



**Professional Engineers**  
Ontario

**Questions and Answers on PEO Operations**  
as at April 20, 2011

Prepared for the Annual General Meeting  
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## **Introduction**

Professional Engineers Ontario (PEO) developed the booklet, *Questions and Answers on PEO Operations*, to help members and others better understand PEO operations. Information in this document was prepared based on input from PEO staff, Engineers Canada, the Ontario Society of Professional Engineers, PEO Council, and the Audit and Finance committees.

The figures in this document are based on the audited financial statements for 2010. The audited statements show the association's financial position as of December 31, 2010. The audited statements have been reviewed by an independent external auditor. In its audit opinion, the auditor stated the association's financial statements are free of material errors and are in accordance with generally accepted accounting principles.

It is hoped this document provides members the necessary information to make informed decisions on PEO's future directions.

Should you have further questions or feedback, please email [operations@peo.on.ca](mailto:operations@peo.on.ca). Look for periodic updates to *Questions and Answers on PEO Operations* on PEO's website ([www.peo.on.ca](http://www.peo.on.ca)).

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## 1. 2010 Financial Statements

### 1.1 Revenue and Expenditures

#### 1.1.1 Why is there a change in the format of the financial statements this year?

As per Council directive, a separate reserve was set up to keep track of the monies paid by the membership for purchasing and financing PEO's new head office building. The financial statements presentation has been modified to better reflect this and also to present the financial status of the association in a clearer and more understandable format.

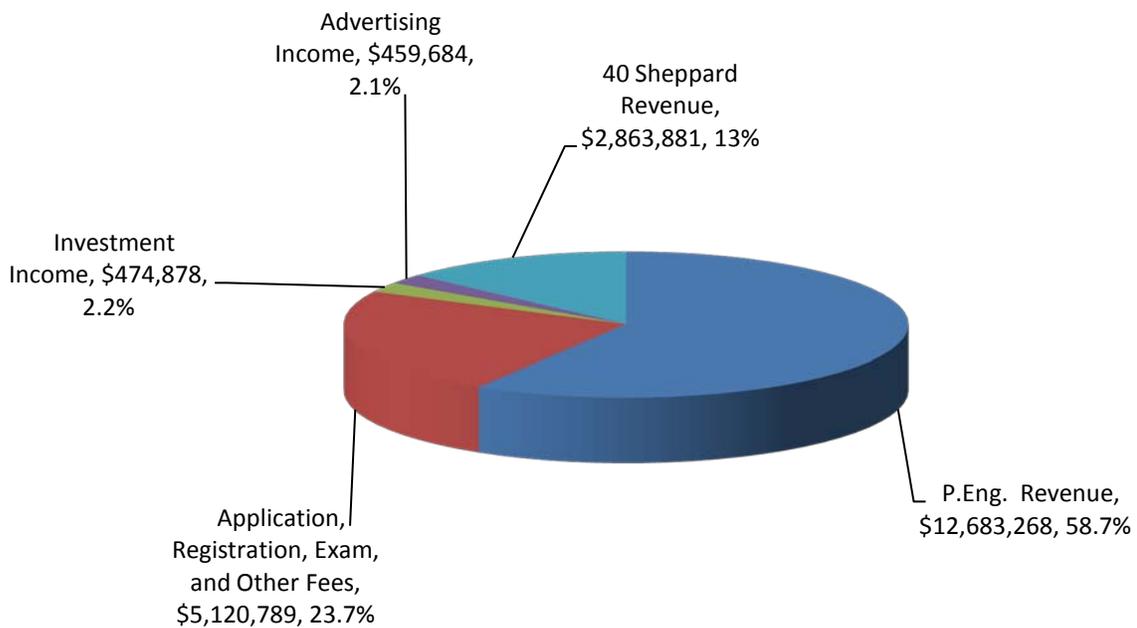
#### 1.1.2 Revenue increased by 6.1 per cent in 2010 over the previous year. What accounted for the increase?

The total revenue in 2010 was \$21.6 million compared to \$20.36 million in 2009. The major sources of increase in revenue were:

- ◆ an increase in membership fee revenue of \$152,000—representing an increase of 1.2 per cent;
- ◆ an increase in revenue from application, registration and exam fees of \$706,000 or 16 per cent as a result of fee increases in January 2010, including fees for applications, temporary licences, exams, limited licences, and provisional licences;
- ◆ revenue of \$2.86 million from the new building at 40 Sheppard Avenue West increased \$476,000 or 19.9 per cent as a result of a full year of ownership;

These increases in revenue were offset by reductions of \$57,000 in investment income and \$31,000 in advertising income, which are due to the prevailing economic conditions.

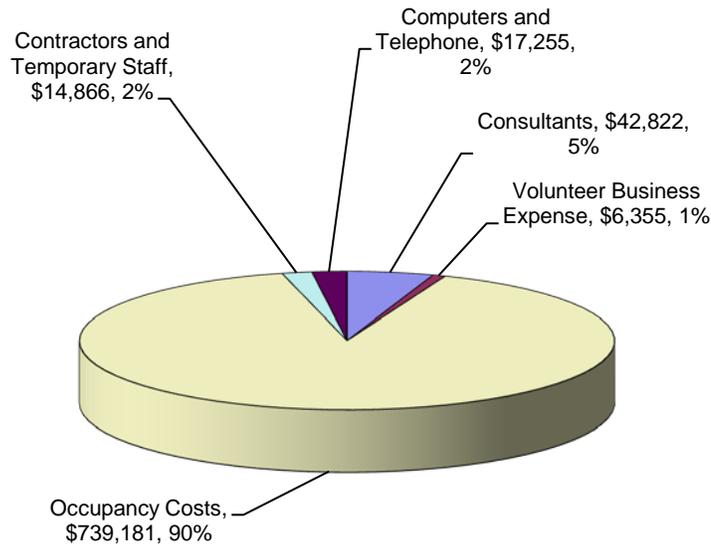
**Figure 1. 2010 PEO Revenue Breakdown (\$21.60 million)**



**1.1.3 In 2010, PEO experienced an increase of \$1.55 million in its reserve balance in comparison to 2009. What factors contributed to the increase?**

In 2010, the reserve balance was \$14.45 million compared to \$12.9 million in 2009. The increase in the reserve was largely the result of the team effort of senior management, staff and volunteers under the direction of PEO Council. PEO achieved the surplus through a combination of cost reduction initiatives, gains from PEO investments compared to budget and the reduction in occupancy costs. Areas of expenditure reduction are shown in Figure 2. This positive performance moves PEO toward a stronger financial position with an enhanced balance sheet and an improved operating reserve of \$14.45 million.

**Figure 2. 2010 Cost Reductions Contributing to Reserve**



**1.1.4 What areas in PEO’s operation experienced savings as compared to previous year? What accounted for the decreased cost as compared to the previous year?**

- ◆ **Occupancy Costs.** A decrease of \$739,181 or 55 per cent:
  - With the purchase of the building at 40 Sheppard Avenue W., PEO no longer pays rent and this resulted in cost savings of \$612,000.
- ◆ **Contractors and temporary staff.** A decrease of \$14,866 or 6 per cent was due mainly to:
  - less contractor and temporary staff effort used in 2010 compared to 2009. Temporary Service fees were \$21,000 lower in 2010 versus 2009. At year end, there were two contractors in 2010 compared to one contractor and one temporary staff in 2009.
- ◆ **Consultants.** A decrease of \$42,822 or 13 per cent was due to:
  - lower costs for IT projects, \$48,000 less than 2009, including lower Certificate of Authorization project spending;
  - no spending required on Licensing Audit, so \$21,000 less than 2009.
- ◆ **Computers and Telephone.** A decrease of \$17,000 or 2 per cent was due mainly to lower spending on ink cartridges for printers.
- ◆ **Volunteer Business Expenses.** A decrease of \$6,000 or 1 per cent in costs for slightly lower spending on meals, mileage and accommodations.

**1.1.5 PEO's total expenditures increased 0.4 per cent or by \$82,370 in 2010 over the previous year. What accounted for the increased cost?**

After setting aside \$2.82 million in expenses (against \$2.86 million in revenues) for the building at 40 Sheppard Avenue West that PEO purchased in 2009, the expenses for PEO operations in 2010 were \$18.7 million compared to \$17.9 million in 2009, representing a 4.3 per cent increase.

The main factors contributing to the increase in costs for PEO operations are:

- ◆ **Amortization.** An increase of \$185,345 or 56 per cent was due mainly to:
  - building improvement depreciation increase of \$131,000;
  - computer hardware and software related depreciation of \$60,000, including hardware for 40 Sheppard infrastructure.
- ◆ **Purchased services.** An increase of \$174,709 or 16.4 per cent was due mainly to:
  - an increase of \$116,000 in costs for the new official elections agent for council elections;
  - an increase of \$36,000 in costs related to event meals; and
  - an increase of \$9,000 in costs for use of offsite space.
- ◆ **Transaction fees and commission.** An increase of \$32,926 or 9.1 per cent was due mainly to:
  - increased use of credit card payments; and
  - AGM sales commission volume increase.
- ◆ **Training and development.** An increase of \$58,112 or 119.9 per cent was due mainly to:
  - an increase in educational course costs of \$10,000;
  - seminar cost increases of \$4,000; and
  - an increase in workshop spending of \$40,000. This includes training for PEO management as well as for members of Council.

