

Legislative  
Assembly  
of Ontario



Assemblée  
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de l'Ontario

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**Official Report  
of Debates  
(Hansard)**

JP-20

**Journal  
des débats  
(Hansard)**

JP-20

**Standing Committee on  
Justice Policy**

Less Red Tape, More  
Common Sense Act, 2023

1<sup>st</sup> Session  
43<sup>rd</sup> Parliament

Wednesday 8 November 2023

**Comité permanent  
de la justice**

Loi de 2023  
pour plus de bon sens et moins  
de formalités administratives

1<sup>re</sup> session  
43<sup>e</sup> législature

Mercredi 8 novembre 2023

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Chair: Goldie Ghamari  
Clerk: Thushitha Kobikrishna

Présidente : Goldie Ghamari  
Greffière : Thushitha Kobikrishna

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON  
JUSTICE POLICY**

**COMITÉ PERMANENT  
DE LA JUSTICE**

Wednesday 8 November 2023

Mercredi 8 novembre 2023

*The committee met at 0900 in committee room 2.*

**LESS RED TAPE, MORE  
COMMON SENSE ACT, 2023**

**LOI DE 2023  
POUR PLUS DE BON SENS ET MOINS  
DE FORMALITÉS ADMINISTRATIVES**

Consideration of the following bill:

Bill 139, An Act to amend various Acts / Projet de loi 139, Loi modifiant diverses lois.

**The Chair (Ms. Goldie Ghamari):** Good morning, everyone. I call this meeting of the Standing Committee on Justice Policy to order. We are meeting today to begin public hearings on Bill 139, An Act to amend various Acts. Are there any questions before we begin our public hearings?

**STATEMENT BY THE MINISTER  
AND RESPONSES**

**The Chair (Ms. Goldie Ghamari):** I will now call on the Honourable Parm Gill, Minister of Red Tape Reduction, as the first witness. Minister, you will have up to 20 minutes for your presentation, followed by 40 minutes of questions from the members of the committee. The questions will be divided into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of five for the independent member of the committee.

Minister, the floor is yours. Please begin.

**Hon. Parm Gill:** Thank you very much, Chair—  
*Interjection.*

**The Chair (Ms. Goldie Ghamari):** Sorry, one moment. We require unanimous consent to allow a second presenter to sit at the front. Do we have unanimous consent from the committee? Thank you. Do we have unanimous consent for all presenters, moving forward, so I don't have to ask again? Thank you.

Minister, you may begin.

**Hon. Parm Gill:** Thank you, Chair. Good morning, members of the committee. Thank you for allowing me an opportunity to come and speak about our latest red tape reduction, the Less Red Tape, More Common Sense Act, 2023. I'm joined today by Rakhi Lad, assistant deputy minister at the Ministry of Red Tape Reduction, along with

officials from other partner ministries who could assist in answering any questions of any technical nature.

When we formed government, Ontario was the most heavily regulated province in the country. We knew that had to change and we had to work hard to make that happen, because regulatory burdens are a barrier to Ontario's productivity, innovation and economic competitiveness and development, and unnecessary red tape doesn't help anyone.

That's why our government's red tape reduction efforts, since 2018, are now saving businesses, not-for-profit organizations, municipalities, universities and colleges, school boards and hospitals nearly \$950 million each and every year in gross regulatory compliance costs. And when you add up all of these annual savings, of course, over the years, we're obviously talking about billions of dollars. We have been able to achieve these savings by focusing on making practical and common-sense changes to remove burdens, and our fall 2023 red tape reduction package builds on this success by proposing even more measures to remove unnecessary and outdated regulations that hold our province back.

I'm proud to say that the Less Red Tape, More Common Sense Act is our 12th red tape reduction package and the 11th red tape reduction bill introduced by our government since 2018. I can say with confidence that the items in the proposed bill and other broader fall 2023 red tape reduction package will have real impacts on people and businesses in our province—changes like improving government forms to reduce the paperwork demands on physicians, which will free up time for them to spend more time with their patients. Based on the latest Ontario Medical Association data, physician burnout is a critical issue facing the health care system, and it is increasing at an alarming pace. Immediate action is required to reduce the administrative burden and let doctors be doctors.

The bill before the committee today includes 20 different schedules and our complete fall 2023 red tape reduction package includes several additional regulatory and policy changes, for a total of 32 items. Some of the key measures proposed in the Less Red Tape, More Common Sense Act, 2023, are enhancing consumer protection by ensuring consumers have the information they need to make informed decisions when buying and selling vehicles; changes that amend the Ontario Heritage Act to make it easier and faster for faith groups to alter their places of worship to meet their unique needs; and amending the St. Lawrence Parks Commission Act to save time and costs related to

routine easements over St. Lawrence Parks Commission land.

I will expand on these items shortly, but I want to start by highlighting several items that support the province's agricultural sector. We are proposing amendments to the Agricultural and Horticultural Organizations Act that would reduce confusion, provide greater clarity and reduce red tape for agriculture and horticulture societies and agriculture associations. These changes are complemented by proposed regulatory amendments under the Nutrient Management Act that would correct a reference to a company that no longer provides verification services for incinerators, so that producers can obtain verifications from the right companies to ensure incinerators meet performance standards. In addition, we are also proposing to revoke unproclaimed sections in the Farm Registration and Farm Organizations Funding Act that would reduce confusion and provide clarity for stakeholders.

We are also taking action to reduce red tape for charities and the not-for-profit sector. The amendments to the Charities Accounting Act would remove the obligation for charities like non-profit charitable corporations, unincorporated organizations and trusts to provide notice to the Ontario Public Guardian and Trustee when they are established, eliminating unnecessary steps.

Next, by amending the Professional Engineers Act, we are supporting the modernization of professional engineers in Ontario's operations, including electronic delivery of notices and documents, mandatory reporting of regulatory information and the process for consideration of registered investigation reports, along with housekeeping amendments to streamline and clarify regulatory processes.

We also are proposing to make it easier for colleges, universities, hospitals and research institutions to apply for and manage research funding projects that will provide social and economic benefits for Ontarians.

As well, we're proposing amendments to the Ontario Colleges of Applied Arts and Technology Act, 2002, and four individual university acts that would allow these college and university boards of governors to extend the term of the board chair for a period of two years beyond the relevant legislated limit, making it easier for institutions to retain the expertise and experience of their board chairs and maintain leadership.

We are also working to accelerate improvements to education data application by streamlining existing processes to reduce the reporting burden on schools and school board staff.

The package also includes several proposed regulatory measures in the energy sector, including changes to the community net metering project regulation that will make it easier to implement and authorize a demonstration project by removing the bill credit allocation limit. We have also brought forward proposed amendments to regulations that would provide greater certainty for both third-party generators and customers by clarifying contract cancellation provisions for third-party ownership net metering arrangements.

We are proposing the amendments to the reporting of energy consumption and water use regulation under the

Electricity Act, 1998, that would streamline the exemption process for eligible building owners. This would include removing the requirement to submit supporting documentation when submitting a notice for either an ongoing exemption or an exemption from the reporting in a calendar year.

We are also proposing amendments to streamline the existing regulatory requirements concerning independent electricity system operators' board of director appointments. These changes would consolidate the rules governing those appointments, which are currently dispersed across two separate regulations, into a single regulation.

The package also seeks to amend the excess-soil regulation that would make it easier and less costly for businesses to reuse excess soil locally as part of a circular economy and to prevent usable soil from being disposed of in a landfill. These changes would support Ontario's plan to build more housing and highways faster while ensuring strong protection of human health and the environment.

We are also looking to streamline the minimum consultation period for the Ontario Securities Commission and Financial Services Regulatory Authority of Ontario by amending the Securities Act, the Commodity Futures Act and the Financial Services Regulatory Authority of Ontario Act, 2016. The amendments would allow the Ontario Securities Commission and Financial Services Regulatory Authority of Ontario to reduce the minimum public consultation period from 90 days to 60 days on proposed new rules if they are simple and straightforward. Both agencies would retain the ability to hold longer consultation for more complex rules.

The act also includes proposed changes to the credit union act, 2020, and one regulation to reduce burdens on the credit union sector. The amendments would make it easier for credit unions to issue shares, to purchase other credit unions, prepare investor offering statements and make deposits from brokers who manage money on behalf of clients.

#### **0910**

In addition, as part of the package, we are proposing ways of streamlining submission requirements for well-established drugs. By making regulatory amendments under the Ontario Drug Benefit Act and the Drug Interchangeability and Dispensing Fee Act, we are working to remove barriers for drug manufacturers seeking to have their drugs publicly funded or designated as interchangeable in Ontario. These changes would better align with existing Health Canada requirements for approving the sale of well-established drugs that have been sold in Canada for sufficient time and in sufficient quantities to establish their safety and effectiveness. This would result in access to more treatment options for patients.

The package also contains several measures that focus on the skilled trades. We are streamlining data and information sharing with Skilled Trades Ontario through a proposed regulation under the Building Opportunities in the Skilled Trades Act, 2021. This regulation would enable Skilled Trades Ontario to collect and share data with the ministry as needed. This data would include personal in-

formation on registering apprentices and exam administration.

We're also improving the certification management system to make ministry information and resources easily available to the public and to act as a one-stop shop for training providers, workers and employers. It will provide employers with access to employee training verification, minimizing turnaround and lost production time when processing inquiries and addressing inspection orders.

Finally, we're proposing to streamline joint health and safety committee training standards. The government has launched a five-year review to ensure the certification training standards remain relevant and practical. Actions include eliminating learning outcomes, duplicated and existing training requirements, and exploring opportunities to reduce barriers experienced by businesses and learners.

The package also announces a new consultation on the recovery of minerals. We're currently consulting on proposed regulations to support amendments to the Mining Act that make it easier for mining companies to recover minerals from mine tailings and waste at mine sites. This will unlock new economic opportunities and create an opportunity to further remediate mine sites, including those that are closed and/or abandoned.

We are also soliciting feedback on proposed regulatory and other changes to make improvements to the assessment-work regime as well as the exploration-permit regime. These improvements would ensure the province remains competitive and attractive for investments, and reduce burden for claim holders as well as incentivize exploration for new mineral development opportunities to support stronger supply chains in Ontario. Proposed changes would include, among other things, expanding ways businesses can obtain assessment-work credit, reviewing ministry requirements and making technological improvements to the mining lands administration system, reducing administrative burden for claim holders applying for exploration permits.

We're also proposing to make legislative amendments to the Niagara Escarpment Planning and Development Act and respond directly to recommendations made by the Auditor General, which will help reduce the red tape associated with permit applications and approvals. These changes, such as replacing outdated requirements to publish notices in newspapers with a modern requirement to post on the government of Ontario website, would better serve client and community needs. They would also enable the Niagara Escarpment Commission to streamline the processing of simple permit and approval processes, such as building an accessibility ramp on an existing property, enabling them to dedicate more resources to complex applications while maintaining and enhancing all protection policies of the escarpment.

As I mentioned earlier in my remarks, we are also proposing changes to the Motor Vehicle Dealers Act, 2002. These changes would reduce burden for motor vehicle dealers and salespeople to enhance consumer protection by removing outdated provisions that relate to the transition from the previous version of the Motor Vehicle Dealers

Act, 2002. This means removing provisions which are no longer required and increasing the minimum fines for acting as a motor vehicle dealer or salesperson without being registered from \$2,500 to \$5,000.

We are also proposing amendments to the Corporations Act that would make it easier for social clubs to continue their operations under the Business Corporations Act, the Not-for-Profit Corporations Act, 2010, or the Co-operative Corporations Act prior to the deadline of October 19, 2026. This will ultimately reduce their risk of dissolution so they can continue to operate and serve their members and communities, reducing the burden for share capital social clubs.

We are putting forward updates to the Modernizing Ontario for People and Businesses Act, 2020, as well as implementing regulatory amendments that would keep the MOPBA legislation current and revoke exemptions to the act that are no longer required.

We are making it easier to work with government for the retirement homes sector by proposing a legislative amendment to the Retirement Homes Act, 2010, that responds to the requests of the retirement homes community to provide faster, more relevant information. The proposed amendments provide a one-window approach for retirement home residents and their families, caregivers, operators and staff and other stakeholders to provide input on proposed regulations under the act.

We are streamlining approvals for St. Lawrence parks easements by proposing changes to the St. Lawrence Parks Commission Act that would make it easier and faster to grant routine easements. These proposed amendments would reduce the administrative burden and delays that the St. Lawrence Parks Commission is currently experiencing in their day-to-day business operations. They will also reduce delays that local businesses, municipalities and residents experience when conducting authorized activities on St. Lawrence Parks Commission lands.

We are proposing that the board governance requirements—progress reports to improve how agencies and entities operate internally, which will ultimately improve how they deliver services and work with businesses in Ontario. These changes incorporate governance best practices, modernize governance frameworks and clarify the rules for public appointees, making it easier and more attractive to serve on their boards.

The package also includes the designation of transit corridor lands for Hamilton's light-rail transit, to streamline corridor development permits and expropriation processes to get shovels in the ground sooner.

Lastly, we're proposing the Highway Corridor Management System land development review module. When complete, developers and municipalities will be able to submit, track and receive all MTO approvals for development applications online. This will provide greater transparency and accountability in the development review process and timeline, saving time and money for both businesses and governments.

