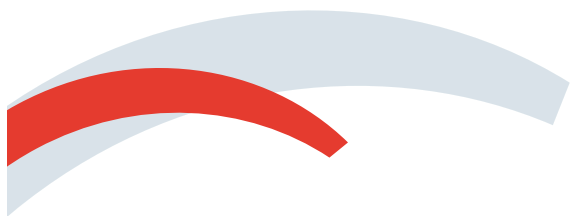


# 2008 ACTIVITY REPORT

April 2009



Pour avoir l'assurance  
d'être entendu et défendu





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# 2008 ACTIVITY REPORT

## Highlights

As of last year, CPQ activity reports cover the same period as the fiscal year. This year, our fiscal year runs from March 1 to December 31, 2008; the current report therefore covers the CPQ's interventions and accomplishments during these 10 months.

Although shorter, the year was busy, and our list of achievements is not lacking.

### Government representations: Tangible results for employers

Economically, the second half of 2008 was characterized by the financial crisis and recession. Of all the issues resulting from this crisis, pension plan actuarial deficits were the most acute and urgent, and the CPQ clearly played an effective role in attenuating the problem.

- **In October 2008, the CPQ was the first to present the issue to the minister in charge, and our organization was a key participant on the committee created by the minister. The work of this committee led to the tabling and adoption on January 15, 2009 of a bill addressing the crisis and softening the *Supplemental Pension Plans Act*, potentially benefitting 950 pension plans and one million workers and retirees covered by this law.**

Other important gains for members have been made by the CPQ during the year. Three examples follow:

- **Regulatory burden** – More than 80% of the employers that received their Training Initiative Quality Certificate under the new 1% law did so after attending CPQ information sessions. This certification exempts employers from the tax and administrative obligations of the 1% law.

- **Tax burden on companies** – In March 2008, the Quebec government completely eliminated its capital tax on companies in the manufacturing sector, and has promised to do so for all other sectors by January 1, 2011.
- **Occupational health and safety** – A third consecutive reduction in the average premium rate was adopted in June 2008 and came into effect January 1, 2009.

### CPQ events: Privileged access to decision makers

A number of training and networking events were organized for CPQ members in 2008.

- **Among these, unquestionably the most popular was the second edition of our annual evening with the deputy ministers in charge of economic portfolios. In addition to the Quebec government's secretary general, seven deputy ministers attended the event (Treasury; Economic Development, Innovation and Exports; Employment and Social Solidarity; Finance; Natural Resources and Wildlife; Health and Social Services; Labour). Few organizations provide their members with privileged access to so many senior public officials at the same event.**

## Highlights

### **Communications: Active participation of the CPQ in major public debates**

Politically, 2008 was marked by both provincial and federal election campaigns, which gave rise to numerous public debates affecting employers.

- **Public statements by the CPQ generated nearly 600 articles and reports in the media in 2008, which is more than 10 per week. According to an independent evaluation, the public relations value of this visibility increased by 20% over 2007, particularly due to more active CPQ spokespersons on the editorial pages of major daily newspapers and magazines.**

### **A well-governed CPQ**

Michel Kelly-Gagnon announced his departure at the end of 2008 after three years as president of the CPQ. His term in office was characterized by a modernization of the rules of governance, a revitalized management team, and prudent management of the organization's financial resources.

- **Yves-Thomas Dorval becomes president** – A recruitment process was quickly launched, and led to the nomination on March 25, 2009 of Yves-Thomas Dorval, who has more than 25 years of experience in public affairs. John LeBoutillier's return as chair of the CPQ in September 2008 greatly facilitated this transition.

- **Sound financial situation** – Despite the financial crisis and economic recession, the year ending December 31, 2008 resulted in an operating surplus of \$200 508. After accounting for various expenditures, and particularly the variation in unrealized depreciation on investments which our financial statements must reflect, the fiscal year closed, however, with an excess of \$383 901 of expenditures over revenue.

**We trust this brief overview of our recent accomplishments will encourage you not only to renew your confidence in the CPQ but also to convince other employers to join our organization as well.**



# I - CPQ government representations: Tangible results for employers

## Corporate taxation and payroll taxes

Competitive taxation and economic growth go hand in hand. The tax burden on Quebec businesses is therefore being closely monitored by the CPQ, particularly during federal and provincial budget preparations. Also, with Quebec payroll taxes being higher than elsewhere in Canada, including a roughly 20% gap between Quebec and Ontario, the CPQ is working actively to ensure this tax burden stops growing.

