

Securing the Future: Sustaining Ireland's Post Office Network through Strategic Investment

May 2025



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Executive Summary



Executive Summary



A strong national Post Office Network is the foundation for economic stability, social inclusion, and nationwide connectivity

The Post Office Network provides an estimated **€344–€776 million in annual social and economic value** to communities across Ireland. It supports local economies, **delivers essential Government services**, and **ensures access to cash** and communications, particularly for vulnerable and rural populations. In an increasingly digital world, it remains a vital in-person link to services and inclusion.

However, the Network is now at a tipping point. Since 2020, the Post Office Network has absorbed a cost-of-living crisis marked by **15% inflation**, **30% increases in the minimum wage**, and a **sharp decline in transaction-based income**. At the same time, Post Offices remain **ineligible for many business supports** accessible to comparable local enterprises. . They are also unable to increase their prices due to their contract requirements with An Post – placing them in a uniquely exposed position. The current annual Government investment of €10 million, while welcome, is **no longer sufficient** to secure the Network.

This report highlights the need for **increased investment to €15 million annually over a five-year period**. This level of funding reflects the minimum necessary to:

- Stabilise the existing Post Office Network
- Prevent unrestrained closures — particularly in rural and disadvantaged areas
- Provide long-term certainty for Postmasters
- Protect citizens' access to essential Government services, financial inclusion, and community infrastructure

An investment of just **€3 per citizen per year** delivers significant returns— exceptional value when compared with other EU nations:

- France invests €2.6 billion in La Poste (2021–2025)
- Belgium invests €634 million in Bpost (2022–2026)
- Italy invests €1.3 billion in Poste Italiane (2020–2024)

Ireland's investment of €10 million in the Post Office Network falls short of reflecting the true scale, reach, and essential social value of one of Europe's most comprehensive postal systems.

Safeguarding the Network That Keeps Ireland Connected

The enhanced **€15 million investment** is not about expansion; it is about **safeguarding what already exists** and giving the Network the time and security to evolve with Ireland's needs. Without this commitment, Ireland faces the prospect of rapid, unrestrained closures, cutting communities off from vital services and undermining national goals for regional equity, social cohesion, and financial access.

Executive Summary



Investing in the Post Office Network is a commitment to equality, access, and the right of every citizen to public services — wherever they live.

To invest in the Post Office Network is to invest in fairness — ensuring that access to public services is not determined by geography but **guaranteed for all**. The Government has already recognised the importance of this essential public infrastructure through its commitment to support Ireland's Post Office Network. This support must now be **sustained and strengthened**. Protecting the Network is a clear, positive choice to uphold the values of fairness, connection, and community in every part of the country.



Supporting Ireland's Post Office Network:

This Government Committed to:

- Continue to provide the nationwide network of post offices with funding to ensure their sustainability and enhance the value they bring to local communities.
- Deliver social welfare payments, such as Jobseekers Allowance, through post offices, and examine what other services could be provided through the network.
- Partner with An Post and local communities to identify and preserve heritage post office buildings that are no longer in operation, respecting their historical value and exploring potential new uses.



The Government Must Act Now

Action Needed: Continued and expanded public investment of €15 million annually from 2026 to 2030.

Why It Matters: The investment is essential to sustain and grow the significant economic and social value the Post Office Network delivers to every community across Ireland and encourage stability to enable future investment.

I am acutely aware of the hugely important role our post offices play in local communities across the length and breadth of the country. In recognition of their importance the new Programme for Government commits to continuing the funding of our nationwide network.

Taoiseach Micheál Martin
January 2025



Background to the Irish Post Office Network

an post

Cora Droma Rúisc
Carrick-on-Shannon

Seirbhísí An Post ar fáil anseo
An Post services available here



Seirbhísí
Baincéireachta
Banking Services



Airgead Taistil
Travel Money



Seirbhísí AIB agus
Banc na hÉireann
AIB & Bank of Ireland
Banking Services



Stampaí agus Beartáin
Stamps & Parcels



Western Union



One4all

Bealach isteach
chuig Oifig an Phoist
trí Phríomhdhoras
SuperValu

Entrance to Post Office
via SuperValu Main
Entrance



an post
money

For your world

Background to the Irish Post Office Network



The Irish Post Office Network offers invaluable services to individuals and businesses, providing access to essential government, mail and financial services to the community

An Post, Postmasters, and the Irish Postmasters' Union

An Post manages Ireland's postal system, while independent **Postmasters** operate local post offices under contractual arrangement initially established in **1907** within an established framework.

A **Postmaster** oversees the daily operations of an individual post office, managing all aspects of its functioning.

- Beyond traditional postal services, Postmasters provide a wide range of **essential services**, including:
 - ✓ Government services
 - ✓ E-commerce solutions
 - ✓ Financial services

Postmasters play a **critical role** in local communities, serving as key facilitators of government and business activities, and an anchor for communities via social interactions.

The **Irish Postmasters' Union (IPU)** represents 80% of the nation's Postmasters. The primary function of the IPU function is to serve as a unified voice for Postmasters across Ireland.

