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Chair

Mr. Tom Lukiwski

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• (1400)

[English]

The Chair (Mr. Tom Lukiwski (Moose Jaw—Lake Centre—Lanigan, CPC)): Ladies and gentlemen and colleagues, I call the meeting to order.

I welcome our panellists. For committee members, I should probably, in the spirit of transparency, let everyone know that Debra Button and I are old friends. Second, I have a long-standing and very cordial relationship with the Saskatchewan Association of Rural Municipalities. I promise I won't let those two relationships interfere with my duties. Mr. Lafleur, just to make you feel at ease, although we have never met, my father was the former head of the United Steelworkers of America, so I have quite an extensive union background as well.

Welcome to you all. Thank you for taking time out of your busy schedule to be here.

As you are undoubtedly aware, the minister responsible for Canada Post, the Honourable Judy Foote has engaged and initiated a very extensive consultation process that had two phases to it. Phase one was the establishment of a task force whose job and mandate it was to examine the financial viability and sustainability of Canada Post. They have completed their work. They have tabled their report, and we've had an opportunity as a committee to question them on their work.

Phase two, however, is why we're here today. We have engaged in a cross-country tour speaking with individuals, organizations, municipalities, first nations people, communities both urban and rural, and remote communities across Canada. We've been asking the participants in this consultation to give us their views on the future of Canada Post, and more specifically, to give recommendations and suggestions on how Canada Post can improve both its services and its financial viability going forward. That's why we have invited you here today to participate.

The process is quite simple. We'll ask each of the presenters to open with a brief statement of five minutes or less. I'll try to keep you to that as well as I can. Following your opening statements, we'll have a round of questions from every committee member, and then your comments and your testimony will form part of our final report.

With that brief word of opening, we'll start with Ms. Button, for five minutes or less, please.

You have the floor.

Ms. Debra Button (President, Saskatchewan Urban Municipalities Association): Thank you very much.

I want to say that I would rather think we were long-time friends. Nothing "old" for ladies, thank you, and please put that on the record.

Good afternoon. I am Debra Button, mayor of the City of Weyburn and president of the Saskatchewan Urban Municipalities Association.

I am here today on behalf of SUMA, representing 444 urban government members. These cities, towns, villages, northern municipalities, and resort villages are home to more than 77% of Saskatchewan's population.

First, thank you to the committee for the chance to provide comments on the future of Canada Post.

The discussion paper makes it clear that the corporation is at a critical stage. The decisions before the Government of Canada and Canada Post are about ensuring the long-term sustainability of mail service.

My colleagues in urban governments are plenty familiar with the challenges of delivering services to the residents of this province. We are responsible for a massive amount of infrastructure, from roads and bridges to water pipes and waste water systems, and for services from waste and recycling to recreation programming, all while working with limited revenue sources and being unable to run a deficit on our operational budget, so we certainly feel your pain.

Canada Post provides vital services to our local governments, residents, and businesses in every corner of Saskatchewan. SUMA members rely on Canada Post to deliver water samples to the provincial lab for testing; for delivery of property tax assessments, utility bills, and notices of bylaw contravention to residents; and to send and receive parcels and bring bill payments to our offices.

The task force report makes note of the nostalgia attached to the local post office for many Canadians. The post office is a local pillar that reflects the community's vibrancy. It's a place to keep in touch, whether running into your friends and neighbours in the office or sending a letter to those across the country or abroad.

However, the Internet and email make it relatively cheap and easy to get information and connect with friends and family. We carry these tools in our pockets. That doesn't mean Canada Post is irrelevant. There is still space for the services Canada Post has traditionally provided. It does mean, however, there are difficult decisions ahead. I'm certainly not an expert at operating a mail service, but I can offer you the perspective of Saskatchewan urban governments through SUMA.

Overall, SUMA is open to Canada Post changing operational practices to save corporate money, but we need you to maintain a high-quality mail service for our members and their residents. We believe this can be a win-win situation. As I said, local governments are familiar with managing assets such as buildings and the costs associated with maintaining these facilities. Canada Post and the government need to decide if the rural moratorium makes sense in the current business environment.

Urban municipalities want good postal service in our communities. How you deliver that service is the least of our concerns. Explore the option of shuttering assets and replacing with franchise locations. By and large, our residents are not as concerned if a post office is in its own building or if it sits in a corner of the local co-op, Northern store, pharmacy, or even the town office. They just want the Canada Post service they rely on.

This model is already in place in larger urban centres and appears to provide an excellent service to their residents. If mail volume is going down, including the ad mail that is making up the bulk of it right now, do we need to maintain daily delivery to households and community mailboxes? An alternate delivery schedule has potential savings of \$75 million every year, and SUMA supports a pilot program to test this approach.

However, not every efficiency will work. Community mailboxes may be beneficial to Canada Post, but they won't work in every neighbourhood. In new developments, community mailboxes are built into the design, but the concept may not transfer into older areas. Canada Post needs to respect and work with local governments to determine the right place to locate community mailboxes in well-established neighbourhoods. We need to consider planning standards, private interests, public safety, parking, snow removal, and accessibility when choosing the sites for these community mailboxes.

Local governments know how to find alternate revenue sources, I assure you. We've been able to offset costs by selling advertising on transit buses, signage on hockey rink boards, and naming rights to community centres. Canada Post could take the same approach by advertising on fleet vehicles or store locations. Obviously Canada Post needs to be tasteful and protect the corporate brand, but Mosaic Stadium here in Regina and Crescent Point Place in Weyburn are just two examples of how you can make the most of what you already own.

As I said at the top, I'm here representing more than 77% of Saskatchewan's population. When people come to Saskatchewan, by and large they are choosing to live in urban centres—cities, towns, and villages.

●(1405)

Our communities provide access to high-speed Internet and wireless networks, but there is still a home for traditional mail and parcel services there. Urban Saskatchewan is where people post their mail and pick up parcels, and SUMA looks forward to engaging with Canada Post and the federal government as you make high-quality mail services efficient and effective. We are willing to work with and support you, because our communities have a vested interest in a sustainable postal system for Canada.

Thank you for the chance to speak with all of you today.

The Chair: Thank you very much.

Next we have Ms. Sterling, please, for five minutes or less.

Ms. Carmen Sterling (Vice-President, Saskatchewan Association of Rural Municipalities): Good afternoon. Thank you for the opportunity to address the committee today.

My name is Carmen Sterling. I'm the vice-president of the Saskatchewan Association of Rural Municipalities.

For those who are unfamiliar with us, the Saskatchewan Association of Rural Municipalities—or SARM, as I'll refer to it—is the independent association that represents all 296 rural municipalities in Saskatchewan.

As the review and study of Canada Post continues, SARM wants to ensure that residents and businesses, including major resource sectors, receive adequate mail and parcel delivery service. Nearly 200,000 people live in Saskatchewan's rural municipalities. RMs are also the primary location for many sectors that drive Saskatchewan's economy, including agriculture, oil and gas, and mining. Hundreds of thousands more live in the rural settings of towns, villages, and resort villages.

Rural residents do not currently receive door-to-door mail and parcel delivery. SARM does not believe that door-to-door service is practical in rural Saskatchewan. Instead, rural residents should still be able to utilize central pickup locations. We also do not oppose the transition to community mailboxes in larger urban centres.

We do, however, strongly oppose the closure of any more walk-in post office locations in rural communities. It is also very important that decisions regarding the number of deliveries a week and the delivery days be made at the community level, as each community has different needs.

While many argue that the world is becoming more and more digital, marking postal delivery as obsolete, rural Saskatchewan continues to be challenged by insufficient broadband. Not only does this impact the decisions of residents and businesses to move to rural areas, but it also makes it very difficult for those in rural settings to rely on digital modes of communication. Mail delivery is therefore still a necessary medium of communication for rural residents and businesses.

SARM also wishes to highlight the fact that the Saskatchewan Transportation Company, a provincial crown corporation, plays a significant role in parcel delivery in rural Saskatchewan. However, financial losses have resulted in the cutting of many bus routes. This further reduces parcel delivery options for those in rural Saskatchewan. As such, we cannot afford to lose any more service in rural Saskatchewan.

Understanding the difficulties Canada Post faces, SARM is not opposed to transitioning some pieces of Canada Post to a privatized model, so long as it can be assured that contractors can provide services at a lower cost while also maintaining the integrity and security of the delivery system. We would also support banks and post offices partnering to share space in rural communities. Both play a vital role in creating vibrant rural communities.

Finally, SARM was also concerned to learn recently that date-stamping is no longer practised by all post offices. Instead, some post offices have the technology to cancel stamps without the use of ink stamps. We have been told that these post offices will now only date-stamp mail when specifically asked to by the sender at the post office.

This is extremely problematic for municipal administrators and, presumably, many other organizations and businesses, as date stamps serve as verification that payments and other important documents were mailed before their deadlines. This ensures that discounts and penalties are charged to senders accordingly. SARM believes that it is very important for all post offices to resume the practice of date-stamping to ensure that municipalities and other businesses and organizations can verify when financial and other important payments or documents were mailed.

In closing, the Saskatchewan Association of Rural Municipalities believes that Canada Post must maintain adequate service in rural Saskatchewan and that it must refrain from closing more walk-in post offices in rural Saskatchewan.

On behalf of SARM, thank you for the opportunity to appear before this committee.

● (1410)

The Chair: Thank you very much.

Our last panellist will be Mr. Lafleur. You have five minutes, please, sir.

[*Translation*]

Mr. Donald Lafleur (Executive Vice-President, Canadian Labour Congress): Good afternoon.

[*English*]

My name is Donald Lafleur. I'm the vice-president of the Canadian Labour Congress. I'm also a member of the Canadian Union of Postal Workers. I'm a postal worker going back to 1977 and a member of the national executive board going back to 1989.

On behalf of the 3.3 million members of the Canadian Labour Congress, we thank you for the opportunity to provide our input into this review.

We believe there are two choices.

The first is to invest and take bold steps to leverage Canada Post's infrastructure to offer improved and new services. This choice strengthens our world-class postal system now and into the future.

