Francesca Lefante Chief Executive Officer

FROM THE OFFICE OF THE CHIEF EXECUTIVE OFFICER CITY OF BAYSWATER

15 October 2015

By email to: postalservices@accc.gov.au

Mr Robert Wright General Manager - Water and Wireline Markets Australian Competition and Consumer Commission GPO Box 520 MELBOURNE Vic 3001

Dear Mr Wright

Thank you for the opportunity to respond to Australia Post's proposal to increase the price of its ordinary letter services, including stamps.

The City of Bayswater objects to this proposal and the reduction in service delivery standards. The proposed price increases of 42.9% for 'ordinary' letters are excessive and inconsistent with one of its policy objectives under the Australian Postal Corporation Act 1989 to: Provide a universal letter service that is reasonably accessible by all Australians.

Furthermore, the excessive increase in prices does not follow sound commercial practices to have full and proper regard to operating costs and expense control. A sustainable business model requires more than increasing charges and reducing service standards; it requires an honest evaluation of costs and practices and regard to its competition and consumers' capacity to pay.

Over the past seven years - from 2008/09 to 2014/15 - the average annual costs of the City's postage has risen 19%. As a government agency, mail is an important way for the City to communicate with residents. To increase the service delivery timeframe from next day delivery to every three days means that mail is not timely and in some cases is out of step with corporate customer service and statutory requirements. For instance, if the City is notifying adjoining residents of a proposed building application they may have 10 days to provide a response so it can be considered as part of the assessment process. A reliable and timely mail service is Website: www.bayswater.wa.gov.au critical to this process; and is a function of good governance and transparent decision making. Equally, an affordable letter service will continue to positively serve the community as it has done for many years.

> In summary, the City of Bayswater objects to Australia Post's proposal to increase costs and reduce service delivery standards.

If you have any queries, please contact the undersigned on 9272 0642.

Yours sincerely

ESCA LEFANTE CHIEF EXECUTIVE OFFICER



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