



## Building our parcels business

With the rise of mobile devices, consumers can now shop anywhere and any time with relative ease. Around 75 per cent of the parcels we deliver today are generated by an online order.

But while online shopping has previously driven year-on-year growth in our parcels business, we believe our biggest growth opportunity lies in using our domestic strength and capabilities to expand beyond Australia.

As a result, we are working to create innovative partnerships with international postal organisations, eCommerce marketplaces and global businesses to pursue new growth opportunities in both domestic and overseas markets.

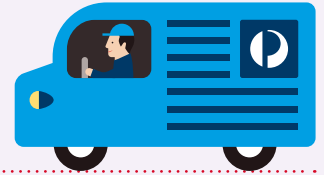
We support Australian businesses to take full advantage of these opportunities and, as Australia's largest retail and parcel delivery network, we offer an unmatched competitive advantage.

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**Delivering for our customers remains at the core of what we do. We believe that by powering eCommerce for Australian businesses – and their customers – we will create prosperity for our people, our customers and the community.**

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## People's Choice Award



The StarTrack Online Retail Industry Awards (ORIAS) celebrate Australia's most innovative online retailers. StarTrack became the exclusive naming partner to the awards in June 2014, reflecting our commitment to powering Australia's eCommerce industry.

This year, we sponsored a new category, the People's Choice Award, and invited consumers to vote for their favourite online store, with Naked Wines named the inaugural winner at this year's StarTrack ORIAS Awards night.

Naked Wines' customers fund independent winemakers in return for exclusive wines at wholesale prices. Counting Australia Post and StarTrack among its delivery providers, Naked Wines sends wines from 24 winemakers to anywhere in the country.

Other finalists were PC Case Gear, Beserk, Catch of the Day, Ozsale and Store DJ.



Bob Black, Executive General Manager Parcel Services



People's Choice Award winner, Naked Wines, with Greg Sutherland, Executive General Manager Consumer and Small Business

## Two brands – one business

Our StarTrack brand represents the supply chain and delivery services business Australia Post has created to meet the demands of an eCommerce world.

The StarTrack logo proudly keeps our strong connection to the Australia Post Group, featuring the familiar Australia Post "P" now in dark blue – ensuring our heritage remains a core part of who we are and what we do – alongside the StarTrack name.

It combines the trust, reach and convenience that Australia Post is known for, with the strength in premium business-to-business logistics associated with StarTrack.

Over the last year, we have continued to brand our transport and delivery fleet, as well as several key properties, with the StarTrack identity and we plan to roll out a new co-branded uniform next year.

The Australia Post brand continues to represent parcel and eCommerce services for consumers, small businesses and communities, while our StarTrack brand delivers parcel services logistics and end-to-end supply chain solutions for businesses, locally and internationally.

Together, the two brands deliver eCommerce to everyone, everywhere, everyday.

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## Investing for growth

As parcel volumes continue to grow, we are building a world-class network with high standards of service, efficiency and performance.

Thanks to recent investments in our processing systems, we are now equipped to deliver more parcels than ever before. In November 2014, we opened our expanded Sydney and Melbourne parcel facilities, which now feature state of the art parcels handling and sorting equipment – improvements that have doubled the processing capacity of these parcel facilities.

The final phase of this expansion is due to be completed ahead of Christmas 2015.

## Making it easier to buy, sell and deliver online

Australia Post is working every day to make it easier for Australian consumers to shop online.

We are supporting eCommerce businesses to differentiate themselves at the checkout by offering their customers more choice and control over how they receive their purchases. This year, initiatives included the continued roll out of our 24/7 Parcel Lockers network, and the introduction of extended post office trading hours and Saturday deliveries.

In October 2014, we established a partnership with NetSuite to create an integrated eCommerce solution for their customer community, providing direct access to Australia Post's shipping and tracking services from the NetSuite platform. This partnership is providing an improved parcel delivery and collection experience for NetSuite's customers, including access to parcel lockers and parcel collect services.

Through our popular "Business 250 membership" we continued to provide discounts to small businesses that are sending more than 250 parcels per year via "Click and Send" or our "Parcel Send" app.

## Delivery choice and convenience

We are always looking for ways to improve our parcel delivery services and timeframes. As a result, in November 2014, we launched a new MyPost Deliveries Account that provides customers with more choice and control over when and where they receive their parcels. The MyPost service gives consumers the ability to track, reschedule or redirect their parcel deliveries from a secure, identity-verified portal.

In November we also launched our Last Mile Notifications service. This involves sending an email or SMS notification to

the parcel recipient when they are not home to receive their parcel.

Since the launch approximately 3.5 million customers have received an electronic notification in addition to a physical card. As a result, the average time it takes customers to collect their parcels has reduced significantly.

This year's Net Promoter Score\*, which gauges consumer sentiment for Australia Post products, identified "timeliness of delivery" for parcels as the main driver of satisfaction among respondents (see page 38).

Last year, the main driver was identified as "effort made for first-time delivery" and the change reflects the efforts we have made to improve our delivery services. It's just one of the ways we are working to deliver experiences that delight our customers.

\* Independent survey conducted by QOR survey, June 2015.



