

New Retail Vendor to Australia Post

Effective 22 July 2011



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Interested in becoming an Australia Post Retail Vendor (Trade Partner)?

In this section you'll find everything you need to know about the practicalities of becoming an Australia Post Retail Trade Partner. This document also includes the Vendor Guide.

This document is useful if:

- You are intending to supply a product or range to Australia Post's Retail business.
- Your product or range has been accepted by Australia Post and you require an Australia Post Vendor Number.

This document includes:

- An overview of how to deal with Australia Post
- An informative and easy-to-use 'Product / Range Presentation Checklist' that will help you prepare for an initial product presentation to an Australia Post Category Manager
- New Vendor forms that you will need to complete in order to obtain a Vendor Number.
- New Product / Range forms to commence supply of your product.

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1. Welcome

Thank you for your interest in exploring business opportunities with Australia Post. We are pleased that you have chosen to do business with us. Australia Post has continually upheld its commitment in providing added value on world-class quality products, combined with award-winning service to all our customers. We are very excited to share this dynamic vision with our business partners as well.

This Vendor Guide is intended to introduce you to Australia Post's business philosophy and practices. It is being provided to you, our potential and existing suppliers, as a reference - to direct and guide you in the initial steps and ongoing processes of this business relationship. This Vendor Guide provides you with basic steps and information you will need to pursue your goals with Australia Post.

Australia Post reserves the right to amend or update any segments or contents of this Vendor Guide when and, as it deems necessary or appropriate. In all cases, forms used should be current at the time of the transaction.

Please visit www.auspost.com.au to download current versions of these forms and to obtain Australia Post's most current policies and procedures.

2. Buying and Marketing

The Retail Services Group is based at headquarters and is responsible for the buying and promotion of retail merchandise in Australia Post shops, Business Centres and Licensed Post Offices.

The retail product range is made of broken down into five core retail categories:

- Packaging
- Communications (eg. handsets, recharge and mobile broadband)
- Greeting cards
- Stationery (eg. technology products such as printers, external hard drives, monitors and cameras and traditional stationery)
- General merchandise (eg. gifts, books etc.)

The purpose of the Retail Services Group is to:

- Serve our customers with retail products of high quality and value, at the right time and in sufficient quantities
- Create effective and impactful promotions via catalogues, in-store point-of-sale, media, merchandising and product presentation
- Develop best practice retailing skills
- Identify new channels to maximise revenue streams; and
- Identify new product opportunities complementary to our core business.

3. Getting your product ranged

3.1 Process

If you are interested in establishing a business relationship with Australia Post, call or write to the relevant Australia Post National Category Managers (details are listed on the next page).

Your initial communication with Australia Post should include:

- A short background about your company, including such information as its size and location,
- Geographic distribution points
- A description of the company's primary business
- A current listing of retail accounts in which your product is retailed.

If the NCM contacts your company with a request for a meeting, please bring the information described in the checklist in this section with you to that meeting, as such information is needed to set up new suppliers and items. You may also be asked to sign a Non-Disclosure Agreement prior to the meeting. This meeting should not be interpreted as an indication of intent by Australia Post to accept the proposed product or to appoint you as an approved Australia Post vendor. While we may be interested in reviewing your company and products, acceptance is not guaranteed.

1. Complete the New Product/ Range Presentation Checklist in this Vendor Guide.
2. Contact the relevant National Category Manager via email with the above information and a completed Product Submission Form.
3. The National Category Manager will endeavour to respond in 7 days. If you are successful, an interview time will be arranged.
4. Present product/ range to National Category Manager.
5. If your product has been accepted, complete the mandatory forms in this Vendor Guide and submit to the National Category Manager.
6. Forms are loaded in our system and Australia Post will provide you with your vendor number.
7. New Product Forms must be completed for all new items that will be ranged by Australia Post.
8. A Commercial Trading Agreement is issued for your signature and return.

3.2 Retail Services National Category Managers

National Category Managers

Communications

- Mobile Phones
- Broadband
- Recharge
- Mobile Phone Acc.

