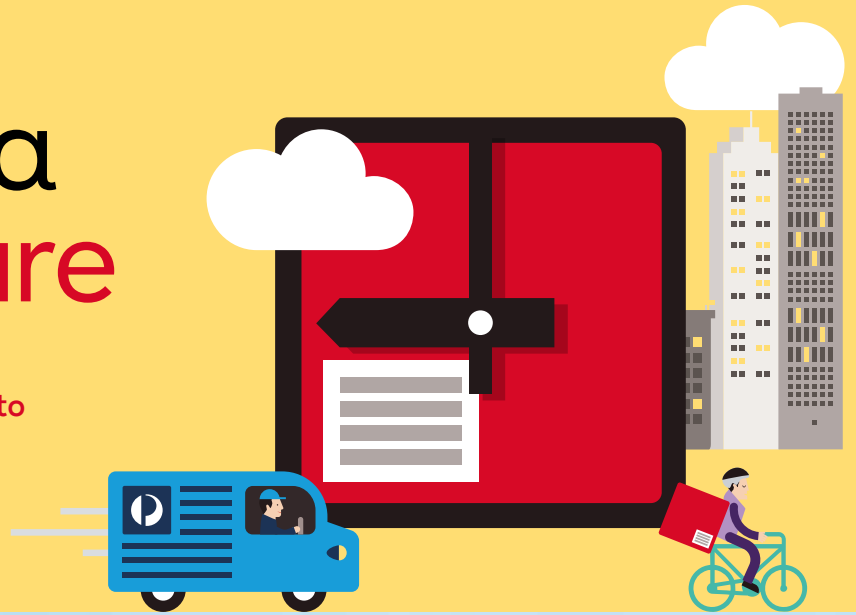


Delivering a better future

Australia Post takes its responsibility to manage the social and environmental impacts of our business operations seriously.



As a consequence, our decision making has always prioritised balancing our commercial returns with our customer service, community interests and our environmental performance.

We believe that our role as a leading eCommerce provider will not only benefit our business, but also help power the nation's economy, create prosperity and contribute to a more inclusive future for all Australians.

This drive to deliver a better future for our customers, our people and our community has always been at the heart of what we do and it will remain our priority.



Delivering a better future... for our people

Our people are our most powerful advocates and our most valuable assets.

We believe that delivering a better future for our employees means creating a workplace that offers security, safety and inclusivity.

Establishing ourselves as a leading eCommerce business is the most effective way for us to secure that future through the creation of a thriving, sustainable enterprise.



Engaging our people

In May 2015, we conducted a say2action pulse survey that showed employee engagement was 60 per cent, up from 56 per cent last year, which we believe demonstrates that our people share our optimism about the future of the business.

In the survey, our enterprise safety culture score rose 5 per cent to 81 per cent, reflecting the importance our people place on safety within Australia Post. This is on par with scores seen in best employer organisations – a strong testament to how embedded safety is in our culture.

Our 2015 results also show that we have improved communication from leadership, increased employee confidence that we will act on say2action feedback, and improved the effectiveness of collaboration between teams. While these are pleasing results, we must continue working towards delivering further improvements in these areas over the coming year.

While we are making steady progress against a number of areas, we will increase our focus on improving customer experience over the next year, with particular attention on empowering our people to create high quality and competitive products and services that will delight our customers.

We are determined that as our business transforms, we will provide our people with the opportunity to transform alongside us by creating an environment where collaboration is encouraged and helping each other is a shared value.



Supporting our people

In June 2015, we announced a three-year program of job reductions in our postal business.

After discussions with unions, employees and government, we made a commitment that there will be no forced redundancy of any employees directly impacted by letters reform who are actively seeking jobs in other parts of the business.

The fund to support the transition will be set up this year and includes a \$190.0 million provision to pay for voluntary redundancy over the next three years.

Post People 1st

We are determined that, as our business transforms, we will provide our people with the opportunity to transform alongside us by creating an environment where collaboration is encouraged and helping each other is a shared value.

With that in mind, in October 2013 we established Post People 1st to prioritise and support the future of our people through retraining and redeployment if they wish to remain in the organisation.

We deliver a range of self-directed and face-to-face training options across key areas of compliance, skills building and career development.

Under the Post People 1st program, we will continue to invest in our existing employees and put them first for jobs at Australia Post, first for skill development, and first for a career. As a result, in 2014/15 alone, 59.9 per cent of our advertised roles were filled by internal applicants.

