A post office is an income Australia Post sets, under a licence Australia Post must approve.

Australia Post paid its licensees $635.1 million in 2025-26, up 5.1%, while letter volumes fell 14.7% and 64% of visits to a post office were about parcels (Australia Post, 2026 Annual Report; AAP, August 2026). A licensed post office for sale is a licence to earn Australia Post's fees and commissions, a shop with its staff and its lease, and often the building it trades from. A lender funds the building against its value and the business against the profit left after a fair wage. Split the price before you do anything else.

THE LICENCE
Australia Post's fees and commissions

Fees and commissions for the work the office performs, plus discounts on Australia Post products, under a structure Australia Post revises every year. No fixed term, and assignable with Australia Post's approval, which it expects to take 90 days. Under review in 2026.

Valued on adjusted net profit. Funded on cash flow.

THE SHOP
PO Boxes, retail, staff, the lease

Retail sales of stationery, cards and phones, the PO Boxes, the trained staff and the lease. Stock is usually bought separately, at valuation, at settlement. The lease has to outlast the loan and survive the transfer with the landlord's consent.

Funded with the business. Protected by the lease.

THE BUILDING
freehold, often mixed use

Often sold with the business. A building with a post office, another tenancy and a residence is valued as mixed use, and lent against on that basis, so the valuer needs the floor-area split.

Funded as property. The most bankable part.

How post offices are priced

Brokers price a licensed post office as a multiple of its adjusted net profit, never its turnover, and the base matters: before or after a wage for the owner's hours. Listings usually quote profit before any wage for the owner and, in a family office, before any wage for the owner's partner.

In 2014 a Senate committee heard that multiples had fallen from **5 to 6 times** adjusted net profit to about **3.8 to 4.3 times** in metro areas and about **3 times** in rural areas, with country offices earning under $100,000 under price pressure. Those are 2014 figures, quoted for their shape, not as a price today.

COMMISSION IS NOT PROFIT

Two of the five listings show Australia Post's commission, one of them as turnover, and no profit at all. One asks about 4.6 times its commission before a dollar of costs. Ask for the full profit and loss, reconciled to three years of payment statements.

What five listings show

Office, asking price	What the numbers say
Illawarra, NSW $390,000	Adjusted net profit $170,000 stated, 240 PO Boxes, a 15-year lease: about 2.3 times
Sydney's Hills District, with a newsagency $320,000	Seller's earnings $95,000: about 3.4 times. Separate the two businesses' income
North-west Victoria, with the building $1,250,000 plus stock	About $950,000 of it the freehold; adjusted profit $195,000; under contract
Greater Bendigo, Victoria $2,250,000 plus stock	Commission $617,006, also shown as turnover; 869 PO Boxes; no profit stated
About 35 km from Melbourne $825,000 plus stock	Commission $181,000; 320 PO Boxes; under offer

Prevail's review of post offices listed on public Australian business-for-sale sites, 2 November 2026. Vendors' figures, not verified; ratios are our arithmetic on the asking price and the stated figure. One site showed 92 post offices for sale nationally that day. Senate Environment and Communications References Committee, 2014. Not a valuation.

DO THIS BEFORE YOU OPEN A LISTING

Get your capacity assessed on rebuilt profit, for the split you are buying: the business, the building and the stock. Knowing what you can settle changes which listings are worth your time.

The profit is quoted before anyone is paid to stand at the counter.

Listings quote “adjusted net profit” or “seller’s earnings”, usually before any wage for the owner and often before any wage for the owner’s partner. Some quote Australia Post’s commission, which is income, not profit. A lender pays the people first, then tests what is left against the loans. So should you, before you offer.