Debbie Williams

(02) 9202-6988

Debbie.williams@auspost.com.au

Gifting

- General Merchandise
- Greeting Cards
- Gift Cards

Category Manager:

Kerry de Pagter

Please contact Category Co-ordinator:

Rebecca Roth

(02) 9202 6006

rebecca.roth@auspost.com.au

Home and Office

- Traditional Stationery
- Technology
- Packaging

David Hall

(03) 9106-9661

David.Hall@auspost.com.au

New Product/ Range Presentation Checklist

The National Category Manager will use this checklist as a basis for determining whether an interview will be required.

This checklist is a guide to help prepare you for your interview with the National Category Manager. Ensure you have considered all items listed below, as you may be asked to discuss them in the interview.

NEW LINE

RANGE EXTENSION

Vendor Name:

Vendor Number: (If applicable)

States to be considered for ranging:

VIC NSW QLD WA

SA TAS NT

Submission Date:

Product: (Include brand, description, weight, size)

ITEM	DETAILS TO PROVIDE	COMPLETED
Sample provided	<ul style="list-style-type: none"> Submit sample to National Category Manager prior to interview 	
Product Duplication	<ul style="list-style-type: none"> Is the product a duplication of anything ranged by Australia Post? Is the product unique? 	
Other carriers of product	<ul style="list-style-type: none"> Is the product or line range by other retailers? If yes, how is it performing, locally, globally? 	
Estimated profit dollars it will bring to the category on a six month basis	\$	
Source of supply	<ul style="list-style-type: none"> Warehouse Direct to Stores 	
Category relevance	How does the product fit within current Australia Post categories?	

Shrinkage	Are there potential shrinkage issues?	
Supply Unit of Measure	Units per carton:	
Cost (excluding GST) per Unit per Carton	\$	
Recommended Sell Price	\$	
Gross Profit Margin (excluding GST)	\$ _____ and %	
Ranging	<ul style="list-style-type: none"> • Brand new line to market: YES/ NO • Existing: where is it currently ranged? • Current sales per store per week where ranged: 	
In-store support/ merchandising	Will you provide any? YES/ NO	
Ability to action National Product Recall	YES/ NO	
Consumer Research	<ul style="list-style-type: none"> • Has the product been consumer researched? • What kind of research? • What were the results? 	
Marketing and Media Support	<ul style="list-style-type: none"> • New Line launch date • Media spend: \$ _____ • Spend period: _____ • Media/ marketing vehicle _____ _____ _____ • Exclusive Australia Post promotion: YES/ NO • Timing: _____ • Details: _____ _____ _____ 	

4. Information for new Vendors

4.1 Invoicing and Payments

The Shared Services Division (SSD) is responsible for processing trade partner invoices and is the first point of reference for invoice payment enquiries. Pricing queries must be directed to your relevant National Category Manager. Tax compliant original invoices must be delivered with the goods or service.

Australia Post considers it is the vendors' responsibility to reconcile their accounts. Trade partners are requested to have remittances reconciled within 60 days of receipt to ensure quick resolution of queries.

Any queries arising from the reconciliation of the remittance advice should be directed to SSD promptly to ensure quick resolution.

Any queries relating to payments should be directed to the SSD Query Desk (phone 1300 656 772)

Where possible, use email: accounting.enquiry@auspost.com.au

4.2 Promotions

Australia Post Buying and Marketing provide 52 weeks of promotional activity.

These promotions are supported by colour catalogues/ flyers letterbox dropped to 3.7 million households in Australia, plus periodic radio and press advertising.

The promotions are planned systematically and well in advance to avoid clashes between competing brands.

Contact the National Category Manager in your category to explore promotional opportunities.

4.3 Logistics – Packaging and Delivery Requirements

The Australia Post retail supply chain is made up of six Distribution Centres. Distribution centres distribute to over 3,500 stores nationally, including corporate outlets, franchises and licensed post offices. Below are the packaging and delivery requirements for stock delivered to warehouse and direct to store.

STOCK DELIVERED TO WAREHOUSE

Packaging

1. Delivery documentation must be provided with the goods or inserted in a plastic envelope and attached to the outside of the carton or pallet.
2. The following information must be included on all delivery documentation and clearly marked on the outside of any cartons (commercial packaging excepted) delivered to Australia Post:
 - Australia Post Delivery Address;
 - Australia Post Purchase Order Number;
 - Australia Post Material Number or Product Code;
 - Quantity and Unit of Measure;
 - Gross Weight; and
 - Print Version Date (where applicable in relation to printed materials).

