

# Poll: Support for postal banking

## Opposition to postal privatization and deregulation

**People like the idea of Canada Post making money through financial services according to a poll commissioned by CUPW.**

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

CUPW asked Stratcom to conduct the poll in order to contribute to the debate on the future of Canada Post Corporation (CPC).

This debate began in April when the Conference Board of Canada released a report called *The Future of Postal Service in Canada* that looks at cutting postal services and freezing or decreasing the wages of

postal workers. The report was paid for by CPC and has been used by CPC to lay the groundwork for dramatic service reductions, including alternate day delivery of mail, replacing public post offices with private outlets and converting door to door delivery to community mailboxes (For more information, see *Good reasons to distrust the Conference Board report* on page 6).

In addition to working with the Conference Board, CPC held invite-only meetings with selected groups and conducted a largely online public consultation on its future, focusing on cuts.

Canada Post is having a very one-dimensional discussion on the future of our public post office “said CUPW National President Denis Lemelin. “It has options other than cutting.”

Lemelin pointed out that the corporation could follow the lead of post offices in other countries by leveraging its network and adding lucrative banking services.

He said, “Our poll shows there would be support for such a move.”

The Stratcom poll also found there is no appetite for major changes at Canada Post such as postal privatization and deregulation.

The poll found that 69 per cent of respondents opposed the privatization of Canada Post and just 31 per cent supported it.

As for deregulation, 71 per cent opposed allowing private companies to deliver lettermail while 29 per cent supported this change.

Stratcom also found that support for postal deregulation is not solid. Respondents who favoured deregulation were asked whether they would change their minds and oppose letting private companies deliver lettermail if they knew that this move would make it impossible for Canada Post to keep its one-price-goes-anywhere service for the price of a stamp.

Stratcom found that over half (58%) of the support for deregulation would melt away, bringing support to 12 per cent, down from 29 per cent.

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.

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## Why quality child care matters

**Most new parents deal with uncertainty about who will look after their child once they return to work or continue with their education and training. Finding high quality child care can be difficult, scary, frustrating, and expensive.**

Without some knowledge or experience, it is not always clear what to look for in a child care provider. A new web site and video have tools to help demystify the process and help identify key components of a high quality child care program. Check out [findingqualitychildcare.ca](http://findingqualitychildcare.ca) to see the video and access the resources.

**The web site and video provide:**

- Information and specific things to look for in high quality child care;
- Provincial/territorial regulation, funding, program and contact information;
- Links to provincial/territorial lists of regulated child care programs; links

to on-line waiting lists and subsidy applications, where available;

- Information for parents of children with special needs, those working non-standard hours or living in rural or remote communities;
- A downloadable checklist to use when evaluating prospective child care options.

### So what should parents look for?

There are a number of general criteria to consider when evaluating child care options.

**Regulation:** Where possible, parents should look for regulated child care; most child care in a providers’ home is not regulated. Regulations provide some public oversight.

**Unionized:** Unionization is linked with higher quality child care through low staff turnover, better wages and higher levels of staff training.

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**Top Photo:** This graphic is from a flyer and letter about the special needs and moving on projects CUPW mailed to all urban and RSMC members in May 2013. See more information at [www.specialneedsproject.ca](http://www.specialneedsproject.ca).



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RETURN UNDELIVERABLE CANADIAN ADDRESSES TO  
CANADIAN UNION OF POSTAL WORKERS  
377 BANK STREET  
OTTAWA ON K2P 1Y3





# A call to collective action this fall

**Over the past few months, we have suffered the daily onslaughts of a contemptuous Harper government. We need to remember this government is trying to create an authoritarian, minimal state that challenges democratic rights.**

## A record of horrible bills

In addition to attacking our democratic rights, the Harper government has passed or is preparing to adopt the most anti-labour legislation seen in decades: first, two omni-

bus budget bills (C-38 and C-45) that cut deeply into our pension fund, and Bill C-377, which would force every labour organization to open their books on union expenses; then, Bill C-60, which eliminates the parties' autonomy in the collective bargaining process, and Bill C-525, which mutilates the union certification provisions of the *Canada Labour Code*. Moreover, when Parliament resumes in the fall, it is expected the government will introduce a bill to amend the Rand formula, which means that if you benefit from a union, you pay union dues. We need to keep all this in mind when getting ready for the federal election in the fall of 2015.

## Canada Post and the Union: two totally different visions for the future

Canada Post has launched a public propaganda campaign aimed at legitimiz-

ing its cuts in service. It is using a recent Conference Board report on postal services to skew the debate on the future of our universal, public postal service. It is trying to focus the debate on cuts with misinformation on CPC's real financial situation when it should be doing the exact opposite, holding a public debate on the future of the postal service.

A survey done by Stratcom for the union in May clearly shows that the public does not want Canada Post to be either privatized or deregulated. Two out of every three respondents agree with the Union on this. Many of those surveyed recognized that expanding services is the way to go. While it is true letter mail volumes are decreasing, the future of the postal service has to be built on its strengths like its brand, its network, and the service it provides to the public. These are the points we will be defend-

ing in the upcoming review of the *Canadian Postal Service Charter*.

## Our response: collective action

Faced with a government that is increasingly alienating itself from the public, and a postal operator that is only interested in cuts, we have a plan of action. We will fight on all fronts, whether it be in the review of the *Canadian Postal Service Charter*, the fight against deteriorating postal service, or in the political arena. But we are not alone in this battle. The public is rediscovering the importance of collective, direct action.

To do all this, we will be taking an active part in the Canadian Labour Congress campaign to revitalize the labour movement, scheduled for launch as part of Labour Day celebrations. The first part of this initiative will be a media campaign aimed at building awareness of the labour

movement's accomplishments: social programs, the eight-hour work day, employment insurance, etc. The second part will be a host of meetings with rank and file members to explain the need to build up the labour struggle.

To ensure success, the National Executive Board has decided to assign four coordinators to oversee the implementation of our action plan nationwide and provide support for CUPW local activities.

Through our solidarity and collective action, let's make this fall one to remember. For the union makes us strong.

## The struggle continues.

In Solidarity,

**Denis Lemelin**  
National President

Continued from front page

## Why quality child care matters

**Health and safety:** Parents need to be aware of health and safety issues in all varieties of child care including centres. This means assessing the equipment, food and hygiene routines.

**Physical environments:** Both indoor and outdoor should be welcoming, age appropriate, safe and secure, well maintained and have a variety of child-friendly environments for play, napping and routines.

**Learning:** High quality child care settings feature professional early childhood educators, high staff-child ratios and small group sizes. Programming for children should be based on a good understanding of child development and offer a range of play-based artistic, cultural, cognitive, social and physical activities.

**Family:** Quality programs welcome the child's family as a partner in caring for their child.

**Management:** Research shows that high quality is more likely to be found in non-profit and public child care. Accountable, transparent public management is part of a quality approach in all kinds of programs. And public funding—while too often limited—is also key in ensuring wide access and high quality in child care.

We need to continue to pressure governments for a universal, publically funded child care system as the best way to ensure families have affordable quality child care options.

This work was carried out by CUPW/UPCE-PSAC with the Childcare Resource And Research Unit (CRRU). Funding for the project was provided through the CUPW/UPCE Child Care Funds under the terms of our collective agreements with Canada Post.

Please see [findingqualitychildcare.ca](http://findingqualitychildcare.ca) for more information.



Copies of the DVD will be sent to locals. The DVD contains English, French, ASL and LSQ versions of the video.

## CUPW PERSPECTIVE

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## LETTERS POLICY

CUPW *Perspective* welcomes letters to the editor. We will print any letters from a CUPW member provided it:

- is 400 words or less. Union members may submit longer items for consideration as commentary pieces.
- Does not violate CUPW policy opposing discrimination and harassment against women, people of colour, First Nations, Inuit, and Métis people, lesbians, gays, bisexual and transgender individuals, people with different abilities, and/or CUPW policies and principles.

- is typed or written neatly.
- includes the author's name, address, local and a phone number where they can be reached if there are problems.

*Perspective* will withhold the author's name if necessary. Otherwise, the author's name and local will appear.

*Perspective* will contact authors if there are problems with their letters. We accept letters by mail, fax and electronic mail.

# Banking on a future for posts?

Many post offices around the world provide lucrative financial and banking services. How does this work? Why doesn't Canada Post? CUPW has produced a paper that attempts to answer these questions.

The paper is entitled *Banking on a Future for Posts? A financial assessment of postal banking and financial services at various postal administrations*. It looks at the kinds of financial and banking services provided by postal administrations in Brazil, France, India, Italy, Switzerland and the United Kingdom and examines how these services have contributed to the economic situation of these post offices.

