

12/03/2013



SUBMISSION

To The Ministry of Business Innovation and Employment
on the proposed changes to New Zealand Post's Deed of Understanding

1. Introduction

1.1 This submission is made on behalf of the **Grey Power New Zealand Federation Inc.**

1.2 The contact is Roy Reid – phone 03 525 9242
Email r.mh.reid@xtra.co.nz

1.3 Grey Power New Zealand Federation (Inc) is a non-sectarian and non-party political, advocacy organisation that aims to advance, promote and protect the welfare and well-being of people 50 years old+.

The Grey Power New Zealand Federation (Inc) is made up of some 74 individual Associations with an overall membership of approximately 68,000.

2. Summary:

2.1 Following an invitation to contribute, our members' responses to the proposed changes to NZ Post's deed of understanding with the government disclose that physical mail is a very important medium of communication for them, especially those in the more senior group of the older persons' cohort; and that some of them fear that we are facing the eventual loss of mail deliveries altogether.

2.2 The first three options, as provided in NZ Post's proposal document of:

1. the status quo,
2. a constrained response which is mainly a stop-gap measure that only buys time, and
3. the flexible response which means sizing services so they are economically viable¹, contain clauses which are unpalatable to Grey Power and make it difficult to fully support any one specific policy option although option one is probably the most likely candidate.

Option 4² which is based on permitting market forces to operate without any arrangement with the government is not acceptable to Grey Power because we believe that postal services are an essential service both economically and socially and must not be privatised. The fact that competition already exists within the New Zealand postal system is worrisome

¹ Proposal by New Zealand Post to Minister for Communications and Information Technology,

² Proposal by New Zealand Post to Minister for Communications and Information Technology, lbid (p.41)

2.3 It is of grave concern to Grey Power that the Proposal by New Zealand Post to the Minister for Communications and Information Technology provides no data on how the changes will impact on older people, although option three 4.4.3: entitled Impact on rural areas³ does state that “the main impact of reduced delivery frequency would be felt by receivers on Rural Post delivery routes.” Older people obviously make up a percentage of the rural population.

2.4 Although Grey Power provided an opportunity for its members to have their say about proposed changes to the NZ postal service we were unable to supply them with all the necessary information and we believe that many vulnerable people are unaware of what may occur to their postal service. One member commented:
“Has NZ Post asked us, with well explained reasons, whether we would mind if the delivery frequency was reduced.”

3. Specific comments:

This section will focus on the areas which Grey Power believe are of most concern to older people.

3.1 Changes to NZ Post’s Delivery Network –

A. Reduction in delivery days:

Options 1, 2 and 3 include reference to reductions in delivery days per week and although option 3: 4.4.2 paragraph one⁴ states that the majority of senders and receivers would notice very little change because time-critical communications are already sent by means other than through the basic mail system, concern was expressed by a Grey Power member about the impact on organisations that send invoices to customers and to customers paying invoices within the required time frame. He quoted the situation where a rural family, already on a three day delivery cycle, found that by the time an account was delivered and a cheque sent the seven-day payment period was over so penalties were added. It remains to be seen if the remedy in the proposed deed⁵ offers a means to overcome this problem

Regardless of the suggestion that most would not notice a reduction in delivery days some of our members are strongly opposed to any change. They said:

1. *“Our committee is unanimous in deciding that the delivery of mail should remain as it is, i.e. 6 days per week.”*
2. *“I totally oppose the changes as there is still a large amount of correspondence that cannot go electronically and needs to be delivered in the shortest possible time.”*
3. *“It is older people who are most affected by these changes. Daily postal services mean a lot to people who still write, send cards and do not do transactions by email.”*

Other respondents to Grey Power’s request for their comments on the proposal document were not averse to some changes in delivery frequency but several were worried about job losses. Their comments included the following:

1. *“There is no reason why deliveries should not be five days a week Monday to Friday or*

³ Ibid (p.38)

⁴ Ibid (p.37)

⁵ Ibid (p.41)

even three days a week if the level of mail is low in quantity most of the time.”

2. *“We wish to see mail delivered no less than 4 days per week.”*

3. *“Grey Power should support the idea of having mail delivered no less than 3 days per week but with the proviso that all internet help desks that have been outsourced to Asia and other offshore premises be returned to New Zealand and staffed by persons with English as their first language and the postal delivery staff be given necessary training to staff the help desk and offered first option to the work.”*

3. *My preference would be for five days a week and that would lessen redundancy”.*

However even though some Grey Power members, who mainly reside in urban areas, were accepting of a reduction in delivery days we would argue that this contravenes goal number five of the Positive Ageing Strategy. Clause 5.2 aims to “develop a wide range of services that support ageing in place,” but if essential services such as a daily postal delivery are withdrawn how can people age positively in their familiar community? Especially if they are house-bound and mail communication is one of the major services they depend on.

