

The Irish Post Office Network: An Update

April 2022



Contents

Executive Summary	3
Background to the Irish Postal Network	4
Introduction	5
Remote Working	6
Climate Action	7
Local First	9
Network Strengths	11
Adapting to Modern Opportunities	12
Additional Government Services Opportunities	14
Conclusions	16

Executive Summary

Introduction

Grant Thornton was engaged on behalf of the Irish Postmasters Union (IPU) to provide an update on the Irish Post Office Network and the services it provides in Ireland. The objective of this update was to:

- provide links between the services and benefits provided by the Post Office Network, and Government policy and initiatives; and
- highlight and demonstrate the adaptability and flexibility of the Post Office Network.

The approach taken in developing this update has consisted of:

- a desktop review of relevant available literature; and
- discussions with the IPU.

This update also draws upon research conducted previously by Grant Thornton with regards to the Irish Post Office Network.

Previous Grant Thornton report

Using figures available for the 2019 financial year, Grant Thornton previously produced the *Review of the economic contribution and financial sustainability of the Irish Post Office Network* report.

The review was an independent analysis and evaluation of the economic contribution and financial position of the Irish Post Office Network, and the market conditions faced by Irish post offices.

The analysis in the previous report, using 2019 volume data, estimated that the Post Office Network would have an annual projected shortfall of around €17 million from 2021 onwards.

This update

Since publication of the *Review of the economic contribution and financial sustainability of the Irish Post Office Network* report, the Post Office Network has proactively been bridging the financial gap through multiple channels and initiatives.

The Post Office Network has further invested in its people and in its services. The Network has reacted in a positive and flexible way to current events and it has identified and developed new commercial opportunities. These events have culminated in a shortening of the annual financial gap put forward in the previous report by Grant Thornton. With recent activities, the annual financial shortfall is now estimated to be in the region of €12 million.

The landscape of the Post Office Network continues to change and adapt in line with new developments and needs, with a vast amount of untapped resource that can provide solutions to modern challenges.

This update reiterates the reasons to support the Post Office Network in light of:

- Societal patterns and behavior as communities emerge from the pandemic.
- The shift towards remote working and the demand for accessible services.
- Green policies and the drive to become climate-neutral by the year 2050.
- New commercial opportunities developed by the Post Office Network.
- The strengths of the Post Office Network and the significant opportunity that exists within its structure.
- Additional services and opportunities that could be provided by the Post Office Network.

Background to the Irish Postal Network

The Irish Postmasters' Union and postmasters

The Irish Postmasters' Union (IPU) is the representative body for postmasters in Ireland, representing 90% of Ireland's postmasters. Its role is to act as the collective voice of postmasters.

Most post offices are independent businesses run by postmasters under contractual arrangements that were first developed in 1907. A postmaster is the head of an individual post office and is responsible for the management of their post office.

In addition to traditional postal services, they also offer several other services to the consumer such as Government services, e-commerce services and financial services. Postmasters play an important role in local communities, acting as an anchor providing a local government, business and social presence.

About the Post Office Network in Ireland

The Post Office Network serves a valuable social purpose.

An Post has committed to ensuring post office provision to communities that meet the following criteria:

- all settlements of over 500 people will be served by a post office; and
- 95% of rural populations are within 15km of an outlet, with that figure then being 3km in urban areas.

Services

There are two main elements to An Post, the core "mail" business which involves the collection, sorting and delivery of letters and other postal items. The second element is the "retail" business which involves postal and other counter-based financial services provided via the Post Office Network.

Key services provided through the network are:

- the management of traditional postal services;
- the processing of payments for the Department of Social Protection (DSP);
- handling the full operation of the State savings products for the National Treasury Management Agency (NTMA);
- bill-pay transactions for electricity, gas, telephone, waste, etc.;
- licence collection on behalf of a wide number of public bodies, including TV Licences and An Garda Síochána;
- money transmission services;
- community banking transactions on behalf of retail banks;
- foreign exchange services;
- selling and acceptance of postal services;
- other retail products such as gift vouchers, mobile top-ups, Passport Express, iTunes vouchers; and
- PostMobile.

Recently, and in line with the easing of COVID-19 restrictions, jobseekers are returning in-person to the post office again. This decision sent a clear signal of the Government's commitment to supporting the Post Office Network. This move further highlights the excellent working relationship between the Department of Social Protection (DSP) and the Post Office Network.

