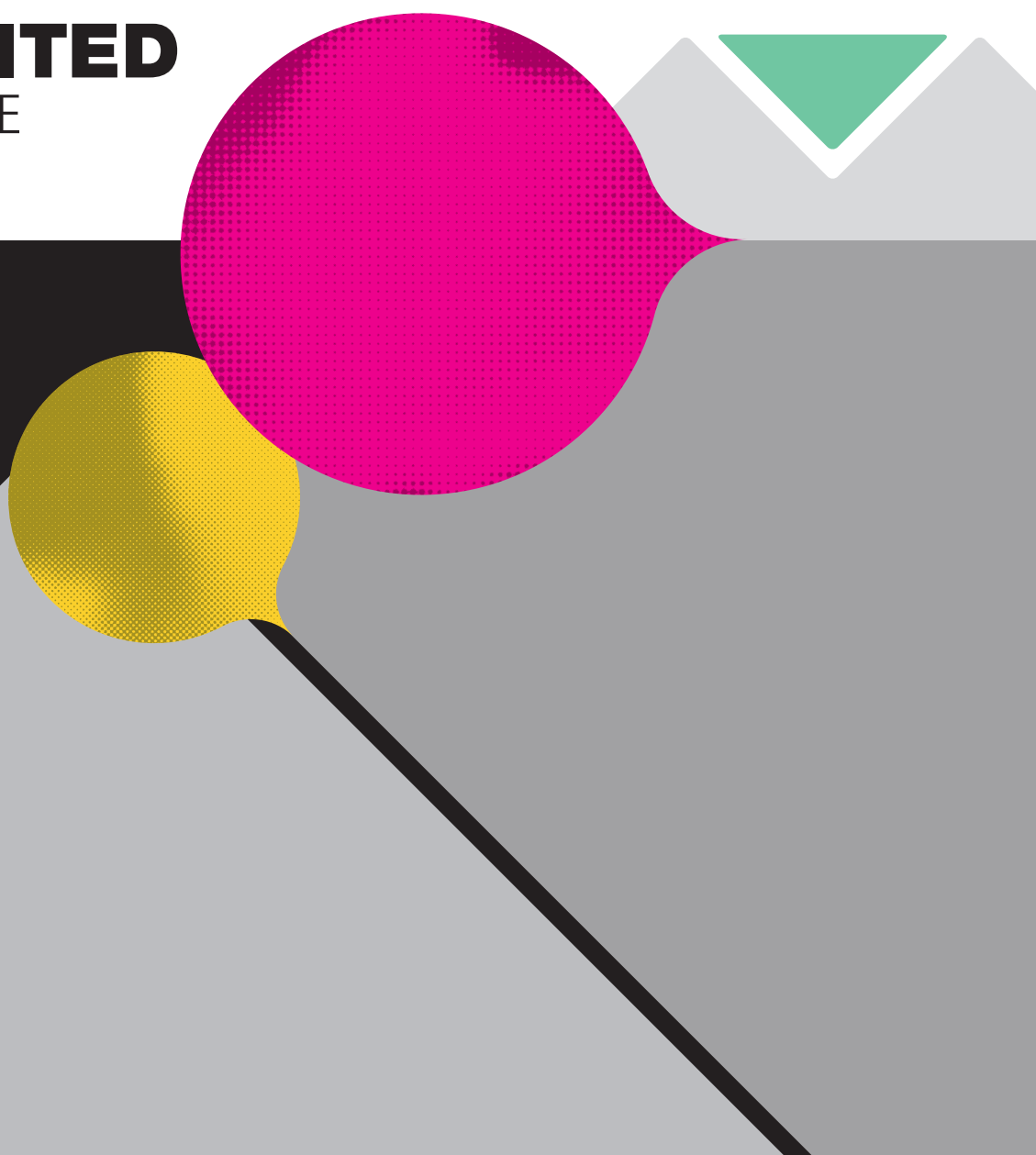




TSA LIMITED

ANNUAL UPDATE



THE YEAR THAT WAS...

As an industry organisation, TSA Limited is always looking at ways to promote and grow the industry and 2017 was the year of collaboration and achieving goals for our members. The year was full of success with our campaigns falling nothing short of greatness, and with the help of our New Zealand counterparts, we continued our focus on promoting print as a prosperous, relevant and results-driven industry.

TSA Limited has exceeded all goals we committed to achieving for our members. From new membership growth of 35%, a 30% increase in member revenue, more campaigns, lobbying and stakeholder engagement – the team has worked hard and delivered. We welcome all of our new members and look forward to continued growth as we remain committed to bringing the entire industry together with a united focus on delivering what we say we will.

Our campaigns have strengthened and gained momentum. We commenced lobbying calling for a key outcome regarding paper bills and have achieved legislative reform, the first campaign that has achieved this for our industry. We have added Inspirations to our VoPP campaign to ensure the latest print marketing campaigns are delivered to our members. Two Sides has partnered with the UK and North America developing a Packaging arm to the campaign. And of course, we promised last year we would launch a direct mail campaign, Open Up to Mail and we have. Our campaigns have developed and delivered across each and every corner of the country and now with increasing interest as we expand the campaigns into New Zealand.

Keep Me Posted (KMP) achieved critical turning points this year. In September, we applauded the New South Wales Government's decision to keep energy consumers posted, without charge, as a part of the energy bill relief package. At a Federal level, we closed 2017 with Treasury's consultation into paper billing fees. We submitted a 194-page submission supporting a total ban on paper billing fees and for the consumer's right to choose, free of charge, how they receive important communications. As we wait to hear the results, we continue to engage corporate Australia. Companies, like Energy Australia who announced a total ban on paper billing fees, we are leaning on all energy providers to follow suit.

Two Sides continues to challenge the anti-paper and print statements made by companies pushing people online for the wrong environmental reasons. We invested resources both locally and internationally to explore effective fibre-based packaging and we've developed a global presence becoming the Secretariat for the Australasian Paper Industry Association (APIA) which includes the fibre-base packaging sector. Through this partnership, we were able to gather research to build tools including a packaging myths and facts booklet busting common myths surrounding this sector.

The Value of Paper and Print, our strongest and foundation campaign, pushed the print boundaries further throughout 2017 with VoPP Mag Issue 3 and Issue 4 focusing on luxury embellishments and direct mail, respectively, seeing our campaign

take print to a whole new level. We launched our new VoPP website in December 2017, with improved navigation and user-experience capabilities through the use of filters for Members to access and share innovative print with their customers.