### 2008-2009 provincial budget: Several tax gains for business

Tabled in March 2008, the 2008-2009 provincial budget contained numerous tax measures demanded by the CPQ during pre-budget consultations:

- **Tax on capital** – Although we wanted the measure to apply to all sectors of the economy, the immediate abolition of the capital tax in the manufacturing sector was excellent news.
- **Amortization for manufacturing materials** – The government extended by three years the tax deduction for accelerated amortization of production and processing materials in the manufacturing sector, an extension requested by the CPQ. We were therefore pleased with the announcement of the measure, although we would have preferred that the 50% amortization rate (amortization over two years) be maintained during the extension period.

- **Investment tax credits for resource regions** – The introduction of new investment tax credits for businesses in remote regions of Quebec, replacing payroll growth tax credits, which were perceived by many as a source of unfair competition, was welcomed by the CPQ. We had joined numerous local chambers of commerce and development organizations to call for the implementation of this recommendation from the Gagné Report (Groupe de travail sur les aides fiscales aux régions ressources et à la nouvelle économie), published in January 2008.

“The tax burden on Quebec businesses is closely monitored by the CPQ.”



## No increase to payroll taxes: Fortin Report repeats CPQ recommendations

Several recommendations made by the CPQ during consultations of the Groupe de travail sur l'investissement des entreprises were retained in its report published in March 2008 by the Quebec Finance Minister (Fortin Report), most notably our recommendation to avoid any new payroll tax increase. The CPQ used this report in its representations through the year, and in May 2008 also hosted the three members of the working group during one of our CPQ Members' Forums.

## Funding for the Quebec parental leave program: CPQ proposes alternatives

After increasing the rate of parental leave premiums by 8% in January 2008, the Quebec Minister of Employment and Social Solidarity announced a new increase of 7.5% in 2009. The CPQ reacted strongly against these repeated increases and recommended the government compensate for them by making equivalent reductions to other payroll taxes, which would require changes to certain aspects of other programs, such as the CSST, QPP and FSS. Essentially, the CPQ asked the government to make choices or to participate in the funding of the parental leave program, if it is unable to keep the overall payroll tax burden constant.

## New Canada Employment Insurance Financing Board: CPQ watching closely

Throughout the year, the CPQ kept a close eye on employment insurance issues.

- **March 2008** – The CPQ expressed its opposition to Bill C-265 to the House of Commons Standing Committee on Human Resources. Adoption of the bill would have meant higher premiums.
- **May 2008** – The CPQ participated in consultations of the Canada Employment Insurance Financing Board's terms of operation committee. The CPQ recommended it increase its reserve to avoid unplanned fluctuations in premium rates. We repeated

our traditional position that costs should be shared equally between employers and employees (50/50 rather than 58/42). The CPQ also repeated its support for the government's position in response to union claims for a full reimbursement of the \$54 billion in the program's accumulated surplus – a proposal that would inevitably increase the debt or tax burden on Canadians.

- **September 2008** – The CPQ participated as it does each year in consultations of the Canada Employment Insurance Commission on the calculation of balanced premium rates for the following year.

## Universal retirement plan proposed by the CSN: A bad idea according to the CPQ

The CPQ publicly expressed its opposition to the idea put forward by the CSN in May 2008 of a universal retirement plan. We encouraged the government to reject this unrealistic proposal, which would make businesses whose approach or means do not allow such a benefit all the more vulnerable. Most employers represented by the CPQ already offer retirement savings plans to their workers, and it isn't unusual to find companies compensating for fewer social benefits with higher salaries.



## Occupational health and safety

The Quebec occupational health and safety plan (Régime québécois de santé et de sécurité du travail) costs employers over \$2 billion per year. The CPQ therefore devotes a good part of its time and resources to government representations on this topic. As a testimony to the importance of our role in this area, in June 2008 CPQ staff earned a second seat on the board of directors of the CSST. Our vice-president for occupational health and safety holds this position and continues to vigorously defend the interests of employers on numerous CSST parity committees and on the Conseil consultatif du travail et de la main-d'œuvre (CCTM). Since November 2008, the CPQ has been represented by a new vice-president for occupational health and safety, Dominique Malo. To reinforce our ability to defend the interests of CPQ members, Mr. Malo formed a permanent advisory committee of over 20 expert CPQ members. Following are the CPQ's main representations and accomplishments in this vast field in 2008.

### **Average contribution rate: Third consecutive reduction adopted in 2008**

Good news for employers: A third consecutive reduction to the average contribution rate was adopted in June 2008 and took effect on January 1, 2009. The new average contribution rate is \$2.10 per \$100 of covered payroll, based on the \$2 318 500 in coverage required for the 2009 rates. The average in 2008 was \$2.14. The estimated total covered payroll in Quebec for 2009 is \$110.4 billion.

