



## REMARKS

By

The Deputy Premier & Minister of National Security  
The Hon. Michael H. Dunkley JP MP

### ON THE PROPOSED CLOSURE OF THREE SUB-POST OFFICES

29<sup>th</sup> April 2014

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Good afternoon and thank you for coming.

For over a century the Bermuda Post Office has been a reliable and strong institution. From the days of Postmaster William Perot, Bermudians have relied on the Post Office to deliver mail locally and from overseas.

With the advent of the telephone, email and instant messaging via social media, the business conditions for the running of the Post Office have become increasingly challenging.

This means that it is prudent to examine the business model and to develop ways to increase efficiencies and realize new opportunities to increase revenue.

The public will recall that the SAGE Commission's Final Report of October 2013 addressed the lack of efficiencies presented by maintaining a postal system that only minimally takes account of these advances in technology and their effect on communication.

That Report referred to the Post Office as "a costly example of the consequences of not implementing change." This Government remains determined to make all aspects of the Public Service more efficient and to do so in a manner that preserves jobs while providing best value for the taxpayer's dollar.

The need for change in the Post Office has been recognized by both sides of the political aisle and it was under the previous Administration that the Management Consulting Section was engaged to chart a way forward in the move towards greater efficiency in this area.

The study conducted by this Section identified three sub-Post Offices for closure. The criteria supporting this recommendation included:

1. The amount of use/customer traffic
2. The impact on the BPO's overall mandate, and
3. The current sub-post office's operating costs and revenue

The three (3) sub-post offices earmarked for closure are St. David's, Harrington Sound and Somerset Bridge. These facilities will close with effect from 1st November 2014.

In closing these three sites no jobs will be lost. While some staff will be transferred to other areas into vacant posts, I wish to assure residents that home delivery of mail in these areas will continue.

In keeping with the spirit of the Collective Bargaining Agreement, this morning a team from the Ministry has already met with representatives of the Bermuda Industrial Union, the Bermuda Public Services Union and the affected staff to advise them of these changes.

The immediate savings resulting from these closures will be about \$75,000; however, as part of the closure plan, the Government is considering options including the sale, lease or alternate use of the sites, each of which would realize further savings or additional revenue.

Additionally, the Post Office will communicate directly with affected residents regarding their post boxes and at-home delivery and every effort will be taken to make a seamless transition to different mail delivery and collection.

It may be useful to provide an example of the unsustainable nature of the current way we do business. The St. David's Post Office has 683 post office boxes and only 208 of them are rented. As the SAGE Commission observed, "it is clear that the Post Office's current business model is no longer sustainable."

In closing, let me assure the people of Bermuda that this Government is committed to finding the right balance between the efficient delivery of public services and the economies needed to sustain them now and into the future.

Thank you.