In 2017, our membership into the mail-house sector grew and we quickly recognised that we needed to develop a targeted campaign talking directly to designers across the country. We developed Open Up to Mail – a campaign promoting the effectiveness and relevance of direct mail in today's 'click sick' world. After months of research into the mailing sector, we noticed a gap in Marketers' knowledge on the effectiveness of developing direct mail campaigns. With response rates for direct mail sitting at around 4.4%, and email marketing sitting at 0.12%, Open Up to Mail is here to ensure print customers are investing in a valuable print channel that works in terms of reach, engagement and ROI. We are incredibly excited to see how this campaign will impact customer's perception on the industry throughout 2018 and look forward to hosting a series of events throughout 2019.

We closed the year on a high note securing the future of our campaigns and giving members more - we are proud to announce that the motion to merge with the Australasian Catalogue Association was passed. The merger was inspired by synergies between ourselves and the ACA sharing a common vision – a commitment to achieve growth in the graphic communications industry from supply to design to production to delivery. In addition, ACA and TSA have a common management team and Board members, it is because of this, it could be argued, that an informal partnership already existed. Formalising this will offer greater resources, unity and benefits to members as well as the opportunity to connect our members with retailers and agencies.

I thank you all for your Membership throughout the 2017 year and into the next. Without your investment, passion, involvement and support, we wouldn't be the strong industry Association that we are today and we look forward to an incredible and sustainable future ahead. Today we are a united voice for the print, mail, paper, publishing and packaging sector and collectively our industry will continue to promote, grow and build a prosperous year ahead. This report provides you an overview of what we've achieved with you over the past twelve months and we look forward to achieving much more together with a renewed focus as **'The Real Media Collective'**.

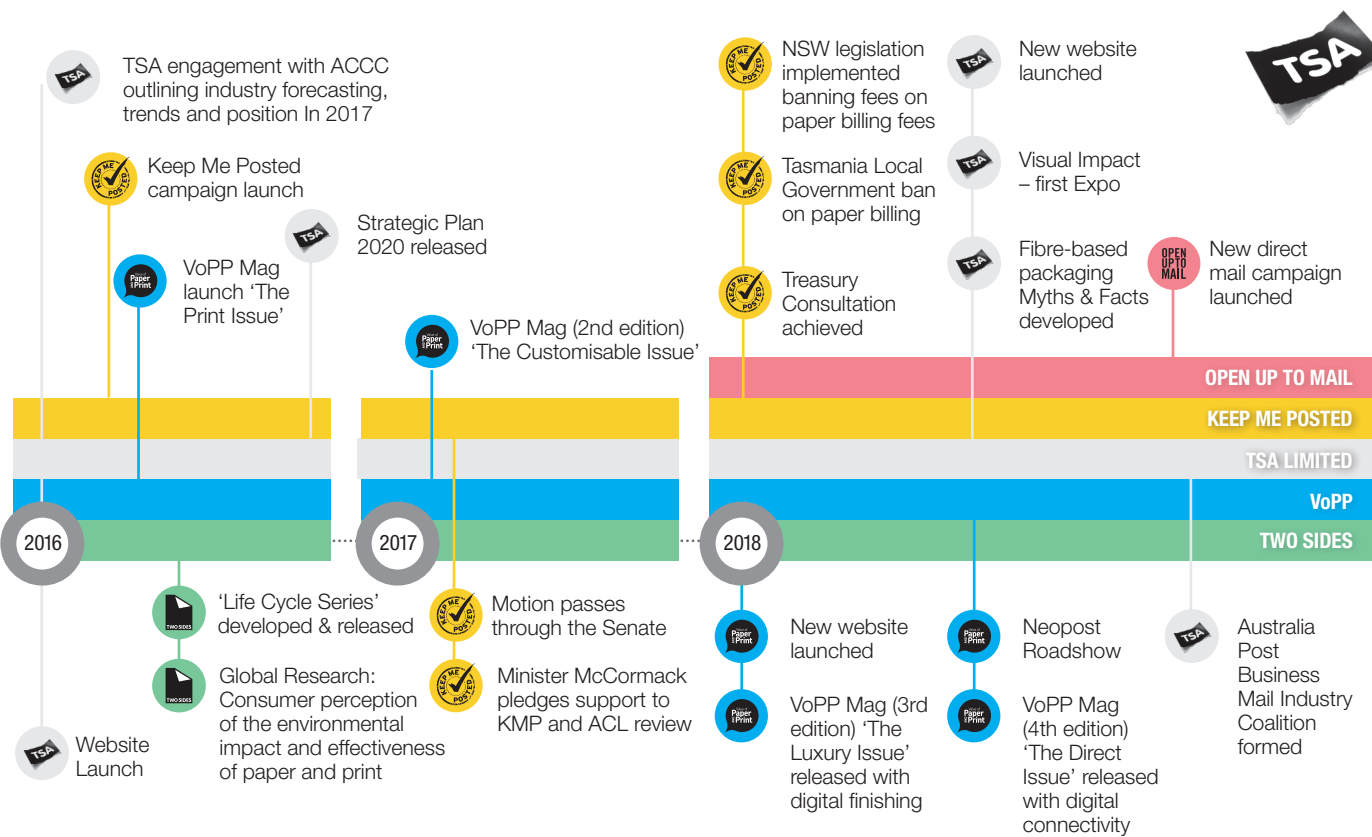
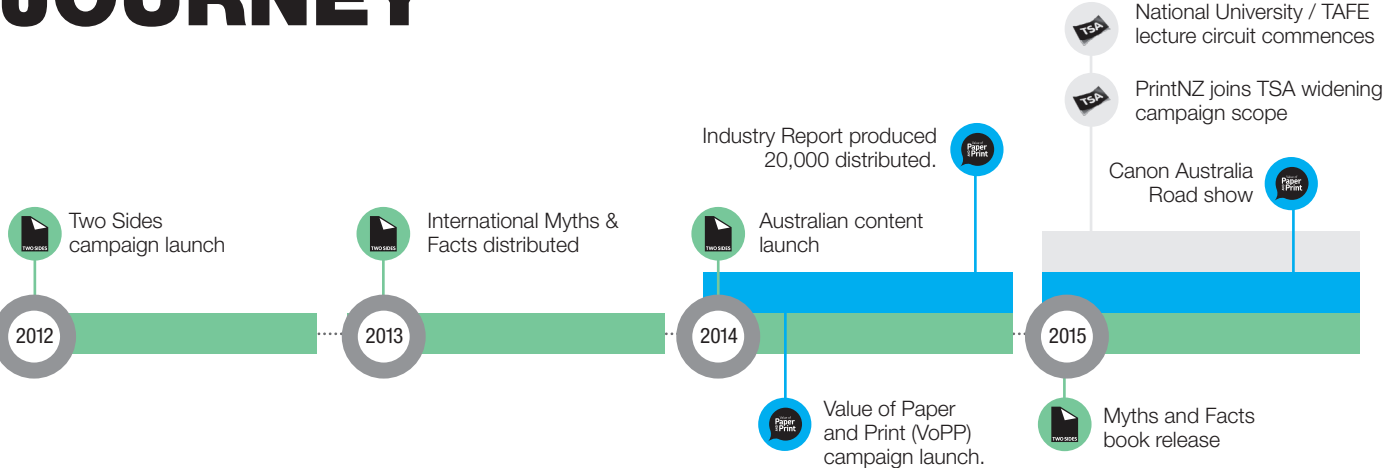

Kellie Northwood
Chief Executive Officer



THE TSA TEAM AT WORK...