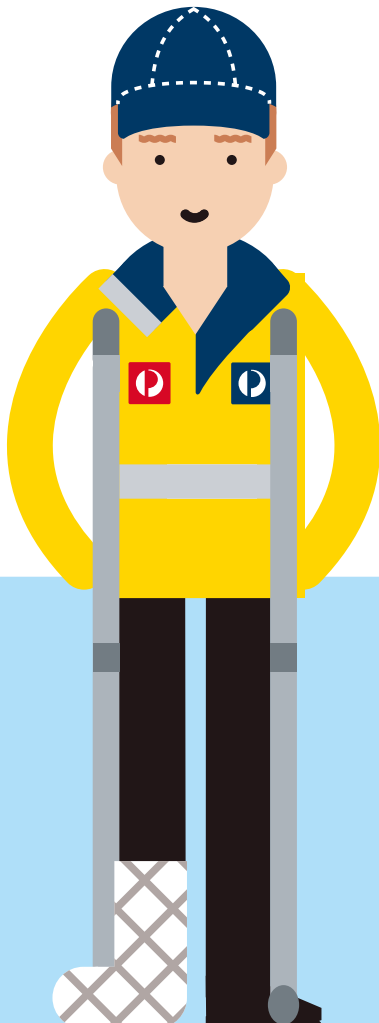
A healthy workforce is a vital component of Australia Post's safety strategy and this year we launched our Be well, healthy, happy program to support our people in achieving their peak physical, personal and psychological health.

Strengthening our safety culture

Safety is one of our shared values and an essential part of delivering a better future for our people.

For the second year running, we had a significant reduction in workplace incidents and injuries. Our Lost Time Injury Frequency Rate decreased to 7.0 from 8.0 (a reduction of 12.5 per cent compared to last year), while our All Occupational Injury Frequency Rate reduced to 21.5 from 22.8 (a reduction of 5.7 per cent compared to last year).

We have continued to invest in Safety Leadership programs that support a shift in focus from compliance to the creation of a culture where safety is embedded in every decision. As a result, we have seen a reduction of 18.0 per cent for all injuries and a 28.1 per cent reduction in lost time injuries for sites where Safety Leadership has been implemented (YTD May 2015 results compared with YTD May 2014 results).



We also established the Enterprise Safety Council, comprising senior leaders across the organisation, to provide consistent guidance around ways we could improve our safety performance.

Our safety culture continues to improve, with our Hazard Awareness Project resulting in a number of safety issues being identified, reported and addressed by our people and their managers. The program also helped foster collaborative relationships with local councils where our people were able to identify and report hazards impacting the local community.

Over the past four years, we have committed to an annual Safety Time discussion which gives our people a dedicated time to stop and discuss safety in their workplace.

The theme of 2014's campaign was "Permission to Pause", which reinforced the message that we will always prioritise safety ahead of operational performance – no matter what.

Our contractor workforce plays a significant and important role in delivering our services. We are committed to further strengthening our compliance oversight of third party delivery contractors to ensure our contractors are afforded a fair and safe work environment.

There were many positive safety outcomes this financial year. However, in June 2015, we suffered the tragic loss of a colleague and friend when one of our postal delivery officers was fatally injured on his delivery route in Perth, Western Australia.

Improving our safety performance

Safety Performance	2013	2014	2015
Lost time injury frequency rate Where next shift could not be worked due to injury/ occupational disease (i.e. lost time, per million hours worked)	8.2	8.0	7.0
Injury rate Incidents involving an injury per 200,000 hours worked	3.9	3.4	3.0
Occupational disease rate Incidents involving occupational disease per 200,000 hours worked	1.2	1.2	1.3
Fatalities (number)	2	0	1
Fatality rate (per million km)	0.0095	0	0.0047
All occupational injury frequency rate Incidents involving an injury per million hours worked	25.6	22.8	21.5

StarTrack data is not included in FY 13 and 14 results.
Injuries are based on approved claims.

Dangerous dog training

After some of our Darwin staff members reported that incidents involving dogs were increasing, we enlisted the help of the City of Darwin's animal management team to help staff deal more effectively with aggressive dogs.

Participants were taught how to read a dog's body language and tell whether it's aggressive or if an attack is imminent. They were coached on how to safely manage canine encounters. As a result of the February training session, Posties have changed the way they interact with dogs.

This training is being trialled across sites around the country, with a view to finalising a national rollout next year.

Fleet safety

The safety of our fleet is of paramount importance. In October 2014, we introduced our Alcohol and Other Drugs Policy, all Transport Managers and Transport Workers received online training in October and November. Random testing commenced in December 2014.

We also ran an in-cabin training program to help drivers understand and reduce their exposure to injury.

In February 2015, we transitioned all StarTrack staff to the *Work Health and Safety Act 2011* (Commonwealth) and created a single Work Health and Safety management system that has provided consistency across the organisation.





Our people at a glance

	2014	2015
Aboriginal & Torres Strait Islander representation	1.5%	1.9%
Culturally & Linguistically Diverse	23.0%	25.5%
People with Disability	6.9%	6.3%
Lesbian, Gay, Bisexual, Transgender and Intersex people	Not available	0.9%
Female representation	38.9%	38.7%
Female Executive Committee members	33.3%	37.5%
Female Bands 1-4	34.1%	33.3%
Women in Management	36.2%	35.5%
Female Postal Manager	47.6%	50.9%
Female Facility Manager	25.3%	30.8%
Female Delivery Manager	19.9%	15.9%

64 languages 140 nationalities

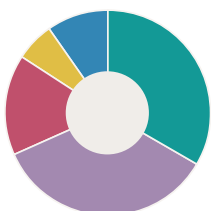
(Australia Post only)

Our diversity program has enjoyed many highlights throughout the year, including the creation of our Gender Action Plan, the completion of our first Australia Post Group Diversity Census and the launch of PostPride, our Lesbian, Gay, Bisexual, Transgender and Intersex (LGBTI) employee network.

