



CUPW • STTP

COMMUNIQUÉ

Canada Post makes \$147 Million in 2004 Good year for profits – Bad year for postal workers

Canada Post's annual report says that the corporation made \$147 million net income in 2004 from the post office and its companies. It is the post office's tenth consecutive year of profit. (See highlights on back)

CUPW Annual Assessment

While it was good year for postal profits, it was unquestionably a bad year for postal workers. The corporation lost a great deal of public confidence in the wake of the sponsorship scandal. It also lost ground by failing to make necessary investments (see 'Invest in Future'). Canada Post needs to deal with its past and invest in its future.

CUPW is calling on the proposed new president, Moya Greene, to make four strategic investments in the future of public postal service and postal workers. The union also wants the new president to restore public confidence by addressing the problems outlined in the Deloitte & Touche audit. The post office is not broke but it does have some big problems which need to be addressed.

Restore confidence

The union is particularly concerned with a problem that has been given little attention to date. Deloitte & Touche found that Canada Post failed to comply with its procurement and contracting out policies in 355 of the 599 cases that were reviewed. CUPW has asked Canada Post's Board of Directors and the Minister Responsible what they are doing to ensure compliance.

Invest in Future

CUPW has also asked Canada Post to use its profits to make four strategic investments in the future of public postal service and postal workers.

Last year, the union asked the corporation to:

Invest in the work force: The injury rate is out of control. One in eight CUPW members is injured each year. CUPW wants Canada Post to enter the twenty-first century by investing in the safety of workers.

Invest in post offices: Public post offices contribute to healthy communities in ways that profit-seeking alternatives that come and go do not, especially in rural communities. Communities need reliable infrastructures, like the post office, if they are to thrive. CUPW wants Canada Post to stop closing post offices and start investing more in service.

Invest in government and financial services: Canada Post could provide people from coast to coast with easy access to a whole variety of government and financial services. CUPW wants Canada Post to make better use of a network that is second to none.

Invest in door-to-door delivery: Canada Post could extend door-to-door delivery to many homes at minimal cost. CUPW wants the corporation to provide home delivery to new multi-unit developments and to new points of call in areas already receiving letter carrier delivery.

What happened?

The injury rate is still abominable. Canada Post is still closing post offices. There has been little investment in government services, financial services or door-to-door delivery. This has definitely NOT been a good year for postal workers or the public. We all deserve better after a decade of profits. CUPW intends to meet with the new president with a view to ensuring that Canada Post deals with its past and invests in its future.

Canada Post plans on releasing its five year corporate plan at a later date. Your local will receive additional information at that time.

Annual Report Highlights

- Made \$147 million in net income from the post office and its companies. Net income is what the Corporation makes after it subtracts items like income tax and accounts for non-operating income or expenses.
- Made \$241 million in income before taxes. The post office segment made \$197 million in income before taxes.
- Paid \$93 million in taxes.
- Paid \$63 million in dividends.
- The volume of addressed lettermail increased for the first time in several years.

Understanding CPC Annual Reports: Always a challenge

CPC never makes it easy to understand their annual reports and this year is no exception.

In the CPC press release Anne Joynt, President and Chief Executive Officer for Canada Post said, "I want to thank our employees for yet another job well done. But we can't stand on our laurels. The reality is that Lettermail volumes are declining."

In the annual report CPC says: "our costs are rising faster than our revenues"

Both of these statements are contradicted by the information provided by CPC in the annual report.

Change	2004	2003	+
Revenue from Operations (\$ millions)	\$ 6,651	\$ 6,344	\$ 307
Cost of Operations (\$ millions)	\$ 6,413	\$ 6,162	\$ 251
Income From Operations (\$ millions)	\$ 238	\$ 182	\$ 56
Communications (lettermail) Volume (millions)	5,464	5,408	56
Total Mail Volume (millions)	10,868	10,719	149

The fact is that lettermail volumes are up and revenues have been rising faster than costs.

Solidarity,



Deborah Bourque
National President

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