In addition, the paper explores the potential for expanding financial services and introducing banking services at Canada Post. It provides a summary of problems in the financial and banking industry as well as an overview of demands for change and support for postal banking. The paper also looks at past and current arrangements between Canada Post and banks, and considers circumstances that might allow the corporation to expand its involvement.

*Banking on a Future for Posts* was presented in May at the Rutgers University Conference on Postal and Delivery Economics in County Dublin, Ireland.

### A few highlights follow:

- Postal banks are generating significant revenues and profits for post offices.
- They are also promoting financial inclusion and economic development.

### Examples of lucrative postal banks:

**Italy:** BancoPosta at Poste Italiane brought in 48% of this post office's net profits (2012).

**Switzerland:** PostFinance at Swiss Post generated 71% of Swiss Post's operating results (2012).

**France:** Banque Postal at La Poste did well enough in 2012 that it paid €186 million (\$253 million CAD) in dividends to La Poste.

### Examples of social and economic benefits:

**France:** Banque Postale has a public service mandate in the banking, financial and insurance sectors and an obligation to provide products and services to as many people as possible. It provides a Livret or pass-book savings account, at no charge, to anyone who requests it. It also provides banking services to the financially vulnerable and financing for social housing, micro-business and voluntary organizations.

**Brazil:** Since its creation in 2002, Banco Postal at Brazil's post office has opened more than 6,300 postal bank branches and provided bank accounts to more than ten million people. These efforts are largely designed to meet the needs of poor and marginalized populations living in rural and underdeveloped areas.

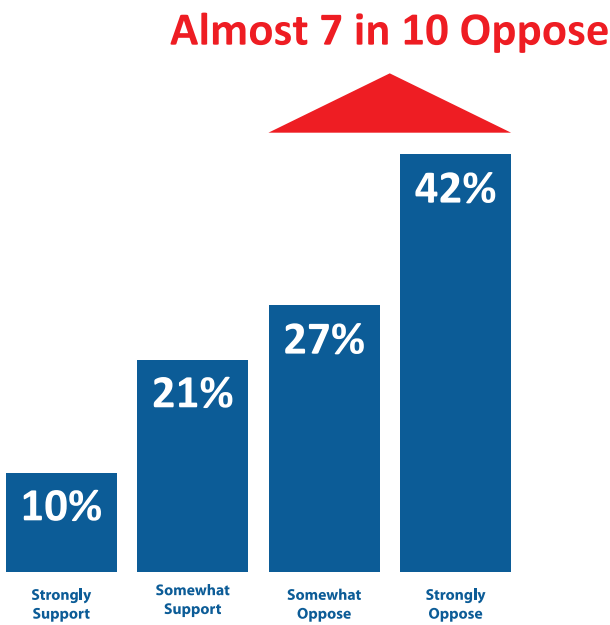
**Italy:** BancoPosta offers passbook savings accounts on behalf of Cassa Depositi e Prestiti (CDP). The CDP, which is 80% owned by the Italian government, uses the money from these savings products to finance public investments of general economic interest, such as roads, schools and energy and water projects.

**India:** India Post sees itself as an engine of social and economic development. It has developed partnerships to increase its offer of financial services, especially to impoverished rural areas.

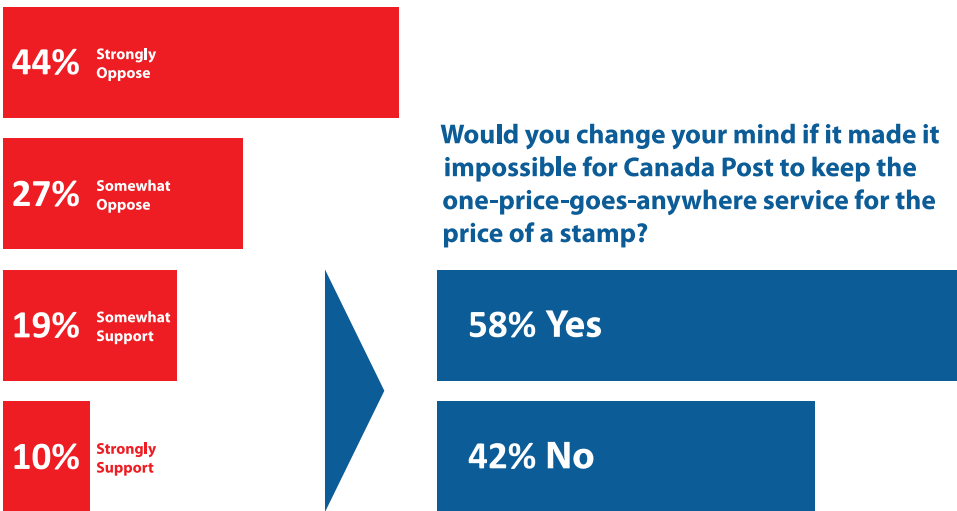
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### Poll: Support for postal banking Opposition to postal privatization and deregulation

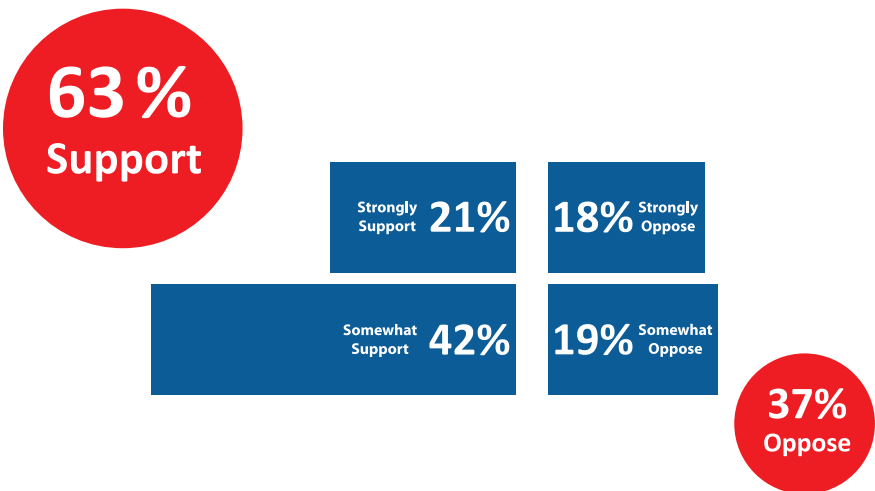
#### Should Canada Post be privatized?



#### Should private companies be allowed to deliver letter mail?



#### Should Canada Post add revenue-generating services, including financial services?



Results from an online survey of a representative national sample of 1514 adult Canadians, May 24-26, 2013.





# Unions and NDP resist interference in collective bargaining

From left to right: Denis Lemelin, CUPW National President; Denis Bolduc, CUPE Regional Vice-President for Quebec; Alex Levasseur, President, Syndicat des communications de Radio-Canada; Hassan Yussuff, Canadian Labour Congress Secretary-Treasurer; Alexandre Boulerice, NDP Labour Critic; Marit Stiles, ACTRA Director of Public Policy & Communications speaking at the microphone.

**CUPW stood with other federal unions to resist provisions of budget implementation Bill C-60, which has just become law. The Bill enables the federal government, via Treasury Board, to interfere directly in collective bargaining and to set employment conditions for non-unionized workers at Crown corporations. On May 8, 2013 NDP Labour Critic, Alexandre Boulerice, held a media conference with a coalition of labour leaders who represent workers at Crown corporations.**

**Hassan Yussuff, CLC:** “Free collective bargaining as outlined in the *Canada Labour Code* has worked very well for decades at Crown corporations. It is unclear to us what problem the government is trying to fix with this bill. Not allowing workers to fairly negotiate with their employers will cause irreparable harm to labour relations peace between the workers and their employers going forward.”

**Alex Levasseur, Syndicat des communications de Radio-Canada:** “No country under democratic rule allows such political interference in the affairs of the public broadcaster, neither Great Britain nor France nor Germany. Moreover, in the latter case, the German Constitutional Court states that funding should be granted following a procedure that removes any possibility of political influence on public broadcaster programming.”

**Denis Bolduc, CUPE-SCFP:** “This isn’t the first time the Harper government has tried to meddle with negotiations at Radio-Canada. In 2009, the government disregarded a duly signed agreement between CUPE and the SRC (Radio-Canada) by imposing new working conditions under Bill C-10.... and the Quebec Superior Court ruled it unconstitutional! Despite the Superior Court’s reminding the Harper government of the importance of freedom of association, the government is refusing to abide by the Court’s decision and has come back with Bill C-60.”

**Marit Stiles, ACTRA:** “We’re here to join the NDP and other unions in saying that enough’s enough. Let’s be clear: this latest move by the Conservative government will allow them to directly intervene in CBC’s bargaining and decision-making.... The negotiations that take place would no longer be about reaching a deal that works well for both sides, but about driving the bar lower for all working people.”

