

From: Sharon Bodeker
To: [REDACTED]
Subject: LGOIMA re NZ Post potential downsizing
Date: Friday, 13 July 2018 03:36:00 p.m.
Attachments: [Letter of support postshop closures June 2018 \(3\) \(3\) \(4\) \(2\).pdf](#)
[Response from KiwiBank.pdf](#)
[Letter to Mayor David Cull from NZ Post - Dunedin.pdf](#)

Dear [REDACTED]

I am writing in response to your LGOIMA request dated 22 June 2018, asking for the letter to NZ Post concerning its potential downsizing, and the response received.

Please find attached a response to your request. I note that we have received responses from Kiwi Bank and NZ Post, both attached for your information.

Kind regards

Sharon Bodeker
Team Leader Civic
Dunedin City Council

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Email: Sharon.bodeker@dcc.govt.nz | www.dunedin.govt.nz

Office of the Mayor



12 June 2018

David Walsh, CEO NZ Post
david.walsh@nzpost.co.nz

Mark Stephen, Acting CEO Kiwibank
mark.stephen@kiwibank.co.nz

Dear Mr Walsh and Mr Stephen

Letter of Support Against – NZ Post/Kiwibank potential Dunedin operational downsizing

As Mayor of Dunedin, I wish to express my Council's concern regarding the potential downsizing of the NZ Post/Kiwibank operations at Dunedin North and South Dunedin.

These facilities are vitally important to these areas of Dunedin. They are two of the busiest post shops in the city, and downgrading of services will negatively affect both South Dunedin and North Dunedin residents. Many elderly and disabled people live in South Dunedin and they will have increased difficulty travelling to the central Dunedin branch. More than one third of South Dunedin residents do not own cars.

It is interesting to note New Zealand Post's Limited Statement of Corporate Intent ('SCI') 1 July 2017 - 30 June 2020. This statement is prepared in terms of section 14 of the State-Owned Enterprises Act 1986 (the 'Act'). Objectives Under the Act, New Zealand Post Limited is required to operate as a successful business and specifically to achieve the following objectives:

- to be as profitable and efficient as comparable businesses that are not owned by the Crown;
- to be a good employer; and
- **exhibit a sense of social responsibility by having regard to the interests of the community in which it operates.**

Within this context, the purpose and core strategies of New Zealand Post are defined, and we would hope that South Dunedin and North Dunedin fall under the bolded objective above.

Under the same Statement of Corporate Intent, NZ Post outlines its Sustainability Commitment and one of these is:

"Support our communities to solve the issues they face".

We would hope that NZ Post is cognisant of this factor regarding South Dunedin and North Dunedin.

NZ Post's Business Purpose in the same Statement of Corporate Intent states:

"Nothing gets in the way of delivering what people care about".

In addition, the following statement is made in the Statement of Intent as below:

"In addition, and fundamental to achieving our strategic aspirations, over the next 2-3 years we will focus on developing capability that will form the foundation of our future business in two key areas: • Putting customers at the heart of the organisation – understanding customer needs; consistently delivering innovative, valued and relevant services, on time; making the complex simple; and ensuring that everything works better with NZ Post".

New Zealand Post retains majority ownership of Kiwibank, and, as Mayor, I would hope that the same elements regarding social responsibility evident in NZ Post's Statement of Corporate Intent apply likewise to Kiwibank, as our City's concerns are focussed on the potential downsizing of both in the areas outlined above.

As Mayor of Dunedin, I would hope that NZ Post/Kiwibank also understand that economic wellbeing is no longer the exclusive domain of crude financial measurements such as GDP, and that by downsizing the above branches, this will do nothing to improve that community outcome, which our Government is looking to improve.

Retaining a full service branch (as opposed to a franchised Postshop operated by another business, with a consequent reduction in available services such as vehicle relicensing, Realme identification for passports etc and Kiwibank facilities) is viewed as essential in the South Dunedin community where mobility, access to transport and income levels are all ongoing issues. The North Dunedin community may have less long term issues but are likewise characterised by low (or no) income as tertiary students.

My letter is copied to our local Dunedin Members of Parliament.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Dave Cull', with a large, stylized 'C' at the end.

Dave Cull
Mayor of Dunedin

cc Hon Dr David Clark, Minister for Health
Hon Clare Curran, Minister for Broadcasting, Communications and Digital Media
Hon David Parker, Minister for Economic Development
Hon Michael Woodhouse, Deputy Shadow of the House

28 June 2018

His Worship, Mr Dave Cull
Mayor, Dunedin
mayor@dcc.govt.nz

By email

Your Worship,

Thank you for your letter dated 12 June 2018 regarding the changes we are making to our services in Dunedin. I am responding on behalf of Kiwibank, as we understand you can expect a separate response from New Zealand Post.

We appreciate the concerns you have raised regarding the future changes to how our services are accessed in Dunedin, and would like to take the opportunity to share with you the basis for how these decisions were made.

Kiwibank is committed to retaining face-to-face service for our customers. But this must be balanced against our customers' current and future needs, their preferences, and our responsibility to have a sustainable and economically viable branch network going forward.

Despite growing customer numbers, transactional activity in our physical premises is declining rapidly as our customers choose to adopt digital alternatives. Over the past four years, bills paid over the counter in the Dunedin area have declined by almost 40% and alongside this, banking transactions have also reduced by close to 20%. The viability and relevance of maintaining multiple sites in the area therefore is a challenge we need to face.