**1.1.6 What are the various items included in purchased services?**

The main items under purchased services include expenses for printing *Engineering Dimensions* (\$252,000); expenses associated with Council elections (\$141,000), which include costs for printing, mailing, counting of election ballots and for the official elections agent; costs for meals at various functions, such as the annual general meeting, Order of Honour ceremony, Ontario Professional Engineers Awards ceremony, Chapter Leaders Conference, Queen's Park reception, etc. (\$168,000); costs for professional practice exam invigilation and marking (\$78,000); costs for technical exam setting (\$68,000); costs for technical exam marking (\$55,000); costs for the Engineer-in-Residence program (\$59,000); freelance administrative services for the chapter regional offices (\$7,000); freelance graphic design services to cover a staff absence (\$66,000); printing of wallet cards (\$23,000); video costs for the Ontario Professional Engineers Awards presentation and costs for the Order of Honour ceremony (\$68,000); costs for professional engineer seals (\$20,000), etc. In addition, there were several other expenses (\$20,000 or lower) for such services as surveys, catering, flowers, freelance photography, trainers or facilitators, rental of audio visual equipment, technical services, etc.

**1.1.7 What is the breakdown of the costs for consultants?**

The costs for consultants in 2010 were \$286,322 (compared to \$329,144 in 2009). These costs include expenses for a government relations consultant (\$91,000); expenses for Scotia Cassels—PEO's portfolio investment manager (\$28,000); pension management (\$17,000); expenses for the financial auditor (\$34,000); expenses for various consultants for IT systems operations and maintenance (\$55,000); and consultant costs for various human resources-related issues (\$25,000).

**1.1.8 What are the costs for the Ontario Centre for Engineering and Public Policy?**

The costs incurred for the Ontario Centre for Engineering and Public Policy in 2010 were \$452,889 versus \$466,295 in 2009. This includes expenses for salaries, benefits and miscellaneous expenses for publications, books, printing and travel.

**1.1.9 What was the revenue foregone by way of the EIT Financial Credit Program and the increase in the number of EITs?**

The revenue foregone by way of the Financial Credit Program was \$367,800 (compared to \$226,780 in 2009). The number of EITs (engineering interns) as of December 31, 2010 was 6490 (compared to 5704 in 2009).

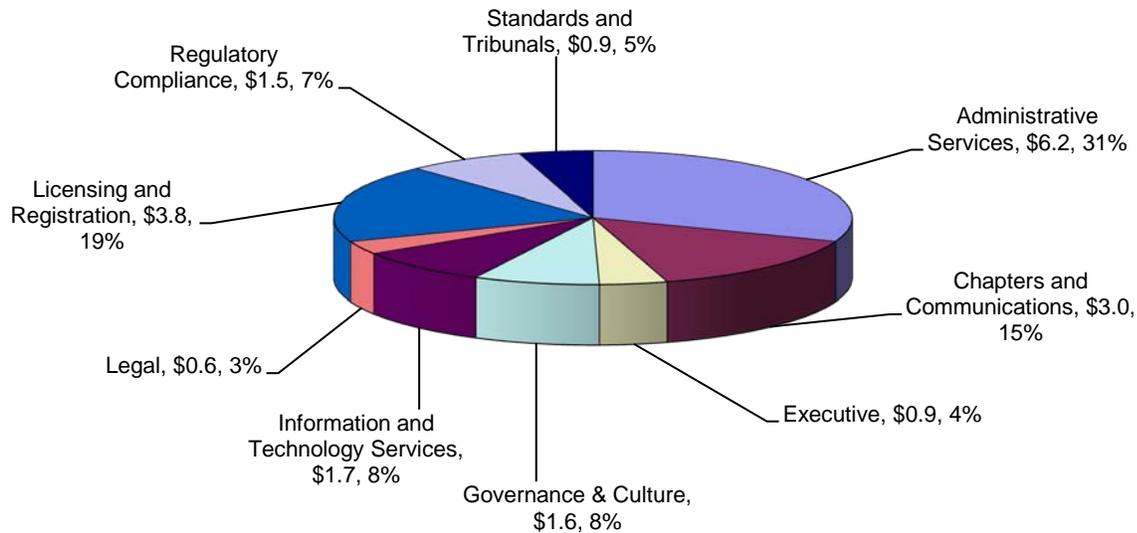
**1.1.10 What were the expenses for tribunal operations?**

The expenses for operating PEO’s tribunals, which included fees for legal counsel, court reporters etc., was \$163,374 compared to \$190,315 in 2009.

**1.1.11 What are the 2010 figures for department expenditures?**

Figure 3 illustrates the 2010 department expenditures.

**Figure 3. Expenditures by Department (in \$M)**



**1.1.12 I hear that chapter funding was decreased in 2010. Is this correct? What are the reasons?**

No, this is not correct. Chapter funding was not slashed. Chapter allotments were increased to \$391,000 in 2010 (compared to \$369,000 in 2009).

**1.1.13 How much did it cost PEO in 2010 to fund its chapters?**

During the year, PEO paid chapter expenses totaling \$550,902 (compared to \$539,497 in 2009), including \$391,000 in allotments (compared to \$369,000 in 2009) and other disbursements to individual chapters. In addition, the association incurred additional costs of \$412,272 (compared to \$462,272 in 2009) related to chapter operations, including staff salaries and benefits and various other support activities.

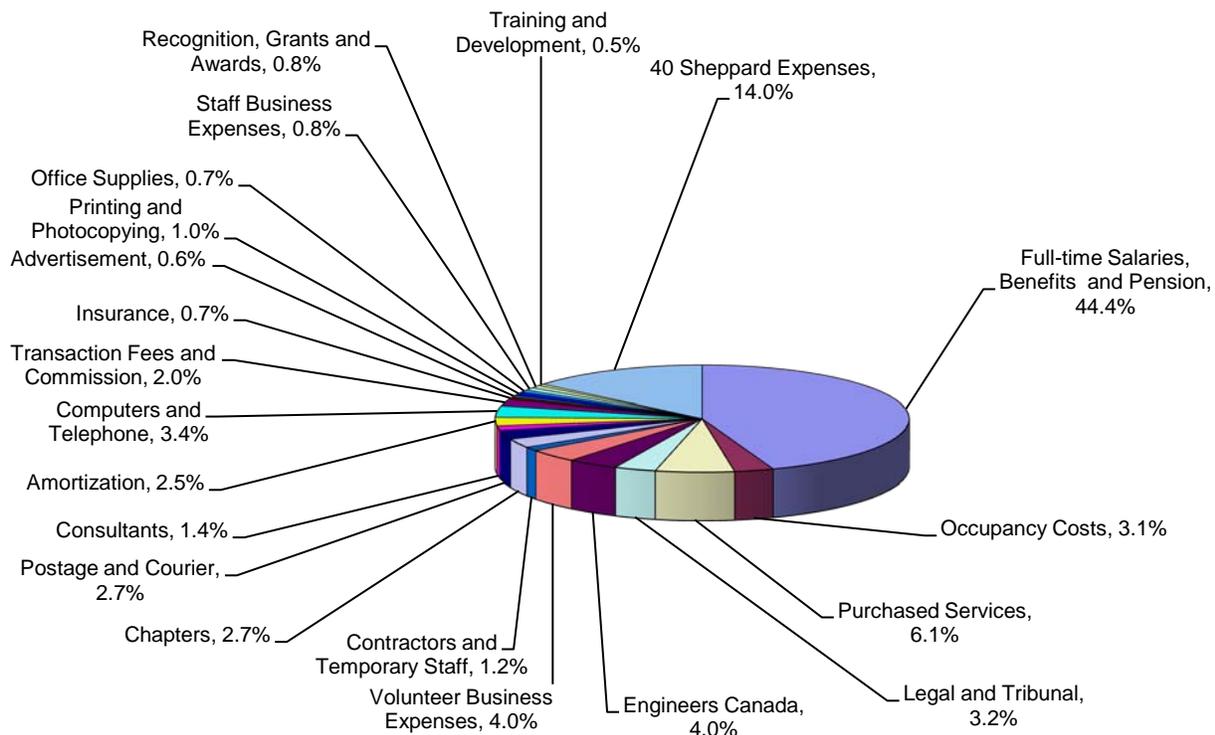
**1.1.14 How does PEO manage its expenditures?**

Please see the answer to Question 1.3.2.

**1.1.15 How is my annual PEO licence fee spent? Can you give me a breakdown of PEO’s expenditures?**

The annual licence fee is only one component, or 58.7 per cent, of PEO’s total revenue. The breakdown of PEO’s revenues is illustrated in Figure 1. In addition to annual fees, PEO also receives revenues from application, registration, examination and other fees, which constitute 23.7 per cent of total revenue. Advertising and investment income were 2.2 per cent and 2.1 per cent, respectively, of total revenue in 2010. Revenue from the building was 13.3 per cent of the total 2010 revenue. Figure 4 illustrates the areas in which the annual licence fee is spent.