The Post Office Network in Ireland

The Post Office Network plays a vital role in both the social and economic infrastructure across Ireland processing 84 million transactions at a total value of €14 billion, of which €12 billion is in cash.

An Post is committed to ensuring post office access based on the following criteria:

- In rural Ireland we will endeavour to ensure that all settlements with over 500 people will have a Post Office.
- In rural areas 95% of the population will be within 15km of at least one Post Office
- In urban areas, 95% of the population will be within 3 km of at least one Post Office

Services Provided

Postmasters operate under two main business segments:

- Mail Services** – nationwide postal and logistics solutions
- Retail Services** – financial, government, and commercial support services

Product Lines	Services
Welfare	Social welfare cash payments
Mails & Parcels	Packets & Parcels, Prepaid Gift Jiffy Bag / Box, Stamps, Mails services, National Post, Express Post, Registered Post, Pre-paid packaging, SME mails services
Government Services	TV Licence, Dog Licence, Garda Fines, Passport Express, Local Authority Rent and Court Fines
Banking Services	Banking Services (AIB & BOI), Lodgements and Withdrawals (AIB & BOI), SME Banking, Money Transfers, Postal Money Order, Western Union
An Post Money	Current Account, Credit Card, Foreign Exchange, Loans
Retail Products	BillPay, GVS One4all, Gaming, An Post Mobile SIMs and phones (PO Only), National Lottery, stationary, Leap Cards, Mobile Phone Top-ups
NTMA	Prize Bonds, Fixed Term Savings Products, Regular Savings Products, Deposit Accounts

Financial Support Measures Stabilising Postmasters' Revenue

In 2020, Grant Thornton conducted an Economic Report analysing the funding model of the Post Office Network. The report highlighted that while An Post operates as a fully funded, commercially independent, and sustainable entity, Postmasters face ongoing financial challenges.

Despite a significant decline in transactions, government investment in the form of financial support mechanisms have helped stabilise Postmasters' revenue. These include Transformation Payments from An Post (2019–2020) , COVID-19 Pandemic Relief Payments from An Post (2021–2022), and direct government funding of €10 million per annum for three years, which is set to end on December 31, 2025.



Benefits of the Post Office Network



Economic and Social Impacts



The Post Office Network leverages its strengths to deliver benefits to the wider society, empowering communities and driving growth in a sustainable manner



Economic Benefits



Social and Community Impact



Government and Public Service Integration



Infrastructure and Logistics



Sustainability and Future Potential

The Post Office Network has an estimated social value of €344 - €776 million

Source: Grant Thornton Report, 2019

Economic Benefits

The Post Office Network is a vital driver of the Irish economy, underpinning both urban and rural employment and supporting local businesses through e-commerce, logistics, and financial services. Crucially, the network provides financial inclusion by offering accessible banking, savings, and payment services to those who might otherwise be excluded - especially in areas where no other banking infrastructure exists. With 540 Post Offices located more than 5km from the nearest bank branch, the network plays an irreplaceable role in ensuring access to cash and essential services in local communities.

Social and Community Impact

As a trusted presence in communities across the country, the Post Office Network is a recognised cornerstone of social infrastructure. It acts as a reliable and inclusive community hub, fostering social connection and ensuring continuity of service through the commitment of local Postmasters. This presence is especially critical in rural areas, where the Post Office may be the only accessible provider of day-to-day financial and public services, reinforcing the network's unique social value and deep community trust.

Government and Public Service Integration

The Post Office Network is a key partner in delivering public services and government policy at a local level. Each year, the network facilitates approximately €7 billion in welfare cash payments, helping ensure that vulnerable citizens can access their entitlements safely and conveniently within their own communities. These payments, distributed through the local Post Office, support not only individuals but also local economies

Infrastructure and Logistics

With the largest Retail Network in the country, the Post Office Network offers an unrivalled geographic presence. It ensures universal service obligations are met, providing equal access to services across both densely populated and remote areas. The network also enables last-mile delivery of services, bridging gaps in digital and physical infrastructure. By ensuring access to critical communications and financial services in a secure and reliable way, the Post Office supports community resilience and national service cohesion.

Sustainability and Future Potential

The Post Office Network supports Ireland's sustainability goals by reducing the need to travel long distances for essential services—a 'local first' approach that cuts carbon emissions and enhances accessibility. The network's unique infrastructure positions it as an ideal partner for future service delivery models, including collaborations with banks, fintechs, and government bodies. With its trusted brand and national reach, the network has the capacity to scale and evolve in response to changing societal needs.