In conclusion, the Less Red Tape, More Common Sense Act, our fall 2023 red tape reduction package and the proposed changes within will continue our strong record

of reducing burdens for people and businesses in our great province.

With that, Chair, I look forward to answering any questions.

**The Chair (Ms. Goldie Ghamari):** Thank you very much.

We'll now turn to the official opposition. MPP Kernaghan, you may begin.

**Mr. Terence Kernaghan:** Thank you, Minister, for presenting at the committee today.

**0920**

With the official opposition, we're very intrigued by the claims that are put forward within the bill about reducing the paperwork demands on physicians and reducing that administrative burden.

During the 2022 pre-budget consultations, we heard from a number of physicians across the province who talked about administrative burden and talked about the use of medical scribes. Has the minister considered this as also another way to alleviate the administrative burden on physicians in Ontario?

**Hon. Parm Gill:** Can you just repeat the last part again?

**Mr. Terence Kernaghan:** Yes. They were advocating for the use of medical scribes, someone to take over that administrative process for them. Is that something that the minister is also considering?

**Hon. Parm Gill:** Listen, we are obviously constantly consulting with our stakeholders—of course, in this case, the medical field and the Ontario Medical Association. Some of the items that were identified are the 12 forms that are routinely taking a lot of time from physicians' perspective. In some cases, I believe the number is four and a half hours every week. Obviously, that adds up. So we're moving forward on some of these items to free up some of the time for the physicians' day-to-day filling out of the forms so they can be spending more time on seeing more patients versus having to fill out forms, which is ultimately not what they are trained to do.

**Mr. Terence Kernaghan:** I had the opportunity to sit at the house of Sir Frederick Banting recently and take part in a Diabetes Canada round table. An endocrinologist who participated in that meeting, Dr. Tamara Spaic, said that with diabetes care, the system says you have to see an endocrinologist. She herself has to submit 3,000 forms each year for the patients that she sees. With this, the patient has to fill in the form and send the form to their endocrinologist. The endocrinologist has to then accept the form, look over the form, sign the form, send it on to the diabetes care team, who then have to look over the form, sign the form and send it back to the patient.

My question to the minister is, what kind of assurances, what kind of metrics are you going to provide about the reduction in administrative burden? How will this be measured?

**Hon. Parm Gill:** I think we can all agree: Ontario, unfortunately, until we took power in 2018, was the highest-regulated province when it came to most fields. On average, it was costing businesses about \$33,000 a year. I think we've made a great deal of progress since 2018 to work with Ontarians and work with businesses to identify how the government can help.

Part of the reason why we have a fully dedicated, stand-alone ministry just dedicated to red tape reduction is because we see the value—obviously, the stats—if we want to continue to make Ontario one of the most competitive provinces in the country and continue to reduce red tape. I always say this: We've accomplished a lot, but we also recognize there is a lot more that needs to be done.

**Mr. Terence Kernaghan:** I guess I can understand from your answer that there will be no necessary metrics in place. There will be no way to measure this. That's what I am taking from your answer.

I also wanted to point out that the Ontario Medical Association, in meetings that I have had with physicians in my riding, have indicated that they're often operating on numerous different databases, sometimes up to four, which will also contribute to that administrative burden. Sometimes these databases don't communicate with one another. There is a lot of discontinuity in care as well as electronic records.

I did want to address—and I'm curious—the Ontario Medical Association also had a couple of other asks that seem to be omitted from this bill: fixing the crisis in primary care; calling for an expansion in team-based care; expanding and integrating home and community care, such as removing the arbitrary cap on nurse-practitioner-like clinics; increasing locum supports; and having a northern health care plan.

I wanted to ask the minister: Has there been any consideration from the government about the red tape that is imposed upon health care practitioners within this province? You see, nurses and health care professionals working within home care are often paid the least amount despite doing a wonderful and very important job for our system, whereas those who are in long-term care will receive slightly more. It seems as though the most money is paid towards those working within the acute care sector.

It seems as though this is red tape that has been going on for far too long. A nurse is a nurse is a nurse, as they say. Has there been any attention to removing this red tape and making sure nurses are paid fairly across sectors and removing that tremendous gap in wage parity?

**Hon. Parm Gill:** Well, absolutely; I think we can all agree—I mean, health care is obviously a very, very complex file, and we have a lot of regulations that govern the health care industry in general. Not all regulations are necessarily a burden; not all are basically unnecessary. There are also lots of regulations that serve a great purpose when it comes to protecting people's health, when it comes to protecting safety, when it comes to protecting the environment.

Of course, in our role at the Ministry of Red Tape Reduction, we work very closely with our partner ministries—in this case, the Ministry of Health—and, obviously, stakeholders to look at ways and look at ideas in terms of what sort of value—how can we help streamline and make some of the processes as efficient as possible?

I mentioned earlier that there is a lot of work that needs to be done. It can't all be done in one day, but we're working very closely with the Ministry of Health and all of the affected stakeholders to continue to deliver real results.

**The Chair (Ms. Goldie Ghamari):** One minute.

**Hon. Parm Gill:** Obviously, you see a fine example in this piece of legislation. We're reducing nearly 100,000 hours when it comes to physicians, freeing up some of the time that they're spending on filling out unnecessary forms so they can spend that—

**Mr. Terence Kernaghan:** Definitely. I look forward to the government addressing that glaring red tape that has remained for a number of years that is very unfortunate and very unfair to health care practitioners.

My last question: The Conservative government has placed an arbitrary cap on the number of supervised consumption sites and overdose prevention sites. It's not based on science; it's not based on community need—

**Ms. Natalia Kusendova-Bashta:** Point of order.

**The Chair (Ms. Goldie Ghamari):** Yes, MPP Kusendova?

**Ms. Natalia Kusendova-Bashta:** Today we are discussing the red tape reduction bill. This question has nothing to do with the red tape reduction bill.

**The Chair (Ms. Goldie Ghamari):** Thank you. I'd remind the member to keep his line of questioning to the bill.

**Mr. Terence Kernaghan:** Yes. I would like the opportunity to finish my question.

The red tape that limits the number of supervised consumption sites and overdose prevention sites—

**The Chair (Ms. Goldie Ghamari):** Okay, that's all the time we have for this round.

We'll now turn to the government. MPP Oosterhoff, you may begin.

**Mr. Sam Oosterhoff:** My thanks to the minister and your team for being here today.

You know, Minister, in 2018, when we came to office here in Ontario under the leadership of Premier Ford, we saw that Ontario is one of the most heavily regulated jurisdictions in North America. We saw the previous Liberal-NDP coalition really piling additional burden onto the people and businesses of this province, and we saw the result of that, with 300,000 manufacturing jobs leaving the province and a real sense of economic malaise that was here in the province of Ontario when we took office.

Now that has changed. We know that the Ministry of Red Tape Reduction has been very diligent in seeking out ways to reduce—to put it bluntly—useless regulations or duplications or things that are not protecting health and safety and the environment, which obviously we want, but that are simply in place for reasons unknown or for very bad reasons.

I'm wondering if you could speak about how the reduction of red tape—which is sort of a broad phrase for the granular changes that are needed—translates into time and money for individuals, for businesses, and how, when we're able to reduce that red tape as legislators, as a government, as a ministry, we can see that this translates into good, well-paying jobs and how we can then see that services are able to be provided in a way that's more reasonably responsive to the needs of the people of Ontario and that isn't characterized by unnecessary, outdated or duplicative

requirements. Can you speak a little bit about this and explain how specifically this legislation, the Less Red Tape, More Common Sense Act, will help people and businesses here in Ontario?

**Hon. Parm Gill:** Absolutely, and thank you for the question—a great question.

As I pointed out, before we formed government in June 2018, there was a study that was conducted by, I believe, CFIB which highlighted how Ontario businesses were dealing with the highest regulatory compliance when it comes to not just time but also the amount of money that they were spending dealing with some of those compliance requirements—the highest in the country. We saw that businesses were fleeing the province; Ontarians were losing jobs. I think in the manufacturing sector alone there were 350,000 jobs that disappeared. As soon as we formed government, we put a serious emphasis on trying to make our province the most competitive it can be and started off by creating an Associate Minister of Red Tape Reduction as part of economic development, job creation and trade. We were able to do a great deal of amazing work since.

**0930**

Then, since the last election in June 2022, this is now a fully stand-alone ministry that's dedicated to working with our partner ministries, working with Ontarians, individuals, businesses—you name it. Some of the progress we have made is saving businesses, on an annual basis, nearly \$950 million in compliance costs alone. We have been able to eliminate over 20,000 different pieces of red tape to support Ontario businesses. For the first time ever, we are starting to now track not just the money saved but also the time that's being saved. We're also putting emphasis on red tape for consumers, along with focusing on the business community.

So we've done a lot—obviously, as I mentioned in my remarks, the 11 pieces of legislation that we have brought forward, 12 different packages—since forming government. The results speak for themselves, but we still have a lot of work to do in this field, and that's why we continue with a great team, amazing officials that work all day long just to consult with businesses and individuals to try to find ways and then work with our partner ministries to turn those items into legislation, and then that's the opportunity that we have to introduce two legislations each year.

**Mr. Sam Oosterhoff:** Thank you.

Chair, I'll turn it over to my colleague.

**The Chair (Ms. Goldie Ghamari):** MPP Coe.

**Mr. Lorne Coe:** Chair, through you: Welcome, Minister. I appreciated very much your delegation to the committee. You will know, sir, that out of the round tables that we hosted in the region of Durham, they included representation from two of the universities in my riding, Ontario Tech and Trent Durham, as well as Durham College.

In the proposed changes that are in the legislation related to colleges and universities, Ontario Tech University had the following to say in response to those changes: "We are pleased to see the proposed amendments to our act in ... Bill 139. Extending the terms of board chairs will increase efficiency in the boardroom by reducing turnover, extending

the time for mentorship and enhancing flexibility in leadership succession planning.”

Minister, why are those changes so important to supporting colleges and universities, not only in my riding of Whitby but across the province?

**Hon. Parm Gill:** Thank you very much—great question. I also want to thank you for the opportunity I had to visit your riding and to participate in a red tape round table—extremely productive.

You know, we worked with the universities and colleges across the province and proposed these changes based on the feedback and recommendations of the university. These changes are also in line with the recommendations from the Auditor General report from November 2022. Our government has made significant progress in building a robust post-secondary sector.

**The Chair (Ms. Goldie Ghamari):** One minute.

**Hon. Parm Gill:** This, of course, includes a significant reduction in red tape, but also historic investments in new medical schools when it comes to putting a new school in Brampton and Scarborough as well as the expanded enrolment of medical students at Queen’s University.

By cutting red tape across the province, I think we can all agree, we’ve managed to save people, businesses, hospitals, colleges and universities nearly \$950 million in annual compliance costs, which otherwise would have to be paid and these reductions in red tape obviously would not occur. We’ll continue to do everything we can to support Ontario’s world-class post-secondary institutions to support Ontario’s pipeline of qualified workers. It’s something that the government takes very, very seriously.

**Mr. Lorne Coe:** Thank you, Minister.

**The Chair (Ms. Goldie Ghamari):** That’s all the time we have. There’s only three seconds left.

I’ll turn back to the official opposition. MPP Kernaghan.

**Mr. Terence Kernaghan:** Minister, this bill is yet another example of the government looking at red tape, except red tape that they have created. The Conservative government has placed an arbitrary cap on the number of supervised consumption overdose prevention sites—21 across the entire province. This red tape is not based on science, nor is it based on community need.

Will the minister and the government be looking at this red tape, this arbitrary cap that is imposed on the province, and ensure that people get the health care they need?

**Mr. Sam Oosterhoff:** Point of order, Chair.

**The Chair (Ms. Goldie Ghamari):** Yes, MPP Oosterhoff.

**Mr. Sam Oosterhoff:** I understand the question that the member opposite wants to raise as relevant, perhaps, to his community and to others in the province of Ontario. I know that the legislation we’re dealing with today is with regard to the Less Red Tape, More Common Sense Act. I’m wondering how the measures the member opposite is speaking about are relevant to the legislation that we have the minister in today to speak about. I would just ask your consideration of perhaps asking the member to return to the matter at hand, which is this legislation.

**The Chair (Ms. Goldie Ghamari):** Thank you. I would like to remind the member to please focus on the matter at hand, which is the bill that is before us.

**Mr. Terence Kernaghan:** Understood, Chair. In the introduction, the government was talking about all the different measures and different red tape bills that they’ve introduced. I believe that the question is entirely appropriate, given the fact that this government has placed an arbitrary cap. They’ve imposed their own red tape.

**The Chair (Ms. Goldie Ghamari):** The questions should pertain specifically to the legislation that is in front of us, not past legislation or previous bills. We are here to debate this particular piece of legislation, so I would like to remind all members to please focus on the matter at hand. Thank you.

**Mr. Terence Kernaghan:** Understood. Jennie?

**The Chair (Ms. Goldie Ghamari):** MPP Stevens.

**Mrs. Jennifer (Jennie) Stevens:** Good morning to everyone this morning. Good morning, Minister.

I have a few questions here that hopefully we can get some clarity on within this bill. Mine is to do with the reduction in consultation periods that you have put forward in this piece of legislation, concerning the potential for environmental harm, particularly regarding within the greenbelt—the reduction in consultation periods that may lead to less public input and outside, from the general public.

