

POST Office Presentation
September 2020

Tom O'Callaghan
Postmaster

indipostmaster@gmail.com

Government Strategy:

Reduce budget
deficits

Open competition for
national contracts

Dept. Social Protection is working towards:

E-Transfer for all social welfare payments

Reduce/Eliminate Cash Transactions

Open Competition/Tenders for Contracts

Reduced transaction fees for social welfare payments

Post Office network is not a concern

Post Masters are seeking:

1. An Post to provide the sole Bank A/C for Social Welfare payments

2. An Post and Banking

3. Investment to facilitated banking through the Post Office

4. All government departments to channel business through the post office

5. An overall government Strategy for the sustainability of the Post Office network

The Post Office Network:

1. An Post to provide the sole Bank A/C for Social Welfare payments

The key to the sustainability of the Post Office network is for An Post to be the sole provider of the Bank A/Cs required to facilitate the Department of Social Protection strategy to move to e-payments. The users A/C would be linked to a Post Office thus maintaining office services in the community and facilitating the customer locally, while also controlling potential fraud.

The Post Office Network:

2. An Post and Banking

An Post is currently working under an Agency Banking model. A state/community banking model would be more sustainable, provide funding for SMEs and local communities while also provide the necessary bank A/Cs to facilitate social

The Post Office Network:

3. Investment to facilitated banking through the Post Office

The provision of banking through the Post Office Network will require initial investment.

National Treasury Management Agency has over €23 Billion in deposits. This should be incentivised for investment to public banking.

The Post Office Network:

4. All government departments to channel payments through the post office

Post Masters believe that many other financial and administration transactions between the state departments and service users can be channelled through the Post Office Network: eg Motor Tax etc.

This was identified by Grant Thornton, the Oireachtas joint Committee on Transport and Communications and the Post Office Network Business Development group.

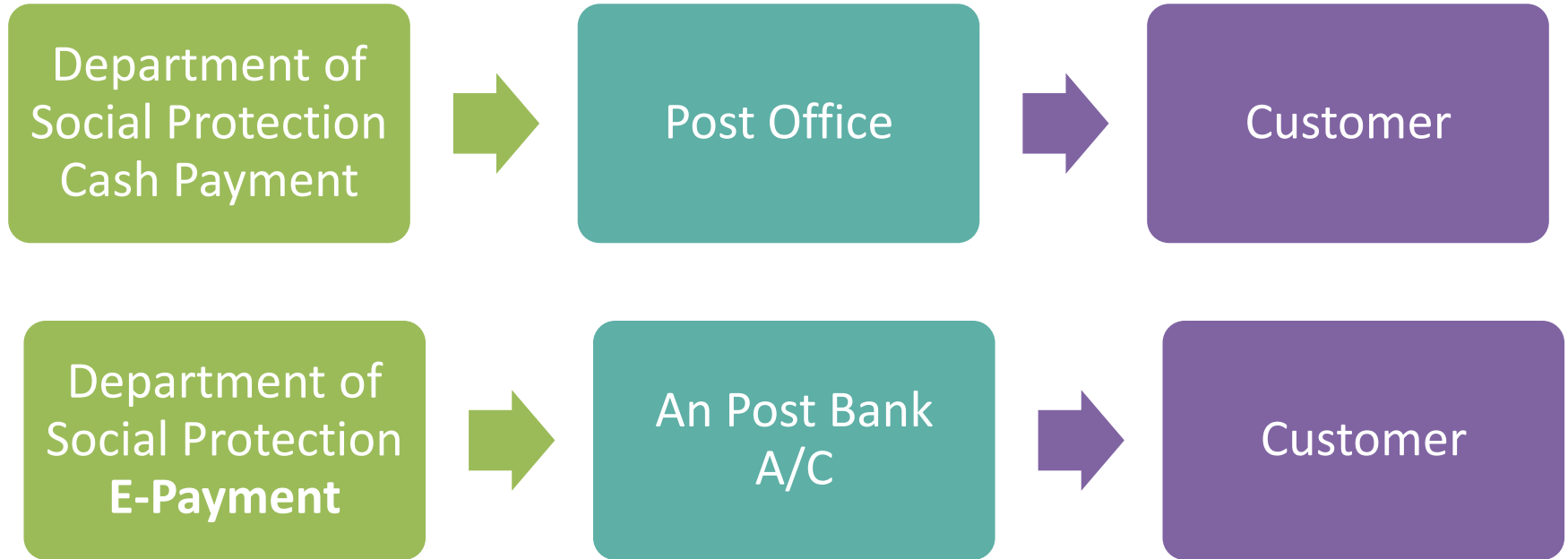
The Post Office Network:

