



# Submission

## Proposed Changes to NZ Post Deed of Understanding

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Prepared by: Ashburton District Council  
PO Box 94  
ASHBURTON

Submitted to: Ministry of Business,  
Innovation & Employment  
PO Box 1473  
WELLINGTON 6140

### Introduction

Thank you for the opportunity to submit on the proposed changes to the New Zealand Post Deed of Understanding.

Ashburton District Council makes this submission on behalf of our community rather than solely as a business entity.

The Council believes the service currently provided by NZ Post to residents and businesses of Ashburton District is of a high quality and meets the reasonable needs of all. Consequently Council's preferred option would be to retain the current mail delivery service.

Despite this, the changes NZ Post is seeing, and expects to continue to see, in terms of reduced mail delivery in an increasingly digital world are understood. It is assumed that options to change the current business model have been and will continue to be explored, with a view to retaining the current frequency of mail delivery while improving efficiency and growing revenue through providing new services.

If changes to the Deed of Understanding are to be made the Council would prefer any new levels of service to be treated as enabling provisions rather than becoming a blanket level of service applied regardless of local situations.

### Rural Delivery

The Council believes there are good reasons to look at rural mail delivery options differently to those in urban areas.

In addition to postal delivery the rural mail service provides associated services to rural residents such as newspaper delivery, courier services and general delivery services. These additional services, when bundled with postal delivery, create an efficient and much needed way for rural households and businesses to connect with their local community and with the rest of New Zealand and the world.

If rural mail delivery was to reduce in frequency the additional services provided may need to be delivered in alternative ways (such as courier or general delivery). While this would inevitably increase the cost of servicing rural households and businesses it would also erode the revenue capability of the rural mail service (if the additional services were no longer provided by NZ Post).

Rural residents rely on the NZ Post service as their connection to their community. A key way for them to keep in contact with the wider community is through newspapers. While it is accepted that online

newspapers will eventually provide this service, the availability and quality of broadband services in many parts of our district means this is not currently viable and may not be for some time yet. A daily mail service means newspapers can be delivered each day and community connections and knowledge maintained.

The courier services provided by NZ Post are also an important link with the businesses in town that support our rural economy. While many goods delivered this way are not time critical, some are. Parts for farm machinery, for example, can be delivered quickly and efficiently overnight or the same day. If delivery is not six days a week other means of delivery are likely to be sought.

In summary, care needs to be taken with assessing any changes to the rural delivery mail service to ensure there are not downstream effects that further undermine the viability of the rural mail delivery service.

## **Proposed Levels of Service**

Ashburton District Council wishes to make the following comments on the individual proposed changes to the Deed of Understanding being consulted on.

### **1. Delivery Frequency**

*Not less than 3 days per week delivery to 99.88% of addresses*

- Council's preference is to retain the current delivery frequency for all customers.
- If there is to be a change to a 3 day minimum delivery frequency in urban areas this should be an enabling provision only. Do not support 3 day delivery becoming the standard level of service.
- Any reduction to delivery frequency should only be considered if there is no viable alternative.
- Do not support rural mail delivery being less frequent than that currently provided.
- If rural mail delivery frequency is reduced, Council submits that a Saturday delivery must remain for all rural households.

*1 day per week delivery to other 0.12% of delivery points*

- Do not support this proposal
- Support retaining "1 to 4 days per week delivery to other 0.12% of addresses"

*Existing addresses with 2 or 3 day delivery will not have frequency reduced*

- Support retaining

### **2. Minimum number of delivery addresses in total**

- Is this clause necessary?

### **3. Commitment to add new delivery addresses**

*Will add new delivery addresses on request, unless operationally impracticable or would jeopardise commercial sustainability of the universal postal service*

- Do not support the addition of this clause as proposed. There should be a clear definition of what is meant by "operationally impracticable or would jeopardise commercial sustainability of the universal postal service". As proposed this clause allows NZ Post too much discretion in interpretation.

#### **4. Limit on use of community mail boxes**

*No more than 3.0% of total delivery points*

- Support change (from no more than 1.5%) only if NZ Post is required to consult with affected customers when a move to a community mail box is proposed

#### **5. Charging**

*No change*

- Support

#### **6. Postal outlets in total**

*At least 880, but can include self-service kiosks*

- Support change only if NZ Post is required to consult with affected customers/ residents when a move from a serviced outlet to a self-service kiosk is proposed in areas where the existing outlet is the only one in the town or is in a rural area.

#### **7. Postal outlets with agency services**

*At least 240 providing bill pay services, but can include self-service kiosks*

- Support change only if NZ Post is required to consult with affected customers/ residents when a move to a self-service kiosk is proposed in areas where the existing outlet is the only one in the town or is in a rural area.

#### **8. Access to postal network**

*Obligation to provide competitors with access to the NZ Post postal network - no change*

- Support

B LESTER  
Chief Executive