



PRESS RELEASE
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Postal services maintained for Kiwis

The Coalition Government is supporting New Zealand Post to continue to deliver a postal service in the face of challenges presented by a changing mail environment and the COVID-19 pandemic.

Funding of \$130 million from Budget 2020 will allow New Zealand Post to maintain service levels as it positions itself for the future of mail, while an equity injection of \$150 million will also be provided from the Government's COVID Response and Recovery Fund.

Postal services across the world are facing considerable financial pressure as mail volumes continue to decline.

"COVID-19 has demonstrated how important our postal service is. During lockdown many New Zealanders and businesses relied on the services New Zealand Post provides," Associate Minister for State Owned Enterprises Shane Jones said.

"We have now reached the point where it is no longer commercially viable for New Zealand Post to maintain current service levels and it needs Government support.

"Despite the move away from mail there are still a number of individuals, businesses and public sector organisations who rely on a timely and comprehensive postal service and this investment will maintain those services," Shane Jones said.

"New Zealand Post has gone to considerable effort to absorb the decline in mail revenue but without Government support it would face the prospect of drastic cuts to its mail business to remain viable," Minister of Broadcasting, Communications and Digital Media Kris Faafoi said.

"Post's revenue has fallen substantially but the costs of delivering the service New Zealanders expect have remained the same. The \$150 million equity injection, along with the \$130m funding for mail services, means we avoid significant cuts to its service and workforce and big price increases for its customers."

The COVID-19 pandemic has resulted in a further hit to New Zealand Post's revenue due to factors such as a steep fall in international parcel volumes.

Shane Jones says many businesses have been hit by the COVID-19 pandemic and unfortunately New Zealand Post is one of them.

"Posties and couriers have been one of the most visible symbols of our response to the pandemic. As an essential service, they worked through lockdown and have continued to work tirelessly as level 3 saw a massive increase in demand for e-commerce."

Media contacts

Shane Jones: Lucy Bennett 021 822 435

Kris Faafoi: Peter Stevens 021 871 354