5. An overall government strategy for the sustainability of the Post Office network

The Post Office Network is a key state institute. Government policy in its current format is detrimental to the network.

An healthier vision for our society is one that includes tried and trusted institutions such as An Post with a progressive vision. An Post and the Postmasters are facilitative, forward thinking and open for business and believe we can work in conjunction with the government to achieve budget targets and technology enhancements to its service provision.

Proposed Solution



Provision of a Bank Account through the Post Office Network will

1. Carry forward its customer relations.
2. Facilitate the fight against social welfare fraud.
3. Continue, and even improve, financial services in the community.



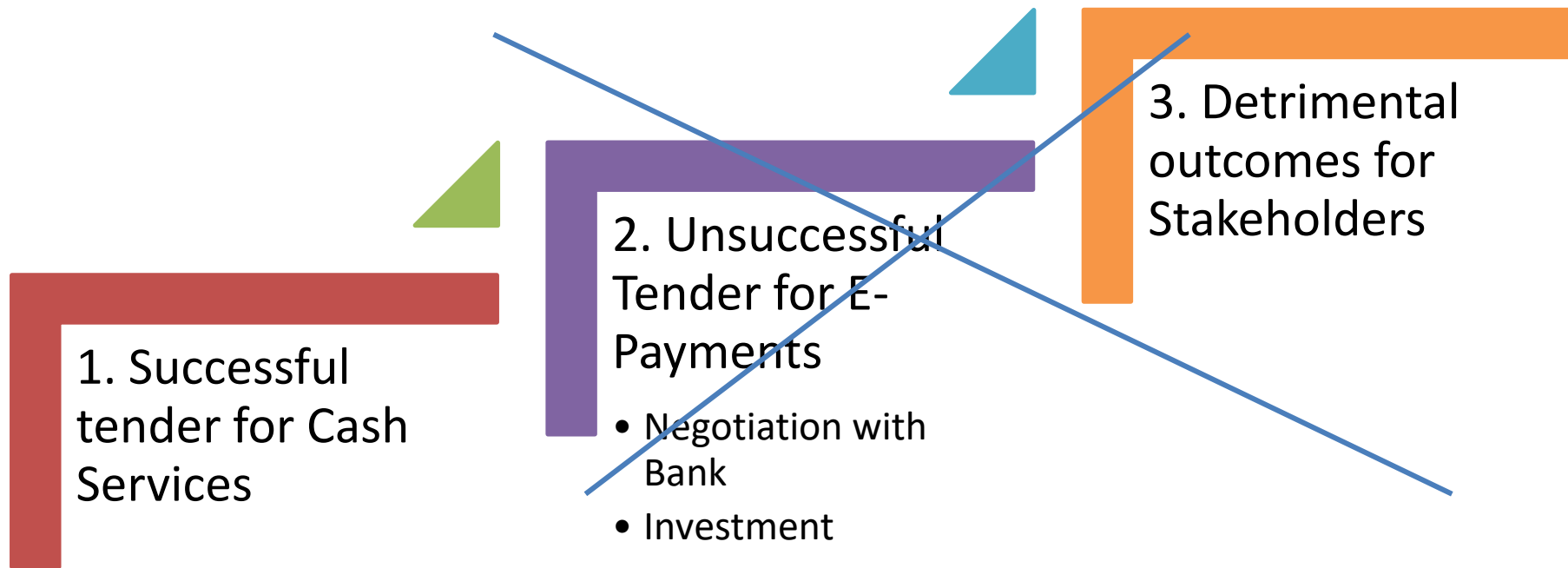
The sustainability of the Post Office network is successful tender for:

1. the Social Welfare Over the Counter Cash Services contract and
2. the Social Welfare E-Payment Solutions contract.

