



## NATIONAL COUNCIL OF WOMEN OF NEW ZEALAND

TE KAUNIHERA WAHINE O AOTEAROA

11 March 2013

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*Submission to the Ministry of Business, Innovation and Employment (MBIE) on the Proposal by New Zealand Post to Minister for Communications and Information Technology, January 2013: Review of Deed of Understanding between New Zealand Post Limited and the Government of New Zealand dated 17 February 1998*

The National Council of Women of New Zealand (NCWNZ) is an umbrella organisation representing 47 organisations affiliated at national level and a further 41 organisations affiliated at branch level. It has 22 branches throughout the country attended by representatives of these organisations, as well as individual members. NCWNZ's function is to represent and promote the interests of New Zealand women through research, discussion and action.

This submission has been prepared by the NCWNZ Public Issues Standing Committee after consultation with the membership of NCWNZ, where views were sought on the frequency of postal delivery, the timeframe for delivery of mail, the impact of any changes, the introduction of self-service kiosks, and any other matters of interest. There was a range of views on all these issues, with an above average number of responses coming from members based in urban and rural locations from the Auckland to Southland regions, indicating that this is seen as an important social issue.

### **Frequency of postal delivery**

From the responses it was clear that most people are not aware that parcel delivery is a separate business activity from postal (letter) delivery, and there is an expectation that the material is delivered together.

It is important that the customer have certainty on the days that their mail will be delivered, and that the service level be the same across the country (with differences for urban and rural delivery).

### **Urban delivery**

Ideally the delivery should remain at 6 days per week, but 5 days per week would be acceptable to most of our members.

The minimum acceptable delivery for urban areas is 3 days per week: Monday, Wednesday and Friday, or Tuesday, Thursday and Saturday. Delivery on only three days per week would disadvantage those people who are not users of technology. Those who were e-enabled were much more willing to accept fewer deliveries per week than those who were not.

### **Rural delivery**

For rural delivery to be a viable operation, letters, parcels and newspaper delivery should all go out in one van five or six days a week, with pick up from letter boxes to continue. The rural mail contractors deliver not only the mail to outlying areas, but also courier parcels, bread and milk, medications from the chemist, supplies from the vet, farm machinery parts and many other items. Such a service is seen as vital by the customers. The government should not underestimate the effect that the cessation of the rural mail delivery system would have on the rural community. The business model for these contracts should be reviewed to ensure that they are viable in the long term.

There was indication from some respondents that rural areas with good proven broadband reception could have deliveries on the same basis as urban deliveries.

### **Posting boxes**

There were a number of comments on the location of posting boxes. These should be located near supermarkets or in local shopping areas, particularly if there was no NZ Post Office close by.

The majority favoured clearance of posting boxes occurring on Monday to Friday when these days are not public holidays, with rural mailboxes being emptied on the delivery days.

There was a perception that the number of posting boxes was decreasing, eg in Tauranga it was noted that some boxes were being withdrawn by 2 February. For many, particularly older people (65+) or the disabled, there is a reliance on access to posting boxes as they may not be able to drive or have access to public transport and therefore unable to go to a centrally located posting box. It is acknowledged that some posting boxes do receive little use and rationalisation might be possible when there is another posting box close by.

It was commented that many posting boxes are cleared at 9am which is too early for most mothers and the elderly. There was a suggestion that the posting box clearance times could be extended from 6pm to 8pm.

### **Timeframe for delivery of mail**

The expectation is that mail will be delivered within 48 hours of posting if the destination is within the same island, and three days for interisland deliveries. Some respondents believed that intra city deliveries should be within 24 hours. As a minimum, letters should be delivered within 3 days.

Where a premium has been paid (such as fastpost) the delivery should be within 24 hours.

Concerns were expressed about how delivery targets would be met if postal deliveries were less than 5 days per week. There were also concerns about the ability to meet delivery times for legal and business letters. A particular concern was raised about hospital appointment letters that are usually delivered by post and don't always give a lot of notice.

## **Delivery to post boxes**

Delivery should be daily (Monday to Friday except on public holidays) for personal and business box holders. Otherwise the boxes could overflow and people/businesses could be disadvantaged by late delivery of payments, documents, notifications etc. Saturday delivery was also preferred by some respondents.

If the delivery times were to be less than daily, the rental fee for the post boxes would need to decrease.

Alternatively it was suggested there be a bike courier services for those who currently have post boxes.

## **Impact of any changes**

The biggest change expected should there be fewer deliveries, is the need for both the public and business sectors to plan more. As many changes have already taken place, continued updates on how the postal system operates on a day to day basis i.e. closing times, days deliveries take place etc are required. If every area has a different operating timeframe it needs to be well publicised and changes marketed to consumers. It would be essential to have one delivery model for the whole of New Zealand.

Both in business and personal terms it could mean late receipt and payment of bills, family information not received as soon as it should be and if that matter was reasonably urgent it could cause distress eg doctor/hospital/dental appointments and results. Concern was raised for those people – the 30% including many older people – who are not e-enabled and make payments by posting cheques. There is a risk that bills may not be paid by the due date if the mail service is less frequent.

Post shops are often a focal point in the community and village communities often decline when essential services are closed.