The post office provides a range of in-person services and is established as a focal point for people in local communities. Alongside the suite of postal and retail services and products provided by the network, there are additional opportunities that the network is in a unique position to deliver.

Additional services give customers another reason to go into the post office, increasing footfall and thus creating further opportunity to broaden the loyal customer base. Increased footfall to the post office also yields benefits to the surrounding businesses.

An essential service

The value of the network was recognised by Government in its designation as an 'essential service' alongside human health and other emergency services during the COVID-19 pandemic. This further emphasised the important role that the Post Office Network continues to play in Ireland.

Post Offices have a **social value** of **€344 million**.



Source: Grant Thornton report 2020



The Irish Post Office Network: An Update

Introduction

The migration of people into more urban areas has been a traditional and long-standing challenge for rural Ireland.

In recent years, there have been several publications and papers that highlight a growing desire among consumers to adapt to more sustainable ways of living, more community focussed accessible living dynamic, and a decentralisation of services.

Since the pandemic, there has been an accelerated shift towards these ideas. People are spending more time and more money in their own local communities. More options have quickly become available to a significant volume of people in their decisions on where to work and where to live.

The Government has been actively incentivising more people to stay in, or to move to, non-urban areas. More people than ever before are moving away from the more densely populated areas of Ireland. This is resulting in a major change in consumer behaviours.

Wherever people live, services and easy access to facilities and products will always be required. The Post Office Network is in an excellent position to support this shift in consumer behaviour.

15-Minute City

The Obel Award-winning “15-Minute City” framework asks for planning to be thought of in terms of time as opposed to space. It addresses how people spend their time and how communities can be built and adapted to allow for less time spent travelling. The core concept is about access to required services and facilities, not mobility.

The concept sets out that everyone living in a city should have access to services and facilities within a 15-minute walk or a 15-minute bike journey. The 15-Minute City Project is designed to integrate greater accessibility into urban planning.

Project Ireland 2040

Project Ireland 2040 is the Government's long-term strategy for building a more resilient and sustainable future in Ireland. The strategy represents a shift from previous approaches which typically saw funding spread thinly across sectors and public investment decisions.

Project Ireland 2040 aims to support businesses and communities across all of Ireland.

By 2040, it has been estimated that there will be approximately one million additional people living in Ireland. This population growth will require new jobs, new homes, more amenities, enhanced connectivity and better improved environmental sustainability.

Where does the Post Office Network fit into this shift in consumer behavior?

The post office is frequently considered to be at the heart of community, both rural and urban. It holds strong levels of customer satisfaction, a proven track record of service delivery and a brand name recognition that is amongst the best in Ireland. It is very much seen as a trusted service in local communities.

The Post Office Network provides a range of consumer, social, business, governmental and environmental benefits, including:

- specialist services;
- access to financial services;
- access to Government services;
- fraud deterrence;
- local employment;
- on-your-doorstep range of services and advice;
- a physical presence;
- improved social linkage and sense of community;
- impressive geographical presence.



The Post Office Network provides a range of products and services **to over 1.3 million people** or the equivalent of **28% of Ireland's population on average every week.**

An Post is one of the largest retail networks in Ireland. The greatest strength of the post office is in its number of branches and the reach that its structure provides.

It is a powerful network that can contribute positively to climate change policies and rural rejuvenation ambitions, of which the shift to remote working has accelerated. It is a modern network that adapts. It can further flex the list of services and products that it provides for an ever-growing population.

Benefits provided by the Post Office Network in the current landscape can be looked at thematically under remote working, the climate and environment and the movement towards consuming more local services in day-to-day life.

The benefits within the Post Office Network are strong and uniquely placed. Given the right opportunities, it is a long-standing network that can continue to provide solutions to modern challenges and which can also help to ease any resource constraints within Government.

Remote Working



A significant majority of respondents wanted to work remotely in 2020.

12 Months



An overwhelming majority of respondents wanted to work remotely in 2021.

Source: NUIG and Western Development 2020 and 2021 surveys

Shift to remote working

The pandemic has dramatically changed the way people live, work and operate within communities. The national landscape has changed. The sudden and large-scale adoption of remote working for many has led to a major transformation in how and where people work.

