



Oifig an tAire Stáit | Office of the Minister of State

Ms. Anne Maria Walsh
Meetings Administrator
Kilkenny County Council
County Hall
John Street
Kilkenny
R95 A39T

24th March 2021

Ref: DTTAS-MOSN-01152-2021

Dear Ms. Walsh,

Many thanks for your recent correspondence in relation to a resolution passed by Kilkenny County Council regarding the post office network which was forwarded to this office by the offices of Minister Paschal Donohoe and Minister Eamon Ryan.

I am aware of the serious decline in mail volumes and the impact that Covid-19 has had on footfall through post offices and on the postal network and of the importance of maintaining a post office network in our society.

An Post put in place a Strategic Plan, covering the period 2017 – 2021, in response to the structural challenges faced by the postal sector.

In order to implement the Plan, the cost of which was estimated to be in the region of €150m, the Minister for Finance provided a loan



of €30m to the company in December 2017 to support the renewal of the post office network (€15m) and the continued fulfilment of a 5 day per week mails delivery service (€15m).

As part of the delivery of the plan the company was split into two distinct business units, An Post Mails and Parcels and An Post Retail.

An Post is transforming its retail network by delivering new products and new formats. This includes, among other things, diversifying and growing the financial services products it provides 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. Two new dedicated sub-brands, An Post Money and a new business-to-business brand, An Post Commerce, were launched. Investment by An Post of €50 million in the network is designed to encourage communities to use the enhanced services in their local post office.

As part of its commercial strategy to increase banking services An Post recently announced a new partnership with Bank of Ireland to offer personal and SME withdrawal and lodgement services to Bank of Ireland customers across the An Post network of over 900 post offices nationwide. This follows the announcement by Bank of Ireland that it is to close over 100 of its offices in Ireland. This builds on the agency banking services An Post already provides for a number of other leading banks including AIB and Ulster Bank with more than 4.5 million transactions and a cash value of almost €1.5bn annually.

With regard to the community banking model a project team comprising officials from the Department of Rural and Community Development and the Department of Finance was established to progress that particular issue. The final report was published by the respective Ministers on 4 July 2018. The report indicated that the Department of Finance would continue to engage in dialogue with Irish Rural Link and other stakeholders and that it would commission an independent external evaluation of the possibility or



otherwise for promotion of the local public banking concept in Ireland. That further report was published by the Department of Finance in December 2019 and concluded that there is no business case for the State to establish a public banking system in Ireland, supporting the outcome of the July 2018 report.

A lot of work has been done over the past few years to develop the network and this has had a positive effect for both postmasters and customers. This momentum needs to be maintained and if An Post, the postmasters and Government work together we can ensure that the network can emerge as a central hub for a wide variety of valuable community-focused services.

Government believes An Post has untapped potential to do more and make a further significant contribution across many areas of public, business and community life in Ireland. The Minister intends to set out a series of next steps on the Offline Services Report shortly.

We are working with An Post to investigate the scope to channel additional services through the network. As with any business the post office needs to develop commercial strategies to enable it to grow and maintain its relevance for its users. All options will be considered fully and efforts will be redoubled to give effect to our commitment to ensuring a sustainable and viable post office network.

I hope this information is of assistance.

Yours sincerely,

Chris Smith

Private Secretary to Minister of State Hildegard Naughton TD

The Minister of State is a Designated Public Official under the Regulation of Lobbying Act, 2015 (details available on www.lobbying.ie)