OUR JOURNEY

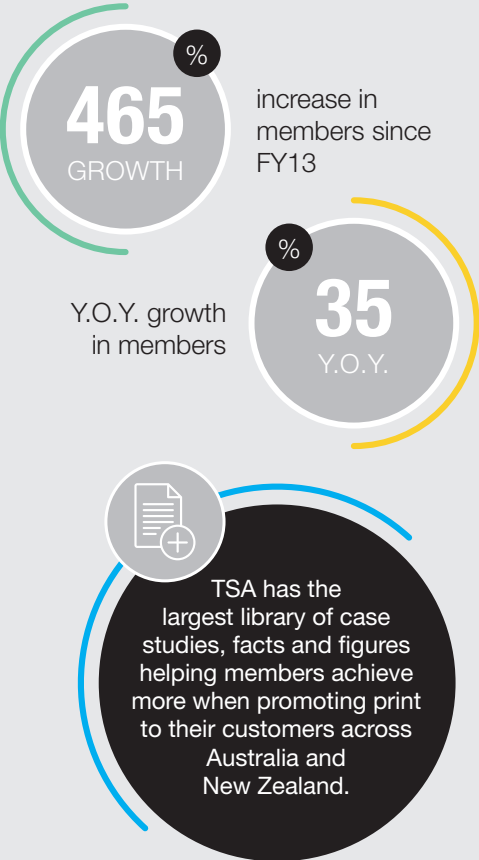
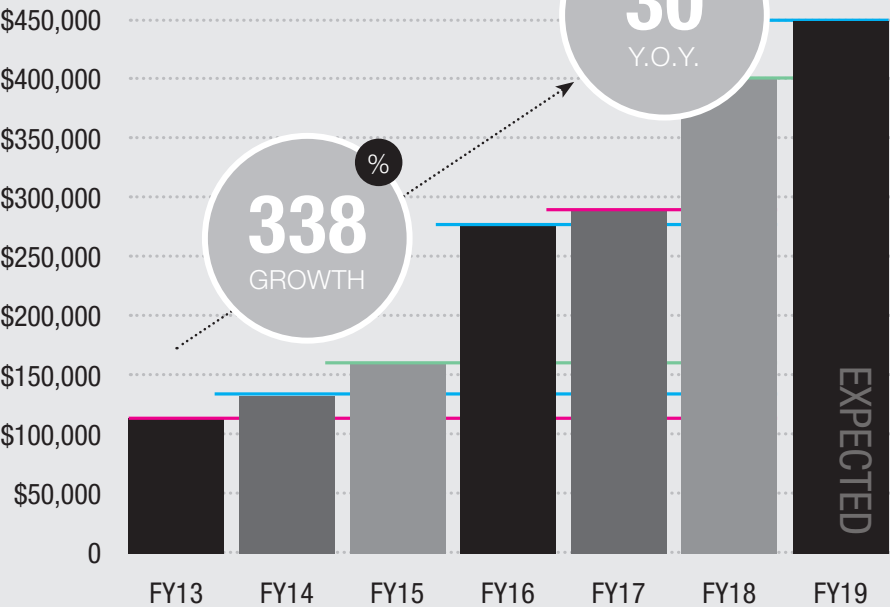


OUR PERFORMANCE

THANK YOU TO ALL OUR MEMBERS

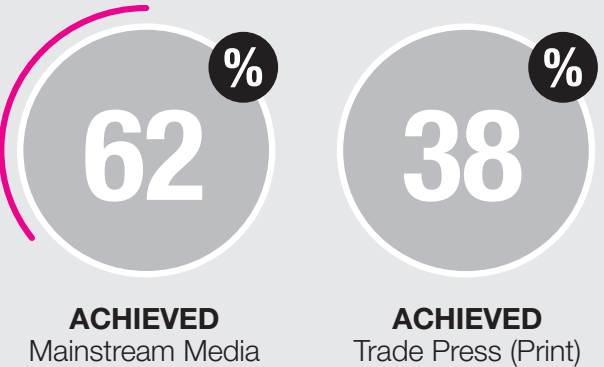
Your passionate and steadfast support has allowed us to develop a united voice that communicated the industry's strength to the marketplace.

ASSOCIATION INVESTMENT

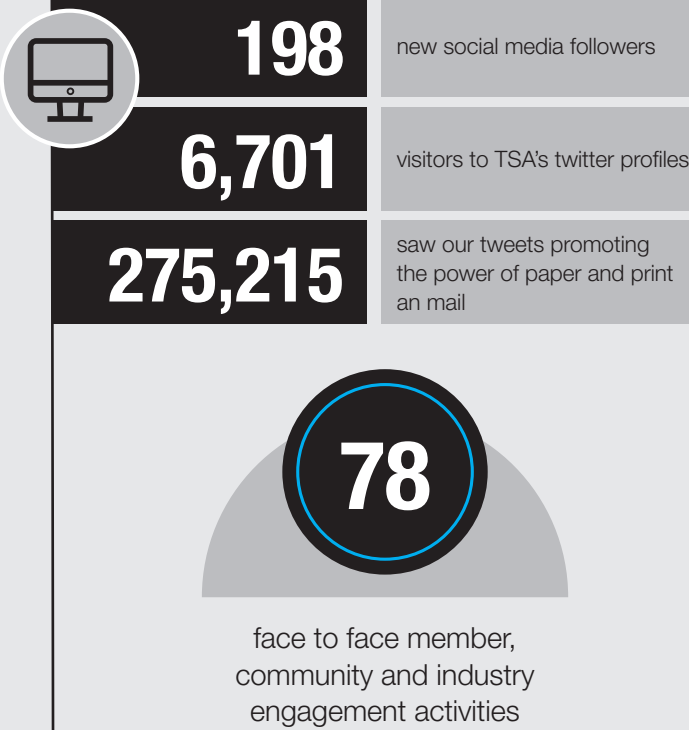


MEDIA COVERAGE

TSA is committed to raising the national media profile for the print, paper and mail industries and we have had great results gaining media coverage in the mainstream and marketing media channels. Our focus for the upcoming year is to continue bringing the conversation promoting our relevance, importance and value beyond the print industry. We often joke to ourselves that our Members know how awesome print is, we need to reach a wider audience. Thus our focus across Australian and New Zealand marketers and agencies. We set ourselves a target this year, we wanted to have greater coverage in mainstream publications than our trade press – we more than achieved this!



