

Senate Standing Committee on Environment and Communications

Answers to Senate Estimates Questions on Notice

Supplementary Budget Estimates Hearings October 2015

Communications Portfolio

Australia Post

Question No: 135

Australia Post

Hansard Ref: Written, 29/10/2015

Topic: Reforms

Senator Urquhart, Anne asked:

Can you give me an expected timetable for the reforms?

1. What elements of the reforms are contingent on approval from the ACCC?
2. Has Australia Post determined the price of stamps for the premium service if the ACCC approves the new price for the slower service?
3. Recently, The Australian Electoral Commissioner Tom Rogers said that [postal services remain critical to Australian elections as they are currently run](#). How will the two-speed service impact on postal voting? Will the timeframes need to be amended? Will the public cost of running elections increase? If yes, by how much?

Answer:

1. Changes to the price and speed of some of our letters services took take effect on 4 January 2016. This included increasing the basic postage rate for small letters from 70c to \$1.00, and introducing a two-speed letters service, comprising a Priority Service and a Regular Service.

The increase to the basic postage rate is subject to oversight by the ACCC.

2. Yes. On 27 November 2015, Australia Post announced that to send a letter at the faster Priority speed customers will need to purchase a Priority label (at a cost of \$0.50 cents) from their local Post Office or the Australia Post online shop and place it next to a \$1.00 stamp.
3. The 4 January 2016 changes (ie. the introduction of the two-speed letter service) will not impact/effect the ability to use mail as it is today (ie. the service and speed available today will continue to be offered).

The changes will provide an additional choice of delivery speed for all customers and builds upon the changes to our business letter services in 2014.

For elections, the options previously available continue, however for some uses (eg responses) customers will need to consider which speed of delivery they require. We will continue to work with the AEC and other large uses of mail in elections to ensure they understand the changes and what, if any, changes they will need to make.

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In relation to pricing, as the introduction of the two speed letter service coincides with price increases there will be an impact upon the postage cost. How much will depend upon the services the customer uses and the delivery speeds they use. However, Australia Post is not seeking to make a profit from the proposed price increases, but rather reduce the losses to ensure we can continue to offer a sustainable letter service.

Further, we are working with large mailers to assist them in understanding the options available to mitigate the impact of price increases.