

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Additional Estimates February 2017**

**Communications Portfolio**

**Australia Post**

**Question No: 87**

**Australia Post**

**Hansard Ref: Written, 14/03/2017**

**Topic: StarTrack**

**Senator Urquhart, Anne asked:**

1. Is StarTrack required to prepare and lodge audited accounts with ASIC?
2. Are StarTrack accounts subject to an annual audit? If yes, please name auditors for each year since purchase in 2011.
3. Please outline earnings and cash flows generated by StarTrack over each financial year since its purchase in 2011.
4. Has any valuation of StarTrack recently been undertaken?
5. How many staff are employed in the Australian arm of StarTrack?
6. Are any bonuses linked to the performance of StarTrack?
7. Are any interests held by any Australia Post personnel in StarTrack?

**Answer:**

1. No. Noting the relief provided by ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, StarTrack<sup>1</sup> is not required to prepare and lodge audited accounts with ASIC.
2. StarTrack's accounts are not subject to an annual audit in their own right (see response to question 1, above), however the business activities of StarTrack are reviewed annually as part of the audit of consolidated group accounts, and the accounts of Australia Post Transaction Services Pty Ltd, undertaken by the Australian National Audit Office.
3. Please refer to the below table for the required amounts for StarTrack. This information has been sourced from internal management reports that are not subject to audit:

<b>Year</b>	<b>Net Profit After Tax (earnings) (\$m)</b>	<b>Net cash from operating activities (\$m)</b>
<b>FY13 (post acquisition)</b>	\$31.1	\$78.2
<b>FY14</b>	\$39.5	\$41.1
<b>FY15</b>	\$(1.9)	\$(15.8)
<b>FY16</b>	\$27.4	\$27.6

4. No valuation has been performed of the StarTrack business. To satisfy accounting standards, impairment testing of StarTrack is performed.

<sup>1</sup> For the purpose of these responses, "StarTrack" means AUX Investments Pty Ltd and its controlled entities (AUXI Group). The controlled entities include the StarTrack business.

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5. As at 28 February 2017, there are 3,454 staff employed by StarTrack in Australia (includes permanent, full-time, part-time and fixed term staff). There are 3,959 staff employed when including active casual employees.
6. There are two bonus/incentive schemes in operation currently with links to StarTrack performance. The short term and long term incentive program runs across the Australia Post Group senior and management level employees.

In addition, there is also an enforceable agreement between StarTrack and the Transport and Workers Union for a StarTrack Operations Annual Performance Bonus which is run for Freight Handlers and Drivers (in all states except ACT and NSW). The elements of this performance bonus are linked to StarTrack operational and safety performance metrics (Delivery in Full on Time, Stops per Run, and Lost Time Injury Frequency Rate) at a state and product level. This is the final year in which the performance bonus is payable under the agreement.

7. No.