

# 2007-2008 ACTIVITY REPORT



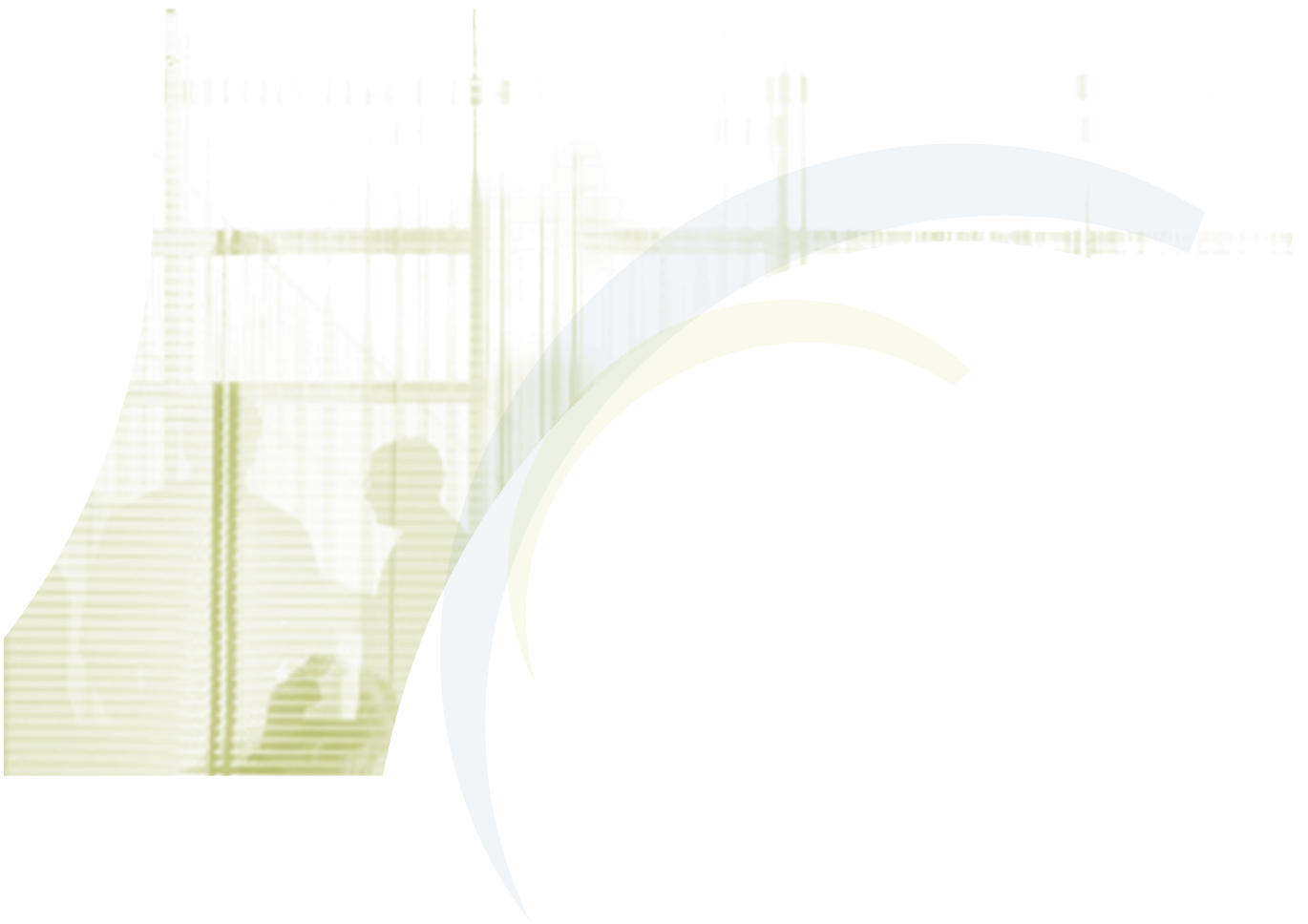
Pour avoir l'assurance  
d'être entendu et défendu





# 2007-2008 ACTIVITY REPORT

June 12, 2008







## Table of contents

<b>Introduction and highlights</b>	7
<b>I Government representations</b>	9
Corporate and personal income taxes	9
Total compensation: payroll taxes	10
Labour laws and regulations	11
Occupational health and safety	12
Labour quality, availability and cost	13
General investment climate	15
<b>II Increasingly popular events</b>	17
The CPQ as forum for decision makers	17
Specialized conferences	17
The CPQ honours its members	17
<b>III Communications: CPQ more active in public debates</b>	19
Public communications: significant increase in media visibility in 2007	19
CPQ leadership on the road	19
Internal communications: well-informed members	20
<b>IV The organization and its governance: a stronger CPQ</b>	21
New energy on the board of directors	21
New staff	21
Strong financial results	22



