

## 18 September 2002

Margaret Arblaster General Manager

Transport and Prices Oversight

Australian Competition and Consumer Commission

PO Box 520J Melbourne.

Victoria 3001

Dear Ms Arblaster.

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The Printing Industries Association of Australia (Printing Industries) welcomes the preliminary decision by the Australian Competition and Consumer Commission (ACCC) concerning the pricing proposals by the Australian Postal Corporation.

Printing Industries considers the ACCC's decision as a balanced one reflecting the concerns of major mail users such as mail houses and printers. The industry is grateful that most of its concerns were heeded by the ACCC and reflected in the preliminary decision.

The proposed price increases by the Australian Postal Corporation for the bulk mail category would have had a significant adverse effect on printers and mailing houses as users of bulk mail services have been affected by recent price increases after the phasing out of AdPost and discounts for unbarcoded mail.

Any further postage increases in the bulk mail category is likely to result in an increase in the use of bulk mail advertising substitutes such as email and QVB NSW 1230 the internet.

As we stated in our submission *Printing Industries* does not oppose the proposed price increase for the basic postage rate as Australia Post had decided to absorb the GST, and the basic postage rate had not increased for more than a decade. But the Association and the industry remain firmly opposed to any price increases in the bulk mail area.

Printing Industries also welcomes the ACCC's decision not to approve the price increases being sought by Australia Post for large letters and local delivery services.

Printing Industries now urges the ACCC's not to alter its decision when delivering its final decision on the pricing proposals submitted by Australia Post.

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Yours sincerely,

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Industry & Commercial Policy