

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Additional Estimates Hearings February 2016**

**Communications Portfolio**

**Australia Post**

**Question No: 22**

**Australia Post**

**Hansard Ref: Page 30-31, 09/02/2016**

**Topic: Postcodes**

**Senator Smith, Dean asked:**

**Senator SMITH:** I want to talk briefly about postcodes. This has been a recurring issue for coalition colleagues in the House of the Representative, particularly in Queensland. One of them was gracious enough to give me a time line that goes back to 2006. You will be well aware that the issue has been raised constantly in the House of Representatives. There does not seem to be much progress being made, and I was hoping we could briefly do a couple of things this morning. Explain to me how postcodes are allocated; if and on what conditions postcodes might change; and how the postcode allocation system fits in to the comments you have just made about the changing nature of mail delivery in Australia.

**Mr Fahour:** In the spirit of transparency, I am not an expert in the postcode system.

**Senator SMITH:** Neither am I, and that is why I am here.

**Mr Fahour:** But I can assure you I will take on notice all three of your questions and I will give you a detailed explanation of all of that. But I will say one thing. I know postcodes are used for all sorts of other purposes, but they are primarily used by us to operationally allocate an efficient allocation of our staff, particularly our posties and our processing system, so that we can get the letters to somebody's home address. That system is used for us to internally optimise. The great news is that Australians have adopted these for other purposes and for other needs, and that is wonderful. But our primary focus is to deliver the letter service efficiently and effectively, according to the act. Therefore, what we are having right now is just a conflict, it seems to me, between people's desire to want and need them for other purposes, versus what I would call our internal purposes. But I can assure you that I will give you another explanation, and, if you wish to have any follow-up on that, I am happy to meet with you separately with the relevant expert to talk through any of those details.

**Answer:**

Australia Post's postcode system was introduced to facilitate the efficient processing and delivery of mail. The number of delivery points is an important factor also, as inefficiencies and reliability issues can be created from not enough points or too many points.

Changes upon the demands of the mail network can lead to changes to postcodes. Generally, postcodes are allocated to localities and towns as determined by the various state and local government agencies.

When operational demands upon the network identify a need for new postcode, Australia Post will consider a number of factors, including other postcodes serviced by the same delivery facility in allocating which postcode will best suit the new locality.

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The most common cause of a postcode change is a locality boundary shift – something that is controlled entirely by a state government and/or local government and their agencies. For example, if a shire council redraws a suburb boundary to include a road that was previously in a different suburb/postcode, then residents affected by the change will have a new postcode (either from an existing postcode or a new one).

Australia Post may change a postcode where the sorting and delivery pressures that affect an area change. For example, a new estate might introduce 10,000-20,000 new addresses/delivery points to an area, and the associated increase in mail may necessitate a change.

With the increasing pressures upon Australia Post's mail network from letter volume decline combined with the growth in delivery points, postcodes remain a key enabler of ensuring a reliable and efficient mail delivery network across Australia.