

ANNUAL REPORT 2019

THE NEXT STEP

EMPLOYERS' COUNCIL
NEWFOUNDLAND & LABRADOR







EMPLOYERS' COUNCIL

NEWFOUNDLAND & LABRADOR

The NL Employers' Council is the only province-wide business advocacy organization that connects and represents senior business leaders from all industries of the province.

The Employers' Council provides a strong collective voice for business leaders, ensuring that your needs are represented in public policy debate.

OUR VISION

is to improve the competitiveness of NL's business environment through credible, solutions-focused public policy recommendations, effective advocacy, and support to individual employers.

OUR VALUES

what we stand for:

- Non-partisanship
- Respect
- Trust, credibility & evidence-based research
- Open communication and collaboration
- A lean and nimble structure that allows us to respond quickly and publicly to challenging but important issues
- A focus on issues that will contribute to economic growth and prosperity for all Newfoundlanders & Labradorians

MISSION

THE NEWFOUNDLAND AND
LABRADOR EMPLOYERS'
COUNCIL ADVOCATES TO
ENHANCE EMPLOYERS'
ABILITY TO CONTRIBUTE
TO THE ECONOMIC
GROWTH AND PROSPERITY
OF NEWFOUNDLAND &
LABRADOR.

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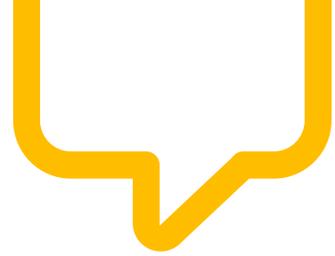
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MESSAGE FROM THE EXECUTIVE DIRECTOR AND BOARD CHAIR



Greg Viscount,
Board Chair



Richard Alexander,
Executive Director

INSURANCE

The Employers' Council is insurance.

That's how MUN professor, Tom Cooper, summarized the views of members when, as part of our strategic planning process, he asked them to describe the value of an Employers' Council membership.

One Employers' Council patron member put it another way. "I don't have to hire someone to keep an eye on what is happening at the government. The Employers' Council is watching and working for positive changes."

Another patron said, "I've saved \$60,000 just on the reductions in Workers' Compensation rates alone. Show me another place where a \$5,000 investment gets me a \$60,000 return."

Another member said, "the Employers' Council works on issues that, as an individual business, I simply can't. The Employers' Council is there to protect private business."

It was nice to hear such positive remarks. It was clear from the feedback that we are meeting and, in many cases, exceeding the original aim of the Employers' Council.

The Employers' Council is the only province-wide business organization catering to senior business leaders from all sectors of the economy. We watch what is happening in our governments, consult with labour on public policy, respond quickly and sometimes publicly to threats, and advocate for changes that will strengthen our competitiveness and your ability to grow.

Our Patron Members make much of what we do possible by their financial contribution to our advocacy fund. Their support means that when we need research, we have money to pay for it. When we need to demonstrate public support for a position, we can commission public opinion polling. When we need to run a campaign to defend our interests, we can purchase advertising.

If you believe as others do that the insurance policy we provide is necessary, then please consider becoming a patron. With your help, our province can become stronger and more prosperous.

Thank you for your support.