Success at tender for the first contract will only sustain the network in the very short term.

Success on the second tender is dependant on a licenced bank that can provided the necessary bank accounts. It will required investment from An Post to facilitate the accounts.

Success for An Post will ensure a good result for all stakeholders: Government, An Post, Post Masters, Customers and Communities.



Failure on the E-tender is detrimental to the Post Office Network.
The Post Office network will not survive on cash transactions alone given Government policy to move to e-payments.
This will be detrimental to stakeholders including : An Post, Post Masters, Customers and Communities.
Current model will not survive due to the transition to a cashless society without constructive government action.

Tendering

- Tendering process does not take into account the unique selling point of the Post Office network.
- Post office isn't competitive under economic tenders
- But with a social and economic value system the Post Office network wins

National Infrastructure

- One of the last government agents existing in communities throughout the country.
- Covid – the Post Office was the only government agent trading in towns and villages
- Is the government going to let that go?

Current Time Bomb

Legacy Tri-annual Review

Approx 300 offices

- Scaled payment review every 3 years based on transactions.
- Significant income reductions in these incomes now as transactions move online.
- 25-30% drop in Social welfare and other transactions.

Current Time Bomb

New Contracts – July 2018

Approx 600 offices

- Salary Subsidies to end June 2021
- Payments based on transactions
- Offices facing 25% decline in transactions due to Covid
- Introduction of bi-weekly social welfare payments will halve transactions

Government Subvention

- Temporary Government Subvention acceptable and necessary until a long-term solution is found.
- Repayable
- Short term

Conclusion

- Transactions in decline – offices not viable.
- Drive government business through the network.
- Tendering – social and economic value.
- State/Community Bank model needed.
- Government Subvention – short term.
- New business has to be developed.
 - **The POST OFFICE is key to a vibrant local community**

DÁIL ÉIREANN

Fógra Tairisceana : Notice of Motion

GNÓ COMHALTAÍ PRÍOBHÁIDEACHA PRIVATE MEMBERS' BUSINESS

“That Dáil Éireann:

calls on the Government to:

- act on its commitment as outlined in the Programme for a Partnership Government;
- implement an action plan for the post office network within three months;
- implement a new community banking service operated by An Post to be made available in all post offices throughout the country; this post community bank could be based on either the New Zealand Kiwibank model or the German Sparkassen model, both of which have been found to be valid models;
- consider a once-off Capital Investment Fund for the further modernisation of the post office network to enable the widespread provision of banking services in rural and disadvantaged urban areas, most of which have been completely abandoned by the current banking model;
- ensure that the provision of all over-the-counter services relating to Government departments must be tendered for on the basis of both social and economic grounds, to include rural Ireland in any future growth;
- ensure that all business previously identified by Grant Thornton, the former Oireachtas Joint Committee on Transport and Communications and the Post Office Network Business Development Group must be implemented;
- establish a working group to identify the potential for local post offices to act as hubs to facilitate other services such as health, transport, agriculture, etc., and to act as a one-stop-shop for Government services as committed to in the Programme for a Partnership Government;
- strongly consider committing funds, while the above measures are being implemented, to ensure no more downward pay reviews to post offices which will make them uneconomical and have the effect of closure by a thousand cuts;
- ensure that a five-year holding plan will be put in place while these changes are being implemented or there will be no network left to salvage; and

We need action

“Save Your Post Office”

