

# Community & Post Office

THE IRISH  
**POSTMASTERS'  
UNION**



## Submission by the Irish Postmasters' Union (IPU) to the Joint Oireachtas Committee on Transport and Communications Networks

Tuesday, March 16<sup>th</sup>, 2021.

### **Attending**

General Secretary:	Ned O'Hara
Union President:	Sean Martin, Tramore Post Office, Co. Waterford
Union Vice President:	Ciarán McEntee, Threemilehouse Post Office, Co. Monaghan
Treasurer:	Tony Wall, Ushers Quay Post Office, Dublin 8.

Chairperson and members of the Committee, thank you for the invitation to address you today with the hope that you will recognise the urgency of the situation facing the Post Office Network.

We ask that that you will express to the Taoiseach and the members of the Cabinet the urgency and benefit of supporting the Network with the financial support recommended by business advisors Grant Thornton, in its *Review of the economic contribution and financial sustainability of the Irish Post Office Network*, published last September.

The investment recommended by Grant Thornton will bring numerous benefits:

### **Community**

Gives medium term certainty to communities that their local Post Office, which was a designated an 'essential service' during the current pandemic, will remain at the heart of their Community.

### **Consumers**

Provides local services to all members of society – in particular the marginalised, financially excluded and the most vulnerable.

Provides a high level of customer service for postal, banking and cash transactions.

Delivers over €4.6 billion in cash transactions to Social Welfare customers, without transaction charges. Research in the UK by Citizens Advice found that the Post Office is one of the most important services in local communities ahead of the bank, library and pub.

### **Local Businesses**

Money handed out locally is spent locally thus sustaining and creating jobs locally. Grant Thornton reported a multiplier effect of two on the €4.6 billion in welfare payments to local businesses.

As bank branches close, the Post Office Network is critical to small businesses to meet their daily cash and banking needs.

### **Government**

Currently facilitates Government services Social Welfare and NTMA, but can do a lot more. Physical deterrence of fraud and greater security for business and Government and can be the 'State on your Doorstep' for Government.

Post Offices provide a reassuring sign of the presence of Government in communities.

### **Environmental**

Can provide one-stop-shop services, no need for multiple trips. Reduce carbon footprint by keeping services local. Can provide trusted avenue for the 'Green Agenda'.

### **Social Linkage**

Provides social cohesion, social connection and community identity. Helps sustain communities, helps people with low literacy financially excluded and most vulnerable.

### **Information Exchange**

Provides Government, tourist and community information and helps with social isolation.

### **Safe Secure Trusted**

Safer environment to do your business, one of the last trusted 'face-to-face' institutions left.

May I remind you what Deputy Peadar Tóibín said during a Dáil debate on 21 October 2020.

*"We have a choice here. One of the problems I have noted in my time in this House is that there are certain issues or topics for which every single Deputy will declare support, for the sake of the common good, with Post Offices and Credit Unions being two examples but when it comes to action and putting money where our mouths are, this Chamber has let down those organisations for generations. Rather than have everybody from all sides of the House saying nice things about the Post Office network, can we actually support this motion and make sure that there is money to pay for the continued existence of the network."*

### **Why the urgency?**

Transformation payments agreed with An Post in 2018 were on the assumption, that by 2021, there would be a range of 'new' Government services made available to support the Network. However, none of these services have yet materialised.

The challenge now faced, is related to this delay in providing these new Government services, promised since 2018, but only now being seriously examined, following an announcement by the Minister of State for Postal Services Hildegard Naughton last week, to establish a

new Inter-Departmental Group to examine directing more Government business to the Post Office Network.

**This is too late.** There is a cliff-face in front of the Post Office Network coming at the end of June. Decisions need to have been made and actions taken before then.

The Grant Thornton Report warned of 'unrestrained Post Office closures' after June 2021.

Their analysis recommended an annual Public Service Obligation (PSO) of €17million, which it said would represent value for money for the State and provide a return of between €334 and €776 million.

Currently the Post Office Network:

- Serves 1.3m customer per week
- Carries out 30 million DEASP transactions per annum
  - €4.6 billion in cash payments
  - Brings a multiplier of at least two
  - Is a fraud deterrent
- Employs 1,409 FTEs.

The IPU believes that a PSO should be in the form of annual Government retainer payment to be put in place from this summer with a commitment among all parties (Government, An Post and Postmasters) to expand the range of Government services provided.

Postmasters are ready, willing and able to provide many additional services with immediate effect. These are already identified in previous reports developed by Bobby Kerr (2016) and by An Post, Government and Postmasters in 2018 and include motor tax, licences and renewals, registrations, identity verification, community information, IT / Office hub, etc.

Independent research carried out by RED C last year found that 86% supported the Government providing financial support to keep their Post Office open and 86% wanted more State services available at their Post Office.

## **Conclusions**

The day of reckoning has arrived for the Post Office Network – and it is now about actions and not platitudes.

The Government needs to act quickly and decisively to keep Post Offices open by ensuring a financial intervention is put in place before the end of June this year.