The rebuild: a regional office with its building, asking $1.1 million ($550,000 business, $550,000 freehold)	Amount
Australia Post fees and commissions, from three years of payment statements	$330,000
Net profit before the owner’s wage, as presented: 2.3 times on the business price	$240,000
The owner’s hours at market: IBISWorld’s average mail services wage, $81,000, as a proxy, plus 12% super	– $90,700
Unpaid family hours at the counter: 15 a week at an illustrative $35 an hour with on-costs	– $27,300
Letter-linked income falling: a sixth of the payments, down 10% a year	– $5,500
A backdated payment that will not repeat	– $6,000
What a lender assesses (5.0 times on the business price)	**$110,500**

The office has not changed. Only your understanding of it has. Illustrative only, not a valuation and not a representation about any particular business; the wage is IBISWorld’s average for mail services (I5101, April 2026), mostly Australia Post’s own staff, used as a proxy; the letter forecast is Australia Post’s, as reported by the ACCC (July 2026).

WHERE THE INCOME COMES FROM

A Senate committee described four streams in 2014: discounts on the postage and parcel products sold; handling and delivery fees, including PO Boxes; commissions on Bank@Post, bill payments and identity services; and minimum or other support payments. Retail margin sits on top. Bank@Post commissions rose 30% in 2025-26 after new agreements with the major banks; in 2022 the minimum payments rose by $2,500 in metro areas, $5,000 in rural and $10,000 in remote areas.

Funding the $1.1 million: the profit decides	Amount
Building lent at 65% of $550,000, over 25 years at 8%	$357,500
Property repayments a year	$33,100
Total repayments the rebuilt $110,500 supports at 1.25 times cover	$88,400
Left a year for a business loan	$55,300
Business loan that supports, 7 years at 10%	about $277,500
Your equity: 42% of the price, plus stock	**about $465,000**

That is about $272,500 of the business price and $192,500 of the building. On the advertised $240,000, the business looked as if it funded itself and only the deposit on the building was yours to find. That gap is where post office purchases fail.

THE BUILDING IS THE EASY PART

The building is the easiest part to borrow against and the business the hardest. A price that looks modest on the vendor’s profit can be five times what the office earns once its people are paid. A longer business loan term, vendor finance on part of the price, or a lower price closes the gap; hope does not.

RUN IT ON A REAL LISTING

The funding check on our post office page takes the business price, the building’s price and the profit, and shows the loans the profit supports and the equity to find: prevailfinance.com.au/buying-a-post-office

Illustrative arithmetic: monthly principal-and-interest repayments; 1.25 times cover is the minimum one specialist business bank told us it tests (September 2026); the rates, terms and the 65% lent against the building are illustrative assumptions. Not a quote and not advice.

Australia Post approves you first, and the licence you buy is under review.

Australia Post does not sell post offices or keep a list of those for sale: you buy from the licensee, and once a sale is agreed the vendor tells Australia Post, which starts an approval it expects to take 90 days. Meanwhile three reviews are running: Australia Post's own work on how licensees are paid, a Senate inquiry into its retail network, and a House of Representatives inquiry into its future.

The approval, step by step

- ☐ **Information request.** Online, once the sale is agreed. Australia Post may ask for your legal entity, a seven-year employment history, cash flow projections, a business plan for the site, referees, a statement of assets and liabilities, and details of your proposed financing.
- ☐ **Assessment and interview.** Usually at the state head office. Run it in parallel with the lender's assessment, not after it.
- ☐ **Training.** Induction, basic, advanced and site-specific, at the state head office and at a post office. You pay your own travel and accommodation; a licensees' association says a training fee is charged (2023).
- ☐ **Agreement and handover.** No fixed term: the licence can be assigned or transferred with Australia Post's approval. Read it before you sign the contract of sale.

THE CONTRACT DATES

Make the contract conditional on Australia Post's approval and on finance, with dates that allow for both: a vendor can issue a default notice when finance runs past the contract date. A complete pack at the start and a valuation ordered early shorten the timetable more than anything else. If you change lenders, the valuation can usually be readdressed, but only once the new lender instructs the valuer.

