



Reader's Digest (Australia) Pty Limited (ACN 000 565 471)
26 Waterloo Street Surry Hills NSW 2010
GPO BOX 4353 Sydney NSW 2001

Christopher R Smith
Manager,
Postal, Consumer and Government Affairs
Australia and New Zealand

Telephone: (02) 9690 6450
Facsimile: (02) 9690 6239
email: chris.smith@readersdigest .com

27 September 2002

Ms Margaret Arblaster
General Manager - Transport & Prices Oversight
Australian Competition and Consumer Commission
GPO Box 5203 Melbourne Victoria 3001

Dear Ms. Arblaster,

Re: Australian Postal Corporation – Pricing Proposal
Preliminary View

Thank you for the opportunity to comment on the Preliminary View of the Australian Competition & Consumer Commission of September 2002 regarding the Pricing Proposals notified by the Australian Postal Corporation.

Reader's Digest endorses the Preliminary View of the Australian Competition & Consumer Commission not to object to the increase in the basic postal rate or the introduction of Clean Mail and unbarcoded residue rates; but to object to the other proposed increases including bulk Presort rates, large letters and some local delivery services.

Clean Mail and Unbarcoded Residue Rates

With respect to the acceptance by the Commission of the Clean Mail and unbarcoded residue rates the lodgment terms proposed by Australia Post are also accepted as the basis for the rate. These are included on Page 36 of the Australia Post Draft Notification.

“Notes/Comments – Presort Letters”.

Unbarcoded component to be eligible for an Unbarcoded Residue Price. Price consistent with clean mail, but enveloping and addressing requirements to be as per Barcode Presort.”

We believe there are benefits to the mailing industry for both promotional and business mail users in the introduction of the new Medium Letter, 5mm Maximum thickness including the weight breaks changing from 0 – 50 grams and over 50 up to 125 grams and the introduction of the broadband 0 – 125 grams weight category. This new service category will allow Australia Post to take full advantage of their barcode sorters and the additional productivity gains resulting from their use. Promotion of this service will benefit the users of the mail and Australia Post.

The Commission has accepted the Clean Mail pricing of this service in Table 12.1 subject to Australia Post electing to offer this pricing category at the proposed \$0.70 cents . We would recommend the Commission to support the introduction of the associated presort pricing proposed by Australia Post if they introduced this service.

It may also be necessary to broadband the Medium Letter 20mm Maximum Thickness and introduce presort prices relevant to existing prices to maintain relativity.

If you require any expansion on the above comments please contact the writer.

Yours sincerely,

Christopher Smith