Local First and Cash Accessibility



The Post Office Network is essential to communities, delivering valued in-person services and ensuring equitable access to those geographically and socially marginalised

Cash Accessibly and In-person Services

- ✓ The Post Office Network provides **essential financial services**, including cash withdrawals, deposits, and bill payments, ensuring accessibility for individuals who have difficulty opening bank accounts, such as **young people, those without a fixed address, and marginalised communities**.
- ✓ Beyond financial services, post offices function as **one-stop community centres**, offering postal services, government transactions, and retail options that serve **both personal and business needs**. Their role extends beyond contractual obligations, as they provide invaluable assistance with form completion, guidance on various services, and personalised support, enhancing accessibility and ensuring that **no one is left behind**. Post Office employees play a vital role in **protecting vulnerable customers** from phishing scams by identifying potential threats. Their proactive approach not only **prevents fraud** but also helps customers understand the associated risks.

Provision of Banking Services

- ✓ A key function of the **Post Office Network** is providing **banking services**. With the closure of many **bank branches**, some communities now rely solely on post offices for **in-person banking** - in particular **AIB and Bank of Ireland** financial services.
- ✓ This role is especially critical in rural and underserved areas. In Ireland, approximately **540 post offices** are situated in locations where no bank branch exists within a **5 km radius**, emphasising their indispensable role in maintaining financial accessibility.
- ✓ Without the Post Office Network, many individuals, particularly the elderly, those without digital literacy, and small businesses, would face significant challenges in conducting everyday banking transactions, such as withdrawals, deposits, and bill payments. This underscores their **crucial role** in securing access to financial services.

A Hub for Essential Services

- ✓ Post offices play a vital role as community hubs, particularly in rural areas where they **often serve as the only local retail outlet**. Many are integrated with shops or newsagents, providing essential goods and services to communities with limited access to day-to-day necessities. This makes them an indispensable part of local commerce, fostering economic activity and social cohesion. As well as creating a mutually beneficial relationship between post office and other retail outlets in proximity.
- ✓ The Irish **Government's Our Rural Future - Rural Development Policy 2021-2025** underscores the Post Office Network's potential to evolve into a central hub for community services. The policy envisions **increased collaboration between government departments and the Post Office Network** to expand the range of essential services available to local communities.

Community Engagement and Social Cohesion

- ✓ Post offices are more than just service providers. They act as vital **community hubs**, fostering social connections and ensuring the availability of essential in-person services.
- ✓ They act as **trusted gathering points** where individuals, particularly in rural and underserved areas, can access financial, postal and government services while also engaging with their local community.
- ✓ The Post Office Network plays a significant role in **strengthening social cohesion**. For many, a visit to the post office provides a crucial opportunity for social interaction, **reducing loneliness and reinforcing a sense of belonging**.
- ✓ Post offices stimulate local economies by **supporting small businesses**. They provide essential services such as business banking, parcel handling, and bill payments, enabling local enterprises to operate efficiently. Their presence ensures that communities remain **economically and socially vibrant**.

Climate Action Impact



The Post Office Network plays a key role in supporting the government’s climate target of a 51% reduction in emissions by 2030 and has the potential to contribute even more

Supporting Climate Action through the Post Office Network

The shift towards remote working presents a significant opportunity to reduce carbon emissions by cutting commuting times and fuel consumption. As demand for local services grows, the Post Office Network is uniquely positioned to support the government’s climate objectives by providing accessible, sustainable services within communities. Its widespread presence reduces the need for unnecessary travel, fostering a more environmentally friendly and locally connected society.



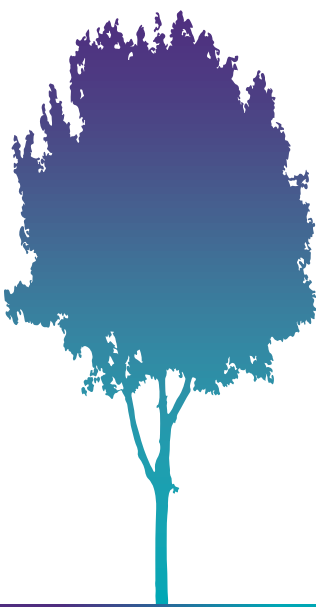
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Resilience in Adversity

The Post Office Network's commitment to resilience was demonstrated during Storm Eowyn in January 2025, when Postmasters’ investments in business continuity ensured uninterrupted service to communities. Reliable backup power systems allowed operations to continue despite severe weather disruptions. This proactive approach underscores the Network’s dedication to reliability, ensuring communities remain connected and supported during times of crisis.

Driving Sustainable Local Services and Climate Goals

The Post Office Network plays a crucial role in delivering services aligned with the Climate Action and Low Carbon Development Act 2021. By reducing travel, promoting local engagement, and enhancing community infrastructure, the Network is instrumental in achieving both national and community-level climate objectives. Continued investment in its sustainability efforts will be essential for meeting Ireland’s long-term environmental commitments.



