

DÁIL ÉIREANN

AN COMHCHOISTE UM IOMPAR AGUS CUMARSÁID

JOINT COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Dé Céadaoin, 18 Bealtaine 2022

Wednesday, 18 May 2022

Tháinig an Comhchoiste le chéile ag 1.30 p.m.

The Joint Committee met at 1.30 p.m.

Comhaltaí a bhí i láthair/Members present:

| Teachtaí Dála/Deputies | Seanadóirí/Senators |
|------------------------|-----------------------|
| Joe Carey, | Jerry Buttimer, |
| Cathal Crowe, | Gerard P. Craughwell, |
| Steven Matthews, | Timmy Dooley, |
| Darren O'Rourke, | Gerry Horkan. |
| Ruairí Ó Murchú, | |
| Duncan Smith. | |

I láthair/In attendance: Deputy Danny Healy-Rae.

Teachta/Deputy Kieran O'Donnell sa Chathaoir/in the Chair.

Future of An Post Network: Discussion

Chairman: The purposes of this meeting are to discuss the future of the An Post network with the Irish Postmasters Union and, separately, to meet with the chair designate of Bus Átha Cliath. The meeting will be held in two sessions. On behalf of the committee, I welcome to the first session, which is to discuss the future of the An Post network, the Irish Postmasters Union representatives: Mr. Ned O’Hara, general secretary; Mr. Sean Martin, president; and Mr. Ciarán McEntee, vice president.

Witnesses are reminded of the long-standing parliamentary practice to the effect that they should not criticise or make charges against any person or entity by name or in such a way as to make him, her or it identifiable, or otherwise engage in speech that might be regarded as damaging to the good name of the person or entity. Therefore, if their statement is potentially defamatory in relation to an identifiable person or entity, they will be directed to discontinue their remarks. It is imperative that they comply with any such direction. For witnesses attending remotely outside the Leinster House campus, there are some limitations to parliamentary privilege and, as such, they may not benefit from the same level of immunity from legal proceedings as a witness physically present. Witnesses participating from a jurisdiction outside the State should be mindful of their domestic law and how it may apply to the evidence they give.

Members are reminded of the long-standing parliamentary practice to the effect that they should not comment on, criticise or make charges against a person outside the Houses or an official, either by name or in such a way as to make him or her identifiable. I remind members of the constitutional requirement that they be physically present in the confines of the Leinster House complex in order to participate in public meetings. Reluctantly, I will not permit a member to participate when they are not adhering to this constitutional requirement. Any member who attempts to participate from outside the precincts will be asked to leave the meeting. I ask any member participating via Microsoft Teams that, prior to making their contribution, they confirm they are on the grounds of the Leinster House campus. Members attending in the committee room are asked to exercise personal responsibility to protect themselves and others from the risk of contracting Covid-19.

I invite Mr. O’Hara to make his opening statement.

Mr. Ned O’Hara: We thank the Chairman and members of the committee for the invitation to attend. I am joined by Sean Martin, postmaster in Tramore, County Waterford and president of the union; and Ciarán McEntee, postmaster in Three Mile House, County Monaghan and vice president. We are pleased to appear before the committee and hope our contribution will help in its deliberations.

The Irish Postmasters Union, IPU, is the representative body for postmasters in Ireland and celebrates its 100th anniversary this year. We represent 90% of Ireland’s postmasters. Most post offices - and many people do not know this - are independent businesses run by postmasters under contractual arrangements first developed in 1907. We are independent small and medium enterprises contracted by An Post to run post offices. We are not State employees. We are not paid a fixed salary but make our living on a fee-per-transaction basis.

The post office network is a well-established national asset and is ever evolving. It is the largest retail network in Ireland with 920 branches. Some 875 post offices are run by independent postmasters who operate as small businesses and provide employment for almost 1,500

full-time equivalents.

The network provides a range of traditional postal, financial, e-commerce and Government services to over 1.3 million people, or 28% of the population, every week. The key services provided through the network are mails and parcels; social welfare payments; An Post Money, involving current account, credit card and personal and green loans; everyday banking for commercial banks, involving lodgements and withdrawals for Allied Irish Bank and Bank of Ireland; Government services such as television and dog licences, Garda fines and passport express; financial services for the National Treasury Management Agency, including prize bonds, fixed-terms savings, regular savings and deposit accounts. In the commercial arena we provide retail products for bill pay, money transfers, Western Union, national lottery, gift vouchers, mobile phone top-ups, iTunes vouchers and the Postmobile service. We serve a valuable social purpose and play an important role in local communities. We act as an anchor providing a local government, business and social presence. It connects family and friends, fosters democracy and is a key part of our emergency and national infrastructure. We provide an essential public service in urban and rural communities, helping to address financial and social exclusion as we fill the gap left by retreating banks, Garda stations and struggling high streets. We operate in places where other retailers do not and we offer services that other retailers do not. We are one of the last institutions offering five and a half days of face-to-face service. In many communities, the post office is the last remaining entity for financial services as retail banks reduce their branch networks or withdraw from the market entirely.

Throughout the Covid19 pandemic, postmasters defined the essence of public and community services, keeping the network open to ensure the continued distribution of cash to customers and the economy. We operated without interruption providing a full range of financial services, vital social welfare payments and much needed business continuity that supported the national economy.

It is hard to put a price and value on this service - indeed, it is actually priceless - but the social value of the post office has been independently valued to be at least €344 million in a report by Grant Thornton that was published in 2020. The union recently published a new report by Grant Thornton, which found that the network has the capacity to provide solutions to modern challenges. It identified a range of Government services that can be provided through the network that will support Government in achieving its central policies, including rural development, remote working and climate action.

On the provision of everyday banking services, approximately 540 post offices in Ireland are located in areas where there are no banks within 5 km. Accessible banking for everyone should be a basic right and it can be met through our extensive network.

In the same way, with Garda stations closed in many communities and to alleviate the administrative burden on gardaí, identification services for passports and driving licences and the maintenance of the electoral register can and should be provided by local post offices. The network is ideally placed to ensure that people have the option of person-to-person offline access to vital services, particularly for those who do not transact online. Covid-19 has highlighted that significant numbers of people are not online and many leaned on their post office for services, information and advice. There is an opportunity for the network to become a green hub for the processing and delivery of retrofitting grants and delivery of vital services and actions to achieve our climate targets and a low-carbon economy.

A re-think of how the post office network is being funded for its role in supporting wider so-

cial and community goals is now urgently required. The Grant Thornton report recommended that the Government invest with urgency in the post office network and pointed to a €12 million funding gap which needs to be met by Government investment in order to retain the valuable services provided by postmasters. This funding gap, which was previously estimated at €17 million, has been reduced by €5 million through the efforts of postmasters investing in our businesses, working with An Post, getting trained, securing additional services and responding to community needs.

We are reaching a crisis point. That is the stark reality. The Irish post office network is at a critical juncture. We now need a firm commitment from Government that it will pay a contract fee of at least €12 million for the delivery of essential services and we need that commitment in the coming weeks or post offices will close. We receive calls daily from burnt-out postmasters in all areas of the country who are seriously considering their immediate future. Many local post offices - large and small, urban and rural - will likely be forced to close if the financial conditions under which they operate do not change. If Government does not take action and take it very soon, large scale resignations - the term we use is “unrestrained resignations” - and closures will be inevitable.

Throughout the pandemic, postmasters never once shut the doors. We more than proved our worth and our importance to society but we are now left fighting for our own survival. The post office is one of the most trusted brands in Ireland. It is hard to think of another business that offers as many essential everyday services while at the same time providing a vital service to the community. Allowing post offices to fail would harm the national economy while devastating many vulnerable households and communities. We are calling on the Government to recognise the national asset it has in the post office network. It matters as much today as it did 100 years ago and will be even more critical in the future.

Chairman: I thank Mr. O’Hara very much. We will now move to members. The first speaker is Senator Timmy Dooley, who has roughly seven or eight minutes.

Senator Timmy Dooley: I thank the Chairman very much. In fairness, I do not think I will need all of the time. I thank the Irish Postmasters Union for being here. It has appeared before this committee and its predecessor on many occasions. I compliment the witnesses again today on the very straightforward presentation they provided us with. I do not think they are asking for anything other than what they are entitled to and to which the State is entitled.

The post office network provides a hugely valuable service. There is no doubt that over recent years, the demand for the services has reduced and that will continue over time in the way in which people are living their lives. They are transacting much more online. Notwithstanding that, a very considerable cohort of people out there use the services that are currently available. The postmasters have rightly identified on many occasions that it would be wrong to deprive those people of that service. They have challenged us now and in the past, particularly Government, to identify a suite of services that could be delivered through their offices and unfortunately, that has not been forthcoming. If that was in place, it would make their service more viable on the basis that they are contracted on a per-click basis, if you want, or a transactional basis, and they have done really well at that.

First, I want to express my continued and ongoing support. In a previous role, I prepared a paper on this particular matter in which we looked at the idea of having a public service obligation on the post office. That has not materialised, unfortunately, but if we even pull back from what the actual solution is or what the particulars of it might be, the overarching requirement

in my view is to provide a stream of funding to An Post to contract with it to provide services, whatever those services might ultimately be.

From my perspective on the committee, I fully support that approach. I would hope that the committee will be able to take a decision at the end of this hearing. I propose in a formal way that the committee endorses the witnesses' recommendations today and that we send a strong message from this committee to the Government that we want to see an amount of money. I estimated it in the past, and there will have been inflation and all of that, which the witnesses will know about and with which we are all coming to terms, somewhere between €10 million and €12 million as the amount of money that would be required to address the deficit, if you want, or moneys that would be needed to ensure that no further offices close.

In my constituency and others, we have seen smaller offices close, which is regrettable. I know there is not a capacity to turn those back but we want to protect and preserve what we have. If we are serious as politicians, then we should be prepared to recommend to Government that an amount of money yet to be determined, which in my view is somewhere between €10 million and €12 million, should be made available to An Post with the very strict instructions that the money goes towards the preservation and protection of the existing network. In parallel with that, let us all work to try to ensure there is a greater suite of services in a changing society that would make some of the offices viable.

I will go back to a point I have often made before, however. We should not be just talking about the viability of a service provider. Nobody looks at a road and asks whether it is viable. To me, the post office is as important in a village as the road that gets a person to the village. In many cases, it is the harp over the door. It is the only element that says the State still values this village. I can tell you as a rural representative traversing the county, as I do every week, that as a State and as an institution, Government and Parliament, we were damn glad of those villages when people could not travel any more than 2 km from their homes during the pandemic. It was the post offices and small shops that kept the whole show on the road during that time when those of us who travel around more and go to centres to do shopping were not able to do so. Thankfully, the post office and the shop were there. The witnesses know better than I that when the post office goes, it is not long before the shop goes as well. It starts a rot, unfortunately, on which we have to turn the tide. On the positive side, if there is any positive to come out of the pandemic, it is the fact that people now see an opportunity to work from home and live in rural areas and villages again. Thankfully, the post offices have stayed the distance. I hope we can start with the roll-out of broadband, which is now at an advanced stage, so that more and more people will be able to live in villages and their surrounding areas in rural Ireland. Therefore, it is vital that we retain that key piece of connectivity. The presentation has been on the money. I do not need further explanation, and I expect that will be the case with most people. I have little further to say other than I am committed to that. I hope we can take a unanimous approach. I propose that we send a message from this committee to endorse everything the postmasters are doing. We want the Government to provide a stream of money, between €10 million and €12 million - but it can be determined - to support what they do. We will also ask that the work on what further services they can provide is expedited.

Chairman: In that regard, before the witnesses' comment, following on their appearance, we will have a response from the Minister of State, Deputy Naughton, when she comes before us next week. We have also sent an invitation to An Post. We take what Senator Dooley said very seriously and we as a committee support it, but we want to be proactive about it as well. I invite Mr. O'Hara to respond to Senator Dooley's comments.

Mr. Ned O'Hara: I thank Senator Dooley for his comments. I put on the record that he has long been a supporter of the post office network. Today, I came across a picture of him from 15 or 16 years ago supporting the post office network. However, the figure outlined by Senator Dooley is a little bit of out date. Grant Thornton specified a minimum of €12 million. That is the only quibble I have with him.

Senator Timmy Dooley: Allowing for inflation.

Mr. Ned O'Hara: Other than that, I welcome his comments and support.

Chairman: I think he said between €10 million and €12 million.

Senator Timmy Dooley: I probably did.

Mr. Ned O'Hara: We welcome his support. He has long been a supporter of ours and we appreciate it.

Mr. Sean Martin: On behalf of our members, we certainly want to put on record our thanks to the Oireachtas committee in particular, but also to all politicians. In recent months, our members have been out meeting people and the support and courtesy they have got from all public representatives has been heartening. While we are getting the help and support, we now need action. That is what we are here for today. We are here to call on the Oireachtas to ask the Government to act on the Grant Thornton report and to deliver, as our general secretary said, the €12 million that is needed. Anything less, even €11 million, would probably put 100 post offices at risk. For the sake of between €1 million and €3 million, we must ensure that it is €12 million at a minimum.

Chairman: That is based on an updated report from Grant Thornton that the IPU commissioned.

Mr. Sean Martin: The report came out in April.

Chairman: It is very fresh. I assume the report has been delivered to the Government.

Mr. Ned O'Hara: Absolutely.

Deputy Duncan Smith: I thank the witnesses for being here. We have two sets of witnesses today that embody something that is rare in this country, which is trust. Mr. O'Hara referred to it in his opening statement. The people of Ireland trust our post office network and they have every reason to do so.

I am only a Deputy for two years, but I was on the staff here previously. I am still scratching my head as to why we are in this perennial position of crisis and being about to fall off a cliff and having to ask the Government for what is essentially a modest amount of money in the overall scheme of things to protect a service that is nationwide, massively trusted, and provides a plethora of vital services. In addition, the postmasters are not asking for money to stand still with the services they have or to prop up outdated and antiquated services, they are offering solutions to modern challenges and problems and saying not only will they continue to do the work they are doing, but offering services relating to passports, drivers' licences and daily banking. We have spoken at length about the problems we had with driving licence renewals and the very thin regional spread of the National Driver Licence Service, NDLS, centres, the fact they do not take cash and that they are closed, yet we have a network that is spread all over the country with people willing to do this service and with the expertise to do it, but the Govern-

ment never seems to pick up the phone to ask them to do that.

I fully endorse and support what Senator Dooley asked. We should do that. I have one question. Why are we continually here? As a representative body, the IPU is asking for a modest amount of money for a service that is trusted. A post office is essentially a one-stop shop. We want that to be the case in each community. Why are we in a perennial crisis? Why do the witnesses think the issue has never been resolved? Why are post offices always left behind and the representatives have to continue to turn up at the committee year in, year out with the same asks?

Mr. Ned O'Hara: One of the reasons is that the answer lies across several different Departments and we are not a priority for any Department. It needs a centralised Government decision, either at the level of the Taoiseach or the Tánaiste. It needs to be a Government decision rather than an individual departmental decision. We do provide services across a range of Departments.

Chairman: Which Departments deal with An Post?