### **Contributions based on salaries paid: Subsequent to CPQ representations, the CSST clarifies its proposal for a partnership with Revenue Quebec**

In December 2008, and following CPQ representations on behalf of its members, the CSST clarified the terms of a new contribution payment method based on salaries paid, a change long requested by employers. The clarifications addressed the role and responsibility of Revenue Quebec, the frequency of periodic payments and the use of an interim rate. This should allow the new method to be implemented by 2011, through a partnership between the CSST and Revenue Quebec.

### **Employment injury commission: CPQ responsible for training members to represent employers**

Throughout 2008, the CPQ continued to provide training sessions for employers' association members of the Commission des lésions professionnelles (CLP). Under the supervision of Pascale Gauthier, legal counsel at the CPQ, training offered during the period covered by this report dealt with the following topics:

- The practical, medical and legal aspects of psychological injury (March and April);
- The annotated Scale of Bodily Injuries Regulation (May and June);
- Medical assistance, temporary assignment, powers of the CLP, and several indemnities (September 2008);
- Neurology-related occupational diseases (November).

The CPQ also provides initial training for new members and produces the quarterly *Bulletin d'information à l'intention des membres issus des associations d'employeurs à la CLP*.

Through Ms. Gauthier's participation on the Comité sur la Commission des lésions professionnelles du Conseil consultatif du travail et de la main-d'œuvre, the CPQ also contributes to the process of nominating the CLP chair, vice-chair and commissioners.



### **Table of maximum consolidation periods: CPQ continues demanding an adjustment to average consolidation periods**

The CPQ stepped up its pressure in 2008 on the CSST to withdraw its new table of maximum consolidation periods for applying article 329 of the *Act respecting industrial accidents and occupational diseases*. The effect of the new table, which was adopted in 2007, is to charge employers for the cost of a pre-existing handicap. Through its decisions, the Commission des lésions professionnelles (CLP) also clearly indicated that the new table does not receive its approval. The CPQ will pursue all efforts to have the CSST adjust the table according to average consolidation periods.

### **New method of financing unaccounted costs: Without employers' consensus, CPQ says no**

In March 2008, the CPQ informed the CSST that without consensus from employers it could not support the financing method for unaccounted costs currently proposed by the CSST. The CPQ president indicated to the CSST president that nothing prohibits CSST staff from continuing to make proposals or provide information in the hopes of establishing a consensus. However, the CPQ will continue its strong opposition to any attempt to adopt a reform that is not supported by a majority of employers.



## Labour quality, availability and cost

Through the work of its vice-president for labour development policy, Jacques Leblanc, who served in 2008 as a voting member of the Commission des partenaires du marché du travail (CPMT), the CPQ has continued monitoring policies that affect employers in terms of training, labour development and skills recognition. Quebec Employment and Social Solidarity Minister Sam Hamad visited the CPQ in March 2008, giving our members the opportunity to voice their needs and concerns in this area directly to the Minister. CPQ staff worked on the following main topics in labour development in 2008.

### **New 1% law: CPQ supports businesses in their approach to the Commission des partenaires du marché du travail**

Following adoption of the new 1% law in 2007, the CPQ worked actively to inform employers in 2008. In particular, we ensured that quality certification requests for training initiatives, in accordance with the new law, were handled diligently by the Commission des partenaires du marché du travail. More than 80% of employers that obtained the new certificate benefited from the CPQ's support (see section II of this report for details) – a clear sign of the CPQ's success in this area. Businesses that received the certificate are thus exempt from the tax obligations stipulated in the 1% law.

### **Hamad law on progressive retirement: Victory for the CPQ**

The adoption in June 2008 of Bill 68 on progressive retirement is a major victory for the CPQ, which in 2004 proposed a voluntary incentive program to foster the retention of experienced workers. The CPQ participated in the presentation of the bill, which modified the *Supplemental Pension Plans Act and the Act respecting the Quebec Pension Plan*. In National Assembly hearings, the CPQ recommended simplifying administrative requirements related to employer-employee agreements, a recommendation that was accepted by Employment and Social Solidarity Minister Sam Hamad, and which makes the measures more practicable.

**“Quebec Employment and Social Solidarity Minister Sam Hamad visited the CPQ in March 2008, giving our members the opportunity to voice their needs and concerns directly to the Minister.”**

### **Integration and employment of handicapped people: CPQ recommendations are heard**

In May 2008, Employment and Social Solidarity Minister Sam Hamad released the new Quebec strategy to integrate and retain handicapped employees (*Stratégie nationale pour l'intégration et le maintien en emploi des personnes handicapées*), whose goal is to create 54 000 new jobs for handicapped people – and which takes into account employer concerns by proposing incentives rather than restrictions, thanks to representations by the CPQ during consultations in 2007.