Supporting the Circular Economy

- The Postal Network has strengthened its commitment to sustainability by partnering with leading retailers to enhance its Circular Economy strategy. Through its innovative returns platform, customers can return online purchases free of charge, making e-commerce more sustainable. Additionally, An Post offers better-value parcel services for lighter and smaller packages, further reducing environmental impact and promoting responsible consumption - providing sustainable bags and boxes.
- An Post have partnered with Oxfam, allowing customers to order a bag to gift goods to charity, which can be conveniently dropped off at the post office. The An Post service also works with Vinted (second-hand clothing), to facilitate the shipping process for users of the app.
- Through its partnership with leading retailers, the Postal Network is enhancing its Circular Economy strategy by providing innovative, sustainable returns and shipping solutions that promote responsible consumption and reduce environmental impact.

an post



Strengths and Opportunities of the Post Office Network



A Trusted Community Asset



A poll by RED C revealed overwhelming public support for the Post Office Network and a clear backing for continued government investment to maintain the network



An **overwhelming majority** of the public agree that the **post office** remains **crucial** in today's digital age.



A vast majority of people want to see **more Government services** available through their local post office.



The majority of 18-34-year-olds agree that their **community** would be worse off without a post office.

Source: IPU - 2024 Red C survey

Post offices have long been integral to communities, serving not only as centres for postal services but also as vital hubs for social and economic activities. Their enduring presence has fostered trust and reliability, making them indispensable assets, particularly in rural and underserved areas.

Red C Survey Results - A Trusted Community Asset

The 2024 survey conducted by Red C highlighted strong public trust and value. The survey found that an overwhelming majority of the public agree that the Post Office Network continues to play a crucial role even in today's age of digital and technological expansion, the post office providing a way to bridge that digital divide for many.

The enduring role that the Post Office Network plays is recognised by those most engaged with the 'online first' approach to modern life with 82% of 18–34-year-olds agreeing that their community would be worse off without a post office. Of those polled, 80% saw the post office as an essential part of their community's social infrastructure, placing it on par with key services like supermarkets, pharmacies, and health clinics.

A vast majority of survey participants were in favour of the government continuing to support the Post Office Network either through the extension of services available through the local post office or in the form of direct State financial support to ensure their sustainability.

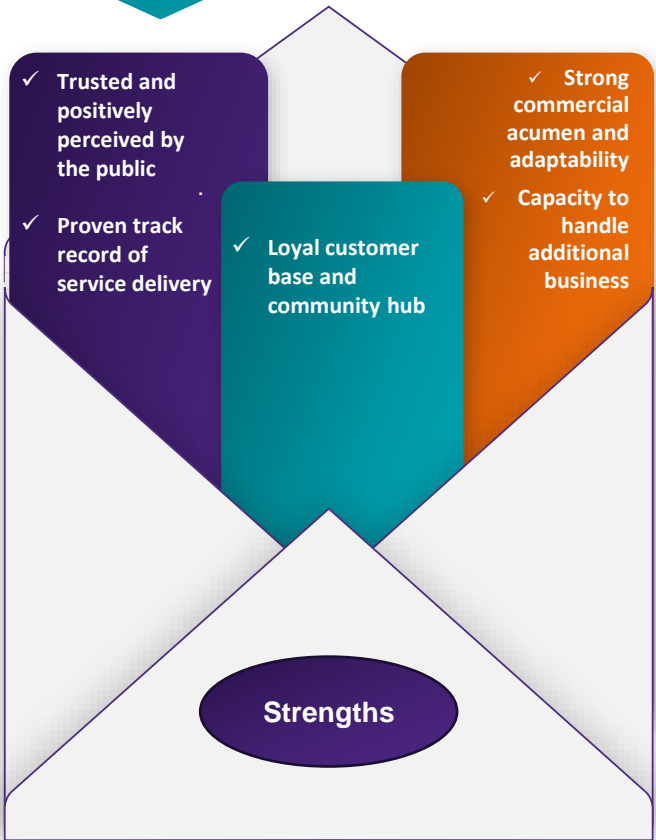
UK Citizens Advice Survey

Public sentiment underscores the trust and importance of post offices. A Citizens Advice survey found that 49% of Britons consider a post office one of the most important services in their local community, ranking it above banks (31%), libraries (29%), and pubs (25%). This highlights the essential role post offices play in daily life, offering services ranging from mail handling to banking and bill payments.



Post Office Network: Your Community Lifeline

The Post Office Network is vital during crises like Storm Eowyn, offering essential services to affected communities. It also acts as a first port of call for migrants and refugees seeking resources. Postmasters provide guidance and support, ensuring everyone in the community can access the help they need.



Embracing Current & Future Opportunities



The Post Office Network has recognised and adapted to contemporary challenges and opportunities, leading to significant improvements in its operational landscape

A Modern Approach

- The Post Office Network's long-standing presence reflects its **resilience** and **adaptability**, making it a valuable national asset.
- An Post has built a **modern, sustainable network**, introducing services that support local communities and align with **government policies**.

Key recent initiatives include:

- ✓ **Innovation** in retail services (gift cards, money transfers, Leap services).
- ✓ **Expansion of e-commerce services**, such as the Advantage Card and prepaid packaging.
- ✓ Growth of **financial services**, including An Post Money, current accounts, credit cards, and expanded foreign exchange services.