It is pleasing to note that as well as seeing an increase in the representation of women in operational roles, we also realised the target set in last year's Reconciliation Action Plan to raise the representation of Aboriginal and Torres Strait Islander employees from 1.5 per cent to 1.9 per cent.

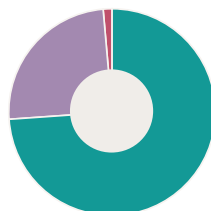
Total workforce

By region



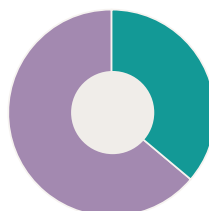
Vic/Tas 33.6%
NSW/ACT 34.9%
Qld 15.8%
SA/NT 6.2%
WA 9.5%

By type



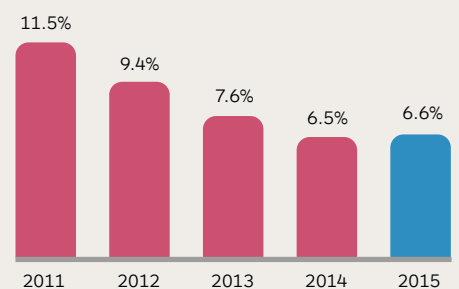
Full-time 74.1%
Part-time 24.8%
Casual 1.2%

By gender



Female 36.3%
Male 63.7%

Turnover rate (%)



Data based on average headcount for permanent, full-time and part-time employees only. (Excludes redundancies)



Work Mate

Nominated as a finalist in the National Disability Awards, *Work Mate* is a short film based on the inspiring story of Charlie McConnell, a blind Customer Care Consultant at our Sydney Parcel Facility. The film explores the stereotypes of a disabled worker and shifts the focus to people's *abilities*, rather than their *disabilities*.

Our Australia

Building on the success of *Work Mate* Australia Post launched Our Australia, a project focused on encouraging employees to share their stories of diversity and inclusion in the workplace.

Workplace flexibility and support

We offer our people a range of options to help them balance work and personal commitments, including changes to hours, days and location of work, job-share arrangements and beneficial leave provisions, such as purchased leave, ceremonial leave and leave without pay.

Our people's attendance rate this year was 94.0 per cent (down from 94.2 per cent last year) and 94.3 per cent of employees returned to employment with us from parental leave (down from 95.7 per cent last year).

Embracing diversity is at the core of our business. We believe that it's the key to creating a high-performing, competitive business culture where innovation can thrive and the experience of our people better reflects that of our customers.



Delivering a better future... for our customers

Our customers are at the core of what we do and, as technology transforms their lives, our ability to respond to this disruption will determine the future of our business.



How customers feel about us

As an enterprise we measure consumer advocacy using our Net Promoter Score (NPS), a widely used measurement that tracks customer sentiment towards an organisation (refer to page 127 for more information).

Each month, a survey is sent to a cross-section of the Australian community asking them to rate their overall experience with Australia Post.

Over the past two years, we have seen significant growth in customer advocacy. This year we achieved a net score of 15.0, up from 13.6 in 2014 and 10.8 in 2013.

This can be attributed to Australia Post's focus on customer centricity, resulting in improved customer experiences – particularly in our parcels business and post offices.

Our customers' experiences will drive our future success and we need to make sure that every delivery – whether online or in person – gets it right.

To build a better future for our customers, we must listen to them, anticipate their needs and respond innovatively.

The internet, mobile communications and social media have all conspired to undermine our letters service. However, for an eCommerce business, these changes also bring opportunities to create a new level of personalised experience that will enable us to forge deeper relationships with our customers.

Achieving this requires us to continue fostering a culture of innovation while also working to build a deep understanding of our customer

segments – it's how we create the tailored solutions our customers need to succeed in a digitally connected, global economy.

Doing so will enable businesses to get online and grow, while also enabling consumers to shop, transact and communicate in a secure online environment.

By leveraging the advantages of our physical and digital services,

infrastructure, capability and technology, we have opened up new and exciting opportunities for all Australians to access markets both here and abroad.

We have a unique ability to provide identity and financial services and securely connect government agencies, consumers and businesses via in-store and digital services.

Consumer perspective

This year's AMR Corporate Reputation Index shows that our business remains one of Australia's most trusted brands. We maintained our position in the top 10, ranking sixth but dropping four places from second spot in 2014. Given the challenges our business has faced due to mounting pressures on our letters business and the transformation we are undergoing, it's pleasing to see that many Australians appreciate the value of securing a sustainable letters service and working to build a parcels business that can meet the future demands of the community.

As part of our NPS survey, Australian consumers were asked to identify what services were driving their advocacy of our business. The 2014/15 results showed that consumers are increasingly seeing Australia Post as a parcels business, with sending and receiving parcels accounting for 63 per cent of advocacy in our Q4 results (up from 54 per cent in Q1). At the same time, sending and receiving letters accounted for 21 per cent (down from 27 per cent in Q1).