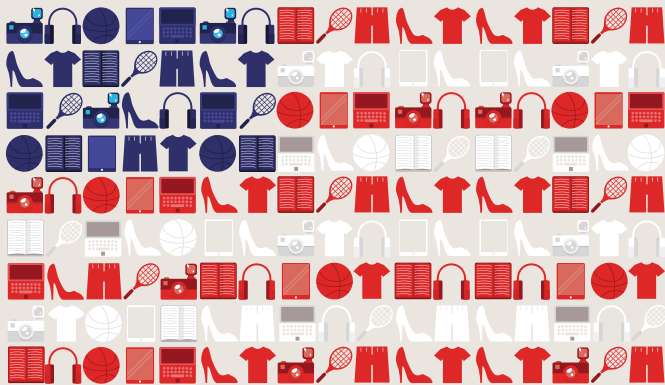
## Go and Grow Online

StarTrack continued to host a series of business breakfast events in 2014–15 to provide customers with the latest information on eCommerce trends and ideas to shape their business.

In March and April 2015, we hosted two expert panel discussions to help emerging businesses fast-track their growth at the "Go and Grow Online" breakfasts in Melbourne and Sydney. We welcomed more than 190 small-to-medium business owners to these events where our guest panellists shared their expertise in social media, customer experience and building authentic, purpose-led brands.



From Left: Rebecca Burrows, Catherine Graham, Catherine van der Meulen, Julie Stevanja, Ben Franzi.



## Shop like you live in the USA

In October 2014, we launched ShopMate, a convenient and secure international delivery and payment service for Australian online shoppers, enabling them to buy from US retailers who do not ship to Australia.

It's part of our commitment to provide customers with trusted delivery services and secure online payment options for shipping, no matter where they purchase their items from.

For more information visit  
[www.shopmate.auspost.com.au](http://www.shopmate.auspost.com.au)

## Establishing new markets

The combination of our retail and delivery networks, as well as our reputation as a trusted brand, makes Australia Post an ideal partner for small businesses looking to reach a larger market. With that in mind, we have established two marketplaces for small Australian businesses to sell and deliver their products directly to a national audience.

Farmhouse Direct (FHD) was launched in 2013 and now enables over 350 primary producers to sell their products directly to consumers across the country.

We launched Good Spender in the second half of 2014 and the site now supports 48 social enterprises selling goods and services online. The marketplace was established in partnership with Social Traders, an Our Neighbourhood National Community Partner. The profits generated by Good Spender help to create jobs for marginalised or disadvantaged groups, provide services to communities in need, and support charities and not-for-profit groups.

## Building an Asian gateway

Our strategy for future growth as an eCommerce business will focus on the burgeoning Asian market. In China alone, it's anticipated that more than 130 million additional people will come online over the next year.

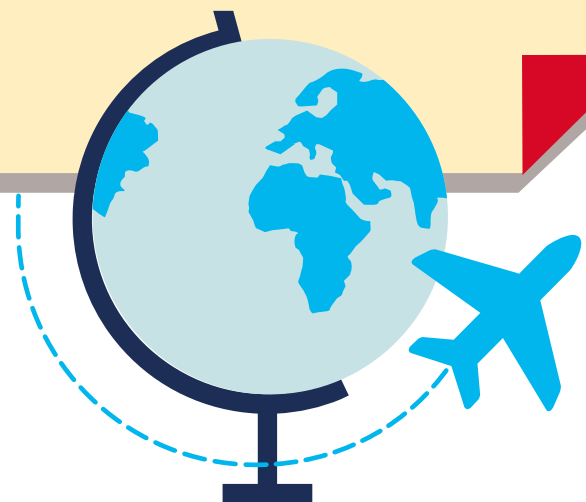
With this in mind, we have worked to build strategic partnerships with leading Chinese eCommerce companies in order to support the growing trade between our two nations and provide Australian retailers with a direct route to this market.

As a result of our existing agreement with Alibaba, we now have an Australia Post-branded virtual storefront on the Alibaba-owned Tmall, providing Australian merchants with a virtual storefront (auspost.tmall.hk) reaching more than 300 million\* registered Chinese consumers. We also provide translation and logistics services to help fulfil their orders.

Our post offices are also enabling Australia-based consumers to purchase goods through Alibaba's Chinese merchants using the Alipay Vouchers available in-store at our post offices.

In June 2015, we signed an agreement with JD.com, China's second largest online retailer, to establish a flagship online store showcasing Australian products to more than 500 million registered consumers on the JD Worldwide website.

\* China Internet Network Information Centre, Statistical Report on Internet Development in China, July 2014



## Delivering international supply chain solutions

In addition to building our domestic parcels distribution network and opening up new marketplaces for Australian businesses to sell their goods, we have been investing in partnerships that strengthen our warehousing and international freight-forwarding capabilities in the Chinese market.

Our joint venture with China Post (Sai Cheng Logistics) now comprises warehouses in six Chinese cities, together with offices in Beijing and Guangzhou, and provides inbound and outbound supply chain solutions for merchants accessing the Chinese market.

As a result, we are now able to provide leading international supply chain services to the growing number of Australian businesses pursuing opportunities in China.

We will continue to cement our capabilities in cross-border logistics and pursue international acquisitions and partnering opportunities to help our customers do business internationally.

In the lead-up to Christmas 2014, we established a partnership between Farmhouse Direct and Good Spender to cross-promote vendors on both sites and encourage the community to support local primary producers and social enterprises. The campaign pushed more than 114,000 visitors to Farmhouse Direct and close to 27,000 visitors to the Good Spender marketplace.

