

Tuesday 15 September 2015 Mardi 15 septembre 2015

Orders of the Day

Protecting Condominium Owners Act, 2015

Loi de 2015 sur la protection des propriétaires de condominiums

Mr. Orazietti moved second reading of the following bill:

Bill 106, An Act to amend the Condominium Act, 1998, to enact the Condominium Management Services Act, 2015 and to amend other Acts with respect to condominiums / Projet de loi 106, Loi modifiant la Loi de 1998 sur les condominiums, édictant la Loi de 2015 sur les services de gestion de condominiums et modifiant d'autres lois en ce qui concerne les condominiums.

The Acting Speaker (Mr. Rick Nicholls): Mr. Orazietti has moved second reading of Bill 106. Please continue.

1540

Hon. David Orazietti: Thank you, Speaker. I'm certainly honoured today to rise for second reading of Bill 106, the Protecting Condominium Owners Act, 2015. I want you to know, Speaker, that I will be sharing my time with my parliamentary assistant, Chris Ballard, the MPP for Newmarket–Aurora, who will also participate in this part of the debate.

Ontario continues to be at the centre of North America's condominium boom. This success has been a double-edged sword. Condominiums, which were not so long ago considered a niche form of ownership, have grown to play a major role in providing a housing option of choice for millions of Ontarians. Condo communities offer convenient, accessible and affordable living that caters to a wide range of different lifestyles.

Many condominiums are clearly well-managed and maintained and meet the expectations of owners and residents. However, the rapid growth of the condo sector has also led to challenges and conflicts that threaten the well-being and investment of condo owners.

The Protecting Condominium Owners Act, if passed, will introduce much-needed measures to strengthen protection for those who buy and live in condos. This is a critical step forward to ensure that we are meeting the needs of an ever-growing market.

The existing Condominium Act was passed in 1998, at a time when fewer people lived in condos, and when the issues revolving around day-to-day life in condos were far less complex.

Today Ontario has about 700,000 condo units and 10,000 condo corporations, with approximately 1.3 million condo residents in the province. This means that approximately one in 10 Ontarians lives in a condominium.

Condos also represent about half of all the new homes being built in this province, in a housing sector worth almost \$45 billion and employing more than 300,000 Ontarians.

It's important to keep in mind that as the market goes through growth and transformation, the province must also grow and adapt to ensure that we meet the needs of this large and ever-changing housing sector. The huge growth in condominium development occurring in our province means that we need new, updated laws now more than ever.

It has become clear what is likely to happen if we do not reform the existing condo laws. We have every reason to expect:

- a further deterioration of condominium living, with increased potential for fraud and mismanagement;
- a continued rise in the number of very expensive, court-appointed administrators taking over the control of condos from boards and managers;
- more and more costly disputes between owners, and between owners and boards; and
- desperate condo owners experiencing significant losses to the value of their homes.

These are all obviously things that we are trying to avoid by introducing this legislation.

During the extensive consultation process which preceded the drafting of the proposed legislation, we heard from condo owners and residents who were worried that their quality of life and significant monetary investments were in jeopardy.

It's imperative to overhaul the existing condo laws to better meet the needs of the province's transformed condominium landscape.

The proposed new legislation marks the first significant change to the condo legislation in about 17 years.

Speaker, the proposed legislation would address these concerns by improving protections for condo owners. It would create clear rules to protect buyers and prevent surprises over unexpected costs after purchasing a newly built condo. I'm confident that, if passed, it will truly modernize Ontario's condominium sector.

We embarked upon a review of the act and, as I touched on earlier, the size and complexity of Ontario's condo market has changed dramatically since the last amendments were made to the current Condominium Act. To address the vast growth and change in the condo sector, Ontario conducted a review of the current Condominium Act using an innovative and collaborative public engagement process, where we received over 2,200 submissions with suggestions on how to improve the current legislation. The review clearly revealed that Ontario requires:

- new laws and tools to increase consumer protection for condo owners and buyers;

- improvements to how condominiums are run and managed;
- new mechanisms for dispute resolution, and
- the means to strengthen the financial sustainability of condominium buildings.

The proposed legislation is based on over 200 specific recommendations that came from condo owners, residents, developers, managers and industry experts through this comprehensive public review.

