

2014 ACTIVITY REPORT

A
STRONG VOICE
AT ITS MEMBERS' SERVICE

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THE QEC: A STRONG VOICE AT ITS MEMBERS' SERVICE

The Quebec Employers Council (QEC) has brought together many of Québec's largest companies and the vast majority of sector-based employers' groups for the past 46 years, making it Québec's sole employer federation.

It represents directly and indirectly more than 75,000 employers of all sizes in both the private and parapublic sectors, with operations in Québec.

MISSION – Ensure that employers have the best possible conditions to be able to prosper in Québec.

VISION – The standard and quality of living of the population as a whole depends on society's ability to become more prosperous by implementing the necessary conditions such as entrepreneurship, enhanced productivity, wealth creation and sustainable development. In this regard, the QEC is the point of convergence of the employer community. Through its leadership, it strives to be an even greater indispensable reference in its areas of intervention and exerts a considerable constructive influence.

VALUES – Rigour and pragmatism / Importance of human capital / Responsibility / Creativity / Entrepreneurship / Solidarity / Openness / Passion and commitment



An active and committed participation in government bodies

Québec employers can count on the active and committed participation by the QEC in the various government bodies where the policies affecting companies are developed. Its interventions are conducted adhering to the focal points of its 2014-2017 strategic interventions platform.

In 2014, the QEC's employer representations notably included:

- ⇒ on the board of the Commission de la santé et de la sécurité du travail (CSST) and the Institut de recherche Robert-Sauvé en santé et en sécurité du travail (IRSST), and on the CSST's many board and work committees;
- ⇒ on the board of directors and executive committee of the Commission des partenaires du marché du travail (CPMT) and the Commission's many work groups;
- ⇒ at the Comité consultatif du travail et de la main-d'œuvre (CCTM);
- ⇒ at the Comité de suivi en matière d'allégement réglementaire et administratif;
- ⇒ at the Comité des intervenants économiques, making representations to the deputy minister of Immigration, Diversity and Inclusiveness;
- ⇒ at the Comité national des programmes d'études professionnelles et techniques;
- ⇒ at the Tripartite Round Table comprised of Human Resources and Skills Development Canada and the provinces, the Canadian Employers Council and the Canadian Labour Congress on international labour standards;
- ⇒ at numerous National Assembly and House of Commons parliamentary commissions;
- ⇒ with MNAs and MPs by an annual tour of political party caucuses represented in the National Assembly and the House of Commons.

GUIDING PRINCIPLES OF THE STRATEGIC INTERVENTIONS PLATFORM 2014-2017

FOCAL POINT 1

A SKILLED, ABUNDANT AND COST-COMPETITIVE LABOUR FORCE

- Improve the education system so young people can complete their basic studies with the tools they need to achieve their personal aspirations and succeed in their professional career.
- Adapt manpower training programs so that workers have access to continuing education throughout their working lives.
- Obtain a new law on immigration to ensure it is better aligned with the needs of the job market.
- Freeze, and even reduce, the fiscal burden exerted by payroll taxes. Offset any tax hike by an equivalent reduction in taxes that employers are already incurring.
- Revise and refocus on their main mission the programs funded by payroll taxes, the benefits of which are more generous in Québec than elsewhere in Canada.

FOCAL POINT 2

INTELLIGENT REGULATION

- Set objectives rather than impose uniform measures and burdensome procedures to attain them.
- Ensure a consistency between the various government bodies.
- Review and adjust the regulations on a regular basis so they are compatible with the new social and economic circumstances.
- Alleviate, simplify and target reasonable results objectives so that small businesses are able to comply with the regulations without jeopardizing their profitability.
- Encourage investments and job creation in a sustainable development and global competitiveness context.
- Define the power of inspectors ensuring compliance with the regulation to avoid arbitrary and abusive decisions.

Québec needs to have a strong and united business-community voice in representations to the government and in public debates. A voice that expresses the concerns of the wealth creators in our society and proposes long-term solutions to make our economy more productive and competitive.

Over the 2014-2017 time span, the QEC strives to be the employer solidarity point of convergence for Québec employers and companies. Through its leadership it endeavours to mobilize the business community to advance the conditions for companies to succeed, as well as the determining factors for greater prosperity, based around five strategic focal points.

FOCAL POINT 3 HEALTHY PUBLIC FINANCES AND COMPETITIVE TAXATION

- Return to a balanced budget as quickly as possible to provide future generations with a healthy financial situation.
- Conduct a rigorous control of public spending and strive to restore it to the Canadian average level in terms of GDP ratio.
- Avoid having new tax or personal income tax hikes, or should this not be possible, offset any new tax or income tax by lowering tax or income tax in the fiscal system.
- Implement public-service user fees with tact and transparency, along with reductions of other tax bites.
- Instill a favourable investment climate to stimulate economic growth and expand the fiscal base.

FOCAL POINT 4 A SUSTAINABLE ECONOMY

- Promote Québec's natural resources in a responsible manner.
- Invest in public infrastructures.
- Place an emphasis on creating well-paying, value-added employment.
- Stimulate private investment and entrepreneurship, especially among young people.
- Encourage business development and productivity.

FOCAL POINT 5 AN ESSENTIAL SOCIAL DIALOGUE

- Mobilize the business community in an effort to engage in constructive and inclusive dialogue with the population of every region in the province of Québec, in conjunction with a campaign extending over a three-year span.
- Revive the population's interest in seeing our businesses succeed and provide a better understanding of the link between prosperity and the standard and quality of living.
- Provide platforms to share experiences, viewpoints and first-person accounts by entrepreneurs, workers, young people, personalities and people from every region and background.