TOUCHPOINTS



FINANCIALS

\$400,068

Total income

\$381,762

Total Operating Expenses

\$66,254

Cash Reserves

THE AUSTRALIAN
Herald Sun
The Sydney Morning Herald
THE AGE

Daily Telegraph
RETAIL
THE REGISTER
StopPress®

ABC
sunrise

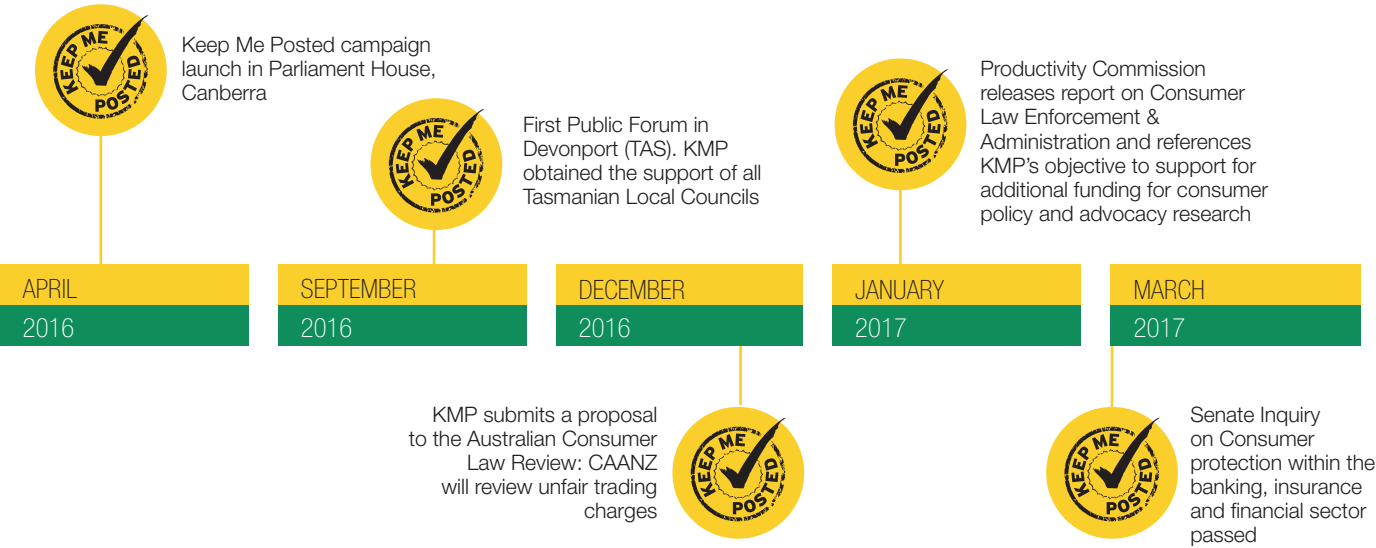
9
B&T

AdNews
news.com.au

LOBBYING

Bringing Paper and Print to the agenda

CAMPAIGN MILESTONES



Keep Me Posted is a campaign advocating every Australian's right to choose, free of charge how they receive important financial information. To support its purpose, Keep Me Posted has gathered support from local, state and federal politicians, community groups and members, attracting a large media presence along the way.

The campaign has reached some critical milestones with a Private Member's motion and a Private Member's bill being introduced in the House of Representatives, and most notably, a Keep Me Posted motion has been passed by the Senate with an unprecedented majority.

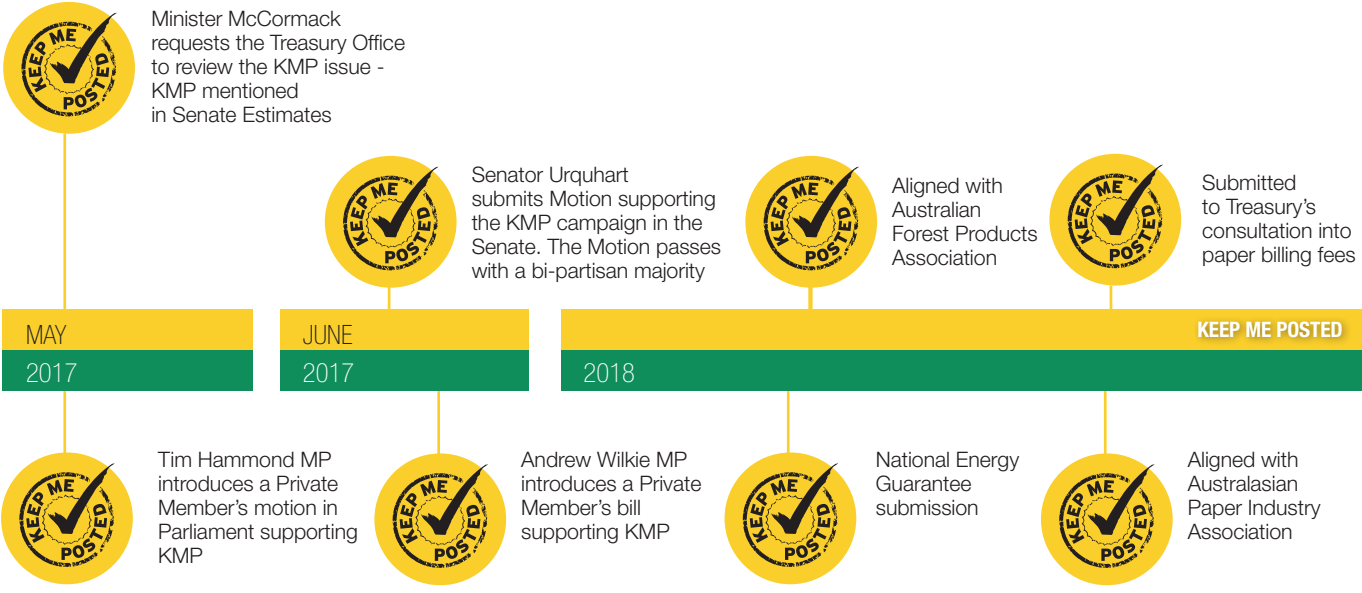
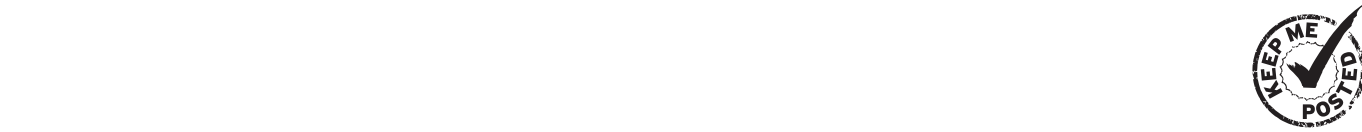
The campaign will continue to work with all sides of Government to support legislative change and provide a representative voice to Australians who prefer paper, print and mail communications.