New Zealand Post and Kiwibank are working together to ensure that both businesses have sustainable retail networks that meet the changing needs of both businesses. For NZ Post, that means addressing the decline in letter volumes through a hosted agency model. Kiwibank has opted to invest in a standalone branch to be located within the Dunedin CBD. This new format will enable our customers to have more specialised and dedicated banking conversations. A new Kiwibank branch will be established with a fit-out that is modern and welcoming, incorporating digital devices for self-service usage in an environment where our customers can seek assistance from our onsite specialists.

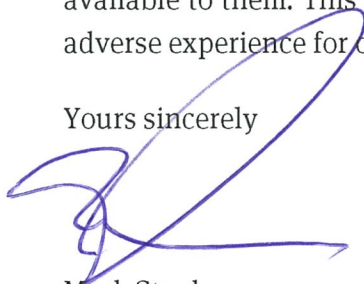
Any decision to change our services is not made lightly and involves considerable research, analysis and local information. This includes, for example, our customers and where they are located, the accessibility of our intended branch location, the current trends and future projections in how our customers are choosing to use our services, and the location of our other sites across the city.

In Dunedin, Kiwibank also has a presence via our business banking centre, our mobile mortgage manager teams and two franchise locations; Gardens NZ Post and Kiwibank, and Green Island NZ Post and Kiwibank. We note your comments and concerns regarding the availability of agency and bill payment services once the changes take place. Please be assured that Kiwibank and NZ Post are discussing the feedback received to further consider the alternative options that may be available for these services in the impacted areas.

We also acknowledge that not all of our customers use online channels or regularly travel into the CBD, but the challenge of rapidly falling numbers of transactions across the counter in our existing sites is real. Every year more and more customers are choosing to use online channels and we must respond to this shift in customer preference. We recognise that while this increasing change in preference is driven by the majority of our customers, the changes may be more difficult for some customers.

The changes are expected to take many months to undertake as postal partners are sought for each location, and Kiwibank seeks the ideal CBD location for our standalone branch. During this time we will continue to work with our communities and customers, focusing on assisting our customers to understand their options and helping them to become familiar with the range of alternatives available to them. This approach is taken with the intent of minimising, as much as possible, any adverse experience for our customers due to changes we make to our services in Dunedin.

Yours sincerely



Mark Stephen
Chief Executive (Acting)



NEW
ZEALAND
POST
GROUP

**Chief Executive
New Zealand Post Group**

Postal address
New Zealand Post Limited
PO Box 39990
Wellington Mail Centre
Lower Hutt 5045
New Zealand

Physical address
New Zealand Post Limited
New Zealand Post House
7 Waterloo Quay
Wellington

29 June 2018

His Worship, Mr Dave Cull
Mayor, Dunedin
mayor@dcc.govt.co.nz

By email

Your Worship

Thank you for your letter of 12 June 2018 regarding changes to New Zealand Post and Kiwibank's operations in Dunedin North and South Dunedin.

I would like to assure you that New Zealand Post is absolutely committed to maintaining accessible postal services for the Dunedin community, including Dunedin South and North Dunedin. New Zealand Post has successfully worked for many years with local businesses throughout New Zealand to provide postal services, including in Dunedin.

Our hosted agency model allows postal services to be provided in a sustainable way, without the costs associated with operating a standalone business. With letter volumes in decline as more New Zealanders move to online channels, we need to find ways to help ensure the long-term viability of postal services in our communities.

This model also provides benefits for customers, such as longer opening hours and more convenient locations, in places that customers are visiting for other reasons. The local businesses we work with also benefit from increased foot traffic as people come in to buy stamps, and drop off their parcels. To this end, our Head of Retail has recently been in Dunedin to meet with potential partner businesses, as well as the South Dunedin Business Association and the Dunedin City Council, to help us continue to provide the postal services currently available in Dunedin.

In the meantime, I assure you that there will be no change to postal services in Dunedin whilst we carry out our search for local businesses to partner with. We will keep you and the community informed as solutions and timelines are identified, and when more information is available.

In thinking about these matters, we are very mindful of our social responsibility objective and sustainability commitments. We of course have to balance these commitments with our obligation to deliver a commercial return on the Crown's investment in New Zealand Post. Part of that means looking at the most cost effective way in which to meet our commitments.

I assure you that New Zealand Post is listening to the feedback we have received from Dunedin communities. I have noted the comments made by you and others about customers who prefer to be able to continue to visit a physical location, and about the mobility and transport challenges faced by some in the Dunedin South community. New Zealand Post is aware of the importance of stability and continuity of services for local communities. These are all matters that we take into consideration as we work through identifying sustainable solutions.

Finally, I note the comments in your letter that you would hope the same social responsibility considerations would apply to Kiwibank. Kiwibank operates separately from New Zealand Post, with an independent board, and the obligations on, and expectations of, New Zealand Post do not apply directly to Kiwibank. Nevertheless, as a 53 % shareholder of Kiwibank's direct parent company (Kiwi Group Holdings), we have communicated to the board of Kiwi Group Holdings the expectations that Kiwibank will engage with affected and interested communities about proposed service changes before final decisions are made.

I look forward to writing to you again in due course to keep you updated on the progress that we make in Dunedin's communities.

Yours Sincerely

A handwritten signature in black ink, appearing to read 'D Walsh', with a long horizontal stroke extending to the right.

David Walsh

Chief Executive