

-----Original Message-----

From: ridings [mailto:ridings@froggy.com.au]

Sent: Thursday, 5 September 2002 4:50

Subject: Aust.Post monopoly

To Ms.B. Merifield

With regard to Australia Post's proposed stamp-price increase:

In 1992, the industry commission concluded the legislated postal monopoly should end with elimination of reserved services within two years -- in other words, by 1994. Yet in 2002, Australia Post is still exclusively issuing postage stamps.

Why has this matter not been focus of an ACCC investigation in the eight years since 1992?

Australia Post Shop-retail outlets are privately owned retail establishments, similar to bookshops, newsagencies, grocery stores.

Australia Post Shops however are able to purchase postage stamps from Australia Post at considerable discount; often in excess of 15% for example, on 45cent stamps.

Australia Post maintains a monopoly upon the publication and distribution of postage stamps. Any privately owned business -- with the exception of Aust.Post Shop-retail outlets -- is prohibited from receiving a discount on postage stamps. Any privately owned business -- with the exception of Aust.Post Shop-retail outlets -- is compelled by Aust.Post's monopolistic policies, to pay the full face value of postage stamps, which they then supply -- again at face value -- as a convenience to their customers but at no financial gain to themselves.

In other words, only Aust.Post and its affiliated privately-owned Post Shop-retail outlets, are permitted to sell Australian Postage Stamps at a profit. This effectively restricts the sale of postage stamps. It could reasonably be argued that were other privately-owned businesses, such as newsagencies, book-shops, grocery-stores, supermarkets etc. permitted to sell postage stamps at profit, there would be a considerable increase in the number of postage stamps purchased by the public, due to the convenience of being able to buy stamps at venues other than Aust.Post and/or its affiliated Post Shop-retail outlets. This increase of sales made possible by the convenience factor would translate to increased profits to Australia Post.

Australia Post is a government-owned business. The Australian public is the government. A profit earned by a government-owned business translates to increased public funds. I doubt any member of the public would object to increased funding being made available by increased sales of postage stamps through privately owned business, because those increased and publicly-owned monies could then be used to the advantage of the public; in the form of increased funding for educational facilities, green-space, etc. All this would be possible were privately-owned businesses such as newsagencies, book-shops, supermarkets etc. permitted the same advantage from its sale of postage stamps -- profit -- as currently enjoyed by Aust.Post and its affiliated Post Shop-retail outlets.

It follows then that by continuing to claim a monopoly on the profitable sale of postage stamps, Australia Post may very well be preventing the public from gaining maximum profit from its own business -- it's government-run business -- Australia Post.

Despite Australia Post's continued monopolistic dealings in postage stamps, it has continued to evidence increasing profits during the ten year period of the '45 cent stamp'. Why then does it claim a need to increase the price of stamps?

It has been demonstrated that competition reduces prices. Australia Post prohibits profitable competition however.

Is not the purpose of the ACCC to ensure that the public is not subjected to increase in prices caused by monopolistic organisations?

And is it not true that the industry commission required -- in 1992 -- that the legislated postal monopoly be abolished with a period of 2 years ?

This requirement, stated in 1992 -- and the failure of Australia Post to comply with it -- are issues at the heart of the current debate regarding the intent of Australia Post to impose a price increase upon the Australian public.

Why has the ACCC not energetically pursued the prescribed abolishment of legislated postal monopoly since 1994?

This question is of immediate concern, as is the abolishment of legislated postal monopoly in Australia.

If this letter would more properly be addressed to other persons within the ACCC, I would appreciate your ensuring it reaches them without delay.

3

Yours sincerely,
B. Mason
email address: ridings@froggy.com.au

1

7