BOARD OF DIRECTORS



◀ **GREG VISCOUNT**
CHAIR

Director, Manufacturing
& Processing

*General Manager,
Ocean Choice International*



◀ **CHRISTOPHER HICKMAN**
VICE-CHAIR

Director, Construction & Utilities

*Chairman & CEO,
Marco Group of Companies*



◀ **NORMAN WILLIAMS**
SECRETARY/TREASURER

Director, Mining

*President & CEO,
Rambler Metals and Mining
(March 31, 2019)*



◀ **TWILA REID**

Director, Professional Services

*Partner,
Stewart McKelvey*



◀ **PETER WOODWARD**

Director, Retail & Service

*President & CEO,
Woodward Group of Companies*



◀ **RICHARD ALEXANDER**

Ex-Officio

*Executive Director,
NL Employers' Council*



◀ **JASON MUISE**

Director, Oil & Gas
*VP Subsea Projects Canada,
Technip Canada Ltd.*



◀ **BARRY WARREN**

Director, Transportation
& Municipalities
*President,
Dooley's Trucking*



◀ **JUDY SPARKES-GIANNOU**

Director, Small Business
& Associations
*Owner,
Clayton Hospitality Inc.*



◀ **NOLAN JENKINS**

Director at Large
*Senior Vice President,
Bird Heavy Civil Limited*



ADVOCACY PRIORITIES

EMPLOYERS' COUNCIL ACHIEVES \$83 M IN SAVINGS IN WORKERS' COMPENSATION PREMIUMS

Reductions in what employers pay to fund the Workers' Compensation system in this province continues to be one of the biggest successes in the Employers' Council's long history. In 2012, employers in this province paid the highest rates in Canada and had done so for twenty years. A significant investment by the Employers' Council into research on the impact of high rates, together with our government and public relations activities resulted in a recognition by government and WorkplaceNL that the rates were indeed a problem and needed to come down. The Employers' Council's legislative ability to appoint an employer representative to the WorkplaceNL Board also played a significant role in the rate reductions.

On January 1st of 2019, the rate for employers dropped by 21 cents per \$100 of payroll, representing a collective reduction of \$16 M annually for employers in the province.

IN TOTAL, THE REDUCTIONS IN THE RATE THAT HAVE OCCURRED SINCE 2013 AMOUNT TO

\$83 M in savings for employers annually.



The average rate that employers pay today remains the fourth highest in Canada. Not where we need it to be, but a significant improvement.

The board and staff of the Employer's Council thank the many members, staff at WorkplaceNL and elected officials for their recognition that unnecessarily high Worker's Compensation premiums negatively impact our economy, jobs and communities.

THE IMPACT OF HIGH WORKER'S COMPENSATION PREMIUMS ON NEWFOUNDLAND & LABRADOR

ECONOMY, JOBS, COMMUNITIES

Morley Gunderson

CIBC Professor of Youth Employment at the University of Toronto
Professor at the Centre for Industrial Relations and the Department of Economics
Associate of the School of Public Policy and Governance, the Centre for International Studies, and the Institute for Human Development, Life Course and Aging

August 2012

▲ The Employers' Council's 2012 commissioned report on the impact of high workers' compensation rates lead to years of rate drops for employers.

PROVINCIAL FISCAL CRISIS

Your association continued to speak out in 2018-19 on the membership's biggest concern - resolution of the province's ongoing fiscal crisis.

It is clear that the provincial government is not intending to address the provincial spending problem, and instead will rely on continued borrowing and the 2016 tax increases.

The Board of Directors held several meetings last year with the Provincial Finance Minister on the riskiness of government fiscal direction.

Your association continued to educate and mobilize the public on the fiscal crisis with a series of **Community Leader Roundtables** across the province with members, local mayors and chamber of commerce members, and other community leaders. There is a broad understanding of the fiscal challenges facing the province, but overall, there was a feeling that politics is getting in the way of tackling the fiscal crisis.

On July 25th, Moody's Investors Services credit rating agency downgraded the province's rating from A1 to AA3 and has called the government's plan unusually ambitious.



PROVINCE'S FISCAL CRISIS AT A GLANCE:

Our fiscal situation is rooted in a spending problem, not a revenue generation problem. There is room to reform how we deliver programs and services in NL to reduce costs and improve outcomes.

In the 2019 Budget the situation got worse:

- In 2019, government spent more on debt servicing than education and income assistance combined.
- Spending will increase by approximately \$150 M in 2019-20 despite government's 7-year plan promising a spending reduction.
- Total debt increased from \$21.2 B to \$22.5 B.
- Interest on debt increased by \$300 M to \$1.4 B.
- Government reported a \$1.9 B surplus for 2019-20, by recognizing the full \$2.5 B in federal Atlantic Accord funding in year one.
- Without this funding on the books the deficit would have been approximately \$575 M.

Since budget day Minister Osborne has publicly backed away from the government's published plan to achieve surplus by 2022-23.

