

STATEMENT on €50m investment plan for the Post Office Network

Irish Postmasters' Union

August 31, 2018.

- 1. Post Office closures are happening because of a very challenging context**
- 2. The exits are voluntary and should be respected**
- 3. Consolidation and new services will strengthen the remaining 960 Post Offices**
- 4. An Post must publish a timeline for the roll out of new services**
- 5. The Network will need further review and forward planning in 2020.**

Context

In an ideal world all Post Offices would be thriving and staying open. However, the 159 Offices which have voluntarily chosen to close, as confirmed by An Post on August 28, have been operating within a very challenging context.

The overall Network has been in serious decline for many years and significant actions needed to be taken. The problem has been year on year reducing transactions, as traditional Post Office services are increasingly available online. This and other changes in consumer behaviour have made a large number of smaller Post Offices non-viable – and the current and former Governments have known this for many years.

An independent report by Grant Thornton in 2012 (with a follow up report in 2014), commissioned by the Irish Postmasters' Union, concluded that 400 Post Offices could become unviable and face closure.

Following three years of talks between An Post and the IPU, exploring the challenges and all possible solutions, a multi-faceted plan was agreed last Spring.

After An Post and the Irish Postmasters' Union Executive agreed the €50m investment plan, it was put to IPU members who voted 80% in support of it. The IPU believes that the best possible agreement for communities, Postmasters and An Post was reached.

Details of the Overall Post Office Network Plan

At the time of agreement, there were 1,110 Post Offices (50 of these were An Post Company Offices). The plan includes three main pillars:

- An voluntary exit package offer to 370 Post Offices
- A new modernised contract offered to 680 Post Offices
- Additional services to be delivered through all remaining Post Offices.

At end of August 2018, we know that 159 Postmasters have opted for the exit package, which will lead to a consolidated Network of 960 Offices. At this level, Ireland will still have a larger Post Office Network per capita than most European countries.

Many of those who opted for the exit package would have been the least viable Offices and located very close to other struggling Offices. Where a Post Office closes, it is estimated that 75% of its business will transfer to the nearest Office, hence the remaining Office becomes more viable.

The IPU encourages communities and politicians to respect that Postmasters who have opted to close have done so for personal reasons. Non-viability of the Post Office is likely to be the central reason. Health and age may be others. These decisions are individual, personal and difficult to make.

Guarantee of Network coverage

For communities the plan includes *A Network coverage protocol*, guaranteed by An Post, of at least one Post Office:

- Within 15km of 95% of rural population areas
- Within 3km of 95% of population in urban areas
- All offshore islands to retain their Post Office.

Some new Post Offices (potentially up to 20) are expected to open to deliver on the coverage protocol – and lunchtime opening is being introduced in all Post Offices. There is also a capital investment programme to enhance premises.

Additional Services

Foreign Exchange services have recently been added and further new services are planned including:

- Motor tax, vehicle registration and driving licences
- Identity verification
- A foreign exchange card
- Additional Bill Pay services.

It is essential that new services are rolled out as quickly as possible and the IPU has called on An Post to publish a detailed timeline.

The IPU also stresses the fundamental importance of Social Welfare payments continuing to be transacted in Post Offices.

The IPU and An Post are committed to reviewing the Network's structure and future again in two years' time. At that stage a Public Service Obligation (PSO) mechanism may be required.

Further Information

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