# 2007-2008 ACTIVITY REPORT

Submitted by Michel Kelly-Gagnon,  
CPQ President



## Introduction and highlights

Beginning this year, the annual CPQ activity report will cover the same period as our fiscal year. This document therefore reports on the CPQ's initiatives and accomplishments from March 1, 2007 to February 29, 2008, which allows for a better comparison of our output in relation to our resources. We are confident this comparison for 2007-2008 will convince members of the value of their investment in the CPQ. The results described in this report were accomplished with roughly \$1.7 million.

Following our *2007-2009 Plateform* and the views of members expressed in our annual survey on Quebec's socio-economic climate, we actively pursued our primary mission, which is to defend the common interests of employers in our relations with governments. We significantly increased the CPQ's participation in major public debates, in the media and through other communications. We also strengthened the CPQ itself, through governance reforms and the sound management of the resources available to us.

We encourage members to read about our accomplishments in detail in the following pages. Here are some of the highlights:

**In our representation of employers before government, we are proud to report concrete results in each of our major areas of activity. The following are the most significant results for each:**

- **Tax burden:** 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 2011.
- **Total compensation and payroll taxes:** Thanks to the establishment of the Canada Employment Insurance Financing Board, employment insurance premiums will henceforth be used only for this program.

# 2007-2008 ACTIVITY REPORT

## Introduction and highlights

- **Occupational health and safety:** While application of the new method of collecting premiums has been delayed – a method which will be based on wages actually paid – progress is being made and the CPQ is continuing to work with the CSST to ensure this much-anticipated reform meets employers' needs.
- **Labour laws:** The CPQ led the charge and won against federal bills to ban replacement workers, and scored points provincially in improving application of pay equity legislation.
- **Labour quality, availability and cost:** The adoption of Bill 5 has made application of the 1% law more flexible for employers.
- **General investment climate:** The Minister of Finance's work group on corporate investments reiterated CPQ-proposed solutions in its final report.

### In terms of the CPQ's participation in major public debates, we are proud to report the following highlights:

- **In the media:** A 57% increase in the visibility of the CPQ, which gave us more opportunity to make the public aware of the needs and concerns of Quebecers who are creating wealth.
- **In other forums:** Through speeches, debates and round tables, our spokespersons were twice as present as last year in discussions on important public policy matters for employers.

With visits from ministers Jim Flaherty (March 2007), Monique Jérôme-Forget (October 2007), David Whissell (February 2008) and Sam Hamad (March 2008), the CPQ continues to be recognized as the preferred forum for policy makers.

### In terms of the organization's strength, two items are worth noting:

- **Management:** Several leading business figures joined the CPQ board of directors in the last year.
- **Financial situation:** Following the surplus reported last year, the year ending February 29, 2008 resulted in an operating surplus of \$188 758. However, the 2007-2008 fiscal year ends with a \$140 039 excess of expenditures over revenue in view of various expenses and, particularly, the variation in unrealized depreciation on investments linked to the economic climate that our financial statements must take into account by virtue of new accounting regulations that came into effect last year.

These are our key results. We trust they will convince you to renew your support for Quebec's sole confederation of employers.

Sincerely,



Michel Kelly-Gagnon  
President



## I - Government representations

Using all the resources and opportunities available to us (official consultations, private meetings, briefs, speeches to political party authorities, annual meetings with the caucuses of the three political parties represented in the National Assembly, etc.), the CPQ vigorously defended the interests of its members in the main questions of the day.

### Corporate and personal income taxes

The tax burden is closely monitored by the CPQ. We continued to fight for tax measures that benefit businesses and individuals, particularly during representations made at federal and provincial pre-budget hearings.

#### 2007-2008 and 2008-2009 provincial budgets: capital tax on its way out

Two measures announced in the 2007-2008 provincial budget (in May 2007) responded to long-standing demands of the CPQ: \$950 million of tax reductions for individuals and the complete elimination of the capital tax by 2011. Given the current economic slowdown, the CPQ had hoped that the government would take advantage of the 2008-2009 budget (in March 2008) to accelerate elimination of the capital tax. Our recommendations were successful: the capital tax was immediately eliminated for the manufacturing sector. The CPQ will continue pushing for the full elimination of the capital tax more rapidly across all sectors of the economy.


