

Australia Post Letters Pricing Proposal

Slides presented by Australia Post at
the ACCC Technical Issues Forum
- Melbourne, 11 July 2002

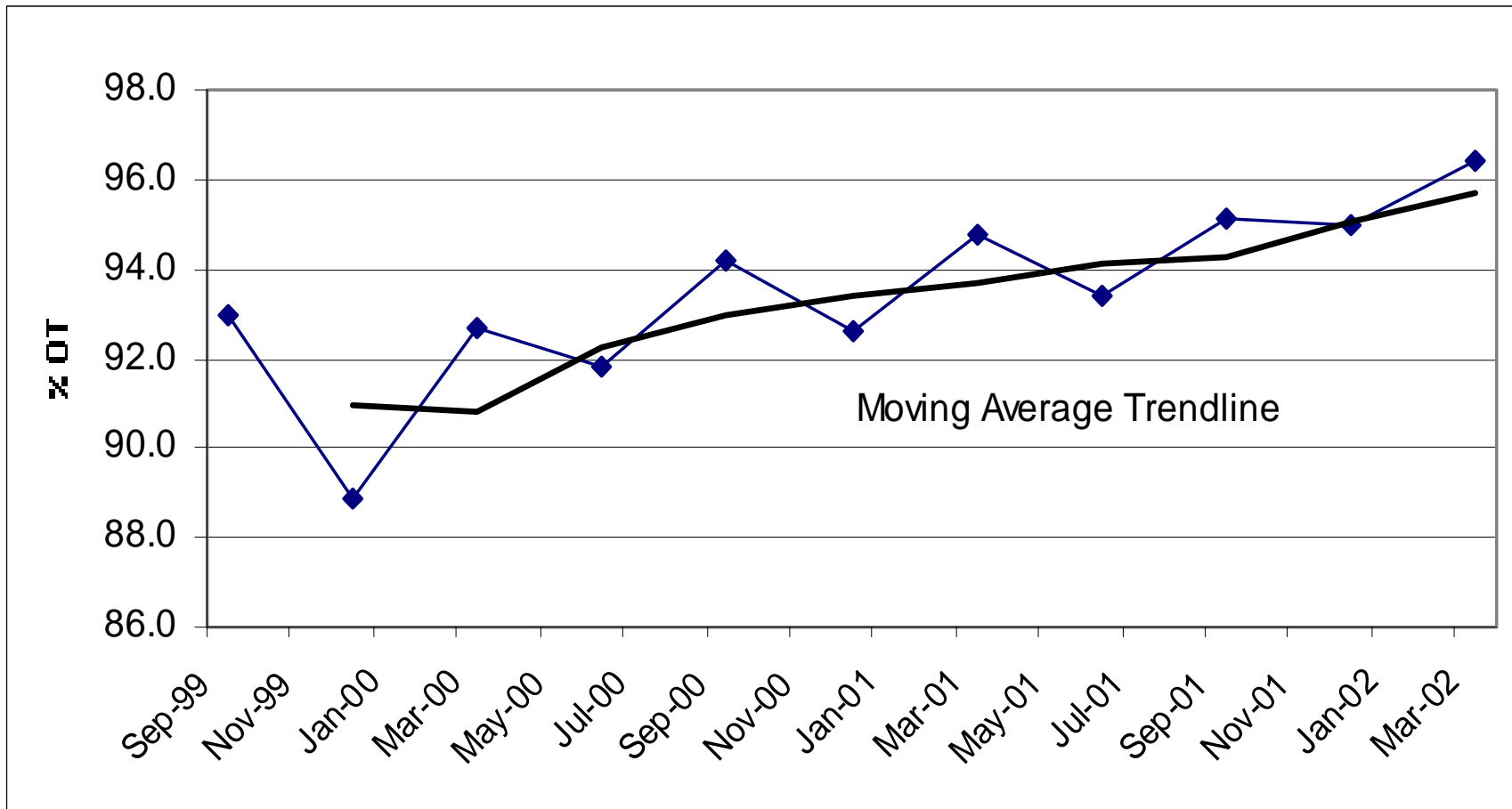
Letter Pricing Principles

- The BPR is keystone of pricing structure
- Standard Postal Article (SPA) central to CSO
 - SPA pricing set to maintain affordable rate
 - Prices for other services cross subsidise SPA
 - Prices set to achieve appropriate aggregate return
- Bulk prices broadly reflect the level of work saved
- Bulk prices applied uniformly for carriage within Australia
- Subject to conditions Bulk prices uniform regardless of volume
- Pricing reflects commercial, social and governmental obligations
- Social obligation is to supply an accessible and equitable service
- Pricing structure will be as simple as possible
- Prices set to meet statutory requirement for adequate return and to fund the CSO
- Price changes infrequent, with adequate notice and after consultation with stakeholders

