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## Sendle chief executive Chin Moody says its time to end Australia Post's 'functional monopoly'



Australia Post is going to have its first loss "since 2015", according to Communications Minister Michelle... Rowland. "This comes off the back of a serious decline in letter volumes, it's a situation that has not evolved overnight," she told Sky News Australia. "We know that in terms of letters, as ... [More](#)

EXCLUSIVE

By DAVID SWAN

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Australia Post rival Sendle has taken aim at the postage giant's letter business and its "200-year old functional monopoly", launching what it says is the nation's cheapest parcel amid a federal government review into Australia Post's business model.

Sendle on Friday launched a 250-gram parcel service for \$4, which Sendle chief executive James Chin Moody said is a direct competitor to Australia Post's letters business. He said unlike Australia Post's letters, the \$4 parcel is fully tracked and has no size restrictions.

"For too long, small businesses have had to contend with high prices and unreliable services, thanks to a 200-plus year old functional monopoly

Australia Post has had over the delivery market,” Mr Chin Moody said in an interview.

“What Australia Post can do, we can do better. To small businesses doing it tough right now, our message is shop around. You deserve greater choice, better services and better prices, and you deserve a delivery service that is reliable and affordable in the long run.”

The executive said Sendle was once a small start-up but is now a true competitor to Australia Post, especially for small businesses. The company now offers a returns product, an ‘express’ product, and says it now has a more reliable international delivery service.

“Let’s be honest, Australia Post has got an ailing letters business, and we’ve got a much better alternative,” he said.

“We’re ready for prime time and we are taking it to the world. This is the fastest-growing segment of small business e-commerce, lightweight items, things like clothing items to jewellery to confectionary, this is a massively growing area and folks have just not had enough choice. And that’s what we’re bringing them.”

A new consultation paper released this week found Australia Post’s weekday letter delivery obligations are “no longer financially sustainable”, and will potentially be wound back after a government review.

Australia Post is on track to run at a loss for the first time since 2015 and the government has flagged that changes will likely be necessary to keep the business viable.

“The growth in our parcels business is now levelling off as multinational competitors expand into the Australian e-commerce market – and if we don’t address our letter losses, it will begin to materially impact Australia Post’s ability to service the community,” Australia Post chief executive Paul Graham said this week.

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Australia Post is on track to run at a loss for the first time since 2015 and the government has flagged that changes will likely be necessary to keep the business viable. Picture: NCA NewsWire / Christian Gilles

Australia Post was contacted for further comment.

Mr Chin Moody said Sendle is now effectively a full-service carrier for everything that a small business in Australia might need. The company, which claims to be Australia's first courier company offering fully carbon-neutral services, is no stranger to stoushes with Australia Post, having won a [legal battle in 2017 over its slogan "Post without the office"](#).

Sendle last July cut 12 per cent of its global workforce, 12 months after raising a \$45m funding round from Afterpay's venture capital arm and NRMA Insurance, cuts that Mr Chin Moody at the time said were a 'pre-emptive step' amid a macroeconomic slowdown.

Sendle previously raised \$19m in 2020 from backers including King River Capital, Alberts Impact Capital and Marinya Capital, and raised a \$5m Series A funding round in 2016.

"We're a global business, and we absolutely could see the writing on the wall pretty early on," Mr Chin Moody said of the lay-offs on Friday.

"It forced us to focus on our core product, and since then we've been outperforming UPS every month during Covid [in the US], and in Canada we can now pick up from 99 per cent of the Canadian population. And that's all been in the past year.

"Our vision is to be that true alternative to postage monopolies and we're going to be doing that all around the world."

**DAVID SWAN, TECHNOLOGY EDITOR**

David Swan is Technology Editor for The Australian. With deep experience across start-ups, business and tech David is uniquely positioned to cover Australia's fast-growing technology ecosystem and how it's chan... [Read more](#)

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