**Denis Lemelin, CUPW:** “When we ask the Conservatives to protect the postal service from cuts and closures, they love to talk about their arm’s-length relationship, but when they want to come after our benefits, it’s another story. As postal workers, we know exactly what happens when the government sits down on the employer’s side of the bargaining table. In the new urban agreement that we signed under duress last year we lost our sick leave. Our demands to fix health and safety problems were brushed aside, and other changes were forced on us.”

**Alexandre Boulerice, NDP:** “Bill C-60 is yet another attack against all Canadian workers — union and non-union alike.... It is completely inappropriate that the Treasury Board would be empowered to step into a workplace and arbitrarily change the compensation of any worker without a union.”

## Locals campaign to protect public post offices

**CUPW locals have been using interesting and innovative strategies to fight the closures and downsizing of our public post offices. Locals have been meeting with municipal councilors, getting articles in the media, having the public sign petitions, letters and postcards about the issues.**

### Meetings with politicians

Many locals have organized meetings with their municipal councilors and federal MPs. The MP for Truro, Scott Armstrong, has expressed opposition to the relocation of their post office to Canada Post officials and in a press release: “I expressed my opposition

to this proposed move as it will draw people from downtown.”

The Kitchener city council passed a motion of objection about their post office closure in April. In Castlegar, BC, MP Alex Atamanenko wrote a letter to Canada Post President, Deepak Chopra, about the proposal to open a private outlet within half a kilometer of the corporate post office.

### Media

Union locals have also been successful at getting media attention about the closures and downsizing. Alain Duguay, President of the Montreal Local, is quoted in the *West Island Chronicle* as saying, “What we know is that

when (Canada Post) announce they’re going to be consulting the population, (closure) is a few months later.”

The Yarmouth local received media coverage after holding a public meeting about the future of the postal service. While Jennifer Young, President of the Fort Erie Local was quoted about downsizing in the *Fort Erie Times*: “This new model would make our post office into little more than a hole in the wall.”

### Petitions, letters and postcards

Many locals have also been encouraging members and the public to sign petitions, send postcards and mail letters on

these issues. The Smithers local had the public, including the mayor and their MP sign a petition. While the Castlegar local distributed a flyer to the public with information about the opening of another private outlet.

These actions have been part of broader campaigns locals have launched to protect retail postal services in the face of the largest attack on the network we have seen since the 1980s-1990s. CUPW locals received post office closure and downsizing kits with postcards, resolutions, petitions, talking points and sample letters to the editor.



# Harper Government Continues Assault on Workers

Since the moment Stephen Harper and the Conservatives were elected to a majority government they have unleashed an unprecedented and direct attack against the labour movement. Postal workers were the first to face the wrath of the Tories, but of course we would not be the last. Every significant labour dispute in the federal sector has been met with one-sided back-to-work legislation. Now, having already attacked the basic right to strike the Conservatives are bringing in a steady stream of anti-union legislation in an attempt to entirely restructure the labour relations regime for federal workers.

## Bill C-377

The first bill to target the labour movement was private member's bill, C-377. This government seems to introduce anything controversial as a private member's bill rather than official government legislation, to allow room to manoeuvre if they need to back off. Bill C-377 would force unions to publicly disclose their finances to an extraordinary level of detail. The legislation would not apply to any other dues-based organizations. The Conservatives argue this would bring needed transparency to the labour movement; they do not mention the fact that many unions already disclose their finances to members. This bill isn't about transparency. It is about tipping the scales in favour of employers at bargaining time, and creating political tension.

## Bill C-60

Bill C-60 is another piece of legislation that is aimed at restructuring the labour relations regime of federal public sector workers, particularly at Crown corporations. C-60 gives the government control over collective bargaining at Crown corporations. The government would not only sit at the bargaining table, but would also have the right to give direction to employer-side negotiators. This is a radical departure from past practice and is entirely at odds with the very idea of a Crown corporation. Crown corporations, such as Canada Post, Via Rail, CBC and others, exist precisely to be at arm's length from the government. Such organizations should not be subject to the political whims of the government of the day, and are independent despite being publicly owned, to ensure this is the case.

## Bill C-525

Another private member's bill being put forward by the Conservatives is one that will make it much harder for workers to join a union. Bill C-525 will remove "automatic card check" from the *Canada Labour Code* and will force a vote on whether or not to join a union, regardless of how many workers sign union cards. This will give employers an opportunity to intimidate the work force before votes. When a certification vote is held, workers that don't vote will be automatically counted as "No" votes. Of course, if such a system were applied to federal elections, there would not be a single sitting member of Parliament. Companies will go to extreme lengths to keep unions out, and this system is ripe for abuse.

## The Rand Formula

If these anti-union bills were not enough, the Harper government is widely expected to launch the largest attack on organized labour in half a century, with an attempt to eliminate the Rand Formula. The Rand Formula is the basis of modern-day labour relations in Canada. It arises from a 1946 ruling by Justice Ivan Rand, which settled the Ford Strike in Windsor, Ontario. After a collective majority decision to join a union, all workers in a bargaining unit are entitled to fair union representation and all workers must pay dues. Ending the Rand Formula would have a disastrous impact on workers and the labour movement.

These attacks from the Conservative government are not simply individual events, but are all connected to a broader process. They come at a time when the global economy is in a state of chaos. Governments around the world are enforcing austerity and stripping away workers' rights at every opportunity. In the face of these attacks, we have seen mass public revolts in one country after another. We cannot simply wait until the next election and hope the Conservatives will be sent packing. We must actively resist these attacks now. Effective resistance happens on many fronts – in our workplaces, in our communities and on the streets.



This spring, three CUPW members were in Washington DC to participate in a conference demanding freedom for the Cuban 5. The Cuban 5 were unjustly imprisoned in the United States on charges of espionage after their mission to prevent Miami-based terror plots against Cuban citizens. Their plight has garnered international support for their release. Activists, trade unionists and elected officials from around the world were in Washington DC to lobby Senators and members of Congress, and to increase public pressure to end the incarceration of the anti-terrorism agents who have become known as "The Cuban 5".



# Good reasons to distrust the Conference Board report

Canada Post has launched a major campaign to justify considerable cutbacks in postal services. As part of this campaign they are using a report written by the Conference Board of Canada entitled, *The Future of Postal Service in Canada*. There are many reasons why no one should trust the conclusions drawn from this report.

## The report is not factual

1. The report predicts a \$1 billion loss of revenue for 2020. This is based on the assumption that there would be a \$250 million loss in 2012. Canada Post actually turned a profit in 2012.
2. The report estimates a drop in lettermail volumes of 9.5 per cent for the fourth quarter of 2012. The actual reduction in volumes was almost half of this prediction.
3. The report significantly underestimates the increase in parcel volumes actually experienced in 2012 and the first quarter of 2013.

4. The report predicts lettermail volume declines in 2013 which are greater than those actually reported by Canada Post for the first quarter.

## The report is biased

5. The report was bought and paid for by Canada Post Corporation.
6. Canada Post President, Deepak Chopra, is on the Board of Directors of the Conference Board of Canada.
7. David Crapper, who was paid to organize the focus groups and conduct the residential and small business polling used in the report, has worked on many Conservative campaigns and advised the party on polling data during the 2006 election. He and his wife, who played a key role in Harper's transition team, were named by the Globe and Mail as a Conservative "Power Couple".
8. One of the external reviewers of the report was Michael Trebilcock, author of the 2007 C.D. Howe Report, which advocated the privatization of Canada Post.

9. The report uses a discredited study by Vincent Geloso and Youri Chassin as a source of international productivity comparisons.

## The report refuses to examine expansion

10. The report notes that other postal administrations are responding to reduced letter volumes by expanding into financial services and banking. However, it does not examine the feasibility of these options for Canada Post.

No one is disputing that reduced letter volumes will have a major impact on Canada Post Corporation. Instead of financing self-serving studies to justify cutbacks, the corporation should seriously examine the innovative measures that are being undertaken by other postal administrations. Post Offices in many countries, including Switzerland, Italy, Brazil, New Zealand, France and Germany have expanded into revenue-generating financial and banking services. (See article on page 3).

## When it comes to postal workers: Tory MP Pierre Poilievre gets it wrong

Recently Pierre Poilievre, Conservative member of Parliament (MP) for Nepean-Carleton, has taken it upon himself to explain the CUPW urban collective agreement, which he refers to as "a 500-page monstrosity", to the House of Commons. The problem with Poilievre, as with so many Tory MPs, is that he has no idea what he is talking about. Consider his remarks to the House of Commons on May 7, 2013.

### Poilievre on job security:

*"If there is no work for a Canada Post employee to do within a 40-kilometre radius of where he or she is located, the union agreement prevents that person from transferring to another place where his or her skills are needed."*

**The facts:** Article 53 of the urban collective agreement does not prevent anyone from transferring to another location. It does prevent regular employees who are employed as of the date of signing of the collective agreement, or regular employees with five years of continuous service, from being laid off if they are declared surplus and there are no vacancies they can fill within 40 kilometres.