### **Adult education: Conseil supérieur de l'éducation adopts CPQ demands**

In an opinion on adult education published in March 2008 by request of Education, Leisure and Sports Minister Michelle Courchesne, the Conseil supérieur de l'éducation (CSÉ) repeated several recommendations made by the CPQ during CSÉ consultations in 2007. Among them was the need for flexibility in taking the diversity of individual results into account in the adult sector as well as the need for employers to be able to count on workers who master French, English, and mathematics.



## **Employers' technical training needs: CEGEP federation hears CPQ concerns**

In April 2008 and after consulting its members by survey, the CPQ participated in a consultation by the CEGEP federation – a CPQ member association – on needs and expectations of a college education. The CPQ pushed for better coordination between technical training and labour market needs, as well as for better cooperation between CEGEPs and business.

## **CPQ advocates more independent, better funded universities**

Concerned with the quality of university education and its funding, the CPQ welcomed the government's first step in fall 2008 toward greater university autonomy in setting tuition fees. Quebec universities will now have greater latitude in setting their fees for international students enrolled in six faculties (medicine, engineering, computer sciences, mathematics and pure sciences, administration, and law), which will generate over \$16 million in additional income for universities.



## Regulatory and administrative burden

Given that the regulatory and administrative burden is a major concern for employers, the CPQ consulted its members and presented their priorities in June 2008 to the Quebec Ministère du Conseil exécutif. In its brief, the CPQ addressed the challenges created by the *Pay Equity Act*, occupational health and safety regulations (over-compensation, double SAAQ-CSST insurance premium, etc.), the tax-related administrative burden, construction industry work regulations, regulated non-construction trades, language policy, the *Act respecting Labour Standards*, and the *Act to foster the development of manpower training (1% law)*. Depending on the case, the CPQ favours three approaches: harmonization, revision or deregulation. In addition to this general consultation, the CPQ worked actively on many specific files, including the following.

### **Greater flexibility in the *Supplemental Pension Plans Act* to account for the financial crisis: A major gain for the CPQ**

The CPQ's work in this area started in fall 2008 and rapidly translated into tangible results for its members with the adoption on January 15, 2009 of Bill 1, modifying the *Supplemental Pension Plans Act*, which governs 950 retirement plans for a million workers and retirees, and represents assets of approximately \$100 billion. The CPQ was the first to alert the Quebec Minister of Employment and Social Solidarity and Minister responsible for the Quebec Pension Plan, Sam Hamad, about the problems facing employers. The adopted law extends the solvency deficiency amortization period from five to 10 years, and ratifies the recommendations of the Minister's working committee, on which the CPQ played a key role alongside the CSN, FTQ, FCCQ and RRQ. Details of the regulation remain to be seen; the CPQ will continue its work in this area in 2009.


**“Siding with the arguments made by the CPQ, the Superior Court confirmed the validity of distinct pay equity programs.”**

### **Regulated non-construction trades: CPQ helps eradicate irritants**

Faced with a new regulation on non-construction trades that was causing problems for employers, the CPQ raised the issue with Employment and Social Solidarity Minister Sam Hamad. In October 2008, a draft regulation was tabled drawing on the conclusions of the working group on which the CPQ served alongside several of its member associations. Adopted at the end of 2008, modifications to the regulation made by the bill took effect on January 1, 2009.

### **Pay equity: CPQ active legally and politically**

In September 2008, the CPQ won a victory in a judicial review seeking to annul a decision of the Commission des relations de travail (CRT) whose effect would have been to oblige businesses with distinct programs without a predominantly female category of employment to restart from the beginning their pay equity process. Siding with the arguments made by the CPQ, the Superior Court confirmed the validity of such distinct programs. However, the final outcome in this case will wait, since a union filed an appeal. Politically, following National Assembly hearings in January 2008, the CPQ continued making representations to the Minister of Labour and senior bureaucrats responsible for drafting a bill to amend the pay equity law. The bill was tabled in March 2009, and the CPQ is continuing to represent employers through the various stages of the legislative process.



## **Abuse of the courts: CPQ warns legislators against shortcomings of Bill 99**

While congratulating the government for its good intentions in bringing greater balance in access to justice for parties with different financial capacity, the CPQ warned legislators against granting provisions for fees during National Assembly hearings in October 2008 on Bill 99 regarding abuse of the courts. This measure risks encouraging lawsuits. The CPQ also opposed the personal liability of managers and directors for damages, a measure that would create serious problems for recruiting qualified directors and undermine Quebec's position internationally by raising the liability insurance premiums required of corporations operating in Quebec.

## **French in the workplace: CPQ agrees with voluntary measures**

The CPQ participated actively in the *Rendez-vous des gens d'affaires et des partenaires socioéconomiques* piloted by the Board of Trade of Metropolitan Montreal, a member group of the CPQ, which led in October 2008 to the signing of an action plan to consolidate the use of French as the language of work in businesses with less than 50 employees in Montreal. The CPQ worked to ensure the action plan focuses on training, awareness and guidance rather than coercive measures.