A survey conducted by the National University of Ireland, Galway (NUIG) and the Western Development Commission in April 2020, towards the beginning of the pandemic, found that 83% of respondents wanted to work remotely some or all of the time. One year on, in April 2021, a reissue of the survey then found an overwhelming majority of respondents, 95%, wanted to work remotely some or all of time. This represents an increase of 12% in the space of 12 months. The majority of those, 53%, said they would like to work remotely several times a week and 32% said they would like to work fully remotely.

The same survey also found that 24% of would consider relocating based on their experience of remote working since COVID-19. A further 9% said they had already moved.

The way in which the population views remote working has shifted dramatically. The pace of digital transformation, in particular, has been majorly accelerated. Within Government, plans and strategies have been published that not only support this shift in behavior, but seek to incentivise it.

Within the *Programme For Government: Our Shared Future*, there is a commitment to create a new National Digital Strategy which will:

- utilise the increased level of national connectivity that is being delivered by the National Broadband Plan; and
- drive digital transformation in the public service, with greater integration of digital services.

The move to remote working has the potential to transform the less urbanised areas of Ireland. It will help to sustain and increase the population of rural areas and will revitalise town centres. The diversification of rural economies will:

- strengthen the employment base in rural areas; and
- improve career opportunities.

The National Broadband Plan

The National Broadband Plan will secure high-speed broadband to over 1.1 million people in areas where there is no existing or planned commercial network. This includes over 544,000 premises. The plan will ensure that households and businesses in rural parts of Ireland will have a similar level of connectivity to those in urban areas.

This will in turn increase opportunities for remote working. High-speed broadband will also help to support the creation of local employment opportunities, which allows more people to work closer to their homes. Where people live, essential services such as those provided by the Post Office Network will always be required.

Remote working strategy

The Government recently published *Making Remote Work: National Remote Working Strategy* that aims to support the adoption of remote working as a long-term policy.

The Right to Request Remote Work Bill 2021 is part of the Government vision to make remote working a permanent feature of Ireland's workforce. This has the potential to hold country-wide economic, social and environmental benefits.

The Post Office Network and remote working

There is a major shift in communities towards remote working. Initiatives are focusing, for the first time, on supporting movements towards remote working. People will require services wherever they are living and working.

The Post Office Network has a role to play in supporting this shift in behavior. It's important to reiterate here that An Post has committed to ensuring:

- all settlements of over 500 people will be served by a post office; and
- 95% of rural populations are within 15km of an outlet, with that figure being 3km in urban areas.

With the accelerated pace of digital transformation and remote working, the Post Office Network is a significant source for products and services in local communities. Keeping the network open and accessible to communities throughout Ireland supports the continued increased demand for local services.

Climate Action

The Post Office Network can help support the Government with ambitious climate targets. An Post recently launched the Green Hub which directly supports the National Retrofitting Plan.

Carbon emissions

Excessive carbon emissions is a well documented global issue. In 2020, figures from the Environmental Protection Agency (EPA) estimated that Ireland's greenhouse gas (GHG) emissions were 57.7 million tonnes.

Carbon and other green house gas (GHG) emissions from the burning of fossil fuels amount to over 39% of Ireland's carbon footprint. According to 2016 EU averages, a standard petrol car will emit 0.876 tCO₂ over the course of a year, while the average diesel car emits 0.742 tCO₂ over the same period.

The Climate Action and Low Carbon (Amendment) Act 2021 was passed in July 2021. The Act outlines ambitious air pollution targets for Ireland. It commits Ireland to a legally-binding target of:

- Reducing emissions of 51% by no later than 2030 (compared against 2018 levels).
- Becoming a climate-neutral economy by no later than 2050 (the national climate objective).

To achieve this requires an aggressive and immediate reduction in collective carbon emissions. It will require creative and collaborative approaches from individuals and from businesses. It is important to recognise the significant reach that the Post Office Network has in Ireland and how it can support carbon change.

Green Party Carbon Dividend Policy

The Green Party Carbon Dividend Policy published in June of 2020 stated that Ireland is facing EU fines of up to €600m annually if GHG emissions are not reduced.

The EPA breakdown of Ireland's carbon footprint shows that 19.8% of Ireland's carbon footprint is in transport.

The Green Party Carbon Dividend Policy seeks to encourage behavior changes in residents and businesses through carbon tax. The effect of carbon tax will be to increase the price of fuel for transport.

Such a move will have positive impacts on our climate targets by encouraging fewer cars on the road and therefore less burning of fuel.