### Poilievre on corporate retail counters:

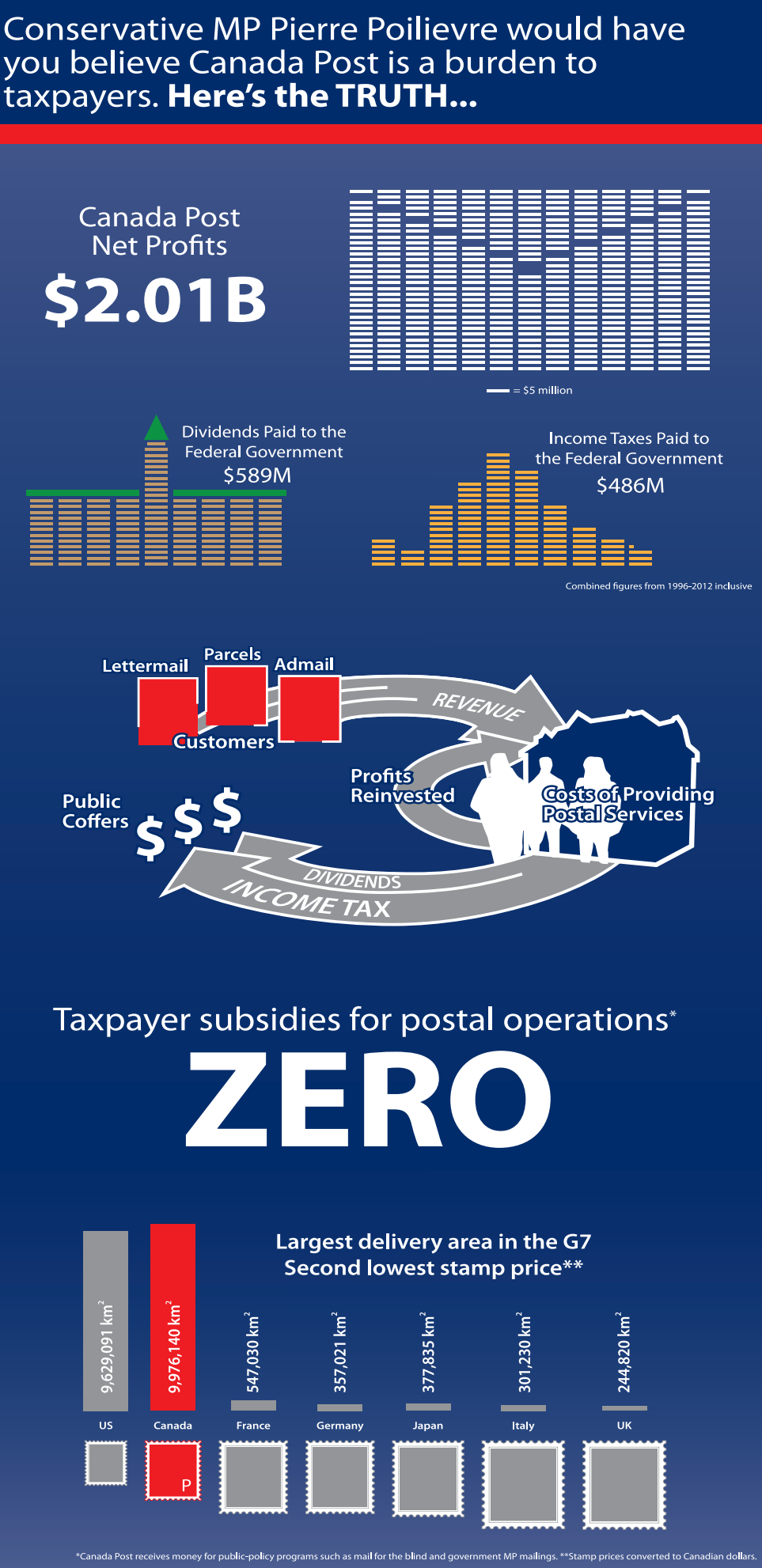
*"The union requires taxpayers to fund almost 500 corporate post offices"*

**The facts:** Both Canada Post Corporation (CPC) and CUPW agreed to Appendix I of the collective agreement. It provides for CPC to keep open 493 corporate retail counters. Since 1996, CPC has not received funding from taxpayers for any purpose except to finance public policy programs such as mail for the blind and free mailings for members of Parliament such as Poilievre. During that time CPC paid over \$1 billion to taxpayers in the form of income taxes and dividends.

### Poilievre on CPC finances:

*"The financial results speak for themselves. Last month's Conference Board report on Canada Post indicated "annual operating deficits of close to \$1 billion by 2020".*

**The facts:** The Conference Board report did not speak about past results. It only spoke about future projections. And the projection for 2012 was way off the mark. The Conference Board estimated the financial loss of Canada Post for 2012 to be \$250 million. The fact is that CPC actually reported a \$98 million profit in 2012.





1. INTRODUCTION

The National Board of Trustees met from February 18 to 27, 2013 at the National Office of the Union in Ottawa for the second verification of this mandate.

As provided in the National Constitution under sections 4.96 to 4.99, we have completed an examination of the financial transactions of the Union for the period of July 1, 2011 to June 30, 2012.

The work of the National Board of Trustees consisted of examining the national treasury books, vouchers pertaining to expenditures, expense accounts for National and Regional Officers and Union Representatives as well as all other documents deemed useful and necessary for a sound administration of the union funds.

The National Board of Trustees also reviewed all documents pertaining to the 2011 National Convention and to the June 2011 strike/lockout.

2. COMPOSITION OF THE NATIONAL BOARD OF TRUSTEES

The National Board of Trustees is composed of the following members:

Central Region	Sister Bev Collins	Chairperson
Pacific Region	Brother Anthony Holzer	Secretary
Atlantic Region	Brother Kevin Peterson	Member
Québec Region	Sister Josée Lambert	Member
Metro-Montreal Region	Brother Roland Savard	Member
Metro-Toronto Region	Sister Adele Chaplain	Member
Ontario Region	Sister Donna Hardy	Member
Prairie Region	Sister Arla Mephram	Member

At our first meeting held on February 13, 2012, the National Board of Trustees elected Sister Bev Collins, Central Region, and Brother Anthony Holzer, Pacific Region, Chairperson and Secretary of the Board respectively.

3. RESOLUTIONS AND RECORDS OF PROCEEDINGS

The National Board of Trustees verified all resolutions and records of proceedings of the National Executive Board meetings for the period of July 1, 2011 to June 30, 2012, for the purpose of verifying financial resolutions, as per section 4.99 of the National Constitution.

During this verification, the National Board of Trustees found several resolutions that did not contain a dollar amount attached to an expense so as to allow us to properly verify that expenses were constitutional.

Therefore the National Board of Trustees recommends:

- That the National Executive Board attach an estimated amount to resolutions with expenses.

The National Executive Board will endeavour to include estimated costs in each resolution requiring expenditure of funds.

4. ANNUAL VERIFICATIONS

A meeting of the National Board of Trustees, as per section 4.95 of the National Constitution, convened for its second verification since the 2011 Convention, from February 18 – 27, 2013.

For this verification, the Chair and Secretary of the board came in three days earlier to do preparatory work for the board in order to facilitate the tasks required for this verification to be completed in the same time frame as the traditional semi-annual verifications.

The National Board of Trustees conducted a full year’s verification, from July 1, 2011 to June 30, 2012.

Therefore the National Board of Trustees recommends:

- That for the next verification, in 2014, the entire National Board of Trustees will require two additional days in order to complete a more in depth verification.

The schedule of meetings for the National Board of Trustees will be adjusted to permit up to two additional days for future verifications.

5. 2011 CUPW NATIONAL CONVENTION

Based on a computer printout, our verification work as well as the information available up to date, the total cost of our National Convention which took place in Toronto from October 24 to 28, 2011 is \$3,474,518.44.

The costs for the 2011 convention are broken down as follows:

Meeting room rental.....	\$	103,274.37
Accommodation.....		1,051,310.73
Travel.....		388,477.42
Simultaneous interpretation .....		163,911.34
Interpretation equipment .....		540,643.59
Per diem.....		273,270.42
Child care.....		57,363.60
Host Committee.....		23,492.70
Lost wages .....		537,685.71
Other .....		15,733.88
Computer equipment.....		2,929.96
Drinks and food .....		8,550.46
Professional fees .....		55,404.71
Postage.....		14,057.09
Printing and supplies.....		136,118.61
Verbatim report of debates.....		57,649.85
Staff wages .....		49,564.00
Registration Fees (from observers) .....		(4,920.00)
Total .....	\$	3,474,518.44

Convention Year	National Convention Costs	Increase Over Previous Years
2005	\$3,158,047	
2008	\$3,241,353	\$ 83,306
2011	\$3,474,518	\$ 233,165

The National Board of Trustees was able to verify that National Convention expenses were made in accordance with the National Constitution.