**“The CPQ will continue pushing for the full elimination of the capital tax more rapidly across all sectors of the economy.”**

#### 2008-2009 federal budget: taxes on profits are decreasing and must continue to do so

The best news from the 2008-2009 federal budget tabled in February 2008 was clearly the establishment of an independent employment insurance board, which the CPQ has been demanding for many years (details follow in the next section). In terms of corporate income taxes, a 1% reduction took effect in 2008 and the rate may drop to 15% by 2012. Based on its 10/10 Plan (see following paragraph), the CPQ will nonetheless press the federal government to make further progress in this area. For personal income taxes, the CPQ was pleased with the government's creation of a tax-free savings account.

#### 10/10 Plan: an ambitious proposal by the CPQ to enhance prosperity

The CPQ responds frequently to tax measures announced by governments, but never hesitates to take a proactive approach and propose solutions. This is why, during pre-budget provincial consultations in February 2008, we unveiled an ambitious corporate tax reduction plan, which would limit the tax rate on corporate income to 20% (10% Ottawa, 10% Quebec). This new competitive fiscal environment would allow Quebec and Canada to position themselves very favourably in major world markets. In addition



to presenting the Plan to both the federal and provincial finance ministers, the CPQ also proposed it to the general public through the opinion pages of *La Presse* and *The National Post*. Thanks to this initiative, the CPQ significantly increased its media visibility on budget matters: about 70 articles and reports mentioned our demands and our reaction to the budgets, which is an increase of 50% over last year.

### **Total compensation: payroll taxes**

As underlined by the Groupe de travail sur l'investissement des entreprises in its March 2008 report, Quebec companies pay four (4!) times more payroll taxes (other than fringe benefits) than other Canadian companies. In fact, more than half of payroll taxes collected in Canada – \$5 billion – are paid in Quebec. Given these circumstances, the categorical opposition of the CPQ to any new payroll tax or increase to the current ones should surprise no one. In recent months, the CPQ has been working more specifically on the following three issues (with regard to CSST financing, we encourage you to read the section on “Occupational health and safety” in the following pages).

### **Employment insurance: independent board a great victory for the CPQ**

The creation, with the February 2008 budget, of an independent employment insurance board is a major gain for the CPQ, which has been making endless representations to this effect. Establishment of the Canada Employment Insurance Financing Board means that from now on employment insurance premiums will be used only for the employment insurance program. In terms of premium rates, in September 2007 the CPQ communicated directly with the chair, Janice Charrette, of the Canada Employment Insurance Commission to express its position on the factors considered by the chief actuary to calculate balanced employment insurance premium rates. The CPQ also worked actively – and successfully – against the adoption of Bill C-269, whose many proposals regarding benefit terms would have

cost \$3.7 billion, putting the program in deficit and therefore requiring higher premiums for employers and workers. Sponsored by the Bloc Québécois, the bill died in third reading in November 2007.

“The creation of an independent employment insurance board is a major gain for the CPQ, which has been making endless representations to this effect.”

### **Quebec parental insurance plan: CPQ monitoring closely**

Using the opportunity offered by the proposed regulation to modify the Regulation respecting premium rates under the parental insurance plan, the CPQ made representations to the Minister of Employment and Social Solidarity, Sam Hamad, to bring greater transparency, predictability and fairness to financing of the Quebec parental insurance plan. The issue was also discussed during the Minister's visit to the CPQ in March 2008.

### **Health funding: CPQ supports Castonguay report, except for proposed sales tax increase**

The CPQ took advantage of the Groupe de travail sur le financement de la santé, chaired by former health minister Claude Castonguay, to advance the idea that employers should have the right to invest in the health of their employees. The group's final report did not reiterate this proposal, but happily neither did it propose an increase to employers' contributions to public health funding, as some had wished. Instead, the report recommended creating a deductible amount and increasing the provincial sales tax. The CPQ publicly supported the deductible, but categorically rejected any increase to the sales tax.



## Labour laws and regulations

### Pay equity: a hot topic for the CPQ in 2008

Ten years after the *Pay Equity Act* took effect, the National Assembly's Committee on Labour and the Economy held consultations in February 2008. In its brief, the CPQ proposed a series of recommendations to make the *Act* more effective, including the transfer of decision-making powers to the Commission des relations du travail.

The idea had an effect: after the Committee's hearings, the Official Opposition spokesperson for labour, Jean-François Therrien, said the promotion and investigation mandates of the Commission de l'équité salariale are "perhaps incompatible." Labour Minister David Whissell also promised to consider our request that a work committee be charged with finding concrete solutions to the problems experienced by employers as they try to apply the *Pay Equity Act*. The CPQ's intervention attracted significant media coverage, including an editorial by *The Gazette* reiterating the CPQ's arguments to the Committee.

