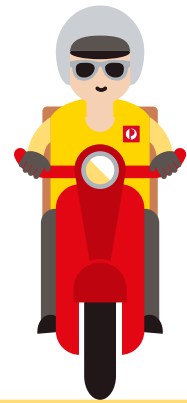


## Transforming the post office

Just as we have invested in growing our parcels business, we have also focused on reinvigorating the post office to position it for a strong future. Our unrivalled retail network and the last-mile advantage of our 11.4 million delivery points give us a unique strategic advantage.



We make it easy for customers everywhere to lodge or collect their mail at a time and place convenient to them. This network also provides our business customers with an advantage when handling returns and managing reverse logistics solutions in today's eCommerce marketplace.

Recognising that today's customers expect greater flexibility and choice, this year we introduced permanent Saturday deliveries for Express Post parcels and extended post office opening hours to six days a week in many locations.

Since 2010, we have also invested in creating personalised digital solutions that allow a seamless experience, both in-store and online, to deliver greater convenience for our customers.

Consumers can now go online to pay their bills or order foreign currency online, access identity verification services like tax file number applications, or simply manage where and when their parcels are collected.

### Maintaining the strength of our network

Australia Post maintains an unrivalled post office and delivery network. Our 4,406 post offices (of which 2,554 are located in rural and regional areas) provide our customers – regardless of where they live – with essential products and services to help them shop, bank, pay bills and connect.

Our 15,591 street posting boxes put mailing a letter to any of our 11.4 million delivery points within easy reach of most Australians.

Like the community we serve, Australia Post values the strength of our network and the trust that Australians place in us to deliver. That's why, despite the challenges facing our letters business, we continually strive to meet the targets set by our Community Service Obligations.

This year, we were proud to once again exceed these expectations: making deliveries to 98.8 per cent of addresses five days a week (against a target of 98.0 per cent), with 94.8 per cent of letters arriving on time (against a target of 94.0 per cent).



**While working to maintain our traditional services, we have also been investing in new in-store experiences that reflect the changing needs of contemporary consumers and business customers.**

Our superstores offer customers greater access, choice and convenience with 24-hour zones, parcel lockers, self-service terminals, vending machines, extended identity services and travel services.

We opened 11 superstores this year, taking the total to 59, of which 16 are located in regional locations (with a target of opening 50 regional superstores by 2020).

We also launched the first of three scheduled open-plan stores this year. These feature separated counters and additional self-service terminals, giving customers more freedom to choose the service that suits them best.

### Listening to our customers

Our Retail Customer Experience Program (Retail CX) provides valuable bi-monthly feedback that helps us continually improve the services we provide.

Run across 3,164 corporate and licensed post offices, Retail CX is a simple and effective way for customers to provide feedback on their in-store experience. This year, overall customer satisfaction was 9.28 out of 10 (up from 9.14 last year and 9.06 in 2013).





## Managing life's important jobs

In recent years we have digitised many of our traditional post office services to create a suite of trusted online services that allow customers to securely interact with us anywhere and anytime, in order to easily manage their deliveries, payments and government transactions.

MyPost Digital Mailbox (the digital mailbox) allows customers to pay bills, set reminders, and receive and store important communications electronically.

This year, the digital mailbox successfully integrated Westpac (the first bank to join the digital mailbox) and signed a range of top-tier providers including Sunsuper, Mirvac and TasWater.

Active usage of the digital mailbox has grown rapidly this year, largely due to the addition of new features that enable customers to receive digital receipts for post office transactions and manage their post office box online using Mail2Day notifications.

We also extended the functionality and convenience of the digital mailbox this year by expanding our payment options to allow customers to pay bills with their bank account, using either our basic "Pay with Bank Account" feature or the newly integrated "POLi" product that processes payments in real time.

In November, we partnered with UnionPay International and the Bank of China to create our UnionPay Load&Go Multi-Currency Prepaid Travel Card.

The Load&Go China Travel Card now enables customers to withdraw cash or make secure payments in China and around the globe, in person or online, wherever UnionPay cards are accepted.

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## Supporting our Licensed Post Offices

Our Licensed Post Offices (LPOs) perform a critical role in delivering our services – and maintaining a strong rural and regional network. Over the past two years, we have pledged \$125 million in annualised additional payments to support the sustainability of our LPOs and Community Postal Agencies (CPAs).

The changes include a new Small Post Office Support Plan to increase the minimum annual payment to nearly 1,000 smaller post offices; and the doubling of the street-carded parcel rate, which will benefit more than 1,800 LPOs.

This year, we also installed electronic point-of-sale facilities in 386 LPOs that were previously not connected to our electronic network. These LPOs, which are mostly located in rural areas, now have the capabilities required to offer a broader range of trusted services to their local community.

We also committed to opening 50 superstores in rural and regional areas, and have worked to source a range of merchandising and in-store deals to help diversify revenue streams and reinvigorate foot-traffic in our rural and regional stores.

## Stamps

Our philatelic team continued to produce popular and timely stamp releases to mark key historic milestones and, this year, we marked the Centenary of Gallipoli and commemorated Australia's Victoria Cross recipients with separate releases.

We also launched a number of collections reflecting themes in popular culture, as well as releases celebrating the Australian landscape, and our native flora and fauna.