We know that the first step in creating a truly customer-centric business is improving our ability to listen and respond to feedback. Over the coming year we will continue to refine and improve the ways in which we collect and evaluate consumer insights to ensure we are delivering experiences that will engage and delight our customers.



Making life easier for consumers

Increasingly, we are being led by our customers' decisions on how they want to interact with us. Whether they are visiting one of our post offices, accessing our website or making a purchase through a third party's online store, our priority is to ensure they enjoy the experience.

Our post office network continues to be an important touch point for services, particularly in rural and regional areas where we are often the last remaining service provider.

However, we know that consumers also want safe, inclusive access to the digital world. That's why we built an online post office.

Available 24/7, MyPost lets customers receive mail, pay bills and store important documents. They can change their address and use MyPost Deliveries to track parcels – while in transit – or open their parcel locker. Concession card holders can even use MyPost to buy discount postage. Today, more than two million customers use the MyPost platform.

Our nationwide, last-mile delivery capabilities mean consumers enjoy unmatched convenience in how they receive their deliveries. Customers can receive deliveries at home or take advantage of our 24/7 Parcel Lockers, extended trading hours and Saturday deliveries for Express Parcel Post.

Helping small business go and grow online

The small business sector is highly reliant on eCommerce and the post office is increasingly becoming a critical part of the team, providing expertise and connections that help it get online and grow.

We equip our small business customers with the expertise and market access they need to reach customers in Australia and overseas, so they can scale a successful eCommerce enterprise.

We've built 57 Business Hubs with supply chain and freight experts on hand to provide local service and sales support to small businesses that are selling online.

We have also acquired web-based payment and identity services, like SecurePay, POLi and KeyPass, so that we can provide end-to-end Trusted Services support for businesses and consumers, across the eCommerce value chain.



The MyPost Digital Mailbox continues to grow and we are working to add more providers in the coming year. We are also focused on developing services that will transform the way consumers connect with government and business providers.

We have always been a part of regional and rural Australia and this will not change, with our post offices playing a vital role in connecting communities and providing essential services.

We are often the last remaining service provider in many rural and regional locations, so we understand the importance of providing all Australians, regardless of their location, with seamless access to essential services – both online and in person.

Backed by our well-established credentials in identity verification, our suite of Trusted Services allows customers to fulfil a range of services, such as paying a bill or applying for a driver's licence, passport or tax file number.

By unlocking the full potential of our national retail network to put essential services in reach of every Australian, we are not only helping them to shop and transact, we are also contributing to greater social and financial inclusion in many communities.

Go online and grow in Bendigo

We are committed to helping small business prosper in rural Australia and, in April this year, Australia Post hosted a "Go and Grow Online" event in Bendigo.

These events help small business owners in local communities address the challenges of declining populations, economic uncertainty and increased competition from online retailers.

Google representative, Tim Gentle, presented to 40 small business owners about how Google can assist in driving traffic and sales to their website.

Australia Post will continue to run these events in our rural and regional communities, to help customers learn how to create an online business and grow it successfully once it's established.



Our international partnerships are opening new markets for small business to reach Asian consumers through Tmall and JD.com. We will continue to pursue new opportunities to support Australian merchants to access new markets – locally and internationally.

The combination of our business hubs and the MyPost Business portal is providing the integration of physical interaction and digital experience that local small-to-medium businesses need to grow in the digital economy.

As an important part of their supply chain and overall customer experience, we have developed a range of innovative eCommerce solutions to help small business manage their local and international logistics needs and build better relationships with their customers.

For instance, we offer payment solutions such as SecurePay that now enable us to provide customers with a complete shopping, fulfilment and delivery capability, seamlessly linked to their digital environment – making it simpler, faster and safer for businesses to start selling online.

In this era of online, mobile, and borderless commerce, Australia Post has a vital role to play in encouraging, enabling and supporting the growth of Australian small businesses. After all, we have the physical networks that small businesses can leverage to grow – both domestically and beyond our shores.

Next year, we will launch a number of business accelerators – or incubators – across major cities and some regional centres. Within these accelerators, we'll work collaboratively with entrepreneurial Australians focused on building services related to a specific aspect of the eCommerce value chain. Those small businesses can leverage our infrastructure, our scale, and our deep knowledge of eCommerce to bring their innovation to life.

Initiatives such as this will be vital to us maintaining our role in communities, everywhere.

Transforming government and corporate services

From the payment of taxes and bills to applying for government benefits, passports and licences – Australians undertake more than 800 million transactions with government agencies each year, with around 40 per cent still completed via traditional (non-digital) channels.

We recognise that government agencies and large businesses are increasingly looking for opportunities to reduce their reliance on physical mail and improve their levels of customer service.

As one of the country's most trusted brands, we have more than 30 years' experience in identity verification, handling in excess of five million identity transactions each year.

That leaves us in a strong position to transform the way government and large business engage with consumers, particularly in rural and regional communities.