The CPQ was also active legally in addressing this problem. In May 2007, the Superior Court agreed to hear the CPQ in a judicial review procedure seeking to annul a decision by the labour relations board, which would grant major intervention powers to the Commission de l'équité salariale and threaten the distinct pay equity programs implemented by many companies. The Superior Court heard the CPQ in March 2008, and the results will be known in the coming months.

It is also worth noting that a former director of labour relations at the CPQ, Louise Marchand, has succeeded Rosette Côté as chair of the Commission. The CPQ is hopeful that this nomination will help improve relations between the Commission and employers.

### Federal bills on replacement workers: CPQ remaining watchful

After the March 2007 rejection of Bill C-257 on replacement workers, the CPQ actively pursued its work in this area, in part by sharing business concerns with federal members of Parliament on the admissibility of Bill C-415, which would also amend the Canada Labour Code to prohibit federal-jurisdiction employers from hiring relief workers during labour conflicts. The CPQ deplored the fact that Liberal members of the Standing Committee on Procedure and House Affairs turned a deaf ear to calls from the business community to declare the Bill inadmissible given its similarity to C-257. We will follow this matter closely through the coming months.

### Commission des relations du travail: CPQ invited to give a performance review

As testimony to the CPQ's expertise and leadership in labour relations, the Commission des relations du travail (CRT) invited the CPQ to evaluate the services and performance of the labour relations board over the past five years. While noting that employers are generally satisfied with the Commission's performance, the CPQ's legal counsel, Pascale Gauthier, and other experienced labour relations lawyers offered several proposals at a meeting with the CRT in December 2007 to make its work applying relevant legislation even more efficient.

**"As testimony to the CPQ's expertise and leadership in labour relations, the Commission des relations du travail (CRT) invited the CPQ to evaluate the services and performance of the labour relations board over the past five years."**



## **International labour conference: CPQ represented Canadian employers**

For a second consecutive year, the CPQ, represented by its legal counsel Pascale Gauthier, was given the mandate to represent Canadian employers at the 96<sup>th</sup> International Labour Conference, held in Geneva in June 2007 and organized by the International Labour Organization. Ms. Gauthier participated in work on promoting sustainable businesses and served as whip for employers attending from represented countries. As a result of the Conference, the CPQ joined others in supporting a resolution adopted by the International Organization of Employers denouncing the Venezuelan government's confiscation of the Venezuelan employer representative's passport and its prevention of him leaving the country. The resolution also deplored several other situations of harassment against Venezuelan employer representatives and the country's private sector as a whole.

## **Occupational health and safety**

Since the Quebec occupational health and safety plan, the Régime québécois de santé et de sécurité du travail, is funded entirely by employers, to the tune of more than \$2 billion per year, this file receives a major share of CPQ resources and efforts. Our vice-president of occupational health and safety, Robert Borduas, is devoted completely to the issue, and the CPQ president serves on the board of directors of the Commission de la santé et de la sécurité du travail (CSST). The CPQ's expertise and strength were devoted to the following matters in the past year.

## **Financing of non-allocated costs: CPQ says no, after wide-reaching consultation**


The issue of financing non-allocated costs monopolized a good part of the resources of the CPQ's occupational health and safety team in 2007. After the CPQ rejected the CSST's first proposal in December 2005, the CSST came back with a new proposal to employers in June 2007. After a first consultation, the CPQ asked

the CSST to present simulated numbers, which were presented to employers in November 2007. After this second step in the consultation, the CPQ asked the CSST to publish the effects of its proposal (% variation) on each classification. Employers were given to February 29, 2008 to offer a final opinion. Responses were received and analyzed, and the CPQ informed the CSST of its position rapidly in March 2008. In the absence of a consensus in the employment community, the CPQ is unable to support the method currently on the table. The CPQ president indicated to the CSST president that nothing is stopping CSST staff from continuing to work on proposals and providing information that could lead to a consensus. However, the CPQ will continue strongly opposing any attempt to have the CSST board of directors adopt a reform not supported by a majority of employers.

**“The CPQ will continue strongly opposing any attempt to have the CSST board of directors adopt a reform not supported by a majority of employers.”**

## **Eligibility of claims: CPQ continues working against this irritant**

Since one of the causes for the growth in non-allocated costs is the question of workers' claims eligibility, the CPQ worked energetically on this matter in 2007, producing among other things a report published in March 2008. The employers' delegation on the CSST board of directors has been made aware of this, and specific demands have already been made to the CSST. The CPQ is also addressing two other irritants in the plan: over-compensation and the Bureau d'évaluation médicale, which were both also the subject of reports published in March 2008. The CPQ has established a work committee whose mandate is to list all employer problems generated over the years by the *Act respecting industrial accidents and occupational diseases* and the *Act Respecting Occupational Health and Safety*.



