

ComReg reports a decline in An Post's performance for next-day delivery of mail in 2018

Information Notice

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Additional Information

2018 QoS Annual Report	
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Regulation of An Post's quality for universal postal services

The Commission for Communications Regulation (ComReg) regulates postal services in the State. This statutory function includes setting quality of service standards for the universal postal service and the monitoring of An Post's performance against those standards. An Post is the sole designated universal postal service provider for the State.

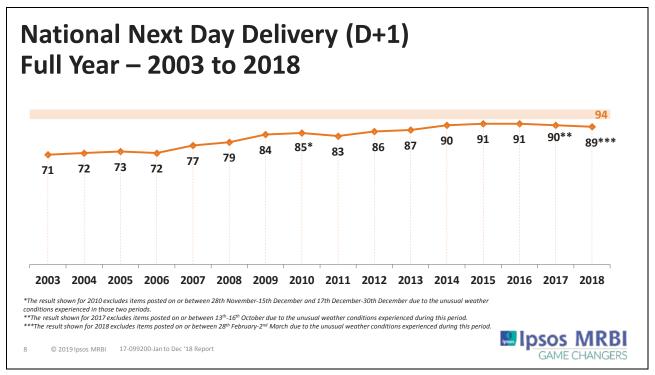
ComReg has set quality of service standards requiring An Post to deliver 94% of single piece priority mail posted in the State for delivery in the State on the next working day ("D+1") and to deliver 99.5% of such mail within three working days ("D+3").

ComReg has today published the report by Ipsos MRBI on its monitoring of the quality of the universal postal service for the calendar year 2018. The report includes the following key findings:

Performance against Regulatory Standards for full 2018 calendar year

- Over the full 2018 calendar year An Post delivered 89% of single piece priority mail
 on the next working day following the day of posting throughout the State. This result
 is 5% below the 94% regulatory standard and is a 1% decline on the 2017 result. This
 is the second consecutive year where the quality of the universal postal service has
 fallen;
- An Post delivered **99.0%** of single piece priority mail within three working days following the day of posting, marginally above the 2017 result (98.9%) and below the 99.5% regulatory standard.

ComReg first introduced independent monitoring of the quality of the universal postal service in 2003. At that time just 71% of single piece priority mail was being delivered on the next working day. In 2015 and 2016 the rate of next—day delivery had climbed to 91%, the highest annual performance to date. However, as the graph below illustrates, 2017 and 2018 saw a 1% decline in performance for each year, which was mainly due to a continuing decline in the Dublin area performance.



ComReg 19/73 contains the full set of published 2018 results and is available in the publications section at www.comreg.ie.

Other performance information

In addition to the annual performance against the regulatory standards as set out above, the following key findings are contained in the 2018 annual report.

Packets Performance

Packets performance declined by a significant 9% in 2018, down to 79% and stood 12% below the performance for Standard Letters (90%) and 9% below Large Envelopes (88%) during the full 2018 calendar year.

January to November 2018

In the period January 2018 to November 2018 (excluding the month of December), An Post delivered **91%** of single piece priority mail on the next working day which was also 1% below the 2017 result for this period.

December 2018

In December 2018, the overall next-day delivery performance fell a further 2% to **71%**, which was mainly related to the poor performance (59%) of mail posted Outside Dublin for delivery in Dublin County. December's performance has declined by 6% since 2016.

Dublin Performance

Dublin performance further declined as follows:

- For the full 2018 calendar year, performance declined by 1% to 88% for mail posted in Dublin County to Anywhere in the State and performance for mail posted in Dublin County for delivery in Dublin County declined 2% to 88% compared to 2017;
- The performance of mail posted Outside Dublin County for delivery in Dublin County declined 3% to 87% for the full 2018 calendar year compared to 2017. This appears to have been mainly due to a significant decline of 12% for this mail flow down to 59% during December 2018 compared to 2017.

Background

Under the Communications Regulation (Postal Services) Act 2011, ComReg is the designated national regulatory authority for the postal sector with the overarching function to ensure the provision, throughout the State, of a universal postal service that meets the reasonable needs of postal service users. The same Act designates An Post as the sole "universal postal service provider".

ComReg's statutory functions include setting quality of service standards for the universal postal service, which is provided exclusively by An Post, and monitoring An Post's compliance with those standards. In 2004, and following a public consultation, ComReg issued a direction to An Post which set quality of service standards for the universal postal service. The direction set a next working day delivery standard of 94% for single piece priority mail posted in the State for delivery in the State and a 99.5% standard for delivery of such mail within three working days. ComReg re-consulted on these standards in 2015 and following that consultation the same 94% and 99.5% standards were retained.

ComReg is also statutorily required to monitor compliance by An Post with the quality of service standards and to publish an annual report on the results of its monitoring. EU legislation requires that, in any Member State, the quality of the universal postal service shall be measured by a body that is independent of the provider of that service. The quality of the universal postal service must also be measured using statistical methods

set out by the European Standards Institute (CEN) and mandated by the European Commission.

ComReg appointed Ipsos MRBI to independently monitor An Post's compliance with the above quality of service standards and An Post appointed KPMG to independently audit Ipsos MRBI's monitoring process is in accordance with the CEN requirements.

The monitor measures the rate of delivery of domestic single piece priority mail which includes standard envelopes, large envelopes and packets, posted within the State for delivery within the State. The monitor excludes "bulk mail" which often involves a deferred delivery in return for a price discount.

The total number of effective observations in the monitor in 2018 was 28,256 valid test mail items and the accuracy variance on the overall annual 89% result was +/- 0.9 %.

KPMG's audit (which included a six month interim audit and a final annual audit) of the 2018 Ipsos MRBI monitor covered the monitor's documentation, processes, controls and statistical results. The KPMG audit confirmed that the monitor was in material compliance with the applicable CEN standard EN13850:2012 and that the 2018 results are materially reliable and robust. KPMG noted in its report that the Ipsos MRBI team continue to have a high level of expertise and knowledge regarding the monitor.