There was a strong perception that rural women could be significantly affected because they rely on both the collection and the delivery of mail.

## **Introduction of self-service kiosks,**

There is some resistance to self-service kiosks with references made to poor experiences when using kiosk services in other places such as airports and at supermarkets.

The services available at the kiosks need to be clearly identified, and the processes simple to follow. Those who are e-enabled responded more favourably to the introduction of kiosks. There needs to be sufficient security so that people using kiosks are not subject to scams and rip offs. There would also need to be some form of roving support as is available at airports and supermarkets.

Whilst the advantages (and disadvantages) of this technical age are recognised, there must remain the opportunity to make personal contact and have the opportunity to receive

advice through the use of tellers when making transactions. Mail delivery and its associated aspects is a service, not simply a matter of transactions and economics.

There was also the suggestion that self-service kiosks could be available outside the standard hours of business, and that transactions should be cheaper if a kiosk were used.

### Incentives

Members who responded engaged in discussion on what might encourage greater use of the postal service. Younger people are regularly observed using the bill payment services in the Post Shops – they know where to go to pay bills in their lunch time. It was generally felt that NZ Post should keep looking at value added business opportunities. To drastically alter the service would hasten the demise of the Post Office as other services would see an opportunity to fill the gaps and charge for them.

A range of ideas were mooted within the parameters of a cost effective service model:

- Use advertising and marketing campaigns to actively discourage internet use for services that can be provided by NZ Post, particularly any advantages over internet use, for example one person said “you cannot put an email on the mantelpiece like you can a birthday/Christmas/bereavement/wedding/celebratory card”. There is a good marketing tool for incentivising the public to send something tangible in the post. A card in the letter box is so much more personal. Family/friends/grandchildren love “real” cards and letters coming through their letterbox.
- Some suggested lowering the price of postage, especially on parcels both within New Zealand and overseas.
- Continue or expand the use of Post Shops to maintain a Kiwibank banking presence in communities that have no other bank branches.
- Revive fold and seal letter cards to help bring back the short, sociable, handwritten notes.
- Maintain, even expand, the ability to make payments for such things as vehicle licencing, rates etc in Post Shops to keep their position in the centre of communities.
- Provide a reliable, quick service. There was a feeling that the delivery time taken for letters to arrive has increased, not decreased which means potential customers are transferring their custom to courier providers.
- Reintroduce the discount for unsealed cards (as used to be available for Christmas cards)
- Cheaper rates for bulk mailing
- As first users children are not encouraged. NZ Post turns off the next generation of posters. Many children make cards to send for example to grandparents, yet are penalised when these do not fit the standard size envelope.
- Discounts when buying a quantity of stamps such as price of buying a box of stamps or pack of ten.
- Introduce extended hours in the evenings and longer weekend opening hours.

- Locate Post Shops within supermarkets.
- Introduce a mobile service

### Other points raised

Many raised concerns for the workforce and the impact on employment should any changes be introduced and in particular how this would affect women who tend to be over-represented in part-time work such as on the counter, sorting and postie positions. NZ Post is a public service and should continue to be an investment in the community, maintaining these jobs and workers, and the service it provides.

Some indicated that the social costs should be considered, as well as a cost benefit analysis of jobs over return to shareholding Minister. Post Offices in rural areas are places of social interaction, and closing these down would be a retrograde step. They are part of the social fabric of NZ society; their value is very high in making life better for people.

A respondent who had been affected by the Canterbury earthquakes appreciated the restoration of the local postal service centre as a life line, indicating that any reduction in services would not assist or resource community development.

### The Options

There was no consensus on which of the four proposed options would be preferred.

#### *Option One*

Those that indicated Option 1 preferred the status quo but wanted it to be reviewed in 5 years.

#### *Option Two*

Those favouring option two were concerned about the social implications for New Zealand. Any cutbacks and alterations would disproportionately affect the elderly and those without access to or ability to use technology. There was concern that rural people would be affected adversely as well, as they rely on postal services and deliveries and often do not have guaranteed internet access.

Statistical data will drive market decisions but the social need of society requires to be factored in as well, particularly in lower socio economic areas. NZ Post conducts time and motion surveys on how long it takes to collect and sort mail when it first comes and then deliver mail including mileage, time taken and number of items, but there needs to be a mechanism for measuring the social impacts on the customer.

#### *Option Three*

Few respondents favoured Option Three, commenting that it appears to be only profit driven with social need in lower socio economic areas ignored.

Questions raised covered how retail outlets would be retained, eg would decisions be based on foot traffic past door or volume throughput of each site specific outlet. Statistical data

would need to dictate what is meant by providing a 'minimum basic postal service and to maintain a network of retail outlets'.

#### ***Option Four***

Option Four drew only negative comments, concerns being raised about meeting the social needs of the market.

#### **Conclusion**

Most respondents acknowledged that we are approaching a tipping point where many will use technology for what are currently over-the-counter services. The transition will be gradual though, with some people always hesitant to use new technology.

Electronic means of communication are certainly quick and efficient, but they are vulnerable to centralised breakdown and tampering. Therefore, our postal service should be kept and maintained to a standard of excellence.

Barbara Arnold

President NCWNZ

Beryl Anderson

Public Issues Standing Committee Convener