Mr. Ned O'Hara: The Department of Transport in terms of driving licences. We also deal with TV licences and Garda fines. The Department of Social Protection is the biggest one. That is four Departments. We understand that the Government's agenda or even the people's agenda is digital, and we think that the officials who plan are just planning in digital mode: they are not looking at the transformation or the number of people who continue to use and need to use offline solutions. That is part of it. The issue is the lack of a champion, rather than any ill will towards the post office network. As Mr. Martin said, every Deputy and official we meet support the post office network, but somebody needs to grasp the nettle, make the decision and do something.

Postmasters are exasperated. We do not want to be seen coming with our hand out. We offer the services that we can provide. We say we can provide more services. People say they want to use us. They say An Post is the most trusted brand in Ireland. We say that the postmasters, who are the people who provide the service, are the people who provide that trust. It is not an organisational thing. It is about the experience when people come into post offices. I cannot fathom why it has not been done up to now. It seems to me at one level that it is just a case of making a decision. If people are concerned that investing in the post office network would become a black hole, we have said on numerous occasions that we are agreeable to have any plan reviewed over the normal business planning cycle of three to five years. We recognise that the world is changing. We are around for 100 years. We are not providing the services now that we were providing 100 years ago, but we are still providing services and we are still used each week by 1.3 million people. I do not know why somebody does not just do it. Perhaps it needs to be a Government decision. We hope that is what is going to happen.

Deputy Duncan Smith: Mr. O'Hara is looking to the Taoiseach or the Tánaiste.

Mr. Ned O'Hara: I do not think there is one member of the Cabinet who would disagree with the statement that the post office network is valuable and has provided the services Senator Dooley outlined. We were available within the period of the 2 km and 5 km limits. We went out of our way to help people during the lockdown. We provided services above and beyond the call of duty. As to the question Deputy Smith asked about the reason, I do not know

Deputy Duncan Smith: I do not know either. I represent a constituency in Dublin that is

part urban and part rural. I acknowledge that members of the IPU visited me in my clinics, who were fantastically articulate and passionate about the job they do and the service they provide. The threat that they will not be able to do it for much longer is very real. We are talking about postmasters and postmistresses who are in towns that have already lost Garda stations and local banks and it is really only post offices that are left providing services in terms of facilities with a trusted harp above the door. I believe we will endorse what Senator Dooley said, as a committee, but rather than just sending it up the chain, so to speak, how do we go beyond that and try to grasp the situation in a way that is different?

Chairman: I am assuming the IPU is in discussions with the various Departments and Ministers.

Mr. Ned O'Hara: We are not really in discussion with any of the Departments. The Department will not discuss issues directly with us. We lobby them and we meet the officials, but we deal directly with An Post. I assume An Post is in negotiations or discussions with the Department. As I said, we have got our members to lobby every Deputy in Ireland over the past six months.

Chairman: Does the IPU have any interaction with the interdepartmental group that is up and running?

Mr. Ned O'Hara: No. We made our submission. When we met the Minister of State, Deputy Hildegarde Naughton, in March of last year, we were promised that the interdepartmental group would report by the end of July. We are still awaiting that report. We have met the Minister of State on a number of occasions. We have met the Minister, Deputy Eamon Ryan. It is work in progress.

Chairman: How recent were those meetings?

Mr. Ned O'Hara: The last one with the Minister of State was immediately before Christmas. We were at a parliamentary party meeting yesterday which we thought the Minister of State would also be at but she was out of the country. I do not think the Minister of State has any objection to meeting us in principle. Our 100th conference is on in two weeks' time and the Minister of State is coming to that to speak. She is welcome to come to that to speak.

Chairman: What can we do? Mr. O'Hara and his colleagues are the experts. They represent the 833 members throughout the country. With what structure can we assist the IPU in this regard?

Mr. Ned O'Hara: What we want is a decision. There are three options when it comes to a decision. We either get a "Yes", a "No" or a "Maybe." We do not want "Maybe." Either tell us we are wanted and do something about it or tell us we are not wanted and we can get on with the rest of our lives. Many postmasters-----

Chairman: When does the IPU need the decision made by?

Mr. Ned O'Hara: Under the current arrangement we have with An Post, we must give six months' notice if we want to terminate our contracts. We had a negotiation with An Post last year on the pandemic relief fund, which runs out at the end of this year. Postmasters are making their decisions now if they are going to make a decision.

Chairman: That means that by the end of June, they have to get a decision as to whether

they will be gone by 1 January 2023.

Mr. Ned O'Hara: Then it will not be a Government decision whether post offices will close. Individual postmasters will make that decision. That is the concern.

When we were quizzed on this a few years ago when we were negotiating an agreement, we were asked to explain - something like the Chairman is asking me now - what would happen. My answer was interpreted as that there would be unrestrained closures. There will be unrestrained resignations if a decision is not made.

Chairman: Ultimately, we are talking about a window of approximately five or six weeks at most.

Mr. Ned O'Hara: At most. People are under pressure, up and down the country. It is not confined to rural areas.

Chairman: That is the reason the committee has brought the matter to a head. It is the reason that the representatives from the IPU are here today and that the Minister of State will with us next week.

Mr. Ned O'Hara: It is the urgency.

Chairman: We are following up on the urgency. We are conscious of it.

Mr. Ned O'Hara: And a decision, not a "Maybe."

Mr. Sean Martin: I thank Deputy Duncan Smith. Probably the most relevant question that has been asked over the past number of years is why are we still in the same position we have been in considering how important the post office network is to the economy. We hand out €6.7 billion into local economies. Jim Power put a multiplier of two on it. That is hard cash that sustains businesses locally; it creates jobs locally. In the context of the climate and a green agenda, we keep services local. There are fewer carbon emissions and there is a smaller carbon footprint.

We provide access to postal services and financial services for the most vulnerable in society, for the marginalised, for the less well off and for the people who are living hand to mouth. That is a considerable service we give to the Government, and we probably give that free.

Many of our postmasters feel frustrated and annoyed that the Government still has not made a decision as to whether we are valuable enough to invest a small amount of money in. We are not looking for money for nothing. There are extra services we can provide. We named them, not this year, not last year but over the past number of years. We have said we can do form identification for social welfare, for passport express, for the electoral register. We also said we can do form generation. This, we believe, can save the taxpayer millions of euro because we can do it on an only-when-required basis.

Chairman: Maybe Mr. Martin can elaborate on that. I am conscious there are quite a lot of members looking to come in. It is obviously a relevant topic for people.

Mr. Sean Martin: Sure.

Mr. Ciarán McEntee: Just to say that we are contractors. Ours are individual post offices that can be paid by transaction. If we were all in a group, it would be different but every post

office is paid by every transaction it has.

Chairman: Fee price.

Mr. Ciarán McEntee: People will not leave villages because the post office is in the village. As Senator Dooley said, when the post office closes in a village, the shop and everything else goes. That is why we are always fighting.

Chairman: It is not just about the postmasters.

Mr. Ciarán McEntee: Yes. It is to keep villages in rural Ireland and urban Ireland alive.

Chairman: I thank Mr. McEntee. I thank Deputy Duncan Smith. I now call Deputy Carey.

Deputy Joe Carey: I thank the witnesses. I engaged with them last evening at the Fine Gael Parliamentary Party. I want to state publicly my support for the IPU in its campaign to achieve the ultimate aims that are set out in the Grant Thornton report. The Government needs to step up to the plate and provide the €12 million that is required. I certainly believe that we need to get a decision on this urgently and that we need a positive decision from the Minister of State.

Many of the questions I intended to pose have already been asked. They would have been in terms of the type of engagement the union has had with Government. Mr. O'Hara confirmed that the last meeting with the Minister of State was before Christmas. Has Mr. O'Hara sought a meeting since then with the Minister of State to get an update? The committee will be meeting with the Minister of State next week. I am engaging with her on a one-to-one basis and have written to her. I met members of the IPU in my office in Ennis. They put across a robust case.

The post office is at the heart of every community. It is an integral part of community life. It would be a retrograde step if we were to dismantle that critical service in our communities. Twelve million euro is really a small sum to pay to sustain all those post offices.

I strongly endorse the union's stance. I ask the Chairman that the committee do so as well, and make it clear to the Government that we want a positive result on this and we need it urgently.

Chairman: We can do so in a structured way. We can endorse the latest report.

Mr. Ned O'Hara: The Minister of State has indicated that she will meet us, and that she will attend and will address our conference.

Chairman: When is the conference being held?

Mr. Ned O'Hara: On 4 and 5 June.

Chairman: It is at a critical time.

Mr. Ned O'Hara: Yes, but the Minister of State's office has indicated that she will meet us prior to that.

Chairman: I will allow Mr. Martin and Mr. McEntee to elaborate on what the postmasters can bring to the table in terms of extra services. Maybe they can respond to Deputy Carey in that context.

Mr. Sean Martin: I thank Deputy Carey for his kind words. We met the Deputy last night at the Fine Gael Parliamentary Party meeting. The Deputy has been a huge supporter of ours over the past number of years, as has the Chairman. The Chairman's help has been extremely important to us.

I challenge any politician or public representative to tell me today that the €12 million that we are looking for is not value for money considering what we bring to communities. We bring, as I said, the €6.7 billion in relation to the economy, we bring - Grant Thornton put this figure on it, not us - in excess of €344 million in the context of social dividend and social cohesion, and we bring the green agenda in respect of keeping carbon emissions down by keeping services local.

There is an amount of extra that we said we could do. We could do the ID verification and form generation for passports, for the electoral register and for the Department of Social Protection.

Chairman: In that context, how did the renewal of driving licences not come in?

Mr. Sean Martin: Our understanding was the tender was only looking for 30 outlets and An Post tendered for probably 300 or 400 outlets.

Chairman: Did An Post tender at the time for it?

Mr. Sean Martin: The company tendered, but on the basis of 300 or 400 outlets rather than what the tender looked for, which was probably 30. I think that is the reason we lost.

We are not looking for sole exclusivity of any product or service. What we are saying is that we should be an omnichannel. We should be an offline solution for the Government to enable it to deliver any sort of a service. I was at the public forum on banking the other day. Someone made a major contribution in stating that if one can make it easy for the elderly, one makes it easy for everyone. That is a hugely important point. By making it easy through the post office which we do, the last thing one wants to do now is to take that service away from the community and to be left with sleeper towns. That is what we will face if the Government does not make this decision over the next couple of months.

Chairman: Does Mr. McEntee wish to comment?

Mr. Ciarán McEntee: My view is the same as Mr. Martin's. We are all based in rural and urban villages. There are many things that we have produced on this. Every Government-----

Chairman: I know this myself.

Mr. Ciarán McEntee: -----Minister and Deputy has received our submissions on all of the different services we do. There are many other new services, such as the electoral register and others. They are local.

A simple thing happened the other day. A lady in her 50s and her 16-year-old son who needed a passport came into the post office. They had done the application online but it was sent back to them. They did not know what to do, so they came over to us in the post office. We filled out the forms and sent them away. As Mr. Martin says, the post office is a vital part of the community. If we do not have something in the community, all the rest of the-----

Chairman: They applied online and the consent forms and follow-up forms were required

online. Was the local post office was able to assist them?

Mr. Ciarán McEntee: Yes, because some people are not good at doing these things.

Mr. Ned O'Hara: An example of that is in the North, where an assist fee is charged. When people who cannot fill out a passport application form go to the post office in the North and in the UK for assistance in filling out the form, they are charged a fee. In Ireland it is digital only, so the assistance is provided via a tutorial on the website. That is a service we could provide. It could be a supplementary service. The point Mr. McEntee is making is that we provide assistance to people to fill out forms that they cannot do themselves. We do that on paper.

Chairman: We appreciate the situation with passports at the moment. It takes a huge amount of our time. We are glad to do it as public representatives. Anything that would assist in streamlining that would be helpful. Does Deputy Carey wish to come back in?

Deputy Joe Carey: I am okay.

Chairman: We will move now to Deputy Darren O'Rourke.

Deputy Darren O'Rourke: I thank the witnesses. So far, we all seem to be very much on the same page on this issue. I expect that this will remain the same for the rest of the meeting. From my own perspective, I would like this committee to speak with a united voice on this. I would like to see the Minister to go to the Irish Postmasters Union conference and announce that a decision has been made on this.

Chairman: We appreciate that, Deputy O'Rourke. We are always looking to work in a collective manner at this committee.

Deputy Darren O'Rourke: Yes. That is what I think needs to happen. Until that point, I would have concerns about this issue. I had concerns coming here because we are all on the same page on this issue but we have not seen movement on it. To me, that sets off alarm bells. I am concerned that there is an unspoken plan in place whereby 900 post offices are considered not viable and we are going in the direction where a figure in the region of 500 will face closure. I firmly believe that is the wrong track.

Senator Dooley and others have spoken about the impact of an anchor institution with a State presence. The figure of €344 million was raised. I do not know what kind of calculation goes into that. This committee went to Shannon Airport on Monday. I drove back up through Clonalvy, County Meath, a small place of which most people will not have heard. It was one of the places that lost its post office in 2018. On Monday night, we were talking about how to save the school there. That is the type of thing that happens in rural areas. We lost other post offices and we do not want to lose any more.

One of the points I want to raise is that there is a perception that it is the small, rural post offices that are under threat. That is not my sense of the situation. I represent a number of what would be considered larger urban areas. Can I get the Irish Postmasters Union's perspective on that?

Mr. Ned O'Hara: I thank Deputy O'Rourke for the question. Again, I thank him for his support. We have met him before. He has supported us, and he speaks in favour of us. The issue we have in relation to post offices is that there is a commonly held view that the small, rural post offices that are under threat. The answer that has been given to me before has been

interpreted as a case of unrestrained closures. We do not know where they will take place and we do not know how many of them there will be. We expect that the urban post offices, particularly given the recent increases in costs, will likely be most under threat. That is the fear. If the big post offices close, then the model will become unsustainable. We are not differentiating between large, medium or small post offices. All we are saying is that every post office is on the economic margin its own right.

Mr. McEntee made this point a few minutes ago. Every post office is different. They are the same, but different. They are all on the economic margin for different reasons. There could be a selection across any town or any village in Ireland. It also includes the cities. Large post offices in Dublin could be at risk.

Deputy Darren O'Rourke: Would Mr. O'Hara say that An Post, the Department or the relevant authorities have made the same analysis or that they share that same perspective?

Mr. Ned O'Hara: They must have, because I get applications every day from postmasters who are interested in retiring. They ask what would happen if they retire. I pass them on to An Post. Because of GDPR, An Post then deals with them directly. I get applications or expressions of interest from people across the spectrum who say they are no longer able to provide the service. This is increasingly the case in urban areas.

Deputy Darren O'Rourke: I would like to ask about the contract fee and the Grant Thornton report, which points towards a figure of €12 million. Separate to that, there is the argument, which I think is a very clear one, that there are more services that post offices should be providing. There is also the interdepartmental issue. How do the two issues relate? Is it the case that post offices need to provide additional services for the €12 million? Could the figure of €12 million be based on existing transactions or on the services that are already provided? Do they need additional services to be diverted to post offices?

Mr. Ned O'Hara: We will go back to the Grant Thornton report of 2020, which identified the cost of providing a network of approximately 900 post offices at €70 million. It identified the commercial revenue as €52 million. The gap was €17 million. We feel that there are services there. We do not want money for nothing. We feel that we currently provide services and we do them unpaid. We feel that there are more services, as Mr. Martin has pointed out, that are available. We therefore feel that the Government should make an investment and that it should allow us to provide the services that people want, and that people say they want, rather than just supporting the post office and giving it a PSO for nothing in return. We feel we have something to provide in return. We want to provide the services. The people for whom we provide services want our services.