### **Premium collection method: CPQ contributing to implementation of the reform**

In response to a major demand of the CPQ, in December 2006 the National Assembly adopted legislation modifying the method of collecting premiums so that employers' premiums are no longer based on the subsequent year's estimated wages, as is the case now, but rather on wages actually paid. Accompanied by representatives of employers and employers' associations, our vice-president of occupational health and safety met with the CSST in November 2007 to ensure the concrete application of the reform meets the needs of businesses. In April 2008, however, the CSST informed us that the reform would take effect later than January 2009, as previously planned. The CPQ will continue making representations to the CSST to have the reform implemented as quickly as possible.

### **Commission des lésions professionnelles: CPQ trains members representing employers**

Employer association members of the Commission des lésions professionnelles (CLP) continued to benefit from training sessions offered by the CPQ. Given in Montreal and Quebec City, last year's training sessions focused on conciliation at the CLP and CSST rate regimes (March 2007), occupational diseases in rheumatology (June 2007), rehabilitation after an industrial accident (September 2007), investigations and radiological reports (November 2007), and a 2007 retrospective and jurisprudence (January and February 2008). The CPQ continues to provide initial training to new members from employers' associations. The CPQ also publishes a quarterly newsletter, the *Bulletin d'information à l'intention des membres issus des associations d'employeurs à la CLP*.

### **CSST and CCTM parity committees: CPQ actively defends employers at all levels**

The CPQ continued providing strong representation for employers on numerous CSST parity committees, both for prevention and funding. At the Conseil consultatif du travail et de la main-d'œuvre (CCTM), the CPQ contributes to the nomination process for CLP commissioners, the president and vice-presidents, through its participation on the Comité sur la Commission des lésions professionnelles. Also with the CCTM, the CPQ participates in the work of the Comité sur la sécurité des travailleurs. Finally, our vice-president of occupational health and safety serves on the scientific committee of the Institut de recherche Robert-Sauvé en santé et sécurité du travail (IRSST), giving employers a stronger position in research projects.

### **Labour quality, availability and cost**

Given the current and anticipated labour shortage, the CPQ is continuing its careful analysis of labour development and training and skills recognition policies, thanks especially to the work of its vice-president for labour development policy, Jacques Leblanc, who serves as a voting member on the Commission des partenaires du marché du travail (CPMT). Our president is also a member of the Conseil consultatif du travail et de la main-d'œuvre (CCTM). The CPQ helped advance the following labour issues last year.

### **Bill 5 on labour training: CPQ encourages qualitative approach**

The CPQ welcomed the adoption in June 2007 of Bill 5 on labour development and skills recognition, particularly due to the choice it gives employers and especially the flexibility now offered by the 1% law. The CPQ lobbied hard for this qualitative approach during consultations on the draft legislation.



**“1% law: the CPQ lobbied hard for this qualitative approach during consultations on the draft legislation.”**

### **Professional training and the job market: CPQ working for better coordination**

To ensure professional and technical training better reflects labour market needs, the CPQ's vice-president of labour development policy, Jacques Leblanc, is actively participating in the Groupe d'action sur le renforcement du partenariat entre les établissements de formation professionnelle et technique et le milieu du travail, established by the Quebec Ministry of Education, Leisure and Sports.

### **2008-2010 immigration levels: government responsive to the CPQ**

The CPQ is pleased the government opted for medium level growth in immigration, which is very close to the position we advanced in a brief in September 2007 to the National Assembly's Committee on Culture during hearings on immigration levels for 2008-2010. During the hearings, the CPQ reiterated the importance of accompanying the process with measures for better retention and integration of immigrants, in professional orders among others. The CPQ will pursue its work making elected officials aware of the need to increase the pool of qualified workers, in part through immigration.

### **Thanks to the CPQ, progressive retirement is... progressing**

Also in response to current and future labour shortages, the CPQ has been arguing for policies that favour progressive rather than early retirement. We were therefore pleased to see the federal government take action with the adoption of Bill C-52 in June 2007. In Quebec, the CPQ fully supports the principle of Bill 68, tabled in April 2008. The CPQ was represented by our vice-president of labour development policy at the announcement of the draft legislation by Employment and Social Solidarity Minister Sam Hamad.

### **Competitive universities: CPQ pleas for raising tuition were heard**

The CPQ welcomed the announcement that tuition fees would be unlocked and start increasing gradually in autumn 2007. The decision responded to the many calls by the CPQ to solve the funding problems at Quebec universities with higher tuition fees. In November and December 2007, at its annual meetings with the political parties represented in the National Assembly, the CPQ recommended continuing in the direction taken by the government and giving universities more independence and flexibility in setting their fees. This would allow them to better reflect labour market needs and the cost of their programs in their tuition rates.

