



Australia Post chief Ahmed Fahour to resign weeks after wage row

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AUSTRALIA Post chief Ahmed Fahour has tendered his resignation, a fortnight after being scolded by the Prime Minister over his multi-million dollar wage.



Aussie Post chief Ahmed Fahour and postie Ron Trevillian with new a delivery vehicle.
Picture: David Smith

But Mr Fahour, who has run the nation's postal service for seven years, said it was his choice to walk away, insisting he was not responding to political pressure.

Details of his \$5.6 million wage for 2016, revealed earlier this month, sparked criticism from the PM and former Communications Minister, who labelled it "too high".

One Nation leader Pauline Hanson also weighed in, saying she was "absolutely disgusted" by the size of the postal chief's pay packet.

On his announcement to step down, Mr Fahour said now that the service had undergone a series of sweeping reforms and was back in profit on the back of strong parcel deliveries, it was time to give someone else a chance at the top of the 208-year-old organisation.

"The main reason why I am hanging up the footy boots at Australia Post is I've done seven years in this job — the average CEO in this country is lasting around three years," Mr Fahour said. "Seven years is a long time ... particularly as it is a 24-7 job."

He handed his resignation to the Australia Post board on Wednesday. Mr Fahour will stay on in the post until July as Post chairman John Stanhope seeks a successor, who is expected to be announced in the coming months.

The outgoing boss said he had not spoken to Mr Turnbull about the move.

"No, I gave the letter to the board. That is literally for the chairman and the board to communicate with the shareholder which would be Communications Minister Mitch Fifield and Finance Minister Mathias Cormann."

Because he resigned, Mr Fahour forfeits a lucrative termination payment of \$1.9 million which he would have received had the board removed him.

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He will still receive his wage of about \$4.6 million with the board to decide on an additional bonus which can be up to a million dollars.



At \$5.6 million, the Post chief's wage for the past 12 months is more than 10 times that of the Prime Minister. Post was forced to reveal details of Mr Fahour's remuneration after a request from the Senate for the information.

While he will face a Senate estimates committee on Tuesday, Mr Fahour said the issue of his compensation was "now no longer relevant" given he was leaving. Now, he said, the board will think about the remuneration levels "within the context of the new managing director".

Mr Fahour rejected the idea he resigned due to the wage controversy and said he had already signalled to the board he was in the "last quarter of footy" with the service. "My thinking was this latest (pay controversy), it has to be balanced with (the fact that) I'm coming to the end of a really long era," he said. "The issue of compensation of CEOs comes up every year each time an annual report is released about compensation. "It is part and parcel of doing the job."

He said the pressure of being attacked in Parliament had not prompted the decision. "I don't really focus on that much, I'm sorry to say what the media is writing and all that kind of stuff. "What I am really focused on and what really matters to me is how we make Australia Post sustainable."

Mr Fahour's decision to walk away comes as Post this morning revealed a group profit before tax of \$197 million for the six months to December, up from a wafer-thin \$1.4 million first-half profit a year earlier.

The Post chief said he does not have a position in corporate Australia to go to. And he says he had not decided whether he was going to seek another executive role or a board position.

"I'm going to spend the second half of this year thinking about how I can use my skills and background, (but) I'm open to the universe and whatever it brings to me," he said.

Mr Fahour did not rule out working outside of business in the charity sector. "I am 50 years old and I have still a bit to contribute to society ... (this is) not only in the business community, it is in the broader society, I would like to think."

He said it would "delight" him to see a woman running Post and there were "strong candidates" within the organisation.

Post chairman John Stanhope said Mr Fahour's efforts had avoided a taxpayer bailout that could have stretched to billions of dollars. "By any measure, Ahmed has done an astounding job in transforming the business," Mr Stanhope said.

“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 billion in dividends, taxes and community service obligation funding in the past seven years.”

Jeff Whalley, *Herald Sun*

Feedback

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Yours faithfully,



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