



December 16, 2013

## Canada Post and Conference Board Myths Debunked

Canada Post and the Conference Board of Canada have been out there talking about how much money the post office is losing or about to lose. We are told that the post office's financial situation is the reason the corporation has to make deep cuts, such as eliminating door-to-door-delivery and destroying jobs. Apparently, cutting is the corporation's only option. Read on to find out what's a fact and what's a myth:

### 1. Canada Post says it has lost lots of money.

Yes, Canada Post is facing financial difficulties, but these difficulties have been exaggerated to prepare the public for major cuts. The corporation lost money in 2011 after being profitable for 16 years. It returned to profitability in 2012. The loss in 2011 was largely due to one-time costs - a pay equity settlement and a benefit increase due to a pension adjustment. It is unclear what the corporation's financial situation is this year.

### 2. A report by the Conference Board of Canada on the future of Canada Post says our post office is expected to lose close to \$1 billion annually by 2020.

The \$1 billion loss figure was based on the assumption that Canada Post would lose \$250 million in 2012. In fact, the corporation earned \$98 million in (before tax) profit. Incidentally, the Conference Board's report was paid for by Canada Post. Not only that, the president of Canada Post sits on the Board of Directors of the Conference Board of Canada.

### 3. Canada Post says that only one third of households still get door-to-door delivery (Underlying message: They are a pampered few). The media has interpreted this to mean that two thirds of households *don't* get home delivery.

The fact is that close to two thirds of households (63%) in our country currently get home delivery.

While 33% of households receive door-to-door delivery, another 25% get mail delivered to the entrance of their apartment building and another 5% get delivery to their homes by way of a rural mailbox.

Only 25% of households receive delivery to a community mailbox, group mailbox or kiosk.

Another 12% get their mail through a postal box or by general delivery at a post office.

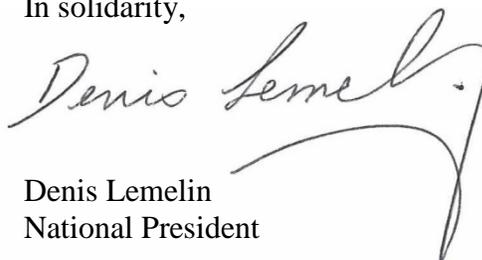
### 4. The Conference Board's report claims that Canada's 'highly developed financial service sector' would prevent our post office from making significant profits from postal banking like other postal administrations.

The report acknowledges that financial services have been lucrative for many postal administrations. It specifically mentions Swiss Post while failing to mention that Switzerland also has a highly developed financial service sector.

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

The facts speak for themselves.

In solidarity,



Denis Lemelin  
National President

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