I’m going to bring it back to the Niagara escarpment plan act that you have touched on within this bill. Can you clarify who will be exempt under the expanded authority to exempt classes of persons?

**Hon. Parm Gill:** I would probably turn that over to the officials on sort of the technical [*inaudible*] so my ADM Rakhi Lad.

**Ms. Rakhi Lad:** I would direct this one to Cathy Darevic, who should be online.

**Ms. Cathy Darevic:** Good morning, everyone. There are two components to the amendments that are being proposed under the Niagara Escarpment Planning and Development Act. The first one is to remove requirements to publish notices in newspapers for plan amendment proposals and associated hearings and instead follow modern consultation methods by requiring the publication of these notices on the government of Ontario website or the Niagara Escarpment Commission website instead of publishing in newspapers.

**Mrs. Jennifer (Jennie) Stevens:** My concern, then, would lead to the general public that—sometimes within rural areas or within St. Catharines, I know there are some pockets where we do not have proper Internet. I’m concerned with seniors or different people within that area who would not be able to get the online information.

Are you looking at another way? Because if you’re taking it out of newspapers and you’re taking it out of black-and-white print, some people might feel that this is a lack of transparency. How would you gain trust with the seniors that they’re going to be able to get this information correctly and sufficiently? Have you thought of another way? I guess that’s my question.

0940

**MPP Kristyn Wong-Tam:** You can direct it to the minister—

**Mrs. Jennifer (Jennie) Stevens:** Oh, I'll direct it to the minister, then, please.

**Hon. Parm Gill:** Obviously, we're constantly trying to find the most efficient way to include as many members of the public or members of the community in terms of making sure that everyone has the ability to provide and input their feedback. All of these changes, I just want to remind members of the committee, are driven through consultations in terms of how and what we can do to streamline some of these processes. These are for items that are very minor in nature. So when it comes to, let's just say, adding an accessibility ramp, for instance; a property that may be already in place at the Niagara Escarpment Commission lands; and also, let's just say, putting a small shed in the backyard—these are all very minor in nature.

**Mrs. Jennifer (Jennie) Stevens:** Some seem to be minor to you—pardon me. Through you, Madam Chair, to the minister: It might seem minor, but sometimes the clarification of a historical building to the cities might seem like it changes the whole facade, may I say, of a historic building.

When we go to colleges and universities, and I see throughout, from St. Catharines and Niagara-on-the-Lake—we're the home of a college, we are the home of Brock University—

**The Chair (Ms. Goldie Ghamari):** One minute left.

**Mrs. Jennifer (Jennie) Stevens:** Thank you, Madam Chair. I've heard from many students within the area about the funding and education costs. When they get out and they are into the workforce—and we just saw that in Niagara, the cost of living is up, and the living wage is focused on the cost of living, what you're spending on bills, transportation. So when these students are getting out of education and they're bearing the cost and they're feeling the pinch, what are—through you, Minister—the universities' positions on the current funding model and the rising cost of education in Ontario? And where in this bill can I find how it's going to make it more affordable for students across Ontario?

**Mr. Sam Oosterhoff:** Speaker—

**The Chair (Ms. Goldie Ghamari):** Time. Yes?

**Mr. Sam Oosterhoff:** Sorry, is this “time” for the—

**The Chair (Ms. Goldie Ghamari):** Yes.

**Mr. Sam Oosterhoff:** Okay. Not “Speaker”; maybe next time.

**The Chair (Ms. Goldie Ghamari):** Thank you.

We'll now turn to the government for the final round of questions. Who would like to begin? MPP Dixon.

**Ms. Jess Dixon:** Minister, we've seen, and I know you've said the same thing, that some regulations need to be in place for community safety, for standards, and generally speaking, a lot of our regulations made their way there for that reason. However, there are still a lot of regulations that don't serve their purpose, that are duplicates of each other or are outdated. Can you provide some more examples about the type of red tape you're reducing that characterizes those types of regulations, those outdated and no-longer-necessary regulations?

**Hon. Parm Gill:** Thank you for the question. Obviously, there are lots of them, so as part of the process moving forward, we're also implementing what's called a 10-year review. So any regulation that has been on the books, let's say, for 10 years or longer, all of the ministries are now mandated to go back and look at all of those regulations. Then, moving forward, each and every year, every time a regulation becomes 10 years old on the books, ministries will be mandated to look at them, to look at the relevance, if they are still relevant—because we all know, with some of the changes in technology, innovation and so forth, some of them have outlived their original purpose for whatever they were intended to be. In some cases, they might have been replaced by a new regulation; in some cases, they have just become irrelevant because whatever item they were intended to address no longer exists.

So the ministries, starting next year, are going to conduct this review, and I think, through this review, we're going to be able to find a lot of duplicated, a lot of unnecessary regulations that are just there, that exist. People are required to comply with them. Obviously, it costs them time and it costs them money. It will help us continue to help the province become more competitive to do business. There are lots and lots of examples that would constantly come up, what the stakeholders doing a round table bring up. Some we were able to address, but we also want to go a lot further and just proactively start looking at every regulation to see if they're relevant or not.

**Ms. Jess Dixon:** Thank you, Minister.

**The Chair (Ms. Goldie Ghamari):** MPP Hogarth.

**Ms. Christine Hogarth:** Thank you, Minister, for being here today. Actually, my interest is around mining and the mining sector. Earlier this year, we passed Bill 71, the Building More Mines Act, which the NDP unfortunately did not vote in favour of. That's direct employment of 31,000 jobs and about \$4.3 billion to the economy. Even if you look at the supply and service sector alone, it employs over 40,000 people and adds \$10 billion worth to the mining supplies each and every year.

We just want to look at bringing critical minerals to the market. We're looking at minerals such as nickel, cobalt and lithium. We talk about lithium—that's about batteries for electric vehicles and our electric vehicle supply. So we want to move towards a greener type of supply chain for our future and the entire process to develop a world-class, made-in-Ontario supply chain, which is amazing for our province—jobs, dollars, strong economy. As the Premier says, Ontario is open for business, and we're ready to support the mining and critical minerals that will power the batteries for the electric vehicles of the future.

I'm wondering if you can explain some of the benefits of cutting the red tape in the mining sector and why these proposed changes are needed today.

**Hon. Parm Gill:** Thank you; great question, obviously. We've heard from stakeholders when it comes to some of the larger mining projects, and when the project is complete, there are still lots of critical minerals that are left behind. So what we're doing as part of this bill is we are starting a consultation process in terms of how we can have

the ability to make use of those good minerals that are just left behind. A smaller company may be able to go in and take on that project and gather—we all recognize the importance of critical minerals, especially, as you pointed out, when it comes to the electric vehicles, which, obviously, the government has been really focusing on and attracting investments. We are now at nearly \$28 billion of investments in electric vehicles in the province of Ontario.

Moving forward, that's the direction we're heading. We're going to need all of these critical minerals to be able to utilize the full extent, especially, as I mentioned, that when some of the larger mining projects wind up, there are lots of critical minerals that are left behind. We're trying to figure out a process on how to utilize them and make good use of them.

**Ms. Christine Hogarth:** Thank you.

**The Chair (Ms. Goldie Ghamari):** MPP Kusendova-Bashta.

**Ms. Natalia Kusendova-Bashta:** How much time do I have?

**The Chair (Ms. Goldie Ghamari):** You have a minute and 50.

**Ms. Natalia Kusendova-Bashta:** Thank you so much, Minister, for your deputation this morning. I was listening intently. Thank you, definitely, for reducing administrative burdens for our physicians. I think it's paramount that health care providers are utilized to their full scope.

I wanted to ask you about the Ontario Drug Benefit Act. You mentioned removing barriers for drug manufacturers seeking to have their drugs publicly funded or designated as interchangeable. Can you expand on that a little bit, and can you let us know how this change will result in more patients across the province of Ontario having access to more drugs?

**Hon. Parm Gill:** Excellent question. Obviously, this is where there is a lot of duplication that occurs and that's in place. These are mainly for drugs that have already gone through the process and have been approved by Health Canada; that have been used, I would say, for a sufficient period of time. They are proven on record. There is really no need to have a duplicative process for some of these drug companies to then have to go apply to the province, to literally go through the same process that Health Canada has already conducted.

**The Chair (Ms. Goldie Ghamari):** Thirty seconds.

**Hon. Parm Gill:** Allowing those drugs to be available through the Ontario Drug Benefit Plan without having to go through the unnecessary steps and obviously thousands and thousands of forms in some cases—this is all just trying to make it easier for Ontarians, trying to make it easier for businesses. As I mentioned, this only applies to drugs that have been approved by Health Canada and have proven to be safe and have been in the market for a sufficient period of time.

**The Chair (Ms. Goldie Ghamari):** Thank you, Minister. That concludes all the time we have for this round. I'd like to thank the minister for his time.

Now we are going to turn to the rest of our presenters. The remainder of our presenters today have been sched-

uled in groups of three for each one-hour time slot. Each presenter will have seven minutes for their presentation. We'll just wait for the minister, to give him some time to leave. Thank you again. Once the presenters come in, we'll continue. Thank you.

**Hon. Parm Gill:** Thank you, everyone.

**The Chair (Ms. Goldie Ghamari):** We will recess for one minute to allow the presenters to come in.

*The committee recessed from 0950 to 0955.*

ONTARIO TECH UNIVERSITY  
ONTARIO SOCIETY  
OF PROFESSIONAL ENGINEERS  
MS. NINA DEEB

**The Chair (Ms. Goldie Ghamari):** The committee will now resume. The remainder of our presenters today have been scheduled in groups of three for each one-hour time slot. Each presenter will have seven minutes for their presentation. After we have heard from all three presenters, the remaining 39 minutes of the time slot will be for questions from members of the committee. The time for questions will be broken down into two rounds of seven and a half minutes for the government members, two rounds of seven and a half minutes for the official opposition members and two rounds of 4.5 minutes for the independent member.

I'll now call upon our first witness, Ontario Tech University. Please state your name for the record and then you may begin. You will have seven minutes. Thank you.

**Mr. Matthew Mackenzie:** Thank you, Madam Chair. Matthew Mackenzie, Ontario Tech University.

I'll start by acknowledging that I'm here on the traditional territory of the Mississaugas of the Credit First Nation. I travelled here from my home in Oshawa, which is also where Ontario Tech is located, which is situated on the lands of the Mississaugas of Scugog Island First Nation, which is covered under the Williams Treaties. Also, as we're approaching Remembrance Day, I'm very proud to share with the committee that Oshawa and Durham region is home to the Ontario Regiment, which is something that we're all very proud of in our community.

Firstly, I'd like to thank the standing committee for the opportunity to be here to participate in this important discussion. I'll begin by very clearly stating that I'm here today to speak in favour of schedule 20 of Bill 139, which contains proposed amendments to our university's specific legislation. I'd like to recognize the bill's sponsor, Minister Gill, for including these amendments proposed in schedule 20 and I'd also like to express our sincere thanks and appreciation to Minister Dunlop for putting these amendments forward for inclusion in Bill 139.

As mentioned in my opening, Ontario Tech University welcomes the proposed changes to our university's founding act. The potential for a board chair's term to be extended by two years to a maximum of eight will support enhanced governance at the university. The majority of our governors who do serve on our board come from outside of higher education and often have little experience with our sector.

We want that; we draw them in for the external expertise that they bring, but it also comes with a relatively high learning curve for them when they get here.

Those who have served as our board chair have come into this environment and taken the time required to understand it and distinguish themselves by being appointed as a committee chair or vice-chair over the course of several years. Being a committee chair or vice-chair is itself another learning curve, one that the individual excels at enough that their peers would ultimately elect them to become the board chair, and then once they are the board chair, they're required to expand their skill set yet again, bringing their committee skills to bear on the entire boardroom.

A skilled chair brings out the best in the board, just as they previously brought out the best in their committee, and all too often we find that they really are in their prime as the board chair when their second three-year term ends and, unfortunately, they need to leave our board. If we're lucky, we may get two years with a chair, but very often we only get one year with a chair.

I'm really proud to share today that Ontario Tech is celebrating its 20th anniversary, and we're very excited about the next 20 years and beyond, supporting our fantastic students. But in the 20 years leading up to this point, we've actually had 13 different board chairs at the university. The turnover can be disruptive and the depth of expertise of the outgoing chair can be lost. The ability to have an additional two years with a chair will improve stability in the boardroom and reduce the inefficiency of extra board chair turnover. It will also allow us to have deeper mentorship for the next upcoming board chair and will decrease the likelihood of that expertise being lost during emergent or critical times.

One example of where this would be beneficial would be during emergent issues. I know at Ontario Tech, when COVID hit, we had to react and adapt quickly in a time of rapid change and uncertainty due to the pandemic. I know many organizations faced the same challenge. Having a board chair term end during that period could have created churn in the boardroom at a time when stability was absolutely critical. Having the possibility of extending the chair's term in the unlikely event of a similar situation is a very positive capability for the board to have, in our opinion.