The Condominium Act review marks a truly collaborative approach to consultation and is a prime example of open government—government that engages its citizens to improve outcomes. And it's a way of boosting public confidence in government and of building a stronger province. I'm proud of the innovative methods used to create this proposed legislation and truly believe that it has led to an act that, if passed, will provide a framework to address the needs of today's condo owners and residents now and into the future.

I'd like to use this opportunity to provide you with the details on this review process and highlight the steps taken to ensure that input was collected from many diverse groups of people, representing a broad range of experience and expertise within the condo sector.

The review was completed in three stages using multiple methods to gather feedback from condo owners, residents, managers, boards, developers and experts within the condo community.

Stage one, which we launched in September 2012, involved four types of engagement sessions, which included, first of all, a set of public information sessions that provided information about the review as well as town hall forums for over 500 participants in five different communities across the province. It also included a residents' panel of 36 representative condominium residents from across the province, which met for three full-day sessions to learn more about condominiums, discuss those very specific issues and propose solutions.

It also included stakeholder round tables, bringing together 25 stakeholders from across the condominium community for four full days to identify issues and discuss solutions. As well, it involved inviting the entire condominium community in Ontario to provide input, resulting in over 400 emails, letters, and approximately 180 additional formal submissions.

The four sessions contained participants from diverse groups within the condo community. Yet each engagement session saw similar issues emerging, which we then used to create a framework for stage two discussions.

In the second stage of the review process, which was launched in March 2013, we had approximately 40 experts gather for an additional one-day session. This stage involved five working groups, comprised of people that represented a broad cross-section of the condo industry. The participants in stage two were chosen to ensure that voices from all parts of the condo sector were represented in the discussions and have impressive experience in the field.

Each working group reviewed one of the five key areas that were raised during stage one consultations, including consumer protection, financial management, dispute resolution, governance and

condominium management. The recommendations that were generated by stage two working groups were then reviewed by a panel of 12 experts from across the condo community. The stage two process resulted in an additional 200 recommendations.

Moving to stage three, the final stage of the consultation process began in the fall of 2013 when the residents' panel reviewed the recommendations generated during stage two. In addition, five round table sessions were held across the province which provided a forum for condo residents and stakeholders to give their feedback on recommendations. These sessions also provided an opportunity to further explore the idea of establishing a condo authority and asked participants to comment on the proposed funding models.

The general public also had 45 days to provide additional feedback on the recommendations through various channels, including an online feedback forum, email and other submissions to the ministry. We received more than 1,400 responses, providing us with valuable input that was considered when drafting the bill. This final stage was completed in early 2014.

Another important mechanism used to obtain suggestions on updating Ontario's current condo laws was the creation of an advisory group. This group was comprised of experts in the condominium sector who helped the ministry better understand the issues that arose during the review. While not a decision-making body, the advisory group provided feedback and advice on the review process, insight into the issues and recommendations raised and information about the project to interested parties. Their expertise was invaluable to the review, as these individuals deal with condo-related issues on a daily basis.

Let me highlight some of the key features of the legislation. The proposed legislation was informed by the input and recommendations we received during an extensive consultation process. I think that's evident. It reflects the needs and aspirations of condo owners and residents for their communities, to which they are deeply committed. The bill embodies the expertise and vision of many within the condominium sector. It underscores our government's commitment to strengthen current and future condominium communities across the province. The proposed legislation would help provide greater confidence and security for condo owners in their investment and in their day-to-day lives in their chosen communities.

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The legislation consists of two key parts. The first part would make sweeping reforms to the Condominium Act and would also make a series of changes to the Ontario New Home Warranties Plan Act, as well as other statutes. The second part would establish a new act: the Condominium Management Services Act, 2015. If passed, it would regulate the province's 2,500 condo managers. The act would require managers and management providers to be licensed and meet certain qualification and training requirements.

This proposed legislation has five key aspects. My colleague and parliamentary assistant in the ministry, the MPP for Newmarket–Aurora, will expand in a few minutes on some of the important details about the proposed act. But I'd first like to provide an overview of the impact that this legislation would have, if passed.