◀ **Employers' Council Manager of Public Relations and Strategy, Jaclyn Sullivan, gave live public reaction to Budget 2019 on NTV, CBC, VOXM and the Telegram.**

POLITICAL INVOLVEMENT IN LABOUR DISPUTES

The Employers' Council raised concerns about comments Premier Ball and PC leader Ches Crosbie made about potential government intervention in the labour dispute between Unifor and DJ Composites in Gander. Both Ball and Crosbie appeared to be threatening the use of the legislature to impose binding arbitration, thereby supporting Unifor's position.

Threatening use of the legislature was especially concerning given the extremely aggressive tactics implemented by Unifor, including illegal picketing, building a barricade around the plant to shut down operations, and producing a video designed to shame replacement workers who were acting legally. The government giving in to Unifor's demands would only encourage these types of activities in the future.

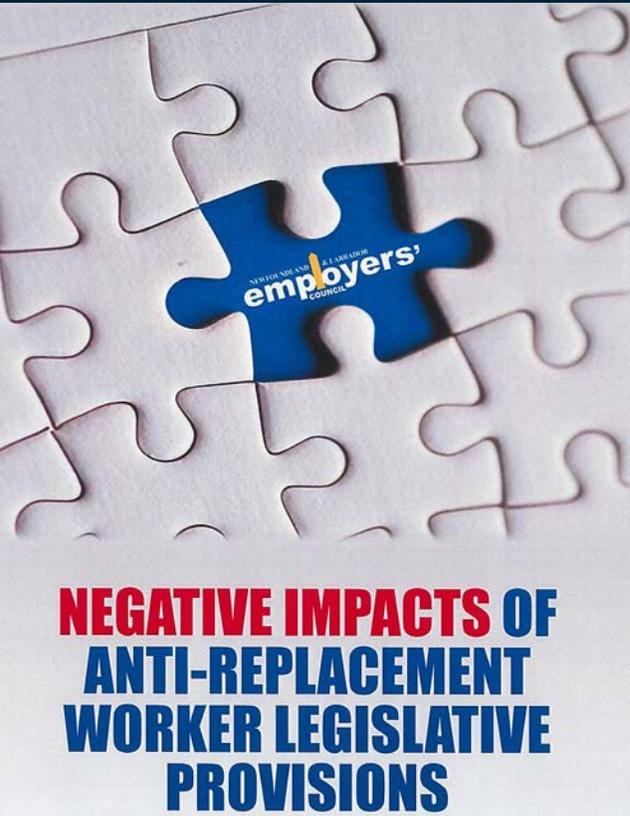
Government intervention in a private labour dispute involving non-essential services is unprecedented in Canada and would be exceptionally damaging to our province's labour relations climate and our economy.

The Employers' Council made representation to Premier Ball, Crosbie, and then Minister responsible for labour, Al Hawkins. We also went public with our concerns. Government did not pass legislation to force binding arbitration and ceased publicly taking sides on this issue.



Only 10% of the public supports politicians taking sides in a private labour dispute.





NEGATIVE IMPACTS OF ANTI-REPLACEMENT WORKER LEGISLATIVE PROVISIONS

LABOUR RELATIONS ACT REVIEW

The Employers' Council went into high gear last year with government relations efforts following a private members bill put forward by Graham Letto, that passed unanimously by the House of Assembly. Letto's Bill was designed to move forward with a review of the Labour Relations Act to "modernize" the ACT, and address ways to deal with lengthy labour disputes. To individuals familiar with this issue, the words used are code for Anti-replacement Worker Legislation, extremely rare legislation designed to shift the power balance in collective bargaining toward the union.

Protecting against anti-replacement worker legislation is a battle fought and won by the Employers' Council several times in the past.

Private member's bills are rarely brought forward by a member of government without the government's knowledge and signalled a possible move toward such legislation. Following significant advocacy efforts, the bill did not move forward and died on the order paper with the calling of the recent provincial election.

