

27 February 2024

Ms Gina Cass-Gottlieb  
Chair  
Australian Competition and Consumer Commission  
GPO Box 3131  
Canberra ACT 2601

Dear Ms Cass-Gottlieb,

### **Notification of changes to Australia Post's reserved ordinary letter service**

I am writing to formally notify the Australian Competition and Consumer Commission (ACCC) of proposed price changes within Australia Post's reserved ordinary letter service effective 3 April 2024.

The key change is a 30-cent increase to the ordinary small letter rate (the basic postage rate or BPR) from \$1.20 to \$1.50. Large letter prices will continue to be set relative to the BPR (i.e. they are expressed in multiples of the BPR) to ensure the pricing structure remains consistent and simple to understand.

Australia Post has a responsibility to maintain an accessible letters service for all Australians. For those who are eligible for, and have opened, a free MyPost Concession account, there will be little to no cost-of-living impact from these proposed price changes, as the concession stamp rate for a small letter will remain at 60 cents (noting that these are sold in a booklet of five stamps for \$3.00). The price of the concession stamp has not increased since it was introduced in 2014. In addition to this, the seasonal small letter greeting card rate will continue to be offered at 65 cents.

For households that are ineligible for the concession stamp offer and send an estimated average of 15 small letters a year, the cost impact of the 30-cent price increase will be around \$4.50 per annum.

Our formal notification is provided at [Attachment 1](#). Supporting information to our formal notification is provided at [Attachment 2](#). Separate to this confidential version, we will provide your staff with a public version of the supporting information.

Address:  
219-241 Cleveland Street  
STRAWBERRY HILLS NSW 2012

Contact:  
T 13 76 78  
E [info@auspost.com.au](mailto:info@auspost.com.au)



Australia Post acknowledges the Traditional Custodians of the land on which we operate, live and gather as employees, and recognise their continuing connection to land, water and community. We pay respect to Elders past, present and emerging.

We remain committed to working closely with the ACCC in its consideration of this notification and addressing any issues that may arise. Accordingly, I encourage your team to contact Micah Green on 0448 254 783 if they have any questions.

Yours sincerely,



Paul Graham  
**Group Chief Executive Officer & Managing Director**

**NOTIFICATION AND DETAILS OF CHANGES PROPOSED BY THE AUSTRALIAN POSTAL CORPORATION FOR ITS RESERVED ORDINARY LETTER SERVICE**

Notification of changes pursuant to section 95Z of the *Competition and Consumer Act 2010*

Name of Declared Person: Australian Postal Corporation (Australia Post)  
Whose address is: 111 Bourke Street, MELBOURNE VIC 3000  
(Postal address: GPO Box 1777, MELBOURNE VIC 3001)

Hereby gives notice that it proposes to supply the goods or services described below at the prices and terms and conditions indicated, effective from 3 April 2024.

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Description: Locality, Proposed Prices, Terms and Conditions

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The services, which are the subject of this notification, are detailed in Schedule 1 of this Attachment.

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### **Context**

The challenges Australia Post currently faces in providing the letter service outlined in Australia Post's price notification are well-known and are consistent with the experiences of numerous other countries. Ongoing digitisation is continuing to drive declines in letter volumes as senders and receivers move their physical communications to an ever-increasing range of digital offerings. At the same time, the number of delivery points that Australia Post must service continues to grow (by around 200,000 per year), a challenge which is further compounded by considerable input cost pressures.

Australia Post considers that the proposed prices are appropriate, justified and necessary to allow Australia Post to more closely align revenue with the forward-looking costs of its notified service (the reserved ordinary letter service). Even with the proposed 3 April 2024 price changes, Australia Post is unlikely to recover revenue in excess of its costs over the three years to 2025/26.

Australia Post asserts that the proposed price changes do not result in revenues in excess of revenues based on efficient costs and a reasonable rate of return and are consistent with the requirements of section 95G(7) of the *Competition and Consumer Act 2010*.

## Schedule 1

| <b>Product</b>                 | <b>Current Price</b> | <b>Proposed Price</b> |
|--------------------------------|----------------------|-----------------------|
| Ordinary Small Letter          | \$1.20               | \$1.50                |
| Ordinary Large Letters         |                      |                       |
| Up to 125 grams                | \$2.40               | \$3.00                |
| Over 125 grams up to 250 grams | \$3.60               | \$4.50                |