6. STRIKE/LOCKOUT EXPENSES

At the time of this verification, the amounts available to the National Board of Trustees were not complete since the final financial reports from Locals have not been received. As a result, the National Board of Trustees will be unable to give a final report until our next verification.

The National Board of Trustees verified that, as of June 30, 2012 funds were taken from the Defence Fund to pay for strike/lockout related legal activities as per section 7.20 of the National Constitution.

The chart below reflects verified reports received from Locals to date.

REGION	STRIKE/LOCK OUT PAY ADVANCES	STRIKE/LOCK OUT PAY	* OTHER EXPENSES	FUNDS RETURNED BY LOCALS	AMOUNTS OWING BY LOCALS
Atlantic	650,368.00	567,917.00	4,157.56	75,912.08	2,381.36
Quebec	758,480.00	678,318.00	3,449.01	71,676.13	5,036.86
Metro-Montreal	1,906,025.00	1,427,651.00		478,374.00	
Central	665,188.00	528,278.00	4,510.24	128,399.87	3,999.89
Ontario	1,606,423.05	1,239,334.00	7,574.02	353,080.69	6,434.34
Metro-Toronto	1,301,520.00	895,821.60	1,019.84	404,678.56	
Prairie	1,336,879.00	875,745.00	5,389.20	451,472.28	4,272.52
Pacific	1,217,381.90	968,941.00	4,229.95	232,543.60	11,667.35
TOTAL	9,442,264.95	7,182,005.60	30,329.82	2,196,137.21	33,792.32

\* Strike/lockout pay expenses include all bank charges incurred for the distribution of strike/lockout pay.

Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Directors, ensures that Locals forward final financial reports and outstanding funds to the National Union.

The National Secretary-Treasurer has taken the appropriate steps to fully reconcile Defence Fund expenditures. In the few instances where Locals had not responded to requests for final financial reports, the National Union has recovered outstanding balances through deduction from their rebates.

7. LOCAL FINANCIAL REPORTS

The National Board of Trustees reviewed the Annual Financial Statements received from the Locals covering the period of July 1, 2011 to June 30, 2012.

Financial Statement forms covering the period of review were sent to the Locals in accordance with section 9.30 of the National Constitution. The obligation of submitting an Annual Financial Statement by each Local to the National Secretary-Treasurer is contained within section 9.29 of the National Constitution.

	Number of Locals in region	Reports not Received 2010-11	Locals under Trusteeship	Non-payment to Labour Council <sup>(1)</sup>
Atlantic	35	2	1	21
Québec	32	1	0	14
Montréal	2	0	0	0
Central	37	3	0	15
Toronto	1	1	0	0
Ontario	29	4	0	6
Prairie	35	12	1	30
Pacific	38	10	0	16
TOTAL	209	33	2	102

<sup>(1)</sup> Non-payment to Labour Council does not include those Locals that have not filed a 2011-2012 Annual Financial Statement, thus there is no way to determine if such payment was made.

- There were 33 Locals that did not submit their July 1, 2011 to June 30, 2012 annual financial statements, a decrease of 25 from the 2010-2011 reporting period.
- There were 102 Locals that did not submit the per capita dues payment to Labour Councils. This represents an increase of 36 from the 2010-2011 reporting period. This is a requirement under section 9.42 of the National Constitution.
- A few Locals are not submitting their Annual Financial Statement on the proper form, as sent to Locals by the National Secretary-Treasurer. Some Locals are not completing all information lines on the statement and 84 statements do not balance.
- The 33 Locals that did not submit their July 1, 2011 to June 30, 2012 Annual Financial Statements and the 84 Locals whose Annual Financial Statements did not balance represent 56% of the total number of Locals.
- Some Locals have more funds other than the General Fund. We found that some Locals report all fund accounts, while others do not.

Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer, in conjunction with the National Directors of each region, contact all Locals in writing as a reminder to meet their obligations under section 9.29 of the National Constitution.  
  
In June of each year, all Locals are advised in writing of their obligations under section 9.29 of the National Constitution. Locals that fail to submit their Annual Financial Statements (AFS) by the end of September will be sent a written reminder.
- That the National Secretary-Treasurer, in conjunction with the National Directors of each region, contact all Locals in writing as a reminder to meet their obligations under section 9.42 of the National Constitution.  
  
The letter to Locals referred to above includes reference to section 9.42 of the National Constitution. Locals submitting an AFS that does not include an amount for District Labour Council per capita will be contacted for an explanation.
- That the National Secretary-Treasurer, in conjunction with the National Director of each region, continue to contact applicable Locals in writing, reminding them to submit the Annual Financial Statement using the proper statement form, even if using the services of an auditor. The June bank statement and list of capital values should also be included.

Section 9.30 of the National Constitution exempts Locals using the services of a chartered accountant from using the National supplied form for the AFS. Those not using a chartered accountant for preparation of their financial statements are expected to use the National form or an electronically generated facsimile which provides the information in the same format as our form.

We agree it is a “best practice” to include the June 30<sup>th</sup> bank statement and list of capital values with the AFS though such is not a constitutional requirement.

That the National Secretary-Treasurer continue to send guidelines with each blank Annual Financial Statement form to assist the Local secretary-treasurers in fulfilling their duties.

Guidelines for completing an AFS will continue to be sent each June with the reporting form.

- That the National Secretary-Treasurer, in conjunction with the National Directors of each region, provide education and/or one on one assistance to Locals to ensure that they submit balanced Annual Financial Statements.

The National course for Local Secretary-Treasurers includes a section on preparing bi-monthly and annual reports. The course is provided on a regular basis. The National Secretary-Treasurer provides one to one coaching for Local Secretary-Treasurers experiencing difficulties and National Directors are always prepared to assist Local Executives in carrying out their duties.



8. EXPENSES FOR REGIONAL ACTIVITIES

The National Board of Trustees examined the expense accounts with respect to union activities for which the National Directors have received an advance. During the verification, 32 training activities in all were provided for the regions.

- 8.1 All regions have submitted their expense reports required under section 5.13 of the National Constitution. The vouchers included were clear and easy to check.  
  
We, the National Board of Trustees, appreciate the work done by the regions in submitting their activity reports, and ask them to continue their efforts in this regard.
- 8.2 In the course of this verification, we have noted that, despite an observation made by the National Board of Trustees in its first verification, one region had not returned surplus funds relating to all of its regional activities, and five regions had closed the year with an amount due.
- 8.3 We have also noted, during this verification, that Regions took an average of five months to return surplus funds to the National Union, with one Region having a balance still owing from the previous verification.
- 8.4 There are some concerns surrounding the use of child/elder care funding and the possible misunderstanding of the requirements for access to these funds.

Therefore, the National Board of Trustees recommends:

- 8.2 That the National Secretary-Treasurer write the regions to emphasize the importance of recovering surplus funds in order to facilitate the accounting process for these activities.  
  
With the exception of one Region, all reports are up-to-date and funds fully accounted for. The differential between this office and one Region has been outstanding for a significant period and will be resolved in the immediate future.
- 8.3 That the National Secretary-Treasurer require the regions to abide by the 45-day timeline set out in section 5.13 of the National Constitution, in order to facilitate the accounting process.  
  
In the few instances the 45-day time limit is not met by a Regional Office, the National Office contacts that office to ascertain the reason for the delay and obtain a commitment for submission of the report.
- 8.4 That the National Secretary-Treasurer remind all levels of the Union of the process and requirements for accessing child/elder care funding as noted on the back of the “Reimbursement for Child Care or Elder Care Service” form.  
  
The National Secretary-Treasurer will communicate to Locals, copied to the Regional Office, the current policies and procedures for accessing child/elder care funding.

9. EXPENSES FOR REGIONAL OFFICES

The National Board of Trustees reviewed the files containing bank statements, reconciliation reports, forms and receipts for the expenses of regional offices for the period of July 1 to June 30, 2012.

- 9.1 The Metro-Toronto, Prairie and Pacific Regional Offices’ expenses are paid by National Office. The other five regions have submitted their monthly expense reports.
- 9.2
  - In one region, reconciliation reports for both office expenses and meetings (activity account) were not filled out properly for this verification.
  - One region did not send the reconciliation report for meetings (activity account) in to National but provided a balance sheet.

Therefore, the National Board of Trustees recommends:

- That the National Directors ensure that all copies of bank reconciliation reports, for all accounts, be filled out and submitted to National Office.  
  
The National Secretary-Treasurer will work with National Directors to ensure bank reconciliations are properly reported.