Fewer cars on the road means that people must have services and products that are easily accessible to them within their local communities.

One of the Post Office Network's greatest strengths is in its impressive national reach across the island and physical presence.

The Post Office was designated by Government as **an essential service** during the pandemic.



Climate Action

The Post Office Network is a vast and readily accessible service that helps to limit the amount of time spent travelling in local communities.

Green Party Rural Manifesto

Rural Ireland has traditionally had a very strong sense of community. It is recognised however that access to day-to-day services can be more challenging in rural areas. In the short-term, this could become more apparent in a society that lives more rurally and is travelling less. This shines a light on the already existing and extensive Post Office Network that provides a suite of essential services such as banking and Government services to their local communities.

The *Green Party Rural Manifesto 2020* (clause 3.1) states,

“We will reopen and expand the role of Post Offices in rural Ireland. To facilitate this, we will increase the delivery of public services through the network. We will develop a framework for a community land trust in Ireland and will advocate for the promotion of them legislatively and financially.”

Time spent travelling

The aforementioned movement towards remote working offers significant benefits for climate action. When working remotely or from home, people are able to spend less time in their car, less time in traffic and use much less fuel. As the trends towards increased and improved remote working across the country further develop, new opportunities are opening up to accelerate Ireland's climate positive action.

The *Making Remote Work: National Remote Working Strategy* seeks to reduce commuting times, resulting in a reduction in transport-related carbon emissions. The delivery of high-speed broadband will bring with it a range of environmental benefits for communities. For each new remote worker, an estimated average net saving of up to 10 kWh per day is expected to be achieved, reducing commuter transport energy use and carbon emissions.

Each of these incentives further enables more people to stay in their local communities more and more. An increased local population is expected to place an increased demand on the services and products offered by the Post Office.

In 2018, An Post committed to:



- 95% of people to live within 3km of a local post office in urban areas.
- 95% of people to live within 15km of a local post office in rural areas.

Local First



An **overwhelming majority** of the public **acknowledge the importance** of their local Post Office in their community.



Most people want to see **more Government services available** through their local Post Office.



The **vast majority** are **in favour of the State providing financial support** to keep them open.

Source: IPU - 2020 Red C survey

Rural rejuvenation

Given the nationally distributed infrastructure of the Post Office Network, it serves an important function as a 'service provider of last resort' in rural communities.

One example of this important role is in the provision of banking services. Recent years have seen the closure of bank branches in many urban and rural communities leaving some towns with no alternative in-person options for banking services apart from the post office. It is important to note that approximately 540 post offices in Ireland are located in areas where there are no banks within a 5km radius.

For many rural communities, the post office can also be the only local retail unit. These communities depend on the post office not just for postal services, but for the adjoining shop or newsagents to provide day-to-day necessities.

Post offices provide a range of in-person services and in doing so they act as a natural hub for people in the communities in which they serve. The Post Office can be a key gathering point for the community and an important part of the centre of commercial activity.

The recently published *Our Rural Future - Rural Development Policy 2021-2025* sets out the Government's view that:

An Post (and the Postal Network) can emerge as a central hub for a wide variety of valuable community focused services. Departments will work with An Post to identify the scope to channel additional services through the post office network.

Community focus

A strong sentiment has emerged from the pandemic on how much people value their local community. Many feelings have been shared over the last two years on how communities have come together to support each other. A sense of community has always been a closely held value to people.

Within communities, the local post office has consistently served as a magnet, drawing people into local towns and communities. This in turn leads to money being spent in other nearby businesses which then drives up economic activity and attracts more people to live and work in the area.

Local communities

Residents in more rural communities have been found to be heavily reliant on local facilities, particularly village shops and the post office. Post offices are often cited as being at "the heart" of a small town or village.

The withdrawal of a post office from a village has a significant impact on the remaining shop businesses. For example, a significant proportion of the €6.7 billion in weekly social welfare payments transacted across post office counters annually will be spent in retail premises in the post office and in the immediate surrounding commercial premises. These transactions provide a substantial boost to local economic activity.



The Post Office Network have transacted a **total amount of national savings valued at €21 billion**.

Strengths and Opportunities



Network Strengths

Strengths and opportunities

The Post Office Network has been cited on several occasions in multiple surveys as being incredibly valuable to local communities. As an example, it enables everyday banking across Ireland. The local postmaster is viewed as a trusted person and the Post Office Network supports a vast and loyal customer base.