Additionally, Ontario Tech was one of four universities who were the subject of an Auditor General value-for-money audit, which I'm sure members will appreciate is a very long and detailed process, as it should be. Having the flexibility to extend a chair to ensure that their term didn't expire partway through something like that would be very valuable, both for good governance and also for continuity of process.

Another benefit of these legislative proposals is that it supports the development and maintenance of the critical

relationship between the chief executive—or president, in our situation—and the board chair. Having a strong, stable relationship there based on mutual trust and respect is a key linkage between the role of the board and management, and it takes time to reach productivity in that relationship. This relationship is especially critical during emergent events or periods of change, and being able to extend a chair to maintain that through challenging times leads to more positive outcomes in facing challenges while the relationship is still forming with the new chair.

#### 1000

In terms of succession planning opportunities, it allows a more detailed and robust mentoring process between the current chair and the incoming chair to ensure that there's a seamless leadership transition. It also means that the next chair is much more likely to be ready to transition into their leadership role, even during challenging circumstances like the ones I've described, should it be required.

In closing, throughout our maturation as a university and also in response to the Auditor General's value-for-money audit, Ontario Tech has adopted a number of governance best practices. We know that we're doing well, but we always strive to do better. The legislative amendments proposed in this bill give us another tool in our governance tool box to support best-in-class governance at the university, which is something that we're always striving for.

For these reasons referenced above, we welcome the proposed changes in schedule 20 of this bill. We thank Minister Gill and, of course, we thank Minister Dunlop and look forward to having the additional flexibility related to the chair role.

Thank you again to the committee for the opportunity to speak with you here today. That concludes my remarks.

**The Chair (Ms. Goldie Ghamari):** Thank you very much.

We will now turn to our next presenter, from the Ontario Society of Professional Engineers. Please state your name for the record, and then you may begin, and you will have seven minutes.

**Ms. Paola Cetares:** My name is Paola Cetares. Good morning, committee members. I stand before you today as the representative of the Ontario Society of Professional Engineers, OSPE, an organization that advocates for the engineering profession in the province of Ontario, with over 85,000 professional engineers, 250,000 engineering graduates, 6,600 engineering postgraduate students, and 37,000 engineering undergraduates in our mix. OSPE is committed to ensuring that the legislation governing the practice of engineering in Ontario not only safeguards the health and safety of the public, but also aligns with global best practices and caters to the ever-evolving needs of our vibrant engineering community.

I wish to clarify from the outset that the Professional Engineers Act grants the engineering profession the unique

privilege of self-regulation, appointing the Professional Engineers of Ontario as the entity responsible for regulating the profession in our province. It's essential to recognize that OSPE operates independently as an advocacy and members' association, distinct from the regulatory authority of PEO.

Today, I'm pleased to address our comments on Bill 139, a legislative proposal containing amendments to the engineers act that will significantly impact PEO's operations. OSPE lends its support to the proposed amendments, with particular emphasis on those in subsection 7(1) that transfer authority from the PEO council to prescribe application forms for licences and temporary licences to the registrar. We have big concerns regarding the council's authority in self-regulating engineer licensure applications and thus advocate for greater authority to be vested in the registrar in this respect.

It is our firm belief that the privilege of self-regulation is not an entitlement but a responsibility. Professional bodies that self-regulate do so under the act, authorized by the provincial government. Self-regulation is but one of many instruments that government may use in its quest to protect the public and mitigate the risk associated with incompetent and unethical practice.

It is in this spirit that OSPE continues to voice our apprehension that PEO is at present an inadequate regulator operating with deficient governance procedures. Consequently, OSPE continues to advocate for urgent amendments to the act to mandate robust regulation, performance and governance procedures for PEO.

A review conducted in 2019 by the Professional Standards Authority unveiled alarming governance issues within PEO's internal operations requiring immediate legislative intervention. Moreover, the existing legislation leaves room for discriminatory processes within the engineering licensing processes, PEO chapter associations and PEO's internal policies and operations, as brought to light by an independent consultant's report in 2011.

As an example, PEO received roughly 80 complaints in a year alleging misconduct by chapter members and candidates, including acts of exclusion and infighting. Interviews recounted evidence of racism and sexism, with men forming cliques that excluded women and BIPOC individuals from ascending within the chapter's hierarchy. It was also reported that BIPOC individuals face daunting obstacles in breaking through these cliques, especially in metropolitan areas where the largest chapters and most pronounced clique issues were concentrated. Shockingly, instances of physical violence against a female engineer were documented, with no measures taken to expel the perpetrators from the chapter.

In terms of regulatory performance, the aforementioned review assessed three pre-agreed areas of regulatory functions over which PEO holds responsibility. The review revealed that PEO met merely one out of seven standards

for licensing and registration. For complaints, discipline, compliance and enforcement, PEO achieved six standards and partially met one, out of 11. As for professional standards and guidance, PEO met one standard and partially met two, out of four.

In conclusion, OSPE remains firmly committed to safeguarding the integrity and professionalism of the engineering field in Ontario. The proposed amendments under Bill 139 represent a step in the right direction, but we believe more work is needed to ensure effective regulation, eliminate discrimination and bolster good governance within PEO.

I ask you to please refer to the copies of the letter provided to you for further recommendations on how the act can be improved.

Thank you for your attention. We look forward to your continued support in this endeavour.

**The Chair (Ms. Goldie Ghamari):** Thank you very much for your time.

We will now turn to our third presenter, Nina Deeb. Please state your name for the record, and then you may begin. You will have seven minutes.

**Ms. Nina Deeb:** Good morning, Chair and committee members. My name is Nina Deeb. I am a real estate broker. I've been a full-time real estate broker since 1996. I would like to address some of the changes that I am seeing here in this bill.

Red tape is a burden. More and more red tape, rules, regulations and laws are being created, coupled with new regulators that are being created to administer the new laws. These regulators are outside government. These are non-government organizations. These private corporations are set up to avoid taxation, regardless of their revenue. There are approximately 60,000 not-for-profits in Ontario, some of which are extremely wealthy.

Over the last 25 years, the province has been installing private trade authorities over the businesses of the people of Ontario. This was through the Common Sense Revolution. These corporations are unaccountable, untaxable and untouchable. They have monopolistic traits, they sell mandatory products, and they often force insurance on their members. They operate using tribunals. These corporations break the law in the proceedings they host. They financially benefit by bending the rules in their own favour. They break the law on disclosure.

Independent legal counsel: I think this committee would know what that means; there's likely independent counsel available to you. Independent legal counsel is meant to be not seen. But independent legal counsel within these corporations break the law. The corporation hires them, but they take over the process. I've seen this multiple times. The panel of an abuse-of-process complaint has the privilege of hearing a complaint about themselves. Judging for themselves, they rule that they are within the law. They would like to save face, and they would like to save the powers

that have been given to them by the government, so they rule for themselves, naturally.

I would like to move on to the Commodity Futures Act, the Financial Services Regulatory Authority of Ontario Act, the Securities Act—everything that’s financial within this bill.

Reduction of consultation to 60 days: I think this is inappropriate. If anything, finance in this country needs stricter oversight. Whether you’re a tenant in this land or whether you are an owner, your enemy right now that is pushing the prices and the costs up on you is finance. Finance needs more oversight, not less.

Schedule 10, the Motor Vehicle Dealers Act, 2002—so this was during the Common Sense Revolution. We also had the creation of OMVIC. OMVIC is a private corporation that does not pay taxes. It’s one of the wealthy corporations I mentioned. Here I see the fines are increasing from \$2,500 to \$5,000. Increasing fines is not helpful at all. OMVIC is one of the new private corporations—it’s paid by all three participants of a car purchase. The dealer pays OMVIC, the salesperson pays OMVIC, and the buyer pays OMVIC. All delegated authority should be abolished. They’re running as a wealth transfer system, and they have been the subject of the Auditor General’s reports, but they’re not capturable because they’re not reportable.

1010

I would like to also address what I see in the board changes. The CEOs run these boards; the chairs don’t really matter that much. Quite often, when you see these boards changing—it’s actually the CEO who is running these boards, and whatever the CEO wants is what they push through. That’s what I’ve seen. I have tried to sit on these boards and these committees, and I’ve tried to make a difference from the inside. It is not effective. The CEOs run these enterprises.

In conclusion, in order to improve services, we need to reduce red tape. All the new corporations that have been created since 1995 and positions of authority should be abolished. This authority must not leave the government. Monopoly traits should never be outside government. Private corporations shouldn’t be permitted to operate monopolies in our country—I can’t think of one reason that should ever exist in our economy. Administration of unrequired laws should not be delegated to private authorities for profit. In order to reduce red tape, we need to reduce excessive laws and we need to abolish the corporate authorities for profit.

We were told the government was too big, and the same group of politicians who told us the government was too big started building government outside government—so this is a shadow government that has been built, beginning in 1976. One of the things that changed, the fracture within our system in Ontario is—in 1960, we had the Canadian Bill of Rights. In the Canadian Bill of Rights, the very first clause was property rights. And in 1982, we had the

Canadian Charter of Rights and Freedoms, and there are no property rights in that. That needs to be addressed in order for housing to be available for the people of Ontario. We did not have a housing crisis—

**The Chair (Ms. Goldie Ghamari):** One minute left.

**Ms. Nina Deeb:**—until we had two things that we had in this country that created the situation that we have throughout Canada. It’s actually global as well, but I’m more interested in Canada; I’m Canadian. What happened is, after the free-trade agreement, we lost control of many of our sectors because we were told that we had to be open for business, and it was either foreign corporations or imitators within that filled this gap, and the gap for the too-big government was private corporations that are unaccountable. This is actually much more expensive for the residents of Ontario. We need to remove the duplication and any unnecessary laws that we have on the books, including new laws that have been created since 1975. That needs to be addressed in order for housing to be affordable.

Thank you very much for your time. I do look forward to answering your questions.

**The Chair (Ms. Goldie Ghamari):** Thank you very much.

We’ll now turn to our questions. This round will begin with the government. MPP Babikian, you may begin.

**Mr. Aris Babikian:** Thank you to the witnesses for coming and sharing your thoughts and vision with us.

My question is to Ontario Tech University. While it is good for boards to have turnover, strong leadership and consistency are critical when institutions are undergoing major changes or periods of growth. How will the amendments in Bill 139 help boards like Ontario Tech’s maintain steady leadership during these sorts of periods, especially now, while you are working to implement the Auditor General’s recommendations?

**Mr. Matthew Mackenzie:** Thank you very much for the question. I do appreciate it, and I’m pleased to answer it.

As I outlined partially in my remarks, I think this allows for several things: (1) If there’s emergent issues, it would allow you to extend that board chair in order to continue that leadership, but also, (2) we have a fantastic board secretary, Lauren Turner, and I know she’s really excited about the opportunities this will give us to work on the mentorship for the incoming chair. Having more time with the chair allows for more stability and more planning for continuity of strong governance at the university.

It’s something that we’re really excited about because, as I’ve mentioned, this is another tool in the tool box to support best-in-class governance, which is something that we’re always working towards. I hope that answers your question. It does allow us more flexibility, it does allow us to have a more structured succession plan and it allows us to provide more support for the incoming chair and more time with the current chair. Thank you for your question.

**Mr. Aris Babikian:** Thank you.

**The Chair (Ms. Goldie Ghamari):** MPP Coe.

**Mr. Lorne Coe:** Chair, through you to Mr. Mackenzie: Thank you for appearing before the committee. I think we can both agree that reducing the burden of red tape on universities benefits not only the school administration but also the students at the university. I'd like you to talk a little bit more, though, about what your suggestions are to further reduce red tape for Ontario Tech, but also considering other universities in the region of Durham and community colleges, please.

**Mr. Matthew Mackenzie:** Thank you very much for the question, MPP Coe. One thing I could share that is kind of outside of the scope that's specific to schedule 20, but to your question is, when you invited Ontario Tech to the round table focused on red tape with Minister Gill, which we were very appreciative of, we did have an opportunity to provide some other suggestions. Some of the ones that come to my mind had to do with contribution agreements.

As you would be well aware of, universities have several contribution agreements with the province of Ontario as there are a lot of funding arrangements between the parties, and there can be many contribution agreements that have a lot of parts that are very similar, like the proof of insurance, for example. I think one of the suggestions that we provided at that time is perhaps there could be one contribution agreement between each university and the province, with multiple schedules. That would reduce a lot of duplication for the parts of those contribution agreements which would exist in each iteration of that and make it a little more streamlined to process for both the province of Ontario and also for the university.

I hope that answers your question, MPP Coe. Thank you.

**Mr. Lorne Coe:** It does. Now, what you've just alluded to—I'm hopeful that you share that also with the Minister of Colleges and Universities, the Honourable Jill Dunlop, for her consideration as well. If you haven't, put it in writing. I remember that at the round table, you did leave behind a submission for Minister Gill. I would also forward that along to Minister Dunlop, and at the same time, given the work that you're doing in skills development as well, share it with the new minister for labour and skills development, the Honourable David Piccini.

I'll end by saying congratulations on the 20th anniversary of the university. Where have those 20 years gone by? As you walk the campus, you can see all the significant initiatives that you've undertaken over those years and the impact it's making on the community overall.

Thank you, Chair. I'll defer to one of my colleagues here.