BOARD CHAIRMAN'S MESSAGE

Instill the urge to prosper!

In this first year of my mandate as chairman of the board, it is with great pride and enthusiasm that I invite you to read our 2014 activity report. The report attests to the ambition, efficiency and determination of the QEC to help propel Québec to a higher degree of prosperity for present-day and future Quebecers. It especially demonstrates that by uniting our collective strengths, we, the members, provide the QEC with the means to ensure Québec's businesses and employers throughout the province have the best possible conditions to realize their full potential, across the whole territory and for the last 46 years.

Thanks to the continued commitment of the QEC's board of directors and permanent staff, with the support of employer associations and business members, we have been able, over the years, to establish ourselves as a major and credible spokesperson for Québec's business community. The QEC has now become the indispensable reference, a presence that people have come to expect at the major public debates. This legacy has allowed us, over the past year, to set down the cornerstones of a new strategic plan and to implement a new 2014-2017 strategic interventions platform, around which this report is based.

This roadmap is designed to encourage investment, the key to Québec's current and future prosperity, and to develop a business environment that is accommodating, stable and predictable, based around the following five focal points:

- 1 A skilled, abundant and cost-competitive labour force.
- 2 Intelligent regulation.
- 3 Healthy public finances and competitive taxation.
- 4 A sustainable economy.
- 5 An essential social dialogue.

This platform is intended not only to making sure the voice of employers in Québec and Canada is heard, but also engaging in a constructive dialogue with our social and governmental partners in seeking solutions to our common challenges. It is with this in mind that 2014 also marked the implementing of the PROSPERITE.QUEBEC campaign, the culmination of long-term preparatory work, to which we will be devoting our efforts for the next three years.

With the theme "*Prosperity for, with, and by all!*" this innovative campaign is based on the sharing of experiences and viewpoints from everyone that believes in Québec's outstanding potential and wants to see a greater unleashing of this potential for the benefit of society as a whole.

PROSPERITE.QUEBEC will help facilitate discussions in an effort to explain and promote the role of businesses in the collective wealth-creation process, establish the link between economic growth and the standard and quality of living, and make people aware of Québec's many assets and abundance of riches. **The objective: Instill the urge to prosper!**

If the Employers Council is now "a voice at its members' service", it is largely due to the hard work and energy of our directors in identifying and advancing our guidelines. I am indeed fortunate to be able to lean on the experience of these remarkable people. It is also a privilege to be able to rely on such a solid and committed permanent staff, which works every day to enhance the influence and profile of the QEC and its members in every area. It is the engine of our success!

*"If the Employers Council is now
"a voice at its members' service",
it is largely due to the hard work
and energy of our directors..."*

Louis-Marie Beaulieu
Chairman of the Board



PRESIDENT AND CEO'S MESSAGE

2014, a pivotal year for the QEC

Six years ago, the QEC imparted a new vision, a more inclusive mission and a signature theme-line, *Allied for Prosperity*. From that time we have appeared in every forum to support economic development for all in the province of Québec, from north to south, east to west. Bolstered by these years that saw its credibility and notoriety grow with decision-makers at the provincial, federal and even international level, the QEC put this renewed influence at the service of Québec's prosperity in 2014 by diversifying the wide array of means at its disposal to achieve its mission. In this regard, the past year has been one of significant transition and planning. It has also been marked by adapting and adjusting to many changes on the political scene.

From the provincial politics standpoint, 2014 started with the holding of a general election during which the QEC pressed the political parties on the need to devise concrete commitments for a tightening of public spending, an improved business environment and the implementing of more favourable conditions to encourage investment and spur the creation of quality jobs.

Today, we note with satisfaction the priorities of the current government are largely inspired by the QEC's proposals, several of which are directly drawn from our new 2014-2017 strategic interventions platform. This report delivers a much more extensive account, and we note, for example, the application of the "deep freeze" principle we amply advocated to staunch the financial bleeding from public spending. Then there were the mobilization efforts set in motion by the QEC stressing the importance

of intervening to ensure the longer-term viability of pension plans, or the various measures aimed at returning to a balanced budget by tightening the management of the government's labour force and control of its programs. We can also underscore our efforts that led to the establishment of a Québec Tax Review Committee in 2014 and a new freeze of contribution rates to the employment insurance and parental insurance plan.

Internally, 2014 saw many changes in the permanent staff ranks, especially in the communications and public affairs department. In conjunction with a new planning strategy for 2014-2017, and along with a refonting of some of our multimedia tools, considerable energy was expended in preparing the PROSPERITE.QUEBEC campaign, the blog for which came out as scheduled, in late fall.

Mobilizing the business community and addressing the general public in an effort to draw a link between economic development and Quebecers' quality of life is a project that will expand the reach of the QEC. Already, the strategies deployed in 2014, notably including the launch of regional tours, has established the basis of a new culture of prosperity, marked by a redefined economic development vision and incorporated into the realities and aspirations of contemporary and future Québec society.

"Today, we note with satisfaction the priorities of the current government are largely inspired by the QEC's proposals..."