On the issue of the contract fee, rather than the Government giving money for nothing, they should give money and we will provide services in return. We provide many services at the moment for which we are not paid. There is the service of giving advice - Mr. McEntee has just given an example of people coming into the post office to look for help with filling forms. Many people find it difficult to fill forms. Mr. Martin made a point in relation to form generation. We could help people to complete forms, either physically on a piece of paper or online if it makes life more simple. These are services that people want. I would like help filling out some forms that I get from the Government. They are very complicated.

Mr. Sean Martin: That is a valuable service that we give. The extra services that we provide to our community are probably unrecognised and unrecompensed. We just do not get

paid for them. Mr. McEntee named one of them. The Department of Social Protection gives people forms and we do a lot to help people to fill out those forms. We do a lot in relation to bereavement. When somebody loses a family member, we are the people who pick up much of the slack in that area. We do much work in giving out tourist information and we do not get paid for that. We do a lot of caring for our community. If Mícheál, Leo, Éamon or Hilda do not turn up on a particular day at a particular time, we make sure someone contacts them or someone calls them. We do an awful lot of work that people do not see us doing. However, we are happy to do it. What we are saying to the Government is that we are looking for an overall solution here. We can deliver more services, but we need that €12 million in order to be able to stay viable and sustainable.

Chairman: I thank Mr. Martin. We will now move on to Deputy Matthews.

Deputy Steven Matthews: I welcome the witnesses today. In particular, I compliment Mr. Martin, because he has rallied the postmasters to contact each and every Deputy. They came to all of our offices, sat down and laid out their cases. They actually looked to take a photograph afterwards. Normally it is the job of the politician to make sure that the photograph is taken, but the postmasters did that. We all support this. There is no doubt about that and that can be heard here. In the conversations that I had with those postmasters, they outlined the point that Mr. O'Hara also raised about the social value that they bring. I note that the report puts that social value at €344 million. That is sometimes hard to quantify. It is sometimes hard to put a finger on what the social value is.

I raise a question in the context of the figure of €12 million. The figure had been €17 million, and it went to €12 million. Is that figure of €12 million based on services that post offices have now started providing or is it based on all the other services they could provide, which would mean the Government support would be reduced by that figure of €5 million?

Mr. Ned O'Hara: The reduction has come about because postmasters have not been sitting on their hands. For instance, there are new Bank of Ireland services. An Post won a Bank of Ireland contract to provide agency banking for Bank of Ireland, so that is some of it. In addition, new customs services arrived because of Brexit. There are new services we provide that nobody would have forecast three or four years ago. Much shopping is now done online. If a person imports a parcel from England, for example, there is duty involved, so the customer goes to a post office and pays the duty that is due. Customers are expected to complete a customs declaration when posting a parcel. The postmaster helps with that and there is a fee included in that. In the past 18 months or two years, we have generated additional revenue that has helped to reduce the deficit that Grant Thornton originally quantified.

Deputy Steven Matthews: To expand on that, I refer to the figure of €344 million in social value. The figure we are looking at now is €12 million, and I think that is entirely good value to protect the post office network, all it is doing and all it potentially can do. To look at it from the viewpoint of the Minister of State, Deputy Naughton, however, one needs to consider whether there is more that could be done, more productivity achieved and more services provided to bring this figure down. I presume the figure we are considering is a multi-annual one. Let us say the figure is to be €12 million. The IPU needs to know that will be there for the next three to five years.

Mr. Ned O'Hara: We are saying that the normal business plan is a cycle of three to five years. I do not think anybody can forecast beyond that.

Deputy Steven Matthews: Are there more services that the IPU has stated post offices could provide? There needs to be far more discussion on these services and what else that entails for the physical post offices if they are going to provide the services.

Mr. Ned O'Hara: One of the services we can do in an increasingly digital world is to provide identity verification. It seems to me that in the context of a closed digital system, once you are in, you are in. The gateway to access to those systems can be guarded by postmasters. If a person wishes to access a system, he or she would have to present proof of identity to a postmaster. It may be that postmasters need to be made peace commissioners to do this. The postmaster would be the verifier of identity for people entering closed digital networks or, for instance, entering their name on the electoral register. All present know the electoral register is not currently accurate. I have been living in Dublin for almost 30 years and I have been visited only once to see how many people live in my house. If I was required to attend the post office with photographic ID, such as a passport, to get onto the electoral register, we would have a better electoral register. We have identified several services we can provide for the contract fee. That is one of those services. Mr. Martin referred to form generation. The green agenda is something we can do. We can provide services locally. We already provide a certain amount of services of which people are not aware locally. We can justify the €12 million in the context of value for money for the Government. As I stated, we do not want money for nothing. We can provide services and have identified them. There is an interdepartmental group examining the number of offline services that can be provided. The findings of that report have not yet been produced. We can do all of those things.

Deputy Steven Matthews: The Chairman stated that the Minister of State, Deputy Naughton, will be coming before the committee shortly.

Chairman: She will be coming before us on 1 June.

Deputy Steven Matthews: Do we have a detailed breakdown on the capital cost that will be required or information on the service postmasters can provide and the amount of income that will bring in in the next three to five years? It is very much a business case that we are trying to put forward. I do greatly appreciate the social value of this.

Mr. Ned O'Hara: In the original Grant Thornton report, there was chapter and verse in respect of numbers.

Deputy Steven Matthews: Those are still valid at the moment.

Mr. Ned O'Hara: They are. They were only produced 18 months ago. We got an update. I am not sure another Grant Thornton report is needed at this stage. There is enough information available. An Post is the main source of that information. There is enough information to provide whatever is required by the Department to justify or make a business case for it. We firmly believe that.

Mr. Sean Martin: Due to the time constraints, it is probably difficult to put a transaction fee on each of the services we offer. Mr. O'Hara stated that we can do something relating to the green agenda, and I hope the committee would endorse that. It relates to being a conduit for retrofitting nationally. We are a trusted organisation. If a person asks us to send a trusted person to look at his or her house to see what he or she can do in respect of retrofitting it and upgrading the insulation, we can do that. We believe we are well placed to do it. We could then set in motion the person to actually deliver that service. It is difficult to put a price on that, how-

ever, because of the amount of time and effort that may be involved. That is why we are kind of saying it needs to be a whole-of-government approach. It cannot be a case of an individual Department giving us €1 million from its budget because it thinks we can offer a particular service. The Government as a whole has to say that this is value for money and an important national asset that we have to ensure survives not for the next three, four or five years, but for the next 100 years. We have been there for the past 100 years and I think we have something to offer for the next 100 years.

Deputy Steven Matthews: Sure. I think Deputy Smith made the point earlier that it is a trusted entity that knows the community so well. That is part of its value as well.

I am almost out of time but I did not quite understand the point in respect of the pandemic relief fund point with reference to June and six months.

Chairman: I ask our guests to go through that issue.

Deputy Steven Matthews: It is an important point.

Mr. Ned O'Hara: In 2018, we made an agreement with An Post for a three-year transformation agreement. There was evidence that transformation was working before the pandemic. The pandemic impacted our efforts to transform ourselves. We made an agreement with An Post that it would support us for another 18 months because of the pandemic. Our transformation agreement, if one likes, was extended by 18 months to allow us to transform ourselves from being service providers to being agile retailers, if members will pardon the clichés. That runs out at the end of the year, so we will be on our own two feet.

Chairman: Would it be fair to say, in layman's terms, that the IPU has come to an arrangement with An Post whereby An Post is providing a pandemic support that will continue up to 31 December of this year?

Mr. Ned O'Hara: Yes.

Chairman: As they are self-employed, postmasters have to give six months notice to An Post if they decide to terminate their contract.

Mr. Ned O'Hara: Yes.

Chairman: If that pandemic support payment is to conclude on 31 December, the postmaster has to give that notice by 30 June at the latest.

Mr. Ned O'Hara: Yes.

Chairman: That brings significant urgency in terms of planning for postmasters. To put it in context, looking at this as an accountant, one always goes back to basics. The IPU is seeking €12 million. It is probably reasonably accurate to say there are 888 post offices. I make it out to be €13,500, on average, per post office per year, €1,126 per month, or €260 per week. Is that a reasonable overall view?

Mr. Ned O'Hara: That is a calculation we have not yet reached because-----

Chairman: I am taking an average. The moneys that are involved per individual post office-----

Mr. Ned O'Hara: We have not even-----

Chairman: Is it fair to say the sums of money will not be huge?

Mr. Ned O'Hara: They will not be huge. We have deliberately avoided any discussion in respect of the dispersal of any funds.

Chairman: I can discuss it. The committee can discuss it

Mr. Ned O'Hara: The Chairman can discuss it but we-----

Chairman: Is that fair to say that the average amounts involved per individual post office are small?

Mr. Ned O'Hara: Yes.

Chairman: That may be lost in the overall context, yet its importance to the local village and for the postmaster is enormous. Members of this committee are dealing with matters on the ground and we know that.

Deputy Steven Matthews: That is fine. I thank the Chairman for clarifying that.

Chairman: Mr. O'Hara does not mind that; does he?

Mr. Ned O'Hara: No, that is fine.

Deputy Cathal Crowe: I welcome Mr. Martin, Mr. O'Hara and Mr. McEntee to the committee. I was following the proceedings from my office and I have read the written statement they provided. I will get to the finances in a moment because that is why they are here. It is what will save the network.

First, I wish to touch on the human aspects of this matter. I have homed in on two things Mr. O'Hara's opening statement. He stated that postmasters are "independent small and medium enterprises contracted by An Post to run post offices". They are not State employees and they are not paid a fixed salary. He later stated: "We receive calls daily from burnt-out postmasters in all areas of the country who are seriously considering their immediate future." In recent months, Dáil Éireann has heard of soldiers who have had to sleep in cars and of nurses who could not pay their mortgage. Are some postmasters - pillars of the community who provide a vital service in rural Ireland - impoverished by the current model of payment they receive?

Mr. Ned O'Hara: I am not sure I can answer that question. As I said, every post office is different. It is my experience in dealing with them on a daily basis that they are all on the economic margin. Are any of them sleeping in cars? I do not think so. They run businesses and why would they stay in business if it is not sustainable? I do not understand the question. They are under pressure economically but they are not sleeping in cars, if that is the question.

Deputy Cathal Crowe: No, I referenced that as an example. We have heard from other groups and people come before the Houses of the Oireachtas and they explain how they are pressurised. I used the example of our armed forces and members of the Defence Forces sleeping in cars, which they referenced. In this very room just a few months ago we had representatives of the Irish Nurses and Midwives Organisation, INMO, telling us their members - front-line nurses - were under savage financial pressure and some were unable to afford their mortgages and had gone into arrears. I was asking about postmasters, given they are not on a salaried system but deal with transactional payments. In certain rural post offices, transactions may be slim enough and footfall might be pretty low, so are some of them struggling to a point

where they are pretty much impoverished?

In my rural county, one or two postmasters have told me they stay open because of family tradition. It is quite similar to the case of the rural pub and it is not that they are making any great wage packet or income out of it. There is, instead, a cultural obligation to the community and surroundings to stay open. Does Mr. O'Hara feel some of those which he represents are in that category of being on the bread line?

Mr. Ned O'Hara: I suppose the answer to that is "Yes".

Mr. Sean Martin: I can answer that and they are. The difficulty they have has been expressed by the Deputy. Over the next couple of weeks they need to make the decision of whether they will let down their community or incur debt. It is the big decision they must make. It is now becoming unviable for many post offices. We probably have 200 post offices throughout the country and when we strip costs from them, the people in them are working for less than the minimum wage. The Deputy is right.

Deputy Cathal Crowe: It is the very point I am trying to get to. We are supportive of the delegation's position, which Mr. O'Hara explained really well in his opening statement. We are supportive of this financial model and it must be actioned. The postmasters need certainty on this in the next two to three weeks. We are fast approaching June and the uncertainty that brings for all of the witnesses' colleagues throughout the country. It concerns me.

The delegation is representing a national organisation but I know of individual cases where I am concerned for people's welfare because the post office struggles. It must offer more services and income streams and in its current form, it does not.

There is the idea of somebody retiring and resigning a contracted position with An Post. Some of the contractors are under huge pressure because the current rationalisation model in a county like Clare means there should be a post office at every 15 km of map radius. It is worked out from the GPO and circles are drawn on maps around each post office. Some of the circles overlap and some do not. There is much pressure if a postmaster or postmistress decides he or she has had enough and wants to pack it in and go for an easier life. There is much pressure on the retirement, whether it is on age or health grounds or because of financial pressure or family reasons. When they retire, the rationalisation process kicks in and the post office closes. Very often, that contract is not awarded to somebody else and it becomes a survival game.

When Broadford post office in Clare closed, there was an unintentional and inadvertent consequence of making Kilkishen post office over the road stronger because of the ludicrous rationalisation rule. Has the postmasters' union a position on the 15 km rule? It should not be operating and it is shutting post offices that should be viable and remain open.

Mr. Ned O'Hara: We have no view on that. It is a policy decision for either the Government, the Department or An Post. The protocol was brought in by An Post in 2018 and before that there was no protocol. Before that, post offices closed as postmasters retired whether or not the service was required. At least now there is some structure in that regard. The current protocol is that there should be a post office for every population centre of 500 people or one for every 3 km radius in an urban area or 15 km in a rural area. The union has no view on that protocol. We recognise that there cannot be a post office for everyone in the audience. Is 500 a good number? I have no view on that. There is a census this year and it may lead to a review of the protocol. I presume that number will go up.

We know there are 750 post offices and if their postmaster retires, they will stay open. There are approximately 130 or 150 other post offices and if their postmaster retires, it would not be advertised. We are not involved with that protocol. We have no view on the size, for example. We see it as either Government or An Post policy. We welcome the structure it gives because before it the process was totally unstructured.

Deputy Cathal Crowe: The delegation will come before the committee again and I would love to hear an analysis of that. The union may not have a position currently and feel it is beyond its realm but in County Clare that 15 km rule can be damning. Deputy Matthews is beside me and if he and I were postmasters and I decided to retire, it would make his position stronger. In my local village the service for that 15 km radius would be gone. It does not work and it is slowly shutting things. Postmasters are then working until their late 70s or early 80s because they feel the minute they turn the key in the door and walk out, the service will be gone, not just in their village but in the 15 km radius around it. It is doing major damage in rural areas. I would love an analysis of that in due course.

Mr. Ned O'Hara: If the population figure stays at 500, there would have to be, by definition, more post offices if that protocol is followed. If the post offices of Deputies Crowe and Matthews, to use the Deputy's example, were within the protocol, the service would not be closed. Both would be advertised.

Deputy Cathal Crowe: I will fire out the last few questions quickly if Mr. O'Hara does not mind. On the Grant Thornton report, the postmasters' union engaged on that a few times over the years. The most up-to-date report recommending Government intervention dates to September 2020. Given Covid-19 and everything that has happened in between, is that report current or is it slightly outdated?

Mr. Ned O'Hara: We have an updated report from this year. The answer is "Yes" and "No", at the risk of giving an Irish answer.

Chairman: There was a report in April.