The second is to cut services, charge more, and ditch the principle of universality. This choice means lower-quality services at higher costs. It threatens the viability of Canada Post and paves the way for more privatization.

The task force supports the second choice. Look at their options: eliminate home delivery, reduce delivery days, sell 800 outlets, close processing plants, charge user fees for home delivery, and scrap the uniform rate of postage.

Now you have a choice to make.

We urge you to reject all of these options. They're self-defeating. Fewer people will use Canada Post if services are less convenient and more expensive. It's a downward spiral that leads to privatization. That would be disaster.

[*Translation*]

Let's look at the facts.

Canada Post has made profits in 19 out of the past 21 years, for a total of over \$1 billion in net profits. In the first two quarters of 2016, Canada Post made \$45 million in profits.

The parcel delivery service is flourishing. From 2011 to 2015, the number of parcels delivered by Canada Post increased by 27%. The service is a growing source of revenue, and Canada Post could increase its market share in the future.

Since the Canada Post Corporation is making considerable profits and its parcel delivery sector is growing, it cannot justify a service reduction. We encourage you to recommend that door-to-door service be restored to the 830,000 households that were denied the service during the conservative government era.

Don't misunderstand me. We aren't arguing that Canada Post should spin its wheels. On the contrary, we believe there are excellent opportunities to invest in Canada Post, diversify its services and increase its revenue. We're encouraging you to make that choice.

[English]

Our written submission has lots of suggestions. I want to highlight two.

The first suggestion is postal banking. Postal banks exist in 60 countries, including ones with well-established banking markets. They're contributing to the profits of postal systems. Canadians are not served well by the big five banks, who are raising fees and reducing services. A postal bank can improve access and offer lower fees. It would be useful in the rural and aboriginal communities that the chartered banks aren't serving. It would be an alternative to payday lenders who charge rip-off interest rates that should be illegal.

Over 600 municipalities endorse postal banking. Research commissioned by the task force suggests that 7% of Canadians would certainly use postal banking, and 22% would probably use it. That's a large customer base to start with. Canada Post's own research says they could profitably launch the largest banking network in the country. It's time to think big. We urge you to recommend postal banking as a viable option for the future for Canada Post.

A second opportunity is the government's commitment to transition Canada to a low-carbon economy. Canada Post infrastructure can play a role in this transition and generate new revenue. For example, charging stations for electric vehicles can be added to every post office. In this area Canada is way behind other countries, including smaller countries like Norway. We need to catch up. Canada Post can help the transition to greener transport while raising new revenues. We urge you to make recommendations that will maximize the enormous capacity and potential of Canada Post to diversify its services.

[Translation]

Lastly, I want to address the pension issue.

The financial condition of the pension plan is improving considerably. In 2015, the going-concern surplus was \$1.2 billion. This represents an improvement from 2014, when the surplus was \$500 million. In the meantime, the solvency deficit dropped from \$6.8 billion in 2014 to \$6.2 billion in 2015. These two trends are encouraging.

However, the most accurate measure of the pension plan's sustainability is the going-concern surplus of \$1.2 billion. This represents the current costs for Canada Post. Based on this measure, the plan is healthy.

Problems are being caused by the solvency funding rules. The rules are unnecessary and counterproductive. They were established in the 1980s to protect employees and their pensions from the insolvencies of employers and of the private sector. It's not wise to apply these rules to Canada Post. There's very little risk of our public postal operator going bankrupt in the near future.

In addition, the rules in question divert a large amount of revenue away from business priorities for investment. There's no reason to apply very costly solvency rules to a public sector entity whose pension plan has a considerable going-concern surplus.

• (1415)

[English]

The Chair: Sir, I'll have to get you to wrap it up very quickly.

Mr. Donald Lafleur: I have two sentences left.

The Chair: Please go ahead.

[Translation]

Mr. Donald Lafleur: The provincial governments have amended their legislation to ensure that public sector entities are exempted. It's time for the federal government to follow suit. We encourage you to recommend that Canada Post's pension plan receive a permanent exemption from the requirement to make solvency funding payments.

Thank you.

[English]

The Chair: Thank you.

We'll start with our seven-minute round with Mr. Whelan, please.

Mr. Nick Whalen (St. John's East, Lib.): Thank you, Mr. Chair, for the floor.

Thank you very much for coming today.

It's interesting to hear the different perspectives of rural Canadians and urban Canadians on the way they use their postal service and opportunities for additional revenue.

As you know, we've been tasked with growing the economy, protecting middle-class jobs, and ensuring that people have access, in the case of Canada Post, to a high level of service at a sustainable cost.

With respect to additional services that might be offered through Canada Post, the rural municipalities say that they would like to see partnerships with banks. When we hear from the urban ones, it's not something we've been hearing very often.

Can you speak a little bit about the appetite of your members for postal banking and whether there's some dividing line among smaller urban municipalities at which you feel they could probably use a banking service offered through the post office?

Mr. Sean McEachern (Director, Policy and Communications, Saskatchewan Urban Municipalities Association): For clarity, I think what SUMA is referring to is a little bit more about actual post offices being in banks. I'm not necessarily sure it was a postal banking proposal, because there are a number of different credit unions and big banks around a number of smaller communities.

With respect to postal banking, the association looked at the task force report rationale, both pros and cons, for postal banking. I'm not sure SUMA's in the best position to be providing commentary on the benefits of it, but just in terms of what was shared within the task force report, I would question the validity of postal banking within Canada. We have some of the best banks in the world, and they're located throughout different communities.

There's more than just the big banks, however; there's a multitude of credit unions around Saskatchewan that are just as successful as well. I'm not sure that introducing another banking mechanism into our current market is something that is in the best interests of residents.

If it means saving Canada Post—

Mr. Nick Whalen: How many of your 440 members don't have banking service in their urban area as it stands?

Mr. Sean McEachern: We have a total of probably 100 to 130 villages within Saskatchewan, and a majority of those probably don't have banks, but a good number of our larger towns do, and of course our larger urban centres do. Most of our larger service regions would have them.

If you take the southeast corner, Weyburn, Estevan, Camduff—and the list goes on—are communities that have at least one of the major banks or a credit union.

Mr. Nick Whalen: It's hard for me to grasp the scale of Saskatchewan, coming from Newfoundland. When you talk about the “corner”, do you mean that people would be able to drive to a bank within 25 kilometres, or are we talking about hundreds of kilometres?

Maybe this is a question for the rural municipalities' members as well. You seem to think that there is some appetite for a co-sharing of space or some type of partnership. From your knowledge, in the villages and hamlets that need postal and banking services provided, do you see a market and a market need?

• (1420)

Ms. Carmen Sterling: There may not be particularly for postal banking, but I'm not sure that we can comment on what our members' and our residents' appetite would be for the actual mechanism of postal banking.

The reference to banks and postal services partnering, from our submission, is that in many cases banks are struggling with being able to staff full time or to justify the expense of having a branch that's open full-time, regular hours in some of these smaller communities. Having the ability to partner on some of those expenses, those shared spaces...maybe they can align their opening hours and that type of thing to be able to provide a service.

We think banks are probably a service that has been reduced in our smaller communities. Most of the service that our members receive for postal or banking services is in those small urban areas that are represented by SUMA.

In the case of our residents, our hamlets would be very small and likely wouldn't have either of those services, so we'd be looking to endorse those smaller communities under the SUMA organization to support their having those types of facilities and keeping those post office and bank relationships. There may be other businesses they can partner with as well that already exist in these small areas.

Unfortunately, I can't comment as to specifically what the appetite would be for postal banking.

Mr. Nick Whalen: Okay, that's fair enough.

In your more northern communities, do you have any communities that are served by Nutrition North or require service through it or any other types of programs or services that you think Canada Post could offer?

Ms. Debra Button: Sean was just there.

Mr. Sean McEachern: Yes, there are a number of communities in northern Saskatchewan that benefit from Nutrition North. A number of those communities have a Canada Post outlet. It's usually quite small. You'd never even know it's a Canada Post office, because sometimes it's just a little ATCO trailer, but they do exist.

In that same vein, around the banking initiative as well, in terms of its tying in with postal, the Northern stores, for instance, actually offer a banking system for northern residents in Saskatchewan. I'm not sure that it extends throughout the country. It's called “We banking”, and it's similar to the type of model that Canada Post would be looking at as well.

Mr. Nick Whalen: Fair enough.

In some of the testimony we've heard in other municipalities, there's been a call for Canada Post to explore the option of providing an outlet or service desk for services that would otherwise be provided by municipalities or by provinces. Would your members be interested in outsourcing their service desks or other offerings? Do you think they could leverage Canada Post's network to more efficiently provide the services?

Ms. Debra Button: Can you give me an example of that?

Mr. Nick Whalen: When we were in Edmonton, someone mentioned the possibility that people walking the routes might be able to help enforce municipal bylaws, or that Canada Post could offer licensing—dog licences, hunting licences, things like that—from a service desk. In the case of the federal government, it could be passports. They could offer those services from a joint desk that would be staffed by Canada Post but would offer services that otherwise three levels of government would each have to staff.

Is that something that would be of interest?

Ms. Debra Button: We've never surveyed our members for that, but it probably would be something that we'd be interested in having a discussion on.

Mr. Nick Whalen: Okay. That's interesting. We get mixed answers to that question. It's nice to hear perspectives.

Would you comment, Ms. Sterling?

Ms. Carmen Sterling: Our members primarily are not served by a walked route. Parcel pickup is the way we're serviced in the rural areas, so there would probably be limited opportunity for our members to partner on programs like that.

Certainly our members are always open to opportunities, depending on what the opportunity might be, but for things like the bylaw enforcement and licensing you referenced, it would be difficult. Our communities are generally serviced by their office, which is probably the main point of contact, and there's no mail delivery service that could fill in for that.

The Chair: Go ahead, Mr. McCauley, for seven minutes, please.

Mr. Kelly McCauley (Edmonton West, CPC): Thanks for joining us today.

It's wonderful to be in Regina. I have a long family history here. My uncle served here for part of the war before he headed overseas, training pilots out of Regina.

Ms. Button, thanks for your comments.