Yves-Thomas Dorval
President and CEO

A SKILLED, ABUNDANT AND COST-COMPETITIVE LABOUR FORCE

ISSUES Québec's changing demographics will adversely affect the ability to renew the labour force and the percentage of the working population. To enable companies to prosper, Québec needs a skilled, abundant and cost-competitive labour force. It has to accelerate its adaptation to the aging population and make it more attuned to the current and future needs of the job market, along with encouraging the integration of immigrants into the labour force. It's also important to ensure the overall tax level is reduced and that labour force support programs are readjusted.

ACTIVITIES CONDUCTED IN 2014



PUBLIC INTERVENTIONS

January

Comments on Bill 60: *The Charter affirming the values of State secularism and religious neutrality and of equality between men and women, and providing a framework for accommodation requests.*

May

Brief submitted to the Supreme Court of Canada regarding its intervention in the Saskatchewan government's case against the Saskatchewan Federation of Labour, about protecting the right to strike under provisions of the *Canadian Charter of Rights and Freedoms* (Sourcebooks, Vol. 1, 2 and 3).

Comments on the Federal Labour Minister's discussion paper relating to changes in federal labour standards pertaining to family caregivers.

June

Comments expressed at the Department of Finance Canada consultation on a proposed framework on target benefit pension plans.

EVENTS

February 24, 2014

Best practices of francization in businesses

The QEC's colloquium on francization in businesses in Québec, held in collaboration with the Office québécois de la langue française (OQLF), brought together more than 200 company heads, employer associations and people in charge of francization to discuss views on the various problems and best practices for francization. In the presence of Diane De Courcy, the Québec Immigration and Cultural Communities Minister and the minister in charge of the *French Language Charter*, this event served to put forward the government guidelines on immigration and language policy and the importance and many advantages linked to the increased usage of French as the language of work, trade and business.

March 24, 2014

Colloquium on labour relations

In conjunction with the 50th anniversary of the *Labour Code*, a hundred people attended the QEC's colloquium for employers to take a look back at labour relations over the last half-century and discuss the future issues in this area. Réal Mireault, the former Deputy Labour Minister, presented the state of labour relations in Québec in 1964; among the issues discussed were the courses of action that need to be undertaken to improve the current *Labour Code*.

GAINS MADE IN 2014



Occupational health and safety – The QEC’s rigour and expertise continues to be a winning combination for employers

Since 2012, and for the fourth straight year, thanks to the employers’ management and prevention efforts, and to the stances taken on capitalization policies by QEC directors sitting on the CSST’s board, the average CSST contribution will again go down in 2015, to \$1.94, its lowest level since 1993. These successive reductions have saved employers \$325 million over the last five years. These efforts also led to a reduction in industrial accidents of about 2% in 2014, compared to the previous year, and a 14% reduction in accidental deaths between 2013 and 2014. And the CSST system is now in a better state of financial health; capitalization of the system has now reached 100%, while it was at 69% in 2009, in the wake of the financial crisis.

Payroll contributions – Rate freeze is maintained thanks to the QEC’s interventions

The QEC’s interventions in recent months have helped to ensure the payroll contribution costs remain competitive:

- **Employment insurance** – The QEC made some significant gains in this area regarding the freeze on employment insurance contribution rates for 2015 and 2016 (\$2.13 per \$100 of payroll) and the implementation, starting in 2017, of a new mechanism that will set the rate in relation to the system’s funding needs.
- **Québec parental insurance plan** – The QEC’s input since 2012 has helped in maintaining the freeze on Québec parental insurance plan contributions for 2015 (0.782%).

Pension plans – Municipal pension plans situation is on the right track

Sensitizing elected officials and the general public about the urgency to take action to ensure the financial viability of pension plans and reduce employers’ costs for these plans has led to a significant advancement with the adopting of Bill 3: *An Act to foster the financial health and sustainability of municipal defined benefit pension plans*.

Immigration – Implementing a new immigration policy adapted to the needs of the job market

The QEC has repeatedly stated its position regarding the difficulty of integrating immigrants into the job market, and the importance of conducting up-front work on the selection process. This year, the Council is pleased to note the Québec government announced at its recent consultation on immigration policy that it would like to adopt a system based on an expression of interest, which involves employers and places more emphasis on the needs of the job market in the selection process. This is along the lines of what the QEC recommended

Matching training / jobs – Renewal of federal-provincial agreement

Throughout 2014, the QEC was energetically involved in every forum and in representations to the Commission des partenaires du marché du travail, in an effort to have the Québec government make the matching of training and jobs an overall priority, and that a satisfactory agreement be reached with the federal government in this regard.

ISSUES Regulations surrounding economic initiatives in Québec are currently more cumbersome, constraining and complex than ever. Along with being extremely costly, they are sometimes outdated or redundant. To be able to prosper and free businesses from a counter-productive burden, Québec needs to have more intelligent regulation, one that is more flexible, better adapted to the constraints and size of businesses, and more efficient.

ACTIVITIES CONDUCTED IN 2014

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PUBLIC INTERVENTIONS

February

Comments on the Voluntary Retirement Savings Plans (VRSP) plan, published in the *Gazette officielle du Québec* on March 12, 2014.

April

Comments on the report by the Commission nationale d'examen sur l'assurance-emploi (CNEAE), under the co-presidency of Rita Dionne-Marsolais and Gilles Duceppe.

May

Comments in conjunction with Industry Canada's consultation on the *Canada Business Corporations Act*.

Comments in conjunction with the consultation by the federal Minister of Finance on international tax planning by multinationals.

September

Comments on Bill 8 – *An Act to amend the Labour Code with respect to certain employees of farming businesses*.

EVENTS

May 14, 2014

Public and business contracts: Where are we headed?

