Average future inflationary salary increases[1]	4.0 to 30 June 2027; 3.0 thereafter	6.25 to 30 June 2024; 3.5 to 30 June 2025; 3.0 thereafter	154.5	118.2	(138.8)	(106.6)

1 Excludes promotional salary increases.

The determination of the defined benefit obligation requires a number of other assumptions to be made regarding the future including the demographic profile of membership and level of benefits to be provided by the fund.

Accumulation post-employment benefits

Australia Post pays the Superannuation Guarantee contribution (10.5 per cent up to 30 June 2023 and 11.0 per cent up to 30 June 2024, except Australia Post and StarTrack Award level employees who receive 12.0 per cent of ordinary time earnings) to the nominated superannuation funds of employees who have employer contributions paid to an accumulation fund on their behalf. From 1 July 2024, the Superannuation Guarantee contribution will increase to 11.5 per cent.

Accumulation post-employment benefits are expensed by the Group as service is rendered by the Group's employees. The accumulation superannuation expense recognised in respect of post-employment benefits is as follows:

Consolidated ($m)	2024	2023
Accumulation superannuation expense	179.0	165.8

C3 Post-employment benefits (continued)

Maturity profile

The duration of the liabilities is approximately 7 years (2023: 7 years), calculated using expected benefit payments on an accrual basis.

Superannuation Act 1976

Some of the Corporation's current and past employees are also entitled to benefits under the *Superannuation Act 1976*, but the Group has no contribution obligation in respect of these benefits. The superannuation asset or liability relating to the Commonwealth Superannuation Scheme (CSS) under the *Superannuation Act 1976* is recognised in the financial statements of the Commonwealth and is settled by the Commonwealth in due course. The Commonwealth takes full responsibility for the CSS liabilities for any Australia Post employees (past and present) remaining in the CSS. Disclosures regarding the CSS Scheme are located in the Department of Finance Annual Financial Report.

Our funding structure and management of our financial risks

As a result of its operations, the Group is exposed to multiple forms of risk. This note sets out the nature of the financial risks and their quantification and management. This section also sets out the strategies and practices the Group utilises to minimise the exposure to these risks in order to execute our Group strategy as well as outlining the current Group funding structure.

D1 Capital management

The Group's objectives when managing capital are to safeguard the ability to continue as a going concern while maximising the return to the Australian Government. The Group recognises the impact on shareholder returns of the level of equity capital employed and seeks to maintain a prudent balance between the advantages and flexibility afforded by a strong capital position and the higher returns on equity possible with some leverage. A further consideration when managing capital is targeting an investment grade rating. The Group holds an A+ Negative Outlook rating (2023: A+ Negative Outlook) from the independent ratings agency Standard & Poor's.

The capital structure of the Group consists of debt, which comprises bonds payable and syndicated revolving committed facilities, cash and cash equivalents, lease liabilities and equity attributable to equity holders of the Corporation, comprising contributed equity, reserves and retained profits. The capital structure is reviewed annually as part of the Corporate Plan, which includes analysis of the return on equity, return on average operating assets and debt to debt plus equity ratios implicit in the Corporate Plan.

D2 Managing our financial risks

Financial risk management objectives

The Board reviews and agrees policies for managing the Group's financial risks. The main risks arising from the Group's financial instruments are credit risk, liquidity risk, interest rate risk and foreign currency risk. There is no significant exposure to commodity risk in relation to the bulk purchase of fuel and third party contract pricing mechanisms during the financial year.

Liquidity risk management

Liquidity risk is the risk that the Group will not be able to meet its obligations, such as payables, provisions, lease liabilities and interest bearing liabilities when they fall due. The Group's liquidity risk management seeks to ensure that there are sufficient funds available to meet financial commitments in a timely manner and plan for unforeseen events which may cause pressure on liquidity. The Group measures and manages liquidity risk by forecasting liquidity and funding

Notes to the financial statements

for the year ended 30 June 2024

D2 Managing our financial risks (continued)

requirements for the next three years as a minimum, which is reviewed annually by the Board. The treasury group also prepares and reviews a rolling daily cash forecast for the quarter to manage short-term liquidity requirements.

Financing facilities

At reporting date, the Group has a 3 year revolving credit facility of $300 million expiring 31 July 2026, which is available for draw down for a minimum of 30 days. (2023: 3 year and 1 month revolving credit facility of $450 million expiring 31 July 2024). This facility is used to manage short-term liquidity requirements and remained undrawn at 30 June 2024.

Credit risk

The Group makes sales on credit terms and therefore it is exposed to the risk that a customer may not repay their entire obligations in full as required. In addition to the above, the Group provides financial guarantees to third parties, which commit the Group to make payments on behalf of these parties upon their failure to perform under the terms of the relevant contract. At 30 June 2024, the maximum credit risk in respect to guarantees is $317.4 million (2023: $297.6 million) which mainly relates to bank guarantees over projected workers' compensation liabilities provided by the Group.

Credit risk management: financial instruments

Counterparty limits are reviewed regularly by the treasury group with recommended limits endorsed by the Board. Investment of surplus funds is made only with approved investment grade counterparties as rated by either Standard & Poor's or Moody's. Surplus funds are invested with bank counterparties and other Australian deposit-taking Institutions that have an investment grade rating of BBB or better (2023: BBB or better).

The Group's 12-month expected credit loss allowances for financial assets other than those measured at fair value through profit and loss are calculated as the product of the assessed probability of counterparty default, the size of the credit loss given default (taking into account collateral arrangements & guarantees), and the exposure to default at reporting date. Probability of default is assessed using historical and forward looking internal information about the counterparty, as well as available external information including credit ratings. For financial assets that are considered to have significantly increased in credit risk since original recognition, lifetime expected credit loss allowances are recognised.

The maximum exposure to credit loss for the Group's financial assets is considered equivalent to their carrying amount.

Credit risk management: trade and other receivables

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, including an assessment of their independent credit rating, financial position, past experience and industry reputation. In addition, individual receivable and accrued revenue balances are monitored on an ongoing basis for increases in credit risk based on repayment history and collection status, with the result that the exposure to credit loss is historically not significant.

Interest rate risk management

The Group's objective in managing interest rate risk is to minimise interest rate exposure by matching asset and liability positions to achieve a natural hedge, whilst ensuring that an appropriate level of flexibility exists to accommodate potential changes in funding requirements. Interest rate risk is measured by regularly reviewing the net exposure from interest-bearing assets and liabilities. The risk can be managed by the use of interest rate swap contracts wherein the Group agrees to exchange the difference between the fixed and floating rate interest amounts calculated on agreed notional principal amounts.

Interest bearing liabilities

The consolidated borrowing position of the Group at 30 June comprises the following fixed-rate unsecured bonds, which are repayable in full with $180 million maturing on 1 December 2026, $100 million maturing on 8 December 2027 and $100 million maturing on 22 May 2029.

The $100 million bond maturing on 22 May 2029 is issued as a Sustainability Bond under the Australia Post Sustainable Finance Framework and aligns with the Sustainability Bonds Guidelines 2021, Green Bonds Principles 2021, Social Bonds Principles 2021, Green Loans Principles 2023 and Social Loan Principles 2023.

On this basis, the weighted average duration of debt is 3.3 years (2023: 3.1 years).

D2 Managing our financial risks (continued)

Consolidated ($m)	2024	2023
Payable in less than 1 year [1,2]	–	174.4
Current loan liabilities	**–**	**174.4**
Payable in 1 – 5 years [Footnote 1,2]	373.6	273.5
Payable in over 5 years [Footnote 2]	–	98.5
Non-current loan liabilities	**373.6**	**372.0**
Total	**373.6**	**546.4**

1 Measured at amortised cost.
2 Designated in fair value hedge relationships at amortised cost and adjusted by the gain/loss attributable to interest rate risk.

The table below sets out the changes in interest bearing liabilities:

Consolidated ($m)	Bonds payable	Lease liability [1]	Total
As at 30 June 2022	**350.3**	**1,066.0**	**1,416.3**
Changes in fair value	(3.9)	–	**(3.9)**
New leases	–	153.9	**153.9**
Cash flows	200.0	(261.9)	**(61.9)**
Other non-cash movements	–	31.6	**31.6**
As at 30 June 2023	**546.4**	**989.6**	**1,536.0**
Changes in fair value	2.2	–	**2.2**
New leases	–	299.1	**299.1**
Cash flows	(175.0)	(294.2)	**(469.2)**
Other non-cash movements	–	27.1	**27.1**
As at 30 June 2024	**373.6**	**1,021.6**	**1,395.2**

1 Refer to note B4 for further information on lease liability.

Interest rate risk sensitivity

An interest rate sensitivity analysis of the Group at the reporting date has been performed, using a 136 basis point (2023: 104 basis point) increase to quantify the possible risk based on Australian Government Department of Finance guidance and holding all other variables constant.

The sensitivity analysis indicated that the impact on profit after tax at reporting date would be $6.3 million (2023: $5.5 million) increase in profit after tax.

Exposure

The Group's primary exposure to interest rate risks of interest-bearing financial assets and financial liabilities is set out below. Interest on financial instruments classified as floating rate is repriced at intervals of less than one year. Interest on financial instruments classified as fixed rate is fixed until maturity of the instrument.

	Carrying amount	
Consolidated ($m)	2024	2023
Financial assets		
Cash and cash equivalents (floating rate)	446.6	465.7
Financial liabilities		
Bonds payable (fixed rate)	373.6	546.4
Interest rate swaps (fixed rate)	(213.5)	(281.8)
Interest rate swaps (floating rate)	220.0	290.0

Notes to the financial statements

for the year ended 30 June 2024

D2 Managing our financial risks (continued)

Maturity of financial liabilities and financial assets

The tables below detail the Group's remaining contractual maturity for its material non-derivative financial liabilities, cash outflows arising from derivative financial instruments and financial assets used in managing its liquidity risk associated with its material non-derivative financial liabilities.

The table presents undiscounted cash flows based on the earliest date on which the Group can be required to pay comparing against the carrying amount of the relevant financial liabilities. The tables include both interest and principal cash flows. Where interest flows are floating rate, the undiscounted amount is derived from the interest rate curves at the end of the reporting period.