3. Where an outer carton contains inner cartons or packs, all cartons or packs shall be marked in accordance with the above.
4. If the cartons are standard commercial packages marked with material or product description and quantity, no further labelling of the cartons is required.
5. The quantity of units in each carton must be uniform and consistent for each individual material or product.
6. Where multiple materials or products are being delivered they must be packaged and labelled in their own individual cartons.
7. Printed materials are to be packaged in accordance with Australia Post's Purchase Order specifications. Quantities shall be clearly marked on each individual carton, bundle, roll or pack.
8. All cartons or goods delivered to Australia Post must not exceed 105 centimetres in length and the length plus the greatest girth must not exceed 2 metres. The weight of individual cartons must not exceed 16 kilograms.
9. Corrugated or solid fibreboard cartons must be made in accordance with Australian Standard AS1520. All cartons must be of sufficient strength to prevent collapsing or damage to goods contained within. All cartons must be sealed with polypropylene strapping or tape.
10. Damage to goods resulting from insufficient packaging shall be rectified at the expense of the supplier.
11. It is optional for suppliers to provide an EAN (European Article Number) on any cartons, pallets or delivery documentation supplied to Australia Post.

Palletisation

1. Where goods are to be delivered on pallets, the pallets must be non-hire and unbranded, standard, single face, two-way entry wooden pallets (1165 x 1165 millimetres) in accordance with Australian Standard AS4068-1993.
2. Goods delivered on hire or branded pallets, non standard pallets or skids not in accordance with AS4068-1993 will not be accepted unless prior written approval is obtained from the Manager – Retail Supply Chain Unit. Australia Post will not accept responsibility or liability for hire or branded pallets which are delivered to its warehouses and which do not utilise pallet accounts which allow the transfer of the hire or possession of pallets to Australia Post.
3. All pallets will, where possible, be exchanged on a one-for-one basis at the time of delivery.
4. Combined pallet and contents height must not exceed 1300 millimetres.
5. The weight of the pallet and contents must not exceed 1 tonne.
6. Cartons or goods are not permitted to overhang the dimension the pallet dimensions (1165 X 1165 millimetres).
7. All cartons or goods delivered on pallets must be stacked in an interlocking or other appropriate manner to ensure stability (including stretch-wrapping and polypropylene strapping, where necessary). Carton labelling must be outwards facing to facilitate identification and checking of pallet contents.

8. All full pallets delivered to Australia Post must be stretch-wrapped. Only transparent/clear stretch-wrapping is to be used unless Australia Post specifically requests black stretch-wrapping for security purposes.
9. All deliveries required to be made to Australia Post using freight containers must receive pre-approval from the **Buyer or Nominated Representative**. All cartons or goods delivered in freight containers must be packed in accordance with Australian Standard AS1899. All costs associated with decanting the container and re-palletisation of cartons or goods will be reimbursed to Australia Post by the supplier.

Scheduling or Delivery Booking Requirements

1. All suppliers or freight carriers must phone the Receiving Office or Supervisor to book in a suitable delivery time and adhere to the following requirements.
2. All deliveries made to the Victorian warehouse must be booked in with the Receiving Supervisor. In all other states (NSW, QLD, SA & WA), deliveries of 3 or more pallets must be booked in with the relevant Receiving Supervisor.
3. In accordance with the above, all deliveries must be booked a minimum of 24 hours prior to Australia Post's requested delivery date.
4. Pallet and/or carton quantities must be specified at the time of booking.
5. If pallet exchange is required, this must be specified at the time of booking.
6. No deliveries will be accepted outside of the specified receiving times for each warehouse (unless previously arranged with and approved by the appropriate Receiving Supervisor).
7. All goods delivered to the warehouse are accepted on the basis that they will be subject to further check to ensure compliance with specifications and other requirements as detailed in the Purchase Order or other supporting documentation.
8. If a scheduled delivery is to be late, the Receiving Supervisor must be contacted to reschedule the booking. Scheduled deliveries will receive priority over those that are either early or late.
9. When delivering goods to Australia Post warehouses, all relevant state based Occupational Health and Safety legislation must be observed by suppliers or freight carriers (for example: high visibility vests, safety footwear etc).
10. Return transport/freight costs will be borne by the supplier for any deliveries that are rejected.