78

GOVERNMENT REPRESENTATIVES ENGAGED

Adam Bandt Tim Watts Mathias Cormann Bob Katter Gai Brodtmann Graham Perrett Justine Keay Ann Sudmalis Malcom Turnbull Mike Kelly Kim Carr Nick Xenophon Anne Urquhart Rebecca Sharkie John Madigan Andrew Leigh Michelle Rowland Nick Staikos Tim Hammond Rob Mitchell Anne Ruston Darren Chester Jason Falinski Lili D'Ambrosio Tara Cheyne Cathy McGowan Barry O'Sullivan Scott Ludlam Derryn Hinch Kimberley Kitching Stephen Jones Dean Smith Bill Shorten Stirling Griff Daniel Andrews Christine Couzens Steve Dimopoulos Andrew Wilkie Peter Whish-Wilson Linda Reynolds Shane Rattenbury Sharon Claydon Matt Keogh Lisa Chesters Mitch Fifield Mark Coulton Jacqui Lambie Michael McCormack Clare O'Neil Linda Burney Sue Lines Yvette D'Ath Vickie Chapman Gladys Berejiklian



MEDIA COVERAGE



KEY ACHIEVEMENTS

TREASURY'S NATIONAL CONSULTATION INTO PAPER BILLING FEES

Keep Me Posted submitted a 194-page analysis – go to www.keepmeposted.org.au/research/

OVER 7,000 KMP SUPPORTERS

The support for the campaign is growing week by week as Australians continue to sign up for the campaign, showing they care about the print and mail industry.

MET WITH COMPANIES

KMP met with several telecommunication and energy companies to discuss the protection of Australians against paper bill fees and has been invited to submit a proposal for inclusion on the Communications Futures Forum.

MAJORITY OF COMPANIES SUPPORT THE BAN

Of all public submissions to Treasury from organisations and political representatives, 66% support a ban on paper billing fees.

66%

of submissions lodged with Government support a ban on paper billing fees.

ENVIRONMENT

Presenting verifiable facts outlining the green credentials of paper and print

Two Sides is a campaign to promote the environmental credentials of paper and print. To support this mission over the past year, we partnered with twelve countries to conduct a Global Toluna and Two Sides survey. The survey provided insight into consumers’ preferences, attitudes and trust towards paper and print in a digital world. Each country’s independent results were also analysed and the results, on a global basis showed just how much Aussies and Kiwis love and prefer paper. If you didn’t get the survey, give us a call and we’ll post it out.

This year, we updated our Life Cycle Series to include New Zealand’s footprint when exploring the full life cycle, from raw materials to end-of-life, of both paper and digital communications to offer guidance to individuals and companies on selecting media channel to best meet sustainability goals.

And last but not least, we have been working collaboratively with the entire paper sector to promote the environmental credentials of fibre-based packaging.

TWO SIDES RESEARCH A GLOBAL FOCUS

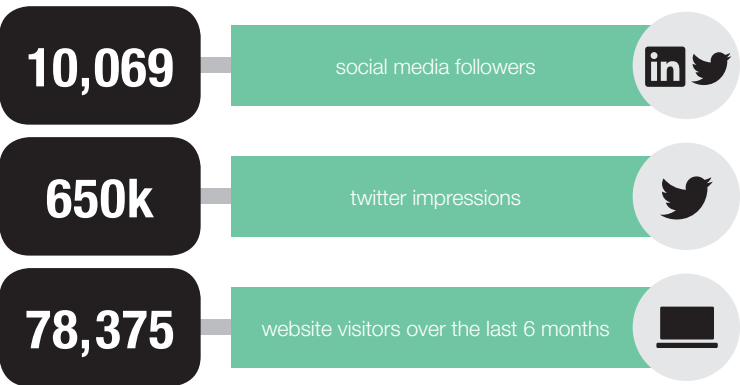
An international survey of 10,700 respondents commissioned by Two Sides and carried out by independent research company Toluna Inc. in June 2017.

GLOBAL IMPACT

Two Sides is a global campaign active across North and South America, Europe and Oceania.

Together, we have a lot of reach and impact.

Together, we have a lot of impact!



A FEW HIGHLIGHTS FROM THE RESULTS INCLUDE:

<div><div>AUS</div><div>72%</div><div>NZ</div><div>76%</div></div>	<div>Prefer to read books and magazines in print.</div>
<div><div>AUS</div><div>47%</div><div>NZ</div><div>49%</div></div>	<div>Read a printed book at least once a week.</div>
<div><div>AUS</div><div>73%</div><div>NZ</div><div>76%</div></div>	<div>Indicated they are concerned about the trend of “Fake News”.</div>
<div><div>AUS</div><div>66%</div><div>NZ</div><div>68%</div></div>	<div>Agreed that it’s important to “switch off” and enjoy printed books and magazines.</div>
<div><div>AUS</div><div>72%</div><div>NZ</div><div>76%</div></div>	<div>Do not pay attention to online advertisements.</div>
<div><div>AUS</div><div>86%</div><div>NZ</div><div>90%</div></div>	<div>Believe that consumers should have the right to choose how they receive communications (printed or electronically), at no extra charge, from financial organisations and service providers.</div>



ANTI- GREENWASH CAMPAIGN

73%

of Australian companies contacted have removed misleading claims about paper and print’s environmental credentials.