We already represent business and government by facilitating millions of online transactions and mail deliveries each week. Through the MyPost Digital Mailbox, consumers can now securely receive important communications from business and government – as well as pay bills.

They can also complete passport and tax file number applications online before completing the process in-store, as well as accessing a range of identity services remotely.

In the future we will continue to build our capability around these services to create transformational digital partnerships that offer greater efficiency to business and government and increased convenience for consumers and citizens.

Powering eCommerce

Australia Post and StarTrack offer a suite of eCommerce solutions that empower online retailers to streamline their operations to create large-scale, efficient supply chain solutions.

We help Australian businesses to create a competitive advantage by providing payment and delivery solutions that offer their customers greater certainty, security and convenience at the checkout.

Our MyPost Deliveries service empowers consumers to reschedule, redirect, or return parcels – and manage it all in one secure place. It also gives them the ability to direct their parcels to any one of more than 3,600 parcel collect locations – offering the convenience of collecting from the nation's largest "Click & Collect" network.

Another innovation we've introduced is our "Delivery Choices" service. eTailers can embed this service in their online ordering system and offer their customers choice around

delivery location or collection point, as well as delivery time and date. They can even specify a two-hour delivery window.

It's an example of how our innovation initiatives are being led by the shifting expectations of our customers.

Through our strategic international partnerships we enable businesses to source supplies from the most cost-effective locations and deliver anywhere in the world, with ease and efficiency.

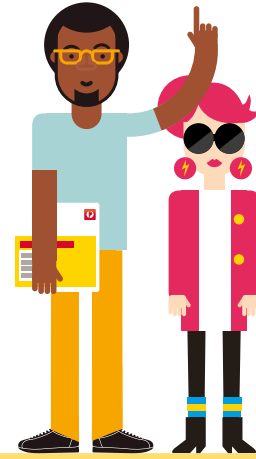
We are also working to provide Australian retailers with greater access to overseas markets through our agreements with international postal organisations, eCommerce marketplaces and global businesses.

We will continue to develop our online presence and logistics capability in Asia to ensure that Australian eTailers are well placed to leverage the largely untapped value of Asia's growing consumer market.



Delivering a better future... for our community

While Australia Post has grown to be one of Australia's largest organisations, it is the many local communities we serve and, our impact on them, that best define our business.



Our business is focused on providing every customer, regardless of their location, with the means to access goods, services and business opportunities quickly, cheaply and as safely as possible.

For more than 200 years, serving the Australian community has been our reason for being and our assets and capabilities, along with the community's trust in our brand, mean that we can play a unique role in helping to drive greater inclusion and prosperity for all Australians.

We believe this is especially important to communities in rural and regional areas, where the post office continues to be an important hub and, in many cases, is the last remaining service provider.

Every day we help citizens, communities, businesses and government connect with each other across the country, regardless of their size or location, fulfilling our purpose to help our people, customers and communities build a better future. Everyone, Everywhere, Everyday.

Building on our key community programs

This year we continued to work side by side with our seven National Community Partners on a number of initiatives designed to help build healthier and more inclusive communities. In partnership with the AFL and Netball Australia we worked with local football and netball clubs across Australia to help build their capacity to provide a more welcoming environment for people from diverse backgrounds and with different abilities.

The Australia Post AFL Multicultural Program continues to go from strength to strength with participation growing across the wider community and within the Australia Post workforce. Over 5,000 Australia Post employees from multicultural backgrounds participated in the 2014 Multicultural Round. Australia Post AFL Ambassadors once again visited a number of facilities around the country to share personal stories and join with staff to celebrate the diversity of Australia Post's workforce.

Aligning with our purpose in the community

Last year, Australia Post embarked on a journey to shift our approach from traditional Corporate Responsibility practices to focus on "Shared Value", assisted by our partnership with the Asia-Pacific Social Impact Leadership Centre.

Over the past six months we have worked alongside various community and business groups to understand their changing expectations and identify where they intersect with Australia Post's purpose and business strategy. These insights will focus and direct the evolution of Australia Post's community program in 2015/16.



Ahmed Fahour, Australia Post Managing Director & Group CEO officially opening office space on the first floor of the Heidelberg West Post Office in August 2014. This initiative was developed in consultation with local and state governments, together with small business incubator Darebin Enterprise Centre Limited (DECL)



Australia Post AFL Ambassadors Nic Naitanui (West Coast Eagles) and Bachar Houli (Richmond Tigers) with Melbourne Airport Gateway Facility employees

Regional and remote communities were the focus for the 2015 Australia Post AFL Community Camps. We ran eight community competitions via local newspapers offering AFL fans the chance to win a once-in-a-lifetime VIP session with an Australia Post AFL Multicultural Ambassador.

The winning entries ranged from aspiring footy players who opted for a one-on-one training session to young footy fans who chose a chat around the family breakfast table with their heroes.

The Australia Post One Netball Community Awards recognise and reward the individuals, clubs and associations that go above and beyond to create and support inclusive netball environments.