**The Chair (Ms. Goldie Ghamari):** MPP Oosterhoff.

**Mr. Sam Oosterhoff:** My thanks to all of you for coming before the committee this morning. I'm going to be asking OSPE to perhaps dive into a little bit more of both their support for the proposed amendments under the

bill, particularly the amendments to subsection 7, and perhaps to build a little bit on your perceived need for further reductions of what you perceive to be red tape in this space.

Your sector is very interesting—very heavily regulated, for a good reason. Your sector has a huge amount of impact on the buildings we walk in, the roads we drive on, the bridges we cross over, and I think a lot of people want to see meaningful and productive regulation in those areas. They don't want to see unnecessarily burdensome regulation, but they also want to see that their engineers are, frankly, heavily regulated. They don't want to have engineers who are able to call themselves engineers without having all of that due diligence. So it's a very interesting space. It's not a space that would be considered one that, generally speaking, has been the first area to go to cut red tape—you know, "What do you think about us cutting red tape for engineers?" I think generally people might want to see what the specifics are.

You've raised some points that you believe should be further addressed. I'm wondering if you could provide some more justification for that. Pretend I'm someone you just met and you would say, "Hey, I'm with OSPE. We want to cut red tape and make sure that we have less authority under this particular council and more authority with the registrar." Explain that to me and explain why you think that's necessary.

**1020**

**Ms. Paola Cetares:** Perfect. First, I want to clarify, the Ontario Society of Professional Engineers—I'm not a representative of PEO.

**The Chair (Ms. Goldie Ghamari):** One minute.

**Ms. Paola Cetares:** We completely support this bill in regard to transferring powers to the registrar rather than have them in PEO. The reason is we have serious concerns about the ability of PEO to be a good regulator for the profession. The reasons are—I only have one minute, but we have three reports that, actually, PEO ordered themselves that state why they are not a good regulator. That's why I gave each of you a letter in which I explain or summarize what those reports say about PEO's performance as a regulator, as a provider of licences for engineers, and how those processes are not fair and are actually discriminatory not only for the engineers that are applying for licences, but for the members of PEO itself. So we—

**The Chair (Ms. Goldie Ghamari):** Thank you. That's all the time we have for this round. You will have to wait until the next round, unfortunately.

We will now turn to the official opposition. MPP Kernaghan, you may begin.

**Mr. Terence Kernaghan:** Thank you to all our presenters who have arrived here today.

My first question is for Paola. With the form that you have provided to the committee today, it outlines some very serious concerns, whether it's governance or systemic discrimination, toxic culture, discipline, material risks, regulatory performance and general performance. Obviously, these are incredibly serious. I did want to ask, do

you believe that the Less Red Tape, More Common Sense Act captures enough legislative amendments to address the concerns that you have outlined?

**Ms. Paola Cetares:** As I mentioned, it is going towards the right direction, but it's not going far enough. We really believe that the Professional Engineers Act needs serious changes, and in that letter, I have a few recommendations. You have to have a regulatory focus because, actually, in the act, they give them advocacy functions when it's a regulatory body. They have a problem with the "consulting engineer" title. They have a problem with the licensing application processes. They don't have a limit for that.

So it goes in the right direction. We completely support this bill, but it doesn't go far enough. You can see the concerns that we have are very serious, and they are based on reports that Professional Engineers of Ontario ordered themselves. We need serious regulation for the engineering profession. This bill is a good starting point, but it doesn't go far enough.

**Mr. Terence Kernaghan:** I see. Thank you very much for that. In speaking with engineers from my riding—I just want to thank you for the tremendous work that engineers do. If you see it out in society, you know an engineer is behind it, and that's why we're safe and able to enjoy the built environment as much as we do.

**Ms. Paola Cetares:** I appreciate that.

**Mr. Terence Kernaghan:** I've also had a lot of thoughts from public sector engineers and folks who are very concerned about different moves by this government. I don't think it comes as any surprise to anyone that this government sat on a \$22-billion contingency fund, or slush fund, as pointed out by the Financial Accountability Office.

I just wanted to change a little bit and ask if you had any concerns about Bill 124 and the wage cap that this government imposed upon engineers as well as other public sector workers—

*Interjection.*

**The Chair (Ms. Goldie Ghamari):** MPP Coe.

**Mr. Lorne Coe:** Point of order, please. Chair, through you, I think you have already established very clearly that questions should focus on the legislation before us, not other aspects. Please, if you can reinforce that.

**The Chair (Ms. Goldie Ghamari):** I would like to remind the member to focus on the legislation at hand and focus the questions on that.

**Mr. Terence Kernaghan:** Understood. It's unfortunate that the government doesn't want to listen to the voices of Ontarians. I believe it was introduced within the package, but I see that this government isn't interested in listening to folks who are presenting. So I apologize for that, because they don't wish to listen to Ontarians.

I'll turn over my questions now to Nina. I want to thank you for bringing your years of knowledge and expertise in the real estate sector to this committee. You pointed out the strange comparison with this bill being entitled "more common sense." It hearkens back to the Common Sense Revolution.

I wanted to ask: You spoke about regulatory authorities and monopolies etc. I wonder if you have any thoughts about Tarion and HCRA.

**Ms. Nina Deeb:** The very first delegated authority in Ontario was what's currently called Tarion. That was the Ontario new home warranty. In 1975, the province of Ontario wanted to provide new home buyers with a builder's warranty. This sounds like a great idea, but it was at the buyer's expense. The builder's warranty, the ownership of the warranty, would indicate it's the builders, so you would think the bill would go to the builder, but this bill gets bumped over to the buyer and so does the HCRA fee. So now the buyers have more to pay.

This is one of the situations that I'm talking about, saying there are more regulators, there are more fees. This is at the expense of buyers. This extra regulation is paid for by consumers of housing.

**Mr. Terence Kernaghan:** It's interesting, because I do believe when this Conservative government was in opposition for 15 years, they promised a complete overhaul of Tarion. Yet when we see them turn over to government, we see them actually create yet another layer of bureaucracy and another layer with the Home Construction Regulatory Authority. It seems as though it's an expansion of red tape rather than a reduction, wouldn't you say?

**Ms. Nina Deeb:** It absolutely is. I actually questioned the HCRA on that, because it is an additional step as a public corporation that's supposed to be representing consumers.

They do not allow appropriate participation with their annual general meetings or from the public. For example, the Condominium Authority of Ontario wouldn't permit me to ask any questions of their executives at their meeting. I was only allowed to watch.

**Mr. Terence Kernaghan:** It's not an example of transparency, is it?

**Ms. Nina Deeb:** No.

**Mr. Terence Kernaghan:** That's unfortunate.

We also have seen recent scandals with the greenbelt carve-up with the government that's currently under RCMP investigation, MZOs—

**The Chair (Ms. Goldie Ghamari):** Excuse me, MPP Kernaghan. I would remind you to keep your line of questioning to the matter at hand. When you make this sort of commentary, all you do is just waste your own time. You are just wasting your own ability and opportunity to ask questions. So, once again, I would like to remind the member to focus on the bill at hand and to keep your commentary and stuff, perhaps, for question period. Because we're here to ask about the witnesses' presentations and not make unnecessary comments. Thank you.

**MPP Kristyn Wong-Tam:** Point of order, Chair.

**The Chair (Ms. Goldie Ghamari):** Yes?

**MPP Kristyn Wong-Tam:** I noticed that the government officials were opening up some of their questions with sidebar jabs at the previous opposition—

**The Chair (Ms. Goldie Ghamari):** So have you, and I haven't called out anyone. If you want me to call out sidebar

jobs, I'm more than willing to start with MPP Kernaghan, but I have not. I would recommend we focus on the task at hand because you only have 20 seconds left.

**Mr. Terence Kernaghan:** I apologize for that. We see rules that go one way and not the other. It's par for the course. I believe in our next round of questioning, we will give you more of an opportunity to respond. I apologize that we see this playing this way.

**The Chair (Ms. Goldie Ghamari):** We will now turn to the government. Who would like to begin? MPP Dixon.

**Ms. Jess Dixon:** Ms. Deeb, I understand you're from Cambridge.

**Ms. Nina Deeb:** Yes, I am.

**Ms. Jess Dixon:** Thank you. You're obviously very passionate about the subject matter. I know you've been involved in a lot of different committee presentations. Your background is in real estate, correct?

**Ms. Nina Deeb:** I have multiple disciplines. I do make a living as a real estate broker—for the last three decades.

**Ms. Jess Dixon:** Your concern, as I understand it—do you have an issue with not-for-profits specifically? If you can expand a little bit on that, because that's one of the things that I was curious about. You appear to be targeting not-for-profits.

1030

**Ms. Nina Deeb:** Thank you for the question. The concern I have is government authority outside government. Government has been delegating its power, and the oversight is not there.

Also, these delegated authorities are intended to be self-funded, but the Travel Industry Council of Ontario has received public funds for three years in order to satisfy their payroll. This is a private corporation. I don't think that the taxpayer's role is to subsidize these corporations or to pay for them altogether.

The travel industry council—I gave them three months' notice that I wanted to attend their public meeting and ask questions of the executives. They would only permit me as a spectator, even with three months' written notice. They wouldn't permit me to ask any questions of their executives or their directors. So I see that as a red flag.

I should be welcome. I'm a real estate broker. I'm an expert on housing. All these corporations should permit me, as a shareholder and a stakeholder, to go to their meetings and ask questions. When my clients ask me questions on condominiums and I'm not permitted to go and inquire for them—I don't think that's an effective way to delegate authority to corporations. These corporations need to be more accountable than that.

**Ms. Jess Dixon:** Thank you for expanding on that Ms. Deeb.

**The Chair (Ms. Goldie Ghamari):** MPP Hogarth.

**Ms. Christine Hogarth:** I want to thank all three of you for being here today to discuss this bill, Less Red Tape, More Common Sense Act.

Matthew, when you were speaking—and I think it was MPP Coe who brought up the school, Ontario Tech University, being 20 years. I remember I was a staffer in these halls when the throne speech was read out in 2001, when—

I think that was one of two schools. Jim Flaherty was our finance minister at the time—your local member. I remember when we had the concept of opening up this school. This was one of two; the other was the northern Ontario medical school, which was also under the Harris-Eves government. So we're very proud of those two accomplishments.

You're here today, and we don't have the other universities mentioned today here deputing, so this one might be on your shoulders—to speak on behalf of the universities out there about how this bill will help you, moving forward. Are there other things that are missing in this bill that maybe we could look at in the future to make less red tape and more common sense for our universities?

**Mr. Matthew Mackenzie:** Thank you very much for the question.

Obviously, I haven't been deputized by our colleagues in academia to speak on behalf of everyone, but I would expect that they see the same utility to this that Ontario Tech does, which is positive. It provides flexibility, and it supports good governance. So I would expect that other universities are equally pleased with what has been proposed today in the very schedules of Bill 139.

In terms of other aspects of red tape which could support the sector, we're always focused on what's in the best interests of our students; they're why we do everything that we do. I know that we have a really great dialogue with Minister Dunlop and the Ministry of Colleges and Universities, and I think any suggestions that we might have would probably come through that avenue first, just to be appropriate with our relationship with our minister.

I don't have anything else to provide in terms of what could be in this today, other than our appreciation for what we find in there and the benefits to the university of what's included.

I hope that answers your question reasonably.

**Ms. Christine Hogarth:** It does. Thank you very much. We will certainly keep those conversations going.

**The Chair (Ms. Goldie Ghamari):** MPP Kusendova-Bashta.

**Ms. Natalia Kusendova-Bashta:** I want to address a question to Ms. Cetares.

Thank you so much for coming and shedding some light on the profession. We're all about building Ontario. There are so many shovels in the ground right now, and our professional engineers are certainly a profession we call upon to help us build our infrastructure, our roads, our hospitals, our schools. So thank you for being here.

In terms of the electronic deliverance of notices, I know that the amendments in this bill aim to modernize the delivery of those notices. Are there any other things that we can do to support the streamlining and digitization of the regulatory process? We are in the 21st century, so if we can put more things online, we will reduce some of that red tape burden as well.

**Ms. Paola Cetares:** Honestly, we consider that a very positive stipulation, and we completely support it. In that regard, I don't have anything else to add. But we have a

few more recommendations that would remove some red tape.

So the first one is, the current act—and I don't refer to the red tape act, unfortunately; I'm referring to the Professional Engineers Act—it adds more red tape on this side. The current act lacks clear direction, leading to an extensive number of committees that generate administrative workload without benefiting their regulatory purpose.

The other one is that the “consulting engineer” designation framework does not provide additional public interest protection and hinders labour mobility involuntarily, and it creates unnecessary regulation causing difficulties for professionals and businesses operating across jurisdictions.

The other one is backstopping PEO accountability through ministerial action. This amendment empowers the minister to oversee and guide the council in implementing the act and making necessary changes when internal committees resist regulation improvements.

**The Chair (Ms. Goldie Ghamari):** One minute.

**Ms. Paola Cetares:** Time limits for licence application processing: The current licensing and registration processes have shortcomings, causing delays and inefficiencies. These changes will make the processes fairer, transparent and timely.

