



Director, Postal Policy—Communications Services and Consumer Division
Department of Infrastructure, Transport, Regional Development, Communications and the Arts
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postalconsultation@infrastructure.gov.au

17th April 2023

RE: SUBMISSION TO POSTAL SERVICES MODERNISATION DISCUSSION PAPER

To whom it may concern,

I write to convey my deep concern about the mooted significant price increases, delivery frequency reductions and shrinking of the Australia Post Office network, as flagged in this Discussion Paper.

Font Publishing is Tasmania's largest, locally-owned and fully independent media organisation. Annually, we print over one million newspapers covering every corner of Tasmania through our eight mastheads *Tasmanian Country*, *King Island Courier*, *Sorell Times*, *East Coast View*, *Tasman Gazette*, *Northern Midlands Courier*, *Derwent Valley Gazette* and the *Tasmanian Business Reporter*.

Four of those mastheads (*Tasmanian Country*, *King Island Courier*, *Derwent Valley Gazette* and *East Coast View*) were brought back to publication after being closed, or slated for closure, by their former owners.

We employ six journalists in addition to a number of production staff and salespeople to produce these newspapers.

Household delivery via Australia Post is an integral part of our business model, being used to various degrees by most of our mastheads.

In the case of our flagship publication, the iconic *Tasmanian Country*, we use Australia Post to home deliver hard copies of the weekly newspaper to around 13,000 primary producers in Tasmania every week.

This targeted home delivery allows us to compete with the direct marketing claims of digital platforms such as Meta.

Currently, we have a contract pricing arrangement with Australia Post for bulk unaddressed delivery, which allows this to be done at a sustainable level for our business.

However, after having borne price increases over the past couple of years, this delivery cost is already larger than both the printing and journalist components of producing the weekly newspaper.

Any significant uplift in pricing would destroy the business model of *Tasmanian Country* and likely render the newspaper unsustainable.

Similarly, any reduction in delivery frequency (currently we have same day delivery) and the number of outlets would have an extremely deleterious effect.

Similar effects would be had on other mastheads, relative to their exposure to Australia Post.



Over recent years, the Australian Government has rightly invested significantly in supporting the sustainability of rural and regional newspapers, through various grant opportunities.

The Government also took great effort to put in place the News Media Bargaining Code, in order to try and help support the revenue bases of traditional media such as newspapers (although it has to be said that very little to nothing of this has flowed through to genuine independent, local newspapers such as ours).

Nonetheless, this is due to appropriate recognition that rural and regional newspapers are vital for local communities, especially in places such as Tasmania where digital literacy is relatively low and where in the absence of community newspapers there would likely be a “news dessert”.

It is not inappropriate for Australia Post to examine its business model in the light of changing consumer patterns.

However, it is a matter of fact that the mooted substantial price increases and service reductions would be materially and significantly detrimental to Font Publishing’s operations, and our ability to sustainably operate local and community newspapers across Tasmania.

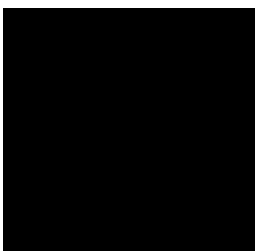
These mooted changes are also, in my opinion, inconsistent with Australia Post’s Community Service Obligations under Section 27 of the Australian Postal Corporation Act 1989.

I would urge the Department to seriously understand the real-world implications of what is being proposed, and the negative impact which they would have upon businesses who continue to rely upon Australia Post’s traditional unaddressed letter delivery service.

It would be a perverse outcome where Australia Post’s business model is changed to favour those businesses who deliver larger parcels, at the expense of those who deliver material under 250g.

Please don’t hesitate to contact me if you would like further information, including more detailed in-confidence pricing data.

Yours faithfully,



Brad Stansfield
Managing Partner
Font Publishing