

11 August 2022

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

Dear Ms Cass-Gottlieb

Draft Notification of Proposed Changes to Australia Post's Reserved Ordinary Letter Service

Please find attached Australia Post's draft notification to the Australian Competition and Consumer Commission (ACCC), which supports proposed changes to the Ordinary Letter Service, including a 10-cent increase to the Basic Postage Rate (to \$1.20), effective January 2023.

The proposed prices are modelled over the 2021/22 to 2023/24 financial years. Australia Post believes that the proposed prices will result in revenue below the maximum allowable revenue, as calculated under the ACCC's Post Tax Revenue Model.

Australia Post is a business that prioritises striving for efficiency while continuing to meet its obligations, including its community service obligations.

Australia Post has a responsibility to maintain an accessible and affordable letters service for all Australians. For households that are eligible for, and have opened, a free Australia Post Concession account, there will be no cost-of-living impact from these proposed price changes, as the concession stamp rate will remain at \$3.00 for a booklet of five stamps (or \$0.60 cents per stamp).

For households that are ineligible for the concession stamp offer and regularly send letters, the average cost impact of the 10-cent price increase will be around \$1.50 per annum. The cost of seasonal greeting card stamps will also remain unchanged at \$0.65 cents.

Separate to this confidential version of our draft notification, we will provide your staff with a version to be made public and other supporting information, including external reports.

We remain committed to working closely with the ACCC to clarify and resolve any issues your team may have, as they assess the draft notification. I encourage your team to contact Mark Pollock on 0438 556 538 if there are any questions regarding this draft notification.

Yours sincerely,



Paul Graham
Group Chief Executive Officer and Managing Director

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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.