

Australia Post price increase rejected by Industry

For immediate release

Australia Post have submitted a request to the ACCC for the Basic Postage Rate (BPR) or stamp price to increase from \$1.00 to \$1.10 and industry is rejecting the increase as a slap in the face to Australians and Industry alike, arguing Australia Post's profitability has been impacted by several triggers and not simply the letters business.

"To argue that Letters are to blame for the reduced profitability is somewhat misleading. What this position fails to address is the monopolistic model Australia Post letters business operates under that provides a solid infrastructural advantage to their parcel and e-commerce businesses. The reporting of the Letters business does not take into consideration the latent capacity from the Letters business which provides opportunity for parcel delivery via the Postal network," commented Kellie Northwood, Chief Executive Officer, The Real Media Collective.

"Additionally, when deep diving into the report it is very clear that there has been investment into Electric Delivery Vehicles and e-commerce solutions to assist the parcels side of the Australia Post business to grow. Industry does not suggest Australia Post shouldn't continue to invest and grow these opportunities, however to argue that the reason for the decline in profitability over the past twelve months is due solely to Letters does not consider all elements of the business," furthered Northwood.

Industry mailing prices are discounted from the Basic Postal Rate (BPR) and while the stamp price, doesn't impact Business Postal Rates directly, business mailings do operate under a ceiling of the BPR. If the BPR is increased this is then passed onto the increased cost of business mailing products. Industry has been the hardest hit since the 2016 Reform and the latest price increase from 25% to 56% for business products.

PreSort, bills and letters, will see an increase of 56%, Print Post, that which mails subscription publications, such as magazines, 28%, Promo Post, marketing collateral and voucher offers, 50% and Charity Mail, 25%. These pricing increases industry argue are unsustainable and will lead to a collapse to the paper, print and mail sectors.

"There is absolute recognition that a Government asset should deliver a profit for the greater economy, however a balance must be achieved. Balancing performance of a government asset against the government's broader fiduciary obligations to the people of Australia and the negative impact on business and the flow-on effect to individuals and the Australian economy is simply too big to ignore."

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voucher offers, 50% and Charity Mail, 25%. These pricing increases industry argue are unsustainable and will lead to a collapse to the paper, print and mail sectors.

The Collective runs the Secretariat for the Keep Me Posted campaign lobbying for Australians to have the right to choose without penalty on how they receive their bills and statements and firmly believes the mail business is critical to the fabric of Australian society. "We know Australia is experiencing a significant digital divide, with the most vulnerable Australians being impacted. Australians who prefer paper mail are being stung by the banks, telcos and energy companies when being charged for their paper bills and now by Australia Post when they buy a stamp to return payment or other communications, given Australia Post's active involvement and support of Keep Me Posted, this approach to pricing defies logic," commented Northwood.

"Our industry, and those represented in the Industry Coalition, employ over 251,000 Australians, we are the largest manufacturing employer in the country and this approach from Australia Post will lead to a ripple effect to the detriment of Australian jobs. Last year the Industry Coalition called for pricing stability, annual price increases and for Australia Post to engage in a meaningful and commercial manner with industry. Despite these requests being supported by the former Minister's Office, Australia Post have continued to not address these calls from the Industry Coalition, rather issue significant price increases in a post-election window without consideration or meaningful consultation," concluded Northwood.

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About *The Real Media Collective*

The Collective is a not-for-profit industry association representing paper, print, publishing, packaging, mail and distribution sectors of media across Australia and New Zealand.

The Industry Coalition includes: The Real Media Collective, ADMA, Fundraising Institute of Australia, Australasian Paper Industry Association, Australian Forest Products Association and Visual Connections.

Please visit [The Real Media Collective website](http://www.therealmediacollective.com.au) for more information.