THE RULES YOU SIGN UP TO

Australia Post's systems, manuals, trademarks and look, an approved fit-out, typical hours of 9am to 5pm on weekdays and 9am to noon on Saturdays. In 2014 a Senate committee described limits on competing products and on moving without agreement; rival carriers told the 2026 Senate inquiry that licensees cannot take other carriers' parcels without permission.

The 2026 reviews

When	What happened, and what it means
13 April 2024	Performance standards amended: letters every second business day to 98% of delivery points; the floor kept at 4,000 outlets, 2,500 outside major cities. It protects the network, not your office.
27 May 2026	The chief executive proposed a simpler payment model with a fixed base component, after 18 months of consultation, and signalled more closures. Ask which lines a fixed base would replace.
9 June 2026	A business case, reported from late June, proposed a voluntary buy-back trial of up to 36 metro offices in NSW and Victoria, and encouraging regional and rural offices to move from perpetual to fixed-term licences. Australia Post: no final decision, and no program in place to actively close post offices.
24 June 2026	A Senate inquiry into the retail network; more than 140 submissions. The Council of Small Business Organisations said lenders treat the perpetual licence as a saleable asset, and a fixed term would affect loans, refinancing and resale value.
1 September 2026	Basic postage up from $1.70 to $1.85. Letters are still expected to fall about 10% a year.
29 to 30 October 2026	A House of Representatives inquiry into Australia Post's long-term viability and more services through post offices, reporting in the second quarter of 2027. The chief executive retires at the end of June 2027.

PUT THESE IN WRITING BEFORE YOU EXCHANGE

Has Australia Post contacted the vendor about a buy-back, a relocation, a new licence form or the office's payments? What notice and compensation terms does the current agreement carry? (The 2014 Senate report described 90 days' notice without cause on either side, with compensation where Australia Post closes an office in network planning.) Then take a warranty that every communication about the office's future has been disclosed.

Australia Post, licensee information, checked 2 November 2026; Senate Estimates, 27 May 2026; SmartCompany, September 2026; Region, June 2026; ABC, October 2026; COSBOA, August 2026; ACCC, July 2026; AAP, October 2026; Mediaweek, October 2026; Australian Postal Corporation (Performance Standards) Regulations 2019, as amended. General information, not legal advice.

The 12 deal-killers.

Run every post office past the list. One is a negotiation. Three is a walk, and at this stage walking costs you a few hours and two questions. Anything touching Australia Post's payments counts double, because a post office purchase is funded on the profit a lender can see after a fair wage and the repayments on the building.

1. **Profit quoted before anyone is paid.** Adjusted net profit before the owner's and the family's hours.
   > **Rebuild it with a market wage for every hour you will not work free.**
2. **Commission shown as profit or turnover.** Australia Post's payments are income, not profit.
   > **Full profit and loss, reconciled to the payment statements.**
3. **A top-up holding up the numbers.** A minimum or community service payment inside the income.
   > **Price it as a line Australia Post can change.**
4. **Letter income falling faster than the trend.** One good year presented as the norm.
   > **Three years of payment statements, by category.**
5. **A licence or an area under review.** A metro office with outlets nearby, or a fixed-term licence offer.
   > **Ask Australia Post and the vendor in writing; take a warranty.**
6. **A lease shorter than the loan.** Or a landlord who has not consented to the transfer.
   > **Term and options that outlast the loan; consent as a condition.**
7. **A mixed-use building valued as a shop.** A post office, another tenancy and a residence are valued as mixed use.
   > **Order the valuation early; give the valuer the floor-area split.**
8. **Interim, unsigned accounts.** A lender wants accountant-prepared, signed statements.
   > **Make them a condition of the contract.**
9. **Settlement dates that ignore Australia Post.** Its approval is expected to take 90 days.
   > **Write the finance and approval dates around it.**
10. **One person running everything.** The vendor's partner and one trained staff member are the office.
    > **Staff list, roster, training plan, and wages for cover.**
11. **Tax debts in your own companies.** An assessor asks why, even when they are paid.
    > **Current ATO statements for every entity, and the explanation, first.**
12. **Residential equity presented as purchase money.** Lenders read the purpose before the security.
    > **Structure it as a business loan secured by the property, from the start.**