This colloquium enabled the political class, public administration and businesses to think about solutions to propose to deal with the changes in the awarding and managing of public contracts, and the ethical issues it entails. M^e Suzanne Coupal, a lawyer and retired Québec Court judge, addressed the more general issues linked to integrity and ethics, and to the business community, and a round table discussion helped in pinpointing certain courses of action to establish better management practices in various activity sectors.



GAINS MADE IN 2014



Regulatory relief – Naming a delegated minister and forming an advisory committee on regulatory and administrative relief

The QEC called for the continuation of the extensive work on regulatory relief to fight against increasing businesses' administrative burden. These interventions led to the adoption of the *Government policy on regulatory and administrative relief*, and the naming of a delegated minister and the forming of an advisory committee, on which the QEC sits, to address the issue.

Labour relations – The QEC is active on many fronts

- **Obtaining a special system pertaining to farm workers** – Representations by the QEC in the interests of employers led, in 2014, to the encouraging of a fair balance between farm workers' freedom of association and the competitiveness of employers in this sector. In conjunction with the reading of the Québec government's Bill 8, the QEC's interventions led to the creation of a system specific to this industry.
- **Contract negotiations in the institutional, commercial and industrial construction sectors** – The QEC lent its support to its partners to reach a satisfactory end to the negotiations and an agreement in principle that averted a labour dispute which would have had a substantial impact on construction sites.
- **Essential services and freedom of association: major representation work still to be done** – The QEC presented the viewpoint of Québec employers to the Supreme Court of Canada in the matter of the *Saskatchewan Federation of Labour*, which deals with the validity of legal provisions

on the maintaining of essential services and union accreditation procedures. These measures led to the recognizing of the constitutional validity of the provisions requiring a vote by secret ballot prior to certification and employers' freedom of association in conjunction with the accreditation process.

- **International labour conference** – There were issues about the application of international labour standards, changes to the compulsory labour agreement, the transition of the informal economy to the formal economy, and measures aimed at encouraging employment.

Revenu Québec Attestation certificate – A lesser evil

In 2014, the QEC lent its support to construction associations and placement agencies on the mandatory Revenu Québec attestation (certificate), and it was able to limit the impact. In fact, even though it is a new requirement, it should be noted that Revenu Québec was not only requiring an attestation certificate, but also wanted to make registering all disbursements mandatory, which would have been a much heavier burden.

Occupational health and safety – Toward an ISO standard on occupational health and safety management systems

Through representations made within the Canadian mirror committee on the eventual development of an ISO standard on occupational health and safety management systems, the QEC managed to get a step closer to the objective of creating a standard which meets the employers' needs while seeing to the workers' protection.

HEALTHY PUBLIC FINANCES AND COMPETITIVE TAXATION

ISSUES Despite its exceedingly high taxation level, which is among the highest in North America, Québec continues to accumulate the biggest deficit on the continent, and about 60% of this debt is attributable to accumulated budget deficits. Its structural debt is significant, while its heavy spending makes it difficult to balance the budget by taking up a major share of collective wealth. With Québec's very pedestrian economic performance, along with its aging population, the fact of living beyond one's means undermines Québec's ability to respond to the economic cycles and ups and downs, and it also jeopardizes the ability of future generations to prosper and attain a level of collective wealth that will allow them to meet their essential needs in terms of health, education, justice, security, public services or infrastructures.

ACTIVITIES CONDUCTED IN 2014

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PUBLIC INTERVENTIONS

January

Comments entitled *Un Québec prospère qui vit selon ses moyens* in conjunction with 2014-2015 pre-budget consultations.

February

2014 Québec budget and elections – the QEC presses the political parties to devise concrete commitments to address the crucial issues for Québec's future.

March

Comments issued on the report stage of the Work Group on the policy of funding universities.

May

Comments entitled *Un Québec prospère qui vit selon ses moyens* submitted on the 2014-2015 budget.

August

Comments issued in conjunction with the House of Commons Standing Committee on Finance consultations regarding the federal budget.

October

Brief submitted to the Commission d'examen sur la fiscalité québécoise (Québec Taxation Review Commission).

Comments issued on Bill 15 – *An Act respecting workforce management and control within government departments, public sector bodies and networks and state-owned enterprises*.

November

Comments on Bill 10 – *An Act to modify the organization and governance of the health and social services network, in particular by abolishing the regional agencies*.

Brief submitted to the Commission de révision permanente des programmes, a standing committee to review programs.



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GAINS MADE IN 2014



Control of public spending – Applying the “deep freeze” principle and creating the Commission de révision permanente des programmes (Robillard commission)

Before and after the provincial elections, the Council stood out for its strong stance on public spending, advocating that there should be a “deep freeze” on any new public spending which would not be offset by an equivalent reduction of existing programs. The QEC is delighted the government took up this proposal by formally establishing the “deep freeze” principle and setting up the Commission de révision permanente des programmes, a standing review committee whose mandate complies with the QEC’s hoped-for objectives.

Bloated public administration – The QEC is a stakeholder in the optimizing of the health and social service networks and in tightening the control of government staffing levels.

At the time of consultations on Bills 10 and 15, the QEC seized on the many outstanding opportunities to reiterate the importance of working on Québec’s economic development while ensuring sound management of public finances. It emphasized the importance of implementing a series of measures aimed at a series of measures for better programs, structures or staffing, as well as better management of the government’s labour relations and human resources matters.