**Figure 4. 2010 PEO Expenditures for Regular Operations (\$20.23M)**

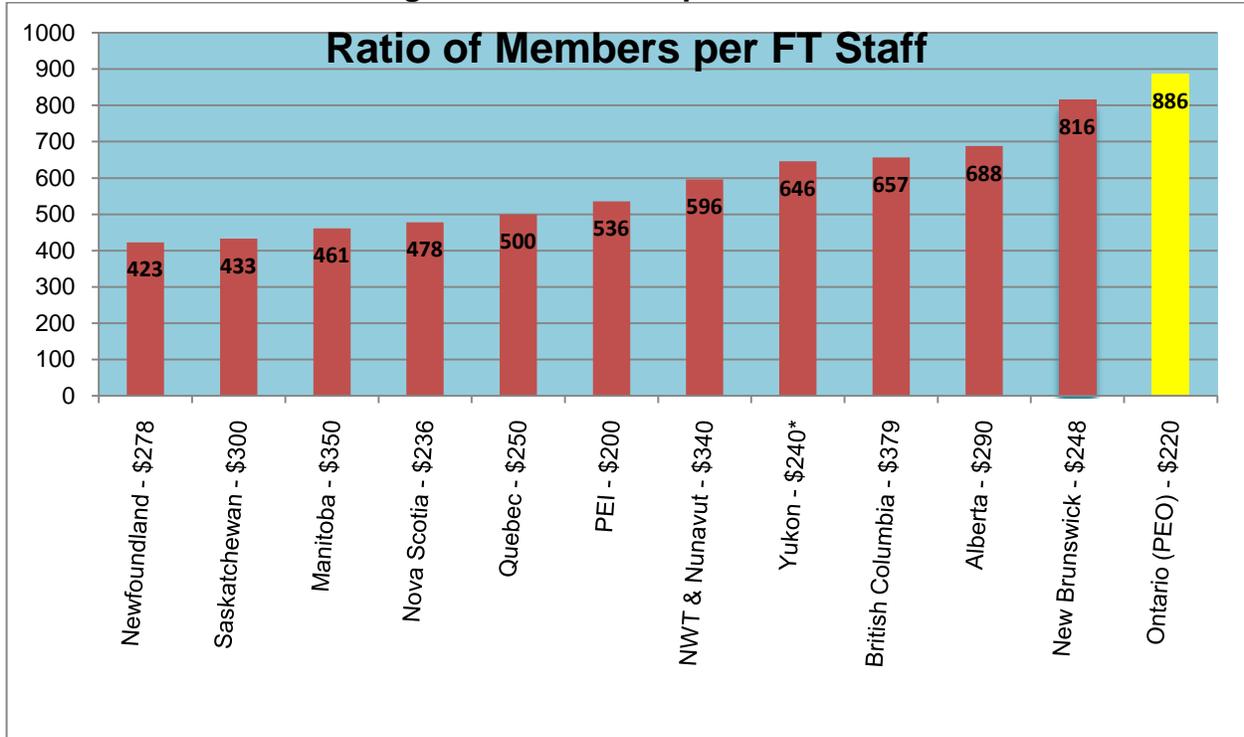


Web research was conducted to benchmark staffing of other self-regulatory organizations, including other engineering associations in Canada. The key performance indicator or metric, “members per

staff” used to measure organizational efficiency is defined as the average number of licence holders per staff member. A higher value of this metric generally indicates greater organizational efficiency. The effect of volunteers is not considered in this metric, as volunteers are not compensated for their services.

As can be seen from Figure 4a, PEO has approximately 886 members per staff, placing it among the top of the benchmarked associations. This suggests that PEO’s current staffing levels are competitive.

**Figure 4a. Members per staff**



**Note:** Yukon engineering regulator has no full-time staff but two half-time staff, who have been considered as one full-time staff.

## 1.2 Operating Reserve

The current operating reserve policy was developed in 2004 to ensure the association’s operations are managed conservatively and that PEO always has an adequate buffer at hand for unexpected contingencies. The operating reserve targets are annually updated and approved by Council on recommendations from the Finance Committee. PEO’s operating reserve at the end of 2010 stood at \$14.5 million. This amount substantially exceeds the 2010 operating reserve requirement of \$2.2 million set by Council.

### 1.2.1 What is the purpose of having an operating reserve?

An operating reserve balance in a non-profit organization is similar to retained earnings or owners’ equity in business enterprises, in that it comprises cumulative operating revenues in excess of

operating expenditures. Like business enterprises, non-profit organizations must maintain a balance between revenue and expenditures to ensure adequate funds remain for day-to-day operations.

An operating reserve provides the necessary funding capacity to deal with such uncertainties as a decrease in revenue and increased costs. For PEO, the operating reserve enables it to:

- ◆ survive operating shortfalls caused by economic turbulence or inappropriate financial decisions;
- ◆ enhance PEO's financial flexibility and planning to implement new initiatives, replace outdated assets and/or programs, or satisfy members' needs by expanding certain activities;
- ◆ provide favourable financing for PEO's growth and expansion of its regulatory support activities;
- ◆ fulfill contractual agreements; and
- ◆ fulfill legal requirements.

### **1.2.2 Why does PEO need an operating reserve policy?**

PEO needs an operating reserve policy to provide an effective planning and control mechanism for its business planning and budgeting process. To reflect the changing needs of PEO's regulatory activities, operating reserve requirements are updated on an annual basis by Council. This is done to ensure financial flexibility to help in implementing new initiatives, replacing outdated assets and/or programs, or satisfying members' needs by expanding certain activities to ensure that all programs that help PEO discharge its regulatory mandate are adequately funded.

### **1.2.3 How does PEO's operating reserve policy meet its short- and long-term objectives?**

PEO's operating reserve comprises two components—the general operations reserve and the Council special projects reserve. The general operations reserve comprises funds for capital expenditures, potential contingencies, liabilities and contractual obligations for the year. The Council special projects reserve is for specific Council-approved projects and initiatives from which funds may be expended at the discretion of Council.

The operating reserve enables PEO to:

- ◆ survive operating shortfalls caused by economic turbulence or inappropriate financial decisions;
- ◆ enhance PEO's financial flexibility and planning to implement new initiatives, replace outdated assets and/or programs, or satisfy members' needs by expanding certain activities;
- ◆ provide favourable financing for PEO's growth and expansion of its regulatory and regulatory support activities;
- ◆ fulfill contractual agreements; and
- ◆ fulfill legal requirements.

The reserve policy is reviewed and approved by Council on an annual basis and as an integral part of the business planning and budgeting process. In addition, components of the operating reserve and the required amounts are reviewed and analyzed on an annual basis to reflect new circumstances and are intended to provide the necessary funding capacity and flexibility for PEO to maintain a balance between its revenue and expenditure, and to manage its financial needs.

### **1.2.4 Does PEO review its operating reserve policy on an ongoing basis?**

The operating reserve is monitored on an ongoing basis and is formally reported to Council by the Finance Committee at least once every year. The policy requires an ongoing dynamic assessment of the components of the operating reserve, and its constituent amounts to reflect new circumstances and future needs. A timetable of operating reserve build-up has to be developed if the required

reserve level falls short for any reason. To date, this has never been necessary due to the conservative management of PEO funds, which has resulted in the reserve level being well over the required minimum level.

### **1.2.5 What Council projects and amounts were included in the discretionary reserve spending?**

In 2010, \$774,138 was spent from the Council discretionary reserve (compared to \$804,418 in 2009). This amount includes \$451,889 for the Ontario Centre for Engineering and Public Policy; \$198,934 on sponsorship of an Engineers Canada advertising campaign; \$23,247 for the Building Development Committee; \$45,033 on the Province-wide Mentoring program; \$15,910 on the Emerging Disciplines Task Force; \$15,955 on Council Policy projects; and \$23,170 on the PEO-branded licence plate program and task force activities.

### **1.2.6 What was the amount collected in 2010 for the building reserve?**

An amount of \$1,292,085 was collected in 2010 for the building reserve (compared with \$1,240,370) in 2009.

## **1.3 Internal Controls**

An internal control system is a set of internal accounting control procedures and policies that provide reasonable assurances PEO can achieve its objectives. The system helps PEO make maximum use of its financial resources and assures PEO operating expenditures are controlled completely, reliably, and relevantly.

The ultimate responsibility for internal control rests with Council and management in its role of planning, controlling, and decision making. The Audit Committee is responsible for overseeing management's efforts to create a strong control environment. The Audit Committee periodically asks the auditors to conduct a more detailed review or cycle audit to ensure appropriate controls are in place.

### **1.3.1 What is PEO's internal control system?**

PEO has established an internal control system for its expenditures and purchase of goods and services on a value basis, to strengthen Council and members' confidence that PEO's financial resources are being used effectively and according to sound and consistent procedures.

PEO's internal control system comprises:

1. Banking Policy;
2. Expenditure Approval Authority Policy;
3. Extraordinary Expenditures Policy;
4. Expense Report Policy;
5. Procurement Policy;
6. Investment Policy;
7. Operating Reserve Policy, etc.

The policies help PEO establish appropriate authority, responsibilities and accountabilities as the key components of its internal control mechanism for entering into contracts and for spending money in accordance with the approved budget and with the *Professional Engineers Act*, Regulation 941/90, By-Law No.1 and other policies and procedures.

### **1.3.2 How does PEO manage its expenditure?**

It is PEO policy that all expenditures must be within the Council-approved budget. Any expenditure related to an activity must be related to an appropriate line item in the approved budget before the expense can be incurred.

PEO management ensures planned departmental expenditures are from an appropriate budgeted line item and do not exceed the approved budget before a purchase order to release funds can be issued or money spent. PEO management regularly reviews their department budgets to ensure the expenses are charged accurately against the appropriate general ledger accounts.

Invoices and transactions for payment of all department or committee budgeted expenses incurred in the conduct of the affairs of the association are reviewed for accuracy and appropriateness by committee staff advisors or management staff of the related department and signed by the appropriate authorities before a payment is made.

PEO Finance staff review all expenditures before making payments. The CEO/Registrar and the Treasurer authorize the payments from the bank. The President may also review the cheque register from time to time to monitor expenditures. Payments for unapproved expenses are not authorized.