We've been hearing mixed messages about the amount of consultation Canada Post has done with communities. I think you're from Weyburn, but we're heard from communities saying that they've heard nothing, and then later we get a whole stack of information showing that they had been quite roundly consulted.

Can you let us know how the consultation process with Canada Post was with you?

• (1425)

Ms. Debra Button: Sure, I would love to.

When we initially started to hear that there may be changes, Doug Jones approached SUMA, and then again came to Weyburn and approached us as well. He spoke with our city mayors' caucus around the issue of Canada Post and the changes. Then we were approached in Weyburn by two gentlemen—and I'm sorry, but I don't recall their names—and they started the process of the community mailboxes for us.

Actually, it was a nice smooth process. We had a lot of give and take and discussion back and forth. We received a big binder just after the federal election, or just prior to that, showing where those community mailboxes were going to be located in Weyburn. We were in the process of going back and forth to say this one's good, this one's not going to work, and this one's okay.

I have to say that overall we were quite pleased with the interaction and co-operation we were getting from Canada Post.

Mr. Kelly McCauley: I think that's probably the best way. The grassroots knows best.

Do you think that SUMA and similar organizations are the best place for Canada Post to start with in consultation, or right with the municipality itself?

Ms. Debra Button: I think start right with the municipalities themselves. They're all different, all unique, and they know their communities better than SUMA would.

I have to say as well that although Weyburn had a great experience with Canada Post, I know some of our members haven't, so there's been a mixed message. Certainly ours was good.

Mr. Kelly McCauley: Okay. Ms. Sterling, thanks for your comments.

I just want to check this with you, because we've heard very clearly across the country that Canada Post means different things depending on where you are.

In the big cities, Canada Post is just the local Shoppers Drug Mart, but out in the rural areas, it is a community hub and it's a lot more important.

One of the things we've been hearing from the smaller communities, but also on the task force, is to look at the 700 or so Canada Post-owned post offices in the big cities and turn those over to the private area, with the money saved being used to help preserve

and expand Canada Post in the rural areas, where it means a lot more.

Do you think your organization believes this is a good, valid idea?

Ms. Carmen Sterling: Our organization is supportive of any measures that are taken to keep that postal delivery service in rural Saskatchewan for our members and the majority of our ratepayers.

As I indicated before, ours is a main pickup centre, and most of us are going into town anyway. A phrase that's quite often used is "I'm going to town to get the mail", and they're doing other things in these communities.

I can't say, on behalf of our members, that sacrificing that service in urban—

Mr. Kelly McCauley: Where I live in Edmonton, I can Google it and find 21 Canada Post service stations within a five-minute drive, and we have corporate ones as well. Maybe we don't need those corporate ones, but rural areas do.

Ms. Carmen Sterling: Right. As I said, we would support initiatives to reduce costs in the urban centres in favour of supporting our rural service—without reducing their service, of course.

Mr. Kelly McCauley: This is a difficult question: what do you think is the greatest need that your municipalities or areas have from Canada Post right now? What would be the greatest want? Would it be longer hours, more outlets?

Ms. Carmen Sterling: I think even just some collaboration in how decisions are made about the hours of service and delivery days. I think that for the most part our members and our ratepayers would agree that there's not necessarily a demand there to have something delivered to us every day, if we understood the reasons behind why it couldn't be.

Parcel delivery is very important to our members. We do not have physical addresses to have parcels delivered in Saskatchewan, so I think parcel delivery is important. A lot of our municipal offices receive items by mail. In a lot of cases, the limitations of broadband in some areas means that documents that normally might be sent by email or digitally can't be accepted, so they're still using mail service to receive those documents as well.

Mr. Kelly McCauley: That's great.

I love your comment about the date stamp. I think it's important, because I pay enough photo radar tickets in Edmonton to have that done.

Ms. Button, we probably only have about 30 seconds. It's the same kind of question in a different world: what would you look for if you could pick one or two top things from Canada Post?

Ms. Debra Button: The one thing that we kept emphasizing when we were going through the process in Weyburn was about the delivery for homebound people who aren't able to make it to those community mailboxes. We would look to make sure those people were protected in whatever changes come along.

We are very supportive of having Canada Post outside of their physical buildings. As I said, in Weyburn it's been the Pharmasave store. It works quite well, and they have extended hours for people who aren't able to get into that facility in the normal hours of nine to five.

• (1430)

Mr. Kelly McCauley: Thanks again for having us here, and thanks for your work. It's wonderful to be in Regina.

The Chair: Thank you.

Mr. Weir, you have seven minutes, please.

Mr. Erin Weir (Regina—Lewvan, NDP): I'd like to welcome the committee and our witnesses to Regina. I'm not sure if I can do quite as good a job as the chair of making a personal connection with every witness, but as a local MP I feel I should make the effort.

I attended the University of Regina with Mr. McEachern from SUMA. I've met frequently with SARM, and once worked in the municipal affairs department of the Government of Saskatchewan. I'm also a former staff economist with the Canadian Labour Congress.

I'll start with you, Mr. Lafleur. You mentioned that you were going to highlight two of your recommendations for Canada Post. You talked about the role it could play in moving toward a low-carbon economy as well as the potential for postal banking. I was very interested that SARM also endorsed that concept of providing financial services from postal outlets.

I wonder if there are other aspects of the CLC's recommendations that you'd like to present to us.

Mr. Donald Lafleur: Generally talking about services, definitely we would be opposed to closures of more post offices. If anybody thinks that the government's closing of urban post offices would not be followed by closures—that have already been happening for years, as a matter of fact—of rural post offices, in my opinion that person is dreaming in Technicolor, because one will lead to the other.

The same goes for door-to-door delivery. I talked a bit about it here. We're for bringing back door-to-door delivery. Letter carriers and rural mail carriers are the face of the post office. It's not just a service issue; it's a financial viability issue.

When the customers see us coming to the door, they talk to us and they use the services. When we're delivering to super-mailboxes, they see the UPS person and the FedEx person come to their door, and we're no longer there. If we lose door-to-door delivery in cities, we're going to lose lot-line delivery in rural areas as well. Those are services.

Generally speaking, improved services would be at the top of the list, and also maintaining good jobs.

Mr. Erin Weir: On this point about services, it seems that the government's task force is really pushing in the direction of more franchising, but one of the points we've heard in a number of places is that the quality of service isn't as good at franchise outlets as it is at Canada Post corporate outlets. I wonder how that squares with your experience.

Mr. Donald Lafleur: That's definitely true. Whether you're talking rural or urban areas, if you look at it from the perspective of official languages, every year the numbers show that service in both official languages is lacking in private outlets. Our members in the Canadian Union of Postal Workers who provide retail services tell us that most of the complaints they get from the customers are about the franchises down the street.

Let's just look at the jobs. Look at the jobs in the Shoppers Drug Marts: minimum wage, no pension, precarious work versus good-paying jobs with a pension, retirement, uniforms. I won't get into all the details. This has been happening for a few decades now.

That's good for the economy and that's good for society all across this country. We have enough precarious jobs out there. To this day, it's a major problem in Canada and many parts of the world. If you take away door-to-door delivery everywhere, that's another 8,000 jobs gone. That's 8,000 people in the future who will be in precarious work instead of good jobs. That is not good for the Canadian economy.

Mr. Erin Weir: Thank you.

I'm glad you addressed the concern about the solvency deficit in Canada Post's pension plan. Of course, that's a type of accounting that may make sense in the private sector, or a company could go bankrupt and have to pay out all of its pension obligations at once, but that certainly won't be the case with Canada Post. It will always have employees contributing to the pension plan, and as I think you noted, on a going concern basis it's actually in surplus. I think your recommendation of exempting Canada Post from solvency valuation makes a lot of sense.

Another witness who suggested that idea was a pensions expert who argued that we should exempt Canada Post from solvency valuation only if its pension were put into joint trusteeship. I wonder what you think about that idea. Is that something that a postal workers union might have an interest in?

• (1435)

Mr. Donald Lafleur: I can't remember exactly what year, but it has been a demand of the Canadian Union of Postal Workers in previous rounds of negotiations. It wasn't in recent years, but in the early 2000s we had those types of demands.

Mr. Erin Weir: Okay. It probably makes sense anyway to exempt it from solvency valuation, but if it were a requirement that exemption be combined with joint trusteeship, you don't see that as really being any kind of obstacle for the workforce?

Mr. Donald Lafleur: No. What you're talking about there is already a reality, as I mentioned, at the provincial level.

Mr. Erin Weir: Certainly that's correct, and it's a very good point.

In terms of the role that Canada Post could play in moving towards a low-carbon economy, I wonder if you could just elaborate a little bit on what it would mean to develop the infrastructure to support green vehicles at Canada Post locations across the country.

Mr. Donald Lafleur: We've been pushing for this in consultations that the postal workers have—I used to have the environment file when I was there—and it could be a fleet of vehicles or retrofitting the post offices. If you look at the “Delivering Community Power” booklet that's been put out, there are more postal outlets than Tim Hortons out there. There could be solar panels on the roof.

There are tons of examples there that would lead to achieving the obligations of this country under the COP21 Paris agreement.

Mr. Erin Weir: Thank you.

I have a question for SARM. A concern we've heard at a number of locations is that Canada Post does not provide standardized parcel rates across the country. The price really varies depending on the region it's being sent from and the region it's being sent to. I'm wondering if that's of concern to your members or to your residents.

The Chair: Answer very briefly, please.

Ms. Shelley Kilbride (Director, Policy and Research, Saskatchewan Association of Rural Municipalities): That's not something we heard from our membership when we spoke to them about Canada Post service.

I think the primary concern is about whether or not we will maintain that level of service in those rural communities. Currently our membership, as in other communities, still uses other types of parcel delivery service as well, when necessary. That has a lot to do with timing and hours that the businesses are open. I'm sure they'd be willing to pay, and would continue to pay, varying rates depending on their location as long as they could coordinate with the timing of the post offices being open.

The Chair: Thank you very much.

Madam Ratansi, you have seven minutes.

Ms. Yasmin Ratansi (Don Valley East, Lib.): Thank you very much.

Thank you for all your input.