TWO QUESTIONS, TEN MINUTES

Ask the vendor for three years of **Australia Post payment statements by category**, and ask in writing whether **anything has been proposed for the office**: a buy-back, a relocation, a new licence form, a change to its payments. Ten minutes, and either answer can end a deal.

ANYTHING TOUCHING THE PAYMENTS COUNTS DOUBLE

A top-up, a shrinking letters line and a structure under review are not three findings among twelve. They are the income, and the income is the loan.

Score it: one column per office you assess

1 _____	2 _____	3 _____	4 _____	5 _____	6 _____
7 _____	8 _____	9 _____	10 _____	11 _____	12 _____

Two loans settle together. The business loan decides the deal.

The building, if you buy it, is funded as commercial property against its valued figure. The business is funded by a loan sized on the profit left after a fair wage and the property repayments, and that is where most purchases come up short. Stock is usually bought separately at settlement, at valuation. The Reserve Bank raised the cash rate to 4.60% on 29 September 2026, so treat any rate quoted before then as stale.

THE BUSINESS

Sized on adjusted net profit, secured over the business and often over property you own. One specialist business bank asked buyers to bring about 30% of the price to a standalone purchase, tests cover of at least 1.25 times, and may set lower gearing for first-time operators (September 2026).

A large business bank had no appetite for a buyer new to the industry outside professional services (October 2026). Vendor finance on part of the price, repaid after the senior lender, can close a gap.

THE BUILDING

Lent against the valuer's figure, not the contract price; a building with a post office, another tenancy and a residence is valued as mixed use. Published commercial lending runs at 65 to 80% of value, with owner-occupiers at the top of the band; a mixed-use building is valued on its parts, so ask the valuer for the split.

A property loan can run longer than the business loan, which lowers the repayments the office's profit has to cover.

RESIDENTIAL EQUITY: THE PURPOSE TEST

On a 2026 purchase we worked on, a major bank's assessor treated money drawn against residential property to fund the business as an unacceptable purpose, as presented.

The same security, offered from the start as a business loan with the property behind it, is read differently. Say what the money is for, and borrow it as what it is for.

What assessors ask on a post office file

- ☐ Why residential equity is funding a business.
- ☐ Where every dollar of the deposit comes from.
- ☐ Whether any related company has carried a tax debt.
- ☐ How your income has been worked out.
- ☐ Whether you will live locally or travel.
- ☐ Why the forecast lifts income from the first month while adding wages.
- ☐ Whether the vendor's accounts are accountant-prepared and signed.
- ☐ Why a building with a second tenancy and a residence is not valued as mixed use.
- ☐ Who runs your other businesses.

WHO YOU ARE TALKING TO

Priyank assessed and approved business loans as a bank lending manager and commercial credit analyst, and has worked on licensed post office purchases as a broker. The questions in this guide are the ones a credit team asks first: what Australia Post pays this office, what is left after a fair wage, and what the building is worth on its own.

The pack lenders ask for

- ☐ **The business and the building:** two years of the vendor's financial statements, accountant-prepared and signed; the contracts of sale for each; the licence agreement and any lease. We add three years of Australia Post payment statements.
- ☐ **You:** the buying entity and its corporate family tree; a cash flow forecast and our credit memo on you and the purchase; two years of tax returns; a statement of financial position; two forms of ID.
- ☐ **Businesses you already own:** two years of financials, six months of loan statements, and ATO statements for every entity covering any tax debt and how it was paid down.

