



To Whom it may concern

Engine is a fulfillment partner to some of Australia's leading sporting brands, health providers and financial services organisations.

As part of our offering, we assist our customers deliver products and critical communications to their members via both physical and digital channels.

Over the last 5 years we have seen a transition to digital channels which has been driven by 2 key factors:

- Transition in society to use mobile and digital devices.
- Continued increase in cost of sending a letter.

As our business has transitioned our use of the Australia Post parcel network has increased significantly and we have chosen to use Australia Post over many other providers as their ability to delivery across the country is unmatched, this has been built off the back of their letter's coverage.

Should Australia Post continue to increase our prices (10% this year) and reduce coverage will provide us with options to transition to other parcel delivery services.

We employ up to 100 staff based on our ability to provide these services to our customers and we are concerned on 2 fronts:

Letters

We understand that the letters business cannot return to what it once was however in the current climate where IT security is at risk, text messages are the new junk mail and email response rates are in decline our clients know that by sending a high quality targeted physical communication to their audience is going to be read and, in most instances, invoke a response.

Any proposal to drastically increase the price and diminish the delivery service will take this option away from the Australian business community. This will also lead to job losses and business closures across the country. This won't be limited to businesses that provide mail services this will impact an entire network of service providers, vendors, employment agencies.

International Postal Agreements

One of the biggest frustrations is the ability for organisations to offshore operations for Australian customers and send product from overseas countries to take advantage of UPU agreements. This allows our competitors to target our clients with reduced parcel and letter rates from countries like Vietnam.

To continually increase prices across parcels and letters locally and honour these outdated international agreements will put further strain on local manufacturing.

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