

Australia Post Price Notification 2025 – fact sheet

Australia Post’s proposal to increase stamp prices

- Australia Post is proposing to increase the price of stamps by 20 cents, from \$1.50 to \$1.70.¹
- This proposal is subject to oversight by the ACCC and the Minister for Communications.
- The ACCC has decided that it will not object to this proposal. However, the ACCC has made several recommendations to Australia Post for future price notification processes.
- Subject to the Minister’s decision, the price of stamps will increase on 17 July 2025.
- Australia Post has also indicated that it will seek to increase stamp prices again in the coming years – by 15 cents in mid-2026 and another 15 cents in mid-2027. This would result in a stamp price of \$2.00 in 2027-28. These future price increases are indicative and were not part of this assessment process.

The ACCC’s role in stamp pricing

- Australia Post has a statutory monopoly over ‘reserved services’, which include the delivery of ordinary letters and the issue of postage stamps.
- Some of these services, the ‘notified services’, are subject to price monitoring under the *Competition and Consumer Act 2010* (the Act) by the ACCC. These notified services are a small subset of Australia Post’s services and include:
 - ordinary (stamped) small letters
 - ordinary large letters up to 125 grams
 - ordinary large letters over 125 grams and up to 250 grams.
- If Australia Post intends to increase the price of these services, it must first notify the ACCC.
- The ACCC may then object to the price increase, not object to the price increase, or not object to a price increase lower than that which is proposed.
- Should the ACCC not object to the proposed increase, and subject to the Minister for Communications not disapproving the proposed increase, Australia Post may increase the price of the notified services.
- Australia Post may increase the price of its reserved services at any time, except for the notified services listed above.

¹ The price of ordinary large letters up to 125 grams will also increase from \$3.00 to \$3.40 and the price of ordinary large letters over 125 grams and up to 250 grams will increase from \$4.50 to \$5.10.

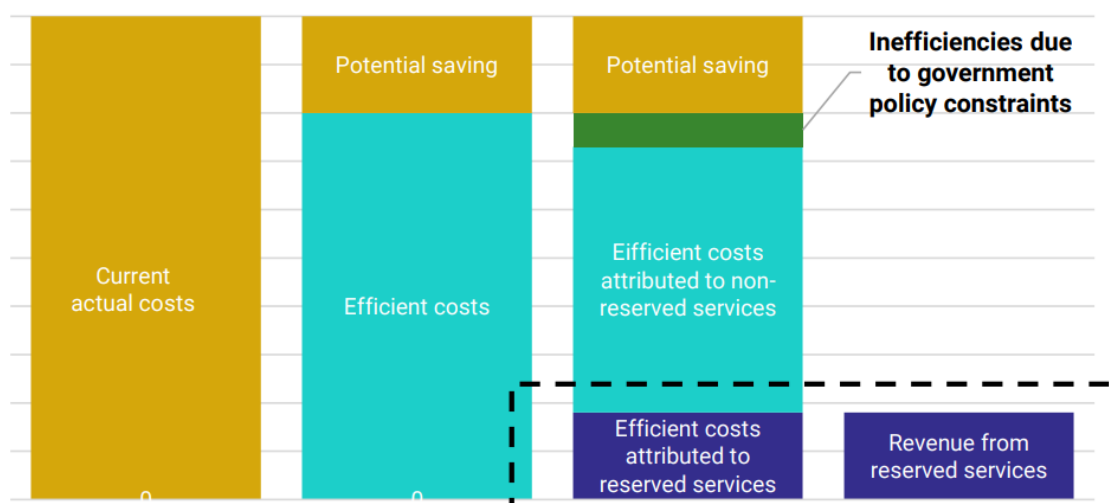
What the ACCC does and does not do

- The ACCC does not set the price of notified services. Australia Post decides on its proposed prices and the timing of price rises.
- The ACCC does assess the proposed price increase. We do so by testing Australia Post's costs against the prices (and resulting revenues).
- While the ACCC can object or not object to the proposed price increase, the Minister for Communications has the final say on any proposed stamp price increase.
- The ACCC does not regulate or conduct price oversight on other services provided by Australia Post, such as the delivery of parcels and the provision of other retail and financial services.
- The ACCC does not set delivery timetables for letters, or any associated service standards; the Minister for Communications is responsible for these rules.

The ACCC's approach to price notifications

- The ACCC undertakes a [cost-based assessment](#) of Australia Post's reserved services, to determine if the revenues that Australia Post will earn following a price increase will exceed the efficient cost of providing the services.

