House of Commons
Chambre des communes
Canada

House of Commons Standing Committee on Finance – Pre-budget Consultations 2013

This brief is submitted by:

(•) **an organization** **Organization name:** Quebec Employers' Council

or

( ) **an individual** **Name:** _____

Topic: Federal budgets and the public service

*Recommendation 1: Please provide a short summary of your recommendation.

Stay the course to balance the budget again as quickly as possible while maintaining overall tax rates that are competitive or even advantageous internationally, including payroll taxes.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

N/A

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

All Canadian taxpayers (individuals and businesses).

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

With public finances in a healthier position, the federal government would be able to maintain competitive tax rates for individuals and businesses, thereby promoting investment and prosperity across the country. The Quebec Employers' Council therefore encourages the federal government to keep up its efforts to wipe out the budget deficit by 2015-2016 at the latest, through enhanced oversight of public spending while maintaining transfers to the provinces.

Topic: Employment, labour markets and unions

Recommendation 2: Please provide a short summary of your recommendation.

Conduct a strategic watch to monitor the impact of the Employment Insurance reforms and quickly provide solutions for any ensuing labour supply-related issues.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

This impact study could be funded through the Employment Insurance (EI) fund, which means it would be cost neutral for the federal government and therefore for Canadian taxpayers, since EI is funded on a 60/40 basis (employers/workers).

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

All Canadian employers and workers who pay EI premiums, and particularly those in the regions or in activity sectors liable to be more affected by the EI reforms.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

This measure would allow the government to stay on course to achieve the objectives of the reforms, which are to increase incentives incentives to work and to reduce the duration of unemployment among EI claimants. It would also provide a clearer picture of the impact of the reforms in certain activity sectors and make it possible to take the necessary corrective action to mitigate the impact on these groups.

Topic: Please select from the pull-down menu

Recommendation 3: Please provide a short summary of your recommendation.

Review the terms and conditions of the Canada Job Grant and the federal government's plan to intervene directly in the employment training sector by negotiating a new agreement with the provinces, including Quebec, would would see them manage their own programs. The federal government could set national employment training objectives while refraining from intervening in the mechanisms to achieve them.

Expected cost or savings: From the pull-down menus, please indicate the expected cost or savings of your recommendation to the federal government and the period of time to which the expected cost or savings is related.

unknown

Immediately

Federal funding: Please provide a precise indication of how the federal government could fund your recommendation. For example, indicate what federal spending should be reallocated, what federal tax measure(s) should be introduced, eliminated or changed, etc.

In 1998, the government achieved significant savings when management of employment training programs was handed back over to the provinces. Administrative structures would have to be created in the federal government to manage the new Canada Job Grant program, thereby duplicating what the provinces are already doing. By reviewing the nature of its intervention in this file, the federal government could save Canadian taxpayers money.

Intended beneficiaries: Please indicate the groups of individuals, the sector(s) and/or the regions that would benefit by implementation of your recommendation.

Canadian employers and workers, and every province, including Quebec.

General impacts: Depending on the nature of your recommendation, please indicate how the standard of living of Canadians would be improved, jobs would be created, people would be trained, etc.

If the government let the provinces, including Quebec, manage their own employment training programs while agreeing on benchmarks or objectives for employment training, e.g., by negotiating new federal-provincial agreements in that area, it could play a more helpful and efficient role, which would ultimately lead to prosperity and a better quality of life for all Canadians.

Please use this page if you wish to provide more explanation about your recommendation(s).

Beyond the three recommendations above, the Quebec Employers' Council believes that the next federal budget should contain specific measures to address other priorities for employers and the business community in Quebec and Canada. The top priorities include the following:

- Continue implementing the Red Tape Action Plan, while resisting the temptation to introduce new regulations without eliminating equivalent ones elsewhere;

- Promote constructive dialogue with the provinces and territories in an effort to harmonize solutions for pension plan issues, while taking into account Quebec's specific situation (accelerated pace of population aging);

- Be receptive to issues concerning infrastructure for the transportation of goods and people, e.g., replacing the Champlain Bridge, and other forms of transportation (rail, sea, air, pipeline, etc.). In that regard, the government should also review the various levies imposed on Canada's airports and the impact on their ability to compete with foreign airports, particularly those in the United States;

- Finalize as soon as possible the proposed economic and commercial partnership agreement between Canada and the European Union, as well as other projects under way with other countries or territories;

- Better target government assistance for businesses to give them more incentive to invest in their workers' continuing education and productivity, and encourage them to innovate more;

- Lastly, promote open and pragmatic federalism to avoid costly duplication and take into account Quebec's specific and distinct character.

From the perspective of employers and the business community in Quebec and across Canada, acting diligently and pragmatically where these priorities are concerned would provide Quebec and Canadian businesses with the best possible conditions for lasting prosperity in a context of global competition.

*Please note that at least one recommendation must be provided