Each department head receives a budget comparative report monthly, detailing variances, for internal control and cost analysis. As well, the Finance Committee reviews variances once every three months and seeks explanations on significant variances. Council is provided the financial statements quarterly. PEO's procurement processes and systems use quality-based selection criteria to acquire goods and services that add value to PEO and to ensure the procurement results in the best value for PEO.

### **1.3.3 What has PEO done to establish checks and balances to control expenditure?**

Please see answers to Questions 1.3.1 and 1.3.2.

### **1.3.4 Does PEO generate and publish financial management reports related to its department operations?**

Financial management reports are issued to the Finance and Audit committees and Council quarterly. Complementary to PEO's financial statements, a summary of management financial reports related to PEO's annual department activities is included in this document. See the answer to Question 1.1.11.

## **1.4 Human Resource Management and Salaries and Benefits**

### **1.4.1 How does PEO strive to achieve efficiency and effectiveness through human resource management?**

PEO employs staff and a large contingent of volunteers to conduct its daily regulatory functions, as mandated under the *Professional Engineers Act*, effectively and efficiently. PEO also uses temporary staff, contractors and consultants, in addition to full-time staff and volunteers.

PEO's staffing includes regular full-time staff, contractors and temporary staff, which are defined as:

- ◆ **Regular full-time staff** are employees who work a normal work week of 37.5 hours for PEO.
- ◆ **Contractors** are employed by PEO for a set period. Normally, contractors are part of the PEO payroll and will work a normal work week.

- ◆ **Temporary staff** are hired for short-term assignments to replace absent staff (for example, disability, maternity leave, backlog, and special projects). Normally, temporary staff is employed by a third party (agency) for the period of time they are with PEO and will work a normal work week.
- ◆ **Consultants** are hired for a specific project and will invoice PEO for services rendered.

**1.4.2 I hear that more than 100 people work at PEO. Is this correct?**

Table 1 shows both actual and budgeted staffing levels, including temporary and contract positions. As of December 31, 2010, the actual staffing level was 93 regular full-time staff and 2 contract for a total of 95 staff in 2010. The figures approved in the 2010 budget were: 98 FT staff, 2 contractors and 1 temporary staff.

**Table 1. Actual and Budgeted Staffing Levels**

Year	Regular full-time staff (number in approved budget)	Actual full-time staff (excludes contract and temporary)	Actual staff salaries and benefits	Actual staff (including contract and temporary)
2001	79	67	\$4,487,394	76
2002	78	68	\$4,762,355	78
2003	82	70	\$5,405,148	82
2004	78	74	\$5,386,207	87
2005	78	73	\$5,556,091	86
2006	79	73	\$5,923,900	84
2007	83	79	\$6,956,481	90
2008	85	84	\$7,430,078	93
2009	91	92	\$8,034,947	94
2010	98	93	\$8,312,157	95

**1.4.3 I understand that PEO utilizes temporary staff, contractors, and consultants in addition to full-time staff. Why?**

Like other businesses, PEO utilizes temporary staff, contractors, and consultants in addition to full-time staff and volunteers to conduct its daily regulatory functions, as mandated under the *Professional Engineers Act*, efficiently and effectively. PEO uses such resources as legal and management consultants because of the need to use their expertise to support both regulatory and support activities. It is usually more economical to outsource the services required rather than hire staff on a regular full-time basis. The use of contractors and temporary staff are for short-term assignments and to replace absent staff (for example: disability, maternity leave, backlog, and special projects). This strategy offers organizational flexibility, assists PEO to meet its staffing needs, and avoids unnecessary, longer-term staffing costs.

In 2010, PEO used:

- ◆ one contract staff in the Licensing and Registration area to handle the backlog and increase the number of Experience Requirements Committee interviews;
- ◆ one contract staff in the Licensing and Registration and Administrative Services areas to cover increased workload due to additional applications;
- ◆ consultants for the following projects:
  - to provide pension management data and reports related to employee future benefits,

- to manage PEO’s pension fund,
- to manage PEO’s investment portfolio, and
- to facilitate the Human Resources and Compensation Committee activities, including administering an employee opinion survey.

## 1.5 Employee Future Benefits

### 1.5.1 What are employee future benefits?

Employee future benefits are defined in Paragraph 3461.005 of the *Canadian Institute of Chartered Accountants Handbook* as benefits earned by active employees that are expected to be provided to them when they are no longer providing active service, pursuant to the terms of an entity’s undertaking to provide such benefits.

### 1.5.2 What are the components that make up employee future benefits?

PEO’s employee benefits are shown in Table 2.

**Table 2. PEO Employee Benefits**

Employee Future Benefits Components	Offered Benefits
Pension and other retirement benefits (retiree future benefits)	Benefits to employees and their beneficiaries after retirement include: <ul style="list-style-type: none"> <li>• Pension income</li> <li>• Health care and dental care benefits</li> </ul>
Post-employment benefits (while actively employed)	Benefits to the employees include: <ul style="list-style-type: none"> <li>• Short-term disability income benefits</li> </ul>
Compensated absences (while actively employed)	<ul style="list-style-type: none"> <li>• Sick days</li> <li>• Vacation</li> </ul>
Termination benefits	<ul style="list-style-type: none"> <li>• Severance package</li> </ul>

### 1.5.3 Why does PEO have to comply with the accounting rules for calculating benefits cost?

If PEO does not follow the *Canadian Institute of Chartered Accountants Handbook* with respect to employee future benefits, the annual financial statements of the organization would not be prepared in accordance with generally accepted accounting principles. This would force the auditor to provide a reservation in the audit opinion.

## 1.6 Process Improvement and Cost Savings

The Treasurer’s Report outlining department-wise expenditures, savings, process improvements and other information on PEO’s financial position may be found on the PEO website at [www.peo.on.ca](http://www.peo.on.ca).

**1.6.1 What has PEO done to improve its business processes and achieve cost savings in its operations?**

Council and management at PEO are aware of the importance of ongoing process improvement. Not only has PEO committed itself to developing and implementing a zero-deficit budget for its operation, but it increased its operating reserve by \$1,670,400.

PEO is committed to ongoing cost efficiency by implementing systems to better understand, track, and manage the costs of its activities and processes. As published in past Treasurer's Reports and Financial Statement Analysis over the past three years, PEO's volunteer leadership and management team have together initiated important measures to control costs and ensure maximum value received for monies spent.

Some of the new measures adopted are:

- ◆ improvements in the additional payment methods, introduced in early 2007, whereby members can make payments via telephone, personal computer and automated teller machine (ATM). In addition to annual licence fee payments, members can now also pay fees for the Ontario Society of Professional Engineers and make donations to such registered charities as the Ontario Professional Engineers Foundation for Education. It is expected that many now using online credit card payment for their licence renewals will switch to one of the alternative payment methods and that the alternative methods will appeal to those who have not yet paid their fees online, significantly reducing the printing and mailing costs associated with invoicing;
- ◆ implementation of an automated electronic fund transfer (EFT) solution for quick, secure and timely payment to volunteers and vendors, thereby reducing costs associated with printing and mailing cheques;
- ◆ negotiations with a third party for online credit card payment, which would help PEO lower its service charges and achieve additional cost savings, thereby reducing the cost for the online credit card payment process;
- ◆ conference call technology for committee meetings whenever feasible to reduce volunteer business costs. In addition, PEO is also working toward building a state-of-the-art IT infrastructure that will enable staff and volunteers to work together using teleconferencing and video conferencing facilities, resulting in additional savings over time.

**1.6.2 Are we going to continue seeing process improvements and, more specifically, cost savings from PEO in the future?**

As outlined in answer to question 1.6.1, PEO has implemented several automation initiatives to reduce costs. PEO is committed to ongoing improvement by reviewing business processes to identify and implement cost-effective means of operation.

## 2. PEO Business Planning Process

### 2.1 PEO Business Planning

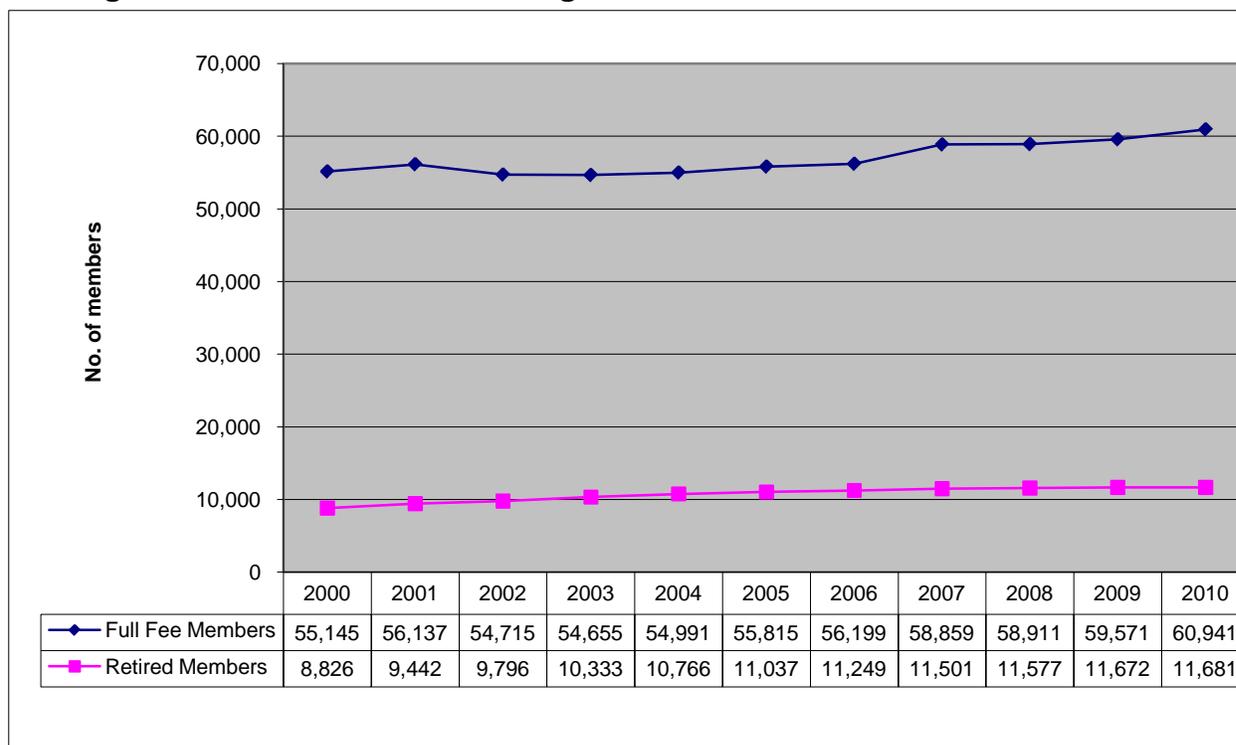
#### 2.1.1 What is PEO’s financial state, based on the 2010 audited financial statements?