Community Banking

- An **Post** ensures access to essential **banking services** for all individuals. Around **540 post offices** in Ireland are located in areas without a **bank** within **5km**, making the Post Office Network **vital** for communities.
- An Post has expanded its services through partnerships with **AIB** and **Bank of Ireland**. In 2023, the network processed **6 million transactions** worth **€2.4 billion**, generating **€3 million in commission**, which accounted for **5% of total commission earned** by Postmasters. This strategic positioning benefits **Ireland** and supports the **Government's** goal of maintaining **local banking** services. It introduces new **financial services** like the **Advantage Card**, offering **SME discounts** and **pre-paid packaging** for consumers, promoting the **circular economy** and simplifying **parcel sending**.

Co-location and Capital Investment

- **66% of Post Offices** are now co-located with another retail store, marking a significant increase from **28% in 2018**. This trend reflects a growing recognition of the benefits of shared retail spaces.
- The co-location strategy offers a **more sustainable business model** compared to traditional standalone post offices. By sharing resources and infrastructure, co-located post offices benefit from **reduced setup and operational costs**, enhancing overall efficiency.
- Retail partners, particularly **convenience and grocery stores**, can expect to see an approximate **5% uplift in trade** due to co-location. This collaboration not only drives foot traffic but also fosters a **mutually beneficial environment** for all partners.

Investments in Commercial Training

- An Post, in collaboration with Postmasters, has implemented a **Commercialisation Program**, now active in 300 post offices.
- This program includes training designed to **maximise the sales** potential of each participating office. As a result, these offices have **outperformed** others in terms of sales across various products. The same training remains available to all Postmasters.
- A **Sales Development Programme** was conducted. These workshops, along with the broader focus on staff training, underscore the **network's commitment to upskilling its workforce** and its ongoing efforts to continuously **improve and adapt**.

Investment in Modernisation

An Post is investing in new formats and technology, including **self-service options**, **'out of hours' services**, and **lower-cost formats**, to improve Post Office viability. Additionally, An Post is committing over the next three years to modernise Post Office technology. These investments will enhance the **accessibility, efficiency, and delivery** of government services by reducing transaction times, improving performance, and enabling better integration with government departments.

Opportunities for Additional Services



The Post Office Network is a vital resource with untapped potential and with strategic investment can fulfil its potential to deliver more for Ireland



Identity verification

The **Post Office Network** provides identity verification services that could be expanded to address **fraud issues** and improve **government efficiencies**.

- In **January 2022**, the Minister for Social Protection announced that **jobseekers** would return to post offices for social welfare claims, highlighting the network's role in **combating fraud**.
- The **Department of Social Protection (DSP)** in its **2024 Annual Report** reported it conducted **457,000 claim reviews** in the prior year, with **fraud control** as a priority with savings of more than **€400 million**.
- The **Compliance and Anti-Fraud Strategy 2024-2028** focuses on:
 - ✓ Preventing fraud and errors
 - ✓ Discouraging non-compliance
 - ✓ Detecting fraud and errors swiftly
 - ✓ Ensuring strong governance and oversight
- The Post Office Network's identity verification services could further support the Government's fraud prevention efforts. Current **anti-money laundering** services could be expanded to include additional forms of verification, such as the **Register of Electors** or **PPS cards**.



Form handling, processing and generation

The **Post Office Network** has the potential to enhance **efficiencies** in **Government services** through **form handling** and generation.

- With its **extensive presence**, the Network is uniquely positioned to serve as an **advisory resource** for individuals needing guidance on **form completion**. It could also help alleviate **resource constraints** in Government departments by supporting the efficient **management and processing** of public forms at scale by;
 - ✓ Providing voter registration services and election-related support
 - ✓ Filing and processing of tax returns for individuals and small businesses
 - ✓ Vehicle registration and tax renewals
 - ✓ Witnessing and certifying official documents and applications such as passports.
 - ✓ Issuing parking permits, toll passes, and congestion charge payments
 - ✓ Additionally, the Network is well-suited to explore **digital processing** of forms, reducing **paper and printing waste** and contributing to **national environmental sustainability goals**



Additional Services

According to the Central Bank of Ireland, the increase in **fraudulent payments** resulting from phishing emails and text messages has cost consumers and businesses an estimated **€126 million**. The Post Office Network is well positioned to **support efforts** in addressing the **26%** rise in such **fraud** by:

- ✓ Providing secure, in-person financial services and fraud education, especially for vulnerable customers, reducing reliance on risky digital-only transactions

The Post Office Network can further support **sustainability and green initiatives** by:

- ✓ Administration of government energy efficiency grants and schemes

The Post Office Network can also support **public and community services** by:

- ✓ Assisting with access to the Register of Electors and providing a local presence for Peace Commissioners to witness documents and statutory declarations

Without sustained funding, the closure of post offices would remove a vital community access point, placing added pressure on already stretched frontline services. The Post Office Network plays a unique role in easing demand on health, social, and government services by supporting vulnerable citizens, offering face-to-face engagement, and resolving issues locally allowing core public services to focus on their primary functions.