The table also includes cash inflows and outflows arising from derivative financial instruments, based on the undiscounted net cash inflows or outflows on derivative instruments that settle on a net basis and the undiscounted gross cash inflows or outflows on those derivatives that require gross settlement. The amount disclosed has been determined by reference to the projected cash inflows or outflows illustrated by the yield or forward curves existing at reporting date.

	Contractual maturity (nominal cash flows)					
Consolidated ($m)	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total nominal cash flows	Carrying amount (assets)/ liabilities
As at 30 June 2024						
Trade and other payables	862.4	–	–	–	**862.4**	**862.4**
Lease liabilities	274.8	231.6	358.2	280.5	**1,145.1**	**1,021.6**
Bonds payable	17.0	17.0	405.4	–	**439.4**	**373.6**
Interest rate swaps (net settled)	2.7	2.1	2.7	–	**7.5**	**6.5**
Hedge foreign exchange contracts (net settled)	–	–	–	–	**–**	**–**
	1,156.9	**250.7**	**766.3**	**280.5**	**2,454.4**	**2,264.1**
As at 30 June 2023						
Trade and other payables	765.8	–	–	–	**765.8**	**765.8**
Lease liabilities	259.6	199.5	372.2	247.3	**1,078.6**	**989.6**
Bonds payable	199.3	17.0	317.6	104.8	**638.7**	**546.4**
Interest rate swaps (net settled)	3.3	2.6	3.1	0.3	**9.3**	**8.2**
Hedge foreign exchange contracts (net settled)	(0.5)	0.1	–	–	**(0.4)**	**(0.4)**
	1,227.5	**219.2**	**692.9**	**352.4**	**2,492.0**	**2,309.6**

Foreign currency risk management

The Group has obligations with overseas postal administrations which are invoiced in Special Drawing Rights (SDR) and settled in Euros (EUR) and United States Dollars (USD). The SDR is a basket currency composed of fixed quantities of the five major traded currencies (USD, Japanese Yen, EUR, British Pound Sterling and Chinese Renminbi). The composition of the basket is set by the International Monetary Fund. International mail receipts and payments are highly variable in amount and timing as well as being ongoing in nature. For the Group, the requirement to settle in a foreign currency exposes it to the risk that future cash payment amounts may fluctuate due to changes in the foreign exchange rates. The Group undertakes hedging strategies with respect to the SDR exposure using forward exchange contracts, options and collars. These aim to mitigate the volatility experienced in the income statement caused by movements in the SDR/AUD exchange rate. Each foreign currency exposure, other than SDR, is measured and managed on an item by item basis and individual exposures over $0.5 million are hedged through the use of forward currency contracts.

Foreign currency exposure and sensitivity

Sources of foreign exchange transaction risk are a result of foreign sourced and priced capital equipment, purchases or sales in foreign currencies (including fuel purchases) and foreign currency bank accounts.

D2 Managing our financial risks (continued)

The following table details the carrying amount of financial assets and financial liabilities with foreign currency exposure as at 30 June 2024, with a sensitivity analysis of the effect on profit after tax and equity as at 30 June 2024 from a 8.3 per cent (2023: 8.5 per cent) favourable/unfavourable change in the Australian dollar based on Australian Government Department of Finance guidance with all other variables held constant.

		Exchange +8.3%		Exchange -8.3%	
Consolidated AUD ($m)	Exposure	Impact on profit	Impact on equity	Impact on profit	Impact on equity
2024					
Financial assets					
Cash on hand	27.6	(1.5)	–	1.5	–
Trade and other receivables	104.0	(6.1)	–	6.1	–
Other assets	0.1	–	0.8	–	(0.8)
Financial liabilities					
Trade and other payables	(156.6)	9.1	–	(9.1)	–
Other liabilities	(0.1)	–	(0.9)	–	0.9
Net exposure	**(25.0)**	**1.5**	**(0.1)**	**(1.5)**	**0.1**

		Exchange +8.5%		Exchange -8.5%	
	Exposure	Impact on profit	Impact on equity	Impact on profit	Impact on equity
2023					
Financial assets					
Cash on hand	30.3	(1.7)	–	1.7	–
Trade and other receivables	58.2	(3.5)	–	3.5	–
Other assets	1.5	–	(1.4)	–	1.4
Financial liabilities					
Trade and other payables	(125.9)	7.5	–	(7.5)	–
Other liabilities	(1.1)	–	2.4	–	(2.4)
Net exposure	**(37.0)**	**2.3**	**1.0**	**(2.3)**	**(1.0)**

Of the total $25.0 million of foreign currency denominated exposures, the cash and foreign currency derivative amounts relate to $11.0 million in USD, $7.3 million in GBP, $7.1 million in HKD, $1.3 million in EUR, $0.8 million in NZD and $52.6 million in SDR net payables. (2023: $37.0 million of foreign currency denominated exposures, the cash and foreign currency derivative amounts relate to $13.5 million in GBP, $8.5 million in USD, $6.1 million in HKD, $2.5 million in EUR, $0.8 million in NZD, $0.3 million in CNH and $68.8 million in SDR net payables).

The receivables and payables denominated in SDR, on which the sensitivity is shown in the table above, are not necessarily representative of the Group's exposure to currency risk for the years ended 30 June 2024 and 30 June 2023. The receivables and payables denominated in SDR are highly variable in amount and timing, in particular due to the timing of receipts and settlements with overseas postal administrations.

Commodity price risk management

Commodity price risk refers to the risk that the fair value or future cash flows will fluctuate because of changes in commodity prices. The Group's objective on commodity price risk management is to ensure that movements in commodity prices do not adversely affect operating costs. The hedging strategy is set annually as part of the planning process and the hedging activities are evaluated monthly.

Exposure

The Group is exposed to commodity prices directly through the bulk purchase of fuel, and indirectly arising from contractual pricing mechanisms with third party providers. The risk is measured by reviewing forecast commodity exposures monthly and managed by entering into long term supply contracts and the use of fuel surcharges.

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for the year ended 30 June 2024

D3 Using derivatives to hedge risks

Types of hedging instruments

The Group uses the following types of derivative financial instruments as part of its risk management strategy:

Foreign currency derivatives

All foreign currency contracts are entered into on the basis of known or projected exposures. The Group has elected to adopt hedge accounting in respect of some of its foreign currency hedging exposures. There were no material foreign currency contracts designated as hedging instruments (2023: net liability of $0.5 million) for the Group.

The portion of the gain or loss on the designated forward currency contracts that are determined to be effective hedges is deferred in other comprehensive income and will be recognised in the measurement of the underlying transaction.

As at balance date, the aggregate amount of unrealised gains/losses under foreign forward currency contracts deferred in the hedging reserve related to contracted future payments for inventory, capital expenditure and exposures for SDR revenue receipts. It is anticipated that the payments will mostly take place within 24 months after reporting date at which stage the amount deferred in equity will be included in the initial cost of the inventory and capital equipment.

It is anticipated that the hedged amounts in relation to inventory will impact the statement of comprehensive income over the next one year and amounts in relation to equipment capital expenditure will impact the statement of comprehensive income over the next 5 to 20 years after the assets are available for use.

The Group hedges its expected SDR revenue flows and the hedged exposures are in a hedge accounting relationship with monthly revaluations recorded in the cashflow hedge reserve.

The following tables detail the foreign currency contracts outstanding as at balance date:

	Notional amount (foreign currency) ($m)		
Consolidated	USD	CHF	SDR
2024			
BUY [1]			
0-12 months	14.5	2.5	–
Over 12 months	–	–	–
	14.5	**2.5**	**–**
SELL [2]			
0-12 months	–	–	5.3
Over 12 months	–	–	–
	–	**–**	**5.3**

1 Average buy exchange rates to the Group's functional currency AUD are: USD 0.663 and CHF 0.591.
2 Average sell exchange rates to the Group's functional currency AUD are: SDR 2.006.

	Notional amount (foreign currency) ($m)		
Consolidated	USD	CHF	SDR
2023			
BUY [1]			
0-12 months	29.0	–	–
Over 12 months	0.1	–	–
	29.1	**–**	**–**
SELL [2]			
0-12 months	–	–	12.0
Over 12 months	–	–	3.0
	–	**–**	**15.0**

1 Average buy exchange rates to the Group's functional currency AUD are: USD 0.691.
2 Average sell exchange rates to the Group's functional currency AUD are: SDR 1.967.

D3 Using derivatives to hedge risks (continued)

Interest rate swaps

Interest rate swaps are used to manage the exposure to interest rate movements arising from the Group's borrowings. Under interest rate swap contracts, the Group agrees to exchange the difference between fixed and floating rate interest amounts calculated on agreed notional principal amounts. Such contracts enable the Group to mitigate the risk of changing interest rates on the fair value of issued fixed rate debt held.

During the year, the Group had several interest rate swap contracts which all settled on a quarterly basis, totalling $220.0 million, hedging debt maturing in 2026, 2027 and 2029.

The following table details the notional principal amounts and remaining terms of fixed for floating interest rate swap contracts as at balance date.

Consolidated	Fixed interest rate %	Notional principal amount ($m)
2024		
Within one year	–	–
From 1 – 5 years	4.00	70.0
From 1 – 5 years	4.99	100.0
Over 5 years	4.76	50.0
2023		
Within one year	5.50	70.0
From 1 – 5 years	4.00	70.0
From 1 – 5 years	4.99	100.0
Over 5 years	4.76	50.0

Interest rate swap contracts are designated as fair value hedges in respect of interest rates. The gain or loss from remeasuring the hedging instrument at fair value is recorded in profit or loss and to the extent that the hedge is effective, the carrying amount of the borrowing is adjusted by the gain or loss attributable to the hedged risk through profit or loss.

Recognition and measurement of derivatives

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured to fair value. Any gains or losses arising from changes in the fair value of derivatives are taken directly to the statement of profit and loss, except for derivatives designated in a cash flow hedge arrangement with the effective portion recognised in other comprehensive income. The fair value of non-optional derivatives is determined based on discounted cash flow analysis using the applicable yield curve or forward curve for the duration of the instrument. The fair value of optional derivatives is determined based upon valuation techniques consistent with accepted industry practice. Derivative instruments are classified as current or non-current based on an assessment of the facts and circumstances pertaining to the derivative (i.e. the underlying contracted cash flows) and whether it is designated in a hedge relationship.

