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Release of independent government review of our Letters business

Today the Federal Government released the Australian and International Postal Services Overview Report, an independent review of Australia Post's Letters business.

In a speech this morning to the Committee for the Economic Development of Australia (CEDA), Minister Turnbull officially released the report and discussed its findings. The report highlights the dramatic and irreversible decline we are facing in letter volumes as Australians turn to digital channels to communicate.

It also substantially supports our assessment of the challenges before us and impresses the urgency for regulatory reform so we can change with the community and our customers. Naturally, we welcome the release of this report and the important debate that is likely to follow.

We are already responding to the changing needs of the community and our customers however, we must continue to evolve our business so that we can provide the trusted services that they expect from a modern postal service.

One of the ways we are seeking to limit the losses is by introducing a two-speed letters service for businesses, which gives the sender the choice of a slower speed at a lower price. We introduced this service for business and government, which sends 95 per cent of all mail volume, on 2 June. The less expensive, slower speed service has been extremely well received.

These changes are not about delivery frequency. They are about offering our customers different delivery speeds – at different price points. The 'Priority' service is delivered according to the existing timetable standards of next-day delivery in the same city and 2 days between capitals cities. The delivery standards for the new 'Regular' service are 1 to 2 days longer than the Priority service.

Our posties will still do their rounds every day but the sender can choose a price point and speed that suits their needs.

This means we can fully utilise our resources on the frontline, to deliver services that Australians want, such as weekend post office trading and parcel deliveries. We have also trained and equipped our posties to deliver small parcels as part of their normal round and we will continue to look for opportunities to find new ways to keep our staff employed in valuable and rewarding roles.

As we make these changes, we are always mindful of the impact they will have on our employees and other important stakeholders. We will look to insulate from change as much as possible those who most rely on our service and network, including the elderly, regional and rural communities and LPOs.

The report also makes it clear that the impact of digital communication on letters services is not unique to Australia and that many other countries are already taking decisive action.

We must learn from the international response as we develop our own solutions. We look forward to continuing to work with our many stakeholders, including the Federal Government and the community on modernising Australia Post.

I encourage you to read the report and our media release, linked below, and discuss with your teams. Also attached is my speech and Minister Turnbull's speech for your reference.

Ahmed Fahour
Managing Director & CEO