Mr. Ned O'Hara: It is as up to date as it was 15 months ago. Inflation has kicked in since. We got an updated report in April and it has identified the gap from our perspective as being €12 million. The costs may have gone up from €70 million but we have got no pay increase. The cost of providing the network remains at €70 million. The revenue was €53 million. We get additional revenue from Bank of Ireland and the customs service, arising from Brexit, as well as one or two other things. The gap has been closed by €5 million but the network now needs a minimum of €12 million.

Deputy Cathal Crowe: Nobody is envisaging that this will happen but will Mr. O'Hara spell out what would come about if there was no Government intervention? If nothing happened or everything remained static, what would happen in June and the months that follow?

Mr. Ned O'Hara: The Deputy may have missed the point earlier but an unrestricted number of postmasters would tender their resignation. I do not know how many postmasters would do that and I do not know where those postmasters would be. In his opening remarks, the Deputy referred to the economics of each individual post office and each post office is an individual business. It is down to those postmasters on the economic margin. Those who do not see an economic future for themselves will tender their resignation. It is an unrestricted number. Could it be 100 or 200 postmasters? It would be in that order. These are the people-----

Chairman: Mr. O'Hara believes up to 200 postmasters of the 833 would resign.

Mr. Ned O'Hara: Potentially.

Deputy Cathal Crowe: I ask about agency banking. Some of the postmasters with whom I have communicated around home tell me that from a consumer perspective, that is very attractive. A customer can use banking services, which would be good, as there have been bank closures in rural Ireland too. I am hearing this could be worth an average of between €1,100 to €1,200 per year. Mr. McEntee is shaking his head so what does he think?

Mr. Ciarán McEntee: It depends.

Mr. Ned O'Hara: It depends on the post office. It depends on whether the Bank of Ireland or AIB branch nearby has closed.

Deputy Cathal Crowe: It is transactional again.

Mr. Ned O'Hara: Yes.

Mr. Ciarán McEntee: It depends on local business. The Deputy spoke about post offices struggling. Some post offices have three staff and the postmaster may be getting less than a staff member. It is a big problem and that will happen. I have a small post office and survive because I run it by myself with my wife in a rural area. Some offices have three staff and there is no backup. A neighbour of mine closed the post office and gave it up, leaving somebody else to take it up. That happened because she had no wages for herself after she paid staff.

Mr. Ned O'Hara: Getting back to banking services, there is a post office in Tramore and he will not benefit from providing Bank of Ireland services at all because there is a bank branch in town. However, a town up the country with no Bank of Ireland is benefiting. It makes sense at a gross level, but it may not at an individual level. There are winners and losers in a relationship like this one.

Mr. Sean Martin: The Chairman put it elegantly when he talked about bringing it back to simple accountancy. By December of this year, there will be a reduction of between 20% and 40% in post offices' income if the pandemic funding stops and there is no other Government support. Effectively, the post office system as we know it will collapse.

Deputy Cathal Crowe: I wholeheartedly support the points that the witnesses are making. They are seeking State intervention, which needs to happen urgently. The witnesses will have our support and I hope that our committee will lobby the Government for it.

Beyond financial supports, there is a need for greater footfall through post offices' doors.

Chairman: We need to move on, Deputy. I have a good number of members wishing to contribute.

Deputy Cathal Crowe: I will wrap up in the next ten seconds. If I go to a post office, it is for a parcel, stamps or whatever. There needs to be a greater range of services available there. People have turned away from getting their passports through the post office because that process takes too long. Last July, the Minister of State, Deputy Naughton, committed to unveiling a suite of offline services that people could avail of at their post offices. To save the sector, we need to see those now in tandem with the financial package.

Chairman: The Minister of State will be appearing before us the week after next. I got my dates wrong.

Senator Gerry Horkan: I thank the witnesses for attending. I also thank them for their leaflets. I receive their IPU updates every two months or whenever the case may be, and those are informative and helpful.

In his statement, Mr. O'Hara outlined that An Post, of which post offices are the customer-facing part, was one of the most trusted brands in the country. It is probably more trusted than any bank or other financial institution. There is a great deal that is positive about it. Equally, though, I just asked a couple of people in their 20s upstairs about when they were last in their post offices. One could not remember and another said it was last Christmas to buy stamps for Christmas cards. What is the age profile of the people who come in the door every day and every week and where is that going? I get the impression that it is mostly older people. My mother uses the post office regularly and thinks it is a fantastic service to have.

I could probably name seven or eight post offices within two miles of me in my area of Dublin, but two have closed. One had a bakery in the shop as well and probably achieved higher margins by making that part of the shop bigger and getting rid of the post office. The post office is much more essential in less densely populated areas because the next one is so much farther away.

I was listening to the earlier contributions from my office. The witnesses are asking for €12 million on the one hand and, on the other, saying that they do not want money for nothing and that they are looking for other services. What other services can we deliver? I do not understand why An Post's tender for the driver licence service included 300 facilities if the tender process was only seeking 30. I do not know why it did not compete on what the tender process was seeking. Nor do I know why we need to set up a driver licence system when the post office could have provided the service across the country.

What is the future of the business in terms of transactions? I worry about broadband, in that, as broadband becomes available across more of the country, more services will go online and people may use post offices less. Where is the area of expansion and what can we do, as a Government and as a committee lobbying the Government, to give post offices more services that they do not currently have? The customer profile is changing, as is the business profile. Since the pandemic, I presume that the number of cash transactions in post offices is down. What else can we give the post offices to improve the viability of their business and allow them to generate that €12 million through services as opposed to just giving each office a lump of cash?

Chairman: I will add to that. Could a formula be found whereby, to ensure post offices continued, they had an annual contract payment and new services coming on stream would reduce the level of the €12 million?

Senator Gerry Horkan: To add to that, we are all supportive of the network and individual postmasters and postmistresses. We understand the strain they are under. None of us is familiar with the situation unless we know a postmaster or postmistress. The funding model is per transaction. Presumably, some post offices in urban areas are doing well because they have many transactions. I do not know the range. When the Vintners' Federation of Ireland appeared before the finance committee three or four years ago, it stated that half of its members had a turnover of less than €200,000 per year. Do the witnesses have that breakdown as regards their members? Do 20% of them have turnovers of less than €10,000 or €30,000 per year and

a couple are making more than €500,000 per year? Do we have those figures?

Mr. Ned O'Hara: None is making more than €500,000 and there are many in the lower segment of offices earning up to €50,000. For the vast majority, the amount is less than €50,000 or €60,000.

Regarding services, it depends on how one views the network. Someone could say that there will be no post offices in ten or 15 years' time, but we are looking at the next three to five years. There will be a post office and services provided for the next three to five years. The agreement we reached with An Post in 2018 saw us transforming from being service providers into agile retailers, if the committee will pardon the clichés. We depend on An Post to provide the services to us, and I had to ask about some of them myself, for example, the Gift Voucher Shop, One4All service and chip and PIN gaming. I do not understand what they are, but they are for young people. We also handle mobile top-ups. An Post is working hard to develop new products and services aimed at all sections. It looks at the age profile of customers and realises that it has to get younger customers-----

Senator Gerry Horkan: Is it fair to say that most of a post office's customers are in the older band?

Mr. Ned O'Hara: Yes, although it depends on the service. At a macro level, we have identified services that we can provide. For example, in this digital world, we can perform identity verification to ensure that the correct people are in the various systems and we can complete forms online.

We do not try to think beyond three to five years. If one were to ask any business person developing a three-to-five-year business plan whether he or she knew what was going to happen, that person might know what would happen this year, would guess at the next year but would make it up for the third. Unless a business is an Amazon or-----

Senator Gerry Horkan: Every post office is different, but what is the greater revenue generator across the network?

Mr. Ned O'Hara: Social welfare payments and the spin-off BillPay transactions.

Senator Gerry Horkan: People come in, collect their social welfare payments and then pay their phone bills, ESB bills and so on.

Mr. Ned O'Hara: Yes. We get a spin-off from those bill payments.

Senator Gerry Horkan: Post offices are getting a fee for providing social welfare payments. Do post offices handle the identity verification part of those payments as well?

Mr. Ned O'Hara: No. We perform identity verification for money laundering purposes. This is unpaid, I might add. To comply with money laundering procedures, someone must present himself or herself at a post office with his or her photographic ID and two household payments-----

Senator Gerry Horkan: To collect social welfare payments.

Mr. Ned O'Hara: No. It is done for money laundering and State savings banking purposes, not social welfare payments. We could do it for those, though.

Senator Gerry Horkan: During the pandemic, many people's social welfare payments were paid directly into their banks. What percentage of people-----

Mr. Ned O'Hara: It is declining constantly. I believe it is 10%.

Mr. Sean Martin: It is approximately 15% or 20%. When discussing social welfare, it is important to put on the record what the Minister for Social Protection, Deputy Humphreys, has done for us in recent months, that being, to ensure that jobseeker's payments are handled through post offices again.

Senator Gerry Horkan: That was the identity verification issue to which I was referring.

Mr. Sean Martin: It is very important, not for us, but for the Government because it helps to eliminate fraud. We understand what happened during the pandemic as regards fraud.

Senator Gerry Horkan: Even for those whose payments are being moved electronically into their bank accounts, post office accounts or whatever directly, there is a value in them presenting themselves to post offices-----

Mr. Sean Martin: Absolutely.

Senator Gerry Horkan: -----and the post offices would get a fee. Having to turn up physically would address the allegation that people who had left the country, were now in employment or were doing nixers were still drawing down payments. If post offices were in every community, people would not have to travel long distances to social welfare offices. Is that service provided already?

Mr. Sean Martin: No. It is something for which we have been looking.

Senator Gerry Horkan: As we have seen during the pandemic, the future of pure cash transactions is receding, but there are many other services that the post office could provide. The driver licence service was a missed opportunity and I do not see the post offices being able to get it back, given that the other network has been set up. What other services can post offices provide? I am interested in what they could do in terms of the electoral register.

Mr. Ned O'Hara: We could handle that work, but we understand that the matter will be examined by a commission set up by the Department of Housing, Local Government and Heritage.

Senator Gerry Horkan: The commission has not been set up yet so there is scope within the commission to involve that. Social welfare represents the post office's biggest chunk of money. What is the next biggest payer of the bills of post offices?

Mr. Ned O'Hara: State savings-----

Mr. Sean Martin: The National Treasury Management Agency, NTMA.

Mr. Ned O'Hara: -----and mails. It is approximately 30% mails, 30% social welfare, 20% commercial, including BillPay.

Senator Gerry Horkan: Where is the State savings in that?

Mr. Ned O'Hara: State savings is 20%, so 50% is Government revenue. That is 50%, between social welfare and state savings. NTMA and-----

Senator Gerry Horkan: Is there another 30% in BillPay?

Mr. Ned O'Hara: No, in mails. There is then another 20% for BillPay and all of the rest of it.

Senator Gerry Horkan: At this stage, do mails comprise mostly of parcels?

Mr. Sean Martin: Yes, and letters.

Mr. Ned O'Hara: Yes, and parcels are not a growth area for us because parcels are generally generated from Amazon or from big companies who sell-----

Senator Gerry Horkan: It only arises when someone is sending a package to a son or daughter in Australia or America.

Mr. Ned O'Hara: Or when it involves returns from online shopping.

Mr. Sean Martin: One of the biggest opportunities we have is in agency or community banking, as we call it. We call it banking for everyone, which is being able to do AIB and Bank of Ireland business. We are still doing Ulster Bank business even though they are pulling out of the country. This is of great importance for us from the point of view of access to a branch, to a person or to cash. I attended a public forum on banking during the week and cash, we are told, is not going out of the system. Approximately 20% to 25% of people are still using cash exclusively and are not using a card and there is also a mixture of both usages. Cash is of great importance for communities because it is the cash that we hand out locally that sustains the local communities. It is of great importance, therefore, that we continue our use of cash. Agency banking can certainly be an opportunity for us where banks are pulling out of rural Ireland and out of the country. We can fill that gap and have been filling that gap up until now.

Senator Gerry Horkan: This revenue stream has reduced mostly from €17 million to €12 million.

Mr. Sean Martin: Yes, but let us not get caught up on the €12 million. That is needed to ensure we have the network of post offices that we have at present. Yes, the Senator is correct in that the transactions are falling. It is a challenge for us to try to get new people and younger people into the business but we are working hard at it and agency banking is bringing in that younger generation. One of the issues that came out of the banking forum in the Behaviour and Attitudes survey that it conducted was that it asked consumers what they wanted out of their bank, not their post office. They said that they wanted value, access, trust and security and we can deliver all of those four requirements and are well placed to fill the gap that some of the banks-----

Senator Gerry Horkan: Various services such as Postbank came and went. Are there any proposals from An Post as an entity in this regard? I acknowledge I am putting that to IPU officials. Postbank existed but did it then die?

Mr. Ned O'Hara: Yes, it did ten or 15 years ago. The issue in banking and serious loans is a capital issue. For instance, 40,000 or 45,000 mortgages were issued in the country last year. If one mortgage was done by each post office per month, approximately €2.7 billion would be needed; that is 12,000 mortgages a year. To finance one mortgage a month, then, for 1,000 post offices there is a capital requirement of €2.7 billion. Who will generate that kind of capital?

Senator Gerry Horkan: The post office comprises the withdrawals, lodgements and the

cheque clearing. Have An Post or the union had any discussions with Bank of Ireland or AIB about this? I get the impression that the banks would love to leave retail banking, or certainly reduce their footprint significantly, and have done this.

Mr. Ned O'Hara: We are doing Bank of Ireland business since last August or September and we have the full range of their services. We do not have the full range of AIB services and we understand that An Post is negotiating with AIB to provide more services. We do not have Permanent TSB but we see a future for us in doing transactions. We are accessible, secure and trusted.

Senator Gerry Horkan: To conclude, because I am conscious of time as other members wish to contribute, but what else can this committee do and what government services does the IPU want the Government to give to the union that it does not have? Is it the electoral register, more social welfare, verification of jobseekers', or what else? Can the union give me a list of five services it wants and let us go to look for them?

Mr. Ned O'Hara: We have listed them already. We want identity verification, form generation, the green conduit as in local access to all government services.

Senator Gerry Horkan: With the greatest respect, they all sound a bit vague. Can the union tell me that it wishes to do A, B, C and D? Is it identity verification for jobseekers?

Mr. Ned O'Hara: Yes.

Senator Gerry Horkan: Is it form filling for passports or driver's licences? Can the union give the committee a list that it wants and let us prepare a report and send it to each relevant Department, be it the Departments of Social Protection, Transport, Public Expenditure and Reform, or whichever else?

Mr. Ned O'Hara: My understanding is that has been done and is currently being examined by an interdepartmental committee. All the services that-----

Senator Gerry Horkan: When was that done because I am relatively new to this committee? Was that done three years or three months ago?

Mr. Ned O'Hara: The committee was set up by the Minister of State, Deputy Naughton, in March of last year and is currently compiling its report, which we understand is imminent.

Chairman: We can follow that up.

Senator Gerry Horkan: Yes, we can follow that up as time is of the essence. My last point is-----

Chairman: Please, Senator Horkan.

Senator Gerry Horkan: Can the union representatives explain the cliff edge in June?

Chairman: The Senator had one question and he made reference to the previous speaker. I have four to five more members who wish to make a contribution and we are caught for time. I thank the Senator and we now move, with the indulgence of Senator Buttimer, to Deputy Ó Murchú, who will contribute ahead of the Senator.

Deputy Ruairí Ó Murchú: Gabhaim buíochas and I thank, in particular, Senator Buttimer. I will go straight into this as to when exactly is the cliff edge meant to occur?