These factors place the Post Office Network in a unique position. It wields market power that, given the right opportunities, should enable it to continue and to branch into yet more services. Many of the opportunities in front of the Post Office Network offer solutions to Government policy and offer ways to promote efficiencies within Government.

It is a network capable of significant growth and it has proven its ability to deliver solutions to modern challenges while also adding value to businesses in its vicinity. The networks' geographical presence is unrivalled. An Post has committed to all settlements of over 500 people having a Post Office. The post office is at the heart of a community and it acts as a magnet for essential services such as banking, mail, social welfare and Government services.

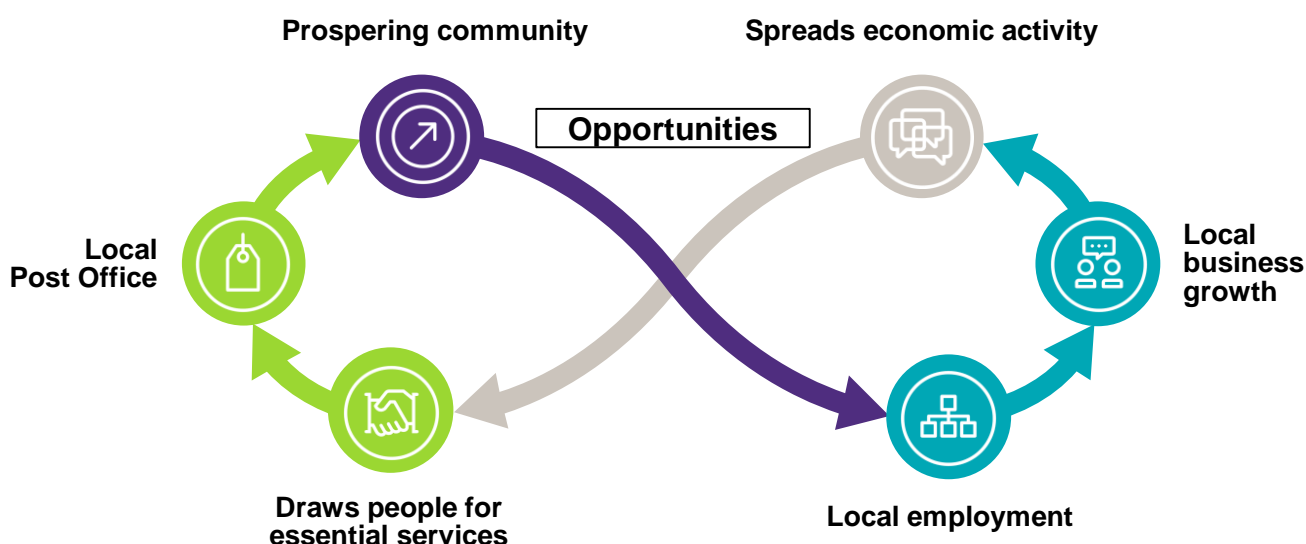
It would be a major loss to Government if Post Office Network services were to cease. This would be felt both on a national scale and within each impacted local community, particularly in non-urban areas.

STRENGTHS

- Trusted person and positive public perception
- Proven track record of service delivery
- Loyal customer base
- Community and social centre
- Capacity to handle additional business
- Proven ability to adapt
- Strong commercial acumen
- Ireland's largest Retail Network
- Unrivalled geographical reach and local knowledge

OPPORTUNITIES

- Assuming responsibility for additional Government services
- Can be the 'State on your doorstep'
- Enable efficiencies in Government
- Provide solutions to Government policy, e.g. climate action and retrofitting
- Ability to extend business and services
- Available capacity to grow service offerings for public and private sector organisations
- Capture new customers and increase its market share



Adapting to Modern Opportunities

The Post Office Network has identified and reacted to modern opportunities, thus improving its landscape.

A modern approach

The Post Office Network's longevity is remarkable. It is a well-established national asset that is ever-evolving.

An Post have been building a sustainable and modern postal network, while also continuously undertaking new essential services to support local communities and Government policies. The network possesses a huge capacity to adapt.

Over the last two to three years alone, the Post Office Network has illustrated its commercial acumen through:

- Agreeing a partnership with Bank of Ireland (BOI).
- Investing in commercial training.
- Extending its business opening hours.
- Developing data-entry services as a result of Brexit.
- Developing a sustainability Green Hub service.