STOCK DELIVERED TO DIRECT TO STORE

1. Documentation must be provided with the goods at the time of delivery
2. The following information must be included (at a minimum) on all documentation:
 - Australia Post Delivery Address.
 - Order / Suppliers Reference Number.
 - Item Number or Item Description.
 - Quantity.
 - Price (excl GST and total inclusive of GST).
 - Suppliers address, ABN/ACN and contact details.
3. If the articles / cartons are standard commercial articles / package, then other than the Senders details, no further labelling of the articles / cartons is required.
4. The weight of individual cartons must not exceed 16 kilograms.

5. All cartons must be of sufficient strength to prevent collapsing or damage to goods contained within. All cartons must be sealed with polypropylene strapping or tape.
6. Damage to goods resulting from insufficient packaging shall be rectified at the expense of the supplier.
7. It is optional for suppliers to provide an EAN (European Article Number) on any cartons or delivery documentation supplied to Australia Post.
8. Delivery of goods to Australia Post stores should occur between 9am to 5pm on Business Days – unless by special arrangement.
9. Couriers and / or delivery representatives should observe queuing conditions if asked to do so by Australia Post staff.

4.4 Commercial Trading Agreement (CTA) – Vendor Trading Terms

The Commercial Trading Agreement (CTA) document is the legally binding agreement between the parties on how we will do business together.

It is a condition of supply to Australia Post that the CTA is signed.

The general conditions agreed in the CTA cover matters such as trading terms, warranties, indemnities and guarantees. In addition to the National Vendor Trading CTA, Australia Post requires Vendors to agree to terms governing matters such as Private Label Supply, Advertising, Exclusivity (if applicable), Growth, Settlement, and Logistics and so on.

The CTA and any other terms in the Vendor Guide are current at the time of first publication. Australia Pos may update or amend the CTA and other applicable terms from time to time and the version you are required to sign may differ from the version contained in this Guide.

4.5 Packaging and Barcodes Specifications

The Packaging and Barcodes Specifications document provides a comprehensive source of information for business terms and trade partners to jointly design effective, safe packaging and create valid, reliable Bar Code labels according to Australia Post's specifications.

4.6 Australia Post Quality Assurance

The testing of Goods will be specified by the Buyer and detailed in the Commercial Trading Agreement (CTA) Schedule entitled "Goods Specification" or as stated in Individual Contracts.

The testing service provider must be pre-approved by Australia Post. Goods are to be tested on a periodic basis to ensure results remain contemporary. Any changes to the Goods Specification will result in Goods being retested against the relevant standard at the Vendors cost. Copies of test results and certification are to be sent to the Contract Authority, in PDF file format as per the frequency stated in the Commercial Trading Agreement (CTA) Schedule entitled "Goods Specification" or as stated in Individual Contracts.

4.7 Becoming an Australia Post Brand Vendor

If you are selected to be a supplier of Goods to Australia Post, the FORMS FOR COMPLETION in this Vendor Guide will be required.

There are further terms and obligations governing trade partners who supply Australia Post brands. If you are interested in supplying a product under one of Australia Post's Brands, please contact us for further information.

4.8 Recalls and Withdrawals

It is in the best interest of product vendors and consumers to make sure that unsafe consumer products are effectively removed from the marketplace. Consumers may suffer serious injury from such products and, if they do, vendors can be liable under the product liability provisions of the Trade Practices Act 1974 or at common law.

Under the Trade Practices Act, the Minister responsible for consumer affairs (currently the Parliamentary Secretary to the Treasurer) can order the recall/ withdrawal of a product that will or may cause injury if the vendor has not taken satisfactory action to prevent the product causing injury to any person.

It is your obligation as an Australia Post Vendor to recall/ withdrawal as soon as you become aware of a possible defect in a product that may make it unsafe.

A recall/ withdrawal must be made to:

- minimise the risk of injury or death to consumers by removing an unsafe product from use;
- retrieve or repair as many of the defective products as possible;
- minimise the cost and inconvenience to consumers and Australia Post; and
- minimise the need for involvement by government authorities by voluntarily complying with the law.

5. Forms for Completion

Once your product has been accepted by the National Category Manager, complete and submit the following forms in order for Australia Post to set up your vendor number in our system.

- **Company Details Form**
- **General Vendor Masterfile Request Form**
- **Electronic Funds Transfer (EFT) Form**
- **New Product Form**