**The Chair (Ms. Goldie Ghamari):** MPP Babikian.

**Mr. Aris Babikian:** Thank you, Ms. Cetares. I wondered if you could elaborate a little bit on the relationship between OSPE and PEO. Is OSPE working with PEO to improve PEO's governance of professional engineers? If so, what progress has been made so far?

**Ms. Paola Cetares:** As I explained, we are the advocacy and membership group. We represent engineers in all of Ontario from the membership perspective, from the professional perspective. We advocate for them. That is the job that I am doing right now. PEO, Professional Engineers Ontario—

**The Chair (Ms. Goldie Ghamari):** Thank you. That is all the time we have for this round.

*Interjection.*

**The Chair (Ms. Goldie Ghamari):** Sorry. We're done for this round. Time is up.

We will now turn to the official opposition. MPP Kernaghan.

**Mr. Terence Kernaghan:** Ms. Deeb, I believe in your comments you had indicated that you applied to present to this government numerous times on the topic of housing, but had been shut out or ignored. Earlier—

**The Chair (Ms. Goldie Ghamari):** Mr. Kernaghan, it's not the government that determines the witness list; it's the Ontario Legislature. For you to imply that Ms. Deeb was ignored is actually an insult to legislative staff and the Clerk here, because it's not the government that determines the witness list. I would ask you to apologize to the legislative staff for accusing them of ignoring witnesses.

**Mr. Terence Kernaghan:** Thank you, Chair. I had indicated Ms. Deeb's words, and I was simply reiterating them to her. I wasn't making an accusation, nor any inference of any kind—

**The Chair (Ms. Goldie Ghamari):** But you understand that what you just did is you insulted legislative staff.

**Mr. Terence Kernaghan:** I would never do so.

**The Chair (Ms. Goldie Ghamari):** Well, that's what you basically implied by accusing them of ignoring her. I just want to let you know about that. Thank you. You may continue.

**Mr. Terence Kernaghan:** Thank you, Chair, for sharing your opinion.

When we take a look at current situations with red tape that are going on to this day, we see a government that has been mired in scandal with the greenbelt carve-up currently under RCMP investigation and MZOs. I wanted to know if you had any other thoughts about red tape, as you see it, that this government is not addressing—things that you had wanted to present on but had not been given the opportunity. I'd like to give you the floor now.

**Ms. Nina Deeb:** Thank you for the question. Through the Chair: I register for housing bills, and I have never been chosen by the Ontario Legislature to testify on any housing bills. The reason I come to committee on everything else is because I'm paying attention. I find it shocking that my province wouldn't want to hear from me. I actually don't get paid to come here. I'm the only person in this room who probably isn't paid to be here, so I find it very shocking and insulting when my government doesn't want to hear from me on housing.

When I say I'm a housing expert, I am a housing expert. I read all the bills. I read all the Auditor General's work. I read the Integrity Commissioner's work. I'm very aware of the greenbelt and the ministerial zoning orders. I delegate at every level of government, municipal, provincial and federal. I have submitted my reports to the National Housing Council. I've delegated probably 30 times in the last maybe five or six years.

I don't get paid for any of this work, so when my province doesn't want to hear from me on housing—I do show up at budget, and I do show up on finance, and I do show up on justice. My knowledge isn't just about housing. I can speak on most matters when it comes to my province and what would help my province do better. I don't know if that answers your question. Thank you.

**Ms. Natalia Kusendova-Bashta:** Point of order, Chair.

**The Chair (Ms. Goldie Ghamari):** There are no points of order for witnesses, MPP Kusendova-Bashta.

**Ms. Natalia Kusendova-Bashta:** Sorry about that.

**Mr. Terence Kernaghan:** Thank you very much. I did want to—you had spoken about section 10 and the motor vehicle act and OMVIC. I wanted to ask: In speaking with some housing experts recently, they had indicated the situation that had happened many years ago with Teranet. I wonder if you could speak to the privatization of Teranet.

**Ms. Nina Deeb:** So Tarion was the very first delegated authority—

**Mr. Terence Kernaghan:** Oh, I'm sorry, Ms. Deeb. I was speaking about Teranet.

**The Chair (Ms. Goldie Ghamari):** MPP Kernaghan, is Teranet within the legislation right now?

**Mr. Terence Kernaghan:** No, it isn't.

**The Chair (Ms. Goldie Ghamari):** Then perhaps you should limit your line of questioning to the legislation at hand.

I have been lenient, but at this point, I'm going to be a little bit more strict. Let's focus on the legislation at hand. That's the reason we are here. That is what the public expects from us: to ask questions and to hear testimony on Bill 139. Thank you.

**Mr. Terence Kernaghan:** Thank you, Chair. Given the witness was speaking about delegated authorities, I simply wanted to—

**The Chair (Ms. Goldie Ghamari):** The witness can speak to whatever she wants to speak to, but we, as committee members, have a role and responsibility to focus on the legislation at hand. So let's focus on the legislation at hand. Thank you.

**Mr. Terence Kernaghan:** Thank you once again, Chair.

To Ms. Deeb: You had indicated different changes to the reduction of consultation periods. I wonder if you could elaborate on that, about why it is important that we have adequate consultation within this province and why the government needs to do a better job in listening and actually considering the opinions of people across the province, rather than having sort of myopic tunnel vision.

**Ms. Nina Deeb:** Thank you for the question. The reason consultation is important is because government are not the experts. You come from many different levels and walks of life, but when you're legislating and bringing forth legislation on everything, you need to hear from the actual experts. They will come forth and they will make recommendations.

When that doesn't happen, like with ministerial zoning orders—I did delegate within the municipality of Waterloo, and I pointed out that Indigenous consultations had not occurred. I put that in writing. I wrote a report and it still went ahead anyway. That is federal legislation. So a ministerial zoning order bypassed even the federal legislation—that's Indigenous land rights. That is federal. And so a government that is created by the provinces, really, municipalities—that was, I think, 1973—was able to bypass Indigenous consultations, and that should not occur. I did show up, even though consultations were after the fact. I did show up. I did point that out, but it was still ignored.

So consultations are important, but consultations should not be—

**The Chair (Ms. Goldie Ghamari):** One minute left.

**Ms. Nina Deeb:** You should listen to what the experts say in order to steer us away from danger. That's what the people of Ontario would like: the best outcomes and the best scenarios for us, for the whole. Steer us away from danger. That's what we would like to have done with consultations.

**Mr. Terence Kernaghan:** Absolutely. That's why we have important legal principles like free, prior and informed consent, to make sure that the government is engaging with Indigenous partners and Indigenous folks, making sure they're not exposing themselves to legal risk.

I just want to thank you very much—to all the presenters who have come here today.

**The Chair (Ms. Goldie Ghamari):** Thank you. This concludes this round of questioning.

We will now take a quick recess and return with our next set of presenters. Thank you very much.

*The committee recessed from 1044 to 1047.*

**The Chair (Ms. Goldie Ghamari):** Thank you, everyone. We will now resume this meeting of the Standing Committee on Justice Policy and our hearings on Bill 139, An Act to amend various Acts.

## SCARBORO GOLF AND COUNTRY CLUB

### CANADIAN CREDIT UNION ASSOCIATION

**The Chair (Ms. Goldie Ghamari):** I'll now call upon our next set of presenters. First, we have Scarboro Golf and Country Club. Please state your name for the record, and then you may begin. You have seven minutes.

**Mr. Joseph Latham:** My name is Joseph Latham. Thank you to the Chair, Vice-Chair and members of the Standing Committee on Justice Policy for the invitation to speak on Bill 139, the Less Red Tape, More Common Sense Act. I'm a member of Scarboro Golf and Country Club, and I'm here to speak on behalf of the many social and recreational clubs across the province who operate as share capital clubs.

Share capital clubs represent thousands of members and employees across Ontario. We are, first and foremost, a diverse group of community hubs. Our members put significant work into these organizations, building and supporting the organizations and working hard to support our broader communities. Members enjoy facilities year-round with their families and friends, including for watersports, golf, tennis, badminton, fitness centres, events, dining and more, depending on the nature of the club.

With the proclamation of the Not-for-Profit Corporations Act in 2021, the transition provisions in the Corporations Act, which apply only to these share capital clubs, were triggered. The triggering of these transition provisions means that all share capital clubs must determine whether they wish to continue as a corporation under the Not-for-Profit Corporations Act or the Business Corporations Act, or as a co-operative; and they must do so before the five-year transition period ends in October of 2026, or they're deemed to be dissolved.

The transition provisions also presently require meetings and positive two-thirds votes by each class of shareholders of any share capital club. If a club is unable to obtain the necessary approval on these votes, it would be forced to dissolve and close.

This is much more complex than it sounds at face value. In many share capital clubs, there is more than one class of shares. Typically, active members hold voting shares and non-members hold non-voting shares. In most instances, these non-voting shares were issued in exchange for voting shares when the holder ceased to be an active member of the club, meaning most of these non-voting shareholders are former—and sometimes decades ago—members of the club. In most of the long-established clubs—

and there are a number of us—there are many non-voting shareholders who acquired their shares from a relative's estate or purchased them from someone else and who have never even visited the club. Regardless, the vast majority of these non-voting shareholders have no connection to the club. These non-voting shareholders generally carry no rights other than to share in the net proceeds of the sale of the club's assets should it be sold, liquidated or dissolved, and in almost all cases, non-voting shareholders do not even have rights to vote on whether to sell, liquidate or dissolve the club.

In almost all share capital clubs, all decisions to be made by shareholders concerning the business of the club or its corporate existence are made by the voting shareholders, not by the non-voting shareholders. Accordingly, these non-voting shareholders are not involved in and have no interest in the continuing operation of the club, and they do not pay fees or dues or have any privileges with the club. However, their personal and economic interests are advanced if the club is dissolved. As such, they are incentivized to vote against a continuance. This is very problematic for share capital clubs.

First, absent these transition provisions, non-voting shareholders would have no right to vote on such resolutions. As well, most non-voting shareholders are very difficult, if not impossible, to locate to get the necessary votes. For example, many such shareholders have moved, or died, and no longer have any connection to the club. There is no way for clubs to easily find them, which impacts their ability to even attempt to obtain a positive two-thirds vote of each class before the transition deadline.

To be clear, the share capital clubs would be happy to remain under the Corporations Act and to continue with business as usual; the only reason the share capital clubs are faced with this issue is because the government wishes us to move to another corporate regime. That in itself is fine. However, we do not believe the government intended to create a process which could result in a number of clubs being forced to close. As such, we believe the potential impact of the existing transition provisions is an unintended consequence.

We are pleased to see the proposed amendments in Bill 139 that will make it easier for share capital social clubs to pass a resolution to continue from the Corporations Act under one of the three specified acts. If passed, the proposed amendments will reduce the risk of dissolution of these important community hubs, allowing the continued smooth operation of our organizations and allowing us to serve our members and communities for years to come.

In addition, it also reduces a significant cost to these clubs, eliminating the need for them to retain specialized professionals such as legal support, shareholder outreach and other administrators. To show how stark the issue of potential costs is, with the proposed amendment, it is estimated that each club, on average, will save as much as \$200,000 to \$250,000 in legal fees, shareholder search and outreach costs and other club resources, all of which would have otherwise had to be incurred and all with no

certainty of obtaining successful votes to be able to continue under one of the three acts.

As all members of provincial Parliament know, sometimes even the best-intentioned new legislation or rules can create significant unintentional burdens on organizations. On behalf of share capital clubs across the province, I wanted to personally thank the government and staff for proactively recognizing the unintentional burden these transitional provisions would have caused in addressing them to the benefit of thousands of Ontarians across the province. We ask the Standing Committee on Justice Policy to adopt Bill 139 and refer it to the Legislature for third reading.

Thank you again for the invitation to speak. I'd be happy to answer any questions.

**The Chair (Ms. Goldie Ghamari):** Thank you very much.

We will now turn to our next presenter, the Canadian Credit Union Association. Please state your name for the record, and then you may begin. You will have seven minutes.

**Mr. Brent Furtney:** Good morning. My name is Brent Furtney. I am the director of Ontario government relations for the Canadian Credit Union Association. CCUA is the national trade association for Canadian credit unions and caisses populaires outside of Quebec. I am proud to be here today representing Ontario credit unions.

Over 1.7 million Ontarians bank with a credit union. Our provincial credit unions hold close to \$100 billion in total assets, and we are proud to add over \$2 billion annually to Ontario's GDP. What makes credit unions unique is their democratic structure, where our members truly own where they bank. A one-member, one-vote governance model supports a strong democratic approach to ownership.

We have over 520 directors across Ontario supporting their members as elected representatives on credit union boards. Credit union profit and investments stay right here in Ontario to support the communities that we serve to the tune of \$15 million annually. This does not include the 107 million profit shares that are transferred back to members annually. Today, we remain focused on helping and serving members through these challenging economic times.

In 2017, we embarked on a journey to have our Credit Unions and Caisses Populaires Act modernized. All parties supported that goal, and I want to thank each and every one of you and your parties for your support along the way. We were able to achieve proclamation in early 2022, thanks to the current government. As you can imagine, with any act change of that magnitude, operational items can sometimes be missed.

That is why we are here today, supporting the recommendations for credit unions contained in schedule 6 of Bill 139. We were pleased to see these three changes contained in the bill that will make operations more efficient for the sector while continuing to support our members.