B. Rural people disadvantaged:

Grey Power contends that options 1, 2 and especially option 3 also contravenes the New Zealand Positive Ageing Strategy. In goal number seven; ‘Rural’ it states that “older people living in rural communities are not disadvantaged when accessing services.”⁶

Communication by mail delivery is an essential service. Grey Power believes older rural people will be disadvantaged through reduced access to postal services, which for many includes newspapers, courier deliveries and even groceries via the rural postal delivery contractors. Therefore any reduction in delivery days seriously hinders any chance of achieving this goal. The only good news is that under this option NZ Post would undertake not to introduce a universal receiver-pays rural delivery fee for the basic postal service⁷

3.2 Changes to NZ Post’s retail network services:

Some of our members tell us that they are anxious about proposed changes to NZ Post’s retail network for two reasons. Firstly post shops are seen as places where people meet to chat, to socialise: as one respondent said “*postal outlets are also a focal point in smaller towns.*” Grey Power believes it is not just smaller towns; the social function extends to urban situations as well.

Secondly Grey Power has also received negative comments regarding the provision and use of electronic self-service kiosks:

“I wonder what will happen for those people like myself who pay many of their accounts through NZ Post Offices by cash and with cheques.

Most of my post outs are for overseas and frequently take an inordinate amount of time to reconcile the letter, parcel or package to an appropriate method of dispatch and to even reach the amount for payment takes time. Kiosks will not allow that and so the costs will rise

⁶ The New Zealand Positive Ageing Strategy ([http://w.w.w.msd.govt.nz/about -msd-and-our-work/publications-resour...](http://w.w.w.msd.govt.nz/about-msd-and-our-work/publications-resour...))

⁷ Proposal by New Zealand Post to Minister for Communications and Information Technology, p. 39

accordingly.”

Therefore Grey Power is concerned that older people will be averse to using these devices to carry out their usual post office business and will not go to postal retail outlets at all. If they are forced to enter the outlets because they have no other means to conduct their business we believe that many will find this stressful even though we are assured that assistance will be provided.

A prevailing theme in Grey Power members' responses, which may reflect their reluctance to use electronic self-service kiosks, centred on the issue of computer illiteracy amongst older people. Grey Power estimates that approximately only 20% to 25% of its members are computer literate. The comments below demonstrate this concern:

“There is indeed a grim outlook for pensioners who are not computer literate. Snail mail is essential for elderly folk.” This respondent also provided an example where he requested one of New Zealand's large telecommunications companies to provide him with written information on the purchase of a mobile phone and was told that the firm was not set up to send hard-copy information he would have to have to use the web-site.

A hand written letter (the assumption is that this respondent does not use a computer) stated:

“Who writes letters these days? ... in our family it's an odd question, we all do. I have two sisters in Britain and we all write. I guess the average is one a week. And other letters go to various friends and relatives in New Zealand.”

4. Conclusion:

Although the cost effectiveness of the postal service is an important consideration, the social function of letter writing and face-to-face contact at postal outlets is very important to many older people and can help alleviate social isolation. Therefore we request that this aspect be included in the deliberations in the review of the Deed of Understanding. The present document does not appear to take cognizance of social impact.

A member wrote a hand written letter in which she said:

“For people like myself who do not have computers because of the cost on a slender budget, NZ Post's proposed changes fill us with dismay. This will affect both receiving and replying to mail regularly.

If the service becomes less frequent it will become a nightmare trying to receive and pay for bills on time.

...As for the idea of self-service kiosks as a cost-cutting measure-there seems to be an aversion to them wherever they have been installed in libraries, supermarkets etc. Many people, especially older people, prefer the across-counter or check-out contact.

With some posties made redundant and some staff at NZ Post outlets, this will add to the growing number of New Zealanders looking for work which doesn't exist now. Therefore, more on benefits. Services are important to people's well-being and to put everything into terms of economic profit will in the long term be to any government's disadvantage”

Grey Power believes this letter sums up the position of many older people.

Written on behalf of Grey Power by Jan Pentecost - Chair Grey Power Advocacy Committee