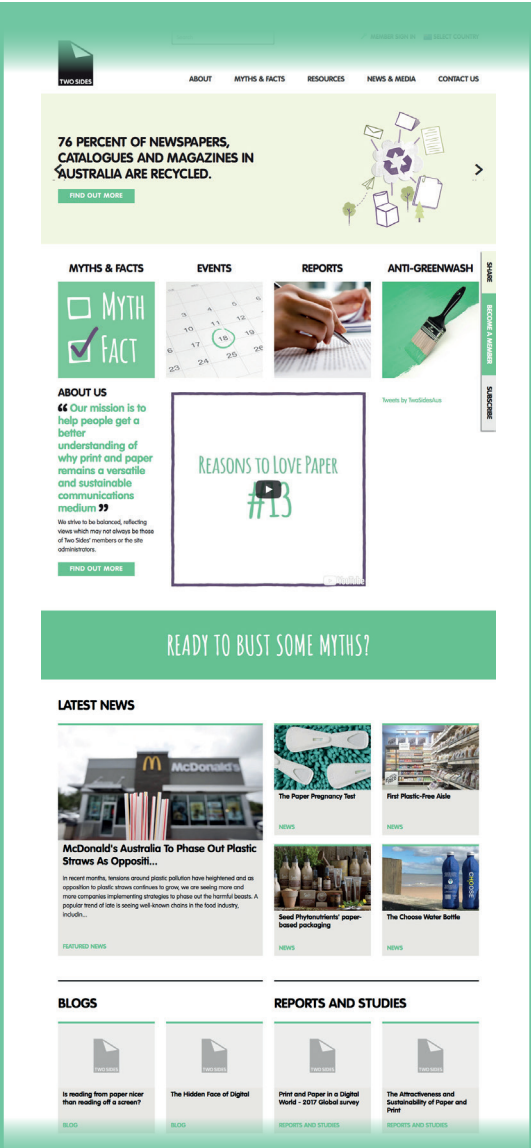


NEW WEBSITE TWOSIDES.ORG.AU

To ensure the Two Sides Australia website remains easy to navigate, we have recently updated our website to have a modern refreshable look and feel. The final design has synergies to the new VoPP Website to create a more user-friendly and streamlined experience.

COMING UP IN FY19

- > Myths and Facts booklet: Member’s Own
- > 2019 Global Two Sides Survey: Marketing to a media rich audience.
- > Video content for your social and digital media
- > Point of Sale – the best examples of 2019
- > Packaging - our commitment

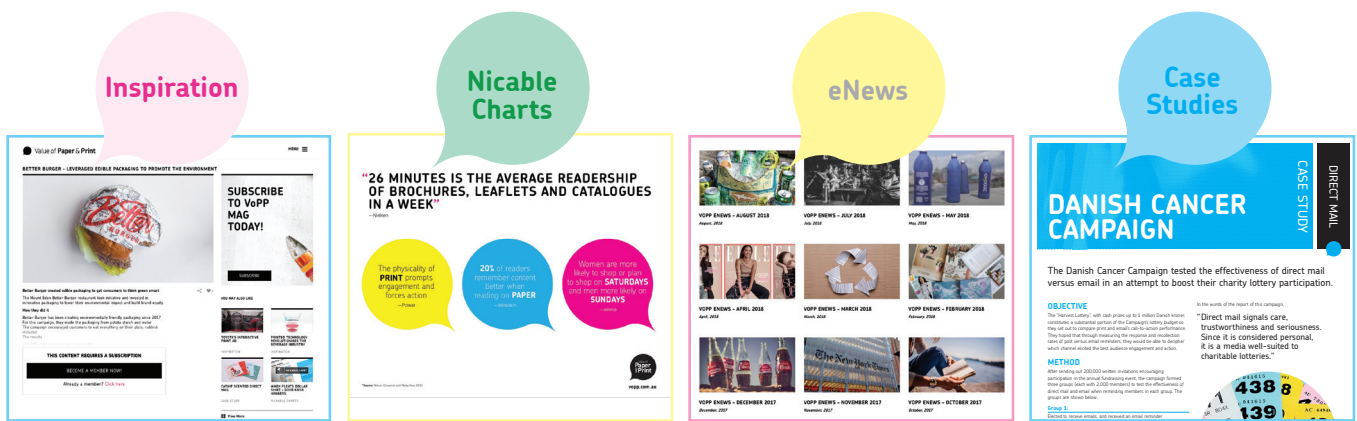


EFFECTIVENESS

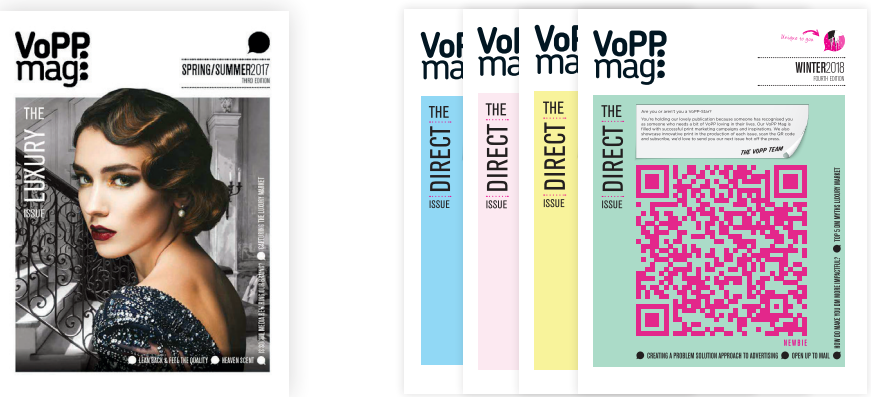
Building the story of the effectiveness of print and mail

Value of Paper and Print (VoPP) promoted print as relevant, effective and part of today's marketing mix. To support this, Summer 2017/18 saw the third edition, and Winter 2018 saw the fourth edition of our printed publication, VoPP Mag. The magazine is filled with a mixture of Australian, New Zealand and International content exploring how print is being used to drive successful marketing outcomes. These two latest editions focused on the strength and power of luxury and direct mail respectively.

VOPP CONTENT - NEW CASE STUDIES & NICKABLE CHARTS



VOPP MAG - TWO EDITIONS



THE LUXURY ISSUE

"Print is a luxury good in itself – and any luxury brand should see print as a natural extension of its narrative."

Genevieve Brannigan,
Director, Communications
Collective

THE DIRECT ISSUE

"Print in all its forms continues to be the secret weapon of intelligent marketers who focus on the lifetime value of customers, rather than chasing the latest fake marketing trends. It's the only medium that stimulates all five senses and is kept for future reference by customers longer than any other."