First of all, it would improve dispute resolution for condo owners and boards. Consumer protection would be enhanced by creating clearer rules to protect buyers and eliminate surprises over unexpected costs after purchasing a newly built condo. The proposed legislation would introduce more stringent financial management rules for condo corporations and help ensure their financial sustainability. It would create stronger condo communities with transparent and accountable board governance, including training requirements for condo directors. It would enable the establishment of a new organization to oversee the licensing and regulation of Ontario's 2,500 condo managers. Again, these are important initiatives as part of the legislation that stem from the broad consultations that we held.

We also intend to create two new bodies as a result of the proposed legislative changes. The first is a condo authority. This authority would provide reliable education and awareness to the condo community. It would serve as a registry of information about condo corporations, and it would create an expedited, low-cost condo dispute resolution centre to help resolve the most common issues. We believe that this condo authority could divert approximately 75% of all cases from costly court litigation, mediation and arbitration, saving residents and condo corporations tens of thousands of dollars each year, as well as saving them a tremendous amount of time and stress.

The second body is a manager licensing authority to administer the licensing and regulation of condo managers and establish minimum qualifications and mandatory training standards.

To conclude, Speaker: Addressing the needs of the fast-growing condominium community and supporting the long-term sustainability of condo living is an important initiative for my ministry and our government. The needs of Ontario's condo community and the importance of updating the act were highlighted in our government's 2015 budget, in which this reform is a key commitment.

Ontarians need and deserve modern and effective condo legislation that can stand the test of time. The legislation must be able to adapt to changes in the rapidly growing sector and grow to meet new challenges. I'm extremely proud of the work that has been completed to date, and the collaborative approach that was used to get us to this point.

As I've outlined, Bill 106 would bring much-needed changes to Ontario's current Condominium Act. With the proposed changes we are debating today, the Protecting Condominium Owners Act, if passed, will offer much greater protection to Ontario's 1.3 million and growing condo residents. They deserve nothing less.

Speaker, I want to thank you for the time and the opportunity to debate this bill. I ask for the support of the House in passing this into legislation.

The Acting Speaker (Mr. Rick Nicholls): I'd like to thank the Minister of Government and Consumer Services for his contribution to the debate. Continuing along with debate, I recognize the member from Newmarket–Aurora.

Mr. Chris Ballard: Thank you, Mr. Speaker. I appreciate the opportunity to speak to you today about the key features of Bill 106, the Protecting Condominium Owners Act, 2015.

Buying a condo is one of the most significant purchases in a person's life. We're taking action to not only protect this important investment for owners, but for all those who call a condominium their home. The

tremendous increase in condominiums across the province, including my riding of Newmarket–Aurora, which the minister spoke about, has been accompanied by a number of issues that need to be addressed on behalf of owners, residents, managers, boards and many others. The current Condominium Act was passed in 1998. Ontario is now at a crucial stage where we need updated legislation to respond to the issues that condo owners are facing today.

The bill we're discussing is based on over 200 specific recommendations that came as a result of extensive consultation. Condo owners, residents, developers, experts and other stakeholders within the sector have all provided meaningful input. Again, I want to thank everyone who has contributed as we worked toward the pivotal point we've reached today.

I'm very pleased to be able to speak to you today about the key features of Bill 106. Mr. Speaker, the first important proposed change will enhance consumer protection by creating clear rules to protect buyers and eliminate unexpected costs after purchasing a newly built condo. Purchasing a condo is a major investment, and it's important that we provide consumers with the appropriate mechanisms to protect their interests. A key part of the proposed act is the introduction of additional safeguards to protect condo buyers and help them make informed choices.

The proposed legislation would also enhance consumer protection by enabling the government to create regulations for standard condominium disclosure statements and other documents, such as declarations. These documents provide prospective condo buyers with important information about the condo property and corporation. They would set out matters pertaining to condo ownership, such as unit boundaries and fundamental rules of condo property.

Along the same line, the proposed act would also introduce new requirements that expand the information to be included in a condo status certificate. This additional information would enable purchasers of resale condos to better understand the financial health of their condo corporation. Standardizing these documents would help ensure consistency with the information provided by condo purchasers, so they're able to make informed decisions.