The Australia Post One Netball Ambassadors engaged new communities at the grassroots level to build awareness and understanding around diversity. Working in partnership with local community brokers, new community groups were invited to Australia Post “Come and Try” clinics to join in and play netball for the first time.



Australia Post One Netball Ambassador Mo'omia Gerrard with students from Punchbowl Primary School at the NSW "Come and Try" Clinic

Workplace Giving

We also provide a voluntary workplace giving program that offers our employees the opportunity to make tax deductible donations to a large number of charity partners.

For 11 of these charities, Australia Post matches contributions made up to a maximum of \$200 per employee per annum. In 2014/15, our Workplace Giving program raised \$477,709 for charitable causes, with employee donations accounting for \$295,235 and Australia Post's matched contribution totalling \$182,474.

The Our Neighbourhood Community Grants program continues to be well supported. In October 2014, 113 grant winners were announced across the categories of Digital Inclusion, Workplace Inclusion, Community Inclusion, Disaster Readiness and Small Business Innovation.

The number of applications in the 2015 grant round increased by 27 per cent on the previous year. In addition to the Our Neighbourhood Community Grants, a new Small Business Grants program was introduced.



Australian Chinese Community Association of NSW – empowering local CALD communities through digital technology education

This year, together with our National Community Partner, Infoxchange, we launched “Go Digi”, a digital literacy platform and network aimed at helping to reduce the digital divide by building the capability of Australians to participate in a digital world. The “Go Digi” platform was unveiled in Canberra in February with representatives from leading digital organisations in attendance at the National Library.

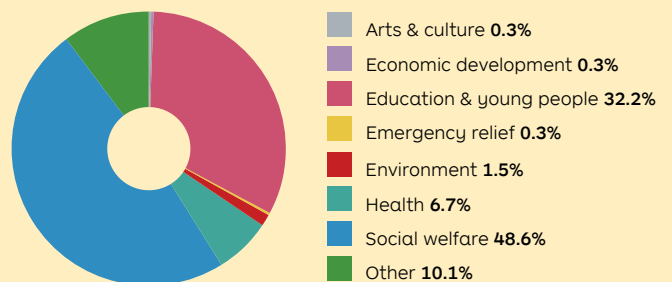
Measuring our impact

This year, we invested more than \$6.5 million in the community. This figure was comprised of cash, time, in-kind donations, and management and operational costs to support our community programs.

Australia Post is a member of the London Benchmarking Group (LBG) and sits on the Group's Steering Committee. We measure our community investment using the LBG's internationally recognised approach and the data we report is verified by LBG each year.

A copy of LBG's verification statement can be found at auspost.com.au/annualreport2015

Allocation of cash, time and in-kind contributions



Engaging the community

In May 2014, we introduced our Community Engagement Program, which involved Local Community Discussion Groups in nine locations across Australia, an online National Conversation platform, Listening Posts and Community Leader meetings in 166 towns nationally (see page 16).

These forums were introduced to engage with the Australian community around the changing nature of Australia Post and gain feedback on the proposed reform changes. This year the Community Engagement Program was further expanded to include local and national briefings to Peak Community Representative Groups.

A national marketing campaign helped raise awareness of the proposed business changes and invited the community to contribute their views via the different engagement mechanisms. As at 30 June 2015, more than 132,000 people have participated in the conversation around reform. A detailed summary of the community views and national engagement can be downloaded from auspost.com.au/conversation.



Good Spender

Goodspender.com.au is a social enterprise marketplace developed by Australia Post and our community partner, Social Traders.

The Tjanpi Desert Weavers is a dynamic social enterprise established in 1995 by the Ngaanyatjarra Pitjantjatjara Yankunytjatjara Women's Council. Tjanpi was created to enable women living in remote communities across the Central and Western Deserts to earn their own income from fibre art.

Today the Tjanpi enterprise is more than just fibre art and income; it is firmly embedded in contemporary Central and Western Desert culture as a movement that celebrates life, creativity, culture and country.

Tjanpi provides artists with opportunities to come together and share their unique gifts, perspectives and identity with the world.

The Tjanpi Desert Weavers sell their fibre art on the Good Spender website (see page 24).



Tjanpi Desert Weavers from Docker River, 2011. Image: Rhett Hammerton © Tjanpi Desert Weavers, NPY Women's Council

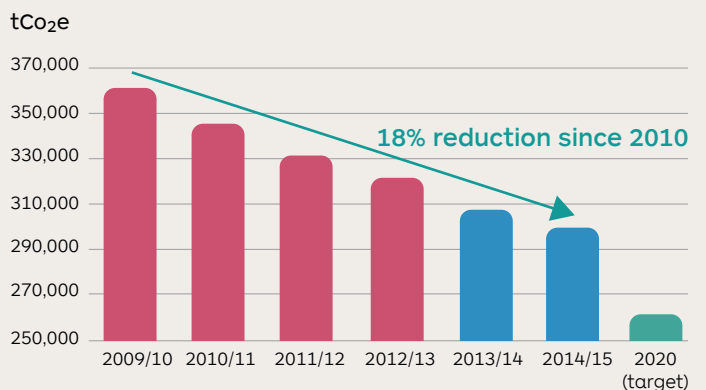
Environmental sustainability

This year, our focus remained on helping our people, our customers and community build a better environment. We aimed to achieve this by valuing our natural resources and delivering sustainable solutions for our customers – the environment is considered in everything we do.