Mr. Ned O'Hara: It will occur at the end of June.

Deputy Ruairí Ó Murchú: It will occur in the end of June. This is the cliff edge that we had spoken about previously before the pandemic.

Mr. Ned O'Hara: Yes.

Deputy Ruairí Ó Murchú: To talk turkey, the union very much needs a solution.

Mr. Ned O'Hara: We need a solution by the end of June because, as we have explained earlier, we have an agreement with An Post to support us financially until the end of this year. If that support is not extended by Government investment, postmasters will decide if they are staying in business or not

Chairman: Is Mr. O Hara willing to put a financial figure on that pandemic support and on what that is worth on an annual basis at the moment?

Mr. Ned O'Hara: I believe An Post has the exact figure. An Post is currently negotiating what we will get for the next six months.

Chairman: No-----

Mr. Ned O'Hara: I do not have the exact figure.

Chairman: The question then is: how does that equate to the €12 million referred to?

Mr. Ned O'Hara: It is almost the same.

Chairman: That is the figure I need.

Deputy Ruairí Ó Murchú: That is the figure that will cover it. I am not going to repeat what has been said. We all accept the fabulous work that is done and the complete necessity of the post office network, whether that is in urban settings - what the union is saying about post offices in urban settings being in danger of closing is frightening - but it is an absolute necessity and is a major part of rural infrastructure.

We are talking about the necessity of the €12 million, in a perfect world, for the services that the post office is offering at this point in time. On the issue of any other services, such as the wider banking services referred to, or if the post offices are offered State services, is that money on top of that €12 million, which would make the system more sustainable? I know that the union will not engage in a negotiation here, and certainly not with this speaker.

Mr. Ned O'Hara: We are open to what that solution would be. For instance, if the Government comes up with more services, perhaps that €12 million figure will reduce.

Deputy Ruairí Ó Murchú: There is an algorithm of sorts then. It is what Deputy O'Rourke said earlier, which is that we need the Government to come up with and offer a solution as soon as possible because there is not a great deal of time left.

Mr. Sean Martin: If I may interject, please, Chairman. I will put another solution to the committee, which is around banking. We all understand the importance of banking in a functioning society. We are saying now that we have the biggest branch network out there with 900 post offices. We have that access of being available in every community.

Chairman: The broadband is good enough.

Mr. Sean Martin: We have cash, broadband, trust and we welcome the customer coming in the door, unlike some of the banks who will push the customer towards the machine rather than towards the friendly personal service. The State receives a banking levy at the moment in the region of €90 million. The banks are pulling out of rural Ireland and some are pulling out of the country. Let us say to the banks that we use a portion of that money so that people can access everyday banking in our communities throughout Ireland for the next three, five, six or ten years, and we are only looking at €12 million of that levy. The Government is not now paying anything towards the survival of the post office network but the banks are paying it to ensure that communities still have banking.

Deputy Ruairí Ó Murchú: I am very glad that Mr. Martin has offered that suggestion because my next point was on banking services. While I might not like to let banks off the hook, the fact is that we are dealing with the reality that they have left and are leaving a significant number of even sizeable rural towns. The post office, as Mr. Martin said, is trusted, is there and has the capacity, so it makes complete sense. It may be a solution at both ends, for want of a better phrase, and something we probably need to do a piece of work on. I thank him for that. We had heard constantly everything was going to come from this interdepartmental review process. Is that now imminent?

Mr. Sean Martin: We are hopeful.

Deputy Ruairí Ó Murchú: Okay. It needs to be because both things are overlapping and linked. I am not going to hold everything up. Mr. Martin said it is €12 million but there is a negotiation. The IPU has offered everything with respect to what services and also a solution to the fact banks are leaving. I thank our guests for their time.

Senator Jerry Buttimer: I thank our guests for attending. Everything I wanted to say has been said. The important point is we listen to the contributions today, recognising the four pillars of a post office network in the context of reliability, reach, resilience and relevance should be at the forefront of everything we do.

Mr. Tom O’Callaghan from Limerick, whom the Chairman knows, of the Independent Postmasters Group made an important point to us, stating: “There must be a focus on new products, capital investment and government services for the network”. I support the post office network. We all live in challenging times. A modern approach is needed, as Mr. O’Hara has said and I look forward to meeting the Minister of State, Deputy Naughton, in the coming weeks.

I have a question on the €12 million. It is a per annum figure. Is it the minimum or the maximum? Is it just about enough?

Mr. Ned O’Hara: It is a minimum.

Senator Jerry Buttimer: It is a minimum and a per annum figure.

Mr. Ned O’Hara: Yes. In our view it should be reviewed every three to five years.

Senator Jerry Buttimer: All right. I thank the Chairman.

Chairman: In that context, I assume the pandemic supports from An Post back to postmasters were subject of negotiation between parties. Let us say the figure is approximately €12 million. What was the basis of that?

Mr. Ned O'Hara: It was complicated.

Chairman: I ask because if that payment is to go now, what was the financial basis that underpinned it? That would obviously provide huge validity to what is currently happening in negotiations with Government.

Mr. Sean Martin: If the Chairman does not mind my interrupting, the way they worked it related to the business lost throughout the pandemic. They put a value on that, which was close enough to €12 million. That is why they said the €12 million was needed to sustain that network for the next 12-month period.

Chairman: Has that business come back since the pandemic has in some way lifted?

Mr. Sean Martin: Social welfare has come back due to what the Minister, Deputy Humphreys, has done on jobseeker's but some of the mails business has depleted, so we are probably just balancing ourselves out as things are.

Chairman: What is depleted? Mr. Martin means postage.

Mr. Sean Martin: The postage side of it and the mails because as more and more shops opened the online business fell back.

Mr. Ned O'Hara: And foreign exchange.

Mr. Sean Martin: Yes.

Chairman: I will come back in later just to give context. We move to Senator Craughwell.

Senator Gerard P. Craughwell: I thank the Chairman. The gentlemen are very welcome. As a leader of a trade union in a former life, I only wish I had the commitment the IPU officers have. Their work on behalf of the members is second to none.

The more questions we have heard this afternoon the more depressed I have become. I am almost about to go over to our guests and tell them to do themselves a favour by shutting down, going home and forgetting about it because it is just not going to work. I look at the services post offices provide. Mr. O'Hara made the point there about the community services post offices provide. I have been lost in rural Ireland and called into the local post office to get directions. Whoever gave me those directions gave me their time and got nothing for it in return. I certainly did not put my hand in my pocket and ask how much per hour I should pay for that. There is tourist information and everything else that was mentioned. There is the bereaved family. The first place they can go is the postmaster who will sit down with a widow or widower after a funeral and help them through the complexities of dealing with Government. Has the IPU at any stage quantified the effort in time post offices devote to those type of activities in order that it could be valued?

Mr. Ned O'Hara: No, we have never done time and motion on it. We have not because it just gets too complex. It is about the size of the network. People need to understand the scale of the network as well. When we are talking about solutions, we used to talk about if we had the CAO forms, of which there are approximately 70,000 each year, and if we got half of them. It would not even be one transaction per week for the year for 1,000 post offices. It is about the scale of this. We know we provide the service. We have not tried to quantify it because we try to keep on a level about that. We are trying to get a macro solution rather than go into the nitty-gritty of each individual service we provide.

It is provided willingly, as Mr. Martin said earlier. It is not that we do not want to do it. We provide the service willingly. Most postmasters will say they like their job. I do not get depressed when I think about it because most postmasters, when I deal with them, are positive people who provide a service and they look forward. They assume the thing is going to get fixed up. They assume somebody in government will have enough sense to say this service is important and we do not need to lose it but there is danger it will be lost through inaction. I said to the Chairman earlier that what we want is a decision. We do not want a “Maybe” decision. We want either a “Yes” or a “No” decision. It is not a forever decision. It is something that needs to be reviewed. The world is changing. We are celebrating our 100th conference in two weeks. We are providing completely different service now than we did 100 years ago. Will we be around in 100 years? None of us will be around to know but we will be around for the next five to ten years. I expect there will be post offices. We just need to plan for them and have somebody make a decision and say this is a service and it is worthwhile.

Mr. Sean Martin: I will come in on my own private experience, though I know it is not exclusive to me. We talk about social value. I ended up going to a funeral of one of our social welfare recipients recently. The daughter of the person who died came to me and said her mother would have been delighted I had come because I was the only person she had seen outside her family for the past year. That is the sort of service we give that is not recompensed or not recognised. We are valuable and we are just hoping the Government sees that and works on it and actions it.

Senator Gerard P. Craughwell: I would like the following to find its way into any report we might do: modern life and modern governance requires there is a return on investment by way of profit or whatever to the State. If we are going to give post offices €12 million we want to see what we are going to get back out of it. However, some things in life simply are not quantifiable. Mr. O’Hara put his finger on it when he said the IPU never assessed this and there is no way, really, to assess it. Mr. Martin made the point of attending the funeral of somebody whose only point of contact with the outside world was him. I am sure Mr. McEntee and his wife have a key position within the community where people can trust that if they go down to the McEntees with a problem they do not know how to resolve, he will have an answer for it. He might spend three quarters of an hour with them trying to assist them in working their way through the system. There is no way to quantify that service to the public. In a way it is a sort of social service and all sorts of other things. Sometimes we must be willing to put capital into those things that keep communities together. We are losing banks and petrol pumps in local villages. We are losing everything in the drive for profit. Some things cannot be based on profit and must be recognised as a public service. In keeping communities in rural Ireland together I believe, as I have always believed, the post office is the central key point for all of them.

I do not know how this works, but if I want to get an An Post credit card or one of its other services such as a current account or whatever, I assume I can process my form through one of the witnesses’ post offices. Do they get anything after my form is submitted? I am sure they get a payment for the form but what happens after that?

Mr. Sean Martin: Most of the banking is done online through An Post so there is very little personal interaction but we do have the application form and on the back of it is our GROF - post office - number. If people use that number when applying online, we get a small payment.

Senator Gerard P. Craughwell: Do the post offices get a transaction payment?

Mr. Sean Martin: We get a transaction payment only if people come into a post office either

to lodge or withdraw with their card, but if they do their business online, we get no payment.

Senator Gerard P. Craughwell: If I buy stuff online or whatever-----

Mr. Sean Martin: No payment.

Senator Gerard P. Craughwell: Banks get a kickback on everything they do. I appreciate what Grant Thornton did and the macro view from a purely commercial point of view, but there is a side to the post office that is not commercial and cannot be quantified. I do not know how we can square that circle, and there is no answer the witnesses can give me today. I have listened to their answers and everything else. Mr. O'Hara has been very clear there things that cannot be quantified, yet Mrs. Murphy knows that next Thursday she can go to the local post office and, when she walks in there, she will get the same welcome as she has always got, and if she has something she needs to be sorted out, the staff will always find a quiet corner in which they can talk to her and solve the problem. That situation is worth a damn sight more than €12 million to the economy as far as I am concerned.

I will not waste the time of these men by asking questions that have already been asked. I appreciate their time and envy the commitment from their members. It is tremendous. They are some guys because they rarely ever leave a month go by without making some contact. Well done and congratulations.

Mr. Ned O'Hara: I thank the Senator and we appreciate his kind words.

Mr. Ciarán McEntee: Earlier the Senator made a comment that the post office is for older people. The post office is for young people. People would want to get it into their heads that not everyone has a car. If the husband is out working during the week, the wife and children can come from school and go into the post office, get the children's allowance or even take money out to do the shopping. Around where I live, it is all young people and people in their 30s who have families who are using the post office. We do not have many old age pensioners now and a lot of young people use post offices now. As Mr. O'Hara has said, young people use the post office far more for banking because they need money for the school, football and others things, so they are in and out of the post office as well as using it for parcels and sending different things. There is a young generation who use post offices now.

Senator Gerard P. Craughwell: On that very question, back in the day when I was a kid myself, when we were at school we had a post office savings book. I think it was stamps at the time, if I am not mistaken. We used to buy penny stamps or something and we would save up a fiver for Christmas or whatever. Do children use the saving services of the post office or do they all use the bank?

Mr. Ciarán McEntee: Many people open post office saving, POS, books for young children and put money in them. This morning I had to ring Mr. Martin as a lady had contacted me to learn what to do with an account as she had put away money for her daughter but now her daughter had reached 21 years and the account has matured. So there are a lot of people using this service. All of our members are self-employed so we promote post office services to people all of the time. Many people open a POS book as a means to save money for their children's college or secondary school fees. There is a young generation and if we get the chance, we will market post office services. We are self-employed so we must sell services. If we want to get people into post offices, we will go out and sell it.

Mr. Sean Martin: The Senator has made an important point. The post office savings bank

book is a manual book, so it is not electronic, there are no charges and we take cash, cheques and coins for free from everyone. The number of people who use that service on an ongoing basis is growing because they have access. Plus, it is harder to get money out of it because it is now a savings product. If I am out having a few jars, I cannot go to the ATM and take out €20 that I was saving for a holiday or Christmas. It is harder to do it. More and more people are beginning to realise that and, thankfully, that is a huge help. I thank the Senator for bringing the matter to our attention.

Senator Gerard P. Craughwell: I hope I have not reduced the union's argument by insisting there should be a public service fee available to postmasters and postmistresses. The sum of €12 million is a small amount of money to keep them alive.

Chairman: I wish to raise an issue and then Deputy Healy-Rae, who is not a member of the committee, wants to comment.

I want to encapsulate this issue so that it is not abstract. I am a Deputy in Limerick city and I cover the area of north County Tipperary. I am also an accountant by training and I have looked at this on a practical level. I am aware this is causing difficulties for urban, rural and city areas regardless of their size.

A critical date is 30 June because that is the date by which postmasters must decide and must give six months' notice, while the pandemic supports from An Post will last until the end of December. We will have the Minister before the committee on 1 June, which is two or three days prior to the annual conference, and we are looking for representatives of An Post to attend as well. I know there have been difficulties getting new people to take up the contracts as people have retired or are retiring. People setting up as a postmaster cannot do it in a hole in the wall, as it were, anymore. They have to rent, and in many cases rent good premises.

A question we did not touch on today is how many people are employed in the post offices run by the members Mr. O'Hara represents.

Mr. Ned O'Hara: Not counting the postmasters, there are about 1,500 full-time equivalents, FTEs.

Chairman: That is 1,500, and adding another 800 gives the bones of 2,500 people. That is a substantial number of people. Did the Bank of Ireland contract contribute significantly to a reduction of the figure of €17 million to €12 million?

Mr. Ned O'Hara: Not seven numbers but the figure is growing.

Chairman: If extra services come from AIB, will that make a big difference to the return for Mr. O'Hara's members?

Mr. Ned O'Hara: It will make a big difference but not enough to close the gap of €12 million.

Chairman: What about the likes of Ulster Bank and KBC, which are pulling out?

Mr. Ned O'Hara: We imagine that the transactions will translate to other retail banks. I am an Ulster Bank customer and I will switch to the Bank of Ireland whenever I get around to it. I presume customers will become Bank of Ireland customers and so on.

Chairman: I remember many years ago when people were looking at setting up businesses

and creating networks, a now very prominent businessman spoke about setting up a network for a particular type of business. It was the network that was going to cost the money. I have always been of the view that there is an inherent value in the An Post network. On the question of dismantling it, we dismantled the railway network and now we are trying to restore it. Has the question been discussed of An Post, as distinct from the State, providing for the retention of that €12 million per annum until such a time as extra services come on board to get the network to a point where it is able to re-establish commercial viability?