Hedge accounting

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine their effectiveness.

The Group will discontinue hedge accounting prospectively only when the hedging relationship, or part of the hedging relationship no longer qualifies for hedge accounting, which includes where there has been a change to the risk management objective and strategy for undertaking the hedge and instances when the hedging instrument expires or is sold, terminated or exercised.

Notes to the financial statements

for the year ended 30 June 2024

D3 Using derivatives to hedge risks (continued)

Hedge accounting designations

Cash flow hedges

> Used by the Group to hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a highly probable forecast transaction.

For cash flow hedges, the portion of the gain or loss on the hedging instrument that is effective is recognised directly in equity, while the ineffective portion is recognised in profit or loss.

Amounts recognised in equity are transferred to the income statement when the hedged transaction affects profit or loss, such as when hedged income or expenses are recognised or when a forecast sale occurs or the asset is consumed. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

Hedge accounting is discontinued when a hedging instrument expires, is sold, terminated, or no longer meets the criteria for hedge accounting. At that time, any cumulative gains or losses relating to cash flow hedges recognised in equity are initially retained in equity and subsequently recognised in profit or loss as the previously hedged item affects profit or loss.

The Group uses cash flow hedges to mitigate the risk of variability of future cash flows attributable to foreign currency fluctuations over the hedging period associated with foreign exchange business activities. The maturity profile of cashflow hedges is shown in note D2.

Fair value hedges

> Used by the Group to hedge the exposure to changes in the fair value of a recognised asset or liability or unrecognised firm commitment.

The carrying value of the hedged item is adjusted for gains and losses attributable to the risk being hedged. The derivative is also remeasured to fair value, with the net gain or loss recognised in the statement of comprehensive income.

If the hedged item is a firm commitment (and therefore not recognised), the subsequent cumulative change in the fair value of the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in the statement of comprehensive income.

Hedge accounting is discontinued when a hedging instrument is sold, terminated or no longer meets the criteria for hedge accounting. The cumulative adjustment recorded against the carrying value of the hedged item at the date hedge accounting ceases is amortised to profit or loss using the effective interest method.

The Group uses fair value hedges to mitigate the risk of changes in the fair value of borrowings from interest rate fluctuations over the hedge period. The Group has used interest rate swap contracts to convert fixed-rate interest exposures to floating rate exposures.

The maturity profile of fair value hedges is shown in note D2.

D4 Fair value measurement

Valuation of financial instruments

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows:

- Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

D4 Fair value measurement (continued)

- Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; or
- Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The methods and assumptions used to estimate the fair value of financial instruments are as follows:

Cash

The carrying amount is fair value due to the asset's liquid nature.

Receivables/payables

Due to the short-term nature of these financial rights and obligations, carrying amounts are estimated to represent fair values.

Derivatives

The fair values are calculated as the present value of estimated future cash flows using a market based yield curve sourced from available market data quoted for all major currencies. Accordingly, these financial instruments are classified as Level 2.

The fair value of forward contracts is calculated by reference to forward exchange market rates at reporting date for contracts with similar maturity profiles. As market rates are observable they are classified as Level 2.

Interest-bearing loans and borrowings

Quoted market prices or dealer quotes for similar instruments are used to value long-term debt instruments except corporate bonds based on discounting expected future cash flows at market rates. Accordingly, these financial instruments are classified as Level 2.

Fair value measurements recognised in the balance sheet

Except as detailed in the table below, the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated balance sheet approximates their fair value.

Consolidated ($m)	Carrying amount	Fair value
2024		
Financial liabilities		
Bonds payable	373.6	373.7
2023		
Financial liabilities		
Bonds payable	546.4	547.0

The financial liabilities not measured at fair value in the consolidated balance sheet disclosed above are categorised as Level 2 with the fair value of each financial liability determined by discounting the expected future cash flows using the applicable yield curve for liabilities with similar risk and maturity profiles.

There were no transfers between levels during the year.

Notes to the financial statements

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Other information

This section includes additional financial information that is required by either accounting standards or the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*.

E1 Our subsidiaries

The below is a list of the Group's controlled entities at 30 June, all of which are incorporated in Australia unless otherwise noted:

	2024 %	2023 %
ACN 063 077 850 Pty Ltd Footnote 4,14	100	100
AP Global Holdings Pty Ltd Footnote 1	100	100
AP Global Logistics (Guangzhou) Co., Ltd Footnote 15	100	–
AP International Holdings Pty Ltd Footnote 1	100	100
APost Accelerator Pty Ltd Footnote 4	100	100
APost Innovation Pty Ltd Footnote 4	100	100
Australia Post Digital iD Pty Ltd Footnote 4	100	100
Australia Post Licensee Advisory Council Limited Footnote 6	50	50
Australia Post Services Pty Ltd Footnote 5	100	100
Australia Post Transaction Services Pty Ltd Footnote 2	100	100
Australia Post Global eCommerce Solutions Private Limited Footnote 7	100	100
Australia Post Global eCommerce Solutions (Aust) Pty Ltd Footnote 1	100	100
Australia Post Global eCommerce Solutions (UK) Limited Footnote 8	100	100
Australia Post Global eCommerce Solutions (USA) Inc. Footnote 9	100	100
Australian Express Freight Pty. Limited Footnote 4,11	100	100
Australian Express Transport Pty. Limited Footnote 4,12	100	100
AUX Investments Pty Ltd Footnote 1	100	100
Decipha Pty Ltd Footnote 1	100	100
Mardarne Pty. Ltd. Footnote 4,13	100	100
POLi Payments Pty Ltd Footnote 4	100	100
POSTlogistics (Hong Kong) Pte Limited Footnote 10	100	100
PostSuper Pty Ltd Footnote 4	100	100
SecurePay Holdings Pty Ltd Footnote 3	100	100
SecurePay Pty. Ltd. Footnote 3	100	100
Star Track Express Holdings Pty Limited Footnote 1	100	100
Star Track Express Investments Pty Limited Footnote 1	100	100
Star Track Express Pty Limited Footnote 1	100	100
StarTrack Retail Pty Ltd Footnote 3	100	100

Footnotes

1 Large proprietary company that is party to the deed of cross guarantee with Australia Post Transaction Services Pty Ltd as the holding entity and has opted-in to take advantage of the financial reporting relief under ASIC Corporations (Wholly-owned Companies) Instrument 2016/785.

2 Large proprietary company required to prepare and lodge audited financial statements with ASIC.

3 Small proprietary company not required to prepare and lodge audited financial statements with ASIC. Entity is party to the deed of cross guarantee with Australia Post Transaction Services Pty Ltd as the holding entity.

4 Small proprietary company not required to prepare and lodge audited financial statements with ASIC.

5 Small proprietary company which holds an Australian Financial Services Licence and is required to prepare and lodge audited financial statements with ASIC.

6 A public company limited by guarantee required to prepare and lodge audited financial statements with ASIC. Australia Post has undertaken to meet all expenses of the entity and consolidates the entity as it has influence over decision making as a result of having effective 50 per cent voting rights on the board of directors of the entity and effective 50 per cent membership voting rights.

7 Entity incorporated in Singapore and not audited by the Australian National Audit Office (ANAO). Audited by Ernst & Young LLP, Singapore.

8 Entity incorporated in UK and not audited by the ANAO. Audited by Ernst & Young LLP, UK.

9 Entity incorporated in the USA and not audited by the ANAO. Audited by RSM US LLP, USA.

10 Entity incorporated in Hong Kong and not audited by the ANAO. Audited by Moore CPA Limited, Hong Kong.

11 Trustee of Darra No 2 Trust and Minchinbury No 2 Trust.

12 Trustee of Darra No 1 Trust and Minchinbury No 1 Trust.

13 Trustee of Mardarne No 1 Trust.

14 Entity formerly known as Private Syndicate Pty Ltd.

15 Entity incorporated on 16 April 2024 in China and not audited by the ANAO. As at 30 June 2024, an auditor has not yet been engaged for this entity.

E2 Australian Postal Corporation

Corporation ($m)	2024	2023
Current assets	3,402.6	2,940.8
Total assets	8,510.2	8,382.1
Current liabilities	4,678.6	4,212.7
Total liabilities	6,590.2	6,106.1
Net assets	**1,920.0**	**2,276.0**
Contributed equity	400.0	400.0
Retained profits	1,511.7	1,858.0
Asset revaluation reserve	8.3	17.7
Hedging reserve	–	0.3
Total equity	**1,920.0**	**2,276.0**
Net profit/(loss) of the parent entity	(249.5)	(269.2)
Total comprehensive income/(losses) of the parent entity	(109.5)	(80.9)
Dividends paid	–	(21.8)
Transfer of reserves	12.7	–

Australian Postal Corporation, which is the Group's ultimate parent and controlling entity of the Australian Postal Corporation Group, also has:

- Contingent liabilities which relate to legal liability claims that have been lodged against the Corporation, including motor vehicle accident and personal injury claims in the amount of $1.8 million (2023: $0.5 million);
- Issued bank guarantees amount to $261.2 million (2023: $245.4 million) which represent guarantees supporting workers compensation self-insurance licences in various jurisdictions;
- Contract operating lease receivables which relate to sub-lease arrangements in the amount of $65.5 million (2023: $83.5 million); and
- Capital commitments of the parent entity in relation to property, plant and equipment amount to $111.8 million (2023: $87.6 million).

E3 Auditor's remuneration

The Corporation's auditor is the Australian National Audit Office who has retained Ernst & Young (Australia) to assist with the assignment.

Amounts received or due and receivable by the Group's auditors and Ernst & Young (Australia) are as follows:

Consolidated ($)	2024	2023
Australian National Audit Office		
– An audit or review of the financial report of the entity and any other entity in the consolidated entity	1,808,986	1,808,986
– Assurance related	228,000	202,000
	2,036,986	**2,010,986**
Ernst & Young (Australia)		
– Other non-audit related[1]	338,000	299,000
Other auditors for the Group's overseas subsidiaries		
– Audit of financial reports[2]	329,000	326,000
Total auditor's remuneration	**2,703,986**	**2,635,986**

1 These services are performed by Ernst & Young (Australia) directly and include governance and compliance services.
2 Further details of these auditors are outlined in note E1.