IMMIGRATION



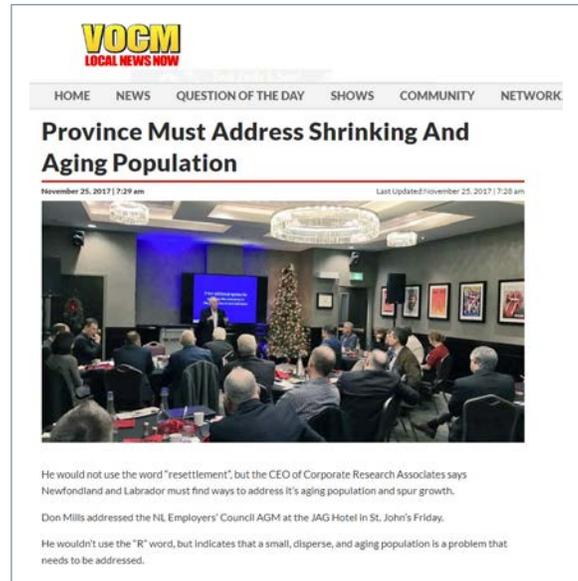
**MORE THAN
1300
PEOPLE** left our province
in the first quarter
of 2019

The Conference Board of Canada recently projected that Newfoundland and Labrador could lose 90,000 citizens (roughly the population of St. John's) by the year 2042. Population decline poses a real threat to our long-term prosperity.

In response to these population projections and strong feedback from members, the Employers' Council significantly increased our advocacy on the need to increase immigration. Meetings were held with then Federal Minister of Immigration the Honourable Ahmed Hussen, then Minister of Veteran's Affairs the Honourable Seamus O'Regan, then Provincial Minister responsible for Immigration, Bernard Davis and current Provincial Minister responsible, Chris Mitchelmore.

The Employers' Council's research has concluded that the province needs significantly higher immigration targets, more focus on recruitment, more outreach and support to employers, and an overall change in culture in immigration services that views the employer as the client.

The Employers' Council is currently advocating for those improvements in years 4 and 5 of government's immigration action plan.



On July 11th, the Employers' Council brought together member CEOs to express their concerns directly with Federal and Provincial Ministers at a CEO Roundtable.



WORKERS' COMPENSATION PRESUMPTIVE PTSD LEGISLATION

On December 4th, 2018, Premier Ball, and Minister Gambin-Walsh introduced worker's compensation presumptive post-traumatic stress disorder (PTSD) coverage for all workers, effective July 1, 2019.

The Employers' Council supports access to worker's compensation for all workers suffering from PTSD or other mental illnesses due to workplace incidents. That coverage existed before the government's announcement, and we supported changes in March of 2018 that expanded this coverage. We did not, however, support presumptive coverage, which deviates from the principles of worker's compensation as a workplace insurance system that only compensates for work-related injuries. It assumes that all cases of PTSD are work-related. Presuming all PTSD is work-related jeopardizes the integrity of the worker's compensation system.

Presumptive legislation is a complex issue not well understood by the public, government or even some

stakeholders. NAPE ran a public campaign calling for this legislation that used outdated and inaccurate information to make their case for the need for presumptive coverage. The Employers Council engaged in an extensive and wide-reaching government relations initiatives to educate MHA's of these inaccuracies, and asked government or WorkplaceNL to counter NAPE's false claims. Neither did so. In response to a letter the Employers' Council sent to MHAs on this issue, NAPE and other unions publicly attacked and mischaracterized the Employers' Council's position and the organization itself. We subsequently met again with Minister Gambin-Walsh and with Chair of the Economic Policy Committee of Cabinet, Minister Coady to ask for their support.

Minister Gambin-Walsh also announced her intention to pursue presumptive coverage for all mental illnesses and injuries by 2020. Such a move would be a significant departure from the founding principles of our Workers' Compensation System.

Premier Ball and Minister Gambin-Walsh pose with labour leaders following the announcement.