10. EXPENSES FOR NATIONAL ACTIVITIES

The National Board of Trustees reviewed the expenses for the following National Activities for the period of July 1, 2011 to June 30, 2012.

During this verification, the National Board of Trustees reviewed the expenses for the Union Education Program held in Port Elgin in 2012. This was the first session after an 18-month time span. The number of participants was increased from 40 to 50 members attending.

- Level 1 in May 2012;
- Level 2 in June 2012.

The total expenditures for these two sessions was \$448,837.16.

OTHER MANDATED NATIONAL MEETINGS

As per audited Financial Statements to June 30, 2012, high to low values:

ACTIVITY NAME	EXPENSES
National Human Rights Committee	\$ 107,916
National Women’s Committee	\$ 55,396
National Board of Trustees	\$ 47,190
National Health and Safety Committee	\$ 22,573
National Work Measurement Committee	\$ 22,214
National Disciplinary / Resolutions	\$ 15,204

Therefore, the National Board of Trustees recommends:

- That the National Executive Committee endeavour to find means of reducing costs of all National activities and meetings without negatively affecting the work of these groups.  
  
Members of the National Executive Committee responsible for the various National Committees are always vigilant of the cost of those committees and look for cost reduction opportunities, including negotiations of preferred accommodation rates and limiting travel costs. Further, video conferencing will be utilized to maximize the cost benefit of the system and reduce overall costs.

11. REVIEW OF STATEMENT OF EXPENSES

The National Board of Trustees examined the individual statement of expense forms for the period of July 1, 2011 to June 30, 2012 for each of the National and Regional Officers, Union Representatives and Alternate Union Representatives.

- 11.1 During this verification, individual monthly expense reports from some individuals were combined over several months rather than being submitted monthly.
- 11.2 Travel and vehicle authorization by some officers are not dated, are not signed or are put in after the travel has occurred and, in some cases, were not used at all. During the previous verification, the response to the recommendation on the travel authorization referenced contemplating “pre-authorization” and instances without formal authorization being the exception rather than the rule. The National Board of Trustees agrees that this should be the case, however, this was not found to be so during this verification.
- 11.3 It is noted again during this verification that there is savings to be had by installing all members on the National cell phone plan. Some members are being reimbursed at more than the “monthly cost of the national plan”.
- 11.4 It was noted that there was a high cost associated with the short-term use of an Internet turbo stick in conjunction with international travel by an officer of the Union.

- 11.5 The use of a vehicle log book, similar to that being used by the Atlantic and Montreal Regions, along with the existing travel authorization form would greatly improve the verification process for all vehicle usage claims be they private or rental vehicles.
- 11.6 During this verification, it was noted that there is no means of verifying or cross referencing claims for per diems.
- 11.7 There are still concerns around the use of rental vehicles. Where there are vehicles being rented on a consistent basis, same vehicle from month to month, the purchase of vehicles as per the constitution would be preferred. There also seems to be a perception of vehicles possibly being used for non-Union business.

Therefore, the National Board of Trustees recommends:

- 11.1 That the National Secretary-Treasurer ensure that all officers and Union Representatives submit monthly, detailed expense reports along with any required authorization forms and supporting documents.  
  
The majority of expense reports are submitted on a timely basis.  
  
Written reminders are sent to individuals who are delinquent in submitting reports.
- 11.2 That the National Secretary-Treasurer inform, in writing, all officers and Union Representatives and explain the importance of providing the necessary authorization forms with their monthly expense reports and also of their responsibilities to comply with sections 7.42, 7.44, 7.53, 7.54 and 7.56 of the National Constitution.  
  
All who submit expense reports have previously been advised in writing of their obligations in respect of expense authorizations. The members of the National Executive Board will strive to ensure compliance with the provisions of sections 7.42, 7.44, 7.53, 7.54 and 7.56 of the National Constitution.
- 11.3 That the National Secretary-Treasurer endeavour to have all remaining private cell phone plans converted to the National plan so as to realize these savings and or reimburse those on private plans at the “monthly cost of the national plan.”  
  
The few individuals who for personal convenience are utilizing their own cell phone plan are being reimbursed up to the monthly cost of being on the National plan.
- 11.4 That, when international travel is required, arrangements be made through the Information Technology Department in order to minimize the costs associated with these individuals staying in contact with the Union at all levels.  
  
Individuals involved in international travel have been instructed to advise the IT department at least 10 days prior to travel so arrangements can be made to limit communication costs while travelling.
- 11.5 That the National Executive Board, along with the National Secretary-Treasurer, insist on the use of a log book along with the existing authorization form, as part of the process to authorize reimbursement for vehicle expenses, be they private or rental vehicles.  
  
Authorization for private vehicle expense including origin, destination, kilometers and reason for travel is included on the travel authorization form and/or kilometer expense claim form. Vehicle logs are available for use in Union-owned vehicle and long-term rentals. Rental contracts for individual events include the date of rental and return, the kilometers driven. The expense claim records the reason for the rental.
- 11.6 That the National Secretary-Treasurer, along with the National Executive Committee, put in to hard copy the existing guidelines surrounding per diem and communicate these to all levels of the Union and require all officers and Union Representatives to include, as part of their monthly expense report, a daily activity report supporting per diem claims.  
  
Written guidelines surrounding per diem claims will be reviewed at the June 2013 NEC/REC following which they will be distributed throughout the Union.
- 11.7 That the National Constitution be followed as outlined in section 7.43 in accordance with vehicle purchasing. As outlined in 11.5 above, the use of vehicle log books would go a long way to removing the perception of non-Union usage of both rented and Union-owned vehicles.  
  
Previous analysis of the cost of vehicle ownership versus utilization of rentals has revealed no net benefit to the Union in terms of cost. When convenience factors are included, rentals are to be preferred.

12. ATTENDANCE

The National Board of Trustees reviewed annual, pre-retirement and sick leave taken by National and Regional Officers and Union Representatives.

The National Board of Trustees confirmed that attendance records are based on the honour system, where individual officers and Union Representatives are responsible for reporting their attendance on their monthly expense report.

For the 2011-2012 fiscal year, approximately 2,182 days of annual leave were unused as of June 30, 2012.

We also noted that out of the 68 National and Regional Officers and Union Representatives covered by this verification, 13 had 12 weeks or more of annual leave credits carried forward while 8 had between 6 and 11 weeks carried forward.

Therefore the National Board of Trustees recommends:

- That the National Secretary-Treasurer ensure that all officers and Union Representatives submit monthly attendance records.  
  
Monthly attendance records are currently being provided by way of monthly expense reports.  
  
The recommendations in the remaining three bullets will be considered in depth by the National Executive Board at its June 2013 meeting mandated under section 4.03 of the National Constitution.
- That all officers and Union Representatives are encouraged to use their annual leave, and that section 7.38 of the National Constitution is applied to outstanding leave balances at the end of each fiscal year.
- That the National Secretary-Treasurer develop and implement an attendance policy and procedure to be used at the Regional and National levels, to ensure reporting of annual leave and “personal days”.
- That the National Secretary-Treasurer develop and implement the use of a national leave form to be used by all officers and Union Representatives.

13. INSURANCE

As provided for under section 4.99 (a) of the National Constitution, the National Board of Trustees verified that a national insurance policy was in place to cover reasonable risk of loss, as of June 30, 2012. The insurance policy contains dishonesty coverage up to \$50,000 per occurrence.

The insurance policy is available only in English.

Therefore, the National Board of Trustees recommends:

- That the National Secretary-Treasurer ensure that the insurance provider provides the insurance policy in both official languages (English and French).  
  
The insurer has been requested to provide a copy of our policy in both official languages.

14. TERMINATION OF EMPLOYMENT AND MOVING

The National Board of Trustees reviewed the amounts paid to national and regional officers and Union Representatives who took or left office between July 1, 2011 and June 30, 2012.



Based on the information made available to us, the following amounts were paid out:

- Moving and relocation expenses (section 7.39) paid to 17 members \$ 184,481.51
- Unused annual leave (384.05 days) \$ 89,704.47
- Section 7.41 (260 days) \$ 65,631.49
- Total: \$ 339,817.47

Among those who left their positions, one had accumulated 166 days of unused annual leave credits, for which \$43,520.48 had to be disbursed. Also, four members who left their positions fell under section 12.02.

15. INVENTORY LISTS FOR NATIONAL AND REGIONAL OFFICES

In order for the National Secretary-Treasurer to do a proper accounting of the assets of the Union, as per section 4.54 of the National Constitution, it would require an inventory list from National Office as well as all eight Regional Offices. These lists should include all items purchased by union funds such as filing cabinets, office furniture, etc., essentially all items excluding office supplies.

The National Board of Trustees found that there was no update for this verification period. We were assured that the process has started July 1, 2012 to update this file and that it will be maintained.

The National Board of Trustees feels that a completed inventory is essential for National and Regional offices as it would allow the Union to keep better track of the Union's assets as well as provide documentary information for insurance purposes, if required.