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E4 Contingencies

The Group has the following contingent assets and liabilities as at 30 June. Due to the nature of the Group's contingent liabilities, the Group is not able to ascertain with any certainty the expected timing of any cash outflow that may arise, or the probability of reimbursement.

	Guarantees		Claims for damages or other costs		Total	
Consolidated ($m)	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Balance from previous period	297.6	347.8	0.8	1.1	298.4	348.9
New contingent liabilities	–	1.2	1.7	0.5	1.7	1.7
Re-measurement	19.8	(39.2)	(0.7)	(0.7)	19.1	(39.9)
Liabilities realised	–	–	–	(0.1)	–	(0.1)
Obligations expired	–	(12.2)	–	–	–	(12.2)
Total contingent liabilities	**317.4**	**297.6**	**1.8**	**0.8**	**319.2**	**298.4**
Balance from previous period	10.7	12.7	–	–	10.7	12.7
New contingent assets	6.9	7.2	–	–	6.9	7.2
Re-measurement	–	–	–	–	–	–
Rights expired	(5.9)	(9.2)	–	–	(5.9)	(9.2)
Total contingent assets	**11.7**	**10.7**	**–**	**–**	**11.7**	**10.7**
Net contingent liabilities	**305.7**	**286.9**	**1.8**	**0.8**	**307.5**	**287.7**

Recognition and measurement

Contingent liabilities and contingent assets are not recognised in the financial statements but are reported in the relevant schedules and notes. Contingent assets are disclosed when settlement is probable, and contingent liabilities are disclosed when settlement is not considered remote.

Guarantees

Relate to non-financial guarantees, including bank guarantees over projected workers' compensation claims liabilities arising from the Group's self insurance of its liability for workers' compensation as a licence holder under the *Safety, Rehabilitation and Compensation Act 1988*.

Claims for damages or other costs

Arise from legal liability claims that have been lodged against the Corporation and subsidiaries, including motor vehicle accident and personal injury claims.

Insurance

Generally, the Corporation self-insures its own risks. However, with respect to catastrophic losses appropriate insurance coverage for both the Corporation and its subsidiaries has been arranged with general insurers. Payments received on account of losses in any year are recognised in other income or as an offset against cost incurred, as is appropriate. Insurance premiums are recognised in other expenses as incurred. Where appropriate, the subsidiaries insure their other risks with general insurers. At 30 June 2024, other than bank guarantees, there is no material contingent liability with respect to the Group's self insurance activities (2023: nil).

E5 Other accounting policies

a) Accounting for goods and services taxes

Revenues, expenditures and assets are recognised net of the amount of Goods and Services Tax (GST) except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

b) Inventories

Inventories including raw materials, work in progress and finished goods are valued at the lower of cost and net realisable value. Initial cost of inventories also includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- raw materials on a first-in, first-out basis. The cost of purchase comprises the purchase price including import duties and other taxes (other than those subsequently recoverable by the Group from the taxation authorities), transport, handling and other costs directly attributable to the acquisition of raw materials. Volume discounts and rebates are included in determining the cost of purchase; and
- finished goods and work-in-progress – cost of direct materials and labour and a proportion of variable and fixed overheads based on normal operating capacity but excluding borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. Where this is lower than cost, inventory impairment is recognised.

c) Current/non-current classification

Assets are disclosed as current when they are expected to be converted to cash or receivable within 12 months of 30 June 2024. Liabilities are disclosed as current when they are due within 12 months of 30 June 2024 or when there is no unconditional right to defer settlement of the liability for at least 12 months after 30 June 2024.

d) New and amended Australian Accounting Standards adopted by the Group

The Group has applied the following standards and amendments for the first time for the annual reporting period commencing 1 July 2023:

Reference	Description
AASB 2021-5 Amendments to AASs – Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations. There were no material changes to the Group's financial statements from the application of these amendments.
AASB 2021-2 Amendments to Australian Accounting Standards–Disclosure of Accounting Policies and Definition of Accounting Estimates	AASB 2021-2 amendments provide a definition of and clarifications on accounting estimates and clarify the concept of materiality in the context of disclosure of accounting policies. There were no material changes to the Group's financial statements from the application of these amendments.

e) New and amended Australian Accounting Standards not yet adopted by the Group

The following standards, amendments to standards and interpretations are relevant to current operations but have not been applied by the Group in these financial statements.

Reference	Title	Nature of change to accounting policy	Application date of standard	Application date for Group
AASB 2020-1	*Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*	The AASB issued a narrow-scope amendment to AASB 101 *Presentation of Financial Statements* to clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Management is yet to complete its assessment of the likely impact on the Group's financial statements.	1 January 2024	1 July 2024

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E5 Other accounting policies (continued)

e) New and amended Australian Accounting Standards not yet adopted by the Group (continued)

Reference	Title	Nature of change to accounting policy	Application date of standard	Application date for Group
AASB 2022-5	*Amendments to Australian Accounting standards – Lease Liability in a Sale and Leaseback 2018–2020 and Other Amendments*	The amendments introduce a new accounting model for how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. It confirms the following: • On initial recognition, the seller-lessee includes variable lease payments when it measures a lease liability arising from a sale-and-leaseback transaction. • After initial recognition, the seller-lessee applies the general requirements for subsequent accounting of the lease liability such that it recognises no gain or loss relating to the right of use it retains. Management is yet to complete its assessment of the likely impact on the Group's financial statements.	1 January 2024	1 July 2024
AASB 2014-10	*Amendments to Australian Accounting Standards – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	The amendments to AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in AASB 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. Management is yet to complete its assessment of the likely impact on the Group's financial statements.	1 January 2025	1 July 2025
AASB 18	*Presentation and Disclosure in Financial Statements*	AASB 18 *Presentation and Disclosure in Financial Statements* aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information. The standard will change how companies present their results on the face of the income statement and disclose information in the notes to the financial statements. Certain 'non-GAAP' measures –management performance measures (MPMs) –will now form part of the audited financial statements. There will be three new categories of income and expenses, two defined income statement subtotals and one single note on management-defined performance measures. Management is yet to complete its assessment of the likely impact on the Group's financial statements.	1 January 2027	1 July 2027
AASB 2024-2	*Amendments to the Classification and Measurement of Financial Instruments (Amendments to AASB 7 and AASB 9)*	The amendments clarify requirements relating to settlement of financial liabilities using an electronic payment system and assessment of contractual cash flow characteristics of financial assets with environmental, social and corporate governance (ESG) and similar features. The amendments also require additional disclosures for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income. Management is yet to complete its assessment of the likely impact on the Group's financial statements.	1 January 2026	1 July 2026

Community Service Obligations

for the year ended 30 June 2024

Australia Post's Community Service Obligations (CSOs) are set out in section 27 of the *Australian Postal Corporation Act 1989*, which requires that:

- Australia Post provide a letter service at a single uniform rate for standard letters carried by ordinary post within Australia;
- the letter service Australia Post is obliged to provide be reasonably accessible to all Australians on an equitable basis, in view of the social importance of the letter service;
- ensures that the performance standards (including delivery times) for the letter service reasonably meet the social, industrial and commercial needs of the Australian community.

Prescribed Performance Standards

The *Australian Postal Corporation (Performance Standards) Regulations 2019* (Regulations) prescribe standards required to be met in connection with Australia Post's CSOs, commonly referred to as Prescribed Performance Standards. Performance against the Prescribed Performance Standards is subject to independent audit by the Australian National Audit Office.

The Regulations were amended by *Australian Postal Corporation (Performance Standards) Amendment (2024 Measures No.1) Regulations 2024* effective 13 April 2024 as part of the Government's implementation of certain reforms to support postal services modernisation.

Australia Post's performance under the current and the superseded Prescribed Performance Standards (for the period they each applied during FY24) is summarised below.

Prescribed Performance Standard (PPS)		Performance 12 April 2024 (superseded PPS)	Performance 30 June 2024 (current PPS)
On-time letters delivery	94%	97.50%	99.5%
Letters delivery frequency			
– to delivery points every business day	98%	94.71%	N/A
– to delivery points every second business day	98%	N/A	98.82%
– to delivery points at least two days per week	99.70%	99.98%	99.99%
Delivery timetables	Maintain	Maintained	Maintained
Street posting boxes	10,000	14,428	14,004
Retail outlets			
– in total	4,000	4,241	4,198
– in total in rural and remote areas	2,500	2,491	N/A
– in metropolitan areas, residence to be located within 2.5 kms of an outlet	90%	93.70%	N/A
– in non-metropolitan (ie rural and remote) areas, residences to be located within 7.5 kms of an outlet	85%	89.0%	N/A
– not in major cities (must also be at least 50% of all outlets)	2,500	N/A	2,553
– in major cities, residences to be located within 2.5 kms of an outlet	90%	N/A	92.00%
– not in major cities, residences to be located within 7.5 kms of an outlet	85%	N/A	89.50%

Australia Post exceeded all of the current standards. Except as discussed below, it exceeded all of the superseded standards:

- Letters delivery frequency (to delivery points every business day) – performance decreased slightly (3.36%) below the standard to 94.71%, during a progressive trial of the National Delivery Model (NDM). This trial, undertaken in consultation with the Government, team members and the Communications Workers Union, tested every second business day delivery at various facilities. The trial was necessary to test the design and efficiency of the model and then, once the Government announced the change to the standard, to prepare for an orderly and efficient national rollout. As noted above, Australia Post exceeds the corresponding current standard.
- Retail outlets (rural and remote) – performance (measured against the outdated geographical classifications from 1991) dropped just (0.36%) below the standard (to 2,491). As noted above, Australia Post exceeds the corresponding current standard.

Community Service Obligations

for the year ended 30 June 2024

Organisational arrangements

Australia Post considers the arrangements it has in place to carry out its CSOs are appropriate and adequate. The ongoing focus on monitoring Prescribed Performance Standards satisfaction is coordinated primarily by the office of the Corporate Secretary, with input from deliveries and retail areas.