Corporate taxation – The QEC defends businesses

Additional cuts to certain tax credits are averted – In 2014, the QEC increased the number of its interventions to make the government aware of the negative impact of additional cuts to tax credits in the June 4 budget. Its efforts were successful when the budget was tabled, as businesses were relatively spared, contrary to what many people feared.

Creation of the Québec Taxation Review Commission (Godbout commission) – By establishing the Québec Taxation Review Commission, the government reacted positively to a long-standing request by the QEC, which for years has been saying there is a gap that disadvantages Québec compared to the rest of Canada in terms of payroll taxes. This fact was insightfully restated by the government document in support of the Commission’s consultations. The Commission clearly noted this problem as being a net disadvantage to Québec, despite the presence of a relatively competitive corporate tax rate.

Higher learning – A modest but important additional lever, favouring university funding

In the past, the QEC has consistently lent its voice to that of many of its partners, including universities, to support the importance of bringing the university tuition paid by students from France into line with that paid by students in the rest of Canada. In 2014, the QEC is pleased to see the adoption of this measure, which is really a matter of fairness to other international jurisdiction students who come to study in Québec.

ISSUES The shortage of Quebecers with a penchant for going into business and creating companies is one of the drawbacks that undermines efforts to attain a higher economic performance level. Québec also lags behind most of the developed countries in terms of productivity measured by production value per hour worked. Part of this low productivity is attributable to a shortfall in investment and competitiveness. Moreover, Québec has to face a growingly competitive global market and a shifting of the centres of economic growth to Western Canada, under the combined effect of petroleum exploitation and the growing power of attraction of China, India and other emerging Pacific Rim countries, as attested by Québec's negative trade balance over the last 10 years.

Yet, Québec can rely on many major assets, including:

- A highly educated labour force and world-calibre institutions.
- Strategic and abundant natural resources and a favourable geographic location in the forefront of markets turned toward the East.
- An economy and industrial structure that is among the most diversified and integrated in North America, with world leaders in various fields of endeavour.
- A great cultural diversity as the francophone centre in America.

ACTIVITIES CONDUCTED IN 2014

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PUBLIC INTERVENTIONS

February

Comments on Bill 3 – *An Act to prohibit certain shale natural gas exploration and production activities*, presented in conjunction with Transport and Environment Commission public hearings.

Presentation of comments in conjunction with Industry Canada's public consultations on the renewal of federal strategy in terms of science, technology and innovation.

May

A brief presented to the BAPE in conjunction with the public hearings on issues raised by the exploration and exploitation of shale gas in the Utica Shale of the Saint Lawrence River lowlands.

October

Comments and recommendations submitted to the Commission d'enquête sur l'octroi et la gestion des contrats publics dans l'industrie de la construction.

Comments presented in conjunction with the special consultations of the National Assembly's Committee on Agriculture, Fisheries and Natural Resources on Bill 11 – *An Act respecting the Société du Plan Nord*.

EVENTS

September 19, 2014

Breakfast-meeting on public contracts

With the well-known ethicist René Villemure in attendance, this event provided the opportunity to reiterate the importance of tightening public contract management, straightening up the state of public finances and working to relaunch the economy, all without extending or making businesses' administrative load and paperwork more cumbersome. Martin Coiteux, the Minister responsible for Government Administration and Standing Review of Programs, and Chair of the Treasury Board, was the guest speaker.

GAINS MADE IN 2014



Natural resources – Unleash their entrepreneurial potential and their responsible exploration

Whether it's relaunching the Plan Nord, for which the QEC has agreed to support the creation of a Crown corporation, the aborted implementation of a new energy policy, the importance of the place of Canadian produced hydrocarbons in Québec's economic portfolio and supply chain, or the business environment which is stifling the mining sector, the QEC conducted a wide range of interventions in 2014 in an effort to unblock many major projects and unleash Québec's full potential.

Ecotaxation – Ecologists and business community agree on the importance of improving corporate taxation

In conjunction with the work conducted by the Commission d'examen sur la fiscalité québécoise, the QEC presented a brief on ecotaxation as part of an unusual alliance composed of environmental groups and business people. This initiative was an opportunity, among others, to impress upon the government the importance of shepherding the implementation of the "polluter pays" principle, measures aimed in turn at tax-empting value-creating activities for businesses, such as labour and investment, to improve Québec's competitiveness and productivity.

Infrastructures – Continuation of federal investments to modernize them

Following numerous interventions, the QEC was pleased to note the federal government announced significant investments to modernize infrastructures in its 2014-2015 budget.

Construction – Defending the reputation of employers and businesses before the Charbonneau commission

The interests of QEC members were solidly defended at the Charbonneau commission, with a view to submitting its recommendations, to promote the integrity and professionalism of the large majority of companies and employers whose reputations have been wrongfully smeared by a presumption of guilt by association.

Free trade – Canada – European Union – Korea trade agreement

Subscribing to the objectives of these agreements and, on the whole, satisfied with their terms, the QEC was very active in urging the federal government and its partners to accompany businesses by providing training and information to prepare them for the agreements' coming into effect, thereby enabling them to derive the full benefits of the business opportunities they represent.



The QEC's participation in the Canada-EU Summit

September 26, Yves-Thomas Dorval took part in the Summit in the presence of Canadian Prime Minister Stephen Harper, on the arrival of His Excellency Mr. Herman Van Rompuy, President of the European Council, and His Excellency Mr. José Manuel Barroso, the European Commission President.