Challenges Facing the Irish Post Office Network



Decline of Core Services



Modernisation alone cannot offset the growing pressures on the network—declining core services, falling postmaster earnings, and rising costs are pushing many post offices toward an unsustainable future, marked by reduced service availability, closures in vulnerable areas, and the erosion of a trusted public access point for essential services.

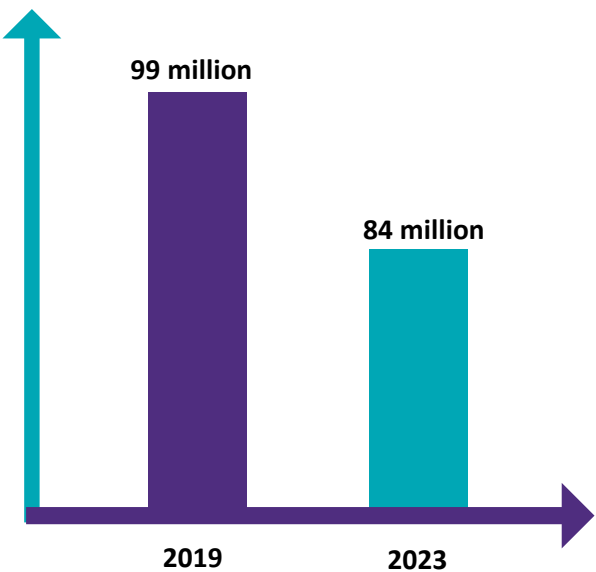
Post Office transactions have been declining long-term, since COVID-19

There was a significant decline in transactions during the Covid-19 lockdown in 2020, with an **11%** drop year-on-year. Although the rate of decline has slowed, transaction volumes are still **15%** lower than in 2019.

This downward trend is expected to continue due to the aging of products and services and the anticipated decline in cash usage.

There has been a decline of **15 million An Post transactions** between 2019 and 2023. This trend highlights the evolving challenges faced by the network as it adapts to changing consumer behaviours and market conditions.

Decline in An Post Transactions



Four key products - Social Welfare, Mails, Post Office Savings Book, and Bill Pay - currently account for **66%** of Postmaster contractual earnings.

All four of these products are experiencing a decline since 2020, which is placing **long-term pressure** on both Postmasters and An Post.



BillPay services has seen a **17%** decrease



Welfare earnings have declined by **7%**.



Mails dropped from 24% to 22% declining by **2%**



Post Office Savings Book decreased by **9%**



This **downward trend** is presenting challenges to the sustainability of services, as it impacts negatively on revenue and earnings.

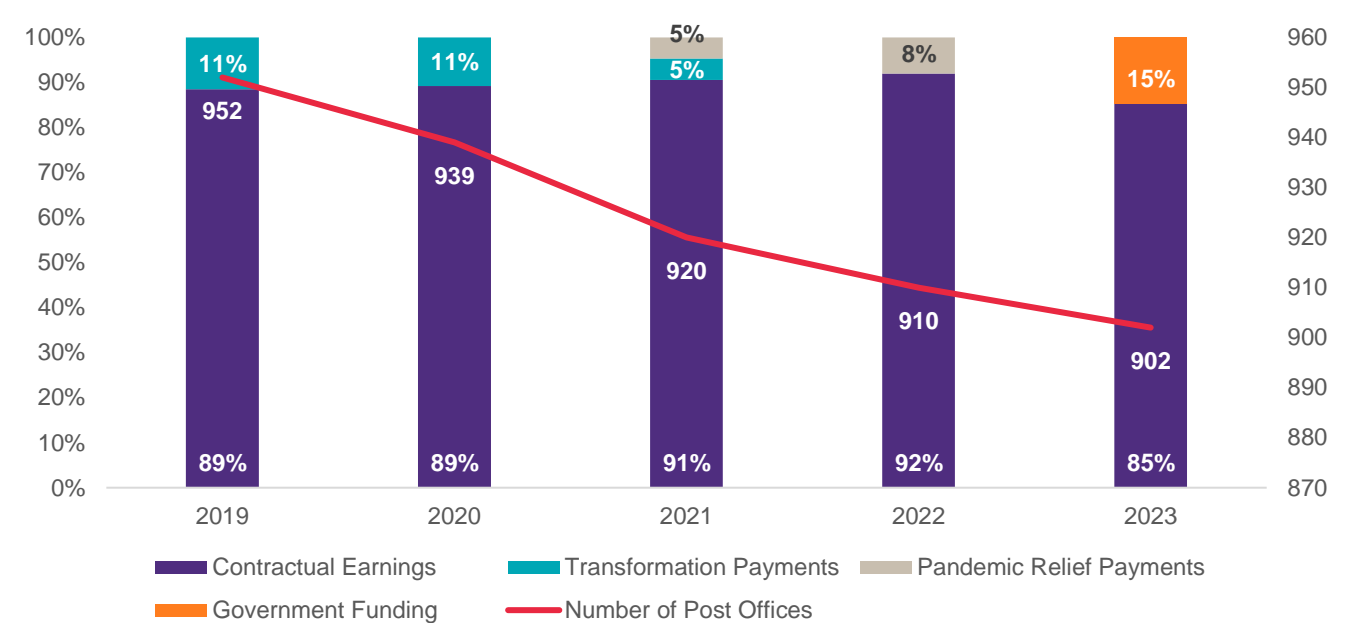
Impact on Postmasters' Gross Revenue



Reduced transaction levels have led directly to falling Postmasters' Gross Revenue (revenue before costs and taxes) under the current contractual arrangements with earnings stabilised through additional funding