PEO’s reserve at the end of 2010 was \$14.5 million (compared to \$12.9 million in 2009), representing an increase of \$1.6 million or 12.4 per cent.

#### 2.1.2 Can you provide historical information about membership growth over the last 10 years?

The total membership has grown by an average of 1.6 per cent annually over the last 10 years as shown in Figure 5. The membership growth rate is highly influenced by such factors as economic trends, unemployment, an aging population, number of retirees, immigration, and PEO processes for issuing licences (e.g. improved Experience Requirements Committee interview process). Initiatives like the EIT Financial Credit Program, introduced in 2007, are likely to increase membership growth in the years ahead.

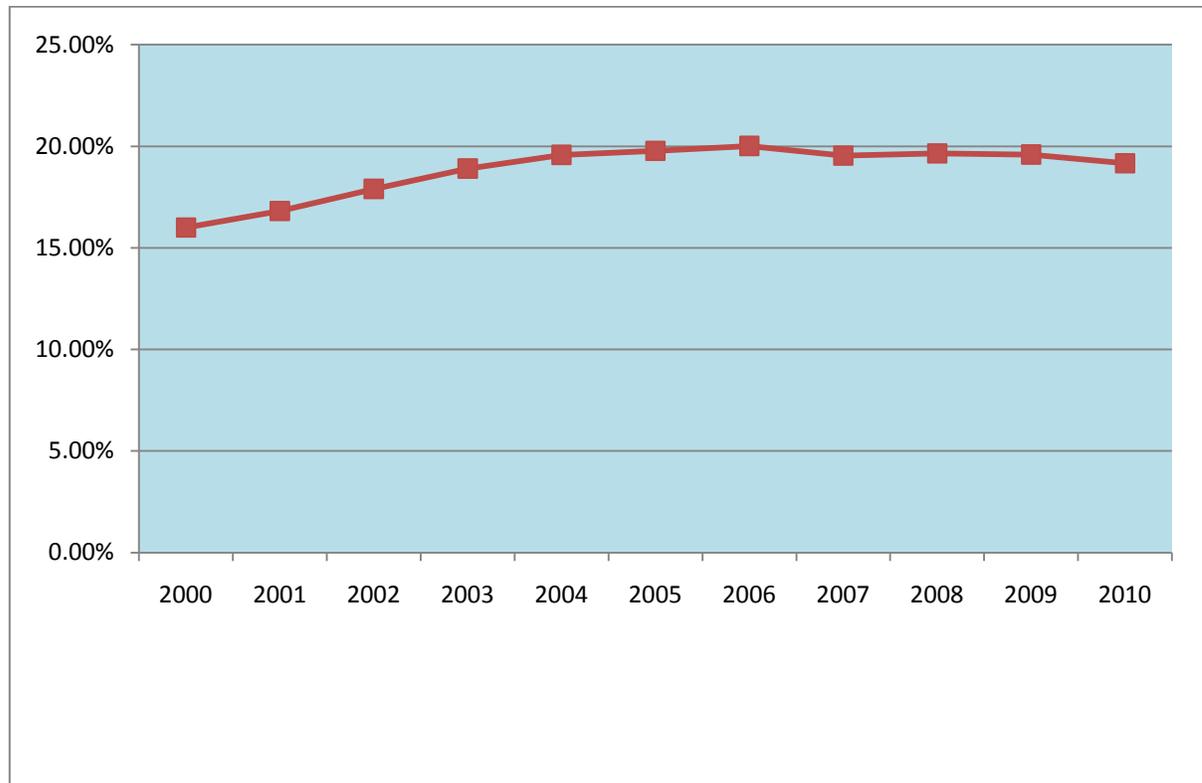
**Figure 5. Historical Data of P.Eng. Full Fee Members vs. Retired Members**



The number of retirees is expected to continue to increase over the next five years at a relatively constant rate of 0.8 to 1 per cent. The growth of regular members is expected to be in the range of 1 to 1.3 per cent. As shown in Figure 6, the number of retirees increased at a higher rate from 2000 to 2004 and, after a slight drop in 2007, has been relatively stable since. The net effect is an increase in the ratio of full fee members to retirees from 16 per cent in 2000 to approximately 19.2 per cent in 2010. In other words, in 2010, each full fee member had to absorb 19.2 per cent of the membership

fee of a retiree, as compared to 16 per cent in 2000, to maintain PEO's revenue requirements, assuming that full-member fees had remained the same over the period.

**Figure 6. Ratio of Retirees to Full Membership Holders**



### 2.1.3 What is PEO doing to increase membership?

PEO is not mandated under the *Professional Engineers Act* to increase its membership, but rather to regulate the practice of professional engineering and to govern its members and licence holders.

However, as approved by Council, PEO implemented an EIT Financial Credit Program on May 1, 2007. This program enables qualified applicants to apply for their P.Eng. licence at no cost and will cover their first year of membership in the Engineering Intern program.

It is also expected that such initiatives as PEO promoting the relevance of the profession to engineering graduates, raising awareness among employers of the added value licensed engineers provide, and increasing the public's confidence in the licence will be incentives for engineering graduates to join PEO and to maintain their licences.

Such initiatives are intended to serve as building blocks to:

- ◆ attract/engage unlicensed engineers;
- ◆ retain licensed engineers who no longer practise engineering; and
- ◆ increase licence uptake by graduates of Canadian Engineering Accreditation Board-accredited engineering programs.

### 3. Fees

#### 3.1.1 How much are the other engineering associations charging their members for the annual licence fee?

Web research was conducted to compare how the annual licence fees are charged in various provinces. As Table 3 illustrates, PEO has one of the lowest rates for annual licence fees among Canadian professional engineering associations. Due to the advantages of economy of scale, P.Engs in Ontario are paying less compared to their peers in other provinces.

**Table 3. Provincial Engineering Associations' Annual Licence Fees as of December 31, 2010**

Association	*No. of Members	*Annual Renewal Fee (P.Eng.)
Association of Professional Engineers and Geoscientists of Saskatchewan	6,500	\$300
Association of Professional Engineers and Geoscientists of Manitoba	5,180	\$350
Association of Professional Engineers and Geoscientists of British Columbia	24,168	\$379
Association of Professional Engineers, Geologists and Geophysicists of Alberta	59,862	\$290
Association of Professional Engineers and Geoscientists of New Brunswick	5,712	\$248
Association of Professional Engineers and Geoscientists of Newfoundland and Labrador	2,960	\$278
Association of Professional Engineers, Geologists and Geoscientists of Nunavut and the Northwest Territories	1,787	\$340
Association of Professional Engineers of Nova Scotia	4,777	\$236
Ordre des Ingénieurs du Québec	60,005	\$250
Professional Engineers Ontario	80,664	\$220
Association of Professional Engineers of Prince Edward Island	536	\$200
Association of Professional Engineers of Yukon	646	\$240

*\*Data are based on web research and from information provided by the associations. Some associations did not respond. For these associations, membership and fee information was obtained from their websites.*

## 4. PEO Envisioned Future and Strategic Intent

### 4.1.1 What is PEO's envisioned future and what are the strategic intents?

At the 2009 Council Workshop, Council developed a draft envisioned future and strategic intents. The envisioned future is the vivid description of the “desired” PEO in 25 years and the strategic intents are the strategic principles to progress toward the envisioned future. At the September 2009 Council meeting, Council approved the following envisioned future and strategic intents.