ISSUES Over the last five years, the QEC has compiled data and analyzed the situation relating to the main economic determining factors in Québec, published every year in our *Report Card on Québec Prosperity*. The findings derived from this data are somewhat ambivalent, and one of the findings is that the province's economic performance is average, even sub-par, compared to similar states, especially in North America, despite Québec's outstanding potential.

This is why, four years ago, the QEC began conducting an extensive consultation with interveners from every sphere, in every field of endeavour and activity sector. It's also the reason why, two years ago, it set in motion a campaign project aimed at drawing a link between economic development and Québec society's standard of living.

ACTIVITIES CONDUCTED IN 2014

Then, in 2014, the QEC began the first in a series of tangible initiatives, under the theme of mobilization and its commitment to Québec's prosperity.

Preparing the PROSPERITE.QUEBEC campaign

The QEC worked diligently behind the scenes for several months getting ready for the campaign. It formed an internal team and added external collaborators. It reached partnership agreements with businesses and various associations, and invited diverse and influential bloggers to express their views. Together they developed the different communication platforms that will serve the campaign, as well as a start-up plan.

Launch of a regional tour

In the fall, the QEC began a regional tour throughout Québec to present the various determining factors of prosperity. These meetings with business people afford an opportunity to discuss the courses of action Québec needs to implement to become a more prosperous society, and thereby be able to offer its citizens a better quality of life.

Putting the prosperity blog online

The PROSPERITE.QUEBEC blog has been posted online since late November; it's an activity that allows people, through the use of well-known interveners, to conduct an insightful discussion on the subject. Every week, people from various spheres of endeavour will be providing more food for thought by sharing their respective vision and experience in dealing with these issues.

The first touchstone in a social dialogue based around building prosperity, the blog will explore such questions as: How does one define prosperity? What are the conditions that are needed to encourage the creation of a more prosperous Québec? In what form is the creation

PROSPERITE.QUEBEC

In 2014, the QEC laid the first cornerstones of PROSPERITE.QUEBEC, an inclusive campaign bringing together everyone that believes in Québec's extraordinary potential and wants to see the further unleashing of this potential in a responsible and sustainable manner, for the benefit of society as a whole.

Over a three-year span, PROSPERITE.QUEBEC, will encourage discussions in an effort to explain and promote the role of businesses in the collective wealth creation process. It will also explain the link between economic growth and quality of living, as well as make people aware of Québec's assets and abundance of riches. **The objective: Instilling the urge to prosper!**

Under the theme *Prosperity for, with, and by all* this innovative campaign is based on the sharing of experiences and viewpoints. Through the first-person accounts of entrepreneurs, workers, young people, personalities and people from every region of the province, PROSPERITE.QUEBEC hopes to help set the wheels in motion for a Québec-wide sustainable development.

of economic wealth synonymous with social richness? By what means? What is the role of businesses and entrepreneurs in contributing to a more prosperous Québec? What is the role of the other stakeholders in society? How does one kindle an entrepreneurial spirit, the lead engine in generating prosperity?

PROSPERITY BLOG



SUMMARY OF CORPORATE ACTIVITIES

More diversified and more interactive communications in 2014

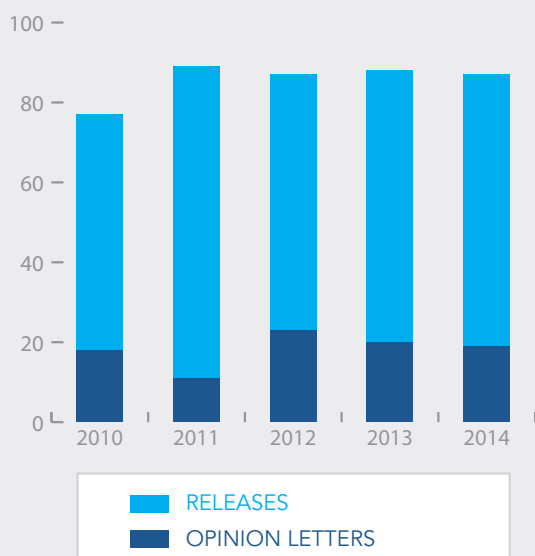
In 2014, the QEC began making a significant and much-needed shift in terms of repositioning its communication strategies and multimedia tools. Despite putting the same effort into it, the QEC's reach in traditional media declined compared to 2013, largely due to less prolific news. On the other hand, it led to a growing audience and a greater impact on digital platforms and in social media, both of which have become indispensable and are powerful levers.



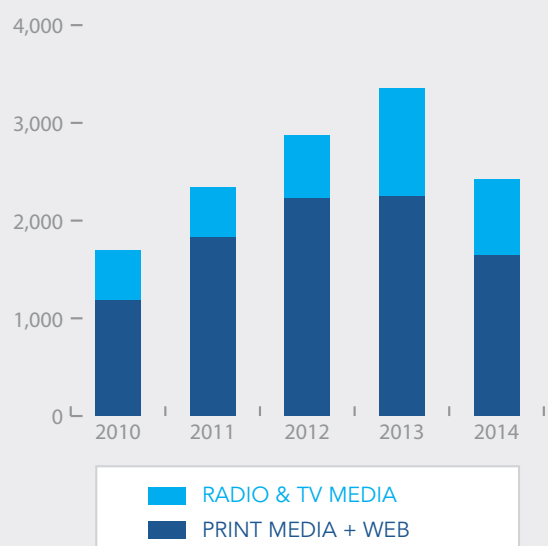
Highlights:

- In 2014, the QEC delivered close to 30 speeches, wrote about 20 opinion pieces and 70 press releases.
- The refonting of the website greatly improved the consulting, reading and navigating of the site, which resulted in a 37% increase in unique visitors and a 47% rise in the number of pages viewed, compared to 2013.
- The number of social media subscribers saw a sustained cumulative 25% increase between 2013 and 2014.