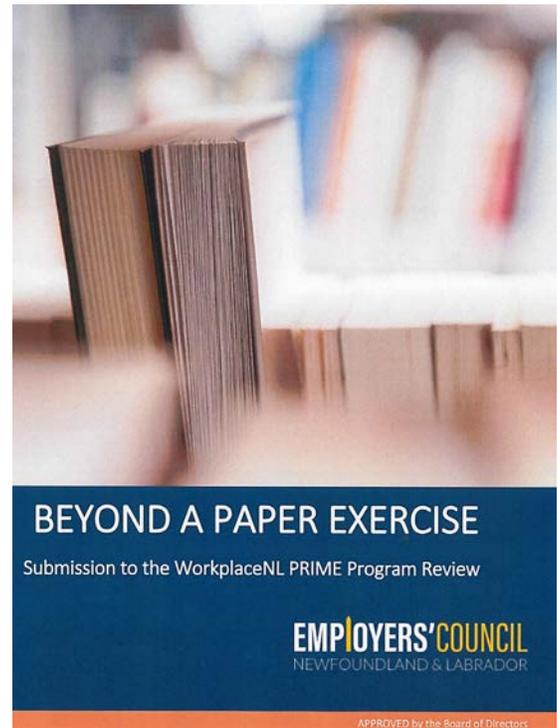
PRIME PROGRAM

The Employers' Council completed research into the PRIME program and made representation to WorkplaceNL in 2019. It was clear that, for many employers, PRIME was not working. Small employers did not see a return on investment from the PRIME program and many large employers have health and safety systems that are well above the requirements for PRIME. PRIME had become a paper exercise and an administrative burden for many employers.

The outcome of WorkplaceNL's consultation on PRIME, while not exactly what employers were looking for, did include many of our recommendations.

RESULTS OF THE CONSULTATION:

1. Maintain Current PRIME Program with key operational changes:
 - a. New audit tool
 - b. Internal Responsibility System to become a key feature
 - c. Self-audit processes for certain standards: COR, ISO, ANSI, CSA
2. Improve WorkplaceNL Program Communication on PRIME to employers
3. Allow Non-COR construction employers to access program
4. A detailed study of High Injury Employers - why such employers continue to face challenges in OHS and ESRTW programs.
5. Improve ESRTW and Claims Management.
 - a. Research challenges faced by employers.
 - b. Review policies related to the potential of under-reporting of claims by employers and employees.
6. In-depth Review of Incentive Programs in Other Jurisdictions.



EMPLOYERS' COUNCIL SECURES MANUFACTURING & PROCESSING SAFETY SECTOR COUNCIL

For four years, the Employers' Council has been working in partnership with Canadian Manufacturing and Exporters NL Division (CME-NL) and the Association of Seafood Producers (ASP) to establish a Manufacturing & Processing Safety Sector Council (MPSSC) for the industry. After significant work by the Employers' Council and our partners, multiple challenges, and bumps in the road, this sector council started on October 29th, 2019.

WorkplaceNL has approved \$1.5 million, over five years, for CME NL to create the MPSSC. The funding proposal brings together employer and labour representatives in the industry to jointly oversee the council and includes a sub-committee for fish processing.

CME-NL will provide oversight and support to the MPSSC, which should increase accountability and

improve the involvement of the industry. This initiative shows significant promise to reduce the injury rate and premiums in these industries. A reduction in injury rates in these sectors will be of benefit to the entire workers' compensation system.

Both processors and representatives from the Fish Food and Allied Workers Union (FFAW) will participate in a sub-committee to improve safety in the fish processing sector. The inclusion of this subcommittee is an achievement that required a lot of work and negotiation on the part of the Employers' Council and others.

The Employers' Council congratulates our partners at the Federation of Labour, FFAW, ASP and CME-NL on the approval of this proposal.

Extensive government relations and negotiation with Labour met with success in 2019 with the approval of the Manufacturing & Processing Safety Sector Council by WorkplaceNL.





OTHER PRIORITIES & ACCOMPLISHMENTS

CEO ROUNDTABLE ON BUSINESS PRIORITIES

Employers' Council CEO Roundtables are confidential closed-door environments for senior business leaders to engage in public policy issues with policymakers and influencers.