- ◆ **Big audacious goal.** Be the global leader in professional self regulation that responsibly improves the quality of life for all.
- ◆ **Vivid descriptions.**
  - P.Engs will achieve a position as the highest publicly trusted profession, and will be sought after worldwide for their valued expertise.
  - Licence holders will be regarded as exemplary practitioners from the perspective of integrity, competence, ingenuity and cost effectiveness.
  - Licence holders will be the best educated individuals so that they can be accountable for protecting the public interest by preventing failure and accidents in all fields of engineering practice.
  - PEO will be the world leader in engineering regulation and development. We will be the model for self-regulation, and will be the leader in global standards development. Governments worldwide will view PEO as leaders in the development of public policy.
  - PEO will promote and implement inclusiveness and diversity that drives innovation. The profession will reflect the diversity of society.
  - Licence holders will be proud to belong to PEO and to be a P.Eng.
  - Students will be excited to become a P.Eng. and consider engineering a rewarding career.
  - Engineers-in-training will increase uptake for engineering graduates to register as engineering interns.
  - Governments will have total confidence and trust in the ability of PEO to administer the Act.
  - The public will be more aware of the relevance of an engineering licence.
- ◆ **PEO strategic intents.**
  - *Self-regulation–public trust.* PEO will increase the confidence of the public, governments, and members in the value of self-regulation and licences to practise engineering by actively enforcing the provisions of the Act.
  - *PEO's global influence.* PEO will achieve effective participation with colleagues in the regulatory community abroad with the intent of improving PEO's international profile.
  - *Diversity/inclusion–a profession that reflects society.* PEO will continue to impose licensing requirements for the practice of engineering to protect the public interest and safety on the basis that all applicants, regardless of age, sex or ethnic background, who meet these requirements, will be able to obtain a licence in timely manner. PEO will strive to expand its “acceptable alternatives” to recognize the skills and knowledge of applicants toward achieving the licensing requirements.
  - *Education/professional development/competence.* Professional development is an essential function of licensure, and PEO will continue to integrate professional development with the licence.

- *Highest standards of practice.* PEO will develop appropriate practice standards to prevent failure and accidents in all fields of engineering practice.
- *Ethics and professional responsibility.* PEO will increase practising engineers'/public awareness that PEO members uphold professional responsibility and ethics to the highest standards.

## 5. External Relations

### 5.1 Engineers Canada

#### 5.1.1 At what frequency does the fee that PEO pays to belong to Engineers Canada change?

The rate for the assessment for all constituent associations is \$10.21/member and engineering intern in 2011 and remains unchanged from the past five years.

In February 2004, Engineers Canada's Board approved a deferral of a then-planned increase in assessment until 2008, when Engineers Canada decided to wait for the outcome of the strategic plan in 2010 to establish the adequate level of assessment fee. The outcome of the strategic planning exercise is anticipated to be complete in October 2011

**Table 4. Engineers Canada Assessment Formula**

<b>Constituent Associations</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006-2010</b>
Full Paying Member	\$8.65	\$11.05	\$13.45	\$10.21
Partial Paying Member (retiree and fee remissions)	\$7.55	\$9.95	\$12.35	\$10.21
Member-in-Training	\$6.70	\$9.10	\$11.55	\$10.21

#### 5.1.2 What does Engineers Canada do for Professional Engineers Ontario?

Engineers Canada coordinates the development of national policies, positions and guidelines on behalf of the engineering regulators like PEO, who are its constituent associations.

Professional Engineers Ontario is one of the 12 constituent associations of Engineers Canada. In 2010, it had three representatives on the 18-member Board of Engineers Canada: Catherine Karakatsanis, P.Eng., FEC; Chris Roney, P.Eng., FEC; and Walter K. Bilanski, P.Eng., FEC. In 2011, through a governance change at Engineers Canada, the Board increased to 20 directors and five advisors. This included the addition of a fourth member from PEO, David Euler, P.Eng., FEC, who was an observer for the last meeting of 2010.

Professional Engineers Ontario also has representation on the committees that actively participate in all of the organization's undertakings, decisions and long range planning for all activities. This includes Professional Engineers Ontario's input into all the activities and functions described in the sections below.

Engineers Canada conducted business activities in 2010 in direct support of the constituent associations' regulatory activities (admissions, practice, discipline and enforcement) and helping constituent associations ensure that all people practising engineering are licensed, at a cost of \$6 million, which is just under 80 per cent of its budget.

Engineers Canada's 2010 unaudited operational expenses totaled just over \$7.4 million. Just over 32 per cent of the cost of these programs was borne by the 12 provincial/territorial associations.

Through the Canadian Engineering Accreditation Board, Engineers Canada accredits Canadian undergraduate engineering programs that meet the profession's high education standards. Graduates

of those programs are deemed by the profession to have the required academic qualifications to be licensed as professional engineers in Canada.

Through the Canadian Engineering Qualifications Board, Engineers Canada develops national guidelines on the qualifications for registration, and standards of practice and ethics expected of professional engineers. It also publishes the *Engineers Canada Examination Syllabus* and the *Engineers Canada List of Foreign Engineering Educational Institutions and Professional Qualifications*.

The syllabus describes an examination program to assess the academic qualifications of those who have not graduated from an accredited Canadian engineering program, an engineering program offered outside Canada but recognized to be equivalent to a Canadian program under a mutual recognition agreement, or a program offered outside Canada that has been evaluated by the Canadian Engineering Accreditation Board and deemed to be “substantially equivalent” to a Canadian program. The academic qualifications requirement to be licensed as a professional engineer in Canada is outlined in the *National Guideline on the Admission to the Practice of Engineering in Canada*.

Engineers Canada is supporting the constituent associations in the development of the Canadian Framework for Licensure, which will help engineering regulators across Canada improve their legislative framework to enhance equity, consistency, fairness and timeliness of services. These changes will result in enhanced national and international mobility through uniform qualifications recognition, and admissions, discipline and enforcement procedures. The guiding principles for each element of the national framework will be developed collaboratively by the engineering regulators with extensive consultation to identify best practices and details for use by the engineering regulators.

Launched in January 2003, *From Consideration to Integration* was a three-phase project designed to facilitate, through the development of new processes and/or improving current processes, the timely licensure and employment of international engineering graduates, without compromising public safety or lowering professional standards. The ongoing activities associated with foreign credential recognition have become core business for the constituent associations and Engineers Canada and the From Consideration to Integration Task Force was stood down with thanks in May 2009. Work on foreign qualifications recognition continues, however, through the implementation of the task force’s recommendations. In particular and with great support from PEO, it has developed the *International Institutions and Degrees Database*, which provides timely information on various degrees and institutions around the world that have been compared to our Canadian standards. And an *International Engineering Graduate Roadmap to Engineering in Canada* project will soon begin, which will provide a central location for international engineering graduates to access information on Canada’s engineering profession, how to get started (information on required qualifications to enter the profession, social and cultural orientation, preparation prior to immigration), the labour market, training, processes (immigration, licensing, employment), and available support when seeking help.

Engineers Canada attempts to achieve “engineering without borders” through activities that result in national and international mobility, while maintaining the high standard of Canadian engineering practice. A nationwide database has been created to further enhance the ease of movement of engineers across Canada.

Engineers Canada negotiates international agreements on behalf of its constituent associations, primarily at the educational level through the Canadian Engineering Accreditation Board, to facilitate increased international mobility for Canadian engineers. The agreements also make it easier for its

constituent associations to evaluate the academic qualifications of international engineering graduates applying for engineering licensure in Canada.

The Canadian Engineering Accreditation Board also plays a key role in international activities by assessing the equivalence of the accreditation systems used in other nations relative to the Canadian system, and by monitoring the accreditation systems employed by the engineering bodies that have entered into mutual recognition agreements with Engineers Canada.

Engineers Canada maintains official marks on the terms: “ENGINEER,” “ENGINEERING,” “PROFESSIONAL ENGINEER,” “P.ENG.,” “CONSULTING ENGINEER,” “INGÉNIEUR,” “ING.,” “INGÉNIEUR CONEIL,” “GÉNIE” and “INGÉNIERIE.” This helps its constituent associations to enforce the provisions of the engineering legislation in their jurisdictions, and protect the Canadian public through the regulation of engineering practice.

Engineers Canada proactively addresses with the regulators the challenges of continuing relevance of the engineering profession to maintain a strong profession, today and in the future.

The research activities of Engineers Canada monitor the pulse of the engineering profession in Canada, from coordinating its ongoing research on the nature of engineering work in Canada, to undertaking its trends in engineering student enrolment and the number of degrees awarded study and its annual membership surveys.

The research activities of Engineers Canada also include collecting and analyzing labour market information through the *Engineering and Technology Labour Market Study*. The objectives of this work are to inform the planning and integration of international engineering graduates; better understand the changing work and skill sets required by the engineering team today and in the future; depict a detailed picture of supply and demand; and identify labour force and skills implications from various economic realities. Engineers Canada also produces key research publications, including *Canadian Engineers for Tomorrow—Engineering Enrolment and Degrees Awarded Report* and summary findings from its national surveys of the engineering profession in Canada. It coordinates a national survey of the engineering profession, as well as monitoring emerging areas of engineering practice.

Engineers Canada is a participant in the Women in Engineering Advisory Group. The Women in Engineering Advisory Group held a workshop in Toronto on September 10, 2009, resulting in mutually agreed-upon initiatives for further advancement of the recommendations, including raising the profile and improving the image of the profession, demonstrating the value of diversity in engineering education and in the workplace and helping prepare engineers for a diverse workforce. Work on these initiatives continued throughout 2010.

Engineers Canada supports the Canadian Engineering Memorial Foundation, which is dedicated to increasing the participation of women in the engineering profession.

Engineers Canada raises the profile of professional engineering through various activities such as participating in National Engineering Month, activities of the Canadian Federation of Engineering Students and the printing of a national insert.

The organization currently produces several annual publications, including the *Accreditation Criteria and Procedures Report*, a national insert, an *Annual Report* and numerous news releases.

It presents the Engineers Canada Awards to honour Canada's outstanding engineers, engineering students and engineering projects.

