



Australian Competition & Consumer Commission

24 October 2002

Mr Gary Lee
Group Manager - Letters
Australia Post
GPO Box 1777Q
MELBOURNE VIC 3001

FILE No
DOC

GPO Box 520J
Melbourne VIC 3001

Level 35 The Tower
Melbourne Central
360 Elizabeth Street
Melbourne VIC 3000

Ph (03) 9290 1800
Fax (03) 9663 3699

Gary
Dear Mr Lee

**Price Notification: Australia Post Pricing Proposal
Notice Pursuant to Section 22(2)(b)(ii)**

I am writing in response to the Notice given to the Australian Competition and Consumer Commission on 7 October 2002 by Australia Post pursuant to section 22(2)(a) of the *Prices Surveillance Act 1983*.

Pursuant to section 22(2)(b)(ii) of the Act, the Commission does not object to Australia Post supplying the notified services at the prices proposed in the Notice. The schedule of prices proposed and not objected to by the Commission is included as an Attachment to this letter.

The Commission's reasons for this decision will be forwarded to you shortly and will be made available on the Commission's public register. If you wish to discuss this matter, please do not hesitate to contact me on (03) 9290 1862.

Yours sincerely

Margaret Arblaster
General Manager
Transport & Prices Oversight



Attachment

Proposed Price Structure - January 2003

Note: all prices are GST Inclusive, except for External Territories where they are GST free.

Ordinary Letters

	Current	Proposed Prices	
		Revised	% Change
Small Letters			
Ordinary	\$ 0.45	\$ 0.50	11.1%
Clean Mail	\$ 0.45	\$ 0.45	0.0%
Seasonal Greeting	\$ 0.40	\$ 0.45	12.5%
Barcoded and Metered	\$ 0.43	\$ 0.48	11.6%
Large Letters			
Seasonal Greeting Cards			
Up to 125g	\$ 0.98	\$ 0.90	-8.2%
Ordinary Letters			
Up to 125g	\$ 0.98	\$ 1.00	2.0%
Over 125 up to 250g	\$ 1.47	\$ 1.45	-1.4%
Over 250 up to 500g	\$ 2.45	\$ 2.45	0.0%
Ordinary Letters Barcoded and Metered			
Up to 125g	\$ 0.94	\$ 0.95	1.1%
Over 125 up to 250g	\$ 1.41	\$ 1.40	-0.7%
Over 250 up to 500g	\$ 2.36	\$ 2.35	-0.4%
Clean Mail			
Medium Size - 5mm max thick			
Up to 125g	\$ 0.98	\$ 0.70	-28.6%

Notes/Comments: Ordinary Letters

Small, 45 to 50; Large rounded to multiples of 5c
 Introduction of "clean" mail price for unbarcoded letters (Small and Medium 5mm) - minimum 300 per lodgement subject to compliance with Clean Mail
 Introduction of "Large" seasonal greeting card rate
 For External Territories: the current GST free prices that apply to Ordinary Large Letters are 90c, \$1.35 and \$2.25. Under the proposed prices, the GST free price for External Territories will be the same as the GST Inclusive price shown above.

Local Delivery (only available in specified postcodes)

	Current	Proposed Prices	
		Revised	% Change
Small Letters			
Up to 125g	\$ 0.41	\$ 0.46	12.2%
Medium Letters *			
Up to 50g	\$ 0.54	\$ 0.60	11.1%
Over 50 up to 125g	\$ 0.65	\$ 0.65	-7.7%
Over 125 up to 250g	\$ 0.87	\$ 0.85	-2.3%
Large Letters			
Up to 50g	\$ 0.76	\$ 0.85	11.8%
Over 50 up to 125g	\$ 0.93	\$ 0.93	-8.6%
Over 125 up to 250g	\$ 1.20	\$ 1.20	0.0%
Over 250 up to 500g	\$ 1.31	\$ 1.30	-0.8%

Notes/Comments - Local Delivery

Small price increased to remain 4c lower than full rate (50c)
 0 to 50g and 50 to 125g prices combined into a 0 to 125g price.
 * Medium Letter stays at up to 20mm thickness and 250g in weight.
 For External Territories; the Current GST free price that applies to Local Delivery is the current price shown above, less 9%. Under the proposed prices, the GST free price will be the same as the GST Inclusive price shown above.