Demonstrably, the Post Office Network has a huge capacity to adapt to modern opportunities and it can be flexible and creative in its approach.

Given the right opportunities, the Post Office Network can continue to flourish within communities.

Alongside the suite of postal and retail services and products that are already provided by the network, every additional service gives customers yet another reason to go into the post office, increasing footfall and thus creating further opportunity to broaden the loyal customer base. Increased footfall to the post office also yields benefits to the surrounding businesses.

Community banking

An Post are committed to ensuring that people have easy access to everyday and essential banking services no matter where in the country they live. Approximately 540 post offices in Ireland are located in areas where there are no bank outlets within a 5km radius. This places the Post Office Network in a special position to support communities that do not have banking services within easy reach.

Recently, An Post has been building upon the banking services that they have already been providing for AIB customers for over 20 years and the services that they have been providing for Ulster Bank customers.

In March 2021, a new banking partnership between Bank of Ireland (BOI) and An Post was announced. The new agreement enables all BOI customers to use withdrawal and lodgment services in any one of the post offices across the length and breadth of Ireland. An Post have been able to position themselves as a valuable central point in community banking. Banking under these agreements can be conducted six days per week in local post offices across the country. This positioning offers a significant advantage to the people of Ireland and to Government by ensuring local banking continues to be provided to the population.

The Green Hub

Following the publication of *Programme for Government - Our Shared Future* in 2020, An Post launched the Green Hub service in the same year. The Green Hub directly supports the Government's National Retrofitting Plan. The service provides trusted support and guidance to homeowners on their journey to upgrade their homes to be more sustainable.

This service is another example of the network directly supporting Government initiatives and is done so in a flexible way. Customers are offered two solutions when undertaking a retrofitting project for their home:

- an end-to-end complete solution; and
- a guidance solution, including grant management support.

This service further illustrates the commercial acumen within the Post Office Network.

Approximately **540 post offices** are present in locations where there are **no banking facilities within 5km.**



Adapting to Modern Opportunities

The Irish Post Office Network has demonstrated its ability to react and adapt.

Investments in commercial training

An Post has made training investments in the postmasters, such as the Sales Development Programme which has been running since autumn 2021. The programme consists of four workshops:

- Workshop 1: Retail Business Management Skillset.
- Workshop 2: Energising the Sales Process.
- Workshop 3: Developing a Branch Specific Action Plan.
- Workshop 4: Group Mentoring Session.

This programme requires postmasters to complete a development plan for their business and equips postmasters with the tools and templates they need to help with the sales process in their own local branches.

These workshops and the dedicated commitment to staff training more broadly, highlights the network's drive to upskill, and to continuously improve and evolve.

Extended opening hours

The Post Office Network has a huge capacity to flex and adapt to its surroundings. During the pandemic, the post office was swiftly able to offer longer opening hours for its customers. The majority of post offices opened at 8am, allowing pensioners to conduct their business before other customers.

This demonstrated the network's ability to adapt and highlighted its essential role as a community service.

Data-entry services

In response to customs challenges resulting from Brexit, An Post commenced delivery of data-entry services. Projected estimates from An Post are as follows:

Firstly: An Advance Export Declaration (AED) is required for items with goods bound for the United Kingdom. An Post has estimated that this change will generate €100,000 in additional commission per annum.

Secondly: An Post has also forecast 500,000 customs payments in Post Offices in 2021. This is expected to rise to one million transactions in 2022.

These activities culminate in estimate net projections by An Post of:

- €200K additional commission for the year 2021
- €450K additional commission for the year 2022



In 2018, **An Post committed to all settlements of over 500 people** being served by a post office.

Additional Government Services Opportunities

There are additional functions that the Post Office Network would be well placed to provide which could help to promote efficiencies within Government.

Identity verification

The Post Office Network provides identity verification services within its operational processes today which could be further expanded to help provide solutions to fraud issues in Ireland and to promote efficiencies within Government.

Recently, in January 2022, Minister for Social Protection Heather Humphreys announced the return of jobseekers to their local post office to claim social welfare. This signals the value the Government sees in the Post Office Network, including its ability to help provide solutions to issues of fraud in Ireland.

The Department of Social Protection (DSP) conducted over 600,000 claim reviews in the year 2019. Control of fraud and non-compliance is a critical part of the work of the Department. In a widely publicised case in early 2022, a significant case of welfare fraud came to public attention.