Engineers Canada offers a national scholarship program to support exceptional engineers undertaking studies at the university level.

Engineers Canada enhances the professional, social and economic welfare of engineers through the provision of high quality affinity programs. It sponsors insurance and investment products for Canada's engineers, from home and auto insurance to life insurance to professional liability insurance, as well as special discounts on car rentals. These activities create about 45 per cent of Engineers Canada's revenue; the remaining revenue comes from government and non-governmental organization (NGO) funding, as well as revenues from the 12 provincial/territorial associations.

Engineers Canada works with the federal government on public policy where issues pertaining to public health and safety can be directly influenced by the engineering profession. Engineers Canada also supports PEO's Government Liaison Program.

Finally, Engineers Canada has spearheaded many collaborative projects that have been of mutual benefit to its constituent associations, including PEO. In most cases, they have resulted in cost savings to PEO, and in other cases have resulted in increased efficiencies and additional services to PEO's own membership. For example: Directors/Officers and Errors/Omissions Insurance, Commercial Crime Insurance, and Corporate Identity Protection Insurance and Employee Benefits. Cost savings to PEO have been in the range of \$115,000

## **5.2 Ontario Society of Professional Engineers**

### **5.2.1 What is the Ontario Society of Professional Engineers**

The Ontario Society of Professional Engineers (OSPE) is the voice of professional engineers in Ontario. OSPE advances the professional and economic interests of Ontario's engineers by advocating with governments, offering valued member services, and providing opportunities for ongoing professional development.

### **5.2.2 How are PEO and OSPE working together for the engineering profession?**

Although we have different mandates, PEO and OSPE have been working together in partnership for the past several years. For example, both organizations have been helping EITs to become licensed in Ontario through promotional and educational programs, participating together at accredited schools of engineering in Ontario to promote licensure and to let students know what each organization does; creating programs that will help internationally trained engineers become licensed; and working as partners to put together the Ontario Professional Engineers Awards (OPEA) Gala, an annual event celebrating the crème de la crème in engineering.

### **5.2.3 What are the differences between PEO and OSPE?**

Professional Engineers Ontario governs and regulates. The Ontario Society of Professional Engineers advocates.

Through the *Professional Engineers Act*, PEO governs licence and certificate holders and regulates professional engineering in Ontario to serve and protect the public.

The Ontario Society of Professional Engineers is a voluntary professional association that represents the professional and economic interests of the province's 74,000 professional engineers, as well as engineering students, interns and internationally trained engineering graduates who are pursuing licensure in Ontario. OSPE advocates on behalf of Ontario's engineers with governments, industry,

PEO and the public. OSPE also provides professional development opportunities, operates an online Career Centre exclusively for engineers, offers member savings on products and services, and delivers thought leadership on a wide range of subjects of interest to the engineering profession.

#### **5.2.4 In what ways does the Ontario Society of Professional Engineers advocate for engineers in Ontario?**

OSPE works with all levels of government—and with all political parties—to ensure that the valuable insights and input of professional engineers are considered when policies are made. OSPE provides specific recommendations to policy-makers on issues of importance to engineers and the public, such as energy, infrastructure, research and development, safe water, and many other policy areas.

OSPE also promotes the achievements of engineers and the importance of engineering through editorial content in major newspapers; contributed articles in trade magazines; issues-based symposia and conferences; and the Political Action Network—a successful program through which OSPE volunteers meet and engage regularly in face-to-face dialogue with MPPs, MPs and members of the opposition across Ontario. Executive members of OSPE's Board of Directors and staff also meet with government officials on a regular basis to discuss matters of importance to engineers and the profession.

OSPE's mandate also includes advocating with PEO to ensure that our distinct responsibilities do not overlap and to ensure that the professional and economic interests of engineers are protected under the current regulatory framework.

#### **5.2.5 What is the impact of two voices talking to governments about engineering issues—one from PEO's Government Liaison Program and the other from the Ontario Society of Professional Engineers' Political Action Network?**

Professional Engineers Ontario's role is to administer the *Professional Engineers Act* by licensing practitioners and setting standards for and regulating engineering practice in Ontario to serve and protect the public interest. One of its objects under the Act is to raise awareness of the role of Professional Engineers Ontario. It is strictly within this framework that PEO communicates with government.

OSPE's mandate is to advocate on behalf of engineers and to act as the voice of Ontario's engineers. It is within this mandate that it communicates with government.

At times, PEO and OSPE messages to government are complementary; but, for the most part, each organization addresses distinct subject matter.

#### **5.2.6 Are there ways in which PEO and OSPE pursue the same objectives?**

Both organizations are strongly committed to the future of engineering. Through such initiatives as National Engineering Month programming, both organizations recognize the importance of community outreach to ensure young people understand and consider the possibilities open to them by pursuing a career in engineering. Both recognize the importance of working together with accredited engineering schools in Ontario to promote licensure and the benefits of becoming a professional engineer. And both organizations have developed programs to help internationally trained engineering graduates pursue the path to licensure in Ontario.

### **5.3 Government Liaison Program**

#### **5.3.1 What is PEO's Government Liaison Program?**

PEO's Government Liaison Program (GLP) was established to ensure that government, PEO members and the public continue to recognize PEO's regulatory mandate, in particular its contributions to maintaining the highest level of professionalism among engineers working in the public interest. Ultimately, the goal is to have government understand and support PEO's policy directions.

The main messages of the program are:

- ◆ PEO has a legislative mandate under the *Professional Engineers Act* to govern licence and certificate holders and regulate the practice of professional engineering to serve and protect the public interest.
- ◆ The self-regulating engineering profession has been successfully protecting the public for almost 90 years.
- ◆ PEO has unique knowledge and expertise and it is in the best interest of government to consult with it before considering new policy directions that may have the potential to impact the regulation of the practice of professional engineering.

#### **5.3.2 Why is it necessary for PEO to become engaged in such a program?**

While engineering has historically taken a back seat to medicine and law when it comes to being vocal about its professional interests, PEO sees the GLP opening doors so we are, increasingly, being invited to the decision-making tables. Through the GLP, our dedicated volunteers from across the province are building the necessary relationships in all levels of government to ensure our perspective is heard.

#### **5.3.3 How is the program structured?**

To ensure chapter involvement in the program, each chapter has a Government Liaison Program (GLP) Subcommittee to oversee the program at the grassroots level.

The subcommittee chairs are volunteer spokespeople for their chapter ridings and responsible for organizing the chapter objectives/activities, which include:

- ◆ inviting MPPs to chapter events;
- ◆ coordinating meetings with local MPPs;
- ◆ participating in MPP events;
- ◆ ensuring members are well informed of engineering and non-engineering matters to thoroughly comprehend issues pertaining to MPPs.

Through the Government Liaison Program Subcommittees, the goal is to recruit at least one spokesperson for each of the 103 provincial ridings, as well as for the federal and municipal levels. Liaison with federal politicians is coordinated with Engineers Canada's Bridging Government and Engineers program.

To help facilitate the Government Liaison Program, PEO has retained the services of Brown & Cohen Communications and Public Affairs to:

- ◆ provide spokesperson training for GLP members;
- ◆ help facilitate spokesperson activities with MPPs in local chapters, events and meetings; and

- ◆ provide guidance on the activities/steps that chapters can take to engage politicians.

In late 2009, Council approved creation of a standing committee to coordinate GLP efforts and develop and execute new strategic initiatives for the program. The members of the Government Liaison Committee have now been recruited and the committee will hold its first meeting shortly.

To date, the GLP has resulted in active subcommittees in most PEO chapters, a program reference manual, campaign and candidate college workshops, and the annual Engineers for Ontario Day reception for MPs and MPPs at Queen's Park.

#### 5.3.4 What did the program do during the past year?

Ontario's engineering community reached a new high water mark in political recognition as a result of its fifth annual **Engineering for Ontario Day at Queen's Park**.

Held September 22 and culminating in a reception in the main legislative building, the 2010 event attracted almost 50 MPPs, including Ontario Attorney General Chris Bentley and almost a dozen other cabinet ministers. Tim Hudak, leader of the Progressive Conservatives, and Andrea Horwath, leader of the New Democratic Party, also attended. Phil McNeely, P.Eng. (MPP, Ottawa-Orléans) and Norm Sterling, P.Eng. (MPP, Carleton-Mississippi Mills), the two engineers at Queen's Park, were featured guests.

The Queen's Park reception also provided the opportunity to recognize the PEO chapters demonstrating the best efforts to build stronger relationships between members and their local MPPs. Honoured in 2010 with PEO's second annual **GLP Chapter Awards** were the **Mississauga, Ottawa** and **Windsor** chapters.

Although PEO's annual Queen's Park event is a cornerstone of the GLP, the GLP also supports encouraging and educating engineers to stand for elected office as a natural extension of their commitment to the public interest, through its **candidate college** events. Through the GLP, PEO has an ambitious goal of seeing 11 engineers elected to the provincial legislature in 2011. In addition, in the fall 2010 municipal elections, over 50 professional engineers registered as candidates to help ensure municipal councils and school board might also benefit from having technical perspectives when making decisions. Nearly 20 of the P.Eng. candidates were elected in their communities.

Several PEO chapters organized events to highlight the engineering-public policy link. In March, **London Chapter** hosted a town hall meeting and panel discussion with Minister of Revenue John Wilkinson, MPP Perth-Wellington, and Irene Mathyssen, MP London-Fanshawe. The panel was moderated by *London Free Press* business columnist Allison Graham. Nearly 100 people attended the event, which focused on the impacts of the Harmonized Sales Tax (HST) and infrastructure spending.