Malcolm Auld,
Founder - The Marketing Campus Collective

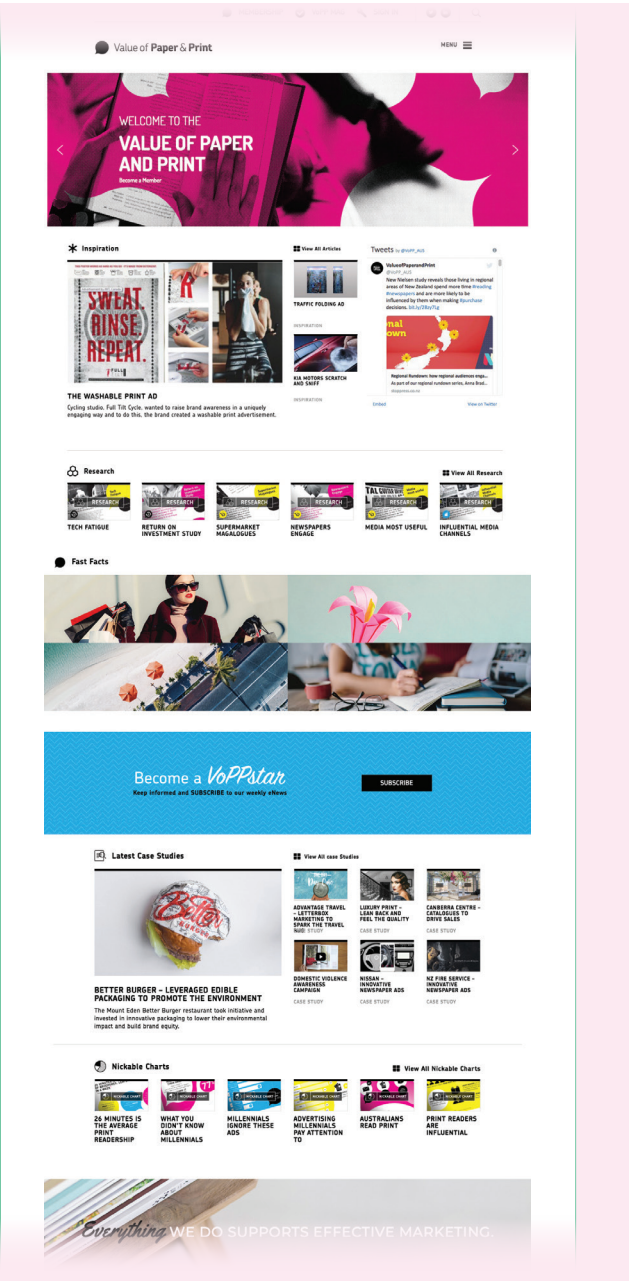
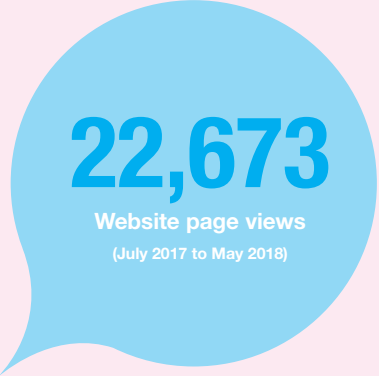


VOPP WEBSITE – LIVE! NEW LOOK AND FEEL

The VoPP site has been upgraded to have a fresh look, rich visual styling, inspirational content, improved navigation and user experience with a highly functional search tool making the content easier to access and share.

COMING UP IN FY18

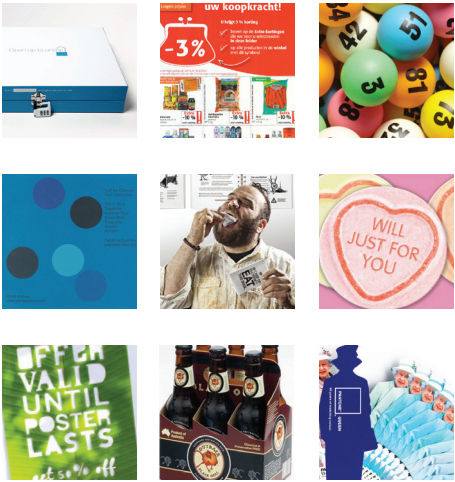
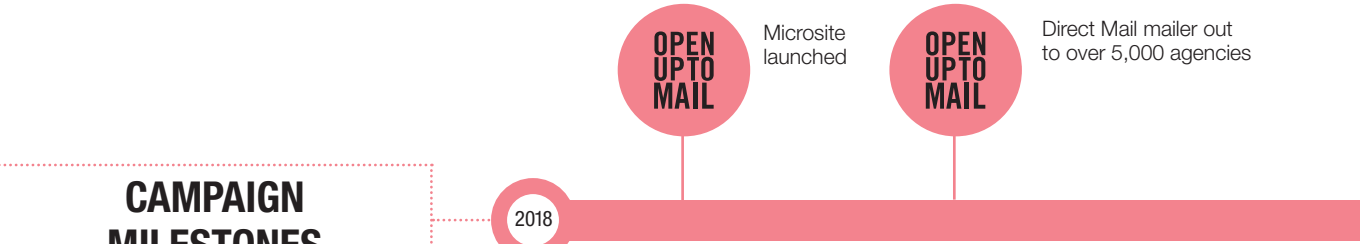
- Awards program will see the inclusion of effective print from catalogues to point of sale, brochures to property pieces, digital to offset.
- Lecture series: Breakfasts across Australia and New Zealand to promote the Letterbox, Mail and Print marketing sector.
- Improve data management – CRM exploration and migration.



OPEN UP TO MAIL



Promoting the relevance and importance of mail



The stigma around mail is that it is seen as 'old fashioned', not relevant to younger markets, and more expensive than digital alternatives. Open Up to Mail is here to explain that this is not supported by research and is a stereotype the industry is prepared to challenge.

Direct mail delivers increased engagement, ROI and cut-through. Whether bespoke custom-made pieces or data-centric self-mailers, direct mail is being opened by 92% of recipients and held in the home for some 38 days – with that power we should be using this channel more and this campaign is here to share the creativity and knowledge on how to build successful DM campaigns.

Welcome to our campaign sharing the best of the best of the hardest working channel - Direct Mail. It's touchy, it's feely, it's direct. Open Up to Mail explores the wonderful world of sensory marketing and it's time the industry told our designer customers all about it.

FIRST MAILER TO AGENCIES

Our first quarterly mailer focuses on touch. We have partnered with our friends at Whirlwind Print, Australian Paper and Direct Mail Management to encompass luxury embellishments through innovative print technology. Incorporating Spot UV, and embossing into our first mailer, our target audience can feel the true effect of print.



