

14 October 2015

General Manager, Infrastructure & Transport - Access and Pricing
Australian Competition and Consumer Commission
GPO Box 520
Melbourne VIC 3001
postal.services@accc.gov.au

Dear Sir / Madam,

Subject: Objection to Proposed Postal Rate Increases

We are writing to you to vigorously object to the proposed January 2016 Australia Post rate increase to Addressed Mail specifically for Regular Post and Charity Post. We use two types of letter services with Australia Post – addressed and unaddressed mail and both categories will collectively reduce the amount of services we provide to the people with a disability by more than \$500,000 this year.

Addressed Mail

Australia Post has already increased their rates within this financial year with an increase taking effect on 1 October, 2015. This increase of 3% was a cost that we could absorb into our operating budget and was an increase in line with CPI.

The proposed January 2016 increase to these services, is significantly beyond an acceptable increase and will greatly impact our operating budgets. We expect our fundraising programs will send 2.5 million pieces of mail this financial year. Traditional mail is crucial to our fundraising and continues to deliver on donations and combined with digital marketing gives the optimum result for donor acquisition and response.

The second price increase indicated to take effect in January 2016 will significantly impact our services to people with a disability by approximately \$300K in the current financial year.

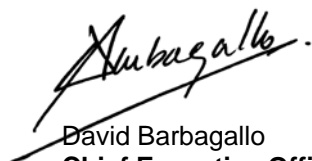
Unaddressed Mail

Recently we were advised of a 20% price increase to our existing Australia Post commercial agreement for our 9 million pieces of unaddressed mail, which again is far outside of an acceptable increase and CPI rate. The financial impact of this increase for our organisation is approximately \$200K for the financial year.

We have engaged in rigorous negotiations with Australia Post regarding all increases however Australia Post has refused to negotiate on the increase to our commercial agreement and the proposed increases despite the very large volume of business we provide to Australia Post.

With no other service provider for delivery of addressed mail an increase as proposed is abuse of market power and the negotiations we have had with Australia Post have denied us natural justice. We implore the ACCC to reject the proposed increase.

Yours faithfully,



David Barbagallo
Chief Executive Officer