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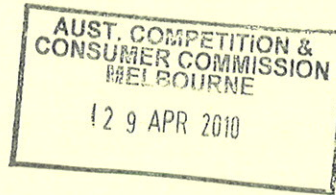
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Mr Anthony Wing
General Manager - Transport and General Prices Oversight
Australian Competition and Consumer Commission
GPO Box 520 MELBOURNE VIC 3001

27 April 2010

Dear Mr Wing,

The proposal to increase postal costs for an inefficient monopoly will do even more harm to the Australian economy than it already causes.

CopyRight Publishing is a small company producing and selling books across Australia and the world. We 'compete' with large international companies such as Amazon. It's extraordinarily cheap to have books posted to Australia from Amazon in the USA, and extraordinarily expensive for us to post books to the USA. After we pay Australia Post, there is little left for us - we are being bled by complex and high postal charges which can only be described as extortionate (with the postal monopoly, we have no other choice). The entire system needs a total overhaul and there are lessons to be learned from history.

The attachment describes the phenomenon of the Penny Post. The more things change, the more they stay the same. But the lessons are there. Simplify, simplify, simplify.

Australia Post must change to meet the challenges of today: the Internet is forcing it to change; international competition is forcing it to change; the need to make Australia efficient is forcing it to change.

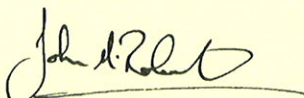
- Australia Post cannot be allowed to retain a monopoly position in the market with its out-dated pricing policies and operating systems.
- Complexity in its price structure has to be eliminated - reduce the price for any letter A4 size or less, and 1 kg or less, delivered to anywhere in Australia, to 50 cents (if it takes a little longer to deliver than couriers, that's where couriers can take a market advantage). Other simple price structures for parcels and weights can be devised. Overnight deliveries can retain suitable margins. Make the snail-mail deliveries cost efficient, even though they may be slow. Deliver to collection points (PO Boxes) daily, deliver to private addresses at predictable times albeit slower, just deliver cost efficiently.
- Float Australia Post on the stock market split into independently run companies, Aust Post Qld, Aust Post NSW etc, and let them be run as non-government operations open to new, competitive and efficient ideas.

Australia is competing with the world as never before. Let Australia lead the world in hard-copy communications. Australia has met the Geoffrey Blainey diagnosed 'Tyranny of Distance' before. It can do it again.

CopyRight Publishing sells books to any postal address in the world. Our recommended retail price includes pack and post at 2 levels, 1) within Australia and 2) overseas. We average out our prices. We win on some and lose on some, but we don't have a complex costing system. Daily currency exchange rate variations make any sophisticated system impractical. The customer doesn't have to be Einstein to work out the postage and the postal staff don't have to waste time arguing with the customers, or themselves over complex size and weight demarcations.

For deliveries within Australia, millions in the cities can pay an indiscernably small subsidy to the few in remote areas and the increase in efficiency will allow a dramatic reduction in costs so that both groups may benefit. The country must find ways to decentralise, the cost of living away from the cities can be reduced, and this is one way of beating the Tyranny of Distance.

Regards



John McRobert BE (Civ)
Managing Director

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The Penny Post

Eunice and Ron Shanahan



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This information comes from [Postal History](#), a New Zealand website created by Eunice and Ron Shanahan. My thanks to them for giving their kind permission to use the material. — [Marjorie Bloy](#)

The cost of posting a letter had risen steadily over the years. In 1680, a merchant named William Dockwra organised the London Penny Post, which delivered mail anywhere in London for a penny. He also introduced the practice of postmarking letters to indicate when and where they had been posted. However, the system became so successful that the government took control of the operation in 1682 and absorbed it into the Post Office: from then on the charges gradually increased. Successive Governments had used the profits from the postal service as revenue. In particular, the money was being used to finance the almost continuous wars with France. Each time more money was needed, the cost of postage was increased. This led to increasing public dissatisfaction and criticism of the high postage rates. To send a letter from Edinburgh to London, could cost as much as a day's wages: ¾d. As a result of the public complaints, a Committee of Enquiry was set up in 1835.



Rowland Hill by Edward Onslow Ford. Click on thumbnail for larger picture.

Two years later, Rowland Hill published a pamphlet entitled 'POST OFFICE REFORM'. In this, he proposed a uniform postage rate of 1d. — One Penny — which would lead to an increase in correspondence and the virtual abolition of attempts to evade the postage. At this time, an indoor servant would be earning twenty-five pounds a year, that is about ten shillings a week.

Rowland Hill argued that distance had little bearing on the cost of conveying a letter. He pointed out that a very important factor in the cost was that the letters which were not pre-paid had to be personally delivered to collect the postage. The letter carriers may sometimes have had to make five or six calls until they could deliver the letter and collect the money - which was a waste of time.

Sometimes the addressee would refuse to accept the letter. Because of the high cost, many frauds were common. One was that the writer would put a code marking on the outside of the letter, so that when it was delivered, the addressee would see the code mark, understand the message from the sender, and so refuse delivery.

Rowland Hill suggested that by using a specially designed adhesive label to pre-pay the postage, huge labour costs would be saved. Later in 1837 the Select Committee of Postage was set up and by one vote only, they recommended that Parliament adopt Hill's scheme. However, postage was not reduced to One Penny at once, but from 5 December 1839, a General Fourpenny Rate was set up for letters up to half an ounce in weight. Letters up to one ounce were charged 8d and each additional ounce up to 16 ounces cost 8d. The Fourpenny Post lasted only from 5 December 1839 to 9 January 1840 and markings were applied mostly by handwriting.

The Uniform Penny Post came into force on 10 January 1840, and Rowland Hill was proved right. On the first day of the Penny Post 112,000 letters were posted, more than three times the number posted on that day the previous year. However, the stamps and the printed envelopes and covers were not available until 6 May 1840.

In 1839 there were 76 million letters posted in the United Kingdom. In 1840 after the introduction of the Penny Post there were 168 million and ten years later this had doubled to an incredible 347 million letters.

The production of the huge numbers of the adhesive labels required was possible only because of the developments in the British printing and machinery industry. At this time Britain was leading the world in industry, and was soon to be known as the Workshop of the World. The idea of the gummed label was so simple, and the design so attractive, that it was copied by postal administrations all around the world. In Britain the whole concept was generally accepted so that in 1856 it became compulsory to pre-pay postage.



The inventor of the Penny Black, Rowland Hill, was knighted by Queen Victoria for 'services to the Nation'.

Related Material

- The Perkins D cylinder Printing Press used to print the first stamps
- Letters from the Past (Postal history and a Collection of Victorian and earlier letters)