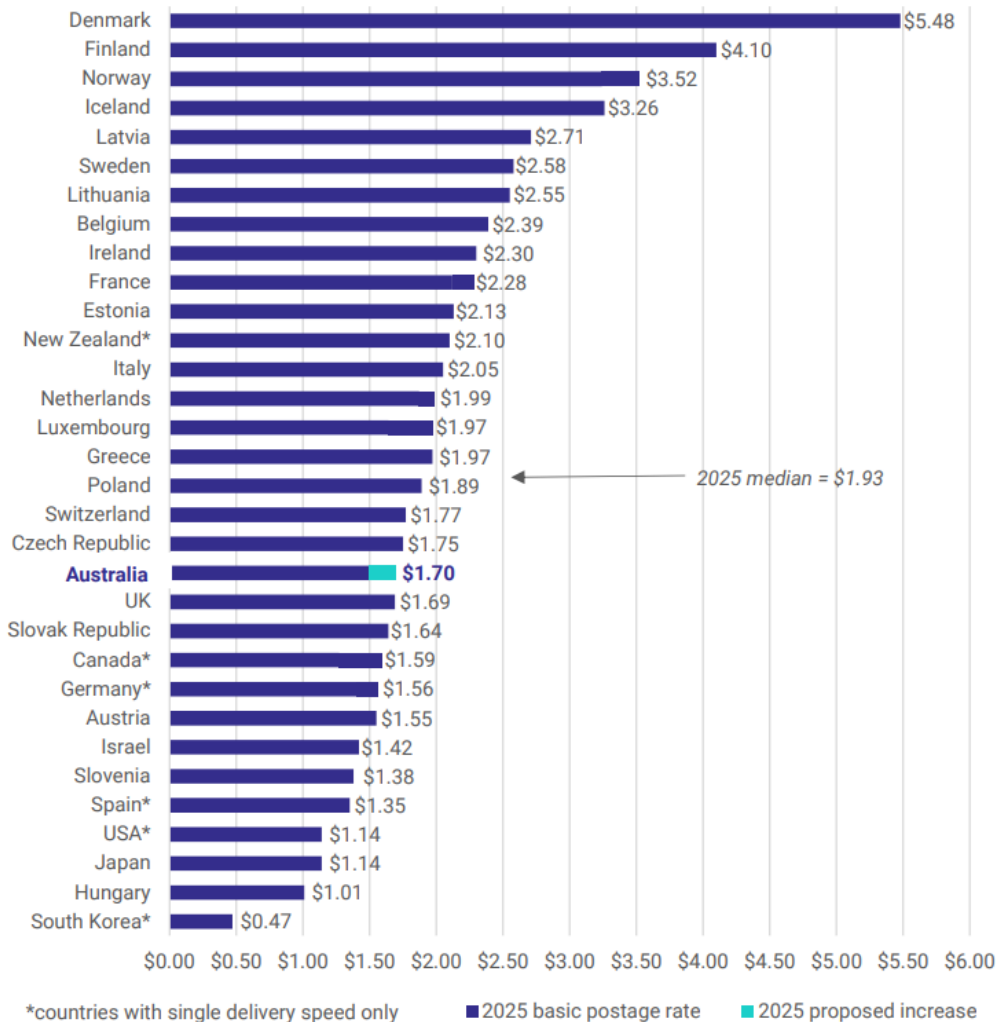
Figure 1: Our consideration of Australia Post's required revenue



- Our approach seeks to ensure that Australia Post does not use its monopoly to earn higher revenues than it would earn in an otherwise competitive market. This means that prices for the notified services are not inefficiently high, or would result in profit margins above competitive levels.
- In our assessment process, we consider the impact of the proposed price increases on consumers and businesses.

- We also consider developments overseas, such as whether Australia Post’s proposed prices are comparable to its peers abroad. As shown in Figure 2, compared to the OECD², Australia Post’s proposed stamp price is in the middle of the pack.

Figure 2. Basic postage rates in OECD countries for 2025 (\$AUD, nominal)



Sources: Respective operator and regulator websites, media releases, annual reports.