Also in March, **Windsor Chapter** hosted a Candidate College in support of PEO's goal of seeing 11 engineers elected in 2011 to the Ontario legislature and to promote engineers running for municipal councils and school boards. The three-hour seminar at the University of Windsor was chaired by Andrew Dowie, P.Eng. Speaking were: Joe Comartin, MP Windsor-Tecumseh; Brian Masse, MP Windsor West; Nelson Santos, Essex County Warden, Mayor of Kingsville, and federal Liberal candidate; Alan Halberstadt, City of Windsor Councillor, Ward 3; David Tremblay, past Mayor of Tilbury North Township and past federal NDP candidate; Nick Kouvalis, Principal, Campaign Research Inc. and past campaign manager; and Paul Synnott, founder, Citizfaction and WESpeak, and past campaign manager.

**Ottawa Chapter** also held a successful Candidate College in June with speakers Pierre Poilievre, Parliamentary Secretary to the Prime Minister, MP Nepean-Carleton; former MP Ottawa Centre and current Senator Mac Harb; Phil McNeely, then Parliamentary Assistant to the Ontario Minister of Energy and Infrastructure; and Marianne Wilkinson, Ottawa City Councillor, Kanata North, Ward 4.

Liberal Party of Canada and Official Opposition Leader Michael Ignatieff was the special guest at a town hall meeting hosted by the **Mississauga** and **Oakville** chapters in September. Ignatieff was introduced by Mississauga-Streetsville MP Bonnie Crombie. Nearly 400 PEO members attended the exclusive event on Canada's economic future, which was covered by CTV News.

The two chapters teamed-up again in November to co-host another town hall, at which Ontario Environment Minister John Wilkinson discussed the *Water Opportunities and Water Conservation Act*, part of the government's Open Ontario Plan.

Ontario Infrastructure Minister Bob Chiarelli, MPP Ottawa West-Nepean, delivered a keynote address to more than 150 professional engineers, university students and members of the public at an infrastructure forum and panel co-hosted November 25 by **Ottawa Chapter** and Carleton University, in collaboration with the Ontario Society of Professional Engineers and the National Press Club. Panelists focused on infrastructure priorities and economic development, sustainability, communication and technology, energy policy and Ottawa-specific challenges.

### **5.3.5 Is it too late for me to get involved in the program?**

PEO is always actively recruiting volunteers for the program. If you are interested in joining the growing number of professional engineers involved in the Government Liaison Program, contact your chapter chair or Jeanette Chau, P.Eng., Manager, Student Programs, at [jchau@peo.on.ca](mailto:jchau@peo.on.ca) or (647) 259-2262.

## 6. Ontario Centre for Engineering and Public Policy

### 6.1.1 Can you give me an update on the activities of the Ontario Centre for Engineering and Public Policy?

Last year saw significant progress at the Ontario Centre for Engineering and Public Policy (OCEPP). Professional Engineers Ontario founded the centre in 2008 to encourage engineers to take a greater role in the formation of public policy, and to make legislators more aware of engineering expertise so they would take it into account when drafting and reviewing policy affecting the public interest where engineering is concerned.

Among the highlights in 2010: approval by PEO Council to continue the centre and to incorporate it into PEO operations; redesign of and expanded content for *The Journal of Policy Engagement*; the second annual Public Policy Conference; four Policy Engagement Series seminars; completion of a significant research project for Engineers Canada; participation in the \$1-million Work in a Warming World project; launch of a book series; and several sponsored and co-sponsored events.

- ◆ **Stronger connection to PEO.** The most significant development at OCEPP was the decision by PEO Council in September to continue the centre and to make it a department of PEO. Not only will this change help forge a stronger identity and presence for the centre and PEO, it will also reduce costs through the integration of certain OCEPP activities into PEO operations. In addition, Council directed the centre to focus on regulatory matters for the coming year, and committed to reviewing OCEPP's mandate each November.

The decision to make the centre a PEO department followed recommendations and discussion last spring and summer by a Sustaining OCEPP Task Force and an expanded Sustaining OCEPP Task Force. The original task force sought feedback from all PEO members on such issues as the centre's operational independence, funding challenges and presence. At the September meeting, Council heard various options from the expanded task force, Consulting Engineers of Ontario, the Ontario Society of Professional Engineers and OCEPP.

- ◆ **Journal of Policy Engagement.** Six issues were published in 2010, featuring the ideas and analysis of nearly 40 distinguished professionals. Their articles explored a wide range of key engineering and policy topics, such as the province's water future, modernizing Ontario's rail industry, the Copenhagen Climate Change Conference, and toxic organic chemicals. The redesigned *Journal*, introduced in April, added an editorial page, a "Readers respond" section and a summary of news and events.
- ◆ **Bound Journal.** The centre published a bound edition of the 2009 *Journal* issues and distributed it to specific internal and external stakeholders, including government officials, business and association executives, and university engineering deans. The intent of the distribution was to help heighten awareness of engineering and policy issues among key decision makers, as well as to promote the vast expertise of engineers to those who influence and create public policy.
- ◆ **Second annual Public Policy Conference.** The May 7, 2010 conference offered another forum for engineers, policy-makers, opinion-leaders, business and association leaders, university researchers and other professionals to gain new perspectives on some of the most crucial engineering and policy issues. The conference featured 32 speakers and panelists and six break-out sessions on such topics as the policy process, Ontario's waste management future, and

engineering leadership. Nearly 200 people attended the conference, and it received a good or excellent rating from 86 per cent of post-event survey respondents. Nearly 60 per cent of survey respondents were informed of OCEPP events, while another 35 per cent asked that their names be added to the centre's database. Conference participants also expressed their satisfaction with the event through comments and suggestions for future conference topics and speakers.

- ◆ **Quarterly Policy Engagement Series (PES).** Last year, OCEPP staged another four successful seminars. In February, Dr. Kimberly Woodhouse, P.Eng., dean of the faculty of applied science at Queen's University, discussed engineers' contributions to health care and their vital role in individualized medicine, rehabilitation therapies and health-care policy. The following month, Tom Closson, P.Eng., president and CEO of the Ontario Hospital Association, examined such current and future health-care challenges as quality and accessibility. He also offered a prescription on how to deal with the challenges and outlined opportunities to improve health care in Ontario. The October presentation featured John Yeow, P.Eng., a University of Waterloo professor and Canada research chair in micro/nanodevices. His address, "Nanotechnology: From microscopic science to health-care phenomenon," dealt with the role of engineers in this emerging field, its applications, and the regulatory landscape. At the final PES seminar of 2010, George Comrie, P.Eng., a past PEO president, explored the risks of society's dependence on digital infrastructure and a regulatory framework. More than 700 people have attended these seminars since the series debuted in March 2009 and they have received a good or excellent rating from 77 to 100 per cent of survey respondents.
- ◆ **Engineers Canada research.** In January, Engineers Canada awarded a very important research project to OCEPP and University of Toronto's Centre for the Legal Profession. The project explored what a national framework for the regulation of the engineering profession in Canada should constitute and the best way to achieve it. The findings and recommendations were published in the report, *Toward best policy directions for engineering regulators*. The report's nine main research themes include mobility and harmonization, licensing competencies and continuing professional development. The report is available on the "Research" page of the OCEPP website.
- ◆ **Work in a Warming World.** OCEPP joined 29 Canadian and international organizations to form the six-year, \$1-million Work in a Warming World project. Spearheaded by York University researcher Carla Lipsig-Mummé, the project focuses on seven employment sectors and how the leading organizations in these sectors understand and respond to the challenges of a changing climate. OCEPP's involvement in the short term is on a project titled, "Climate Change and Canada's Construction Industry: Building a Green Future." The centre is acting as a liaison with a researcher at Simon Fraser University and may become involved in other aspects of the project.
- ◆ **Book series.** In June, OCEPP launched a book series, to help showcase engineering expertise and creativity while encouraging decision-makers to seek out engineering knowledge when creating and reviewing public policy. Featuring 11 essays by some of Canada's best-known authorities in the field, *Canada's Isotope Crisis: What Next?* examines the history of the medical isotope industry in Canada, the causes of the recent crisis, and strategies to help Canada regain its prominence in the sector. The book was published by the School of Policy Studies at Queen's University and it can be ordered online through such booksellers as McGill-Queen's University Press and Amazon.ca. By the end of 2010, 210 paperback and 23 cloth copies had been sold.
- ◆ **Student Essay Competition.** Two winners were declared in the second annual essay competition; one was from the University of Toronto and the other was from the University of Waterloo. The winners received a monetary award and presented their papers at the centre's

Public Policy Conference on May 7. As well, their papers were published in the August issue of the centre's *Journal of Policy Engagement*.

- ◆ **Collaborations.** To promote the engagement of engineers in public policy and to heighten awareness of the centre and its activities, OCEPP sponsored, co-sponsored or participated in nearly a dozen events, including pre-budget consultations with select Ontario deputy and assistant deputy ministers, and the 2010 conference of the Canadian Society for Civil Engineering.
- ◆ **Budget.** Through sound fiscal management, OCEPP achieved a surplus of \$48,111 in its \$500,000 budget. Events such as the quarterly Policy Engagement Series are structured on a cost-recovery basis.

## 7. PEO's Purchase of 40 Sheppard Avenue West

Please see separate Building Update Report.

## PEO Core Values

Accountability

Respect

Integrity

Professionalism

Teamwork



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Ontario

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