## **Competition Policy Review Panel and federal government adopt CPQ recommendations**

Several recommendations in the June 2008 report of the federal Competition Policy Review Panel reflect the position of the CPQ as expressed to the Panel in a brief submitted a few months earlier. The CPQ therefore encouraged the federal government to implement the report's recommendations, particularly increasing the foreign investment review threshold to \$1 billion and reversing the burden of proof to require the government to first demonstrate that a transaction requiring approval goes against the national interest before refusing it. These two measures were eventually adopted by the federal government early in 2009, at the same time the federal budget was passed.

## **Draft regulation for Law 30 on private pension plans: CPQ continues its representations**

Adopted in December 2006, Law 30 on defined-benefit private pension plans will be the subject of a draft regulation to be tabled in 2009. Together with the Fédération des Chambres de commerce du Québec and the Quebec Manufacturers & Exporters, the CPQ therefore pursued its representations in 2008 with the Régie des rentes du Québec, particularly regarding the terms of the provision for unfavourable variances stipulated in the new law.

## **Reforming the Quebec Companies Act: CPQ issues its recommendations**

Upon invitation of the Quebec Finance Minister, the CPQ submitted in March 2008 its recommendations regarding reform of the *Quebec Companies Act*. Addressing shareholder rights, powers and protection (multiple voting shares, filing of shareholder proposals and right to dissent, recourse for minority shareholders), director protection, shareholder financial assistance, continuance, governance rules, small and medium-sized businesses, and new technologies, our document recommended greater harmonization of the Quebec law with other provinces and the federal government. In fact, the other jurisdictions are ahead of Quebec and their laws have passed the test of time.

## **Lobbying: CPQ demands greater flexibility**

In partnership with the Fédération des Chambres de commerce du Québec (FCCQ), the CPQ vigorously represented business during public consultations in May 2008 on the *Lobbying Transparency and Ethics Act*. While repeating the economic sector's interest in being transparent in its lobbying work, the FCCQ and CPQ recommended greater flexibility in the rigid bureaucratic framework for registering and divulging information. We also recommended that legislators show more fairness by henceforth applying the law to all non-profit organizations and associations rather than only those with an economic vocation.



## II - Training and networking events

### Privileged access to economic and political leaders

CPQ events allow members to discuss topics of the day with leading decision makers.

#### Minister of Employment and Social Solidarity visits CPQ

A number of timely issues, including actuarial deficits in pension plans, the progressive retirement bill, regulated non-construction trades, the new 1% law and others, brought the CPQ and Minister of Employment and Social Solidarity, Sam Hamad, together in 2008. The CPQ welcomed the Minister in March 2008, just prior to his official release of the Employment Pact, to give members the opportunity to voice their concerns directly. The CPQ is thus continuing to offer a privileged forum for accessing ministers responsible for economic portfolios.

#### CPQ meets senior Quebec bureaucrats

In October 2008, 80 top executives from CPQ members (businesses and sector associations) participated in the second annual CPQ evening with deputy ministers responsible for economic portfolios.

The Government of Quebec's secretary general and clerk of the Conseil exécutif, Gérard Bibeau, gave the main address; seven deputy ministers also participated in the event:

- Normand Bergeron (Natural Resources and Wildlife);
- Gilles Demers (Economic Development, Innovation and Exports);
- Julie Gosselin (Labour);
- Jean Houde (Finance);

- Roger Paquet (Health and Social Services);
- Gilles Paquin (Treasury);
- François Turenne (Employment and Social Solidarity).



Few organizations can claim to have given their members privileged access to so many senior bureaucrats gathered at the same event.

#### Two members' forums on necessary reform

The CPQ organized two members' forums on revitalizing Quebec society.

- In April 2008, we received the chair of BMO Nesbitt Burns and president of the BMO Financial Group for Quebec, L. Jacques Ménard, on the occasion of the publication of his book, *Si on s'y mettait...*, by Éditions Transcontinental.
- In May 2008, we received economist Pierre Fortin upon publication of the report of the Groupe de travail sur l'investissement des entreprises, which he chaired. Entitled *L'investissement on est pour*, the report repeats several CPQ recommendations. It was commissioned by Quebec Finance Minister Monique Jérôme-Forget, and the CPQ continues to support its implementation.

**“In October 2008, 80 top executives from CPQ members (businesses and sector associations) participated in the second annual CPQ evening with deputy ministers responsible for economic portfolios.”**



## Training that meets the needs of employers

### New 1% law: More than 80% of employers that received their training initiatives quality certificate did so thanks to the CPQ

A clear measure of success for the CPQ, more than 80% of employers that obtained their Training Initiative Quality Certificate and therefore an exemption from the tax obligations of the 1% law did so after participating in one of 20 information sessions organized by the CPQ across Quebec in 2008. The information sessions were developed and offered by the CPQ's vice-president for labour development policy, Jacques Leblanc, and held in cooperation with the Commission des partenaires du marché du travail (CPMT). They reached 270 employer representatives from various economic sectors.