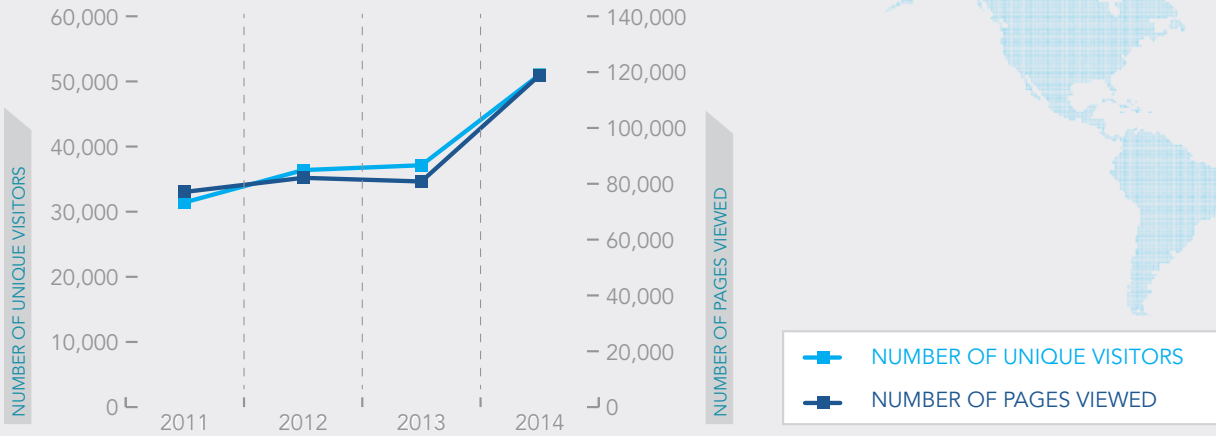
Tracking the number of media interventions



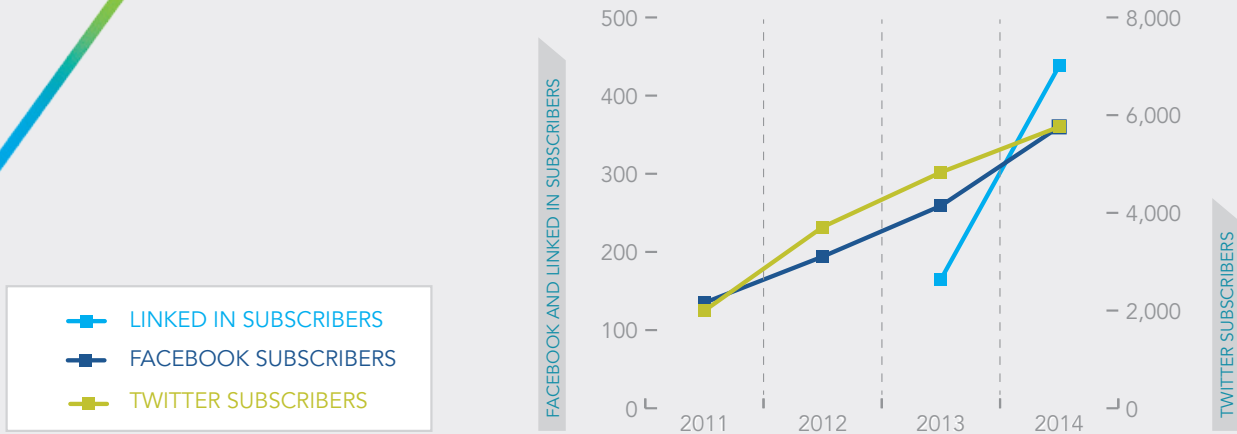
Tracking the number of media appearances



Audience rise on our primary site



Audience rise in social media



Relevant content that is ever popular and well liked

Report Card on Québec Prosperity 2014: 5th edition!

The Quebec Employers Council has published the *Report Card on Québec Prosperity* since 2010, a report that measures Québec's strengths and weaknesses compared to those of the other Canadian provinces and many countries. The latest Report Card also included an analysis tracing the progress of performance indicators over a five-year span.

2015 salary forecasts

Done this year in collaboration with the Mercer, Morneau Shepell, Normandin Beaudry, Towers Watson firms and the Centre québécois de services aux associations (CQSA), this edition includes a brand new section which presents an analysis of salary trends in the specific industry that have been noted since 2009.



Dialogue, influence, training: exclusive value-added events for members

Special meetings, bringing together members and political leaders or influential personalities

In 2014, the QEC provided its members with the opportunity to meet the Québec Minister of Finance and the Economy, Nicolas Marceau, the second opposition party leader in the National Assembly, François Legault, as well as the Executive Vice-President of Pétrolia, Alexandre Gagnon, the board chairman and CEO of the Commission de la santé et de la sécurité du travail (CSST), Michel Després, and Alain Dubuc, a prominent columnist at *La Presse*.

In the spring, an electoral breakfast-debate was held on March 24, with Nicolas Marceau, Jacques Daoust and Christian Dubé in attendance.

QEC annual general meeting: a high point of the year

Highly popular with company leaders, employer associations and media representatives, the 45th annual general meeting was held in Montréal on April 8, 2014, with Montréal mayor Denis Coderre and Union des municipalités president, Éric Forest, in attendance.