They have proven to be one of our most successful initiatives. Not only do the events assist greatly with the Employers' Council's advocacy, they also provide an environment for members to engage with one another on issues of importance to the business community. Feedback has been extremely positive. Six more events will occur 2019-20.



Ches Crosbie



Honourable
Seamus O'Regan



Honourable
Ahmed Hussen



Honourable
Bernard David



Honourable
Clyde Wells

2019 ROUNDTABLES:

JANUARY 24TH, 2019

Ches Crosbie,
Leader of the official opposition

MAY 10TH, 2019

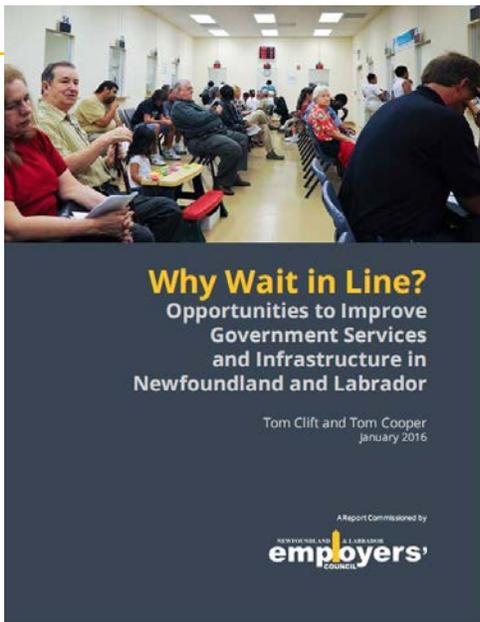
Honourable Seamus O'Regan,
then Minister of Veterans' Affairs

JULY 11TH, 2019

Honourable Ahmed Hussen,
then Federal Minister of Immigration
and the Honourable Bernard Davis,
then Provincial Minister of Immigration

OCTOBER 31ST, 2019

Honourable Clyde Wells,
Former Premier of Newfoundland
and Labrador



▶ The Patron Member program allows us to commission evidence-based reports and paid advertising campaigns like Why Wait in Line and Newfoundlanders and Labradorians for Big Government.

PATRON MEMBER PROGRAM

Patron members provide financial support for the Employers' Council's advocacy activities. Patron memberships have increased the Employers' Council's impact and effectiveness more than any other initiative. Thank you to the many members who have taken the step of becoming a Patron. Your support is essential to the work we do on your behalf.

If you are not a patron, we encourage you to consider becoming one and join with other patrons in working toward a more competitive Newfoundland and Labrador. The challenges we face are significant, and business needs a well-supported voice. Your support is needed.

For more information, visit nlec.nf.ca.

NEWFOUNDLANDERS & LABRADORIANS FOR THE BIG GOVERNMENT

Why pay less when you can pay more!

Newfoundland and Labrador has the highest gas tax in the country. The lighter your wallet is, the easier it is to carry around, right?

We're winning! And the best part: We get to pass off the cost to the next generation. So let's spend and spend and spend!

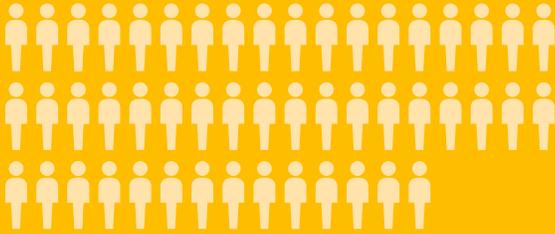
TAKE ACTION LEARN MORE

You didn't ask for the biggest government per capita in Canada—you just paid for it.

So, what does the biggest government in the country get you?

- The highest program spending in Canada (and it's increasing - Budget 2016 actually increased spending 3%)
- One of the largest personal tax burdens in the country (you're welcome)
- The most expensive place to drive in Canada (hello gas tax)
- The 2nd highest per person debt in the country (but don't worry—you can pass that on to your children)
- And so much more!