Mr. Ned O'Hara: Not with us.

Chairman: Why not?

Mr. Ned O'Hara: I do not know. I cannot speak for An Post in the matter. We recognise the immediacy of our situation, but there are several different opportunities that need to be examined. For instance, there is going to be a banking commission. That is not going to report for 12 to 18 months. The urgency of our situation needs to be recognised.

Chairman: What if €12 million was put in place in the form of a bridging payment over the next three years? This would mean that extra services would come on board for the likes of AIB. Mr. Martin has made reference to many services postmasters provide at present for which they are not being paid. I have no doubt that they have fed that into the commission. The problem for the Irish Postmasters Union is that if something is not put in place, it runs the risk that one in four postmasters will terminate their contracts. In my experience, the bulk of those will not be taken up by new postmasters under the current arrangement. Is that a fair comment?

Mr. Ned O'Hara: There is a risk.

Chairman: Are we at a cliff edge? Decisions have to be made by 30 June, but I assume the cliff edge for the Irish Postmasters Union is the middle of June.

Mr. Ned O'Hara: The cliff edge for us will be the conference because people will be looking to us for direction.

Chairman: That is on 4 June.

Mr. Ned O'Hara: Yes. Postmasters will be looking to us for direction. They will ask us what is happening and what they should do. We have been stalling people from making decisions, pending something happening.

Chairman: I have dealt with two local cases recently: one was the temporary closure of a post office which caused panic among people in the area and the other was getting someone to replace a retiring postmaster. I am aware of this. I assume that postmasters want to be self-financing. Are there any circumstances whereby if the money is not put in place, they can stay in business?

Mr. Sean Martin: I do not think so. As Senator Craughwell said, we provide many invaluable services and cannot be valued. Economics should never come into it. The role of the post office in community is so much more than economics-----

Chairman: That goes without saying.

Mr. Sean Martin: -----and therefore €12 million, to be able to access banking services in one's locality alone, is good value for money. This is a good news story for the Government

because-----

Chairman: Is a postmaster regulated by any State entity at present?

Mr. Sean Martin: We are regulated by Central Bank requirements with regard to State savings.

Chairman: Are postmasters required to file returns to the Central Bank?

Mr. Sean Martin: No. The company is required to file them on our behalf.

Chairman: Do An Post staff file them?

Mr. Sean Martin: Yes.

Chairman: Postmasters are, in essence, being regulated.

Mr. Sean Martin: Yes.

Chairman: Mr. Martin spoke about a banking levy which would obviously be in regard to the regulation of banking services. What can be done, in terms of €12 million, to quantify the services that will be provided for that money? That is the key for me at this point. Everyone accepts that the post office network must be maintained. The question is one of finding the solution or conduit which enables the network to get to that point. Bank of Ireland appears to have made a difference. AIB will make a difference. Obviously, some other State contracts should come up along the way. There will be a concentration-----

Senator Gerard P. Craughwell: As the Chair is speaking, I am thinking of my home county of Galway and the town of Athenry. Monivea and Menlo which are two small villages outside of Athenry. All have post offices. The banks are moving away from places such as Athenry and it is difficult to carry out any banking transaction. If Monivea and Menlo post offices close, then it does not matter what age I am, if I want to carry out a transaction, I have to travel to Athenry. I am looking at an eight-mile or nine-mile journey.

Chairman: I know that.

Senator Gerard P. Craughwell: One cannot pay for that.

Chairman: I know what is going on. Mr. O'Hara will be aware that the negotiations here are about finding the fit in order that everyone can effectively say money is being given for activities. We all know how great the post office network is and what services it provides. I was an accountant in a past life. When someone was setting up in business back then, I would want to see a post office, a school, a bank and a church. Church numbers are down. What is left? The post office. I would have had clients such as chemists who were looking to set up. We wanted to see footfall. Post offices gave a significant indication of footfall. They were vital. That goes without saying.

However, the clock is ticking. The post office network is facing into what will happen in a short number of weeks. My worry is that something is being missed in the services postmasters are providing for which they are entitled to be paid. Mr. O'Hara made reference to the UK in terms of postmasters being paid. I am not saying the Irish Postmasters Union has not done so, but I ask that it cast a cold eye to see whether services are being provided by An Post for which it is not being paid. We know all about the community service that postmasters provide, but we

are down to ensuring that €12 million comes forward from the Government to ensure the post office network can survive in rural and urban areas. What is being missed is that city post offices, in many cases, are under just as much pressure. I ask those present to recap on the services.

Mr. Sean Martin: The one service that could represent considerable value for money is with regard to formal identification.

Chairman: I ask Mr. Martin to explain that.

Mr. Sean Martin: This is specifically with regard to social welfare. We all understand the fraud that is in the system. We believe we should be the ID verification agency for a pensioner or a person on jobseeker's allowance, one-parent family payment or disability allowance every two years, to make sure the person is still in the State and in the community.

Chairman: Postmasters would get paid for that.

Mr. Sean Martin: Yes. I think that €12 million would be considerable value for that service.

Chairman: Does Mr. Martin believe it is possible to come up with a mechanism to use that €12 million for a service or activity that is based on a fee per item? We need to show that all postmasters are being paid on the same model and that rather than it being a lump sum, the service is basically based on transactions. I know I am asking a lot but for me it is very simple. We have to find a mechanism whereby post offices get the money and the State can show value for money. That goes without saying. The post office network's model has always been around transactions on items. Can it find a way of getting the €12 million to fit into that?

Mr. Sean Martin: I think we could.

Mr. Ned O'Hara: An Post is an experienced bureaucracy with regard to measuring stuff. I am sure we would be able to devise a system to measure.

Chairman: For me, it is about the result. This committee is completely behind the post office. We support the Grant Thornton report but, ultimately, we want to get a result for the Irish Postmasters Union's members. Some 2,500 people are employed. There are postmasters up and down the country, in both urban and rural areas. We will support the post office. We will follow up with the Minister, the Department and An Post. Would Mr. O'Hara, Mr. Martin or Mr. McEntee like to make any closing comments?

Mr. Sean Martin: The Irish Postmasters Union, as a group of ordinary people who look after their communities, is optimistic that the Government will do the right thing. It is a good-news story and a win for the communities and the 1.3 million customers who use us on a weekly basis. It is a win for the local businesses and shops that rely on the money we hand out locally. It is a win for the banks that are pulling out of communities because they want to see access being made available. It is a win for the marginalised, the financially excluded, the computer illiterate and people with disabilities. It is a win for An Post and postmasters but, overall, this is a win for the Government.

Mr. Ned O'Hara: I cannot argue with that.

Chairman: We will be following up with the Minister on Wednesday, 1 June, which is three days before the Irish Postmasters Union conference. We will be following up with An Post and we will look for it to come into us. Obviously, we will follow up with the Government. We

wish postmasters well and thank them for the service they provide. However, we aware it is a business for people who are making a livelihood. If the figures do not add up and from what we are hearing back, they do not, there is a problem and that has to be resolved. We thank Mr. O'Hara, Mr. Martin and Mr. McEntee for assisting in today's meeting on the future of the post office network.

Sitting suspended at 3.29 p.m. and resumed at 3.35 p.m.

Bus Átha Cliath: Chairman Designate

Chairman: I welcome Mr. Gary Owens, chairman designate of Bus Átha Cliath, and Ms Clíodhna Ní Fhatharta, media and communications manager. I am glad Mr. Owens made it. We took the scenic route to get here but we are here today, so I thank him.

Mr. Gary Owens: I thank the Chairman.

Chairman: All witnesses are reminded of the long-standing parliamentary practice that they should not criticise or make charges against any person or entity either by name or in such a way as to make him, her or it identifiable or otherwise engage in speech that might be regarded as damaging to the good name of the person or entity. Therefore, if their statements are potentially defamatory in respect of an identifiable person or entity, they will be directed to discontinue their remarks. It is imperative they comply with any such direction.

There are some limitations to parliamentary privilege for witnesses attending remotely from outside the Leinster House campus and, as such, they may not benefit from the same level of immunity from legal proceedings as a witness physically present does. Witnesses participating in this committee session from a jurisdiction outside the State are advised they should also be mindful of domestic law and how it may apply to the evidence they give.

Members are reminded of the long-standing parliamentary practice to the effect they should not comment on, criticise or make charges against a person outside the Houses or an official either by name or in such a way as to make him or her identifiable. I remind members of the constitutional requirement that members must be physically present within the confines of the Leinster House complex to participate in public meetings. I will not permit a member to participate if he or she is not adhering to this constitutional requirement. Therefore, any member who attempts to participate from outside the precincts of Leinster House will be reluctantly asked to leave the meeting. In this regard, I ask any member partaking via MS Teams to confirm he or she is on the grounds of the Leinster House campus prior to making his or her contribution to the meeting. If members are attending in the committee room, they are asked to exercise personal responsibility to protect themselves and others from the risk of contacting Covid-19.

I invite Mr. Owens to make his opening statement.

Mr. Gary Owens: I am honoured to have been asked by the Minister for Transport and Minister for Environment, Climate and Communications, Deputy Eamon Ryan, to become chairperson of Dublin Bus. I thank the Chairman and other members of the committee for the invitation to appear before them today.

I was born and grew up in Dún Laoghaire and attended the Christian Brothers school in Eblana Avenue. I have lived all my life in Dublin and am very proud to have been given the

opportunity to be the chairperson of Dublin Bus over the next five years.

I have served as chief executive in the financial industry and technology and disability services and, more recently, as interim chief executive officer for the Football Association of Ireland. As a non-executive director over many years, I have served on national and international boards and was chairperson of audit and risk committees of large companies at both local and global levels. I am a chartered insurer and have attended both Columbia and Wharton universities during my career.

I am currently chairperson of Diona, chairperson of the risk committee and independent director of LeasePlan Insurance, and chairperson of a general insurance business called Icare Capital Partners.

I am conscious, as chairperson designate, that I am a custodian of what is a strategic State asset and a Dublin institution. As I assume this role, I would like to thank the outgoing chairperson, Mr. Ultan Courtney, who worked closely with the chief executive and board of directors over the past seven years to successfully position Dublin Bus as Ireland's leading transport provider. Today, the company is Ireland's largest public transport provider, carrying 70 million customers in 2021, and we hope to get back to over 150 million customers travelling per year as our society recovers from the pandemic.

Dublin Bus is a vital part of our domestic economy, with over 3,600 people employed in good, secure jobs. The stories of how companies are responding to these changeable and uncertain times are still emerging. Our employees responded exceptionally well in difficult circumstances and their resilience is at the heart of everything we do in Dublin Bus. I really look forward to meeting them in our depots across the city to thank them for their hard work and listen to their views and hopes for the future of the company.

At all times, our focus is on providing customers with safe, comfortable and efficient journeys, putting them at the centre of everything we do. That is why we recently bolstered our operational excellence and network resilience by introducing two new 24-hour routes, which will provide all-day and all-night services to customers in west Dublin and north Kildare. The company is also assisting the National Transport Authority, NTA, with the implementation of the BusConnects Dublin area network redesign. The successful delivery of BusConnects is vital to the future aspiration of a sustainable Dublin city. It is also critical to achieving the company's goal of being the State's delivery partner of choice.

Over the centuries public transport in Dublin has grown and evolved, and the periods when it has thrived the most are the times when it has embraced change. With this in mind, we recently worked with Transport for Ireland, TFI, on the roll-out of a new 90-minute fare. This is a significant enhancement to our customer offering. The new 90-minute fare, when combined with fare reductions and, in particular, the 50% reduction for young adults, will incentivise the use of our services and help deliver on our ambitious modal shift targets.

Despite this progress, the gains made by Dublin Bus and public transport need to be further reinforced. One of the key advantages of using a bus is its ability to quickly adapt and accommodate additional customer demand in a way that no other transport mode can. As the economy began to recover from recession in 2014, Dublin Bus was able to quickly provide the additional services required to meet customer demand and deliver retail spend to the city centre.

The operating environment during the pandemic offered us a glimpse of what is possible for

our city. With the optimal operating environment, we can have fast, reliable and sustainable bus services to the city centre. During the lockdowns, with fewer private modes of transport on the road, we saw sustainable public transport journey times reduced, bringing essential workers to their destinations more quickly. We can have a city where priority lies with the sustainable public transport user and those using active travel. We have seen that Dublin does not have to be a car-dominated, congested city. Sadly, however, as normality has returned so too has congestion.

Another key issue is sustainable urban development. New residential developments do not need enough car parking spaces to provide each household with the capacity to park multiple cars. Residential development should encourage the use of the local public transport links, which should be invested in to ensure there is sufficient capacity and frequency to handle this increased demand. It is 42 years since the introduction of bus lanes that transformed bus services across the capital. Today, they need to be protected and improved. When it comes to bus lane enhancement, we believe it would be appropriate to move away from time-specific bus lanes and towards 24-hour designation for all bus lanes on all days of the week. If we do not take these steps, we will inevitably see congestion get worse, commute times get longer, and emissions rise in line with population growth.

Over many years we have seen the benefits of embracing technology in our lives and in business. At its purest form, technology makes things easier to use and by design, better. We have seen the benefits of technology in the transport industry over many years leading to greater accessibility of our buses with zero tailpipe emission buses on order, traffic light priority for public transport and timely information for customers. We are now at a time where the technology and transport industries are significantly integrating. If we can plan together and capture the benefits that technology and transport can offer, we can facilitate modal shift and achieve our climate change targets.

Short-term initiatives include the use of account-based ticketing, for example using a token to pay a fare. The token can be a smartphone, smart watch, debit card or QR code. In March, the Government agreed funding to progress under the next generation ticketing project of Bus-Connects. Account-based ticketing can provide faster boarding times, allow for dynamic pricing to manage demand, provide a single payment system for the whole transport system, and can provide the cheapest fare given the journeys and modes taken, in real time.

Technology will also provide a platform for enhanced reliability and efficiency of service provision through greater use of data, analytics and artificial intelligence. Historically, traditional companies have not been imaginative enough with their assets and the benefits technology can bring. There is an opportunity for Dublin Bus to further build on its reputation through the early adoption of new technology to create and capture value for our customers and the State. Examples include the use of predictive maintenance to increase reliability and real-time capacity deployment to meet customer needs as they arise.

Technology is also an enabler for the sustainable development of our city by assisting with increased movements by way of an integrated multi-modal transport system. Many public transport users are also car users and there will always be a need for public and private modes. We must ensure priority is given to high capacity transport modes but that it works in harmony. We need to achieve modal shift in an appropriately managed fashion. This will require a consensus on the introduction of demand-management principles in our city, which technology can facilitate. The technology and innovations are there to deliver if consensus can be achieved.

I am pleased to report that when it comes to environmental sustainability, Dublin Bus is well on its way to achieving our long-term goal of zero emissions and being net carbon positive by 2050. We have big ambitions, because we deeply understand our part in creating meaningful and positive change in our city's environment.

As chairperson designate, I want to see significant modal shift from private car to bus because I know it is vital to building a truly sustainable Dublin. Every time one of our customers chooses the bus, rather than taking the same journey by car, they are reducing their own carbon footprint and making a positive contribution to the environment. Every full Dublin Bus means a 92% reduction in carbon emissions for every kilometre travelled by our customers compared to the same journey taken by car.