### Salary forecasts: Attendance record in 2008

More than 150 people attended the launch of the CPQ's *Special Report on 2009 Salary Forecasts* in October 2008, the highest attendance since we began organizing the annual event. Under the leadership of our chief economist and research director, Norma Kozhaya, the initiative was accomplished in partnership with the leading human resources consulting firms in Quebec: Aon Consulting, Mercer, Morneau Sobeco, Towers Perrin, Watson Wyatt, and, for the first time, Hay Group.

### CPQ informs its members of new developments in progressive retirement

In November 2008, more than 85 participants attended a CPQ colloquium on the Hamad law on progressive retirement, adopted in June 2008. Six experts formed our panel: Jacqueline Beaulieu (Régie des rentes du Québec), Pierre Girardin (Aon Consulting), Michel St-Germain (Mercer), Richard Béliveau (Morneau Sobeco), Jacques Lafrance (Towers Perrin) and Nathalie Joncas (CSN). Under the leadership of our chief economist and research director, Norma Kozhaya, the event was held in conjunction with the Régie des rentes du Québec.

### Labour standards: CPQ informs its members of most recent changes

Also in November 2008, the CPQ held colloquia in Montreal and Quebec City on recent changes to the *Act respecting Labour Standards*. Presentations were made by specialists from the law firms Poirier, Rivest, Fradette (Christian Reid, Ginette Breton and Anne Desroches), Gowlings (Pierre Pilote) and Heenan Blaikie (Robert Dupont and Robert Bonhomme). Under the leadership of CPQ legal counsel Pascale Gauthier, the event was organized in partnership with the Commission des normes du travail du Québec.

### CPQ honours its members

True to tradition, the CPQ used the occasion of its annual general meeting in June 2008 to honour leading members of the Quebec business community.

### André Chagnon receives the 2008 *Prix de carrière*

The 2008 edition of the CPQ's *Prix de carrière* was awarded to André Chagnon, chair and chief executive officer (CEO) of the Fondation Lucie et André Chagnon and former founding president and CEO of Groupe Vidéotron, for his exceptional qualities as entrepreneur and philanthropist. In previous years, the award was given to Jean Coutu, Paul Desmarais Sr., Stephen Jarislowsky, Bernard Lemaire and Guy St-Pierre, among others.

**“More than 150 people attended the launch of the CPQ's *Special Report on 2009 Salary Forecasts* in October 2008, the highest attendance since we began organizing the annual event.”**



“The 2008 edition of the CPQ’s *Prix de carrière* was awarded to André Chagnon, chair and CEO of the Fondation Lucie et André Chagnon and former founding president and CEO of Groupe Vidéotron, for his exceptional qualities as entrepreneur and philanthropist.”

### **Two new members of the Entrepreneurs Club**

Two new members were also inducted into the prestigious CPQ *Club des entrepreneurs*, highlighting their remarkable contribution to the economic development of Quebec:

**Glenn J. Chamandy**, co-founder, president and CEO of Gildan Activewear, a vertically integrated manufacturer and the main supplier to the wholesale distribution market for printed sportswear in the United States and Canada and a major supplier to this market in Europe;

**Kazimir Olechnowicz**, founder and president-CEO of CIMA+, which is one of the largest engineering consulting firms in Quebec and North America.





### III - Communications: Active participation of the CPQ in major public debates

#### Media visibility: Effective interventions increase the impact of CPQ coverage

Public statements by the CPQ in 2008 generated close to 600 media articles and reports, which represents more than 10 per week.

According to an independent assessment, the public relations value of that visibility (\$5.2 million) increased by about 20% over 2007 (\$4.4 million).\*

Better still, the CPQ's statements were clearly more forceful and effective in 2008:

- On the basis of the number of media appearances, there was a 35% increase in the effectiveness of our interventions, with each appearance in 2008 being valued at an average of \$8935 compared to \$6697 in 2007;
- On the basis of the number of news releases issued, the increase in effectiveness reached 40%, with an average coverage value of \$113 043 per release in 2008, compared to \$77 192 in 2007.

These results are in part due to the CPQ's participation in major public debates raised by the federal and provincial election campaigns in the latter half of 2008.

We also increased the presence of our spokespersons on the editorial pages of major daily newspapers and magazines:

- In late 2008, the CPQ's first vice-president, Daniel Audet, began publishing a weekly column in the *Journal de Montréal*, a prime medium for communicating employers' needs and concerns to the general public in Quebec;
- The CPQ president gave long interviews to the French daily economic newspaper, *La Tribune*, to the *Courier parlementaire*, the *ExtraJudiciaire* magazine (Association du jeune barreau du Québec), and the regional magazine *Vitalité économique*.