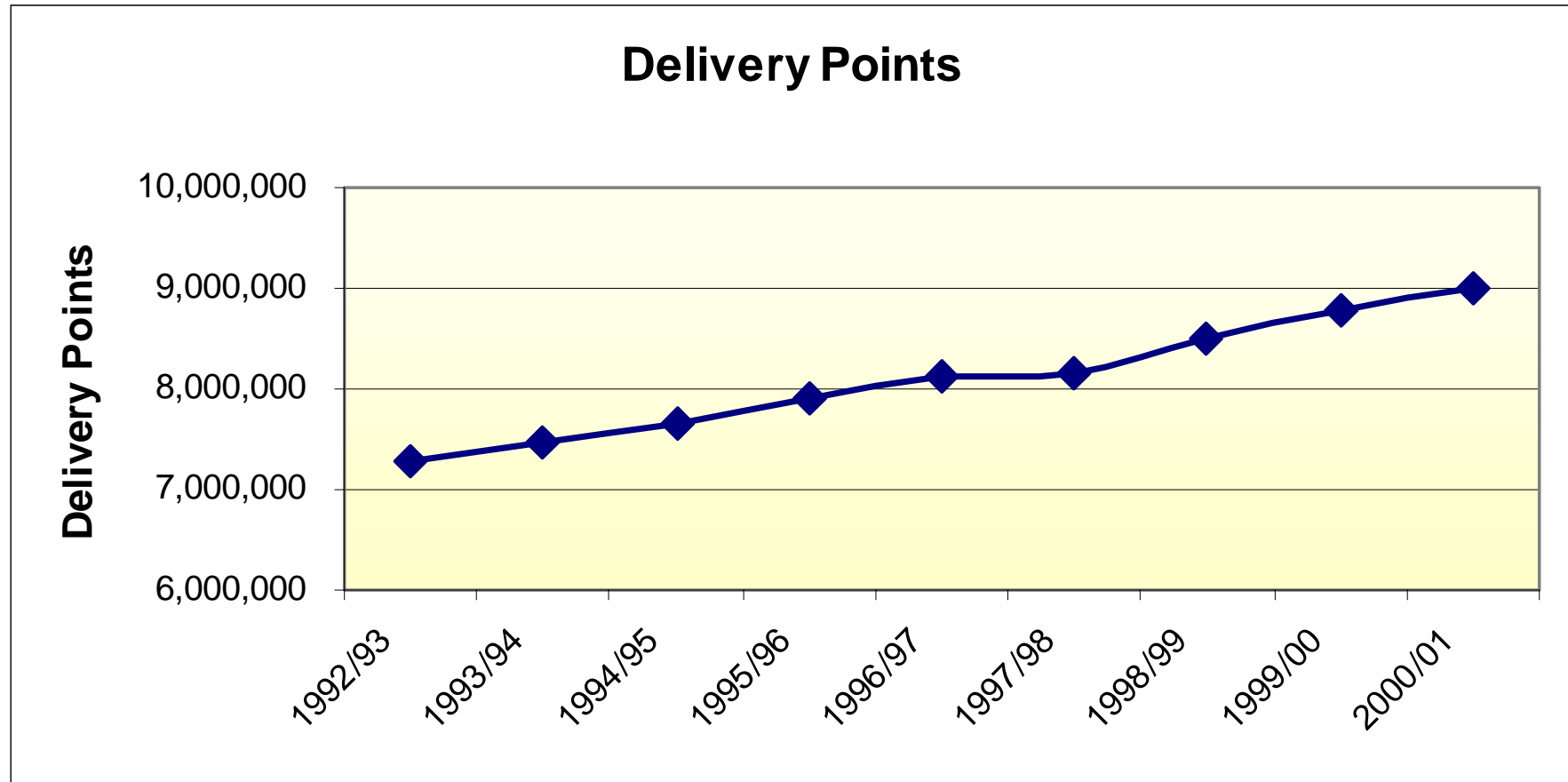
Australia Post Promotion of Direct Mail

- Industry sponsorship such as ADMA and FIA and the Melbourne Direct Marketing Club.
- Industry convention support such as ADMA's Pan Pacific Direct Marketing Conference.
- Major Direct Mail events such as the annual "Being Direct" seminar.
- Education support such as: Monash University's DM chair, Australia Post's Direct Mail web site, support for ADMA's DM course, production and distribution of self teaching material such as the Next Phase Marketing Program for graduates of Marketing courses.
- Sponsorship and release of the recent Responseability report into direct marketing in Australia including dissemination of the research. such as Customer Loyalty Futures which brings together local DM practitioners and visiting experts in an open discussion format.