Our approach to environmental sustainability is in line with our commitments under the United Nations Global Compact and aligns with the International Standard for Environmental Management, ISO14001.

Our Environment Management System enables us to identify and prioritise important environmental issues. It guides continual improvements in our environmental performance, which is monitored by the Australia Post Board Audit & Risk Committee. In 2014/15, we had no significant environmental incidents, spills, fines or prosecutions.

Carbon reduction target (Scope 1&2 GHG emissions)



Since 1999/2000, our CO₂ emissions have declined by 15 per cent.

Valuing our natural resources

Australia Post continued to reduce our environmental footprint through a comprehensive and consistent approach to driving fuel and energy-efficiency savings across our real estate and transport businesses.

As a result we have again achieved carbon savings of 10,707 tonnes of CO₂e this year, bringing our overall Scope 1 & 2 GHG emissions reduction to 15 per cent, on the way to achieving our 25 per cent reduction target by 2020.

Scopes 1, 2 and 3 greenhouse gas emissions (tonnes CO₂e) – by source

	Emission source	1999/00 (baseline)	2012/13	2013/14	2014/15
Scope 1 Direct emissions	Natural gas	5,444	5,819	4,756	4,787
	LPG	3,019	5,796	6,333	5,753
	Diesel (vehicle fuel)	86,630	97,320	96,372	94,408
	Petrol (vehicle fuel)	15,866	11,432	10,511	9,126
	Other small sources	68	0	327	1,545
	Total	111,027	120,368	118,299	115,619
Scope 2 Indirect emissions	Electricity	237,409	201,490	188,855	181,919
	Total	237,409	201,490	188,855	181,919
	Total Scope 1 and Scope 2 Direct and indirect emissions	348,436	321,858	307,123	297,539
Scope 3 Indirect emissions (not included in Scope 2) that focus primarily on our contractor transport services	Energy production and transfer	40,576	36,120	39,479	34,061
	Subcontracted transport	0	404,886	572,024	556,461
	LPOs electricity consumption (estimated)	0	13,743	26,086	36,996
	Business travel		2,678	3,434	4,116
	Waste disposal	29,031	0	10,539	11,162
	Total Scope 3	69,607	457,427	651,562	642,795
	Total Scope 1, 2, and 3 emissions	418,043	779,285	958,716	940,334

Notes:

All 2014/15 data includes StarTrack. Scopes 1 and 2 emissions from baseline to 2012/13 include StarTrack 2013 NGER data.

Calculation methodologies for Scope 3 subcontracted transport and LPOs electricity consumption have changed in 2014/15 and are not directly comparable to previous years.

Subcontracted transport and business travel provided for the 2013 calendar year. The majority of Scope 3 subcontracted transport carbon emissions are based on kilometres travelled. Kilometres travelled are based on the type of vehicle used and converted to carbon emissions using the National Greenhouse Accounts Factors – July 2013.

The 2013/14 data for scope 1 and 2 emissions has been updated to fully align with the energy and emissions information reported to the Clean Energy Regulator as part of the National Greenhouse and Energy Reporting Scheme, which was completed in October 2014.

Better vehicles

Overall fuel consumption was down 3 per cent, including a 2,790 tonne reduction in carbon emissions due to the careful management of our fleet of just under 12,000 vehicles. The main highlights of our performance are detailed below:

Old vehicles	New vehicles	Carbon savings achieved	Litres saved
Motorbikes	4,469 NBC110 motorbikes	885 tonnes	386,956
Sedans	Toyota Corolla	453 tonnes	205,221
Prime movers	New prime movers	533 tonnes	197,942
TOTAL		1,871 tonnes	793,119

Australia Post has been able to reduce fuel consumption through the transfer of the New South Wales Transport Facility from Clyde to Chullora next to where the parcel facility is based. As a result there was an increase in productivity as vehicles no longer made the trip from Clyde to Chullora without any product. Total savings have been estimated at 147,807 litres, 398 tonnes of carbon for this year.



Building great places

This year we have seen a reduction in our total carbon emissions from electricity of 7,595 tonnes. Our embedded approach to energy management has enabled the delivery of key projects, including:

Energy efficiency

- Energy efficiency upgrades at over 100 facilities across Australia this year, including lighting, heating, and cooling upgrades.
- Our Green Information and Design Technology program, which has delivered savings through data centre management and computer equipment upgrades.
- We transitioned approximately 1,000 staff to 180 Lonsdale Street, Melbourne – a newly fitted building incorporating a high level of environmental sustainability with natural light, water conservation, waste management and “follow me” print technology. We’re currently working towards achieving 5 Star Green Star certification.

Renewable energy

- This year we introduced renewable energy into our property and transport operations, including Australia’s first 100 per cent electric commercial van, biofuel and the installation of approximately 570kW of solar power at our sites around Australia.