DUTY, GST AND THE STOCK

The business can be sold GST-free as a going concern if it is for payment, you are registered or required to be, you both agree in writing, and the vendor supplies everything needed to keep it running and carries it on until the day of sale (ATO). Queensland charges duty on business assets, goodwill included; New South Wales and Victoria charge duty on the building, not the goodwill. Stock is counted and paid for at settlement.

Subject to lender criteria, security position and eligibility. Lender positions in writing, July to October 2026; indicative only, not a quote. ATO; Revenue NSW; Queensland Revenue Office. We arrange credit; we do not provide legal, tax or accounting advice.

Send the pack. Get an answer in 24 hours.

Send these to **priyank@prevailfinance.com.au** and within 24 hours you have our answer: fundable, not fundable, or what's missing. Once you accept our quote, your Action Plan follows in writing within one business day: what happens, in what order, the funding pathway scoped for that business, an indicative pricing band, and the finance clause date your contract needs.



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With gratitude

About the office

- ☐ The information memorandum and how the price was built
- ☐ Three years of financials, signed, and the tax returns
- ☐ Three years of Australia Post payment statements, by category
- ☐ The PO Box count and the retail stock list
- ☐ The lease and its options, or the title and a valuation of the building
- ☐ The licence agreement and any letter from Australia Post about the office
- ☐ The staff list, roster and wages

About you

- ☐ Statement of position, with the source of your deposit
- ☐ Two years of personal tax returns and notices
- ☐ Financials, loan statements and ATO statements for any business you own
- ☐ Photo ID and a resume of your retail or management experience
- ☐ The proposed buying entity, and a twelve-month plan

Our fee is quoted up front. If the numbers say walk, we will still tell you to walk.

The network and the industry in numbers, 2026

Measure	Figure
Retail outlets, 30 June 2026; outside major cities	4,100; 2,522
Licensed post offices and community postal agents	3,439
Paid to licensees, 2025-26	$635.1m, up 5.1%
Visits; share about parcels	173.6 million; 64%
Letter volumes, 2025-26	1.42 billion, down 14.7%
Parcel volumes, 2025-26	up 5.3%
Basic postage from 1 September 2026	$1.85
Mail services revenue, 2025-26 (IBISWorld)	$10.2 billion
Retail segment: post offices and postal agencies	$887.5m; 8.7%
Industry profit margin; average wage	4.5%; $81,000
Overall risk, out of 9	4.4, medium-low

THE COUNTER IS A PARCEL COUNTER

Parcel delivery is 67.7% of mail services revenue (IBISWorld, April 2026). Parcel locker compartments grew from 33,039 in 2020-21 to 70,145 in 2024-25 (IBISWorld), and Australia Post had more than 111,000 across 1,510 locker banks at 30 June 2026. A licensee group said in 2023 that a locker delivery pays the licensee about half a counter delivery.

WHAT MOVES THE MARKET

Letters are expected to fall about 10% a year (ACCC, July 2026). 38% of licensees are aged 60 or older, and two-thirds of those surveyed want to retire within three to four years (ABC, October 2026; AAP, May 2026), so more offices will come to market. The regulations hold the network at 4,000 outlets or more, 2,500 of them outside major cities.

Sources: Australia Post, 2026 and 2025 Annual Reports; IBISWorld, **Mail Services in Australia** (I5101), April 2026, and Risk Ratings Report, September 2026; AAP, August 2026; ACCC, July 2026; Licensed Post Office Group, April 2023; Australian Postal Corporation (Performance Standards) Regulations 2019. Forecasts are forecasts, not records.

Indicative only. Pricing, gearing and approval are subject to lender assessment and full application. General information only, current at November 2026, not legal, tax, accounting or financial product advice, and it does not consider your objectives, financial situation or needs. Obtain advice from a qualified solicitor and accountant before acting. Worked examples are illustrative, not valuations, and do not refer to any particular business. Prevail Finance Pty Ltd · Australian Credit Licence 509527.