

GUEST EDITORIAL

Rural Couriers Society (COURAL) – Twenty-six years of service to the rural community

by W. (Bill) Johnston

Chairman, Rural Couriers Society

There are some 550 rural delivery contractors who are independent owner-drivers employed primarily by New Zealand Post to deliver mail to people and businesses in rural areas. In addition to this work, they rely on other revenue to protect their independent status, and also the sometimes substantial goodwill they have paid for their delivery businesses.



Twenty-six years ago, these RD contractors were made aware of an opportunity for delivering rural unaddressed mail which was created by a constraint in the service offered by NZ Post. After extended negotiations with NZ Post, a cooperative society was formed to fill the gap. An alternative rural delivery system for unaddressed mail (circulars, newspapers etc.), using a network of RD contractor distributors, was quickly established.

From a slow start, the cooperative has to date delivered over 500 million circulars. Its ticket sales for the delivery of rural parcels etc. over that period have exceeded \$20 million, and the Society pays the RD contractors for the circulars and parcels they deliver.

Their cooperative, Rural Couriers Society Ltd., (COURAL) is an Industrial and Provident Society, with liability limited by the value of the number of issued shares. These shares are allocated to the RD contractors on the basis of the number of

boxholders they service on their delivery routes, and their dividends have been one of the best rates of return in New Zealand.

In 1998, the Postal Services Act was passed to bring benefits to consumers in the postal market through increased competition, and COURAL became one of the first registered postal operators to be accredited under the new legislation.

Since 1998, COURAL has been active in trying to get regulators to recognise that the problems now being addressed in the telecommunications industry to allow full and fair competition are virtually identical to the monopoly concerns in the postal market. It is pleasing to note that these concerns have finally been recognised by the Minister and the regulators, and they have recently established a Postal Operators Forum to work alongside a Ministry of Economic Development Postal workstream. The lobbying involved to reach this point, both by COURAL and its legal advisers, has come at a substantial cost, and COURAL is looking forward to the time when it and RD contractors can get a return on this investment.

The future of the New Zealand postal market depends on postal operators being able to negotiate, or have imposed by a regulator if necessary, fair and reasonable terms of interconnection between different postal operators, and particularly with NZ Post. COURAL would support the establishment of an independent Postal Commissioner to determine interconnection rates and conditions if open postal competition cannot be established and maintained by normal commercial processes.

COURAL's business has survived to date on high service standards because it is unable to match the pricing policy of its only real competitor, NZ Post. Both COURAL and NZ Post use the same RD contractors, which means that most of COURAL's service advantages are between a printer or advertiser and the RD contractor and in the processing and following up of delivery instructions.

COURAL has been charged with the responsibility of ensuring the ongoing independence of its members, and it is well placed to take advantage of any changes to level the postal playing field. It offers an efficient and cost-effective national rural delivery service, and would welcome the opportunity to provide a real alternative rural network to all publishers and advertisers.

Coural can be contacted at 0800 731 299 or coural@coural.co.nz.

Bill Johnston, Chairman,
Rural Couriers Society



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www.coural.co.nz

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Te Aro
Wellington 6011
P 04 384 4595
F 04 801 6966
nzca@nz.coop

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