### **Development of federal labour policy: CPQ contributing actively**

The CPQ participated actively in the development of federal labour policy, particularly through a working session with Human Resources and Social Development Canada Minister Monte Solberg, a few members of his staff and CPQ staff. During this November 2007 meeting, the CPQ reiterated its support for the main proposals of the report *Advantage Canada*, while insisting on the idea of having the employment insurance program contribute to the funding of a process for recognizing workers' skills. Thanks to the representations made by our vice-president of labour development policy, the idea was included in the final report of a national consultation organized by the Canadian Policy Research Networks in association with the Canadian Council on Learning.

**“The CPQ joined an Internet mentoring program called *Academos*, which helps educate new generations of workers by offering youth from 14 to 30 years old information about the realities of different trades.”**



## **Academos: CPQ encourages young workers through new technology**

Also to support businesses experiencing labour shortages, the CPQ joined an Internet mentoring program called *Academos* ([www.academos.qc.ca](http://www.academos.qc.ca)), which helps educate new generations of workers by offering youth from 14 to 30 years old information about the realities of different trades. Several CPQ members were already participating. Others joined after the CPQ informed them of the program, which is financed in part by the Secrétariat à la jeunesse du Québec.

## **General investment climate**

How can Quebec become more attractive to investors? How do we improve the productivity and competitiveness of our businesses? What about isolated regions where business productivity advances more slowly than elsewhere? Many answers to these questions are clearly to be found in the solutions already proposed in this report, such as lowering the tax and regulatory burden, a better educated work force, etc. These are challenges tackled forcefully by the CPQ to improve the general investment climate in Quebec.

## **Fortin report on investment: CPQ solutions make their way to final report**

The Quebec government's Groupe de travail sur l'investissement des entreprises, created in October 2007, showed interest in many of the concerns and solutions proposed by the CPQ at a meeting in January 2008. Several recommendations of the final report published in March 2008 drew largely on our *2007-2009 Plateform* in terms of taxation, including the immediate elimination of the tax on capital, a drop to 10% in the general corporate tax rate by 2012, the refusal of any new payroll tax increase, and an end to the economic discrimination that exists against the service sector. The CPQ will ensure the Fortin Report does not fall on deaf ears, and that the government implement its recommendations as quickly as possible.

## **Productivity and competitiveness: CPQ also proposes federal solutions**

In an effort to increase business productivity and make our economy more competitive, the CPQ presented in January 2008 its recommendations to the Competition Policy Review Panel. Established in July 2007 by the federal Minister of Industry, the group was asked to review investment and competitiveness generally, including the *Investment Canada Act* and the *Competition Act*. The CPQ's brief included nine recommendations. We will closely monitor the report's publication, expected in July 2008, as well as its implementation by the government.

## **Development of remote regions: Finance Minister applies Gagné Report, as urged by CPQ**

The CPQ welcomed the recommendations of the Gagné Report in February 2008, and joined a wide coalition of business associations and chambers of commerce under the banner of the Front commun pour le rapport Gagné. We insisted the government apply the report, a call which was heard by the Quebec Minister of Finance. In the 2008-2009 budget, it was announced that payroll growth tax credits would be replaced progressively by investment tax credits, which are more likely to have a lasting effect on the economic development of the remote regions concerned.





## II - Increasingly popular events

### The CPQ as forum for decision-makers

The CPQ is continuing to serve as a preferred forum for political decision-makers. For example, we received visits from federal Finance Minister Jim Flaherty in March 2007, the Quebec Minister of Finance and President of the Conseil du trésor, Monique Jérôme-Forget, in October 2007, the Quebec Minister of Labour, David Whissell, in February 2008, and the Quebec Minister of Employment and Social Solidarity, Sam Hamad, in March 2008. In March 2007, during the provincial election campaign, the CPQ organized a debate among the economic spokespersons of the three political parties represented in the National Assembly. CPQ members were therefore able to hear the positions of Raymond Bachand from the Quebec Liberal Party, Gilles Taillon from the Action démocratique du Québec, and François Legault from the Parti québécois. These events represent privileged opportunities for CPQ members to access leading politicians.

### Specialized conferences

In addition to the events mentioned above, the CPQ held a series of more specialized activities: joint conferences with the Commission des normes du travail (October 2007), the 2008 edition of our annual wage forecasts (October 2007), and breakfast meetings and consultations on the CSST proposal regarding the financing of non-allocated costs (June and November 2007).

