NZ Post to reduce roles over five years in response to mail decline

27-06-2023

NZ Post continues to evolve in response to mail decline and will soon begin consultation on reducing the number of mail roles by about 750 FTE over the next five years. NZ Post has a workforce of 4,500.

NZ Post Chief Executive David Walsh says New Zealanders have drastically changed the way they choose to communicate.

"Our business is evolving as New Zealanders are increasingly communicating online, and NZ Post has responded to this by making a number of changes over the last decade. We are working to find the most efficient and cost effective way to deliver the lower volume of mail for our customers," said Walsh.

Twenty years ago New Zealanders sent over 1 billion mail items in the year, which has decreased dramatically to around 220 million mail items in the current year, and we predict that this will decrease to about 120 million items by 2028. NZ Post now needs to move toward a commercially sustainable model for mail delivery.

"Mail will continue to be in our future, but there will be less mail. We're now looking to the next five years and how we continue to deliver mail to New Zealanders.

"Mail decline isn't unique to New Zealand. Postal services around the globe are responding to the same changes in communication and are focusing on the challenge of maintaining a service that has high operating costs and very low usage.

"We will soon begin consultation with a view to reducing the number of roles involved in mail as a response to continuing mail decline. This change will not happen overnight. This will be an adjustment that we will make gradually over the next five years. Our focus will be on our people and supporting them with this transition," said Walsh.

NZ Post has already made several changes over the last 10 years to mitigate the high cost of providing a mail service, including:

Reducing mail delivery in urban areas from six to three times a week
Consolidating delivery branches
Consolidating processing sites (including most recently closing the Manawatu Mail

Centre) and adding further automation
Increasing mail prices from $1.70 to $2 from 1 July 2023
"The way we deliver mail in five years will look very different and we know our future workforce won't be the same size and shape as it is today. While we evolve, we will need to continue our ongoing operational changes, continue to reduce costs and ensure we are setting the right price for the mail service to be sustainable.

"Customers do not need to do anything differently. We're not planning any major changes to the mail service at this point in time, and we will continue to meet our obligations including in the Deed of Understanding with the Government. We will communicate directly with customers if there are going to be changes to the way they receive their mail. NZ Post will continue to deliver mail to New Zealanders and we will do this in a way that is both commercially and environmentally sustainable.

"The same technology that's causing a decline in the number of letters being sent, has led to growth in online shopping. NZ Post is uniquely positioned to capture growth in eCommerce and we are continuing to invest in our parcel processing capacity." said Walsh.

Source: NZ Post

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