StarTrack House

Our award-winning StarTrack House is a leading example of our commitment to improving the environment and creating great spaces for our people.

Launched in May 2014, it is the first refurbished building in Australia to receive certification of Triple 5 Star Green Star (Office Design v3), 5 Star Green Star (Office As Built v3), and 5 Star Green Star (Office Interiors v1.1).

The building – originally the Redfern Mail Exchange in the 1960s – has collected a number of other awards for its amazing makeover including:

- 2015 Property Council of Australia Best Sustainable Development, Existing Buildings Award
- NSW MBA 2014 Excellence in Construction Award: Refurbishment/Renovation/Construction
- High Commendation at the 2014 Sydney Engineering Excellence Awards.



Delivering sustainable solutions for our customers

Throughout 2014/15, we continued to explore environmentally sustainable solutions for our customers and the community. To that end, we worked with some of Australia's leading recyclers in leveraging the power of our network to enable the recycling, return and reuse of items that would normally go to landfill.

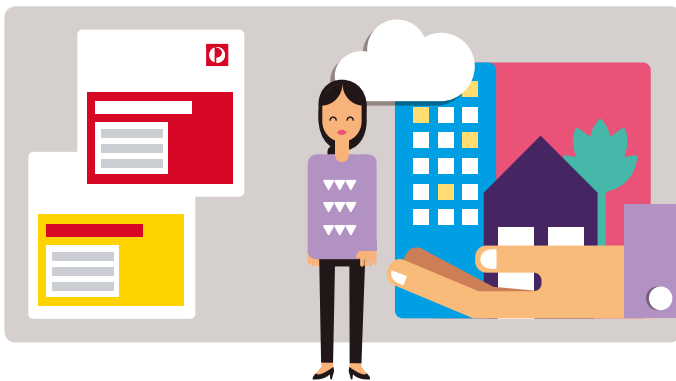
We continued our work with Planet Ark and Mobile Muster to collect and recycle mobile phones and printer cartridges across the network. To date, this has resulted in over 463,000 printer cartridges and 238,000 mobile phones being recycled.

Through our existing partnership with TerraCycle Australia, we recycle cigarette butts, coffee pods, toothbrushes and cleaning products using specially branded Australia Post satchels that can be securely sealed and posted to TerraCycle Australia.

The waste is then processed into industrial products such as lumber, shipping pallets and railway sleepers. We have helped recycle over seven million cigarette butts.

In an Australian first, we have partnered with TerraCycle Australia to develop the Zero Waste Box. This helps customers recycle items that aren't currently recyclable, such as pens, hard plastics, hairnets, plastic gloves and mailroom supplies.

We also partner with Close the Loop to transport thousands of collection boxes around Australia. Together we enable the recycling of 13 major brands of inkjet or laser printer cartridges, toner bottles, drum units or fuser kits, from printers, photocopiers and fax machines.



Our packaging

We have a broad program to continually improve the sustainability of our packaging. This is outlined under our Australian Packaging Covenant Action Plan, which commits Australia Post to continue to reduce the environmental impacts of packaging related to our business activities.

We review our packaging to ensure that it is fit for purpose and, where possible, we reduce the impact on the environment through using recycled materials and increasing packaging recyclability. This approach applies to Australia Post-branded products as well as our customised packaging solutions for our customers.

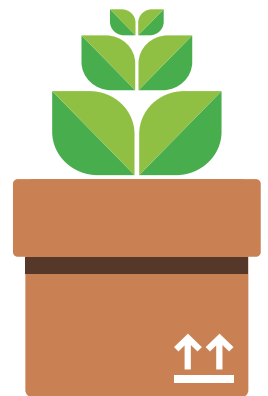
More recently, we have established a national recycling program for our flexible satchel products in partnership with TerraCycle Australia.

To view our Action Plan and Australian Packaging Covenant Report go to auspost.com.au/environment.

Waste reduction program

Australia Post has a number of waste management strategies in place to assess and reduce waste, focusing on recycling non-hazardous waste and minimising the amount of waste going to landfill.

We continue to manage our waste streams with paper, cardboard, co-mingled and plastic recycling in place.



Operational waste stream	2014 (tonnes)	2015 (tonnes)
Cardboard	2,120.1	2,047.1
Co-mingled	116.1	105.9
General mixed waste	10,849.3	9,301.3
Timber	112.9	187.8
Paper	1,721.6	1,705.9
Total	14,919.9	13,348.0

Engaging with our people, customers and community

We launched our three-year Environmental Engagement Strategy aimed at empowering our people, community and customers to build a better environment, driving sustainable practices both in the workplace and at our employees' homes.

Key achievements this year included establishing a Green Network of environmental ambassadors and, for the first time, celebrating World Environment Day creating awareness for over 2,000 decision makers in our business, giving away 500 seedlings for planting and four raised pallet gardens created from upcycled pallets. We also worked to strengthen our strategic partnerships with Banksia Foundation, Clean Up Australia, The World Wildlife Fund and the Centre for Sustainability Leadership.



An upcycled pallet garden at our 2015 World Environment Day celebrations