I was putting things into perspective, and I realized, Ms. Button, that the city of Regina has 145 square kilometres with a population of 221,000. That's what Wikipedia says. My riding—just my riding—is 14 square kilometres with a population of 221,000. I'm trying to see how we collectively can find solutions. It's not one size fits all. How do we find solutions that are good for the country, good for the economy of Regina, good for everyone?

First, how many of your residents used to have door-to-door delivery?

Ms. Debra Button: I'm not from Regina.

Ms. Yasmin Ratansi: Oh, I'm sorry.

Ms. Debra Button: Sean lived here, so maybe he can answer.

Mr. Sean McEachern: Answer about Weyburn.

Ms. Debra Button: I can answer about Weyburn, maybe, a little better.

I don't know the square kilometre distance from corner to corner for Weyburn. It's a small city of 11,000, and we have one postal office, the main one, and then we have the one in Pharmasave. We have postal service delivery probably to.... It's probably bigger than

60 square kilometres. I'm not sure about our door-to-door delivery, but as we were going through the process, I did know that, and what the community mailbox delivers to.

I'm sorry, but—

Ms. Yasmin Ratansi: I just elevated you, so that's okay.

Ms. Debra Button: No, it was a demotion, but thank you.

Ms. Yasmin Ratansi: Okay, Mr. McEachern, could you can answer the question?

Mr. Sean McEachern: From the Regina perspective, I can't give you exact figures on door-to-door delivery, but I can tell you about my experience within the city, as a resident.

All new divisions within the City of Regina are designed with the concept of the community mailbox, and with the past years of tremendous growth around the city, you would have seen a number of those locations created.

I live in a portion of the city in an older neighbourhood that was built in the 1970s. If Canada Post came to the city and wanted to put a community mailbox in my neighbourhood, then there probably would be the planning provisions for that to occur from an urban design perspective.

There are other neighbourhoods within the city—Cathedral is a prime example that people from Regina would know—where from an urban planning perspective it would be extremely challenging to put in a community mailbox.

• (1440)

Ms. Yasmin Ratansi: Thank you.

You say there were consultations before they put in their mailboxes, but you also mentioned that there should be some respect for municipalities. Was there any time where there was no respect, or were you even caught off guard?

Ms. Debra Button: From my perspective, no, we were not.

We were having good discussions, and the discussions that we were starting to have were to make sure there was adequate snow removal, that those ad flyers weren't going to be lying on the ground, that garbage was going to be picked up, and that the areas where they put those community mailboxes were aesthetically pleasing. There are some character neighbourhoods, and we don't want to have an eyesore.

Ms. Yasmin Ratansi: You're happy that there is no garbage dumped there or—

Ms. Debra Button: In our new areas where we have the community mailboxes, it is not a big issue. Snow removal is an issue sometimes, because they don't seem to remember about it.

Ms. Yasmin Ratansi: Would you like to charge a levy to Canada Post?

Ms. Debra Button: Would I like to charge a levy to Canada Post?

Ms. Yasmin Ratansi: Yes.

Ms. Debra Button: You know—

Ms. Yasmin Ratansi: Think about it, because this is costing your municipality.

Ms. Debra Button: Yes, it is a cost if we have to go in and clean up the area, but that remains to be seen by us in the older neighbourhoods of Weyburn. Right now, I don't believe we've had.... I've been mayor for 10 years and I've had no complaints about the community mailbox locations or the cleanliness of them.

Ms. Yasmin Ratansi: Thank you.

Mr. McEachern, do you know what the unemployment rate is in the city of Regina? I didn't find it here, so I couldn't—

Mr. Sean McEachern: I don't know offhand.

Ms. Yasmin Ratansi: Okay. Fair enough.

Ms. Sterling, you were talking about Saskatchewan Transportation Company that used to deliver parcels, and you mentioned that it had financial difficulties. Canada Post, you're aware, has the concept of last-mile delivery. They deliver where the road ends. Would you like to see Canada Post as a business, a service, or a combination of both?

Ms. Carmen Sterling: I'm thinking a combination of both, based on the needs of our members. It probably would be difficult for a business to consider some of the services they would be providing in some of our rural and remote areas as viable, and there might be challenges there, whereas in the urban settings.... I'm actually from the arm of Weyburn that surrounds the city of Weyburn, and Mayor Button referenced that one of the postal outlets is in the Pharmasave. Some of our ratepayers are very appreciative of that, because there are times when they need to access service and they can't get to the post office during its regular postal hours.

Ms. Yasmin Ratansi: We've been listening to everyone around the country, and this is one of our last few stops. Were you aware that the Canada Post created a competition in the franchise stores by having a corporate store and a franchise store? They do not charge franchise fees, so Canada Post does not get any money from the franchisee.

If Canada Post, as the last bastion of service provider, is there, and it does keep the hours that your businesses want, would that be an alternative service? We have heard that the franchise's main job, really, is to stock the shelves. Seniors tell us that. What would you like to see from an enhanced or a reinvented Canada Post for your citizens?

Ms. Carmen Sterling: I'm not sure that it needs to be reinvented in rural areas. A commitment to the service that our members or our ratepayers expect is certain what we're looking at, but I find it difficult to specifically say, on behalf of our members, what business model we think would work.

Ms. Yasmin Ratansi: We would like to get some input from you. You can send the input back to us.

I just want some clarification. England has an excellent banking system, yet they have allowed postal banking. Postal banking is not something simple. We are looking at, and we will be listening to, how it helps its memberships in the remote area, but broadband is a question.

My last question is to Mr. Lafleur.

Would you like to see labour on the board of directors of Canada Post?

Mr. Donald Lafleur: Yes, we're always in favour of being part of the discussion.

• (1445)

Ms. Yasmin Ratansi: Fair enough. Thanks.

The Chair: Thank you very much.

We'll go now to our final two interventions, which will be five minutes for questions and answers.

We'll start with Monsieur Clarke.

[Translation]

You have five minutes.

Mr. Alupa Clarke (Beauport—Limoilou, CPC): Thank you, Mr. Chair.

My first question is for all three groups here.

According to your members, is Canada Post a national symbol of federal unity?

[English]

Ms. Debra Button: According to our members, is it a symbol? I'm going to say no.

[Translation]

Mr. Alupa Clarke: Okay.

[English]

Ms. Debra Button: Is it a symbol of national unity? No.

Ms. Carmen Sterling: I would agree. I don't think our members would see it as such.

[Translation]

Mr. Donald Lafleur: You want to know whether it's a symbol of national unity?

Mr. Alupa Clarke: Yes.

Mr. Donald Lafleur: I'm not sure it's seen as a national symbol or a symbol of national unity.

Mr. Alupa Clarke: Thank you.

Ms. Button, you mentioned that your members more or less agreed on Canada Post's five-point action plan. You specified, however, that the quality of service should remain very high.

Can you please elaborate on what high-quality service means to your and your members?

[English]

Ms. Debra Button: I'll direct that to Sean.

Mr. Sean McEachern: In the context of our position today, it is that our members, the local governments, the residents, and the businesses continue to have access to a mail service that provides them the opportunity to deliver packages, letters, whatever it is, at an affordable cost across the country and around the world.

It's also access within key service centres within the province that are within close proximity to the home residence, and that it doesn't put a burden on them in terms of being able to access those types of services that are provided by the Government of Canada through Canada Post.

Mr. Alupa Clarke: Thank you.

[Translation]

Mr. Lafleur, you're part of the Canadian Union of Postal Workers, right?

Mr. Donald Lafleur: I'm still a member. However, since I was elected to the Canadian Labour Congress, I left my position.

Mr. Alupa Clarke: During the recent consultations, the committee met with a number of Canadian Union of Postal Workers members who seemed to question the budget and deficit forecasts of \$750 million by 2026.

Do you also question these forecasts, which were supported by the task force?

Mr. Donald Lafleur: Do these forecasts come from the Conference Board of Canada?

Mr. Alupa Clarke: According to Canada Post, within 10 years, its deficit will be \$750 million.

Mr. Donald Lafleur: Based on my experience, Canada Post greatly exaggerates future deficits. If you look back, you'll see that it's true.

The Conference Board of Canada made similar predictions not so long ago, when the conservative government and Canada Post decided to move forward with budgets cuts and the elimination of door-to-door service. It predicted that Canada Post would lose money in the current year. Neither that prediction nor the prediction for the next year proved to be true.

How can it make predictions for future years when it has trouble making them for the current year? That's our experience.

Mr. Alupa Clarke: I understand. However, I'm surprised, Mr. Lafleur, that the task force appointed by the current liberal government, and not by the previous conservative government, reached the same conclusions as Canada Post.

Why do you think the members of the Canadian Union of Postal Workers are questioning the numbers from two independent groups?

Mr. Donald Lafleur: Historically, the predictions have turned out to be false. Over a 21-year period, Canada Post has made annual profits 19 times. That's why the union members see things the way they do.

Mr. Alupa Clarke: If we accept the idea of a deficit, and if we decide to be in this paradigm, do you think the employees need to do their part?

The collective agreement of February 1, 2015, imposes salary and annual leave reductions. Let's set aside the salary reduction issue. In terms of annual leave, do you think the workers need to do their part to support the corporation's solvency? If so, what means are available to them? If they've already made efforts, I want to hear about them.

● (1450)

Mr. Donald Lafleur: Their part, as I said, is to improve services and seek a larger market share to increase revenue. That's better than making cuts until Canada Post is no longer viable, which would result in the corporation being privatized.

Mr. Alupa Clarke: What about the workers?

Mr. Donald Lafleur: For decades, the workers have been suggesting ways to improve the services. They have also accepted setbacks and a major increase in their productivity.

The Chair: Thank you.

[English]

Our final intervenor will be Mrs. Shanahan, for five minutes, please.

[Translation]

Mrs. Brenda Shanahan (Châteauguay—Lacolle, Lib.): Thank you, Mr. Chair.

I'll take advantage of the fact that a witness speaks French to practise my French.

Mr. Lafleur, the point of view you mentioned earlier is very interesting. A bilingual service is very important across the country. We don't always realize it. As an anglophone from Montreal, I know anglophones like to be served in English when they go to a Canada Post outlet.