As the largest public transport company in the State, we know it is our responsibility to embed sustainable practices in every aspect of our business, from the vehicles that carry our customers, to the energy and materials we use throughout the organisation. This collective responsibility is why we, in conjunction with the NTA continue to expand our hybrid-electric fleet, which now stands at 213 vehicles. The company is under no illusion of the enormity of the task ahead of us all in fighting climate change. It will take hard work, dedication, and commitment to achieve. We are doing this because it is the right thing to do for our company, our communities, our city and our future.

I know that Dublin Bus has a long-standing reputation for trust that is built on the solid foundations of strong leadership and good governance. It is my firm belief that robust governance underpins a healthy culture and good corporate behaviour, and I know that trust and transparency will continue to define the company in the years ahead. If appointed, during my tenure as chairperson Dublin Bus will continue to take a disciplined approach to strengthening our capabilities, including innovation and operational excellence, continued focus on inclusion for all, the digitisation of our company, and the advancement of technology for our customers' benefit. Equally, as one of Ireland's largest businesses, we recognise that we have a responsibility and an opportunity to act on some of the most pressing social and environmental challenges in the world today. With our unparalleled reach across the capital, in thousands of communities, we are acutely aware that we have a real opportunity to create change. We will seize this opportunity.

Although we know that the recovery from the Covid-19 pandemic and other challenges will not be simple or straightforward, my greatest source of confidence that we will emerge even stronger and smarter is the strength, adaptability and dedication of the 3,600-strong Dublin Bus team.

I thank the committee members for taking the time to listen and I am happy to take any questions.

Chairman: I thank Mr. Owens.

Deputy Duncan Smith: I thank Mr. Owens. Although I am aware that he is not quite set up yet, I congratulate him on his pending appointment.

As I mentioned in my contribution to the previous witnesses, we have two trusted organisations in front of the committee today. The previous session was with An Post, and now we have Dublin Bus. I loved to see Mr. Owens focus in his opening statement on continuing building the trust the people of Dublin have for this wonderful company, in which we feel invested and

feel ownership of.

I wish to raise a number of points. Obviously, this is a period of change in Dublin Bus. I am not sure if we will see him at this committee before he departs so I want to put on the record that Ray Coyne will be moving on as CEO after seven years of operating Dublin Bus. He led on and brought forward climate and accessibility considerations, with great strides and great work, in his time at the company. I am sure a lot of this will be built upon, and that Mr. Owens will be part of the team to build upon that in his role as chairman.

His background is in disability services. I have been working with Dublin Bus on that in the past couple of years and a lot has been done in the standardisation of bus stops and level access. I have, however, been dealing with a number of wheelchair users who have larger wheelchairs - some wheelchairs are bigger than those used previously - where manoeuvrability on and off a bus is very difficult. In the context of wheelchair users and other people with limited mobility or other disabilities, and given Mr. Owens's experience and where he is coming from, what will be his area of focus for changes or improvements made? That is my first question. I might come in for a second.

Mr. Gary Owens: First, I acknowledge the Deputy's point about Mr. Coyne. He has done an excellent job over seven years and has been very impressive and helpful in my brief encounters with him so I echo the Deputy's point.

People with disabilities are close to my heart. When I left the private sector, I went to work with Down Syndrome Ireland so I would have had considerable interest in that. My PA, who had Down's syndrome, was concerned about the changes to buses as part of BusConnects so I get that. I know 100% of our buses have wheelchair access. I do not know the detail of what is in the plan. I have not seen it yet because I have not had access to all the information. I have significant interest in trying to make sure people with disabilities are catered for. If I learned anything when I worked with people with Down's syndrome, it is that people with disabilities face significant disadvantages so I would like to see the issue at the top of our agenda.

Deputy Duncan Smith: Given his background, I have confidence that Mr. Owens will ensure this issue will always be a focus regardless of how it manifests itself.

Mr. Gary Owens: I will have an interest in it because of my background.

Deputy Duncan Smith: That is encouraging. If Mr. Owens could push that to make sure it is always a focus, it would be great.

I am a big fan of BusConnects but it must be rolled out if it is going to dramatically improve public transport in Dublin. I am not making a political point but where I feel things fall down slightly is outside the M50. I represent Dublin Fingal. While there are some changes in BusConnects, it looks like north County Dublin will have a route and model very familiar to the one that has existed for decades. Fingal has a slightly lopsided nature in that the DART does a lot of heavy lifting on the coast while Dublin Bus does a lot for the middle, from Swords down, but then has real competition in the form of private contractors. That said, Dublin Bus still provides an unbelievable service and is always striving to improve.

Journeys are a lot longer in respect of those areas outside the M50. As good as the buses are and as improved as they have become over the years, long journeys are never entirely comfortable on double-decker buses. I would like to see a bit of focus because we could be waiting for a metro link for years. There are people who are public operator-minded and want to use

Dublin Bus - their State-owned service - but they are under intense competition from private contractors with their fancy coaches. I would like to see some more innovation and extra effort to provide an increased service. My family lives on the Ballymun Road corridor. It does not matter what day of the week it is, they do not even have to check the bus timetable. They just walk out and they know they will be waiting four or five minutes and a No. 4, 13, 11 or 155 bus will come along. It does not matter. That is the way it should work. We do not quite have that outside the M50.

I wish Mr. Owens well. Dublin Bus is a great and trusted company. Be it during the pandemic where everyone's backs are to the wall and we need services that Dublin Bus or An Post provided or a concert at Slane, Dublin Bus is always there and I hope it will always be there in the future. When we are looking at new forms of transport, public bicycle schemes and possibly public scooter schemes, we need to ensure that Dublin Bus always leads and that if we put stations anywhere, we will put them where bus services congregate or have critical mass. I wish Mr. Owens well and thank him for all the work he will do in the future.

Mr. Gary Owens: BusConnects is a significant investment, including €2 billion in Dublin. We are quite confident. A significant consultation process was involved in BusConnects and a lot of thought has gone into it. I believe it can be transformational. For Dublin Bus, it is all about getting more people to use buses, increasing frequency, learning and reviewing as we go along and making sure we meet the increase in customer demand wherever that comes from. It is a most exciting project.

Deputy Duncan Smith: It will be transformational. Mr. Owens spoke about 24-7 bus lanes. These can be tricky local issues for politicians but that is when people on our side of the table need to be strong and say we are going to back public transport in a real way. We need to be strong when these tricky issues come up because they are not tricky. We need 24-7 bus lanes, tailor-made cycle lanes and traffic lights dedicated purely to them. This is how journey times are reduced and journeys become comfortable for people coming from the north end of Swords to where we are sitting today.

Mr. Gary Owens: If ever we needed this, Covid has proved that. Everything improved when there was not a lot of traffic on the roads.

Deputy Duncan Smith: It was great. I acknowledge all the work done by workers in Dublin Bus. It is fantastic. I have gone over my time.

Chairman: No, it is quality.

Deputy Duncan Smith: Regionally, we are quite lopsided here.

Chairman: It goes against the national trend politically so we are trying to rebalance matters in this committee.

Deputy Duncan Smith: If Dublin Bus ran a shuttle bus to Shannon Airport, this place would be packed.

Chairman: We are doing our bit for balanced regional development.

Mr. Gary Owens: I thank Deputy Smith for his contribution. It was very useful and offer a good insight.

Deputy Steven Matthews: I congratulate Mr. Owens on his appointment. I will pick up on

the point made by Deputy Smith about the staff in Dublin Bus. I worked in the company a long time ago. I started my apprenticeship with the CIÉ Group so I spent a lot of time working in the garages. I have seen real advancement in the service, the fleet, the technology and the reliability of the buses. It is rare to see a bus broken down on the side of the road, whereas that was a familiar sight many years. We must acknowledge the investment and the staff throughout the service, not just the drivers but also the back office and maintenance staff, and the vital service they provide us day in, day out. There are only a few 24-hour routes. I support the expansion of more 24-hour routes where they are feasible and deliverable. I hear talk of the 155 route becoming a 24-hour route.

I ask Mr. Owens to consider two issues during his time as chair. One is the provision of a 24-hour bus service. Many people would avail of such a service and it would be really helpful to have it. The second issue is the safety of passengers. Transport Infrastructure Ireland appeared before the committee to discuss its report entitled Travelling in a Woman's Shoes. It is not just travelling on the bus and in-journey time. It also concerns bus shelters. The shelters can be well-lit and maintained but it also involves the surrounding area. Will Mr. Owens discuss where passengers wait for or disembark from buses? We heard stories of women getting off at a different stop from the one nearest to them because they felt it was safer to walk that particular journey as they just did not like that particular stop. There is so much to discuss, including BusConnects and moving to an electric bus fleet, of which we are all supportive. Passenger safety and the expansion to 24-hour services would be really beneficial to everybody involved. I wish Mr. Owens the best of luck in his time as chair.

Mr. Gary Owens: I echo the Deputy's comments about Dublin Bus staff. I have limited access because I have not been appointed but anybody to whom I have had access has really impressed me, much more so than I would have thought, to be honest. I use the bus and find the service to be excellent. I am lucky enough to be on a good route. We have had one or two issues relating to safety. It must be paramount in terms of what we do, both for customers and staff and we need to make sure we protect both. They must be two key inputs in any strategy at which we are looking so they will be.

Deputy Steven Matthews: The maintenance of shelters is down to Dublin Bus. The placement of shelters is a planning issue. The roads section in the local authority would be involved in that. It is about making sure everybody is looking at this issue, not only in terms of sight lines and where the bus driver can pull in and pull away safely but looking at it fully from an aerial perspective and asking where are the safe walking routes to the bus stop and where can people feel comfortable walking. We must use the landscaping and lighting in that general area to make it attractive for people to use the bus.

Mr. Gary Owens: When I get involved as chair, I will make sure that is on the agenda. It probably already is, to be fair. I just need to get more into the detail to make sure. I hear the Deputy and accept his input.

Deputy Steven Matthews: To reiterate, the 155 service to Bray should be prioritised as a 24-hour service.

Senator Gerry Horkan: I was here for Mr. Owens's opening statement. I also read it. I did not hear the contributions others have made because we were voting in the Seanad. I recognise some of the content of the speech because some it was the same as the speech Ray Coyne made two weeks ago. It also referenced 24-hour bus lanes, the Covid pandemic and other things. This meeting is as much about Mr. Owens as it is about Dublin Bus. The fact he has taken the

role as chairman-designate is why we are all here. For my benefit and that of the people who may be looking in, he said in his statement he was honoured to be asked by the Minister for Transport, Deputy Ryan, to become the chairperson. Perhaps Mr. Owens will take us through how that came about. Was there a phone call from the Minister or what was the process?

Mr. Gary Owens: No, not at all. I dealt with Signium. I registered with Signium, a recruiting firm, and indicated I was interested in getting involved. When I left the private sector when we sold the business to Willis Group, I wanted to focus on Down's syndrome. I was facing non-compete clauses so decided to put something back in. I worked with Down's syndrome for a couple of years-----

Senator Gerry Horkan: With who did Mr. Owens work?

Mr. Gary Owens: I worked with Down Syndrome Ireland. I also worked as an interim CEO for the FAI. That was a one-year task to put in new structures and a new constitution as CEO. I enjoyed that work. I had a lot of interface with the then Minister of State with responsibility for disability, former Deputy Finian McGrath. I had a lot of contact with Secretaries General and Ministers as interim CEO. I enjoyed it so I registered with Signium to see were any positions available. I went through a lengthy process to get appointed. I did not meet the Minister until my final interview with him.

Senator Gerry Horkan: What is the process of becoming a chair? I am not familiar with Signium.

Mr. Gary Owens: There are three series of interviews. There is a panel to bring one through the interview process and a final interview with the Minister. There is a series of three interviews. Signium also conducts an interview and submits names.

Senator Gerry Horkan: Is that to *stateboards.ie* or one of these public appointment systems?

Mr. Gary Owens: I registered on that site as part of the process.

Senator Gerry Horkan: Mr. Owens expressed an interest in looking for the position of chairperson for Dublin Bus. Was it advertised?

Mr. Gary Owens: I expressed an interest in semi-State or State roles. I was then asked would I be interested in applying for the chairmanship of Dublin Bus and put my name forward.

Senator Gerry Horkan: Mr. Owen put his name forward with the help of Signium or whoever else.

Mr. Gary Owens: Yes.

Senator Gerry Horkan: He went through the process and here we are. It is useful for us to understand the process. I am not taking away from his statement, but when he said he was honoured to have been asked by the Minister, it sounded as if the Minister picked up the phone and called Mr. Owens. I do not think that of the Minister, Deputy Ryan.

Mr. Gary Owens: He did not do that and I did not mean anything by that.

Senator Gerry Horkan: I know Mr. Owens did not mean anything. It is useful for us know about the transparent process. There was, I presume, a field of other people who also

wanted the job, Mr. Owens emerged as the successful candidate we are being asked to talk to, and here we are.

I will touch on the FAI. The previous Minister with responsibility for transport also had responsibility for sport. Mr. Owens probably came across his radar at some point. Mr. Owens was the interim CEO of the FAI. Would he have liked to stay on as CEO? Did he decide not to or was he superseded by events?

Chairman: What period was that?

Mr. Gary Owens: I was appointed in February 2020. It lasted the full year of 2020. I made it clear at the start that I only wanted to go in as an interim CEO.

Senator Gerry Horkan: Mr. Owens did not go for the CEO position.

Mr. Gary Owens: I did not. To be absolutely transparent, I applied originally but then pulled out pretty much straight away. To be honest, it was good for everybody that Jonathan Hill was appointed. He was not resident in Ireland at the time. We needed an independent CEO with experience in that space and he had good experience. My job was to help source a new CEO, put a new board in place, rewrite the constitution and refinance. We erased €75 million in debt with Bank of Ireland. My job was also to build relationships with UEFA and FIFA. They were all the tasks set to me by the board and that was what I did.

Senator Gerry Horkan: I remember it was a turbulent time. Covid had just hit and everything was going on. Lest anyone accuses me of not declaring an interest, my father was a delegate to the FAI in 1990 or thereabouts, which is neither today nor yesterday, but I wanted to say that in case anyone accuses me of not mentioning it.

Mr. Owens has good experience as a member of boards, audit committees, risk committees and so on at both larger and smaller companies, international and local. Other than perhaps being a passenger, has Mr. Owens any exposure to the transport sector, in particular the public transport sector?

Mr. Gary Owens: I have been involved with Leaseplan for 11 years. It is a big European company.

Senator Gerry Horkan: Is Mr. Owens involved with Leaseplan Insurance?

Mr. Gary Owens: I am on the board of Leaseplan Insurance which is a subsidiary of Leaseplan Europe. It is the European insurance board. It is not an Irish insurance board. The business is based here. The insurance business is linked to-----

Senator Gerry Horkan: Is it predominantly car leasing?

Mr. Gary Owens: Yes. It allows one an insight into the technology that is going into cars and the changing behaviour in cities in respect of who is using cars and who is not. I have a good insight into the mobility side of the transport sector because I am interested. If you are trying to lease cars, you are interested in what is happening everywhere else.

Senator Gerry Horkan: Is Mr. Owens still involved with Leaseplan?

Mr. Gary Owens: I chair the risk committee.