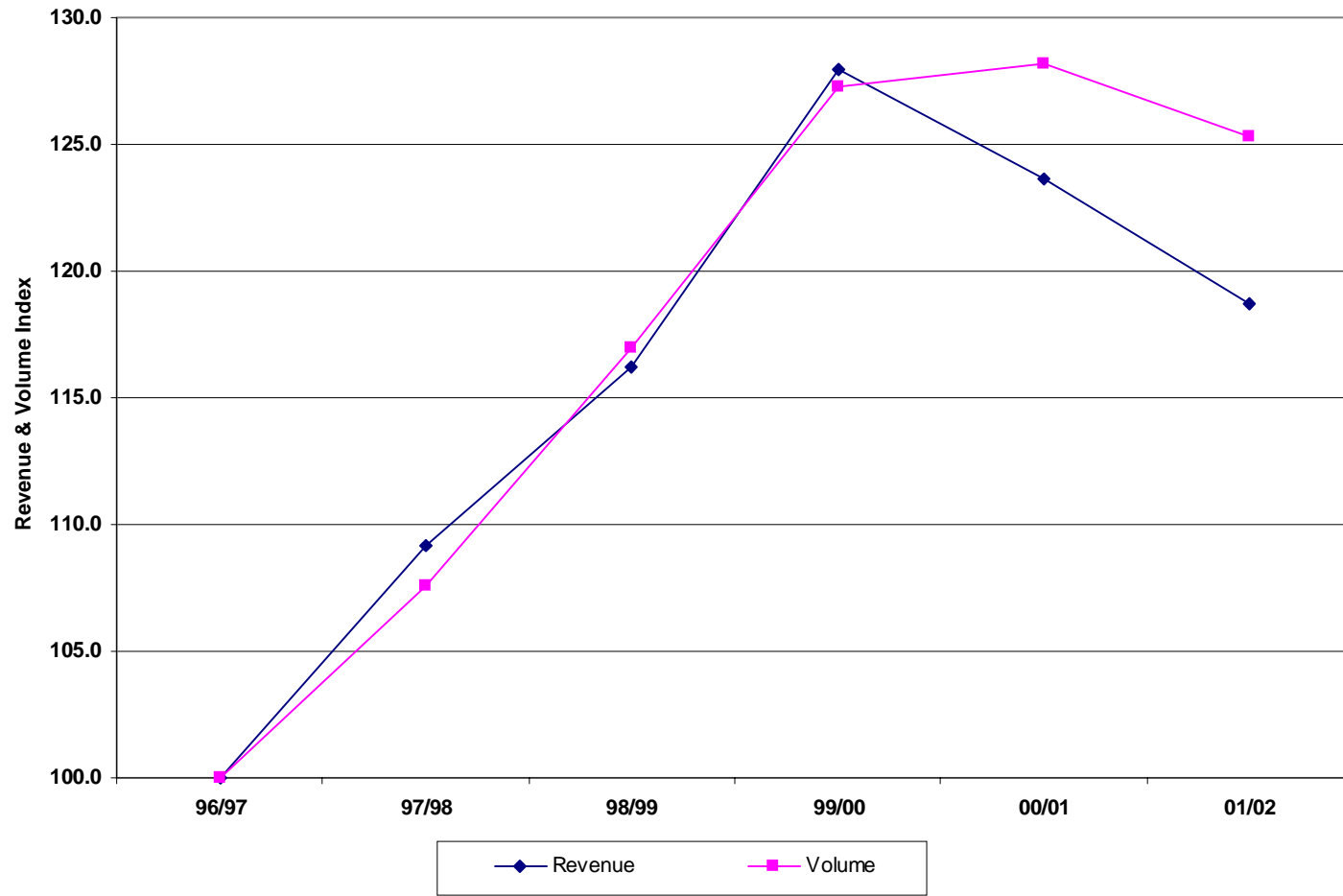
Service Performance Trend



Delivery Points Growth - 29% over 10 Years



Top 100 Customers - All Letter Products



Price Variation Comparison between PreSort (Barcode) Weighted Average Price vs Basic Postage / Clean Mail

