



November 20, 2018

Honourable Caroline Mulroney
Attorney General of Ontario
McMurtry-Scott Bldg 11th Flr, 720 Bay St,
Toronto, ON M7A 2S9

Via Email: attorney.general@ontario.ca

RE: Professional Engineers Ontario – Governance and Non-Regulatory Activity

Dear Attorney General Mulroney,

Consulting Engineers of Ontario (CEO) is the industry association of engineering firms who offer independent professional engineering services and expertise to both public and private sector clients. Our member firms act as independent agents and advocates for their clients, and are responsible for finding innovative solutions to technical problems, providing strategic advice and designs to enhance the societal, economic and environmental well-being of Ontarians, all while safeguarding the public welfare.

As the Minister responsible for the Professional Engineers Act, R.S.O. 1990, c. P.28, I would like to bring to your attention certain concerns that CEO and its member firms have regarding the Association of Professional Engineers of Ontario (operating as Professional Engineers Ontario (PEO)), the regulatory body established under the Act. As you might imagine, CEO member firms and the engineers they employ are directly impacted by the regulations, policies, rules and procedures created by PEO. CEO and its member firms understand and support the need for a strong, focused engineering regulator that acts to serve and protect the public interest. Sadly, PEO is not such an organization, and it hasn't been for many years now.

Our concerns about PEO fall under two categories. The first is governance. Under the Act, PEO is governed by a Council of up to 29 individuals. Seventeen of those individuals are professional engineers elected to Council by the membership of PEO. Up to 12 Council members are appointed by the Lieutenant Governor in Council, including up to 7 professional engineers and up to 5 laypeople. To begin, a governing Council of 29 individuals is simply too large to be effective given the focused regulatory mandate of PEO. Both the architects and the accountants are regulated through governing Councils with 20 or fewer individuals, and their mandates are somewhat broader than that of PEO. The Real Estate Council of Ontario, with a similar size of membership as PEO, operates effectively with a 12-member Board of Directors. It is our belief that PEO would be best governed with a Council of 12 to 15 individuals. Of these, five to seven should be laypeople appointed by the Lieutenant Governor in Council.

Still on the subject of governance, a regulatory Council or Board of Directors operating under legislation such as the Act should operate as a “governance” Board and set the strategic direction of the organization, monitor performance and make decisions with respect to resourcing (i.e., budgets) – it should be answering the *what* and the *why* questions regarding the organization’s objectives. For many years now, PEO’s Council has operated as a “management” Board and inserted itself into the day-to-day operations of the organization – frequently dictating *how* the organization is going to achieve its objectives. This occurs despite the fact that PEO has a total staff of over 100 people with an executive team of eight, plus 16 manager-level staff. This management Board approach has caused confusion and stifled progress within the organization. Despite being provided expert legal information and orientation regarding their proper role, PEO Council refuses to operate as a governance Board.

Our second category of concern is PEO’s non-regulatory activity. CEO believes that the principal and secondary objects of PEO are articulated well under Section 2 of the Act. They are the statements of purpose and mandate that one would expect for any regulator of a profession. Unfortunately, PEO expends considerable time, energy and resources on activities that are NOT regulatory in nature and cannot be tied directly to either the principal object or any of the secondary objects under the Act. The extent of non-regulatory activity gives the appearance of PEO being a members club, not a regulatory organization. This situation is exacerbated by the inappropriate approach to governance mentioned earlier. The “club” mentality permeates all aspects of PEO and it is clear that much of what they do is driven by member interest, not the public interest.

Ontario already has a professional association to represent the interests of individual engineers, advocate on their behalf and provide relevant services – the Ontario Society of Professional Engineers (OSPE). OSPE was created in the year 2000, driven in part by urgings from the then Attorney General, the Hon. Jim Flaherty, to separate the advocacy/member service functions from the regulatory functions within the profession. PEO’s continued refusal to relinquish all non-regulatory activity has hampered the success of OSPE over the years. CEO and OSPE have many common interests and we have worked cooperatively to advocate for the business and individual interests within the engineering profession. PEO’s continued advocacy activities outside of its mandate serve to create confusion within government and the public as to the identity, role and responsibilities of itself, CEO and OSPE.

The current President of PEO’s Council, David Brown, P.Eng., clearly recognizes and concurs with the concerns that I have articulated herein. His messages in PEO’s magazine, Engineering Dimensions, and several conversations I have had with him, confirm this. It is my understanding that you have met with Mr. Brown directly. He and I both believe that PEO was fortunate to escape relatively unscathed from the Elliott Lake Inquiry a few years ago. Had the media done some further digging into the way the engineering profession is regulated in Ontario, there would have been hue and cry for major change. Unfortunately, Mr. Brown appears to be a lone voice in the wilderness, and even as President of PEO Council, he does not have the power or authority to make change on his own.

As it is currently operating, it is clear that PEO does not have the interests of the people of Ontario as its focus. Its conduct does not demonstrate the primacy of serving and protecting the public interest. I have attended a number of PEO Council meetings this year, and I am dismayed by the continued focus on efforts to attract more people to the engineering profession in order to increase membership. Its conduct is indistinguishable from that of a professional association, much to OSPE's displeasure. The absence of real governance is palpable, and evidenced by poor agenda management, chaotic meeting conduct and their current fiscal crisis.

Most relevant to CEO, PEO's overall bureaucratic nature has become an impediment to the development and growth of engineering businesses across the province. The time required for an applicant to become licensed by PEO, especially if they have been educated outside of Canada, is unreasonably long. CEO's member firms are enjoying strong demand for their services, but the short supply of qualified, licensed professional engineers is becoming problematic. A province that is "open for business" cannot thrive and prosper without the foundational work of professional engineers, especially those employed by consulting engineering firms.

CEO has a number of ideas for the future of engineering regulation in Ontario. We still have confidence in the self-regulation model, and therefore a major rework of the Act is not required, just some minor adjustments. The regulations under the Act, however, need a significant overhaul. Not the least of these is to eliminate the pointless regulation of the "consulting engineers" title – something that is only done in Ontario, has no public protection value, and represents an artificial barrier and impediment to how engineering firms may describe and advertise their services.

I would appreciate the opportunity to meet with you and your staff to further discuss our concerns and to identify ways to make PEO into a focused, world-class regulatory organization. A transformed PEO would benefit Ontario, and it would benefit both CEO and OSPE. I can be reached at 416-620-1400, ext. 224, or by email at bgmatthews@ceo.on.ca. I look forward to hearing from you.

Sincerely,



Bruce G. Matthews, P.Eng.
Chief Executive Officer

cc: David Artemiw, Director of Policy, Office of the Attorney General
Christine Hill, P.Eng., Chair, CEO
Sandro Perruzza, Chief Executive Officer, OSPE
David Brown, P.Eng., President, PEO