PrePaid Envelopes

	Current Prices			Proposed Prices			% Change		
	Single	1-4 Packs of 10	5+ Packs of 10	Single	1-4 Packs of 10	5+ Packs of 10	Single	1-4 Packs of 10	5+ Packs of 10
Plain Envelopes									
Small (DL and C6)	\$ 0.54	\$ 5.13	\$ 4.86	\$ 0.60	\$ 5.85	\$ 5.70	11.1%	14.0%	17.3%
C5 Size	\$ 1.19	\$ 11.31	\$ 10.71	\$ 1.20	\$ 11.70	\$ 11.40	0.8%	3.5%	6.4%
C4 Size	\$ 2.37	\$ 22.52	\$ 21.33	\$ 2.35	\$ 22.91	\$ 22.33	-0.8%	1.8%	4.7%
B4 Size	\$ 2.70	\$ 25.65	\$ 24.30	\$ 2.70	\$ 26.33	\$ 25.65	0.0%	2.6%	5.6%
Window Faced									
Small (DL and C6)		Pk of 50 Bx of 500			Pk of 50 Bx of 500			Pk of 50 Bx of 500	
		\$ 25.55 \$ 244.50			\$ 29.70 \$ 286.00			16.2% 17.0%	

Notes/Comments - PrePaid Envelopes

Small Letter prices increased in line with BPR and to reflect increased stationary costs
 Large Letter prices rounded to nearest multiple of 5c.
 Per pack discounts reduced from 5% for one to four packs and 10% for five or more packs, to 2.5% and 5% respectively

Barcode PreSort Letters

Regular Delivery Size / Weight	Same State BDT			Other State BDT			Barcode Residue			Unbarcoded Residue #		
	Current	Revised	% Var	Current	Revised	% Var	Current	Revised	% Var	Current*	Revised	% Var
Small Letters												
Up to 125g	\$ 0.374	\$ 0.374	0.0%	\$ 0.385	\$ 0.385	0.0%	\$ 0.424	\$ 0.424	0.0%	\$ 0.424	\$ 0.450	6.1%
Charity Mail	\$ 0.312	\$ 0.312	0.0%	\$ 0.323	\$ 0.323	0.0%	\$ 0.356	\$ 0.356	0.0%	\$ 0.356	\$ 0.450	26.4%
Medium Letters -5mm Maximum thickness												
Up to 50g	\$ 0.461	\$ 0.473	2.6%	\$ 0.478	\$ 0.495	3.6%	\$ 0.614	\$ 0.572	-6.8%	\$ 0.614	\$ 0.700	14.0%
Over 50 up to 125g	\$ 0.565		-16.3%	\$ 0.598		-17.2%	\$ 0.724		-21.0%	\$ 0.724		-3.3%
Medium Letters -20mm Maximum thickness												
Up to 50g	\$ 0.461	\$ 0.561	21.7%	\$ 0.478	\$ 0.594	24.3%	\$ 0.614	\$ 0.671	9.3%	\$ 0.614	\$ 0.803	30.8%
Over 50 up to 125g	\$ 0.565		-0.7%	\$ 0.598		-0.7%	\$ 0.724		-7.3%	\$ 0.724		10.9%
Over 125 up to 250g	\$ 0.724	\$ 0.724	0.0%	\$ 0.779	\$ 0.779	0.0%	\$ 0.889	\$ 0.889	0.0%	\$ 0.889	\$ 1.034	16.3%
Large Letters												
Up to 50g	\$ 0.735	\$ 0.770	4.8%	\$ 0.790	\$ 0.825	4.4%	\$ 0.900	\$ 0.935	3.9%	\$ 0.900	\$ 0.980	8.9%
Over 50 up to 125g	\$ 0.790		-2.5%	\$ 0.845		-2.4%	\$ 0.933		0.2%	\$ 0.933		5.0%
Over 125 up to 250g	\$ 1.119	\$ 1.111	-0.7%	\$ 1.229	\$ 1.221	-0.7%	\$ 1.338	\$ 1.331	-0.5%	\$ 1.338	\$ 1.430	6.9%
Over 250 up to 500g	\$ 1.591	\$ 1.584	-0.4%	\$ 1.700	\$ 1.694	-0.4%	\$ 1.810	\$ 1.804	-0.3%	\$ 1.810	\$ 1.980	9.4%

