Ahmed Fahour resigns as Managing Director & Group CEO

22-02-2017

Australia Post today announced that Ahmed Fahour has resigned as Managing Director & Group CEO and will step down from the role in July 2017.

Fahour to step down

Australia Post today announced that Ahmed Fahour has resigned as Managing Director & Group CEO and will step down from the role in July 2017. Mr Fahour tendered his resignation at yesterday's Board meeting, having served as MD and CEO of Australia Post since February 2010. Mr John Stanhope, Chairman of the Australia Post Board, said that Mr Fahour's legacy as CEO will be felt for many years to come.

"By any measure, Ahmed has done an astounding job in transforming the business," said Mr Stanhope. "When he started, he was set the challenge to 'write the next chapter in the history of Australia Post' – and he certainly rose to that challenge."

"Now, with the business entering the next phase of its transformation, Ahmed's decision to resign provides opportunity for a new leader to continue the development of Australia Post into a leading international eCommerce player.

"Ahmed was appointed at a time when Post was still highly dependent on revenue from the letters service, but the community's use of letters had already peaked and was in the early stages of decline.

"He led the team that developed an entirely new strategy focused on investing in the parcels and eCommerce business.

"It was the right strategy. It has put Australia Post on a pathway to a sustainable future and avoiding a taxpayer bailout.

Investments

Under the guidance of Mr Fahour, Australia Post invested in its Parcels & eCommerce business. The investment included:

- Acquiring the remaining half of StarTrack from its JV-partner Qantas;
- Doubling the capacity of its Melbourne and Sydney parcels centres;
- Installing 24/7 Parcel Lockers at 264 sites, and partnering with Woolworths to install a further 500 sites, to make parcel collection more convenient for Australians;
- Building the innovative MyPost platform to enable Australians to register their delivery preferences online.
- Investing in and forming an international eCommerce alliance with Aramex.

As a result of these investments, Australia Post's revenue and profits from the Parcels business has more than doubled during Mr Fahour's tenure. Mr Fahour's other achievements included the successful reform of the letters service. Since peaking in 2008, the amount of letters delivered, per letterbox in Australia, has halved. In response to growing losses, Mr Fahour developed and implemented a letters reform package that included introducing a new two-speed service. The package allowed Australia Post to invest in its Post Office network, including supporting its many licensees, as well as

maintaining daily delivery and a discount 60c postage stamp for concession holders.

"Without those reforms, the losses from the letters service would have overwhelmed the business – and, ultimately, it would have crippled our ability to maintain services in communities across Australia," said Mr Stanhope.

"By remaining a self-funded business, the taxpayer avoided a potential $6.7 billion bailout over the next decade. Instead, Australia Post has received no taxpayer money but delivered to government over $4 billon in dividends, taxes and CSO funding in the past seven years.

"As well, we have been able to support our people through dramatic change. Almost 10,000 staff have now been retrained and redeployed into new roles through our Post People First Program."

Australia Post today also announced a $197 million half year profit before tax which follows the organisation returning to profit in 2016. This result included the Postal business breaking even and the Parcels business increasing market share and lifting profits by 16%. Mr Stanhope said the Board would begin the search for a new CEO immediately. The Board will consider both internal and external candidates – and are expecting to announce Mr Fahour's successor in the coming months.

Source: Australia Post