TRAINING



50 members attended our annual Case Law Review in May

14 Occupational Health and Safety Training sessions delivered in 2018-19



ADVISOR SERVICES

Employers' Council senior advisors Michael Young and Jeff Butt provide confidential, one-on-one information, assistance and advice to employers on a variety of employment-related matters. Advice on Worker's Compensation and Occupational Health & Safety issues are available to all employers in the province, free of charge.

To increase employer advisor calls, the Employers' Council attended five trade shows to promote the service. These efforts have resulted in a steady increase in Employer Advisor calls.

COMING SOON

The Employers' Council conducted a strategic planning process in 2019, which included an environmental scan of important economic and social trends impacting the province, and interviews with members, potential members, staff and board. Employers' Council staff developed the following 2019-2022 Strategic Plan which was approved by the Board in October 2019.

The key theme emerging was that you like our focus on advocacy, our vocal and proactive approach, and focus on engaging at the senior level with our CEO Roundtables. You just want to see more. Expect to see that in 2020.

Stay tuned.



▲ In 2020, you can also expect to see the Employers' Council organize a proactive initiative surrounding the fiscal situation of the province.

2019-2022 STRATEGIC GOALS & OBJECTIVES

OBJECTIVE	GOAL
FOCUSED AND EFFECTIVE ADVOCACY	<ol style="list-style-type: none"> 1. Continue to establish and maintain relationships with senior decision makers within government and its agencies. 2. Continue with proactive strategic advocacy plan around two to three key advocacy issues per year that impact NLs competitiveness. 2020 key advocacy issues will include provincial finances and immigration. 3. Continue to provide evidence-based representation of NL employers in consultations with government and its agencies. 4. Continue to provide direct support to employers through Employer Advisor services, establishment of Safety Sector Council's, and individual advocacy when appropriate.
LEADING EDGE OF THINKING AND POLICY INFLUENCE FOR EMPLOYERS IN NL	<ol style="list-style-type: none"> 1. Lead the Agenda - Continue to inform public opinion through research, media opportunities and public speaking engagements. 2. Continue to balance public commentary that is damaging to the ability of employers to contribute to economic growth and prosperity. 3. Collaborate where necessary with other organizations to represent the interests of NL employers. 4. Host more small-group, invitation only events and CEO Roundtables connecting senior business leaders with politicians and guest speakers.
ENGAGED AND GROWING MEMBERSHIP	<ol style="list-style-type: none"> 1. Continue to improve self-reliance by increasing the percentage of funding coming from membership. Focus growth on patron membership and engagement of senior business leaders from economically significant firms. 2. Improve communication of unique value proposition, behind the scenes advocacy, and benefits to members. 3. Increase awareness of the unique value proposition and role of the Employers' Council amongst the business community in NL.

NL EMPLOYERS' COUNCIL STAFF



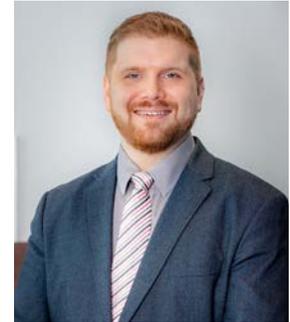
▲
RICHARD ALEXANDER
Executive Director



▲
JACLYN SULLIVAN
Manager of Public
Relations & Strategy



▲
MICHAEL YOUNG
Senior Employer Advisor



▲
ANDREW PIKE
Safety Sector Advisor



▲
JEFF BUTT
Senior Employer Advisor



▲
ALISON MILLEY
Administrative Assistant



▲
CHRISTINA KIRBY
Administrative Assistant
(Maternity Replacement)



▲
DARCY DELGATTY
Bookkeeper

EMPLOYERS' COUNCIL
NEWFOUNDLAND & LABRADOR

MISSION

THE NEWFOUNDLAND AND
LABRADOR EMPLOYERS' COUNCIL
ADVOCATES TO ENHANCE
EMPLOYERS' ABILITY TO
CONTRIBUTE TO THE ECONOMIC
GROWTH AND PROSPERITY OF
NEWFOUNDLAND & LABRADOR.

EMPLOYERS' COUNCIL
NEWFOUNDLAND & LABRADOR

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