CSO Costs

There is a financial cost associated with meeting CSOs. Australia Post is required to provide certain domestic and international products to customers at a uniform price but costs can vary considerably, primarily as a result of the higher operational unit costs to service more remote destinations.

The cost of providing the CSO for FY24 is estimated at $447.0 million (FY23: $442.2 million), including $232.8 million not in major cities (FY23: $237.3 million).

Auditor-General's report – performance standards

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Auditor-General for Australia

Australian National Audit Office

INDEPENDENT ASSURANCE REPORT

To the Minister for Communications

Qualified Opinion

The Australian Postal Corporation (Australia Post) is required to meet the performance standards prescribed by the *Australian Postal Corporation (Performance Standards) Regulations 2019*[1] (the Regulations), which are made under section 28C of the *Australian Postal Corporation Act 1989 (the Prescribed Performance Standards)*. I have undertaken a reasonable assurance engagement, pursuant to section 28D of the Australian Postal Corporation Act 1989, on the extent to which Australia Post met the prescribed performance standards that were in force during the year ended 30 June 2024.

In my opinion, except for the matters described in the Bases for Qualified Opinion paragraphs, Australia Post has met the prescribed performance standards in force for the year ended 30 June 2024.

Bases for Qualified Opinion

During the year ended 30 June 2024, Australia Post did not meet the following performance standards prescribed by Regulations 7 and 11 of the Prescribed Performance Standards:

Regulation 7(1)(a) required Australia Post to service at least 98% of all postal delivery points daily (except on a Saturday, a Sunday or a public holiday) for the period 1 July 2023 to 12 April 2024. Following amendment of the Regulations, the requirement under Regulation 7(1)(a) changed to every second day for the period 13 April 2024 to 30 June 2024.

Australia Post did not meet the prescribed performance standard under Regulation 7(1)(a) during the period 1 July 2023 to 12 April 2024.

Regulation 11(2)(b) required Australia Post to maintain no fewer than 2,500 retail outlets in places that are in a rural or remote area (within the meaning of the 'areas classification'[2] at any time) for the period 1 July 2023 to 12 April 2024. Following amendment of the Regulations, the requirement changed to maintaining at least 2,500 retail outlets that are not in major cities.

Australia Post did not meet the prescribed performance standard under the previous Regulation 11(2)(b), as it maintained less than 2,500 retail outlets in places that are in a rural or remote area for the period 31 October 2023 to 12 April 2024.

I have conducted the engagement in accordance with the Australian National Audit Office Auditing Standards, which include the relevant Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

[1] These Regulations were amended by *Australian Postal Corporation (Performance Standards) Amendment (2024 Measures No. 1) Regulations 2024* effective 13 April 2024 as part of the Government's implementation of certain reforms to support postal services modernisation.

[2] Areas classification means the publication titled "Rural, Remote and Metropolitan Areas Classification 1991 Census Edition" prepared by the Department of Primary Industries and Energy and the Department of Human Services and Health in November 1994.

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Auditor-General's report – performance standards

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I believe that the evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Director's responsibilities

The Directors of the Australian Postal Corporation are responsible for the following:

(a) undertaking activities to meet the Prescribed Performance Standards; and

(b) identifying risks that threaten meeting the Prescribed Performance Standards and controls which will mitigate those risks and monitor ongoing compliance.

The Prescribed Performance Standards require Australia Post to:

a) service at least 98% of all postal delivery points daily (disregarding Saturdays, Sundays, and public holidays) (Regulation 7(1)(a)) for the period 1 July 2023 to 12 April 2024. From 13 April 2024 Regulation 7(1)(a) was amended such that Australia Post must service 98% of all delivery points at least every second day (disregarding Saturdays, Sundays, and public holidays) and service 99.7% of all postal delivery points at least two days each week (Regulation 7(1)(b));

b) deliver at least 94% of reserved services letters to the indicated or appropriate address within the delivery time mentioned for the address according to the prescribed timetable for the period 1 July 2023 to 12 April 2024. From 13 April 2024 this regulation was amended such that it did not apply to the delivery of a letter for which an additional fee is paid for priority delivery (Regulation 8);

c) maintain mail lodgement points in Australia for the lodgement of postal articles (other than bulk mail) at each of its retail outlets and maintain at least 10,000 street posting boxes (Regulation 10); and

d) maintain at least 4,000 retail outlets at which products and services can be purchased (Regulation 11(1)); locate at least 50% of the retail outlets in areas classified as rural or remote, and in any event no fewer than 2,500 retail outlets in rural or remote areas (Regulation 11(2)); locate a retail outlet in a metropolitan area such that at least 90% of residences are located within 2.5 kilometres of a retail outlet; and locate a retail outlet in non-metropolitan area such that at least 85% of residences are located within 7.5 kilometres of a retail outlet (Regulation 11(3)). From 13 April 2024 Regulation 11(2) was amended such that Australia Post must have at least 2,500 retail outlets that are not in major cities, and such outlets must be at least 50% of all the retail outlets.

Independence and quality management

I have complied with the independence and other relevant ethical requirements relating to assurance engagements and apply Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements* in undertaking this assurance engagement.

Assurance Practitioner's Responsibilities

My responsibility is to express an opinion on compliance with the Prescribed Performance Standards by the Australian Postal Corporation for the year ended 30 June 2024. ASAE 3100 *Compliance Engagements* requires that I plan and perform my procedures to obtain reasonable assurance about whether the Australian Postal Corporation has complied, in all material respects, with the Prescribed Performance Standards for the year ended 30 June 2024.

An assurance engagement to report on the Australian Postal Corporation's compliance with the Prescribed Performance Standards involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the Prescribed Performance Standards. My procedures included obtaining an understanding of the compliance measures and examining, on a test basis, evidence supporting the operation of these compliance measures. These procedures have been undertaken to form a conclusion whether, in all material aspects, the Australian Postal Corporation has complied with the Prescribed Performance Standards during the year ended 30 June 2024.

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Auditor-General's report – performance standards

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Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement for the year ended 30 June 2024 does not provide assurance on whether compliance with the Prescribed Performance Standards will continue in the future.

Australian National Audit Office



Ms Rona Mellor PSM

Acting Auditor-General

Canberra

18 September 2024

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Domestic letter service monitor (Kantar)

KANTAR

14 Hill Street
Cremorne, VIC 3121

T +61 (3)8862 5900

July 24, 2024

To The Board of the Australian Postal Corporation

Re: Yearly Basic Monitor Result Certification

We have undertaken an independent monitor of Australia Post's domestic letter service (Priority and Regular) against its delivery undertakings for the year ended June 2024 in accordance with the requirements of the Australian Postal Corporation Act 1989.

Our monitor was based on a properly prepared, statistically valid sample of approximately 201,221 test letters. The sample size was determined based on information Australia Post supplied about the postal network design parameters.

Our testing involves comparing the delivery time taken for each test letter with Australia Post's delivery undertaking for the mail path concerned.

Test letters represented the full range of letter sizes and types recognised as ordinary mail, posted in locations having a daily clearance to locations having a daily delivery, from small to large letters. They were addressed by hand and machine fonts, reflecting the varied mailing practices of postal users.

All addressing was in accordance with Australia Post's specifications for the proper preparation of letter mail. The letters, as specified under the terms of our contract, were indistinguishable from other mail flowing through the Australia Post network.

Changes to the Australian Postal Corporation (Performance Standards) Regulation 2019

Effective from 13 April 2024, changes were made to the prescribed performance standard stipulated in the Australian Postal Corporation (Performance Standards) Regulation 2019. As part of the regulatory change, the delivery timetable in the prescribed performance standard for the Regular letter service was extended by an additional day and the Priority letter service no longer forms part of the regulation.

For the year ending 2024, the service performance results reported by Kantar incorporate these changes. From 13 April 2024, on-time performance result for the Regular letter service includes the additional delivery day and the Priority letter service performance result is excluded from the overall combined result.

Domestic letter service monitor (Kantar)

KANTAR

Results

For the year ended June 2024, the monitor showed that Australia Post delivered 97.9 per cent of all letters early or on time, and 99.4 per cent of letters were delivered on time or not more than one working day after your delivery undertakings.

The service performance result prior and post change of the prescribed performance standard is outlined in the table below.

Prescribed Performance Standards (PPS)	Standard	Performance – 12 April 2024 (superseded PPS)	Performance – 30 June 2024 (current PPS)
On-time letters delivery	94%	97.50%	99.50%

Opinion

In our opinion, at a 95 per cent confidence level and with a maximum weighted actual precision limit of 0.1 per cent, these results present fairly the performance of Australia Post's domestic letter service for the year ended June 2024 against the scope provided.

Yours faithfully,

Jon Foged
Managing Director
Kantar Australia & New Zealand
Insights Division

Margaret Persico
Senior Director
Kantar Australia
Insights Division

Letter/non-letters services

(including reserved services)

2024	Letters[1] $m	Letters[1] %	Non-Letters $m	Non-Letters %	Total $m	Total %
Revenue	1,706.1	18.7%	7,423.0	81.3%	9,129.1	100.0%
Expenditure	2,067.9	22.6%	7,094.3	77.4%	9,162.2	100.0%
Profit/(loss) before income tax, finance costs and share of net profits of equity-accounted investees	**(361.8)**	**1,093.1%**	**328.7**	**(993.1%)**	**(33.1)**	**100.0%**
Finance costs					(55.5)	
Share of net profits of equity-accounted investees					0.1	
Profit/(loss) before income tax					**(88.5)**	
Income tax (expense)/benefit					20.4	
Net profit/(loss) for the year					**(68.1)**	

2023	Letters $m	Letters %	Non-Letters $m	Non-Letters %	Total $m	Total %
Revenue	1,710.4	19.1%	7,254.8	80.9%	8,965.2	100.0%
Expenditure	2,094.5	23.0%	7,026.1	77.0%	9,120.6	100.0%
Profit/(loss) before income tax, finance costs and share of net profits of equity-accounted investees	**(384.1)**	**247.2%**	**228.7**	**(147.2%)**	**(155.4)**	**100.0%**
Finance costs					(46.8)	
Share of net profits of equity-accounted investees					1.9	
Profit/(loss) before income tax					**(200.3)**	
Income tax (expense)/benefit					65.7	
Net profit/(loss) for the year					**(134.6)**	

1 Letters includes reserved letters (Revenue $1.4 billion (2023: $1.5 billion) and loss before income tax expense and share of net profits of equity-accounted investees of $202.1 million (2023: loss before income tax expense and share of net profits of equity-accounted investees of $213.8 million)), non-reserved letters (including unaddressed mail), international letters and small packets (i.e. regulated packets less than 2kg).