Therefore the National Board of Trustees recommends:

- That, for insurance purposes, video or pictures be taken of the inventory in the National and Regional Offices;

*The hard copy inventory is currently being updated and verified. The suggestion for a video record for inventory purposes is being investigated and may be implemented depending on the results of this review.*

- That the National Board of Trustees be able to review an updated list of inventory from the National and Regional Offices at each verification.

*The current inventory list is always available for the Trustees to review.*

16. UNION FUNDS

- 16.1 The National Board of Trustees reviewed the annual audited financial statements prepared by the accounting firm of Marcil Lavallée. These annual audited statements (2011-2012) provide data relating to the General Fund, Defence Fund and Reserve Fund.

As provided for in section 7.13 of the National Constitution, the following is a table providing the amount in each fund to June 30, 2012 in comparison with June 30, 2011:

	June 30, 2012	June 30, 2011
General Fund	\$ 0	\$ 0
Defence Fund	\$ 16,916,909	\$ 15,318,968
Reserve Fund	\$ 5,286,565	\$ 6,895,895

- 16.2 As provided for in section 7.20 of the National Constitution, the monies normally deposited in the Defence Fund were deposited into the General Fund.

- 16.3 The National Board of Trustees found, for the verification period, that the 5% transfers to the Reserve Fund were made monthly as per section 7.17 of the National Constitution.

Two and one-half percent (2.5%) of the Reserve Fund is allocated to external organizing activities, as per section 7.17 of the National Constitution.

17. CUPW BUILDING SOCIETY

CUPW Building Society was incorporated under the *Business Corporations Act of Ontario*. The corporation was then continued under the *Business Corporations Act of Ontario* on June 16, 2009. The Company is the owner of three buildings, two condominium offices and five residential condominium apartments:

- CUPW National Office at 377-385 Bank Street in Ottawa, Ontario;
- CUPW Ontario Region at 344 Sovereign Road in London, Ontario;
- CUPW Pacific Region at 999 Camarvon Street in New Westminster, British Columbia;
- Five residential condominiums located at 1223 Wellington St. in Ottawa, Ontario;
- CUPW Quebec Region at 5000 des Gradins Boulevard, Suite 340, in Quebec City, Quebec;
- CUPW Metro-Montreal Region at 565 Crémazie East, room 4400 in Montreal, Quebec.

Funding for purchase of the properties and share capital was obtained through investments of the Defence Fund which are non-interest bearing and have no defined terms of repayments. Based on the audited financial statements as of June 30, 2012, the balance on the commercial mortgage loan (from the Toronto Dominion Bank) is \$959,733 for the residential condominium apartments. The net value of the assets listed above of CUPW Building Society is \$9,365,407.

18. FINANCIAL REPORTS

- 18.1 The National Board of Trustees found that financial statements covering the period under review were not sent to the Locals in accordance with section 4.50 of the National Constitution.

- 18.2 The National Board of Trustees reviewed statements for the 2011-2012 fiscal year, as audited by the audit firm of Marcil Lavallée and adopted by the National Executive Board at the meeting held in January 2013. The balances of the various union funds have been reported in items 16.1 of this report.

- 18.3 The National Board of Trustees reviewed the budget sent to Locals under section 7.02 of the National Constitution and adopted by the National Executive Board at its October 2012 meeting.

19. CUPW ADMINISTRATIVE STAFF

- 19.1 All the staff working at the National and Regional Offices are covered by collective agreements negotiated between CUPW and their respective union.

	Canadian Office and Professional Employees Union (COPE 225)	Canadian Union of Public Employees (CUPE 1979)
Number of employees	47 plus 2 replacements for maternity leave at the national and regional offices	24 plus 1 temporary replacing a long-term absence
Collective agreement's starting date	July 1, 2008	August 16, 2009
Collective agreement's expiry date	December 31, 2011	August 15, 2013

- 19.2 As of June 30, 2012, there were three administrative employees who were covered by individual contracts with CUPW. The positions include:

1. Director of Finance and Administration
2. Director of Information Technology
3. Director of Oracle Services

20. JOE DAVIDSON FUND

The National Board of Trustees reviewed documentation indicating that the education bursaries had been granted under section 11.04 of the National Constitution.

In August 2011, one member received an education bursary totalling \$4,440.48 for per diem, travel, registration fees, child care and lost wages to attend the CLC Labour College of Canada. Another member received an education bursary totalling \$8,309.18 for registration fees, per diem, travel and lost wages to attend an education course in May 2012 at the CLC Labour College of Canada.

During this verification, it has been noted that no funds were accessed by the Joe Davidson Fund towards sending any member to the Quebec Federation of Labour.

21. PAYMENT OF LEAVE FOR UNION BUSINESS (CLAUSE 26.06) OF THE URBAN COLLECTIVE AGREEMENT

- 21.1 Based on information received this second verification, as of June 30, 2012, the sum of \$427,803.85 has been paid by the National Office to Canada Post Corporation for all outstanding Union leave pre-April 2000.

The National Office will continue to pursue all outstanding amounts from the applicable Locals.

- 21.2 For the second verification period of July 1, 2011 to June 30, 2012, the National Board of Trustees also reviewed the amounts pertaining to Local union business leave withheld by Canada Post Corporation from the national union dues remittance as per clause 26.06 (h).

Amounts withheld:

July 2011	\$ 12,329.43
August 2011	\$ 19,067.66
September 2011	\$ 149,134.85
October 2011	\$ 154,635.83
November 2011	\$ 95,598.97
December 2011	\$ 11,407.01
January 2012	\$ 25,157.15
February 2012	\$ 25,006.44
March 2012	\$ 11,955.94
April 2012	\$ 29,277.34
May 2012	\$ 57,404.60
June 2012	\$ 10,309.25

This 12-month total of \$601,284.47 is only a slight decrease of \$19,308.72 from the previous two, six-month verifications.

- 21.3 The practice of several Locals is to have the National Office deduct the monthly Union leave owed on a regular basis from their Local rebates. The National Board of Trustees is concerned that Locals may not be following the steps set out in clause 26.06 in particular 26.06 (f) prior to having the billing by Canada Post Corporation deducted from their dues rebate by the National Office.

Clause 26.06 (f) states:

*"Should the Union, or the Local of the Union, as the case may be, believe that the invoice contains an error, the Union, or the Local of the union, shall provide written details of the alleged error to the Corporation within the time frame mentioned in paragraph 26.06 (d). Any amounts claimed which are not disputed on the invoice shall be paid in accordance with paragraph 26.06 (d)."*

If Local billings sent out by Canada Post Corporation are not checked for errors by the Locals concerned then the National Office has no way of knowing if these errors actually exist. This may result in Canada Post Corporation being paid money they are not entitled to, but in fact belongs to the Local.

Therefore, the National Board of Trustees recommends:

- 21.1 That the National Secretary-Treasurer continue to take the necessary steps with all applicable Locals in the recovery of the Pre-April 2000 outstanding amounts.

*The recovery of Pre-April 2000 outstanding amounts is continuing and should be completed in the 2013-2014 fiscal year.*

- 21.2 That the National Union continue to recover current outstanding union leave payments and that it provide guidance (training/education) to the Locals who do not make payments appropriately, as per clause 26.06 of the Urban Collective Agreement.

*The system of recovery from Local rebates of amounts withheld by the Corporation is ongoing and presents no liability to the National Union. Where Locals are identified as problematic in the process, the National Director is contacted to intervene with the Local.*

- 21.3 That the National Secretary-Treasurer copy the applicable National Director on the monthly letter sent to Locals under subject matter "Outstanding Invoices Deducted by CPC".

*National Directors will receive copies of any notices sent to their Locals concerning "Outstanding Invoices Deducted by CPC".*

22. APPENDIX "AA"

The National Board of Trustees has verified the cost of the Appendix "AA" Committee for the time period of July 1, 2011 to June 30, 2012.

The Committee consists of two CUPW members working with the Corporation to identify, conduct and evaluate collection and delivery related projects.

CUPW has paid \$83,920.26 as our share of the costs of this committee.

Therefore, the National Board of Trustees recommends:

- That the National Office produce a quarterly bulletin, to be posted by Locals, on the activities of this Committee.

*The National Executive Board believes this recommendation does not fall within the mandate of the National Board of Trustees. It is and always has been the responsibility of the NEB to inform members of issues important to the membership and to decide the content and frequency of those communications.*

23. TRANSITION COMMITTEE

Based on the information made available to us, an amount of \$77,437.20 is to be received from Canada Post for the period from July 1, 2011 to June 30, 2012.

24. COLLECTIVE AGREEMENT FUNDS

The National Board of Trustees reviewed the various collective agreement funds negotiated for the benefit of the members.