We were told that, at one point, Canada Post employees were invited to submit their opinion and ideas, but apparently that's no longer happening. Are you aware of this?

Mr. Donald Lafleur: Are you referring to something that was done contractually?

Mrs. Brenda Shanahan: No.

We heard that employees used to be able to suggest ideas for improving services, for example, or saving money. However, there's no longer any way of communicating with the managers.

Mr. Donald Lafleur: I'm aware that such a program existed, but I left almost three years ago. It might have been cancelled. I don't know. Such a program existed, at one point, and a financial reward was provided when Canada Post's management implemented an idea.

Mrs. Brenda Shanahan: So the program existed.

Thank you.

[English]

Just to get back to the municipalities, I'm very interested in the importance of consultations. I can see there were cases in which it worked well between Canada Post and municipalities, and other cases in which it worked less well.

As my colleague mentioned, it's not one size fits all, but communication seems to be the key. If you had your druthers, what is your preferred method if you have to deal with Canada Post? What would you like to see from Canada Post in terms of communication?

Ms. Debra Button: If this process started again in Weyburn, certainly we're quite confident that we would get the same respect that we had last time. I wouldn't change anything. They were at our beck and call when we needed them. The whole system, the whole learning curve, that we went through was quite well done.

As I said, as the president of the Saskatchewan UMA, I know that's not been the case throughout. Maybe there was a different approach from our municipalities' end as well, because communication isn't a one-way street.

Mrs. Brenda Shanahan: So there is some improvement that could be done.

Ms. Carmen Sterling: Very few of our members would have Canada Post facilities, so we wouldn't have received any feedback. The majority of our interest in this is the service that's going to be provided on a go-forward basis. We wouldn't have had any comments from any municipalities because very few of them, if any, would have actual facilities as a part of the consultation.

We do have a very wide network when we contact our municipalities, and we're glad in the future if Canada Post wants to share information with us or if the committee wants to share information with us. When we can solicit feedback from our members, we're more than happy to do so.

Mrs. Brenda Shanahan: Excellent.

Do I have more time?

The Chair: You have about a minute left.

Mrs. Brenda Shanahan: On that note, you do have communities that have physical Canada Post offices, real estate assets. One of the ideas that the task force put out was the idea of using that as a community hub, with the ability to provide services other than strictly Canada Post, or indeed going into wider retail Canada Post services.

Is that of interest to your group?

Ms. Carmen Sterling: As I indicated, we would have very few that I'm aware of. More of our members and residents would be accessing those types of services in the smaller urban areas that they surround, but I do believe it would be supported, particularly given that industries or businesses have been pulling back over the years due to the cost of providing service in a similar type of area.

That's why we had suggested banks originally, but certainly there are many other examples, as Mayor Button alluded to in her presentation, of businesses already in place in those communities that would gladly offer a corner to Canada Post to continue the service so that we knew that we had it.

•(1455)

The Chair: Thank you very much.

Thank you all once again for appearing. Your testimony has been extremely helpful. I would add, however, that should you have additional information that you think would be of benefit to our committee during our deliberations, I would invite you to submit that information directly to our clerk. You can get the coordinates from our clerk before you leave.

Since we will be tabling our report in Parliament probably during the last part of November or early December, should you have additional information you wish to provide to us, I would ask that you do that probably within the next 10 days to two weeks, at the outside, and if you do that, it would be very helpful and it would form part of our final report.

Once again, thank you for your testimony. It has been well received.

We will suspend for a few moments while we wait for our next group of witnesses to approach the table.

•(1455)

_____ (Pause) _____

•(1500)

The Chair: Thank you very much to our witnesses, our panellists. Thank you very much for taking time out of your busy day to be with us this afternoon.

Hopefully all of you have been watching the first session. If you have, you know how things work around here. I'll just very quickly go over some of the procedures.

We're going to ask all of our organizations and speakers to limit their comments to five minutes or less. After your opening statements, we will go into a round of questions and answers with all of our committee members. It's been our experience that even if you don't get through all of your opening statements in the five minutes allotted to you, most of the information that we are able to gather comes out through the question-and-answer period. If I have to cut you off, I'll do so respectfully and gently, if I can, but don't worry, because I know that all of the points you wish to make will come out during the questions and answers.

With that brief introduction, we'll get going.

Mr. Nixon, we have you up first on our list. You have five minutes, sir. The floor is yours.

Mr. Keith Nixon (Chief Executive Officer, Credit Union Central of Saskatchewan): Thank you and good afternoon. Thank you to the committee for inviting us to appear this afternoon. It also happens to be International Credit Union Day across Canada.

My name is Keith Nixon. I'm the chief executive officer of Credit Union Central of Saskatchewan, also known as SaskCentral. I'm also a board member on the Canadian Credit Union Association. I'm joined here by Leslie Trobak, who is our manager of government relations for SaskCentral.

SaskCentral is a financial services co-operative providing research support, consulting services, and financial liquidity management for Saskatchewan's 46 credit unions. Our system manages combined total assets of over \$21 billion in Saskatchewan. SaskCentral functions as a trade association on behalf of the province's credit unions and acts as a voice for credit unions on matters of common interest.

Here are a few quick credit union facts. In Saskatchewan, over 472,000 people are members of credit unions, and Saskatchewan credit unions employ nearly 3,500 employees across the province. Saskatchewan credit unions are important engines of economic growth in the province, and in 2015 we had nearly \$15.9 billion in loans in consumer, agriculture, and commercial lending. In fact, Saskatchewan credit unions maintain 50% market share of the small and medium-sized enterprise market.

SaskCentral is affiliated with the Canadian Credit Union Association, also known as CCUA, which is the national trade association for 315 credit unions and *caisses populaires* operating in financial services to their owners and members across the country. Across Canada, 5.6 million Canadians trust a local credit union for their day-to-day banking needs. Collectively, credit unions employ more than 27,000 people and manage over \$188 billion in assets, and they contribute over \$6.5 billion directly and indirectly to Canada's GDP.

As financial co-operatives, credit unions are a very different kind of financial institution. Unlike chartered banks, co-operative credit unions are not motivated by profit maximization but focus on the benefit of their members and their local community. In fact, concern for community is one of the seven internationally agreed co-operative principles that credit unions adhere to. This involves a commitment to the sustainable development of communities through policies approved by their members. Saskatchewan credit unions are continually demonstrating that they are helping communities prosper.

As an example, 10 Saskatchewan credit unions have been partners with the Government of Saskatchewan and Westcap Management Limited in the construction of 1,500 affordable housing units in the province. Credit unions work with community-based groups to offer financial literacy programming. Some credit unions have long-term capital commitments in Saskatchewan communities, such as rinks, recreation centres, and parks. Other credit unions have special loans programs for low-income persons, people with disabilities, and people with little or no credit history.

Across Canada, our co-operative commitments translate into a variety of different practices, such as providing preferential rates, no-fee and low-fee account services, and providing branches and service outlets in underserved areas in rural and remote Canada. In fact, credit unions are the only banking service providers in 380 communities across Canada, and in Saskatchewan, credit unions are the only financial institution in 132 communities.

With regard to the Canada Post review, while credit unions are regular users of the mail and parcel services offered by Canada Post, the main reason we're here making this presentation is to address the ongoing public debate concerning Canada Post's potential entry into the financial services industry.

At a time when online banking and financial technology are rapidly expanding the availability of financial services, credit unions in Saskatchewan and across Canada are working to compete on a variety of platforms.

● (1505)

We are aware that the Canadian Union of Postal Workers is promoting the entry of Canada Post into postal banking as a means to increase revenues, offset losses in core business areas, and presumably maintain jobs at Canada Post. Other advocates of postal banking are focusing on delivery of financial services to under-banked rural and remote regions and aboriginal and low-income communities, while at the same time providing alternatives to payday loan providers.

However, given the rapidly evolving financial services sector, we believe a postal bank would face a challenging time competing for business in a crowded, well-served, and innovative banking market.

That said, we are concerned there could be a number of negative, unintended consequences accompanying the entrance of a postal bank into the market. The funding advantage for a crown financial institution could tilt the playing field in the crown's favour by granting it pricing advantages over private sector institutions such as banks and credit unions. Unfair competition with another crown corporation could force banks and credit unions to pull back service delivery in markets where pricing is already highly competitive or where margins are very thin.

Finally, if the experience of current crown financial institutions is any guide, it is also likely that a postal bank will face fewer legislative and regulatory pressures in comparison to those faced by banks and credit unions. For example, Farm Credit Canada, the Business Development Bank of Canada, and Export Development Canada are not answerable to a prudential regulator. Furthermore, there are also very few statutory restrictions on the business powers and activities of these crown financial institutions. This is in contrast to credit unions and banks, which face significant restrictions on their business practices and are subject to ongoing prudential oversight and guidance.

The Chair: Sir, I'm going to have to get you to wrap it up very quickly, please.

Mr. Keith Nixon: In conclusion, SaskCentral and the Canadian Credit Union Association thank the committee for the opportunity to contribute. SaskCentral and the Canadian Credit Union Association are not supportive of Canada Post entering the banking market as a means to address the challenges arising in its core business areas.

The Chair: Thank you.

Ms. Schick, you have five minutes, please.

Ms. Holly Schick (Executive Director, Saskatchewan Seniors Mechanism): Chair and committee members, thank you for the opportunity to make a presentation here today.

I'm Holly Schick, the executive director of the Saskatchewan Seniors Mechanism, which is a provincial non-profit organization that brings together other seniors organizations to work together on various projects and on raising issues related to older adults.

We have 16 member organizations that collectively have a membership of approximately 100,000 older adults. The organizations are mostly provincial in nature and include such groups as the Superannuated Teachers of Saskatchewan, the Saskatchewan Retirees Association, the National Association of Federal Retirees, and the Fédération des aînés fransaskois. We have a number of supporter organizations, such as the Saskatchewan Registered Nurses' Association and the Saskatchewan Association of Rural Municipalities. We also have a partnership agreement with the Saskatchewan Urban Municipalities Association.

Our organization is currently working on creating age-friendly communities, addressing ageism in media, and reducing isolation of older adults. Current issue areas that we are looking at include home care, prescription drug costs, pensions, and reducing abuse of older adults.