The first change is a regulatory update that will simplify the investor experience for our members when purchasing investment shares. Today, members must receive the last

financial statements placed before members at an annual general meeting; in some cases, this can be anywhere from six to 12 months post-meeting. Once 90 days have passed of these meetings, credit unions are required to produce a full interim financial statement to create greater transparency for investors. Today, both statements form part of the investor package, which can be hundreds of pages long. This creates more burden for staff, causes confusion for members in reviewing the packages, and increases costs for individual credit unions. This requirement does not even mention that we are already required to provide a full, three-year comparative financial snapshot as part of that offering statement package. As well, credit unions post our financial statements publicly for previous years, for members to see at any time, as an act requirement. Forcing our members to review two sets of financials, with one being less relevant based on timing, only creates confusion and adds hundreds of unnecessary pages to investor packages, as well as complicates investor discussions with their representatives.

With the change, credit unions will not need to include the last financial statements presented to members, reducing each package significantly. Investor transparency will be maintained as either the recent statement or the interim statement will be used.

The second change under consideration is the proposed change to section 174 of the act. We support this amendment as it will reduce the burden on credit unions involved in mergers by allowing all shares to be swapped within one agreement, rather than having to delay membership and patronage shares separately. Today, when credit unions merge, shares can be used to support the purchase agreement, except for patronage and membership shares. This creates an issue and time delays. The larger credit union must separate these shares within the asset purchase or sale agreement. This creates the need for these shares to be issued in trust, held on to by the larger credit union; the sought approval from FSRA, our regulator, for the financial transaction; then they're swapped at a later time as the deal actually closes. This creates unnecessary cost and delays of up to six months for the sector and for those two credit unions merging. This slows down mergers within the sector and is a harm to competition, speed and growth.

This change in no way takes away transparency or membership requirements related to voting on a merger and will, in fact, speed up the progression of these types of deals, which are important for the sector long term. The current approach is not standard within our financial services environment and creates an unnecessary burden. Our regulator, FSRA, also views these changes as proactive.

Lastly, the third change before the committee would eliminate the requirement for deposit holders in trust to hold membership shares for named beneficiaries, as well as remove the requirement that they must be related to them. This is a change within our act that would create greater clarity and less ambiguity around who needs to hold membership shares when opening deposit trusts. It also creates more opportunity to engage non-related individuals, which is an antiquated requirement and not industry

best practice. One of the changes within our act was the ability to better support non-members and transactions around certain products, such as brokerage deposits and brokerage channels. The current language in section 35.1(1) does not support this goal within the act and therefore creates a burden on two fronts: (1) by having to set up multiple membership shares and accounts for beneficiaries, and (2) by not allowing a member to support a non-relative with financial products and services. If the change is accepted, only the trustee will be required to be a member. This is an update that will ensure less ambiguity for credit unions and further open deposit broker opportunities.

These three changes support the continued modernization of our act and will reduce the burden in a variety of ways for credit unions, their members and staff teams.

**The Chair (Ms. Goldie Ghamari):** One minute left.

**Mr. Brent Furtney:** We thank the committee for your consideration of these changes to the Credit Unions and Caisses Populaires Act as well as the regulations within them.

I yield back to the Chair.

**The Chair (Ms. Goldie Ghamari):** Thank you very much. Is my mike on?

*Interjections.*

**The Chair (Ms. Goldie Ghamari):** Oh, it's on.

Okay, great. We will now turn to the official opposition for the first round of questions. Who would like to begin? MPP Kernaghan.

*Failure of sound system.*

**The Chair (Ms. Goldie Ghamari):** Yes, pause it. We will just pause it.

Is this going to affect Hansard if the mike is not on? Yes? Okay.

*Interjection.*

**The Chair (Ms. Goldie Ghamari):** No, we will wait for the mikes. I'm going to recess.

*The committee recessed from 1102 to 1105.*

**The Chair (Ms. Goldie Ghamari):** Thank you. We're now going to resume with the official opposition.

**Mr. Terence Kernaghan:** Thank you very much, Chair, and thank you to our presenters.

Joseph, my question: You had mentioned the unintentional burden of some changes, and you had spoken about the difficulty of locating non-voting shareholders and how this change is going to be for a more traditional quorum. I did want to ask, if you could explain for the committee, why would shareholders be divided into separate classes in the first place?

**Mr. Joseph Latham:** That is a great question. I have a suspicion based upon discussions, but I can say that with our club, Scarboro, we were incorporated in 1912, and in 1956, by supplementary letters patent, our class A shares were created. A number of clubs did it at the same time. I think the principal reason for it was they would give members who rolled off and ceased to be members these class A shares, and that would obviously be a larger number of people than the current members. It was a disincentive to having the club closed, because the then-current members, at any point in time—which in our club is 400—couldn't make a decision to sell the club and get all the proceeds.

You find a developer, you sell it for lots of money, and you take off with the cash. It was a disincentive because, the way they were structured, these class A shares share in the proceeds the same as active members.

In our instance, we have thousands of class A shares. We actually don't know the exact number; we stopped issuing them in 1992, and so our records are old. You will appreciate that a golf club may not have kept the kinds of records than an accounting firm or a law firm might have kept. But in our circumstance, there are thousands of class A shares and 400 class B shares, who are the voting members. So if we did decide to sell, there would be a disincentive, because our class B shareholders wouldn't get the value of that. This has become more of an issue because the York Downs club a couple of years ago, in 2016, I believe, did sign a deal to sell itself—or in 2014—to a developer. They had previously done the same and moved their club from where they originally were to Markham and then sold the property in Markham to a developer. That resulted in a number of people receiving a fair bit of money, but, anecdotally, in that instance, they continued operating the club until 2020 and have been, for the last three years, trying to find their class A shareholders to give them money. The records are old. We don't know where they are. They have hired search firms.

So I think the reason that they were created was to disincite people from shutting down these clubs, to continue them operating. I can't say that was the only purpose, but that's what appears to be what drove this and why there are so many clubs that have this kind of structure.

**Mr. Terence Kernaghan:** Thank you very much for that clarification. It is always interesting when we're inheriting legislation from a bygone time and trying to put the missing jigsaw pieces in together, so thank you very much for that, Joseph. I appreciate it.

Brent, my next questions will be for you. Myself—I'm sure you know I'm a proud owner at a credit union. I love the individualized approach and the level of knowledge and expertise that folks within the credit union movement provide. You had spoken about how 1.7 million folks bank with credit unions and how much it adds to our GDP, in the billions, and also the democratic structure of credit unions themselves. I did want to ask: You had spoken about how the changes within Bill 139 will allow credit unions to accept deposits from a member in trust for a normal beneficiary. It removes certain requirements. Would you be able to explain for the committee a scenario where that would apply?

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**Mr. Brent Furtney:** Sure. If there's a broker who has, let's say, hypothetically, 100 clients that want to invest deposits into a credit union, currently, with the legislation, the requirement would be that those 100 individuals become members of the credit union, even though they're just holding their funds through that trustee.

What this change would mean is that those 100 hypothetical individuals would not have to become members, and only the trustee who is brokering the deposits on their behalf would need to be a member. This would open up

significant opportunities, especially on the deposit side, for credit unions, which in this current climate is an important channel for us.

**Mr. Terence Kernaghan:** Absolutely. That makes great sense.

I did want to also ask: Within schedule 8 of Bill 139, it's making changes to the Financial Services Regulatory Authority of Ontario, or FSRA. It's reducing the minimum period during which FSRA is required for feedback from 90 days to 60 days. Do you have any commentary on that or any thoughts about the impact of that change?

**Mr. Brent Furtney:** My understanding is that they're looking to align themselves with what other regulators do within Ontario and what other groups similar to FSRA do. That's my understanding.

Certainly, it will speed up processes related to consultation. We will just have to make sure, on my end, and credit unions as well, that we're a little bit more proactive with our feedback. So, yes, no negative commentary towards that change. I actually think it will speed up consultations.

**Mr. Terence Kernaghan:** My next question—

**The Chair (Ms. Goldie Ghamari):** One minute left.

**Mr. Terence Kernaghan:** One minute? Oh, my goodness. This is going to be a hard one.

I recently met with the Canadian Bankers Association, and they expressed some concerns about bitcoin. I wonder if you, from a credit union perspective, had any thoughts that you could provide to the government about that unregulated industry.

**Mr. Brent Furtney:** I don't have much prepared for that today in regard to bitcoin. Certainly, we always take a relationship-based approach to investing with our members. That's not something that credit unions invest in at this current time, and that's not something that our regulator is looking at at the current junction or current moment. Our investment representatives always want to make sure that our members are in safe, appropriate and prudent investments.

And so, yes, those conversations are based on individual conversations at the credit union level, so I can't really comment a whole lot on that.

**Mr. Terence Kernaghan:** Understood. Thank you for the safety that you do provide for investors, because I know it's not obviously in other sectors when we consider those different types of investment vehicles. Thank you very much for your time.

**The Chair (Ms. Goldie Ghamari):** Now we will turn to the government side. MPP Oosterhoff, you may begin.

**Mr. Sam Oosterhoff:** My thanks to all the presenters this morning. I appreciated hearing about how this legislation is going to be impacting you and the organizations that you help lead. I think both of you serve in very important roles.

Specifically, the role of social clubs in our society, I think, is increasingly important. We see, post-COVID, social isolation and loneliness, the importance of having a shared sense of community and connectivity—frankly, I don't really care whether it's pickleball or whatever you're doing. I think having those clubs and seeing how important they

are for not just seniors, but those who are looking to get involved on communities, people who move—we're in more and more of a transitory economy. People are coming and going, and we want to see that social clubs act as a locus for building that community and that sense of belonging. Regardless of what it is, I think it's important, and I'm glad to hear that the changes that we're making in this legislation are going to make it a little easier to be able to proceed with that form of structure and incorporation. So that's the one piece.

I want to ask Brent a couple of questions. I have the great privilege of being a member of Meridian. It's a Niagara success story, as I'm sure the member for St. Catharines will agree. It's really part of the co-operatives that defined the Niagara region, especially in the earlier part of the 20th century; actually, the tender fruit co-operative, I believe, is the oldest co-operative in Canada. I think it's just over 100 years old. So Meridian, as a co-operative through the credit union movement, is really, I believe, a success story, and has shown great corporate leadership as well in the Niagara region.

I believe it's a reflection of the social sensibilities that exist in Niagara—altruism and people wanting to take care of their neighbours. I think that that's something that defines, from my sense, the credit union movement. Obviously, it's focused on a safe, reliable, efficient and effective financial system in support for the members, but also on having that social conscience, which is really important.

I'm wondering if you could speak a little bit about what the changes in this legislation will mean in practical terms for your members. Some of this stuff can become a bit obtuse and in the weeds, and at the end of the day, someone might say, "So why are you coming here and speaking about this, and why is the government even doing this? I don't know how it impacts me." Maybe you could walk through a little bit of that. If I'm Sam from Meridian—not from Meridian, but I bank with Meridian—and I don't know anything about anything that's going on, walk me through what this means.

**Mr. Brent Furtney:** Yes, sure, I'll try my best. I appreciate the question.

In terms of the first change around the offering statements, the goal is to make it easier for individuals when they walk in to have a conversation around investment shares. Investment shares are one of the primary ways that we raise capital through credit unions. It's critical to our success and to our capital position. So we're trying to eliminate a lot of unnecessary financial statements that are included in that package. There are already three snapshots that are included from the past three years. All of our statements are public on our websites, and we include an interim financial statement, as well, that is included in that package.

Really, what we're trying to do in that regard is reduce the number of pages that individuals have to review with their investment reps as part of that conversation and simplify it for them. That's what the consumer experience

is all about; that's what credit unions are seeking to do with that change.

As for the other change, we're looking to open up broker channels, especially around deposits. As part of the act, as I had mentioned, we were looking for more opportunities around non-members to get more people potentially into the credit union in the future. We see broker channels as one opportunity to do so. It's a way to introduce individuals to the credit union without having to force them to become a member, and there would still be a commitment membership if they're a trustee themselves at that brokerage channel.

As for the last one around the exchange of the patronage and membership shares when there's a specific merger happening, we're trying to speed up the opportunity for mergers. Consolidation is something that is likely to happen in the credit union sector over the next five to 25 years. You have seen it across other provinces; it will happen in Ontario as well. Ensuring that there isn't burden when those deals are going through for members, to make sure that they're getting the most benefit from that merger, is certainly important to us, and how we speed it up is going to be critical.

Right now, there's about a six-month delay at least, at minimum, when it comes to that regulatory approval to finalize that deal for patronage and membership shares. At the end, they have to be held in trust, and there's a separate shell board that has to be created to help support that too. It's a lot of unnecessary burden when all that needs to happen is one swap agreement for the shares right up front. So, really, we're trying to reduce as much burden when it comes to making those deals happen so that credit unions can get the best products and services as fast as possible.

A lot of this stuff is granular, like you said, and it's hard and difficult to kind of comprehend for the average member out there, but hopefully I've answered your question as best as possible.