	Based on the audited financial statements from July 1, 2011 to June 30, 2012		
	Child Care Fund	International Fund	Education Fund
Revenues	\$ 2,839,759	\$ 171,100	\$ 2,756,060
Expenses	\$ 1,764,887	\$ 171,100	\$ 2,629,988
(Deficit)/Surplus	\$ 1,074,872	\$ 0	\$ 126,072
Balance as of June 30, 2012	\$ 3,483,680	\$ 0	\$ 1,170,009

There are two other funds administrated by the Union under the urban operations collective agreement. They are:

- ➔ Appendix "T" – Service Expansion and Innovation and Change Committee;
- ➔ Appendix "AA" – Collection and Delivery Model;

25. EXTERNAL ORGANIZING

- 25.1 According to information received during this verification, the current status of funds being used for external organizing is:

Balance as of June 30, 2011	\$ 434,965
Plus 2.5% from the Reserve Fund (from July 1, 2011 to June 30, 2012)	\$ 752,027
Less expenses for the period of July 1, 2011 to June 30, 2012	( \$ 190,316)
Balance as of June 30, 2012	\$ 996,676

It should be noted that related legal fees are not charged to the External Organizing Fund.



25.2 For the period under verification, we noted that, out of the 17 active private sector units,

- four units of RMS Pope have not paid Union dues to the National Office. The recovery process is underway;
- Super Express (Fredericton-Oromocto Local) has changed its name to Easy Express. The unit has its first collective agreement and the dues rates has not been set.

We will continue to monitor this matter closely during the next verification.

In terms of the Education Fund, of the eight units that participate, EMC Bedford is the only one the Union has received funds from.

26. CHECK-OFF AND MEMBERSHIP

In accordance with sub-section 4.99 (e) of our National Constitution, the National Board of Trustees has audited membership and check-offs for the period of July 1, 2011 to June 30, 2012.

The information and statistics come from computerized statements made available to us for analysis. The reports indicate all employees working either “full-time,” “part-time,” or on a “temporary” basis, as well as their status, as defined in the National Constitution and the various collective agreements. They are:

- Full-time, part-time and temporary “members in good standing”;
- Full-time, part-time and temporary “members”;
- Full-time, part-time and temporary “Rand” members.

Notes:

- The terms “member in good standing” (MIGS) and “member” are defined in sections 1.04 and 1.07 of the National Constitution.
- The term “Rand” refers to the formula in section 70 of the Canada Labour Code for collecting Union dues from employees who have not become members or who have lost membership status as per section 1.11 of the National Constitution.
- Even though verifications are now conducted on annual basis, the National Board of Trustees wishes to continue reporting on check-off and membership on a six-month basis so as to present a more detailed breakdown.
- For the period of July 1st, 2011 to June 30th, 2012, membership increased by about 2 % (933 members).

CHART 1

(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS BY BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2011				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: July 1 to December 31, 2011	44,121	7,269	576	51,966
Average: January 1 to June 30, 2011	43,834	7,285	606	51,725
Variation	287	(16)	(30)	241

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS BY BARGAINING SECTORS JANUARY 1 TO JUNE 30, 2012				
	URBAN OPERATIONS	RSMC	PRIVATE SECTOR	TOTAL
Average: January 1 to June 30, 2012	44 652	7 435	571	52 658
Average: July 1 to December 31, 2011	44 121	7 269	576	51 966
Variation	531	166	(5)	692

CHART 2

(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS WORKING FULL-TIME, PART-TIME OR ON A TEMPORARY BASIS JULY 1 TO DECEMBER 31, 2011				
	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Average: July 1 to December 31, 2011	39,995	6,386	5,585	51,966
Average: January 1 to June 30, 2011	40,406	6,352	4,967	51,725
Variation	(411)	34	618	241

AVERAGE NUMBER OF MEMBERS IN GOOD STANDING, MEMBERS AND RAND MEMBERS WORKING FULL-TIME, PART-TIME OR ON A TEMPORARY BASIS JANUARY 1 TO JUNE 30, 2012				
	FULL-TIME	PART-TIME	TEMPORARY	TOTAL
Average: January 1 to June 30, 2012	40,076	6,486	6,096	52,658
Average: July 1 to December 31, 2011	39,995	6,386	5,585	51,966
Variation	81	100	511	692

CHART 3

(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS BY STATUS JULY 1 TO DECEMBER 31, 2011				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: July 1 to December 31, 2011	47,112	2,158	3,077	52,347
Average: January 1 to June 30, 2011	46,712	2,479	2,900	52,091
Variation	400	(321)	177	256

Note: 381 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2011.

371 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2011.

In accordance with section 1.21 of the National Constitution, 90 members have received Retired Member status in CUPW but are not included in the above charts.

AVERAGE NUMBER OF MEMBERS BY STATUS JANUARY 1 TO JUNE 30, 2012				
	MEMBERS IN GOOD STANDING	MEMBERS	RAND	TOTAL
Average: January 1 to June 30, 2012	47,401	2,182	3,476	53,059
Average: July 1 to December 31, 2011	47,112	2,158	3,077	52,347
Variation	289	24	399	712

Note: 401 lifetime members are included in the number of members in good standing for the period of January 1 to June 30, 2012.

381 lifetime members are included in the number of members in good standing for the period of July 1 to December 31, 2011.

In accordance with section 1.21 of the National Constitution, 92 members have received Retired Member status in CUPW but are not included in the above charts.

CHART 4

(All figures have been rounded off)

AVERAGE NUMBER OF MEMBERS BY REGION, GROUP AND BARGAINING SECTORS JULY 1 TO DECEMBER 31, 2011									
REGION	URBAN OPERATIONS						PRIVATE	RSMC	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UN- KNOWN	TOTAL			
Atlantic	1,157	1,325	33	5	1	2,521	95	901	3,517
Quebec	890	2,313	7	0	4	3,214	12	1,486	4,712
Metro- Montreal	2,635	3,294	153	11	33	6,126	36	192	6,354
Central	1,546	2,141	32	6	1	3,726	101	1,109	4,936
Metro- Toronto	3,972	3,191	204	18	5	7,390	43	320	7,753
Ontario	1,984	5,057	57	12	1	7,111	38	1,275	8,424
Prairie	3,131	4,407	106	15	3	7,662	236	1,336	9,234
Pacific	2,219	4,079	67	5	1	6,371	15	650	7,036
Total	17,534	25,807	659	72	49	44,121	576	7,269	51,966

AVERAGE NUMBER OF MEMBERS BY REGION, GROUP AND BARGAINING SECTORS JANUARY 1 TO JUNE 30, 2012									
REGION	URBAN OPERATIONS						PRIVATE	RSMC	GRAND TOTAL
	GROUP 1	GROUP 2	GROUP 3	GROUP 4	UN- KNOWN	TOTAL			
Atlantic	1,198	1,358	31	6	0	2,593	94	918	3,605
Quebec	904	2,306	7	0	2	3,219	15	1,502	4,736
Metro- Montreal	2,687	3,379	163	10	21	6,260	36	198	6,494
Central	1,551	2,160	34	6	2	3,753	103	1,135	4,991
Metro- Toronto	4,169	3,175	220	17	7	7,588	30	337	7,955
Ontario	1,989	5,080	63	12	0	7,144	38	1,295	8,477
Prairie	3,173	4,437	111	16	2	7,739	238	1,388	9,365
Pacific	2,168	4,112	70	5	1	6,356	17	662	7,035
Total	17,839	26,007	699	72	35	44,652	571	7,435	52,658

CHART 5

(All figures have been rounded off)

BREAKDOWN OF FUNDS RECEIVED JULY 1 TO DECEMBER 31, 2011	
Dues received	\$ 24,817,090.59
Local rebates	\$ (5,898,200.22)
Local assessments	\$ (325,458.95)
Additional Local rebates (section 7.08)	\$ (436,393.00)
Federation of Labour Per Capita	\$ (241,836.98)
Optional Insurance	\$ (1,087,291.90)
Basic Life Insurance	\$ (578,765.24)
Dues unapplied and Suspended	\$ (39,529.78)
Reserve Fund	\$ (839,419.44)
General Fund	\$ (15,370,195.59)

Note: The above indicates total funds received and their distribution for the period of the verification.

BREAKDOWN OF FUNDS RECEIVED JANUARY 1 TO JUNE 30, 2012	
Dues received	\$ 22,754,055.07
Local rebates	\$ (5,426,809.18)
Local assessments	\$ (271,853.04)
Additional Local rebates (section 7.08)	\$ (382,886.00)
Federation of Labour Per Capita	\$ (244,475.35)
Optional Insurance	\$ (943,999.30)
Basic Life Insurance	\$ (578,997.39)
Dues unapplied and Suspended	\$ (37,886.86)
Reserve Fund	\$ (772,307.63)
General Fund	\$ (14,094,840.96)