Senator Gerry Horkan: Mr. Owens is now poacher and gamekeeper. He is trying to get

people to lease cars with one hand and, on the other hand, he is trying to get people out of their cars and onto public transport.

Mr. Gary Owens: Leaseplan has already seen a significant shift in cities. It would believe in a fully integrated model. I do not see any conflict at all. I am on the insurance side rather than the leasing side. If anything, Leaseplan has been a brilliant company for learning and educating me around what is going on. Its main business is based in Holland. It has been a wonderful company in terms of leading on technology. I have learned an awful lot. It is helpful to be part of that time.

Senator Gerry Horkan: What about his experience with Leaseplan will Mr. Owens be able to bring to Dublin Bus?

Mr. Gary Owens: I think what I said. The fewer cars we have in cities the better. The evidence is pretty clear. Even from a consumer point of view, there is less demand from people in cities. Fewer people in cities want to buy cars. The mobility, from a leasing perspective, is facilitating customers to lease cars for one or two days. They only have cars when they need them in the city at weekends. That has been the big shift in terms of what is going on.

Senator Gerry Horkan: I am not very familiar with Leaseplan. The impression I had was that it was longer term leasing and the likes of the banks would have taken a fleet of cars and given them to certain executives and Leaseplan would have facilitated that. In fact, cars can be hired by the day or the hour.

Mr. Gary Owens: It was typical for someone who wanted a company car to go to Leaseplan. Companies would use Leaseplan for their company car structure.

Senator Gerry Horkan: I am familiar with Leaseplan and know it is very successful. I did not know it does short-time rental.

Mr. Gary Owens: It is shifting to personal leases. Personal leases are replacing people buying cars. People are only paying for cars when they need to use them. The technology that has been involved in all of that, and the changing customer behaviour, has been interesting to me. That is why-----

Senator Gerry Horkan: The point to be made generally is that, once I have bought a car, insured it, got its national car test and taxed it, I have already outlaid X amount of thousands of euro. The mentality now is to ask whether a car can be justified. Someone who does not have all those outlays and pays by journey may decide to cycle or get the bus. If I want to hire a car from Leaseplan for a couple of days because I want to go away to rural Ireland for the weekend, where I want to be able to drive around, I can do that.

Mr. Gary Owens: The Senator can do that.

Senator Gerry Horkan: In the same way I could with other car rental companies.

Mr. Gary Owens: That is why Leaseplan believes the integrated model will work. Personal leases will be for a year, a month, a week or a day. That model is shifting significantly in Europe.

Senator Gerry Horkan: I will turn to the content of the rest of Mr. Owens' speech. I am not accusing him of plagiarism or anything but much of it was similar to what Mr. Coyne told the committee. That information is probably coming from Dublin Bus. There was reference to

24-hour bus lanes. There is much overlap between what Mr. Ray Coyne said two weeks ago at this committee and what Mr. Owens said. It makes sense that the chief executive and the chairman have similar thoughts about transport. The point about daytime bus lanes is very valid. The lanes running from 7 a.m. to 10 a.m. and for a few hours in the evening do not really work. The 7 a.m. to 7 p.m. lanes are in places like the N11. Having gone to the school on Eblana Avenue, I am sure Mr. Owens is more than familiar with the 46A, which is a successful corridor. If one is asking the general public for 24-hour road space, one will have to offer them 24-hour bus services on that road space. I do not see how any of us can tell constituents that they cannot use a bus lane at 1 a.m. when there are no buses on that bus lane.

(Interruptions).

Senator Gerry Horkan: Perhaps not. Let us get 24-hour services and then have 24-hour bus lanes. The 7 a.m. to 7 p.m. lane on the N11 has worked quite effectively. Many people still do not drive in the bus lane after 7 p.m. anyway. The dual carriageway goes the whole way through what would have been my council area, from Belfield to Cabinteely church. People do not park in that bus lane and, by and large, they do not squat in it after 7 p.m. It is not unfair to say that if there are to be 24-hour bus lanes, there need to be 24-hour services on those corridors. What scope is there for 24-hour bus lanes? We have a huge problem with taxis as the night-time economy picks up. We will have more activity at night-time when licensing legislation changes. What ambitions do Dublin Bus and Mr. Owens have relating to 24-hour services?

Mr. Gary Owens: The Senator would be more surprised if Mr. Coyne and I were not aligned.

Senator Gerry Horkan: Exactly. I was saying that I saw some of this just two weeks ago.

Chairman: It is consistent.

Mr. Gary Owens: I have been working with Mr. Coyne. There is only so much I can see until I get approved. I found him fair, open and transparent. We are working together and have worked together on that. The Senator would be surprised if we did not. The Senator's point is solid. If we are looking for 24-hour bus lanes, we need to have a service to go with them. That comes back to the NTA's overall strategy. We consult it all the time. Part of the strategy is to provide a 24-hour service. We have already started that and it has been successful. The challenge that there is no point in having 24-hour bus lanes if we do not have the service is valid.

Senator Gerry Horkan: What opportunities does Mr. Owens see for Dublin Bus in his first 24 months that it is not doing already?

Mr. Gary Owens: My first challenge is to get a new CEO.

Senator Gerry Horkan: I would like to put on record how good Mr. Ray Coyne has been, as have some of his predecessors. I knew Paddy Doherty. Mr. Coyne has been an excellent chief executive. Mr. Owens has a big challenge in finding someone as good and knowledgeable as he was.

Mr. Gary Owens: I completely respect that. For me, as incoming chairman, the most important appointment that I will make is of a CEO. The top priority is to have a good new CEO, who can sustain the type of progress that Mr. Coyne has made, in place as quickly as we can. In two years, if we have successfully implemented much of the BusConnects project, we will have made a lot of progress. It is all down to the number of people travelling on the buses. If we can get more people to travel on the buses with confidence, it will ultimately be successful.

That will be a priority strategy.

Senator Gerry Horkan: If I am right, BusConnects is not scheduled to finish until 2030.

Mr. Gary Owens: It will happen progressively.

Senator Gerry Horkan: How much of BusConnects has already been implemented? What percentage can be implemented in the next 24 months? Is it 10% or 30% more?

Mr. Gary Owens: I would need to see the detail before I can give a percentage.

Senator Gerry Horkan: That is fair enough. The implementation of BusConnects and the appointment of a new chief executive are two of Mr. Owens's priorities. Is there anything else in particular?

Mr. Gary Owens: We have to keep competing to be re-awarded the contracts. We need to be in a good position for that in two years. We need quality of service, to have more customers using it and to have a competitive cost base. That is all important for us. When we get around to the new tender, we need to make sure we are in a strong position. Those are my key priorities.

Senator Gerry Horkan: What challenges does Mr. Owens see down the line?

Mr. Gary Owens: In the current environment, I would worry about inflation and the implications of inflation when trying to provide services to consumers, while having 3,600 staff. That is a big issue for every business now. That is the number one risk, which we need to manage carefully. We need to make sure that we remain cost competitive in a high inflationary environment.

Senator Gerry Horkan: I have seen stuff on Twitter lately about the real time passenger information, RTPI, system. I have also experienced it myself. A bus was coming and then it was not coming. I looked down at my phone, then after the system told me the bus was 16 minutes away, it flew past. That happened again, but I was much more conscious the second time. I was looking out for the bus that was not coming and it arrived. Is Mr. Owens familiar with challenges with RTPI? It seems to be less reliable now than previously.

Mr. Gary Owens: We had a bug which I am told is fixed. It resulted in that type of experience. I think it is fixed. I will get more information and be able to dig into and understand that when I am appointed. Mr. Coyne briefed me about a bug on the system this week.

Senator Gerry Horkan: This is very recent. It happened to me the Friday before last and the Sunday before that.

Mr. Gary Owens: I was told it was fixed in the last week.

Senator Gerry Horkan: I wish Mr. Owens well. We do not have as much say as people might think. We can bring Mr. Owens in to have a chat with him, but I do not think we have ever said no. I wish Mr. Owens well on the journey, if he will pardon the pun, with Dublin Bus. It is an important provider of public transport systems. I did not grow up too far away from Mr. Owens, in Dún Laoghaire. It is fair to say that the Dublin Bus product on offer now is far superior to the old CIÉ product that I had when growing up and going to school. The quality of the buses and of the services is pretty good, most of the time. There are blips, which I have taken up with Mr. Coyne and others in the organisation. I wish Mr. Owens well in his term

as chairman, subject to him actually taking the position. Hopefully we will see him back here shortly to report on progress in BusConnects and how he is managing the challenges of operating the system across the city.

Senator Gerard P. Craughwell: I welcome Mr. Owens. I am sorry that he was here, then we were gone and now we are back. That is the nature of committees. I am deeply impressed to hear that he was educated on Eblana Avenue. I spent 25 years right next door to him in the Senior College Dún Laoghaire, which later had classrooms on Eblana Avenue. There has been some change to the buildings in that sector. I have to put this on the record and it is nothing to do with Mr. Owens at all. Bringing him in here to make a submission to the committee is a waste of time, when all we can do is thank him for coming. We have no jurisdiction or say as to whether he is a good or a bad chairman. His curriculum vitae is impeccable. The only thing I would say is that during the Covid-19 pandemic, his members served the State really well. They turned up for work every day and drove around the city, making sure that people got to their workplaces, knowing all the time that they themselves were in danger of picking up whichever strain of Covid-19 was prevalent. Dublin Bus has a tremendous workforce, running the transport system in Dublin. As he takes over as chairman, I ask him to embrace that type of commitment. It is not often that one sees it in public service, but they pushed themselves way beyond what is required of any public servant at a time of an emergency.

I do not have anything else to say to Mr. Owens other than to wish him all the best as he moves into a challenging time, with the green agenda and so on. I thank him for coming here. I hope the Chairman takes notes on my negative comments about wasting Mr. Owens's time and our time.

Mr. Gary Owens: I acknowledge what the Senator said about the staff. They did a fantastic job during that period. I thank him for recognising that.

Chairman: I duly note the remarks from Senator Craughwell, which are very consistent. It is a subject we have discussed more broadly as a committee. I get the train up from Limerick a lot so I sometimes use Dublin Bus, although not always, getting from Heuston Station to Kildare Street. It is a very good service, very punctual and very easy to use.

Why would someone from Mr. Owens's background go for a job as chair of the board of a semi-State body like Dublin Bus? What does he see the role of a chair for such a State body being? How would he distinguish between himself as chair, the board and the CEO? What will he be looking for in a new CEO?

On the green agenda, Mr. Owens referred in his presentation to a more sustainable Dublin. He wants to be carbon-neutral with zero emissions by 2050 and to expand Dublin Bus's hybrid electric fleet, which now stands at 213. Has he had an opportunity to get an update on that? What stamp would Mr. Owens put on the board? The chair has a pivotal role. I would like to hear Mr. Owens's thoughts on what he thinks the chair should do.

Mr. Gary Owens: The first question was why I would be interested in this role. I have worked in the private sector all my life. I have enjoyed working in both the disability sector and the sport sector. I wanted to put something back in and I wanted to have some sort of semi-State role that would keep me informed, keep a good network going and allow me to put something back in after all the experience I have had on the private side. Dublin Bus appeals to me because I think it will be pivotal in the city. Having a very vibrant Dublin Bus will be important in getting the city going again post Covid.

Chairman: The greater Dublin transportation strategy is about to be published. We had a meeting about that recently.

Mr. Gary Owens: I am impressed with the strategy that has been adopted, including Bus-Connects. I believe in the sustainable agenda so I feel I can contribute something there. I have chaired loads of committees and boards in the private sector. There are three fundamental things in this area. First, the strategy has to be right. Second, there must be as much intelligent input into the strategy as possible, with good data analytics, good research and good competency around the table. Third, one needs to set ambitious strategies. I have always wanted to be part of an ambitious strategy and I think this one is.

As part of the role as chairperson, it is important to have a good, open and transparent relationship with both the directors and the CEO. That is an important relationship. The most important thing is the appointment of the CEO. Ray Coyne has done an excellent job. He has a brilliant track record and everybody I have met has been hugely complimentary of him. The committee has heard that here today. I need to find somebody who is as good as him. I would have loved to retain him but he is beyond the seven-year term. I have been very impressed with the board members. They are very experienced people and they have the same ambition we all have. When we get to the next award tender, we want Dublin Bus to be in a very strong competitive position. We want a lot more customers using the facility. We want to implement the strategy we have agreed with the NTA and we all want to be proud that we have delivered it. That is what I would hope to achieve as chair for the next five years. I want to be part of it because I am a Dub. I believe the city can be much more vibrant without cars, or with fewer cars, and the only way to do that is to have an integrated transport system that involves buses, bikes and walking. I am fully committed to that and I believe in it.

Chairman: Would it be too harsh to ask if Mr. Owens is anti-car?

Mr. Gary Owens: I have a car, so I am not anti-car. I have an electric bike and a Leap card and I travel on the bus. I only use the car when I need to.

Chairman: Has Mr. Owens had a chance to look at the matter of Dublin Bus getting to its target of zero carbon emissions by 2050?

Mr. Gary Owens: The targets are laid out and both Government and NTA policies are pretty clear on them. We have to deliver our commitment to that and we have agreed the steps all the way up to 2050. Electrification of buses and the infrastructure to support that is a key part of it. To be fair, we have the capital to deliver this. It is in the programme. It is up to us. We are the executors of the Government policy and the NTA policy, which are very committed to making sure we achieve those objectives.

Chairman: At the end of Mr. Owens's five-year term, what would the landscape of Dublin Bus be, in terms of infrastructure in Dublin itself? Let us say ten years, because a lot of the policies Mr. Owens will be looking to implement at board level would probably not come to fruition until a couple of years later. What is Mr. Owens's vision for the landscape of the geographical area Dublin Bus covers?

Mr. Gary Owens: If it was perfect, in ten years' time we would have successfully implemented our strategic plan and the commitments we have made to the NTA and we would have implemented Government policy. That would look like fewer cars, if any-----

Chairman: Does Mr. Owens see Dublin city as being car-free? Is it moving in that direc-

tion?

Mr. Gary Owens: Personally, I think it could be. It would help create a vibrant city. A very good integrated transport system with buses, bikes and people walking can help achieve that.

Chairman: Why do you say that?

Mr. Gary Owens: The evidence is there with regard to emissions from cars. Converting all buses, or a lot of them, to electric buses is one of the key inputs to delivering the sustainable project. If that is not done, the project will not be delivered.

Chairman: Does Mr. Owens see us moving in the direction of park-and-ride facilities on the outskirts of the city and people within the city using public transport?

Mr. Gary Owens: If we can deliver and create the type of public transport system we want, with quality and frequency of service, then yes.

Chairman: How long will that take?

Mr. Gary Owens: I do not know. I need to see and understand the detail of what the steps are. We have a sustainable project all the way to 2050 and that is a long time. We have clear objectives up to 2030 and we have made commitments to the NTA and the Government that we will deliver on those objectives. My job as chair is to make sure we do that.

Chairman: I do not think any other members wish to come in. We will write to the Minister to say we have met Mr. Owens. We wish him well in his role. We have had meetings on the greater Dublin transport strategy and we will follow up that engagement, so we will probably be engaging again with Dublin Bus. I thank Mr. Owens and his colleague for attending today's meeting and engaging with the committee.

The joint committee adjourned at 4.30 p.m. until 1.30 p.m. on Wednesday, 25 May 2022.