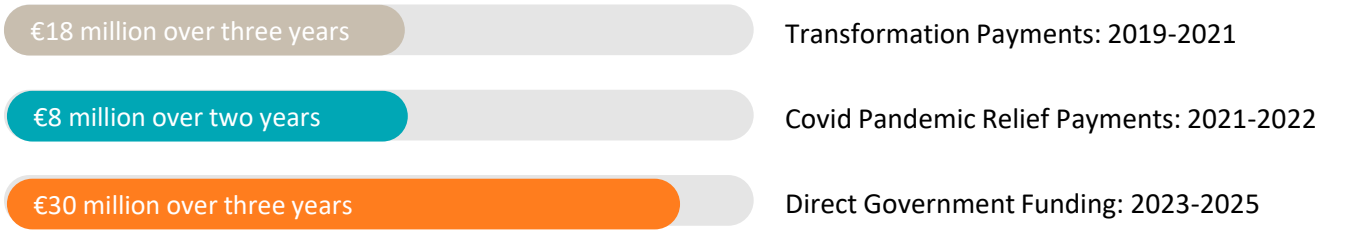
Postmasters' Gross Revenue Before Costs or Taxes

The decline in transaction volumes since the pre-pandemic period has significantly impacted Postmaster contractual earnings (those derived directly from transaction commissions). Gross Revenue (revenue before costs or taxes) has fallen from €61.6 million in 2019 to €58.0 million in 2023, representing a 6% decrease. Despite efforts to improve the financial sustainability of the Post Office Network, including a reduction in the number of post offices from 952 in 2019 to 902 in 2023 through voluntary closure, these measures have not been sufficient to stabilise Postmasters' gross revenue without additional funding support.



Support Measures to Stabilise Postmasters' Gross Revenue

Recognising the vital role of the Post Office Network, An Post and the Government have introduced a range of support measures to help stabilise gross revenue and ensure short-term financial security for Postmasters. These measures acknowledge the essential services the network provides to communities nationwide.



Impacts on the Communities in the Absence of Continuing Investment

The primary objective of government investment has been to protect the Post Office Network and secure local access to essential services for citizens and businesses. The introduction of financial support has had a positive impact, leading to a decline in post office resignations and closures.

Cost of Living Pressures



Alongside falling gross revenue (revenue before costs and taxes), the Post Office Network has had to absorb the significant cost pressures experienced since 2022 with limited additional support available

Impact of Inflation

The CSO recorded inflation rates totally a **15.1% increase** over the period Jan 2022 to Dec 2024 directly affecting Postmasters through:

- ✓ Increased energy costs
- ✓ Rising insurance costs
- ✓ Wage inflation

Postmasters rely on Post Office income and cannot raise customer prices, making them vulnerable to rising costs.

Wage Increases

The minimum wage has risen by **30%**, from **€9.80** in 2019 to **€12.70** in 2024.

- However, when adjusted for inflation, Postmaster contractual earnings have declined from **€61.6 million** in 2019 to **€49 million** in 2023, representing a **20% real-term decrease**

This reflects the financial challenges faced by Postmasters.

Additional Compliance Costs

Postmasters are adapting to evolving operational demands, including:

- Enhanced compliance requirements for Financial Services
- Additional customs procedures for mails and parcels
- Auto-enrolment for pension schemes and sick leave

These changes have led to higher administrative labour costs and increased transaction times, impacting operational efficiency.

IPU’s Cost of Living Claim

In April 2023, Postmasters, represented by the Irish Postmasters’ Union (IPU), submitted a formal request to An Post for a cost-of-living adjustment to help mitigate rising operational costs. However, An Post rejected this request, citing its inability to recover these costs from third-party commercial partners or within existing Postmaster contracts.

With no support forthcoming from An Post, the IPU escalated the issue to the Government, pointing out that other sectors, such as Haulage, which were facing similar financial pressures, had been granted relief through dedicated schemes. Unfortunately, Postmasters have yet to receive any dedicated cost-of-living funding.

While the Government has advised Postmasters to seek support through the **Increased Cost of Business (ICOB) Scheme**, which includes rate rebates and other reliefs, **Postmasters are categorically excluded from these schemes**. This **lack of access** to both financial relief and targeted support means Postmasters are left to absorb rising costs without the necessary backing to sustain their services.