“These events represent privileged opportunities for CPQ members to access leading politicians.”

### CPQ honours its members

True to its tradition, the CPQ honoured outstanding Quebec business leaders at its annual general meeting in June 2007. The *Prix de carrière 2007* was awarded to Stephen Jarislowsky, Chairman and Director of Jarislowsky Fraser, for his exceptional contribution to public debates in Quebec. Three new members were inducted into the prestigious *Club des entrepreneurs du CPQ*, recognizing their outstanding contribution to economic development in Quebec: Jim Hewitt, President and CEO of Hewitt Equipment Ltd., Jacques Landreville, President and CEO of Uni-Select Inc., and Peter Simons, President and CEO of Simons. The Conseil québécois du commerce de détail (CQCD) was named association of the year for the quality of its member services.





### III - Communications: CPQ more active in public debates

CPQ activities received considerable media attention in the past year, allowing us to share our concerns and ideas with the general public. The CPQ's influence is also growing due to the presence of its spokespersons in more specialized forums. We also continued working to improve communications with our members.

#### Public communications: significant increase in media visibility in 2007

The CPQ's visibility in the news media increased by about 57% from 2006 to 2007. A total of 785 articles reported on the work of the CPQ last year, compared to about 500 the previous year. The CPQ also increased its presence in the opinion pages of daily newspapers and specialized publications, such as *La Presse*, *Le Devoir*, *Le Journal de Montréal*, *Le Journal de Québec*, *Les Affaires* and *Le Droit*. According to an independent assessment, the public relations value of our media coverage was about \$6.2 million: \$4.9 million in the press and \$1.3 million in electronic media.

These strong results were due to constant efforts to participate more actively in public debates. For example, we published 57 news releases in 2007, which is more than double the average of 25 per year from 2000 to 2005. The CPQ responded more systematically to the public positions of unions. We also reacted more often to government announcements affecting employers.

**“The CPQ's visibility in the news media increased by about 57% from 2006 to 2007.”**


In addition to this investment in media relations, the CPQ took several other initiatives to increase its visibility. In October 2007, we published a promotional report in *Commerce* magazine, in cooperation with the Association des ingénieurs-conseils du Québec, the Association minière du Québec, the Aluminum Association of Canada, the Canadian Bankers Association, the Institut de développement urbain du Québec, and the Association des résidences et CHSLD privés. A profile of our president also appeared in *Les diplômés*, the Université de Montréal's alumni magazine (autumn 2007).

#### CPQ leadership on the road

With over 20 lectures, speeches and round table presentations, CPQ spokespersons were twice as active as the previous year in forums where major public policy affecting employers is debated.

**“CPQ spokespersons were twice as active as the previous year in forums where major public policy affecting employers is debated.”**

Our president discussed the state of the economy with the Ordre des CGA du Québec (October 2007), the Quebec section of the Young Presidents Organization (May 2007), the Forum du monde des affaires (November 2007), the youth wing of the Quebec Liberal Party (November 2007), the Institut de développement urbain (January 2008) and the C.D. Howe Institute (February 2008). He also gave more philosophical speeches to the Association des gens d'affaires de Boucherville (April 2007), the Groupement des



chefs d'entreprise du Québec (May 2007), BOMA Québec (September 2007) and the Chambre de commerce de Lévis (October 2007). Outside Quebec, he gave lectures at the 30<sup>th</sup> Université d'été de la nouvelle économie in Aix-en-Provence (August 2007) and at an annual conference of the Civitas Society, of which he is a director (May 2007).

Our other spokespersons were also very active. Robert Borduas, Vice-President of occupational health and safety, participated in a round table meeting of the Association des infirmières et infirmiers en santé du travail du Québec (May 2007), and served as a member of the jury for the Gala provincial des prix Innovation en santé et sécurité du travail (April 2008).

Our new vice-president of labour development policy, Jacques Leblanc, participated in a round table at a conference of the Comité consultatif des travailleurs de 45 ans + (November 2007) and another on innovation, learning and health in the workplace, organized jointly by the Canada Council on Learning and the International Economic Forum of the Americas (December 2007).

Our new chief economist and research director, Norma Kozhaya, was also very active, participating in a consultation on 2008-2011 challenges facing Montreal's labour market, organized by the Direction régionale de Montréal of the Ministry of Employment and Social Solidarity (November 2007), and a debate on increasing tuition fees held at the Université de Montréal (November 2007). Our economic analyst, Yuri Chassin, represented the CPQ at a round table discussion on economic development held during the HEC Montréal's conference *Perspectives d'avenir en 4D* on the occasion of its 100<sup>th</sup> anniversary (October 2007).

