

## MMUA's RESPONSE TO ACCC PRELIMINARY VIEW

The MMUA Board of Directors met yesterday and *inter alia* agreed to make the following submission to the ACCC in response to the Commission's *Preliminary View*. The directors have asked me to thank all those members who assist in both the May and September round of Members Meetings, and by follow-up written comments as we put together our submission.

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Friday 27 September 2002

Ms Margaret Arblaster  
General manager  
Transport and Prices Oversight  
Australian Competition and Consumer Commission  
**Fax 03 9663 3699**

Dear Ms Arblaster :

Australian Postal Corporation - Pricing Proposal

Response to *Preliminary View*, September 2002

Following consultation with our members over the past few weeks since the *Preliminary View* was issued and made available to them, I am pleased to advise that Major Mail Users (MMUA) has agreed to accept the proposals set out therein by the Commission with the following comments:

(1) there is an anomaly in respect to the Clean Mail/Unbarcoded Residue proposal (see below);

(2) we would wish to comment on any substantive changes to the Draft Notification insofar as they would impact on Bulk PreSort Mail should Australia Post in its response to the *Preliminary View* raise such matters.

### CLEAN MAIL AND UNBARCODED RESIDUE

In members meetings to discuss firstly the Draft Notification (May) and subsequently the *Preliminary View* (September), there was very strong support from our members for the Clean Mail/Unbarcoded Residue proposals, viz:

I - Clean Mail  
- Medium up to 125mm, 5mm thick  
- Broadbanding the 0-50g; 51-125g weight steps

II - Unbarcoded Residue  
- Medium up to 125mm, 5mm thick  
- Broadbanding the 0-50g; 51-125g weight steps.

We have had informal discussions with Australia Post regarding their *Clean Mail* proposals as set out in their Draft Notification in the context of that proposal being considered against the Commission's statements (at page 151) and Table 12.1 (page 152) relating to pricing and structure and, in particular, the excellent value to the mailing industry that we believe would flow from the introduction of the new *Medium Letter - 5mm Maximum Thickness* category. The new category would also provide Australia Post with better usage of its barcode sorting equipment. We see benefits for both the mail industry and Post.

Given that there is real merit in the proposal for this new category, and that both Australia Post and MMUA members wish to see it introduced, in our discussions with Post we have advised them that if they were to return to the Commission with a proposition that would ensure that there would be a revenue *neutral* outcome for Post then MMUA would be pleased to support Post in that respect.

MMUA understands that it would be difficult for Post to extend the medium (5mm) category to Clean Mail and Barcode Residue if there were no equivalent in PreSort and that it may be necessary also to broadband the *Medium Letter - 20mm Maximum Thickness* category and introduce PreSort prices relevant to existing prices to maintain relativity.

Yours sincerely, John Gillroy, Chief executive officer