Importance of Extending and Uplifting Government Investment for Postmasters

While some government investment has helped stabilise income, **without continued and increased financial support**, the viability of local Post Offices remains at significant risk. **Postmasters cannot access grants or targeted relief measures**, and without direct government investment, the sustainability of essential services for communities across the country is under serious threat. Increased and dedicated support is crucial to ensure Postmasters can continue to provide vital services, particularly in rural and underserved areas



Value for Money – Public Investment



Excellent Value For Money



Continued and expanded public investment in the Post Office Network is essential to sustaining and unlocking the significant value it delivers to communities. Investment will minimise the risk of unstrained Post Office closures.

An Investment in Local Post Offices is an Investment in Local Communities

Postmasters are seeking an increase in investment of €10 million to €15 million. This is critical not just for enhancing the Postmaster's service offering, but for safeguarding citizens' access to essential government services, and to cash. Without this support, communities, especially those in rural and underserved areas, face the real risk of exclusion from vital public infrastructure. This funding will enable the Post Office Network to continue its work at scale, strengthening its reach and deepening its impact. A five-year term is essential to embed these improvements sustainably, ensure long-term delivery, and prevent service erosion that would disproportionately affect the most vulnerable citizens.

At just **€3 per citizen per year**, this investment represents exceptional value for protecting access, equality, and community resilience nationwide.

Research conducted for this report found that the **Post Office Network** receives **significantly less investment** per post office **compared to** other **EU** postal operators, despite operating a comparatively extensive network.



In Ireland, government investment for the Post Office Network amounts to **€10 million annually** across approximately **900 offices** - around **€11,000 per office**. By contrast France invests nearly **275% more** per post office than Ireland, Belgium invests approximately **500% more** and Italy invests almost **340% more** per post office. This highlights the comparative value of the Irish postal network relative to the cost of public investment.

Consequences of Failure to Invest in the Post Office Network

Rapid & Unplanned Closures

In the absence of continued investment in the Post Office Network, Ireland risks significant levels of unrestrained closures of post offices across the country. A previous market analysis by Grant Thornton in 2020, highlighted that **approximately 1/3 of post offices of all sizes and locations were facing significant financial challenges and were at risk of closure without further investment**. The challenges since 2020 of lower contractual transaction activity levels, falling revenue before costs and taxes, and increased rent, rates, electricity and labour costs indicate that this **previous estimate may now be conservative in 2025**.

Such unplanned closures risk doing irreparable **financial, economic and social harm** to communities across Ireland.



Conclusion



Conclusion



A well-supported Post Office Network is not just an investment in infrastructure; it is an investment in Ireland’s communities, economy, and future prosperity

The Challenges Facing The Post Office Network

Postmasters continue to face mounting challenges, including rising inflation, wage increases, and declining transaction-based income. Since the implementation of Government investment of €10 million per annum due to expire on 31st December 2025, the Post Office Network has borne the cost of 15% inflationary increases across all costs, 30% increase in the minimum wage, and an ongoing trend of reduced transactions impacting severely on Postmasters’ gross revenue.

The closure of post offices would disproportionately affect rural areas, deepen regional inequalities and limit access to essential services for vulnerable communities. Sustained government investment is essential to safeguard the network’s long-term sustainability. Investment in the Post Office Network not only ensures continued access to vital community services but also strengthens economic resilience, social cohesion, and digital inclusion across Ireland. Without decisive action, the loss of local post offices would represent a significant blow to community infrastructure and the Government’s broader objectives.

Why Continued Investment Matters

The Post Office Network is a cornerstone of Irish communities, providing essential services that support individuals, businesses, and the broader economy. As a trusted public service, it plays a vital role in financial inclusion, rural connectivity, social welfare distribution, and local economic sustainability. It provides an estimated social value of €344 - €776 million to Ireland. However, without ongoing government investment, the future viability of the network is at serious risk.

To prevent further decline and ensure the Post Office Network remains a viable, modern, and community - focused service, extending financial support, investing in service innovation, and prioritising long-term sustainability investment is required.

With the right strategic initiatives, the Post Office Network can expand its services in alignment with government policies, enhancing public service efficiencies and addressing evolving societal needs. Its proven adaptability makes it well-positioned to support modern challenges while adding value to local businesses. Without investment there is a significant risk of unplanned and unrestrained post office closures which would cut communities off from vital Government and other essential services.

What Is Needed

An Post and the Irish Postmaster’s Union are in agreement that if the aim of Government is to protect the current Post Office Network size and decelerate the closure of post offices, extending and increasing Government investment beyond December 2025 is fundamental.

A well-supported Post Office Network is not just an investment in infrastructure; it is an investment in Ireland’s communities, economy, and future prosperity.

It is the conclusion of this report, that an increase in government investment to €15 million per annum over a five-year term is essential to securing the future of the Post Office Network and represents significant value for money for both the state and society of Ireland.



Government Action Plan

- Commitment:** The Government has committed, through the Programme for Government 2025, to support Ireland’s Post Office Network.
- Action Needed:** Continued and expanded public investment of €15 million annually from 2026 to 2030.
- Why It Matters:** The investment is essential to sustain and grow the significant economic and social value the Post Office Network delivers to every community across Ireland and encourage stability to enable future investment.
- The Government must act now.**

