

**Senate Standing Committee on Environment and Communications**

**Answers to Senate Estimates Questions on Notice**

**Budget Estimates Hearings May 2015**

**Communications Portfolio**

**Australia Post**

**Question No: 72**

**Program No. Australia Post**

**Hansard Ref: Page 74, 27/5/2015**

**Topic: Letter sorting machines**

**Senator Urquhart, Anne asked:**

**Mr Fahour:** These are multi-\$10 million type equipment, and we signed contracts with Toshiba, Siemens and so forth that reveal a level of confidentiality terms, a preferential pricing they may give us, that they may not want revealed to other organisations around the world that they deal with. Therefore, once again, of course, any information you wish on that basis, commercial-in-confidence, we are happy to give you as well.

**Senator URQUHART:** Yes, please. Given the increased sorting speed which I understand is part of the rationale for these new machines, and they also have an ability to sequence the mail, even large letters; will these machines make the next day delivery easier and cheaper? Is that the purpose?

**Answer:**

We are anticipating an investment of \$150 million in the automation program. This investment includes a number of vendors supplying new machinery and the associated works to install and operate these machines.

The new mail processing machinery will provide us with operational efficiencies and an opportunity to reduce the high maintenance costs associated with some of our old, outdated machinery.

The new machines will provide enhanced capabilities to increase throughput, decrease reject rates and make use of best practice in safety. Furthermore, some of the expected benefits of the new machines includes the capability to sort letters into Priority and Regular mail and that a higher component of mail will be automated and sequenced.