\* These results exclude all coverage related to the personal political activities of former CPQ leaders, since such coverage is not the result of CPQ activities or the work of its communications team.

#### Ubiquitous CPQ spokespersons

In addition to their representation work with various government authorities, CPQ spokespersons were active in many other forums to explain and debate employers' positions for various audiences.

**“Public statements by the CPQ in 2008 generated close to 600 media articles and reports, which represents more than 10 per week.”**



The CPQ president gave speeches at:

- The inaugural conference of the Série Finance et Politique de Montréal Ernst & Young (November 2008);
- A luncheon conference of the Chambre de commerce de Saint-Georges-de-Beauce (October 2008);
- A round table of the Banff Forum on development of water resources (October 2008);
- The 63<sup>rd</sup> Laval University Congrès des relations industrielles (April 2008);
- The *L'analyse économique du droit* book launch at the Université de Montréal Faculty of Law (April 2008).

Our first vice-president, Daniel Audet, represented Quebec employers at:

- The opening of the Grand Rendez-vous annuel santé et sécurité du travail (November 2008);
- The conference of the Commission des partenaires du marché du travail's Comité aviseur-jeunes (November 2008);
- The Ordre des conseillers en ressources humaines agréées' Rendez-vous annuel sur les relations de travail (November 2008);
- The launch of the first issue of *Perspectives* magazine by the Fraser Institute (April 2008), to which he contributed as author.

Our vice-president for labour development policy, Jacques Leblanc, represented employers at the round tables on *Reconnaissance des compétences et la qualité de la formation en milieu de travail au Québec* organized by the Canadian Council on Learning and the International Economic Forum of the Americas (May and September 2008).

The CPQ's chief economist and research director, Norma Kozhaya, represented employers as a panelist at the *Conciliation travail-retraite : meilleures pratiques* colloquium organized by CCH Publications (October 2008). She also participated in the launch of the Fraser Institute's magazine *Perspectives*, in which she was also a contributor (April 2008).

## Mutually beneficial partnerships

### CPQ members surveyed by the Davos World Economic Forum

A first in 2008, the CPQ was associated with the main Canadian partner of the Davos World Economic Forum, the Institute for Competitiveness and Prosperity, to provide a better understanding of business leader opinions on numerous issues. Many CPQ members were therefore among the 12 000 business leaders from around the world who enabled publication of the 2008-2009 *Global Competitiveness Report*, which was released in Davos.

### CPQ contributes to student success by supporting Academos

The CPQ continued its support for Academos ([www.academos.qc.ca](http://www.academos.qc.ca)), an Internet mentoring program sponsored by the Government of Quebec's Youth Strategy. Several scientific publications examined the program and demonstrated that it helps keep participating youth in school. Representing the CPQ at the organization's 10<sup>th</sup> anniversary celebration in November 2008, CPQ communications director Patrick Leblanc noted that the CPQ also considers Academos an added resource for employers seeking to counter the effects of labour shortages in their industry.

**“Many CPQ members were among the 12 000 business leaders from around the world who enabled publication of the 2008-2009 *Global Competitiveness Report* by the Davos World Economic Forum.”**



## **CPQ contributes to entrepreneurship by women in Montreal**

The CPQ was pleased to contribute to the organization of the 2008 Défi de l'entrepreneuriat féminin de Montréal, a competition to foster the development of entrepreneurship among women by awarding prizes in five categories: services, retail, production and processing, social economy, and arts and culture. The awards ceremony was held on June 5, 2008, with 150 guests attending, under the honorary presidency of Andrée Corriveau, director of the Conférence OICV 2010 for the Autorité des marchés financiers and president of the Association des femmes en finance du Québec. The project is an initiative of the organization Compagnie F, in partnership with the Conférence régionale des élus de Montréal and the Commission scolaire Marguerite-Bourgeoys.





## IV - A well-governed CPQ

### Continuity and change on the board of directors

#### John LeBoutillier begins second term as chair

John LeBoutillier, CPQ chair since spring 2006, accepted to serve a second two-year term in September 2008. This provided continuity during the transition between the departure of Michel Kelly-Gagnon and the arrival of the new president, Yves-Thomas Dorval, who took office on March 30, 2009. Mr. LeBoutillier is chair of Industrial Alliance Insurance and Financial Services, the fourth largest personal insurance company in Canada, with some \$50.4 billion in assets under its management and administration. Mr. LeBoutillier also serves on the board of directors of the Société générale de financement du Québec (SGF) and several other private corporations.