COMING UP IN FY19

- > Send out the second mailer – focusing on the sense of smell.
- > Building the microsite with updated content
- > Hold competition for Designer of the Year



NEW WEBSITE
OPENUPTOMAIL.COM.AU

In conjunction with the launch of the campaign is the creation of the website, openuptomail.com.au. This library with an array of content is set up as a repository of ideas and success stories from around the world. Agencies should register for strong statistics, innovative case studies, nickable charts, research and more – whilst also being on the mailing list for creative live examples of direct mail that stands out. All content is easy to navigate and should be on every creative agencies' 'Favourites' list.



CASE STUDIES

CRIME STOPPERS

To coincide with Cannabis Cultivation Awareness Week, Crimestoppers wanted to come up with a unique way of engaging and enlisting members of the public to help them identify illegal cannabis farms in the UK.

The problem was that many people don't know what cannabis smells like, so Crimestoppers commissioned Dutch design agency The Edge Factory to create cards infused with the scent of cannabis that were distributed to members of the public.

33% INCREASE IN INFORMATION REPORTS ABOUT CANNABIS FARMS | **24% INCREASE IN WEB TRAFFIC**

B T

Mail might not seem the obvious channel to communicate a message about broadband but BT cleverly allowed the medium to become the message. Their envelope humorously stated "We were going to email you but we think your broadband's so slow, it was quicker to post you this".

By taking an analogue approach to communicate brand messaging via the post allowed BT to stand out from the digital noise, grab prospects' attention and launch them into action.

41% RESPONSE RATE SMASHED THE CONTROL'S 30% | **11.4% CONVERSATION RATE**

IKEA MEASURING TAPE

IKEA's catalogue has reached cult status, and while people expected to receive the catalogue every Autumn, excitement around the catalogue drop was diminishing.

In order to rebuild consumer interest, the furniture giant sent out a direct mail piece, 'The Most Helpful Measuring Tape in the World' – a tape measure containing small messages encouraging home-owners to start measuring up for their new furniture.

SALES INCREASED BY 13.5% | **11% HIGHER THAN THE PLANNED SALES GOAL**

DANISH CANCER CAMPAIGN

The Danish Cancer Campaign tested the effectiveness of direct mail versus email in an attempt to boost their charity lottery participation.

In the words of the report of this campaign, "Direct mail signals care, trustworthiness and seriousness. Since it is considered personal, it is a media well-suited to charitable lotteries."

RESPONSE RATES: EMAIL 12% DIRECT MAIL 29% | **RECALL: EMAIL 25% DIRECT MAIL 55%**

United we stand.

As we communicated in August, our future has been strengthened by an opportunity to rebrand and partner with the Australasian Catalogue Association (ACA) and Australasian Paper Industry Association (APIA). Already managed under a common executive team and with Board and Commercial member synergies, it seemed a natural progression when reviewing our member's feedback calling for industry Association consolidation and to deliver more projects for the sector. We heard you and have delivered, working closely with the three organisations all who bring a collective history within the graphic communications sector of some 50 years across both Australian and New Zealand markets.

We engaged stakeholders across the industry, surveyed members and developed a new name and charter – The Real Media Collective. Real with a double meaning – real, tactile and physical in that paper and printed products are ‘real’ and real as in ‘real results’ – print delivers. Bringing us all together into a ‘Collective’ of thinking, print channels and commitment to a strong future.

Key Highlights

Established and growing Award program celebrating industry and customers together (600-750 attendees, over 650 Entries, Retailers and Customers from across ANZ attending – Coles, Myer, David Jones, ALDI, Clemenger, M&C Saatchi, JWT and more.)

Roy Morgan Research data and return on investment measurement for marketers when developing print investment and campaigning. Exclusive content across Australia and New Zealand.

Events and Lecture Series with direct attendance from Retailers and Agencies. Industry working with customers to network, reinforce the power of print and more.

Coming up in FY19

- > Events – hosting across Australia and New Zealand
- > Develop industry metrics through the new metrics portal PORTA™
- > Build print marketing media currency and effectiveness content

APIA represents our members largest raw material suppliers and the Board recognised working together to understand each other's strengths, weaknesses and pressure points would be critical for the potentially turbulent period ahead.

We saw relations with APIA kick off with TSA being appointed Secretariat in 2017. In addition, we worked collaboratively to create communications for Retailers to understand and manage the 2018 paper price increases.

This detailed when the prices would be increased, why they were increasing, and how it affected buyer and users.

We are now working with Government and Media to address the ‘Stink Bug’ quarantine issue which may impact delivery times across the industry, we are engaging with the paper mills in Japan and Europe to understand long-term graphic paper conversion and opportunities with smaller mills opening to meet shortfall.

Key Highlights

Arm Members with communications regarding global and local paper supply trends and forecasts, ensure our members are informed and provided materials to assist in the education of customers.

Prepare and develop white papers of issues that impact the industry, including but not limited to – Stink Bug Import Quarantine Issue, Pulp Shortage and conversion from graphic papers, and Pricing Levers – local and international trends.

Government liaison to ensure import and export regulations are manageable and do not demand onerous and costly impacts on industry.

Coming up in FY19

- > Maintain a strong focus on fibre-based packaging to ensure TSA represents the entire paper sector
- > Build a strong communications program to ensure print members are well versed on all levers impacting the supply and pricing of paper
- > Work with Government to ensure they understand the impact on the industry when implementing legislation that impacts delivery and other concerns



Welcome to The Real Media Collective, together we represent:

- > \$5.4B of the \$7.5B industry.
- > End-to-end industry representation from paper, ink, equipment and consumable suppliers to printers, mail-houses and distributors.
- > Small businesses to national Australian or New Zealand owned and trans-Tasman publicly listed organisations.
- > Label, digital, packaging, offset, web and more print businesses across both Australia and New Zealand.
- > A united and senior executive Board representing all member companies.
- > Executive Committees across Print Promotion (formerly TSA Limited Board), Catalogue and Letterbox (formerly ACA Executive Committee) and Suppliers (newly formed).

Meet your Board Officers:



L-R: Matt Aitken - Deputy Chair, John Wanless, David Webster, Rebecca Lowde - Treasurer, Kellie Northwood - Chief Executive Officer, Kevin Slaven - Chair, Craig Dunsford, Mark Roberts, Bernie Roberts

Tell your mates to join!

Become a member and gain access to customers, research, content and more. Send us a note on hello@thermc.com.au, or give us a buzz on 03 9421 2206 or send us a letter (we love those too! PO BOX 5231, Burnley, Vic 3121).

Unit 6, 151 Barkly Avenue, Richmond VIC 3121

P: 03 9421 2206 **E:** hello@thermc.com.au

W: therealmediacollective.com.au