Independent Limited Assurance Statement

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Building a better working world

Independent Limited Assurance Statement to the Directors and Management of the Australian Postal Corporation

Our conclusion

Ernst & Young ('EY', 'we') were engaged by the Australian Postal Corporation ('Australia Post') to undertake 'limited assurance' as defined by Australian Auditing Standards, hereafter referred to as a 'review', over selected non-financial matters and associated performance disclosures included in its 2024 Annual Report and associated Sustainability Data Book for the year ended 30 June 2024.
Based on our review, nothing has come to our attention that causes us to believe that the selected non-financial matters and associated performance disclosures have not been prepared, in all material respects, in accordance with the Criteria defined below.

Subject Matter and Criteria

We reviewed the following Subject Matter: Australia Post's reported performance of its material non-financial issues, risks and opportunities as included in Australia Post's 2024 Annual Report ('the Report') and Sustainability Data Book ('Data Book') for the year ended 30 June 2024. We reviewed a selection of material performance metrics, as shown in the table below:

Chapter	Material topic	Non-financial matters and associated performance disclosures*	Annual Report page(s)
Safety and wellbeing	Team Member Safety, Health and Wellbeing	▶ Total Recordable Injury Frequency Rate ('TRIFR')	27-28
Our communities	Community Investment Program	▶ Total fundraising for Australia Post's community partners ($) ▶ Total workplace giving ($) ▶ Total community and People of Post grants ($)	58-59
Decarbonisation	Carbon Emissions and Energy	▶ Energy consumed (GJ) ▶ Renewable energy produced (GJ) ▶ Location-based total Scope 1, 2, 3 Greenhouse Gas (GHG) emissions (tCO_2-e) (Annualised Scope 1, 2 and 3) ▶ Market-based Scope 2 GHG emissions (tCO_2-e) (Annualised Scope 2 ▶ Sourced renewable electricity	3, 68
Waste management and packaging	Waste and Recycling	▶ Waste to landfill (tonnes) ▶ Waste recycled – operational (tonnes) ▶ Recycling rate	3, 65, 70-72

*Non-financial matters and associated performance disclosures have been reviewed in conjunction with relevant subject matter within the Data Book

Criteria applied by Australia Post

In preparing the Subject Matter, Australia Post has applied the following Criteria:

- In preparing the TRIFR disclosure, Australia Post applied its own criteria, as detailed in the Report and Data Book.
- In preparing the community investment program disclosures, Australia Post applied its own criteria as detailed in the Report and Data Book.
- In preparing the location-based Scope 1 and 2 GHG emissions disclosures, Australia Post applied criteria informed by the National Greenhouse and Energy Reporting Act 2007 as amended, National Greenhouse and Energy Reporting Regulations 2008 as amended, National Greenhouse and Energy Reporting (Measurement) Determination as amended, the Commonwealth Climate Disclosure Pilot Guidance, and the APS Net Zero Emissions Reporting Framework within Department of Finance's Net Zero in Government Operations Strategy.
- In preparing the location-based Scope 3 GHG emissions disclosures, Australia Post applied its own approach, as detailed in the Report and Data Book, and informed by the Greenhouse Gas Protocol Corporate Standard (Revised), the Commonwealth Climate Disclosure Pilot Guidance, and the APS Net Zero Emissions Reporting Framework within Department of Finance's Net Zero in Government Operations Strategy.
- In preparing the market-based Scope 2 GHG emissions disclosures, Australia Post applied criteria informed by the Corporate Emissions Reduction Transparency Report Guidelines FY2022-23 and CY2023.
- In preparing the waste and recycling disclosures, Australia Post applied its own approach, as detailed in the Report and Data Book.

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Independent Limited Assurance Statement

Building a better working world

Key responsibilities

EY's responsibility and independence

Our responsibility was to express a limited assurance conclusion on the Subject Matter based on our review.

We have complied with the independence and relevant ethical requirements, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Auditing Standard ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Australia Post's responsibility

Australia Post's management was responsible for selecting the Criteria, and for presenting the Subject Matter in accordance with that Criteria, in all material respects. This responsibility includes establishing and maintaining internal controls, adequate records and making estimates relevant to the preparation of the Subject Matter, such that it is free from material misstatement, whether due to fraud or error.

Our approach to conducting the review

We conducted this review in accordance with the Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information (ASAE 3000 Revised), Assurance Engagements on Greenhouse Gas Statements (ASAE 3410) and the terms of reference for this engagement with Australia Post, as agreed on 20 June 2024. Those standards require that we plan and perform our engagement to express a conclusion on whether anything has come to our attention that causes us to believe that the Subject Matter is not prepared, in all material respects, in accordance with the Criteria, and to issue a report.

Summary of review procedures performed

A review consists of making enquiries, primarily of persons responsible for preparing the Subject Matter and related information and applying analytical and other review procedures.

The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material misstatement, whether due to fraud or error. The procedures we performed included, but were not limited to:

- Conducted interviews to understand the business and process for collecting, collating, and reporting the Subject Matter during the reporting period.
- Undertook analytical procedures to support the reasonableness of the data.
- Assessed that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the Criteria.
- Conducted detailed testing of underlying source information on a sample basis to check completeness and accuracy of data.
- Identified and tested key assumptions supporting calculations.
- Performed recalculations of performance disclosures to check the mathematical accuracy of quantities.
- Checked the aggregation of selected data and transcription to the Report and the appropriateness of the presentation of the Subject Matter.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our review conclusion.

Inherent limitations

Procedures performed in a review engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a review engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

While we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to assessing aggregation or calculation of data within IT systems.

The GHG quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation and measurement uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Other matters

Our assurance report does not extend to any disclosures or assertions made by Australia Post relating to future performance plans and/or strategies disclosed in the Report.

Use of our assurance report

We disclaim any assumption of responsibility for any reliance on this assurance report to any persons other than management and the Directors of Australia Post, or for any purpose other than that for which it was prepared.

Our review included web-based information that was available via web links as of the date of this statement. We provide no assurance over changes to the content of this web-based information after the date of this assurance statement.

Ernst & Young

Ernst & Young
3 September 2024
Melbourne, Australia

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Statutory reporting requirements index

for the year ended 30 June 2024

This Report is compliant with the reporting requirements of, and contains information required to be included by, the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the *Australian Postal Corporation Act 1989* (APC Act), and other applicable legislation. To assist readers to locate information in this Annual Report that is required to be included by legislation, the following index identifies where relevant information can be found.

Section	Subject	Pages
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s43(1)(e)	Directions by the Minister under s40(1) of the APC Act (CSOs)	174
s43(1)(f)	Assessment of appropriateness and adequacy of strategies and policies for CSOs	161
s43(1)(fa)	Performance standards relating to CSOs	161
s43(1)(g)(i)	Notifications by the Minister under s22 of the PGPA Act	174
s43(1)(g)(ii)	Directions by the Minister under s49 of the APC Act	174
s43(1)(h)(i)	Impact of Ministerial notifications under s22 of the PGPA Act and directions under s49 of the APC Act	n/a
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s43(1)(j)	Ministerial power under s33(3) of the APC Act to disapprove postage determinations	n/a
s43(1)(k)	Companies and other associations established or sold	n/a
s43(1)(m)(i)&(ii)	Shares and other interests purchased and disposed of	n/a
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s44(1)(d)	Dividend paid or payable to the Commonwealth	15, 107, 117
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s44(1)(g)(iii)	Cost impact of Ministerial directions under s49 of the APC Act	n/a
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s44(1)(h)(i)&(ii)	Financial information requested by the Minister in relation to the reserved services and other activities	n/a
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s516A(6)(a)&(b)	Report on the compliance with and contribution to the principles of ecologically sustainable development	6–7, 18–20, 64–73
s516A(6)(c)	Effect of activities on environment	6–7, 18–20, 64–73
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Statutory reporting requirements index

for the year ended 30 June 2024

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s9(2)(c)	Ministerial Directions under s12 (Performance) of the EEO(CA) Act	174
Public Governance, Performance and Accountability Act 2013		
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Public Governance, Performance and Accountability Rule 2014		
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s17BE(b)(ii)	Purposes of the entity as included in the entity's corporate plan	106
s17BE(c)	Names and titles of responsible Ministers	174
s17BE(d)	Any directions given to the entity by a Minister under an Act or instrument	174
s17BE(e)	Any government policy orders that applied under s22 of the PGPA Act	174
s17BE(f)	Particulars of non-compliance with a direction or order referred to in paragraph (d) or (e)	n/a
s17BE(g)	Annual Performance Statement	106–108
s17BE(h)	Non compliance with the finance law reported under s19(1)(e) of the PGPA Act	n/a
s17BE(i)	An outline of actions taken to remedy any non compliance under s17BE(h)	n/a
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s17BE(ka)	Employee statistics for the current and previous reporting period for: (i) full-time employees; (ii) part-time employees; (iii) gender; and (iv) location.	34–35
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s17BE(o)	Details of related Commonwealth entity transactions	n/a
s17BE(p)	Significant activities and changes affecting the operation or structure of the entity	n/a
s17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on operations	n/a