I'll turn it over to Randy Dove, our vice-president.

● (1510)

Mr. Randy Dove (Vice-President, Saskatchewan Seniors Mechanism): Thank you, and thank you for this opportunity.

Certainly, from the Saskatchewan Seniors Mechanism's perspective, we wanted to ensure that we spent a moment just trying to provide some characterization of the older adults whom we serve in Saskatchewan. We certainly know from our members and from our feedback that older adults prefer to stay in their communities, stay in their homes as long as possible, and maintain their independence, and they look for and have varying needs for services, depending on where they choose to live.

They are in transition in terms of the use of electronic services. Not all older adults are computer illiterate. That isn't increasing as baby boomers move into that category. There are more people becoming more computer literate, but our elderly members and elderly older adults are less so these days.

We find older adults can become very isolated and vulnerable if their service access is limited. As far as mail delivery is concerned, this is an important service for all Canadians, especially older adults. We see mail delivery as a point of access, a way to connect, to communicate, and to access services to stay connected with family and the community they choose to live in.

Distance is an issue. We certainly support the concept of regular home delivery. Our members tell us that we could certainly consider the concept of home delivery that is less frequent than daily; however, access to community mailboxes is problematic in Saskatchewan, particularly in winter, when we have snow and icy conditions and people have difficulty getting to community mailboxes. We would ask the committee to consider that.

Service is better in urban centres. There are other issues in rural Saskatchewan that have different challenges. Transportation and access are issues in many small communities across the province.

We do see the role of Canada Post, particularly in rural Saskatchewan, as being part of a community hub, a notion for contact, a gathering spot, a place where people can come together in smaller communities particularly. They have over time almost become a community centre by default, because they are a destination for people to pick up their correspondence. The whole concept of community hubs, community development, and connections is part of the age-friendly concept, which is really a global movement that was started through the World Health Organization to create community inclusiveness and bring people together.

We have some questions, some concerns, some thoughts about northern access. Northern Saskatchewan does have limited or no traditional financial institutions, and there's insufficient electronic access in the north. Not all Canadians have embraced the concept of e-payments. People still look for paper cheques from time to time. We see Canada Post as potentially a catalyst for northern services for older adults.

The last thing we wanted to touch on just in passing, because we saw it in the task force material, was the whole issue of pensions. It is a key concern for the Saskatchewan Seniors Mechanism. We always will advocate for adequate income for older adults because it's directly linked to the quality of life. We think pension preservation is something that should remain a priority for both Canada Post and organizations in general. Older adults do rely on pension income as a key source to retain their independence and continue to contribute.

With that, I thank you very much for listening and for our opportunity to present.

● (1515)

The Chair: Thank you very much.

Our final panellist will be Ms. Friesen, please, for five minutes.

Ms. Marg Friesen (Lead Consultant, Saskatchewan Voice of People with Disabilities Inc.): Thank you.

I'd like to thank the committee for this opportunity on behalf of the people with disabilities in this province for being consulted about the importance of the current postal service and the impact the potential changes have on Canada Post.

Saskatchewan Voice of People with Disabilities is a community-based organization that promotes inclusion and addresses concerns affecting the lives of persons with disabilities. Persons with disabilities have had to adapt, modify, and overcome adversity throughout their lives, whether they were born with a disability or acquired it through an injury or illness. Attitudinal, social, economic, or systemic barriers are experienced on a daily basis. It's not uncommon, nor is it a surprise, to experience discrimination or exclusion in communities based on such barriers.

I've had the privilege to learn from individuals with disabilities who have struggled and overcome adversities and continue to thrive. Unfortunately, a substantial number of people with disabilities are overwhelmed and have lost hope. These are the people we serve.

Our organization continues to support persons with disabilities because we believe it is a fundamental right for every citizen to participate and contribute to community life. Whether a disability is prolonged, enduring, or short term, individuals should not have to continually adapt to the environment, as has always been expected in society. Strides have been made in the areas of accessibility and inclusion; however, in our opinion, we still have a long way to go in this country. Status quo is not an option, nor is exclusivity when we are discussing public services.

This brings me to the issue of potential cost-cutting measures with postal delivery.

The potential changes to door-to-door mail delivery will negatively impact persons with disabilities and become additional barriers in the lives of many in Saskatchewan. We, as an advocacy agency, do not support a model of community mailbox postal delivery. There are no benefits for persons with disabilities. They face imminent risks on a daily basis. They fear for their personal safety. Having community mailbox locations away from their home and safe environment, where they would have to travel by vehicle or other means, puts people at a greater risk of harm or violence. This would be a detriment to their safety and well-being.

With the inclement weather conditions in Saskatchewan, streets and roadways often become impassable, blocked, or unsafe to drive or walk. This increases the potential risk of personal injury. We promote an independent lifestyle for persons with disabilities. Potentially relying on someone to retrieve their mail will put a person at risk for other forms of abuse, such as identity theft or financial abuse.

Not all citizens live a comfortable lifestyle, with income levels that support an ideal quality of life. They depend on food security programs to eat and live in substandard housing because this is what they can afford, and most often in unsafe neighbourhoods. Persons with disabilities sometimes are limited in improving their circumstances due to limited resources. Therefore, adding another barrier relating to postal delivery creates undue hardships, hardships that are preventable.

With regard to the possibility of addressing options for mail delivery for persons with disabilities, we understand there have been suggestions for a system under which individuals would have to meet criteria to qualify for such a service. This is unacceptable. To expect a person with a significant or enduring disability to prove

they are disabled is undignified, not to mention the financial constraints it will cause. This potential solution merits further discussion to be acceptable for the disability community and for individuals with disabilities.

The potential proposal to end door-to-door mail delivery would reduce access to postal service in general, and it would become inaccessible for a large percentage of the population. This percentage is growing, not diminishing. In our aging population, one out of two Canadians will report a level of disability. This is cause for concern for all programs and services. To assume all citizens can afford adaptive technology or communication services to access postal services is unrealistic. The people we serve go without these supports because of the additional cost factor.

In closing, we express our gratitude for having the opportunity to share our concerns. We're hopeful there is potential for inclusive, affordable solutions that are in the interests of all citizens of Canada.

• (1520)

Accessibility and inclusion were the focus of a recent discussion we had with the federal government, and it is the focus for this government to create communities that are accessible. The Saskatchewan Voice of People with Disabilities supports these principles, based on a person-centred approach, and we look forward to continuing the dialogue.

Thank you for your time.

The Chair: Thank you very much, all of you, for your presentations.

We'll start now with our seven-minute round of questions and answers.

Mr. Whalen, sir, you are up.

Mr. Nick Whalen: Thank you very much, Mr. Chair.

Thanks to all of you for coming today. It's great to hear from groups that represent different views. We've heard from municipalities, and it's great to hear from pensioners' associations, disability associations, and also the credit unions, of course, because postal banking has been a hot topic at all the locations we've gone to, and it's certainly something that the union wants us to investigate further.

Mr. Nixon, do you feel that there is an opportunity for credit unions to partner with Canada Post to provide a greater geographical reach for the services you provide? Do you see a market there?

Mr. Keith Nixon: I thank you for the question.

We are certainly very open to engaging with the government in terms of exploring partnership opportunities. We've had examples far back in our history of small-town credit unions and postal outlets even sharing locations, so I think that if there are opportunities to help each other out, this is something we'd be open to taking a look at.

I think the big challenge is that with the continuing development of technology, even our credit union physical locations are finding it a challenge to keep up with consumer behaviour. Branch traffic through the doors of a credit union branch in a small community has significantly declined as members look to other innovations, such as mobile banking, computer-accessible banking, and even mobile banking on smart phones and by other means.

In one of our credit unions we've recently introduced an innovative approach with a mobile advisory centre, literally a branch built on wheels, that travels to remote locations on a periodic basis to try to serve the underserved areas where permanent physical locations can be underused. We've had this service up in northern communities, in aboriginal communities, and in other areas where more of a part-time service is appropriate.

This is the kind of thing that we're trying out. We'd be happy to discuss those opportunities.

Mr. Nick Whalen: When the credit union tries to determine whether or not there's sufficient demand to open up a new location or to close one where there is insufficient demand, do you use guidelines for determining what constitutes the right catchment area, how far people need to drive to receive the service, and the population density? Can you share some of those metrics with us?

Mr. Keith Nixon: In terms of starting a new credit union, there are some metrics around what kind of a deposit level might be required to operate a separate financial institution, and those thresholds are growing higher all the time. Do you have a commitment of a local deposit base that would place funds on deposit? Can you generate enough income off that to build capital that creates a sound and safe financial institution? Often the answer to a declining community is to have a branch of another credit union, a credit union with sufficient scale to maintain those operations.

That said, even in our larger organizations that have services in the declining communities, it really comes down to branch traffic and the kinds of access points that warrant having people physically on staff at the site and having the building and the location.

Another issue is that you can bring staff down to a low enough level that it actually starts to jeopardize the safety of the people in these operations from other elements. An example is having a single teller on service for a period of time. There are some thresholds that go into the consideration. Also, can that community be conveniently served from a neighbouring community on more of a part-time basis?

•(1525)

Mr. Nick Whalen: What would be the smallest community you would have a branch in, if you can tell us off the top of your head?

Mr. Keith Nixon: I couldn't tell you exactly the population number. We can certainly offer to bring that back to you as information to the committee.

In some of these cases that we're talking about, the communities are very small. Rather than speculating, I think it would be best to get you that number.

Mr. Nick Whalen: Thank you.

To the Saskatchewan Voice of People with Disabilities and the Saskatchewan Seniors Mechanism, when people talk about door-to-door delivery, community mailboxes, and single-point delivery in an apartment building, different people, when they come to speak with us, have different concepts in mind.

The task force report looks at five models of delivery. There is a general delivery and there is a rural route where people would have delivery to their mailbox at the end of their laneway or driveway. There would be a post office in a small hamlet or village, or in a small town. There would be community mailboxes, the super-mailboxes on the side of the road. The ground floor of apartment buildings will often have some place where the postie would leave the mail in individual boxes, and then, of course, there is actual to-your-door service.

