

COUNCIL APPROVES POLICY INTENT TO INCREASE ALL PEO FEES

By Nicole Axworthy

524TH MEETING, FEBRUARY 8, 2019

At its February meeting, PEO Council approved a repeal of section 59 of By-Law No. 1, removing—effective immediately—its automatic obligation to seek member confirmation to increase fees, and a policy intent to increase all PEO fees, including annual licence-holder fees, in the bylaw by 20 per cent to catch up with inflation since 2008. The repealed section of the bylaw reads as follows:

59. Council shall seek confirmation by the members of the association of a bylaw passed by the Council pursuant to the act pertaining only to annual fees for licence holders

Section 59 was repealed since it infringed Council's authority to decide on whether any bylaw it passed needed member confirmation.

At its November 2018 meeting, Council had reduced its projected operating budget deficit in part by approving a 20 per cent increase to application and examinations fees to catch up with inflation (see *Engineering Dimensions*, January/February 2018, p. 51). Increases to the annual licence, certificate of authorization and consulting engineer designation fees were not considered at that time. Council now applied the same 20 per cent increase to those remaining fees, providing a net revenue increase of \$1.5 million for 2019. Currently, 62 per cent of PEO's projected 2019 operating budget revenue is derived from the annual P.Eng. licence fee, and 28 per cent is derived from all other regulatory fees.

PEO had not increased its annual licence-holder fee since 2008, and revenue from the growth in the number of licence holders, applications and examinations had not been adequate to keep pace with operating expenditures, which have increased over 16 per cent since 2009 due to inflation. PEO's annual licence fee is also the lowest fee among regulated professions in Ontario and other engineering regulators across Canada.

With section 59 repealed, Council retains its full authority to decide on passing future bylaw changes, with or without seeking a member confirmation to vote. Council has the authority under section 8(2) of the *Professional Engineers Act* (PEA) to pass any bylaw within its bylaw-making powers, effective immediately, unless under section 8(3) Council specifies that the bylaw be confirmed by a majority of the members voting on the bylaw.

A draft of the new bylaw will be presented and confirmed by Council at the March meeting. Once confirmed, the fees will be increased for the remainder of 2019 on a one-time basis by approximately 20 per cent to catch up with inflation and will be billed to members on their respective renewal date.

GOVERNANCE AND REGULATORY CONCERNS

At its February meeting, Council was presented with a motion from Consulting Engineers of Ontario (CEO) Chief Executive Officer Bruce Matthews, P.Eng., and Chair Christine Hill, P.Eng., and Ontario Society of Professional Engineers (OSPE) CEO Sandro Perruzza and President Jonathan Hack, P.Eng., regarding governance concerns at PEO, including PEO's lack of focus and its scope of non-regulatory activities. The concerns cover PEO Council's size, effectiveness and election process; its "club" mentality rather than public-interest focus; and its bureaucracy of non-regulatory committees; all of which, according to CEO and OSPE, have weakened PEO's role as a regulator and the value and relevance of the P.Eng. licence. These concerns were also raised in recent letters sent from CEO and OSPE to the Attorney General of Ontario.

The motion put forward to Council asked that Council consider extending the scope of its external regulatory performance review (see p. 7) currently being undertaken by Harry Cayton, international consultant to the United Kingdom-based Professional Standards Authority, to include a second phase looking specifically at governance issues and a review of all PEO activities through the lens of regulatory governance and objects under the PEA. The motion also asked that Council stand down its Governance Working Group Phase I and apply its \$40,000 budget towards the cost of the proposed second phase of the regulatory review; make the reports from all phases of the review public as soon as it is received by PEO; and adopt and begin implementation of the review recommendations within three months of receipt of the report to address the policy, bylaw, regulation and statutory changes necessary to fulfill the recommendations.

At its meeting, Council considered instructing the registrar to prepare a Request for Proposal (RFP) to conduct an external governance review of PEO with oversight from the chair of the Governance Working Group Phase I and to bring back the completed RFP to Council at its March meeting. However, Council ultimately voted to table the decision with regard to the motion until after the report of the current external review is received by Council. **e**