



COVERSHEET

Minister	Hon Dr David Clark	Portfolio	Digital Economy and Communications
Title of Cabinet paper	Future of Mail – Managed Transition to Commercial Sustainability for New Zealand Post	Date to be published	22 December 2021

List of documents that have been proactively released

Date	Title	Author
September 2021	Future of Mail – Managed Transition to Commercial Sustainability for New Zealand Post	Office of the Minister for the Digital Economy and Communications
4 October 2021	Future of Mail: Managed Transition to Commercial Sustainability for New Zealand Post CAB-21-MIN-0400 Minute	Cabinet Office

Information redacted

YES / NO

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons of:

- Commercial information
- Negotiations
- Confidential advice to Government
- Free and frank opinions
- Constitutional conventions.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Future of Mail: Managed Transition to Commercial Sustainability for New Zealand Post

Portfolio **Digital Economy and Communications**

On 4 October 2021, following reference from the Cabinet Economic Development Committee, Cabinet:

- 1 **noted** that New Zealand Post Limited (NZ Post) is party to a Deed of Understanding with the government that requires NZ Post to maintain a nationwide mail network that meets specified minimum service requirements relating to frequency of delivery (rural and urban), number of delivery points, and number of customer-facing service locations, and that NZ Post must allow other mail operators to access its mail network;
- 2 **noted** that in Budget 2020, \$130 million was allocated to Vote Business, Science and Innovation to maintain the social benefits associated with mail services, such as connectivity and civic engagement, and address a revenue gap so that NZ Post's mail delivery service obligations may be maintained, over a transitional period of three years [CAB-20-MIN-0155.05 refers];
- 3 **noted** that NZ Post's Board has adopted a plan to make its mail business commercially sustainable, **Commercial Information**
- 4 **noted** that NZ Post's proposed path to commercial sustainability does not require any changes to the Deed of Understanding at this time;
- 5 **endorsed** NZ Post moving to a pricing approach that will allow its mail business to be commercially sustainable in the future, noting that this will involve significant price increases for mail users;
- 6 **noted** that:
 - 6.1 NZ Post will stagger price increases **Commercial Information**
 as a gradual way to achieve the approach endorsed in paragraph 5 above;
 - 6.2 **Commercial Information**
 - 6.3 **Negotiations**

7 Confidential advice to Government [Redacted]

8 Commercial Information [Redacted]

9 Commercial Information [Redacted]

10 Free and frank opinions [Redacted]

11 Commercial Information [Redacted]

12 **noted** that:

12.1 mail price increases by NZ Post will likely increase the cost of postage services used by the public sector;

12.2 Commercial Information [Redacted]

Michael Webster
Secretary of the Cabinet