The *Annual Report 2019* states that control savings of €505 million were recorded and overpayments amounted to €116 million in the same year.

The *Compliance and Anti-Fraud Strategy 2019 to 2023* sets out to ensure that suspected fraud and non-compliance in the welfare system is kept to a minimum. It aims to:

- prevent fraud and error entering into the social welfare system;
- discourage non-compliance with the social welfare system;
- detect instances of suspected fraud and error swiftly;
- have appropriate governance and oversight arrangements in place.

The Post Office Network has a role to play in identity verification which could help to provide solutions to the governmental commitment to detect and prevent fraud across Ireland.

The Post Office Network provides anti-money laundering services which require people to present in person with valid identification and recent utility bills every few years. This is a service or process that could be extended to several forms of identity verification such as the Register of Electors or PPS cards, for example.

Form handling and generation

The Post Office Network could further help to improve efficiencies in Government services through form handling and form generation.

Given the Post Office Network's vast presence, it is in a unique position to not only act in an advisory capacity for people struggling to know which form they might need or how to fill it in, but also to help alleviate resource restraints or pressure points felt in Government anywhere rework for public forms is required at scale.

Furthermore, the Post Office Network would be very well placed to consider processing these forms digitally which would eliminate paper and printing wastage, further contributing to national environmental targets.



Post offices **facilitate a contribution of €6.7 billion** in welfare cash payments **into local economies every year.**

Conclusions



Conclusions

The Post Office Network is demonstrably adaptable to changing environments. There is a wealth of untapped resource within the network. Given the opportunity, the network can continue to provide solutions to modern challenges for Government.

The benefits of governmental support for the continuation of the Post Office Network as laid out in this update are evident in the social, economic and environmental contributions that the network provides, as well as in the positive opportunities that the network can bring to Government.

The Post Office Network is consistently viewed as a network of trusted persons that provide an array of essential services for communities. The presence of a post office in a town or village coincides with the heart of a community. During the global pandemic, the Government designated the post office as an essential service.

Over the last two to three years, the Post Office Network has continued to evolve through investments in their people and by expanding their range of services.

The Post Office Network has lessened the annual financial shortfall from the previous figure of €17 million down to an estimated €12 million annually. This has been achieved through:

- AED parcels which account for an estimated €2.2 million;
- the Bank of Ireland partnership which accounts for an estimated €650,000; and
- the Pandemic Unemployment Payment transfer back which accounts for a further estimated €2.2 million.

The Post Office Network has proven both its ability to deliver the services and products that customers require, in the format they require, and that it can continue to do more. The network can continue to support Government policy and help to promote efficiencies within Government. The Post Office Network has the capacity and the drive to adapt and further expand into additional services for Government in return for investment.

The Post Office Network has demonstrated its commercial acumen and its ability to adapt. Given the right opportunities, the Post Office Network can continue to thrive in communities throughout Ireland. It is a national asset that can contribute to Government policies and provide solutions to modern challenges, from climate action to the shift to remote working. Government investment in the Post Office Network in return for additional Government services could be in the form of an annual contract fee.

The recently published *Programme for Government - Our Shared Future* sets out the Government's view that,

An Post (and the Postal Network) has untapped potential to do more and to make a further significant contribution across many areas of public, business, and community life in Ireland.....An Post can emerge as a central hub for a wide variety of valuable community-focused services.

The Post Office Network has a range of strategic initiatives that aim to further continue the drive in customer footfall and to generate new income. The Post Office Network is actively forming new income streams, and requires financial support in order to continue to thrive in communities across Ireland.

The Post Office Network is well founded and well embedded in society. Efforts to establish an alternative network capable of providing the same level of service, with the same willingness and capacity to continue to reform would be a significant undertaking.

The Post Office Network should be considered worthy of Government investment when its place in society is considered, alongside the opportunities and additional services that could be provided by the network. The Post Office Network has proactively lessened the annual financial shortfall to an estimated €12 million and has the skills, capacity and willingness to provide additional services for Government in return for investment that could take the form of an annual contract fee.

In summary, if supported, an annual contract fee could be paid in return for the provision of new Government services to all citizens, through the Post Office Network, which would:

- underpin the social value of the network;
- play a significant role in supporting local economies, due to a multiplier effect a local Post Office brings to local businesses; and
- support social inclusion in accessing core citizen services, particularly for those who do not transact online.

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