- ⇒ At this event, Hervé Pomerleau, director and founder of Pomerleau, was awarded the *Prix de carrière 2014*, while a special *Prix de carrière* was bestowed posthumously this year to Luc Beauregard, the president and founder of Groupe-conseil RES PUBLICA.
- ⇒ As it has done for the past 25 years or more, the Employers Council also used the opportunity of its annual general meeting to recognize the contribution of some key people in Québec's economic development by enshrining three new members in its illustrious *Club des entrepreneurs*: Johanne Berry, Andrew Molson and Geoff Molson.
- ⇒ Students Marie-Michelle Audet-Tremblay, from Université Laval, Marc-André Fournelle, from Université de Montréal, and Dorra Annabi, from Université du Québec en Outaouais, were awarded Ghislain-Dufour bursaries, presented in honour of the former president of the organization.



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This meeting also provided the opportunity to announce the details of the QEC's 2014-2017 strategic interventions platform, which proposed many tangible ways to implement the best possible conditions to enable Québec to prosper.



Training and concerted activities with members geared toward concrete actions

- ⇒ **Consultations on current issues** – Many consultation meetings were set up in conjunction with such matters as Québec taxation and the revision of programs in the wake of the work conducted by the two Québec-government established commissions for this purpose, or about the issues surrounding defined benefit pension plans.
- ⇒ **Employers association members on the Commission des lésions professionnelles (CLP)** – In 2014, the QEC played a key role in the selection and initial and continuing training of members named to the CLP.
- ⇒ **CSST** – Since CSST directors made many changes to regulations aimed at improving occupational health and safety, the QEC wrote some 20 summary fact sheets, one for each of the problems that were pinpointed and including the consensus solutions that were adopted. The fact sheets were distributed to every QEC member and to the various political bodies and the CSST. The QEC also contributed in 2014 to the implementing of electronic salary declarations to the CSST.
- ⇒ **Student conferences** – In 2014, the younger generation was able to listen and react to the QEC's viewpoints on various current labour issues at a series of conferences for law and industrial relations students from two universities - Sherbrooke and Laval.



WINNING PARTNERSHIPS

In 2014, the QEC was able to rely on various collaborations, as well as support certain initiatives related to its 2014-2017 intervention priorities.



Leaders diversité
Leaders diversité
Leaders diversité



Groupement
pour la promotion
de la sécurité financière



EMPLOYERS COUNCIL TEAM AS OF DECEMBER 31, 2014

Board of Directors

CHAIRMAN

Louis-Marie Beaulieu, Board Chair and CEO, Groupe Desgagnés inc.

VICE-CHAIRMAN

Paul Dénommée, Vice-President, Corporate Controller, Metro inc.

DIRECTORS

Jean Beauchesne, President and CEO, Fédération des cégeps

Ève-Lyne Biron, Board Chair and CEO, Biron Groupe santé, (outgoing)

Robert Bonhomme, Partner, Borden Ladner Gervais, S.E.N.C.R.L., S.R.L. («BLG»)

Caroll Carle, Vice-President, Employees and Culture, Gaz Métro

Yves-Thomas Dorval, President, Quebec Employers Council

Marc Dugré, Vice-President – Finances, Association de la construction du Québec

Alain Harvey, Vice-President, Human Capital, Industrial Products Division Kruger

Michel Patry, Director, HEC Montréal

Nathalie Pilon, President, Canada Thomas & Betts

Éric Prud'homme, Québec Director, Canadian Banking Association (Québec)

Pierre Richard, President and CEO, Québec Furniture Manufacturers Association

Alain Robert, President, TNT2 inc.

Richard G. Roy, President and CEO, Uni-Sélect inc.

Jean Simard, President and CEO, Aluminium Association of Canada

Nathalie St-Pierre, Vice-President Québec – Sustainable Development, Conseil canadien du commerce de détail

Martin Thibault, President, Absolutnet inc.

Clarence Turgeon, Partner, Deloitte

Permanent staff

Yves-Thomas Dorval, President and CEO

Michèle Bazin, Vice-President – Public Affairs

Luc Couture, Vice-President – Development and Membership Relations

Carmel Laflamme, Vice-President – Occupational Health and Safety

Louis-Paul Lazure, Vice-President – Communications (left in April 2014)

Jacques Leblanc, Vice-President – Human Resources Development Policy

Norma Kozhaya, Vice-President – Research and Chief Economist

Dominique Morval, Senior Director – Communications

M^e Guy-François Lamy, Director – Legal Affairs

Dominique Malo, Executive Assistant – Occupational Health and Safety

Patrick Lemieux, Senior Consultant – Communications (left in August 2014)

Benjamin Laplatte, Senior Consultant – Communications

Jean-François Lemieux, Consultant – Communications

Khedidja Bechir, Coordinator Accounting Activities and Administrative Services

Chantal Picard, Coordinator – Member and Executive Services

Geneviève Le May, Administrative Assistant

Julie Lefebvre, Administrative Assistant – Occupational Health and Safety

Cynthia Janssens, Coordinator – Events and Communications

Djeneba Sall, Receptionist

Platinum Partner

 **NORTON ROSE FULBRIGHT**

Gold Partner

QUEBECOR

Bronze Partners

 **Raymond Chabot
Grant Thornton**
L'instinct de la croissance™


ALCOA

THANKS TO OUR PARTNERS



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