In short, the CPQ is increasingly solicited for its analysis of the Quebec economy and the measures required for greater economic prosperity.

## **Internal communications: well-informed members**

The *InfoCPQ* newsletter remains the main information channel between the CPQ office and its members. To improve the publication, we increased its frequency to regular monthly editions. Eleven were published in our last fiscal year: each month except July. Contents and presentation of the newsletter were also strengthened.



## IV - The organization and its governance: a stronger CPQ

### New energy on the board of directors

New rules of governance took effect after their adoption by members at the annual general meeting in June 2007. One of the key elements of this reform was the automatic and mandatory rotation of board members, to allow more CPQ members the opportunity to participate. The new rules also make more room for corporate members and their senior managers. Following our adoption of the reform, several important business leaders joined the CPQ board of directors in June 2007:

- Pierre Karl Péladeau, President and CEO, Quebecor;
- Réal Raymond, Special Advisor, National Bank of Canada;
- Norman M. Steinberg, Co-President and Associate Director, Ogilvy Renault;
- Robert Tessier, Chairman, Gaz Métro.

**“Several important business leaders joined the CPQ board of directors in June 2007.”**

Three other new directors later joined this prestigious list:

- Jean-Paul Bédard, Vice-President of Corporate Affairs, Bristol-Myers Squibb Canada;
- Jacques Légaré, President and CEO, Conseil de la transformation agroalimentaire et des produits de consommation (CTAC);


- Alain Robert, President, Groupe TNT – Merceron, Chairman, Association des entrepreneurs en construction du Québec (AECQ), and Past President, Association des constructeurs de routes et grands travaux du Québec (ACRGTQ).

### New staff

Staff changes also took place at the CPQ. Diane Bellemare, who previously served as first vice-president and chief economist, left the CPQ in April 2007 after being named economic advisor to the Leader of the Official Opposition in the National Assembly. Her functions were then divided and offered to new recruits: Daniel Audet and Norma Kozhaya.

Mr. Audet took office in May 2007, serving as first vice-president. Prior to working for the CPQ, he was managing partner of the Montreal office of NATIONAL public relations, Quebec delegate general in London, vice-president of corporate affairs at Vidéotron, chief of staff of the Vice-premier of Quebec and Minister of State for the Economy and Finance, and lawyer with the firm Lapointe Rosenstein. Mr. Audet is currently on sick leave for an indefinite period.

Ms. Kozhaya took office in September 2007, serving as chief economist and research director. Previously, she worked as lecturer in the economics department of the Université de Montréal and as economist at the Montreal Economic Institute, where she wrote many publications on corporate and personal income taxes, labour regulations, public finance, social policy, organization of the health system, and funding of post-secondary education.



The position of vice-president of labour development policy was created in September 2007, and filled by Jacques Leblanc, who served previously as special research advisor for the CPQ. Mr. Leblanc represents the CPQ as a voting member on the Commission des partenaires du marché du travail (CPMT), and continues to represent the CPQ on various work groups of the CPMT. Mr. Leblanc has devoted most of his career to labour policy. Among other roles, he served as vice-president of employment development at the Société québécoise de développement de la main-d'œuvre (SQDM).

### **Strong financial results**

As mentioned in our introduction, following the surplus reported last year, the year ending February 29, 2008 resulted in an operating surplus of \$188 758. However, the 2007-2008 fiscal year ends with a \$140 039 excess of expenditures over revenue in view of various expenses and, particularly, the variation in unrealized depreciation on investments linked to the economic climate that our financial statements must take into account by virtue of new accounting regulations that came into effect last year.

**“With your support, we will continue our work in 2008-2009 with renewed energy and the will to make our motto truer than ever: *Pour avoir l’assurance d’être entendu et défendu.*”**

We are very proud of the accomplishments of the CPQ team in 2007-2008.

With your support, we will continue our work in 2008-2009 with renewed energy and the will to make our motto truer than ever: *Pour avoir l’assurance d’être entendu et défendu* / “For the assurance of being heard and defended!”

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Text and coordination  
**Patrick Leblanc**

Contributor  
**Patrick Lemieux**

Translation  
**Stevenson & Writers**

Graphic design  
**Oblik Communication-design**



Conseil  
du patronat  
du Québec

Le Conseil du patronat du Québec  
1010 Sherbrooke Street West  
Suite 510  
Montreal, Quebec  
H3A 2R7

Telephone: 514 288-5161 or 1 877 288-5161  
Fax: 514 288-5165

[info@cpq.qc.ca](mailto:info@cpq.qc.ca)  
[www.cpq.qc.ca](http://www.cpq.qc.ca)