Off Peak Delivery Size / Weight	Same State BDT			Other State BDT			Residue			Unbarcoded Residue #		
	Current	Revised	% Var	Current	Revised	% Var	Current	Revised	% Var	Current*	Revised	% Var
Small Letters												
Up to 125g	\$ 0.363	\$ 0.363	0.0%	\$ 0.374	\$ 0.374	0.0%	\$ 0.402	\$ 0.402	0.0%	\$ 0.402	\$ 0.435	8.2%
Charity Mail	\$ 0.296	\$ 0.296	0.0%	\$ 0.301	\$ 0.301	0.0%	\$ 0.340	\$ 0.340	0.0%	\$ 0.340	\$ 0.435	27.9%
Medium Letters -5mm Maximum thickness												
Up to 50g	\$ 0.434	\$ 0.451	3.9%	\$ 0.445	\$ 0.473	6.3%	\$ 0.587	\$ 0.550	-6.3%	\$ 0.587	\$ 0.671	14.3%
Over 50 up to 125g	\$ 0.516		-12.6%	\$ 0.533		-11.3%	\$ 0.675		-18.5%	\$ 0.675		-0.6%
Medium Letters -20mm Maximum thickness												
Up to 50g	\$ 0.434	\$ 0.528	21.7%	\$ 0.445	\$ 0.534	20.0%	\$ 0.587	\$ 0.638	8.7%	\$ 0.587	\$ 0.759	29.3%
Over 50 up to 125g	\$ 0.516		2.3%	\$ 0.533		0.2%	\$ 0.675		-5.5%	\$ 0.675		12.4%
Over 125 up to 250g	\$ 0.653	\$ 0.653	0.0%	\$ 0.669	\$ 0.669	0.0%	\$ 0.818	\$ 0.818	0.0%	\$ 0.818	\$ 0.946	15.6%
Large Letters												
Up to 50g	\$ 0.713	\$ 0.748	4.9%	\$ 0.757	\$ 0.792	4.6%	\$ 0.878	\$ 0.902	2.7%	\$ 0.878	\$ 0.957	9.0%
Over 50 up to 125g	\$ 0.768		-2.6%	\$ 0.823		-3.8%	\$ 0.911		-1.0%	\$ 0.911		5.0%
Over 125 up to 250g	\$ 1.048	\$ 1.045	-0.3%	\$ 1.119	\$ 1.111	-0.7%	\$ 1.268	\$ 1.254	-1.1%	\$ 1.268	\$ 1.353	6.7%
Over 250 up to 500g	\$ 1.300	\$ 1.298	-0.2%	\$ 1.372	\$ 1.364	-0.6%	\$ 1.569	\$ 1.551	-1.1%	\$ 1.569	\$ 1.815	15.7%

Notes/Comments - PreSort Letters

Unbarcoded component to be eligible for an Unbarcoded Residue Price. Price consistent with clean mail, but enveloping and addressing requirements to be as per Barcode PreSort

* Current price shown for Unbarcoded Residue is the Barcode Residue price, eligible under the 90/10 rule. The Proposed price will apply to all Unbarcoded items in a barcoded lodgement.

Small PreSort

Introduction of unbarcoded residue category

Medium PreSort

Redefined into two segments.

First segment to be one weight step (up to 125g) and 5mm in thickness to align with MLOC and BCS processing capabilities (current max dimensions; 250g and 20mm thick). The 0 to 125g price is set just above the old 0-50g price.

Second Segment to be in two weight steps, with the current 0-50g and 50-125g merged into a single up to 125g step. The new 0 to 125g price is set marginally above the previous 50 to 125g price. Virtually no change to 125g-250g price.

Large PreSort

0-50g and 50-125g merged to a 0 to 125g, price set in middle.

For External Territories; the Current GST free price that applies to PreSort Letters is the current price shown above, less 9%. Under the proposed prices, the GST free price will be the same as the GST Inclusive price shown above.