In November 2008, Pierre Pomerleau, president and CEO of Pomerleau Inc., also accepted a second two-year term, as vice-chair. The construction industry is therefore well represented within the CPQ.

#### Two new directors

Two new directors joined the board in the past year: Gilles Lafond, president of Lalema Inc., and Gilles Pharand, first vice-president for corporate and legal affairs of Domtar, a nomination that confirms the importance of the Quebec forestry industry at the CPQ.

### CPQ thanks outgoing directors

At our annual general meeting in June 2008, the CPQ highlighted the active contributions made by four outgoing directors:

- Marc Croteau (2004-2007);
- Richard Dufour (2002-2007);
- Alain Madgin (2004-2007);
- and Luc Martin (2005-2007).



### New staff members

#### Yves-Thomas Dorval replaces Michel Kelly-Gagnon as president

In November 2008, immediately upon notice of Michel Kelly-Gagnon's departure – who served as CPQ president from April 2006 to January 2009 – a recruitment process began and concluded on March 25, 2009 with the announcement of Yves-Thomas Dorval's nomination as new president of the CPQ.

A seasoned manager, Mr. Dorval has over 25 years of experience in public affairs. In particular, he served as:

- Head of European communications and social corporate responsibility for a world leader in manufacturing based in London (British American Tobacco Group);
- Vice-president of an international public relations consulting firm (Edelman Canada);
- Director of care management for a pharmaceutical firm (Glaxowellcome Canada);
- And principal director of corporate strategic planning and restructuring for a leader in the personal insurance industry (Groupe Desjardins-Laurentienne).



He also worked in the public sector for the Government of Quebec, for a commission of inquiry into health and social services, and for Hydro-Québec.

Mr. Dorval's extensive experience and qualifications make him an excellent employers' ambassador to government and in major public debates.

### **Dominique Malo replaces Robert Borduas as vice-president for occupational health and safety**

Another significant change in CPQ staff in 2008 was the hiring of a new vice-president for occupational health and safety, Dominique Malo. Mr. Malo replaces Robert Borduas, who after 14 years of loyal service to the CPQ was named member of the Tribunal administratif du Québec.

Mr. Malo took office in November 2008, and brings a long track record in workplace health and safety. He was:

- Executive director of the Association sectorielle transport entreposage;
- Health and safety coordinator at the Treasury Board Secretariat;
- Health and safety program coordinator at the Quebec Ministry of Health and Social Services;
- Director of the health and safety department for the Association des entrepreneurs en construction du Québec;
- And head of the health and safety department of the Centre hospitalier universitaire de Sherbrooke.

A few months after taking office at the CPQ, Mr. Malo was nominated to the board of directors of the Commission de la santé et de la sécurité du travail (CSST) by the Quebec cabinet.

## **CPQ strengthens ties with members**

### **Members surveyed regularly**

CPQ staff continued surveying members to ensure the organization is responsive to employers' needs and concerns.

Three periodic surveys were carried out in 2008 on:

- The regulatory and administrative burden;
- Technical and professional training at CEGEP;
- Changes required of the Quebec Pension Plan.

In addition to these surveys on specific problems, the CPQ renewed its traditional annual survey in late 2008 on the social and economic climate. For the first time the CPQ partnered with the Groupement des chefs d'entreprise du Québec ([www.groupement.qc.ca](http://www.groupement.qc.ca)), a CPQ member association since 1976, allowing many small and medium-sized businesses to be consulted. The results of the two surveys generated significant media interest in December 2008.

**“The extensive experience and qualifications of new CPQ president Yves-Thomas Dorval make him an excellent employers' ambassador to government and in major public debates.”**



## Three new permanent advisory committees

To capitalize on the expertise of its members, the CPQ also created three permanent advisory committees in 2008:

- An occupational health and safety committee, chaired by our vice-president for occupational health and safety, Dominique Malo;
- A labour relations committee, chaired by our legal counsel, Pascale Gauthier;
- And a public affairs committee, which reviews all other issues not covered by the two other committees, and which is chaired by our first vice-president, Daniel Audet.


Over 30 CPQ members from various sectors are actively involved in the work of these committees, making staff more effective in preparing the CPQ's representations to policy makers.

## Greater accountability

The CPQ continued to revitalize and strengthen content in its main communications vehicle for members, the *InfoCPQ* newsletter. Published the first week of each month, the newsletter is one of the most consulted documents on the CPQ Web site, keeping members up to date on the scope of our work and its impact on employers.

## CPQ maintains sound financial position

Despite the financial crisis and economic recession, the year ending December 31, 2008 resulted in an operating surplus of \$200 508. After accounting for various expenditures, and particularly the variation in unrealized depreciation on investments which our financial statements must reflect, the fiscal year closed, however, with an excess of \$383 901 of expenditures over revenue.



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