When we talk about these, which of them do you consider sufficiently good service, and which of them do you consider to be not what is wanted when we talk about getting rid of something or reverting back to door-to-door delivery? Which of these levels of service are you speaking about?

Ms. Holly Schick: It very much depends on the community. In urban centres, door-to-door delivery is very important to many people. In rural communities, having service within the community somewhere is really important.

In a rural community, often many people will know who their neighbours are and they can get someone to pick up their mail for them, so it's not as important to have that door-to-door kind of delivery. However, transportation is a big issue for rural older adults, so anything that means people have to go outside of their immediate community is difficult.

In urban centres, it's much more difficult to have someone go and pick up your mail for you because you don't necessarily have family or close friends who are your immediate neighbours, and you don't necessarily know your neighbours that well.

I live in an apartment-style condo, and it's quite adequate that our mailboxes are on the main floor of the building, and we get our mail that way. That works very well for people.

It really depends on the size of the community and the situation.

Mr. Whalen: So you consider—

The Chair: I'm sorry; time is up, Mr. Whalen.

Perhaps our next intervenor might be able to pick up on your train of thought.

We will go to Mr. Clarke for seven minutes.

[Translation]

Mr. Alupa Clarke: Thank you, Mr. Chair.

Hello everyone. Thank you for being with us today in the wonderful city of Regina.

I'll begin with you, Mr. Nixon.

I'll start with a short introduction, and then I'll ask you three questions.

There are two models that will ensure Canada Post's survival. There are two different paradigms to make it sustainable. These two models were presented by various witnesses over the past few days and weeks.

According to the first model suggested, for Canada Post to survive in the long term, its services need to be reduced and its infrastructure needs to be consolidated to ensure its profitability.

According to the other model or business plan, the crown corporation must expand its range of services, for example by launching a postal bank or taking care of passport applications.

Which model or paradigm should Canada Post adopt? You're the chief executive officer of a large financial institution. Surely you must know a great deal about the model that will best ensure the survival of the great institution of Canada Post.

• (1530)

[English]

Mr. Keith Nixon: On the two paradigms, that is a very familiar set of paradigm questions that apply to the credit union system and to financial services, so we have that in common with Canada Post.

It really comes down to physical delivery models that have built up over a period of history, and now moving to different methods and different access channels through the use of technology and other approaches. In small towns, we face the same challenges of whether to reduce services to the point of closing the door or of finding other methods of addressing those same services.

It's not exclusively a matter of expanding the business and getting into other lines of business that might not be core to the business of the entity. We stay quite carefully focused on providing financial services, and we look at augmenting that activity based on the needs of the members in the communities. Our biggest channel is to develop different methods as demanded by consumers in terms of access to that channel.

That would be my main focus or suggestion: to think about the different ways and means, and to think about innovation in how the services can be provided.

[Translation]

Mr. Alupa Clarke: Mr. Nixon, if, tomorrow morning, you were the CEO of Canada Post, you wouldn't categorically choose either paradigm, but you would try to mix the two. Is that correct?

[English]

Mr. Keith Nixon: Yes. I think it would be focusing on the methods as much as adding services, and looking to future innovations in the ways in which the services are provided. For us, the innovations in transportation, technology, and communication are challenging the ways in which we provide financial services. Financial services are still the core, but it's the ways and means by which we provide those services.

[Translation]

Mr. Alupa Clarke: A number of measures proposed by Canada Post and findings made by the task force appointed by the liberal government support service reductions.

A number of union members told us that if we meddle with post offices or lift the moratorium on the closure of rural post offices, for example, it would be the beginning of the end. They think that if we dare to meddle with the enormous infrastructure—one of Canada Post's greatest assets—the end would be inevitable.

Do you think this vision is false or accurate?

[English]

Mr. Keith Nixon: Sorry, could you repeat? Did you say the vision is to continue to close the smaller ones if there isn't action?

Mr. Alupa Clarke: In the paradigm of reducing services, is the angle absolutely that Canada Post will not exist anymore? A lot of people told us that.

Mr. Keith Nixon: If I draw on the experience of credit union services, I can point to the change in our infrastructure as a credit union system.

In the past 15 years, say, the number of credit unions across Canada has declined from something like 1,000 or 900 down to 300. At the same time, they have continued to grow in terms of membership, as well as in terms of business volume, deposits, loans, and these types of things. The financial services activity is growing, but the number of credit unions and the physical infrastructure are changing.

Underneath those 300 credit unions, there are many branches and locations involved, but there are also the innovations in technology that people often forget about—mobile banking, the smart phone applications, and all these different ways of providing services through the innovations of technology. The physical infrastructure that has been built in the past is now changing because of disruptive technology in how we can provide the services.

• (1535)

Mr. Alupa Clarke: Thank you.

The Chair: Mr. Weir, you have seven minutes, please.

Mr. Erin Weir: Thanks very much.

I have a question for the Saskatchewan Seniors Mechanism. You spoke about the importance of Canada Post pensions. I'm wondering whether you could elaborate on them, not only as a source of income for retirees, but also as a source of consumer spending in local communities across the province.

Ms. Holly Schick: Certainly one concern for our organization and for many others is having adequate living income for all people, whether older or of whatever age.

Many people in our country live in poverty. Being able to access an adequate income means being able to participate, having a good quality of life, having a choice in the kind of food you purchase, and being a contributing member of the community in a better way than you could if you didn't have an adequate income. If you can afford transportation, services, and purchasing the things you need in your life, certainly that is contributing big time to the economy.

Mr. Erin Weir: Thank you.

A point that I think you and the Voice of People with Disabilities made very strongly was about the importance of door-to-door delivery. I'd like to explore that a little further.

Something we've heard in a few different communities is that it's not simply a matter of making mail accessible to people: it's also valuable to have a letter carrier coming by every day. Sometimes the letter carrier is the person who notices that someone isn't picking up the mail and that perhaps something is wrong; perhaps there is a medical problem.

I wonder whether your organizations could speak to that safeguard.

Ms. Holly Schick: Certainly that's very true for people who are isolated. Many older adults are isolated because of various medical mobility issues and so on. Often that person can be a big safeguard for them and does notice what's going on and can sometimes raise an alarm if one needs to be raised.

Ms. Marg Friesen: I would have to agree with my co-presenter here, Holly. Often people are isolated, as Holly mentioned, not only because of being an elder or a senior in our community, but because they have a disability that does not enable them to be as engaged in the community as they would like to be. Having a mail carrier—someone to whom they can relate, someone with whom they can connect on a daily basis—creates a sense of belonging in the community and also creates a sense of “I matter”. That's very important for someone who has a disability or diverse disabilities, and not only the physical aspect of a disability, but mental illness and cognitive or intellectual impairment.

We promote independence in our community and we want people to be able to live independently as long as possible, and having those connections is very important.

Mr. Erin Weir: Thanks very much.

In some ways it's funny that we're even having this discussion about the need for door-to-door delivery, because that's a service that's taken for granted in most industrialized countries. We have a federal government now that was elected on a promise to save door-to-door delivery. I'm wondering if you could speak a bit to what you heard during the election, how you interpret those promises, and what you're expecting the current federal government to do in terms of ensuring that the mail is delivered to people's homes.

Ms. Marg Friesen: As I mentioned in my introduction, we have recently been engaged in consultations with the Government of Canada on what accessibility inclusion looks like, primarily for the disability community and persons with disabilities.

We have a significant concern when it comes to accessibility. Accessibility means different things to different people, since there are different levels of accessibility, and being able to contribute in a way that makes someone feel like a valued citizen is important for folks.

The nature of the discussions is positive, I would think, and in having access to postal service, we have to talk about accessibility and what that looks like for all citizens of Canada. Rather than excluding the disability community, we need to engage the disability community and folks to find solutions that are acceptable and adequate. Public services are important for all people, and we need to continue to hear the voices of people who would be impacted by changes. Those significant changes in public services—primarily we're talking today about postal services—greatly impact people and their quality of life. We will continue to have that dialogue, and we're open to opportunities such as this to do so.

● (1540)

Ms. Holly Schick: One thing we have talked a bit about in our organization is that there needs to be consultation such as this one, but also consultation with people in some of our rural communities about creative solutions to some of the issues. One of the things that was mentioned in the material that came out from your committee was reducing the mail delivery so that it's not every day. That could be a really creative solution. You're still be able to provide the service to people, but it just would not be as frequent.

Those are the kinds of things that we might be able to look at and still serve the population.

The Chair: Thank you very much.

We'll now go to Madam Ratansi for seven minutes, please.

Ms. Yasmin Ratansi: Thank you very much.

I was listening to your presentation. I don't think I've heard from any credit unions, but I'm glad you came, and welcome.

We are struggling with how to make Canada Post viable in the future. What does it look like? What are some of the options it has? How can we synergize or leverage on the assets it has, the real estate, and its vast network?

Mr. Nixon, what sort of remote areas do you go to? How remote are remote areas?

Mr. Keith Nixon: In Saskatchewan's credit unions, we have branches in all corners of the province. I would say probably the remote ones would be as far north as Buffalo Narrows, and communities like that.

Ms. Yasmin Ratansi: Are there any communities that you feel are not being served? We hear that as a constant theme. To reduce the economic divide, we need people to have access to cash or finances.

Mr. Keith Nixon: I think we'd probably acknowledge that we have a common view that some of the more northern communities are the ones that are maybe less served in that physical presence kind of way, and that was one of the things behind this innovation of creating a mobile service centre to travel around to different parts of the country.

Ms. Yasmin Ratansi: You're doing exactly what the Gates Foundation is doing in Africa, and thank you, because that does help people.

However, Canada Post has a vast network. Its distribution network is great, and it has real estate as well, and nobody is dismantling it. Do you think there is any synergy for a public-private partnership with Canada Post? How can we make it a win-win?

Mr. Keith Nixon: I do think there is opportunity to explore partnerships and synergies in that way.

I'll reference two things. One is that when we recreated our credit union legislation in Saskatchewan back in the early 2000s, there was actually a provision built in that enabled credit unions to consider postal services in-branch for exactly such a partnership as that in small communities.