Statutory reporting requirements index

for the year ended 30 June 2024

Section	Subject	Pages
s17BE(r)	Reports made by the Auditor-General, a House of Parliament, the Commonwealth Ombudsman or the Office of the Australian Information Commissioner	177
s17BE(s)	Information not obtained from subsidiaries	n/a
s17BE(t)	Indemnity for officers	174
s17BE(taa)	Information about the audit committee (direct electronic address of the charter; member names, qualifications, knowledge, skills or experience of each member; meeting attendance; remuneration of each member)	82–83, 86–87, 99, 101
s17BE(ta)	Information about executive remuneration	88-103
s17BE(u)	List of 'Schedule 2A' annual report requirements	171–173
s17BF(1)(a)(i)	Significant changes in financial structure and financial condition	n/a
s17BF(1)(a)(ii)	Events or risks that may affect future operations or financial condition	78–81
s17BF(1)(b)	Dividends paid or recommended	15, 107, 117, 126, 161,
s17BF(1)(c)	CSOs, including actions taken and an assessment of the cost	15, 106, 161
s17BF(2)	Commercially sensitive exclusion statement	n/a
s17CE(4)	Particulars of any executive remuneration information exemptions/requirements	n/a
Work Health and Safety Act 2011		
Sch.2, s4(2)(a)	Health, safety and welfare initiatives	6–7, 24–29
Sch.2, s4(2)(b)	Health and Safety outcomes	6–7, 24–29
Sch.2, s4(2)(c)	Statistics of any notifiable events	175
Sch.2, s4(2)(d)&(e)	Details of investigations and other matters as prescribed	175
Superannuation Benefits (Supervisory Mechanisms) Act 1990		
s6(1)(b)	Report on operation of superannuation arrangements	175
Commonwealth Competitive Neutrality Policy Statement 1996		178

Statutory reporting requirements

for the year ended 30 June 2024

Introduction

Australia Post is subject to various statutory reporting requirements, including under the *Australian Postal Corporation Act 1989*, the *Public Governance, Performance and Accountability Act 2013*, the *Public Governance, Performance and Accountability Rule 2014*, the *Work Health and Safety Act 2011*, the *Superannuation Benefits (Supervisory Mechanisms) Act 1990*, the *Environment Protection and Biodiversity Conservation Act 1999* and the *Equal Opportunity (Commonwealth Authorities) Act 1987.*

The index on pages 159 to 161 shows where information relating to statutory reporting requirements can be found in this annual report. A number of items are dealt with in the main body of the report. Others are covered below.

Legislation

The functions and powers of Australia Post are set out in sections 14-19 of the *Australian Postal Corporation Act 1989* (APC Act).

Shareholder Ministers

The Minister for Communications, the Hon Michelle Rowland MP, has portfolio responsibility for Australia Post. Under a dual shareholder model, overall responsibility for Australia Post is exercised jointly by the Hon Michelle Rowland MP and the Minister for Finance, Senator the Hon Katy Gallagher.

Ministerial direction & Government policy orders

Section 40(1) of the APC Act empowers the Minister to, after consultation with the Board, direct the Board to vary either or both of: the statement included in the corporate plan of the strategies and policies that Australia Post is to follow to carry out its community service obligations; and the financial target included in the plan. No directions have been issued under this provision.

Section 49 of the APC Act empowers the Minister to, after consultation with the Board, give the board written directions in relation to the performance of Australia Post's functions as appear to be necessary in the public interest. No directions have been issued under this provision.

Section 54(3) of the of the APC Act empowers the Minister to give the board written directions in relation the payment of a dividend recommended by Australia Post. No directions have been issued under this provision.

Section 22 of the *Public Governance, Performance and Accountability Act 2013* empowers the Finance Minister (i.e. the Minister for Finance) to make an order specifying a policy of the Australian Government that is to apply in relation to one or more corporate Commonwealth entities (which may include Australia Post). No orders with application to Australia Post have been issued under this provision.

In February 2004, the Minister of Communications, Information Technology and the Arts provided formal notification under section 28 of the *Commonwealth Authorities and Companies Act 1997* that the Government's National Code for the Construction Industry and associated implementation guidelines were to apply to all construction-related activity undertaken by and on behalf of Australia Post. The notification has had no major impact on the corporation as Australia Post has, since its introduction in 1997, made compliance with the code and guidelines a condition of all of its construction related tenders.

Section 12(1) of the *Equal Employment Opportunity (Commonwealth Authorities) Act 1987* empowers the Minister to give the Board written directions about Australia Post's performance if its obligations under that Act, and section 12(2) of that Act empowers the Minister to give the Board written directions to revise Australia Post's corporate plan to give effect its obligations under this Act. No directions have been issued under either of these provisions.

Indemnities and insurance premiums for directors and officers

Australia Post has in place directors' and officers' liability insurance arrangements, which provide cover in respect of any person who is or was a director or officer of Australia Post, when acting in these capacities. Directors of Australia Post are also indemnified by Australia Post, to the extent permitted by law, against liability incurred in their capacity as a director. Confidentiality commitments relevant to these arrangements limit more detailed disclosure.

Statutory reporting requirements

for the year ended 30 June 2024

Impact of other obligations

Border clearance and security activities

Australia Post assists other Government agencies in ensuring the integrity of Australian border security by participating in border clearance and security activities in relation to the postal system. The cost of Australia Post's participation in border clearance and security activities in FY24 is estimated to be $30.3 million.

Postal Industry Ombudsman

Australia Post and StarTrack are members of the Postal Industry Ombudsman Scheme. The Postal Industry Ombudsman has estimated the costs of investigating complaints relating to Australia Post (including StarTrack) during FY24 to be in the range of $1.65 - 1.75 million.

ACCC record keeping rules

The cost of compliance with the ACCC's record keeping rules in FY24 is estimated to be $220,000.

Maintaining heritage properties

The cost of repairing and maintaining heritage listed properties in FY24 was approximately $2.5 million.

Medical/Educational Remote Area Parcel service

The Medical/Educational Remote Area Parcel service provides for the delivery of medical or education supplies to or from approximately 300 eligible postcodes across Australia at a reduced rate.

In FY24, revenue foregone in relation to the service is estimated to be $40,371.

Superannuation

All Australia Post employees are provided superannuation benefits of at least, and in many cases above, the minimum required by law. Until 2012, Australia Post offered membership of the Australia Post Superannuation Scheme (APSS) to new employees, which pays a lump sum defined benefit. The APSS was closed to new employees engaged under a management contract of employment from 1 January 2012 and to all other employees from 1 July 2012. Since 30 April 2022, the APSS has operated as a sub plan within Australian Retirement Trust (ART). New Australia Post employees are able to join AustralianSuper, Australia Post's default defined contribution superannuation fund. They may also nominate any complying, self-managed or stapled superannuation fund of their own choice.

Work Health and Safety report

Our Work Health and Safety report is contained on pages 26–29 of this report with the following additional statutory information. 141 incidents were notified to Comcare under section 38 of the *Work Health & Safety Act 2011* (WHS Act). The outcomes of the notifiable incidents and investigations conducted during the year include:

- no seizures made under section 175 or 176 of the WHS Act;
- two improvement notices were issued under section 191 of the WHS Act;
- no prohibition notices issued under section 195 of the WHS Act;
- no non-disturbance notice was issued under section 198 of the WHS Act;
- no remedial action was taken under section 211 or 212 of the WHS Act;
- no written undertakings were accepted by Comcare under section 216 of the WHS Act;
- no applications for internal review were made under section 224 of the WHS Act;
- no applications for external review were made under section 229 of the WHS Act;
- no infringement notices were given under section 243 of the WHS Act; and
- no prosecution was instituted under the WHS Act.

71 people completed the Health and Safety Representative (HSR) five-day initial training course and 23 people completed the one-day refresher HSR training course during the financial year.

Statutory reporting requirements

for the year ended 30 June 2024

Freedom of information report

In FY24 Australia Post received 168 applications and one transfer from another agency under the *Freedom of Information Act 1982* (FOI Act).

Including the nine applications on hand on 30 June 2023, and with eight applications outstanding on 30 June 2024, a total of 170 applications were resolved in the financial year.

These were handled as follows:

Access granted in full	26
Access granted in part	12
Access refused	108
Requests withdrawn	24
Total Resolved	170

There were eight applications for internal review received during the year.

Categories of documents

The categories of documents maintained by Australia Post include those relating to:

- commercial activities;
- corporate organisation and administration;
- Australia Post's financial management;
- management of assets;
- internal administration including policy development and program administration, reports, briefings, correspondence, minutes, submissions, statistics and other documents;
- Board submissions relating to the business of Australia Post;
- reference material used by team members including guidelines and manuals;
- legal advice; and
- operational documents.

Access to documents

Access to documents under the FOI Act can be obtained by making a written request to foi@auspost.com.au or by mail to:

Australia Post Group
Freedom of Information Officer
GPO Box 1777
Melbourne VIC 3001

Privacy and access to personal information

Australia Post will, upon request, and subject to applicable privacy laws, provide an individual with access to their personal information held by us.

Individuals may apply for access to their personal information held by Australia Post by calling us at our Customer Contact Centre on 13 POST (13 76 78) between 9.00am and 5.00pm EST Monday to Friday writing to us at:

Australia Post Group
Privacy Contact Officer
GPO Box 1777
Melbourne VIC 3001

Our Privacy Statement, available on www.auspost.com.au/privacy includes more information on how Australia Post handles personal information.

Statutory reporting requirements

for the year ended 30 June 2024

Fraud control

Australia Post does not tolerate fraud and is committed to the highest level of integrity. Our purpose is to reduce fraudulent activity by developing a sustainable anti-fraud culture, building resilience in our systems, processes, and behaviours through improved insights, whilst delivering better outcomes for the Group and our customers.

Fraud governance, prevention, detection, and response for Australia Post is governed by our Group Fraud Policy (Policy), which is a fundamental component of the Group's Fraud Management Control System and other related policies. Roles and responsibilities for the Board, management and team members are articulated in the Policy, which was last updated in June 2022. The PGPA Act provides the principles of fraud risk management and outlines our responsibility to mitigate, detect and respond to fraudulent activity. We have identified the key provisions as they relate to fraud management and have aligned our Group Fraud and Corruption Framework (Framework) as appropriate.

The Framework aligns with the Group's Risk Management Policy and other related policies, and adopts a methodology consistent with the Australian Standard for Fraud and Corruption Control (AS 8001:2021). Application of the Framework is facilitated by the Chief Risk Officer. The Framework is reviewed at least every two years, but a review can be triggered at any time by changes in the Australian Standard or by other legislative and operational requirements.

Examination of mail

International mail

Australia Post is authorised under the APC Act to open mail, as required by the Australian Border Force (ABF), in the following circumstances:

- when it is suspected that articles may contain prohibited substances; or
- to determine that appropriate duties/taxes are met.