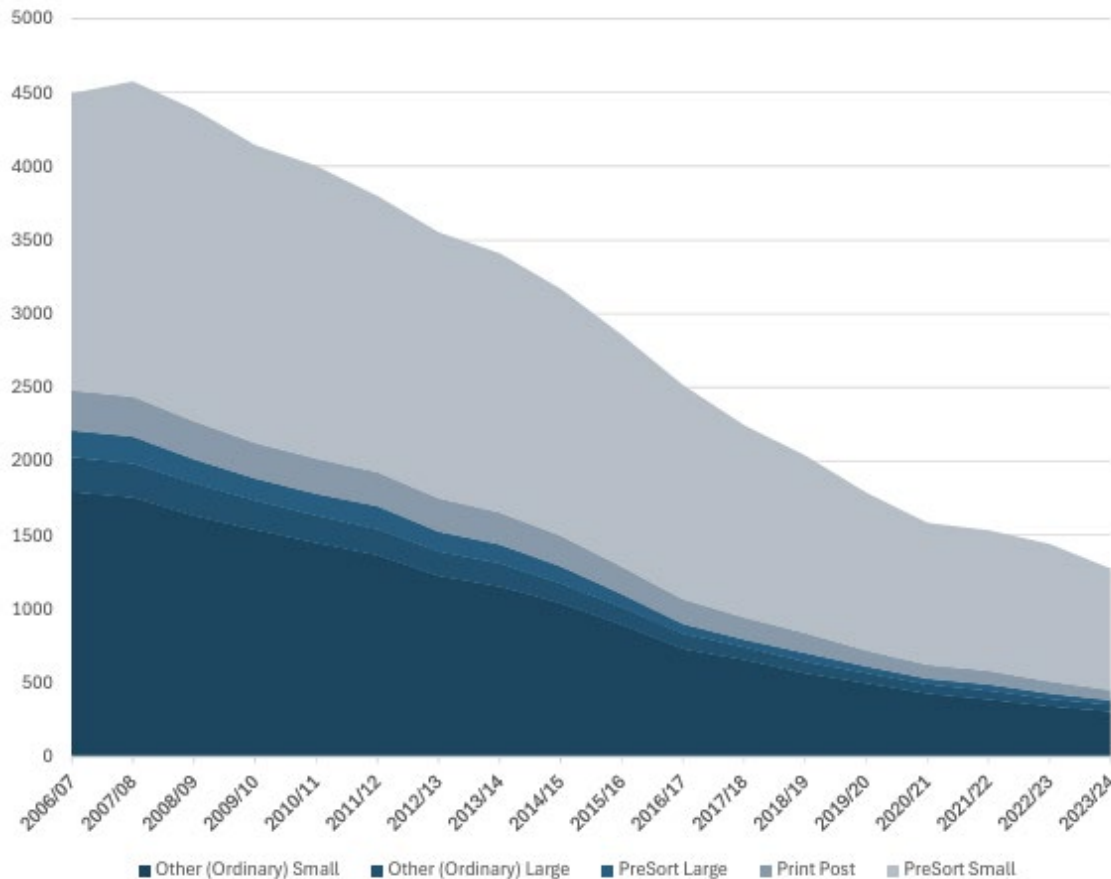
Why the ACCC has made this decision

- Our decision in response to Australia Post’s price notification is to not object to the proposed price increases for the notified services.
- We have made this decision after considering the legislative criteria set out in the Act, and adopting our standard approach to cost-based assessments under Part VIIA of the Act outlined in our [Statement of regulatory approach](#).
- Australia Post has stated that its letters business is in decline (shown in Figure 3), with decreasing demand for letters accompanied by an increasing number of delivery points nationwide. Australia Post submits that these factors are causing the reserved services to record increasingly large losses.

² The Organisation for Economic Co-operation and Development (OECD) is a group of 38 member countries, generally regarded as high-income or developed economies. The list of OECD nations is often used as a comparator set for member countries when assessing economic or development outcomes or policies.

- We consider that Australia Post is likely to under-recover the costs of providing its monopoly reserved services, both in financial year 2025-26, and in the following years to financial year 2027-28. In other words, Australia Post is likely to make a loss on its letters business, after accounting for an efficient cost base and a commercial rate of return.

Figure 3: Domestic addressed letter volumes by segment (annual, millions)



Source: Diversified Specifics, [Australia Post Letter Volume Demand Update](#), November 2024, Chart 3.3.1, p. 41.

Our recommendations to Australia Post

- We have made several recommendations to Australia Post to improve the quality of the information it provides to us for future price notifications, and to improve its engagement with its customers and other stakeholders.
- A key focus of our recommendations is to drive transparency and accuracy in Australia Post’s cost allocation methodology, particularly where cross subsidisation and transfer pricing concerns have been raised.
- Feedback from mail customers informed several of our recommendations, including the recommendations for Australia Post to raise the annual concession stamp cap, and to look for ways to assist business customers experiencing affordability issues.
- These recommendations are set out in full in our final [decision](#).
- Our expectation is that Australia Post will implement these recommendations according to our identified timeframes, and the majority prior to Australia Post lodging a further price notification.