NZ Post welcomes its shareholder's confidence in its future

14-05-2020

Support for NZ Post in the Governmentâ€™s 2020 Budget is a welcome signal of confidence for the business, its essential workers and valued customers, and recognises NZ Postâ€™s key role in the economy and community, Chief Executive David Walsh said today.

“NZ Post mail and parcel services matter to New Zealand – we deliver what people care about. We are preparing for the future, while taking into account the impact of COVID-19.

"We’re proud of the role we play in New Zealand’s future, we have a good plan, and it’s standing us in good stead. The Government is backing its state-owned enterprise, NZ Post, to continue to be a successful and valued part of the economy and community.”

The funding for NZ Post as part of the Budget announcements includes:

$130 million over three years to support the continued service delivery and future of mail services
An up to $150 million equity injection from NZ Post’s shareholder to recapitalise and strengthen reserves from the Government’s COVID Response and Recovery Fund
“On mail, we have been managing the rapid fall in the number of letters being sent for many years. Delivering mail is a core part of what we do, it connects so many New Zealanders and it matters to them. However, we can’t solve the future of mail services on our own. The Government funding will allow us to continue to provide a nationwide mail network to around 2.5 million addresses across urban and rural New Zealand at current service levels, while we work closely with Government on a longer-term solution.

“On parcels and courier services, we know that online shopping will continue to grow – even with the uncertain economic times with COVID-19. We had been planning to invest in that future with additional core infrastructure that will allow us to meet the needs of our customers and respond to more online buying and selling. We will now be able to invest and build with confidence.

“We are proud of the vital role our workforce of around 6,500 plays in connecting New Zealanders and underpinning the economy which was highlighted with our people being essential workers during the COVID lockdown

period.

"Like so many other New Zealanders and businesses we don't know what the long-lasting impacts from COVID-19 will be. We have lost tens of millions of dollars of revenue from this global pandemic. The equity injection provides NZ Post with improved financial resilience. We will continue to keep the purse strings tight as we manage our costs, expenditure and efficiencies."

Source: NZ Post

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