ABF personnel have also been authorised under section 90T of the APC Act to remove and open articles which ABF reasonably believes may contain drugs or other chemical compounds being carried in contravention of a law of the Commonwealth. The ABF has also been authorised under section 90FB (3) of the APC Act to act as an authorised examiner for the purpose of examining mail without opening (i.e. by X-ray or with drug detection dogs).

Australia Post is authorised under the Aviation Transport Security Act 2004 (ATS Act) to examine items using X-ray and open items unable to be cleared by X-ray.

Domestic mail

Biosecurity Inspection and Quarantine officers from a prescribed state or territory are authorised under section 90U of the APC Act to request Australia Post to open, for inspection, any article for delivery in that prescribed state or territory; where the inspection officer has reasonable grounds to believe the item consists of, or contains, quarantine material.

Section 90UA authorises Australia Post to remove articles from the mail stream where it is suspected that the article consists of, or contains, scam mail. Suspected scam mail may also be withdrawn from the mail upon receipt of a written request from a consumer protection agency.

In accordance with Section 90FB, Australia Post has appointed authorised examiners at designated locations where mail can be opened for inspection.

Authorised Australia Post team members may open articles in the following circumstances:

- undeliverable articles at approved locations for the purpose of identifying intended recipient or return addresses; or
- to repair an article or its contents so that the article can be made safe for carriage by post.

Australia Post is authorised under the ATS Act to examine items using X-ray and open items unable to be cleared by X-ray.

Reports by outside bodies

No reports were delivered by outside bodies on Australia Post for the period FY24.

Statutory reporting requirements

for the year ended 30 June 2024

Disclosure of information

The Corporation is authorised to disclose information to agencies which have the legislative power to obtain such information. This includes instances relating to enforcement of the criminal law, the protection of the public revenue, the reduction of threats to life and notification of next of kin.

As required under sections 43(1)(o)(i) and (ii) of the APC Act, Tables 1 and 2 detail the number of times that such information was disclosed during the year and the authorities or bodies to which it was disclosed.

Table 1. Disclosure of information/documents (Section 90J "Authority")[1]

Authority for disclosure	Number of disclosures	Disclosures made to
Disclosure under warrants (s. 90J(3))	1	Police (New South Wales)
Disclosure under a law of the Commonwealth s. 90J(5)	4,453	Australian Border Force Australian Financial Security Authority Australian Taxation Office Department of Health Australian Federal Police Therapeutic Goods Administration
Disclosures under certain laws establishing commissions (s. 90J(6))	43	Australian Criminal Intelligence Commission Crime and Corruption Commission Australian Securities & Investments Commission Crime Commission (NSW)

Table 2. Disclosure of information/documents (Section 90K "Authority")[2]

Authority for disclosure	Number of disclosures	Disclosures made to
Disclosure for the enforcement of laws or protection of public revenue (s. 90K(5))	1,964	Department of Fair Trading (NSW) Office of Fair Trading (QLD) State Revenue (NSW) State Revenue (VIC) Police (New South Wales) Police (Northern Territory) Police (Queensland) Police (Tasmania) Police (Victoria) Police (Western Australia) Police (South Australia)

Competitive Neutrality

Australia Post and its subsidiaries operate subject to the Australian Government's Competitive Neutrality Policy. This policy aims to promote efficient competition between public and private businesses. Australia Post takes seriously its obligation to comply with competitive neutrality principles and carefully considers, and obtains necessary advice, as competitive neutrality issues arise.

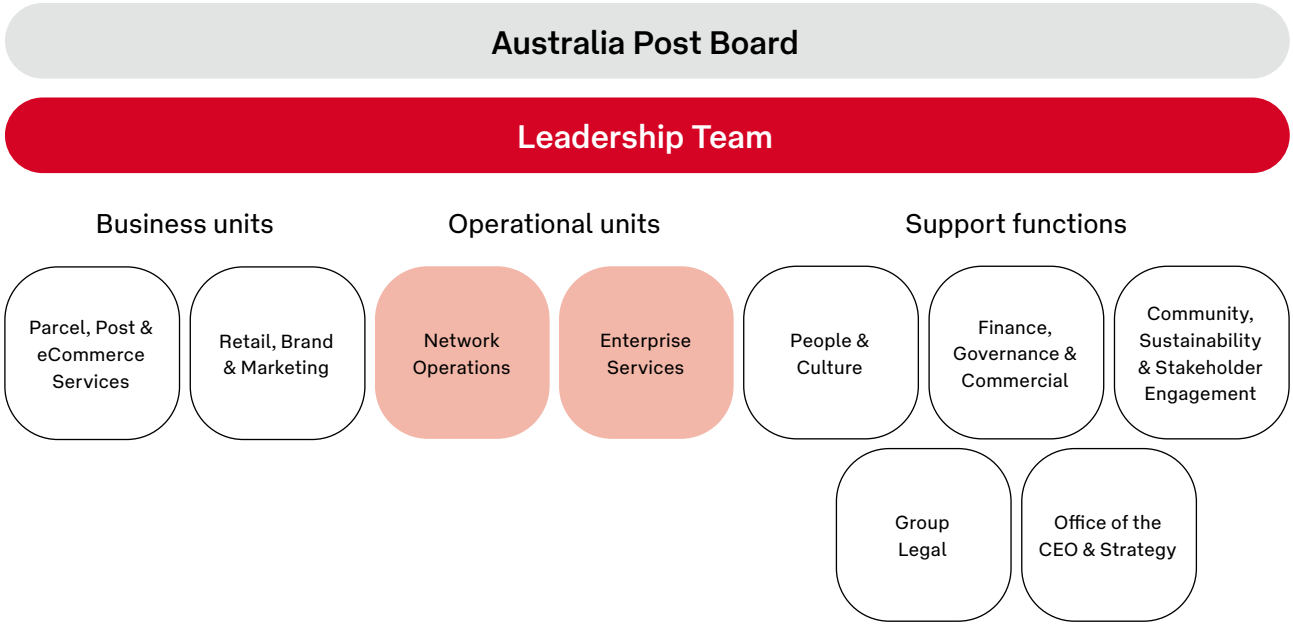
No changes have been made to Australia Post's competitive neutrality arrangements during the reporting period. Australia Post is currently subject to a competitive neutrality complaint, which is under investigation by the Australian Government Competitive Neutrality Complaints Office. Details regarding that complaint, and the status of the investigation, are available on the website of the Australian Government Productivity Commission.

1 Notes: Commonwealth agencies unless otherwise stated.
2 Notes: Commonwealth agencies unless otherwise stated.

Statutory reporting requirements

for the year ended 30 June 2024

Our organisational structure



Commitments to external initiatives

We are an active supporter of leading national and international sustainability initiatives, including:

- Australian Human Rights Commission IncludeAbility Employer Network (member since 2021)
- Australia Network on Disability (member since 2012)
- Australian Packaging Covenant (a signatory since 2011)
- Australian Red Cross Collective (member since 2021)
- Business for Societal Impact (formerly known as the London Benchmarking Group) (member since 2009)
- CDP (formerly known as the Carbon Disclosure Project) (since 2015)
- Disability Confident Recruiter with the Australian Network on Disability (since 2021)
- Equal Employment Opportunity Network (EEON) (member since 2016)
- Global Reporting Initiative (adopted since 2010)
- Healthy Heads in Trucks and Sheds (Board Chair and inaugural member since 2019)
- International Post Corporation (member)
- International Integrated Reporting <IR> Framework (adopted since 2016)
- National Association of Women in Operations (NAWO) (since 2010)
- Reconciliation Australia – Reconciliation Action Plan program (member since 2011)
- Pride in Diversity (member since 2021)
- Safety and Rehabilitation and Compensation Licensees Association (SRCLA) (Executive committee representation and member since 2009)
- Social Traders Connect (member since 2015)
- Supply Nation (member since 2010)
- United Nations Global Compact (signatory since 2010)
- UN Sustainable Development Goals and the Global Compact Network Australia's CEO Statement of Support (signatory since 2016)

Corporate directory

Major locations

Australia Post Support Offices

Melbourne 480 Swan St Richmond VIC 3121
Adelaide 26 Franklin St Adelaide SA 5000
Brisbane 259 Queen Street, Brisbane QLD 4000
Sydney 219 – 241 Cleveland St, Strawberry Hills NSW 2012

Post Offices

Australia Post has General Post Offices in each capital city. Locations of Post Offices, street posting boxes, parcel lockers and parcel collect can be found at https://auspost.com.au/locate/

GPO Adelaide 2/10 Franklin Street, Adelaide SA 5000
GPO Brisbane 261 Queen Street, Brisbane QLD 4000
GPO Canberra 53 Alinga Street, Canberra ACT 2601
GPO Darwin 48 Cavenagh Street, Darwin NT 0800
GPO Hobart 9 Elizabeth Street, Hobart TAS 7000
GPO Perth Forrest Place, Perth WA 6000
GPO Melbourne 440 Collins Street, Melbourne, VIC, 3000
GPO Sydney 1/1 Martin Place, Sydney NSW 2000

Major Facilities

Adelaide Parcel Facility
Bayswater PDC
Botany PDC
Boorna Wangkiny Mia (Perth Parcel Facility)
Brisbane Parcel Facility
Chullora PDC
Dandenong Letters Centre
Kemps Creek Parcel Facility
Melbourne Gateway Facility
Melbourne North PDC
Melbourne Parcel Facility
Sunshine West PDC
Sydney Gateway Facility
Sydney Parcel Facility
Sydney West Letters Facility
Tullamarine Parcel Facility

Feedback and copies of the report

The 2024 Annual Report and supporting documentation can be found online at auspost.com.au

To order a printed copy of the Report email annual.report@auspost.com.au or phone 13 POST (13 76 78).

We'd like to hear your feedback so we can continue to improve our business, including how we report on our performance.

To provide feedback, visit our website or email annual.report@auspost.com.au

Contact details

Phone: Customer Contact Centre on 13 POST (13 76 78) between 9.00am and 5.00pm EST Monday to Friday
Website: auspost.com.au/contactus
X: @auspost

Mail:
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Melbourne VIC 3011

Australia Post