The second thing is that I referred to Farm Credit Canada as being one example of a competitive rub with credit unions for a crown financial institution providing private sector financial services to agriculture. We can show data and trends to illustrate that their expansion of powers really created a competitive friction between the two organizations.

• (1545)

Ms. Yasmin Ratansi: I have some questions for other witnesses as well, but briefly, if it were regulated to ensure that there is a level playing ground just as the BDC is regulated, would you be willing to face opportunities to explore?

Mr. Keith Nixon: Yes. In fact, in the last three or four years we've had a stronger partnership with Farm Credit Canada. We're working together to figure out how we can complement each other in the market, rather than having these competitive spaces based on unfair competitive advantage.

Ms. Yasmin Ratansi: Thank you.

Ms. Schick, you represent the seniors group. How many of them live either independently in their houses or in apartment units? Do you know?

Ms. Holly Schick: I really would have no idea.

Ms. Yasmin Ratansi: Okay. I just wondered about what Mr. Whalen asked. To those of us in urban areas, "door to door" means delivery to our home or delivery to the apartment mailboxes in the basement or delivery to some apartments where there are actually individual mail slots or delivery at the end of the driveway. Is that your understanding of what door-to-door delivery would be?

Ms. Holly Schick: Yes.

Ms. Yasmin Ratansi: You would go with that?

Ms. Holly Schick: Yes, absolutely.

Ms. Yasmin Ratansi: Two-thirds, at the moment, receive door-to-door service. What percentage of your population was already on community mailboxes? Do you know?

Ms. Holly Schick: I have no idea.

Ms. Yasmin Ratansi: Ms. Friesen, how about you?

Ms. Marg Friesen: I don't have that statistic. However, I can comment that people with disabilities who live in urban communities most often do live independently. Some do live in group home environments and some live in apartment units, so they currently receive door-to-door service.

In rural municipalities or communities, most often people live independently within their own home, and as Holly mentioned previously, that same premise affects people with disabilities in smaller communities that have a post office where someone goes to pick up their mail.

Ms. Yasmin Ratansi: There were suggestions made, for example, to use the post office as a community hub and to use the postal network to deliver food. You talked about nutrition and how expensive food is in remote communities, or the substandard housing. What would you like to see from Canada Post? We are all thinking "cut", but I think there are so many advantages that we can leverage. Do you have any ideas on what you think—

Ms. Marg Friesen: Absolutely. I think that opens discussion for all types of potential to create a more inclusive community, and to create a community where people have opportunities to contribute in ways whereby they feel they belong to that community.

I live in a small community. I know who my neighbours are and I know the people I assist when needed.

Ms. Yasmin Ratansi: Ms. Schick, do you want to say anything before my time is up?

Ms. Holly Schick: No, I don't think so.

Ms. Yasmin Ratansi: Fair enough.

You can continue. I have 20 seconds.

Ms. Marg Friesen: There is already a community support network there. We just have to get the right hand talking with the left hand and create those opportunities for dialogue, for potential partnerships, within regions and within municipalities.

The Chair: Thank you very much.

We're now going to our two final interventions, which will be five minutes each.

Mr. McCauley, we'll go over to you.

Mr. Kelly McCauley: Thanks for joining us today.

Ms. Friesen, thank you for your advocacy work with the disadvantaged. It's wonderful to hear your passion.

I just want to chat with you a bit about the service whereby Canada Post delivers daily to a mailbox and then once a week picks it up and takes it to the home. I heard what you were saying about the difficulty of getting the documentation. This discussion has come up before.

People do require documentation, such as a handicap sticker for a car or documentation for provincial income assistance. If the system was set up so that Canada Post would be satisfied with that previous documentation, would that be suitable or helpful?

• (1550)

Ms. Marg Friesen: Of course, it would be—

Mr. Kelly McCauley: I wish I could take credit for the idea, but it came from a panellist like yourself.

Ms. Marg Friesen: Of course it would be beneficial, because currently the people we serve with our agency are on income support programs with the provincial government.

Mr. Kelly McCauley: So the disability has already been proved somewhere along the line.

Ms. Marg Friesen: Yes, absolutely. They've already had to prove their disability or their chronic illness or the prolonged and enduring circumstances around their disability. That documentation already exists. That format, template, and framework already exists with our provincial government. It's not ideal. There's still room for growth there and room for improvement, but the assessment process already exists here.

As a matter of fact, we're already looking into the World Health Organization assessment process—

Mr. Kelly McCauley: Actually, I have to cut you off, because I only have five minutes, but thank you.

If we can move down that road, I assume it will not be perfect but it will be better for the people you represent. If that's the case, is one day a week better, or should we look at two days a week for that? Five days a week may not be possible, especially in certain areas, but would that be more acceptable?

Ms. Marg Friesen: In terms of an acceptable daily mail delivery, with the potential changes to postal delivery I think that there needs to be more dialogue as to what is acceptable for people with disabilities. For us, I would say mail delivery reduced during the week to a three-day service is acceptable if we're looking at cutting back from five days. We would meet somewhere in the middle. We're open to that.

Mr. Kelly McCauley: Great. Thanks a lot, and thanks again for your advocacy.

Mr. Nixon, congratulations on International Credit Union Day. We had Desjardins earlier, and they commented about your credit union system as well as Coast Capital, whom I used to deal with, and so congratulations.

We talked a lot about postal banking. I just want to get some feedback.

Some parties have presented it as a panacea to fix all that ails you financially. One question was if they would be going to do mortgages and securities, but it was, no, no, we'll just cash cheques.

In your opinion, could you make enough money out of a stand-alone outlet to justify all the capital, add-on trade, and cash you'd have to have on hand, and infrastructure set-up, staffing, etc., to overcome hundreds of millions of dollars in potential profit loss down the road for Canada Post just by doing simple banking services?

Mr. Keith Nixon: Let me start by acknowledging that the adoption of technology is not as easy it sounds for everybody. To the other presenters, I would acknowledge that technology is not the answer for everything either, but it's certainly the trend.

In terms of cheque cashing, to use that as an example, we see the use of cheques rapidly declining. Primarily it's being done through direct electronic deposit or by other means. We've started to move in the direction of using the smart phone for taking a picture of a cheque for deposit—

Mr. Kelly McCauley: We're going to get cut off, but I want to comment that it's great that you're doing the mobile banking. ATB and CIBC do that. Desjardins had a great thing in having mobile training on the technology for seniors and the less abled.

Again, thank you for everything you're doing. I'm out of time. I'm sorry to cut you off there.

Mr. Keith Nixon: Thank you.

The Chair: Our final intervention is from Ms. Shanahan, for five minutes, please.

Mrs. Brenda Shanahan: Thank you very much, Mr. Chair.

Just to continue on that line, we've heard some interesting testimony about the history of postal banking with Canada Post.

Mr. Nixon, can you tell us what you know about it and about the fact that postal banking, up until it was discontinued in 1968, was actually quite profitable? What's the main difference? Why would it not be profitable now?

In fact, in your presentation you were concerned about unfair competition, so you're not afraid that it's going to be unprofitable; it's more that they'll succeed too well and impede the private sector.

• (1555)

Mr. Keith Nixon: I'll have to fess up and confess that I have not studied the history of it. I wouldn't be able to comment intelligently on the history of that case, but I think the unfair competition points that we make.... I referred earlier to the ability of credit unions to offer postal services in certain communities. When we had that legislation built, there was a rigorous process to go through to get the approval. You're not creating that space in a competitive environment where it is going to cause friction; it would be more in those communities where it would be a combination of services to meet the members' needs. We wouldn't see postal services in large urban areas necessarily being combined.

The competitive rubs with some of the other crown financial sectors have been things such as access to capital for lending. We need to attract deposits to have the liquidity to lend. What would be the source of lending for postal banking?

The other things would be access to capital to create the safety of the financial institution. We need to be profitable enough to build reserves, since reserves are needed for the safety of depositors.

It's those types of things, the full financial services, that would be at issue with us.

Mrs. Brenda Shanahan: Thank you for that. Certainly we recognize that there's a full range of financial services that a bank could offer, and indeed there are banks that have more of a specialty in one or the other.

I just want to put this out to the panel, since I am the final questioner. To sum it all up, do you see Canada Post as being a service or a business? If it is a service, who should pay for it, and if it is a business, should it be held to the same standards as a private sector business?

I'll start briefly with Ms. Friesen.

Ms. Marg Friesen: In my opinion, based on the population that we serve, we see it as both. We see it as an opportunity for growth in innovative ways, such as was mentioned with postal banking, for the same reasons as my colleague from the credit union has suggested, but we also see it as a primary service. We see it as a public service, an essential service for people to stay connected in their

communities, to be provided with opportunities to contribute, and to access community life in general. We see it as those. It's a two-edged sword for us.

Mrs. Brenda Shanahan: Thank you very much.

Mr. Randy Dove: From our perspective, we also see it as a service. It's really important as far as community engagement and community growth and understanding are concerned.

It's important to make the another comment, which is that we don't really see just a sort of status quo, as in "let's hang on to what was". I think we are open to considering innovation, whether it's less daily service or some creative thoughts such as that, but I don't think that from an older adult's point of view we would see Canada Post as strictly a business, such that if it doesn't make any money, it has to go away.

Mrs. Brenda Shanahan: Thank you.

Mr. Nixon or Ms. Trobak, would you comment?

Mr. Keith Nixon: I think we would see it as leaning towards a public service, and it needs to be funded. In terms of its being a business, I think our comments outlined our position. Even our business we see as not profit-motivated but as an access to services that need to be funded and priced in such a way as to afford their delivery. I would lean towards the public service side.

The Chair: Thank you very much.

I want to thank you all for your presence here today. Your testimony was excellent.

I would give you the same invitation I've given to all of our panellists: should you have additional information you would like to provide to our committee for our deliberations, you may do so by contacting our clerk directly and submitting your briefs to her.

We will be tabling a report in Parliament sometime towards the latter part of November. If you do have additional information you wish to submit, I'd ask you, please, to do so in the next 10 days or so. That would be extremely helpful.

The meeting is adjourned.

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