

POST ANNUAL REPORT UNDERMINES MAIL CRISIS CLAIMS

The Australia Post Annual report released today shows that Ahmed Fahour's claim that mail volumes are in freefall is not correct said an alliance representing employer groups and unions today.

"The annual report clearly shows that mail volumes are falling at a manageable 5 per cent a year, not the 12 per cent claimed by Australia Post in the BCG report released in June", said Alliance spokesperson Bill Healey (PIAA).

"While we all recognise the challenges facing the mail industry, a decline of 5% is not the crisis that the CEO would like the Australian community to believe it is", said Mr Healey

"It is also important to note that the underlying profit reported by Australia Post, before one off costs such as restructuring, is actually up by over 10% to \$518 million dollars¹" he said.

The alliance brings together business groups representing printers and mail houses (PIAA), licensed post offices (LPO Group) and unions (AMWU, CPSU, CWU).

"Our organisations have come together to voice our concern about the future of Australia Post. Australia Post has failed to outline a clear strategic direction on how it intends to deal with the challenges resulting from the emergence of the digital economy", said alliance spokesperson Bill Healey (PIAA).

"To make matters worse, Australia Post is deliberately ignoring the views of the Australian community and the findings of their own research," Bill Healey said.

An Australia Post consumer survey found that:

- 85% of people read their mail on the day it is received.
- 98% of people open their mail compared to only 20-25% for email.
- 67% of people still prefer to get their bills and bank statements through the mail and this figure is increasing.

The Alliance is calling for:

- The retention of all of Australia Post's existing community service obligations.
- The restoration of ACCC oversight of price increases in bulk lodged mail and the monitoring of service standards, as is currently the case of with Post's community service obligations.
- The establishment of a bipartisan round table also involving all industry stakeholders to examine options for Australia Post's future with oversight of proposals and outcomes by the senate communications committee.

"It is time Australia Post worked with industry stakeholders and the community to develop a clear strategic direction for the future of mail services rather than misleading the Australian public on the continuing effectiveness and demand for traditional mail," said Bill Healey.

"Greater oversight is required of the management of Australia Post to ensure that a significant public asset is not irreparably damaged," Bill Healey said.

¹ EBITDA

Media Inquiries: Bill Healey (0419 627 693)

Date: 4 September 2014



Media Release