

Address by David McRedmond, An Post CEO to the Joint Committee on Communications, Climate Action and Environment on Tuesday, September 4th, 2018.

I attended the committee in November of last year. It was my second attendance here and we had a useful interaction around my plans for the future of An Post.

I told you then that the next few years would be a time of great change for An Post. Necessary change to ensure that the company would continue to play a central role in Irish life and business.

At the time we were embarked on a transformation of our mails business and I'm glad to say that we achieved that transformation and set An Post on its patch to being a world class in terms of parcels business and e-commerce.

Our next task was the modernisation of our post office network and I am pleased to return here this afternoon to give you an update on the work we have been doing to secure the future of Ireland's post office network.

In May of this year we concluded an historic deal with the Irish Postmasters' Union (IPU) on the future of that Network.

The deal, which was put to the almost 1,000 IPU members following the endorsement of the IPU Executive was achieved following a three-month mediation process and provides for a radically modernised vision for the Post Office Network for the long term.

Under the deal, a new contract was offered to postmasters that would facilitate the development and renewal of the Post Office Network and the expansion of new services offered by An Post. We knew at the time that there would be postmasters who would wish to retire and we offered a voluntary severance package. There were no compulsory closures of Post Offices as a consequence of this new deal.

Some 159 Postmasters subsequently took the decision to leave the business and take up the voluntary severance option. Their decision and the closure of their post office secured the future of the remaining 960 office in the network and cleared the way for a €50m in post offices and new services.

As we received departure requests from Postmasters we applied business and census data with extensive local knowledge to form the basis for a re-shaping of the network plan to actively support the future of rural Ireland.

A key element of that plan was ensuring that as a post office closed its business transferred to neighbouring offices, boosting their transaction levels and viability and maintaining service to the local community.

Our commitment was that no community of more than 500 people would be left without a post office and 95% of the population would be within 15km of at least one other Post Office (on average the nearest adjoining Post Office is within 7km).

It is worth noting that the post office closing represent around 3.7% of our customers. This plan will have no immediate impact of 96% of customers but what they will see is a revitalised, busier and more useful post office, longer opening hours and more services. A post office that is vibrant and sustainable in the future.

The plan also allows us to press ahead to fill vacant post office contracts in 36 urban and rural locations as well as opening five brand new post offices.

An Post is right now seeking contractors to run new offices in Kilworth, Co., Cork, Ballon, Co., Carlow, Kentstown, Co., Meath, Coolaney, Co., Sligo and Tullyallen, Co., Meath. We expect to seek between 10 and 15 new post office locations to cover new population clusters throughout the country.

And we are seeking new contractors to fill 36 vacancies in places as geographically diverse as Ballybofey, Co., Donegal, Keel, Co., Mayo and Passage East, Co., Waterford.

Our plan for the future was underpinned by our document 'A New Vision for the Future of the Post Office Services in Ireland'. That agreement with the IPU was accepted by a 5 to 1 majority in a ballot of its members.

Post Offices in locations where postmasters are opting to retire are closing and the services will be consolidated with neighbouring offices ensuring their continued viability. **29** post offices have already closed, at the request of the

retiring contractor, **20** will close in the coming week with the rest closing between now and January 2019.

Right now all our core network of 960 offices are benefitting from enhanced services and products, new opening hours and an investment package aimed at improving services for customers, driving customer footfall and attracting a wider demographic to ensure that the post office is not just wanted by communities but is indeed relevant and actually used by all.

I want to put on record my thanks to the Irish Postmasters Union and the postmasters who have chosen to retire for their great service to An Post and local communities over many years.

There is no doubt that this process is difficult for some of our customers and communities but the end result will be a strengthened, viable post office network serving the needs of our country for the future.

Our newly configured Post Office network will focus on three areas to enhance its relevance and appeal:

- Post offices becoming the backbone of e-commerce: offering the fullest range of parcel and mail services including out-of-hours collections, returns, tracking and redirection

- Community financial services: diversifying and growing financial services products for individuals and SMEs to include loans, credit cards and more foreign exchange products; local banking in association with the major banks and a full range of State Savings products in more locations nationwide than any other organization
- Extending the range of local and central government services including licensing; payments for local authorities, fines and planning applications; digital ID and authorisations.

In relation to financial services, among the products and services currently or about to be available in post offices are

- Post FX cash & card where we are Ireland's leading foreign exchange provider.
- Agency banking (withdrawals & lodgements) for AIB, Ulster, Danske & other financial service providers into the future
- Post Insurance products (car, home, travel & life)
- Other financial services including loans & credit cards alongside An Post's SMART current account.

But the work of securing the future of our post offices will not end here. What we need, An Post and our customers, is the real tangible support of Government.

We must change the post office from the location for some Government service to a one-stop-shop for the delivery of Government services to local communities.

I would welcome the support of the Committee in coming up with new and innovative ways of making that change.

This latest phase of our transformation plan has generated much debate and discussion. We have been accused of being 'out of touch' and adopting a blunt balance sheet approach to the future of post offices.

Nothing could be further from the truth. No organisation is more rooted in Irish life and commerce than An Post.

Our people, An Post people, live and serve every corner of this country and this will continue. We more than most are conscious of our role in community life.

We are committed to securing the future of the local post office at the centre of peoples live wherever and however they do their business.

I look forward to today's exchange with you to ensure that work continues.

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