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MAIL PROCESSING TO BE STREAMLINED

New Zealand Post is undertaking a major restructure of its mail processing network to ensure it has the right configuration for the future.

Mail processing operations will be centralised which will involve the number of mail processing centres being streamlined in a phased approach from six sites to three.

“This streamlining of our mail processing operations will significantly improve the efficiency of our processes – while allowing us to preserve our key service standards,” Chief Executive Brian Roche said.

The change is in response to the continuing decline in mail volumes. The number of pieces of mail being processed has fallen by nearly 200 million in the last decade. Mail volumes are currently declining at 8 percent a year. This is a global phenomenon and we, like postal operators around the world, have to make adjustments.

“We looked at all options and decided this plan will allow New Zealand Post to achieve savings on a meaningful scale while maintaining a high-quality service across New Zealand,” Mr Roche said.

Processing mail at fewer centres will also create significant reductions in New Zealand Post’s overheads, especially with respect to the costs of leasing and operating major facilities in multiple locations.

The last major change to the processing network was a decade ago when the number of processing centres was reduced from 26 to 6. This was at a time when mail volumes were over a billion per annum.

This restructuring will impact on mail processing job numbers. There will be increases in the number of people employed at the three mail centres which will continue to operate in an expanded form (*Auckland, Manawatu (Palmerston North) and Christchurch*) - but decreasing employment at the mail centres where processing functions will be discontinued (*Waikato (Hamilton), Wellington and Dunedin*) and in satellite processing locations.

Approximately 500 part time and full-time jobs will be discontinued in the sites where processing is transferred from, while approximately 380 new roles will be created in the expanded sites taking on the transferred processing – for a net loss of 120 roles.

“It is never easy to make these sorts of decisions when it impacts on people’s jobs, but the economic reality is that New Zealand Post must increase the efficiency of its operations to remain viable.

“Not to make the necessary changes now would imperil a network which is a vital component of the New Zealand economy and community. This is the right thing to do to make sure we have a viable mail processing network providing service to all of New Zealand now and into the future.

“As New Zealand Post and our customers change we’ll continue to look at where our processing sites are and what jobs are needed to support a sustainable physical network. While there will be mail processing centres in three locations for the foreseeable future, in the longer term, as volumes continue to fall and changes in processes occur, further changes cannot be ruled out,” Mr Roche said.

END

For further information contact New Zealand Post Group External Relations Manager, John Tulloch; DDI 04 496 4924; 027 429 9249; john.tulloch@nzpost.co.nz

Background Information

Job reductions (note all numbers approximate)

- Wellington 163 (144 FTE)
- Waikato 129 (95 FTE)
- Dunedin 73 (56 FTE)
- Satellite 133 (80 FTE) - this covers mail processing functions across 54 locations.

New jobs (note all numbers approximate)

- Manawatu 180 (120 FTE)
- Auckland 121 (80 FTE)
- Christchurch 75 (50 FTE)

Indicative timeframe for processing changes

Site	Details/timeframe	
Satellite sites	Transfer of processing activities in Waikato region to Waikato Mail Centre (specifically Rotorua, Taupo, Tauranga, Bay of Plenty)	By early 2014
	Transfer of processing activities in Auckland region to Auckland Mail Centre (specifically Whangarei, Kerikeri, Dargaville)	
	Transfer of processing activities in South Island sites to Christchurch Mail Centre: (specifically Otago/ Southland, Oamaru, Invercargill, Gore, Queenstown/Wanaka, Nelson, Blenheim)	During 2014
	Transfer of processing activities in lower North Island sites to Manawatu Mail Centre: (specifically Hawkes Bay, Gisborne, Waipukurau, Taranaki - Eltham, Hawera, Masterton)	
Dunedin Mail Centre	Transfer of processing activities from Dunedin into Christchurch	Phased during 2014.
Wellington Mail Centre	Transfer of processing activities from Wellington into Manawatu	
Waikato Mail Centre	Transfer of processing activities from Waikato into Auckland	