**Mr. Sam Oosterhoff:** Yes. Perhaps this is a little bit of a tangent, so the Chair might cut me off; she's been doing that, and I wanted to just apologize. If it is, just let me know and I promise I'll go back onto this specifically.

You raised something interesting about mergers. I'm a Conservative; I like to see competition. I think it's healthy when people have to offer a lot of innovation in their sector, especially in the financial services sector, which I believe Canada has kind of lagged behind some other jurisdictions in providing innovation and providing opportunities for consumers. You're saying there is consolidation coming about, and I know that one of the changes in this is around the overall membership requirements under merger activity.

(1) Why are those mergers happening, to the extent that you're seeing that accelerate? I would just love to know your sense on that, given your expertise in this area. And then, (2) are there concerns that changes in the legislation will lower overall membership requirements related to voting on a merger, or is that not an issue?

**Mr. Brent Furtney:** Yes, I'll start with the second question first. The answer, simply, is no. There still will be great

transparency when it comes to voting on a merger. Members will have a say in whether a merger happens or not. They will have that same opportunity. This doesn't change anything related to the democratic approach that members will have in terms of voicing whether they approve or disapprove of a merger. That will still continue, regardless of what's in Bill 139, which is good. That's what we support; we don't want that changed.

In terms of your first question, probably there are a number of factors that are impacting consolidation.

**The Chair (Ms. Goldie Ghamari):** Forty seconds.

**Mr. Brent Furtney:** First of all, digitization and the requirements around technology and cyber security. Those costs are increasing every single day for credit unions. That isn't going to change any time soon, so to create more efficiencies in terms of size, certainly that helps when it comes to digitization of products and services.

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Number two: regulatory burden. That's something that isn't going away any time soon. Our regulator is maturing. We're having more rules and guidance in relation to the support that we provide to our members. That isn't changing and that cost is also going up, and the work involved in that is also going up.

I'll say, as well, just efficiencies around sales and service, so making sure that you have—

**The Chair (Ms. Goldie Ghamari):** That's all the time we have for this round.

We will now turn to the official opposition. Who would like to begin? MPP Wong-Tam.

**MPP Kristyn Wong-Tam:** My question is actually for Mr. Latham. Sir, you were commenting on the benefits of the social capital clubs. I'm curious to know: How many of them are there in Ontario? Where would I find a centralized list of these clubs? And what are the primary sources of social content? Is it primarily golf? Is it pickleball, as my colleague was suggesting? Do you have that information?

**Mr. Joseph Latham:** I'm happy to share whatever information I do have. Thank you for the question.

We understand there are about 140 social clubs with share capital in the province. We were unsure of the number going in. There is a group called the Club Management Association of Canada, the CMAC. We were working with the Ontario branch of that in trying to reach out to clubs about this initially, but when engaging with the ministry about the issue and the concerns, they provided us with a list. I think the number was 143. I don't know if that is exactly correct, because I think one or two of those clubs had organized themselves so that they got rid of their share capital. Every situation is different in each club, as you might appreciate.

In terms of the breakdown, I would say the majority—and I don't know how big the majority is—are golf clubs, but there are clubs that range from the Boulevard Club, which provides no golf, but different water sports, fitness and social events; the Rideau Club in Ottawa is another example, which doesn't provide any athletic—maybe fitness facilities. There are ski clubs. There are yacht clubs.

There are clubs of all kinds in this mix. I didn't really study what they were. I do know that most of them are, historically, golf clubs.

We saw this issue when I really dug into the transition provisions. Through the CMAC, we reached out to a number of other clubs. In May 2022, Scarboro golf club hosted a learning session, as it were, a discussion session. We had over 40 clubs in attendance. Almost all of them were supportive of the concept of seeking assistance from the government to clarify these issues. This is an issue which affects a great many of them. The people in attendance at that meeting and people I've spoken with since represent clubs from—they range from Windsor all the way up through to Ottawa and various places in between. So this is something that affects the entire province.

**MPP Kristyn Wong-Tam:** Are all social capital clubs not-for-profit private companies?

**Mr. Joseph Latham:** I'm not sure whether it's appropriate to call them private companies, because we have a lot of shareholders, but they're largely not-for-profit. Some of the clubs may decide to continue under the Business Corporations Act and try to remain as a not-for-profit under the Business Corporations Act. I would assume most will try to go into the Ontario Not-for-Profit Corporations Act. I think the vast majority are not-for-profits; I can't speak for all of them.

**MPP Kristyn Wong-Tam:** In your deputation, you referenced that you believe that there is a savings of up to \$200,000 by passing schedule 5. I'm curious to know, where did that number come from? Are you analyzing it as a one-time savings or is it every year that you anticipate you will be saving each club about \$200,000?

**Mr. Joseph Latham:** No, that would be a one-time savings in the sense that there are significant costs in trying to reach out to these shareholders who have never had the right to vote on anything. They got these shares knowing that they had no right to vote on anything. They have no reasonable expectation that they're entitled to vote on anything to do with the club's business. And as I said earlier, in our situation, we have thousands of them, and we don't have up-to-date address information.

One of the funny little stories I like to say is, looking at the roster, Timothy J. Eaton is listed as a shareholder. I have no idea where to contact that person.

The vast majority of clubs would have a difficult time locating their members, so you have to do a bunch of things to help in that regard. Leveraging off the York Downs situation—in that instance, they've hired a shareholder search firm at some significant expense to try to find shareholders. There are also costs: You have to publish notices in the newspaper, and publishing notices in the Globe and Mail and the Toronto Star is not cheap.

So the group was trying to understand what costs would be saved, and we estimated that the savings on notices to those shareholders, whether it be mailings or publications, would be in the range of \$40,000 to \$50,000.

You also would have to have an information memorandum prepared for all of those shareholders and circulate that and hold the meetings. We expected legal fees would

be in the range of \$60,000 to \$65,000. Staff resources: You would draw a lot of your staff administrative resources from each club, and that was estimated to be in the \$60,000 range. And for each meeting of shareholders—there's a cost just to hold the meeting—it would be in the range of \$6,000 or so each.

And then, at the end of the day, there is a provision in the transition provisions that if you try to hold a meeting and can't get a quorum, you can go to court to ask the court to avoid the need for a meeting. That court application, assuming you go there, is between \$30,000 and \$50,000, depending on the situation. So those are the costs that—

**The Chair (Ms. Goldie Ghamari):** One minute.

**MPP Kristyn Wong-Tam:** Just because I'm running out of time—will the cost savings be put back into the membership?

**Mr. Joseph Latham:** Yes. Certainly, in our club situation, we aren't budgeting for that expense. We were hoping not to have to incur those expenses, and we have to report to our voting shareholders about what we do with our funds. And frankly, we wouldn't want to have to go to them to ask them to fund this stuff, particularly when there's no certainty that even if we did all of this, we could get where we want to go.

**MPP Kristyn Wong-Tam:** Thank you very much.

**The Chair (Ms. Goldie Ghamari):** We will now turn to the government for the final round. MPP Coe, you may begin.

**Mr. Lorne Coe:** Through you, Chair, I just wanted to thank both presenters for your delegation.

I wanted just to go to Mr. Latham to begin. I really appreciated your explanation to earlier questions about the challenge in locating shareholders, particularly in cases where you have a club like the Scarboro club that has a long history going back—I think you mentioned 1912. And you just mentioned Timothy J. Eaton, who is a shareholder, I believe, right?

**Mr. Joseph Latham:** He's listed. I don't know if he still is.

*Laughter.*

**Mr. Lorne Coe:** Well, I don't think any of us knows where he might be—perhaps the executor of his estate, right?

Notwithstanding, I'd like you to speak about how the changes are going to—beyond the time that you had allocated, because you've been involved with the club for a long time and in different ways. I'd like you to talk a little bit more about how the legislative changes are going to reduce the burden on social clubs, which may not be able to reach a potentially large group of non-voting shareholders. I think, for the record, we need to talk a little bit more beyond reducing time—which is precious, because, by and large, the people at the clubs are volunteers, aren't they? And you've got some staff, but they're not experts, as you are, given your legal background in addressing these types of issues.

So talk a little bit more about the nuances, subtext, about the effect of this legislation as it relates to the Scarboro golf club, but in your experience—and you mentioned Lambton, right? Draw some parallels to some

of the other clubs about the effect of these changes. And then, through you, Chair, I'm going to come back to the representative from the credit union after that.

Please, Mr. Latham.

**Mr. Joseph Latham:** Yes, thank you very much. There are a couple of clubs, actually, that predate Scarboro, going back to the 1890s and before. To put it in a nutshell—and this was part of the answer I gave to the first question I received—these shares, we think, were largely put in place as a disincentive to clubs being shut down for the benefit of the then-current members.

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In a nutshell, the transition provisions that are in the Corporations Act right now give a vote to a class of shares who never had the right the vote, never expected to have the right to vote, never bargained for the right to vote, and were there as a disincentive to sell, and in the circumstances of the transition provisions, purports to give them a vote where they're disincented to actually vote in favour, because they want to dissolve the corporation. So, in a bizarre twist, this legislation actually turns on its ear the rationale for creating these class A shares by giving them an incentive to vote no so that that piece of paper they got from their grandfather or great-grandfather or great-grandmother could be more than just a token and now be turned into some cash. It kind of turns on its ear the purpose of these shares.

There are a lot of clubs who are not as advanced in their analysis of this issue as Scarboro and Rosedale and Lambton and Weston and the other clubs that are sort of in our advisory group. They all need time to be able to address the issue of which statute they want to go under, then to prepare the materials they need to go to their voting shareholders. That takes some time, so we're appreciative of the government moving on this as quickly as they can, because as of last month, we're down now to three years, which is not a long time in our industry.

I think, best put, the amendment rectifies an issue which I don't think the government of the day understood when they put the transition provisions in place, that they were creating or giving a right to vote to a group that never had that right and who didn't have an interest in the club continuing. I'm not sure if that has answered your question.

**Mr. Lorne Coe:** It does answer my question. Thank you for your assistance in engaging with the government in helping to streamline the processes and for your continued involvement in moving forward in a way that people are better informed due to your efforts.

**Mr. Joseph Latham:** One other thing, if I might just add something quickly to that, is that if these clubs do dissolve, and there could be lots of them dissolved in three years if this doesn't happen—in a dissolution, the club loses its corporate authority to act. When it loses its corporate authority to act, the issue of who then deals with those assets and all of those employees who no longer have jobs is on the government, because in a dissolution—absent a bankruptcy—it's the government's issue, and so the government, whoever the government of the day is in 2026, would be faced with the prospect of dealing with

many, many clubs having to shut down; dealing with all their assets, all their employees, all the liabilities and everything. That's a headache no one wants.

**Mr. Lorne Coe:** Thank you for that response.

Chair, how much time do I have, please?

**The Chair (Ms. Goldie Ghamari):** You have one minute and 50 seconds.

**Mr. Lorne Coe:** I'll be very quick. To Mr. Furtney, please: Your delegation was excellent as well. Thank you for the time you took to construct it. Very quickly, you talked in your presentation about efficiencies that this legislation is going to bring to your particular sector. Can you, for the benefit of the committee, provide some examples of where you see the effect of this legislation and how it's going to strengthen the efficiencies within your sector, please?

**Mr. Brent Furtney:** Sure. So on the first change, probably the greatest efficiency that will be found will be on the reduction of legal costs and legal time. There won't need to be two separate deals created as part of that transfer of membership and patronage shares. That right there will save tens of thousands of dollars as well as legal time and staff resources. As well, we really want to have effective conversations with the member, so having a reduced package size will also be quite supportive.

**The Chair (Ms. Goldie Ghamari):** One minute.

**Mr. Brent Furtney:** The efficiencies gained in that regard—who knows what opportunities will come from those better and stronger investment conversations, but hopefully they're all positive, as they normally are.

In terms of the other one, again, broker deposits is an area where credit unions need to grow in. The opportunities are endless, to be completely honest, in terms of awareness, education and going out and seeking those types of deposits. It would be a great way to strengthen our financial position

as individual credit unions and as a sector as a whole for our members.

I think I'm running out of time. On the last one, in terms of the—sorry, I lost my place a little bit here.

**Mr. Lorne Coe:** It's all right.

**Mr. Brent Furtney:** I think I've covered all three, actually, to be honest.

**Mr. Lorne Coe:** I appreciate that. I think one of the other points you made—that it makes them fair or more transparent.

I thank you both for your presentations and the time that you spent with us today.

**The Chair (Ms. Goldie Ghamari):** This concludes our public hearings on Bill 139. I'd like to thank our presenters for joining us today.

As a reminder, the deadline to send in a written submission is at 6 p.m. today, and the deadline for amendments to the bill is 8 p.m. today.

Is there any additional committee business before we adjourn? No? All right.

Yes, MPP Hogarth?

*Interjection.*

**The Chair (Ms. Goldie Ghamari):** You're welcome to leave. Thank you for joining us today.

You may begin.

**Ms. Christine Hogarth:** I move that the committee enter closed session for the purpose of organizing committee business.

**The Chair (Ms. Goldie Ghamari):** MPP Hogarth has moved a motion. Is there any debate? Seeing none, all those in favour, please raise your hands. All those opposed? I declare the motion carried.

We will now go into closed session.

*The committee recessed at 1136 and later continued in closed session.*

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