

Canada Post chooses cuts, ignores better options

The Canadian Union of Postal Workers (CUPW) condemns today's announcement by Canada Post that it will cut public postal service. The corporation has options other than slashing services and should give these options serious consideration.



CUPW has compiled information showing there is little support for what Canada Post is doing and considerable support for alternatives to cuts.

Background

Canada Post Corporation (CPC) held consultations on the future of our public postal service in 2013. These consultations started the day after the Conference Board of Canada released a report called *The Future of Postal Service in Canada*. This report was paid for by Canada Post. It discussed ways to sustain Canada Post such as increasing postage rates, cutting postal services and freezing or decreasing the wages of postal workers. The service reductions considered included:

- Going to alternate day delivery of mail,
- Replacing public post offices with private outlets or franchises.

- Converting door-to-door delivery in urban areas to community mailbox delivery.
- Reducing standards for speed of delivery.

The Conference Board's report did not consider adding

revenue-generating financial services as an option for sustaining our postal service. It claimed that Canada's 'highly developed financial service sector' would prevent our post office from succeeding in this area.

However, the report did acknowledge that financial services have been lucrative for many postal administrations. It specifically mentioned Swiss Post while failing to mention that Switzerland also has a highly developed financial services sector.

In addition to working with the Conference Board, Canada Post held invite-only meetings in about 50 communities and conducted a largely online public consultation on its future, focusing on cuts.

Online and mail-in consultations

From April to October of 2013, Canada Post's website featured a "Future of Canada Post" page where members of the public were invited to answer the

question: “What kind of postal service will you need in the future?” The corporation posted the Conference Board’s report as background information. The public was also invited to mail in comments.

CUPW reviewed and analyzed all the comments on the “Future of Canada Post” webpage*:

- Less than 2 in 10 people called for cuts to services (19.26%).
- Almost 3 in 10 people indicated that they didn’t want cuts, or that they wanted the status quo (28.39%).
- Almost 1.5 in 10 people said they wanted cuts to some services but that they didn’t want cuts to other services (14.38%).
- Almost 4 out of 10 people did not mention any of the above: cuts, no cuts, both cuts and no cuts, or the status quo (37.97%).

As for specific options:

- Over 45% of people who mentioned mail delivery said they wanted to keep delivery the same (45.22%) and almost 7% said they wanted delivery to increase (6.62%).
- Only 15% of people suggested that door-to-door delivery or rural box delivery be converted to community mailbox delivery (15.13%).
- Less than 1% suggested that Canada Post should close post offices or open more franchises (0.88%).
- Less than 1% said Canada Post should reduce the speed of delivery (0.22%).
- Almost 3% of people indicated that rate increases would be acceptable or help Canada Post (2.84%).
- Almost 14% of people said Canada Post should expand the services they offer (13.84%).
- More than 5% of people indicated that Canada Post should get involved in more financial services (5.04%).

*CUPW did not have access to mailed-in comments.



Communities Declare Support for Postal Banking

Canada Post held invite-only meetings in about 50 communities across the country in 2013.

CUPW mailed an information package to almost every municipality in the country between October and November 2013 (Note: The mailing to Quebec municipalities was delayed due to municipal elections).

The union's mailing informed municipalities about possible postal cuts and options and requested that municipalities pass two resolutions asking the Minister of Canada Post:

- 1) To use the government's upcoming review of the Canadian Postal Service Charter to focus on revenue-generating services, not cuts, including financial services such as bill payments, insurance and banking.
- 2) To improve the Canadian Postal Service Charter and make the upcoming review of the Charter open to public input.

Support for better options for Canada Post has been rolling in. To date, 116 groups and municipalities have passed one or both resolutions and 25 groups and municipalities have passed similar resolutions or taken similar actions.

For more information, go to the "postal banking" section at: **PublicPostOffice.ca**

Polling Shows Support for Postal Banking

In May 2013, CUPW asked Stratcom to conduct a poll to find out if people thought adding financial services would help Canada Post.

Close to two out of every three respondents (63%) to this poll supported Canada Post expanding revenue-generating services, including financial services like bill payments, insurance and banking.

These results were drawn from a Stratcom national online survey which interviewed a nationally representative sample of 1,514 adult Canadians between May 24th to 26th, 2013.

For more information, go to:

<http://www.cupw.ca/1/4/5/7/6/index1.shtml>

Research Supports Postal Banking

The Canadian Union of Postal Workers (CUPW) believes that our country needs improved financial and banking services and that Canada Post is well placed to fulfill this need. Moreover, the union thinks that adding financial and banking services at Canada Post will help the corporation preserve public postal service and improve its financial picture.

CUPW has done its own research in coming to this point of view but decided to ask for an independent perspective. As a result, it commissioned a study by the Canadian Centre for Policy Alternatives (CCPA) to examine the feasibility of adding financial and banking services at Canada Post.

The CCPA study is entitled *Why Canada Needs Postal Banking*. It looks at the changing banking environment in our country as well as our post office's experience with banking. In addition, it reviews the status of postal banking around the world, highlighting five successful models in the United Kingdom, France, Italy, Switzerland and New Zealand. Having established that there is a need for improved financial services in our country and viable models in other countries, the study concludes by suggesting possible models for postal banking in Canada. It recommends that the federal government and Canada Post immediately establish a task force to determine how to deliver new financial services, and establish priorities for delivering new products.

The CCPA paper points out that postal administrations in many other countries are generating significant profits from postal banking. For example:

- Kiwibank generated 70% of New Zealand Post's profits in 2012.
- PostFinance generated 71% of Swiss Post's operating profits.
- And the banking and insurance arms of the Italian post office brought in 67% of total profits.

You can get the full report by going to:

<http://www.policyalternatives.ca/publications/reports/why-canada-needs-postal-banking>

You can get CUPW's paper entitled *Banking on a Future for Posts* by going to:

http://www.publicpostoffice.ca/index.cfm/ci_id/14628/la_id/1.htm

Everything on the table according to government

Lisa Raitt, Minister responsible for Canada Post, publicly stated that Canada Post "should be considering everything." She also said that "Everything is on the table" at Canada Post."

Why isn't postal banking on the table?

Source: Canadian Broadcasting Corporation, *The House*, "Lisa Raitt interview about the future of Canada Post," September 20, 2013, <http://www.cbc.ca/player/Radio/The+House/ID/2407690826/>