The final key feature that will strengthen consumer protection is the proposed amendments to the Ontario New Home Warranties Plan Act. The Ontario New Home Warranties Plan Act does not currently extend to condo conversion projects, creating inequities for consumers and exposing them to risks. The proposed amendments would ensure that most of the warranty protections available to buyers of new condos would also apply to certain condo conversion projects.

Through our comprehensive review process, we learned that condo owners need timely and reliable information and direct access to their condo corporation's financial records. Clear and consistent rules are needed to ensure condo reserve funds are properly funded, and clearer rules are also needed to ensure appropriate financial controls are in place when condo corporations spend the owners' money.

The proposed legislation fulfills all of these requirements. If passed, the legislation would strengthen financial management requirements for condo corporations and help prevent fraud and mismanagement. For example, it would forbid condo corporations from finalizing some contracts until they had fulfilled certain procurement rules, ensuring better management in the interests of condo owners. Participants in the Condominium Act review agreed that owners should be encouraged to gain a better understanding of how their condo corporation's reserve funds operate.

The proposed legislation would give owners more information about their condo corporation's financial matters and provide more control over important changes. Regulations under the act would also clarify rules by detailing how condo corporations can determine if the reserve funds are adequate. Additionally, the proposed act, if passed, would update rules and requirements relating to insurance when damage occurs to a unit or the building. Creating a definition of a standard unit would help to clarify insurance obligations for condo owners.

The bill would also clarify and standardize the circumstances when an owner would be required to pay an amount up to the corporation's deductible with respect to property damage.

All of these features that I've just highlighted would strengthen the management of a condo corporation's finances and provide owners with clearer guidelines as to their roles and responsibilities.

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The Condominium Act review also raised several issues regarding condo governance. The condominium owners expressed the need for more transparency and accountability from their condominium boards, and many condominium owners and residents raised concerns that they felt disconnected from their condominium boards and building managers. They indicated that they didn't know enough about the decisions that were being made by their condominium corporation or how these decisions were impacting them.

This proposed legislation seeks to address these concerns and improve communication with residents by requiring condominium boards to issue information to owners on a regular basis on topics such as the corporation's insurance, or legal proceedings involving the corporation. It would also ensure that condo directors complete training requirements.

The proposed legislation would make it easier for condominium owners and boards to participate and vote at meetings. For example, a condo board would no longer have to pass a bylaw in order to hold a meeting through conference calls or similar off-site meeting technologies.

Proper management of a condominium building is crucial to protect condominium owners and their investments. Currently Ontario has no minimum requirements governing condominium management firms or for an individual working as a manager of a condominium. The responsibilities of condominium management include property maintenance; ensuring repairs are carried out in a timely manner; providing advice and carrying out the decisions of the board; and monitoring financial reporting and overseeing financial operations.

During the review process, participants urged the province to set clear, mandatory standards for condo managers to ensure integrity and consistency. The proposed new Condominium Management Services Act, and regulations under the proposed act, would respond to these concerns.

Under this proposed act, a new administrative authority would regulate condo managers and management providers by establishing a compulsory licensing system. Regulations under the act would set training and education requirements for condo managers and establish a code of ethics.

Another important measure proposed by Bill 106 would correct the power imbalance during dispute resolution processes by providing a faster, cost-effective and fairer process. Under the current Condominium Act, disputes are resolved through either mandatory private mediation and arbitration or the court system. This can be a time-consuming, frustrating experience for the parties involved, and the associated legal costs can be quite expensive.

If passed, the act would enable the creation of the condominium authority and tribunal that would provide quicker, lower-cost dispute resolution than what is available today. It would also help prevent disputes between condo owners and boards by offering clearer information on condo owners' rights and responsibilities.

Key features of the tribunal would include mediation and case management processes; the ability to issue binding decisions that would be enforceable, similar to a court order; maintaining online resources and self-help tools; and limited appeals to Divisional Court on questions of law.

As noted earlier, the proposed legislation would enable the establishment of two new administrative authorities. Mr. Speaker, I'd like to take this opportunity to provide you with important details on these authorities.

The first is the condo authority. This authority would provide reliable education and build awareness within the condominium community. It would also serve as a registry of information about condominium corporations, and it would serve as a quick, low-cost condominium dispute resolution centre, as mentioned earlier. It could save both residents and condominium corporations tens of thousands of dollars on dispute resolution, as well as a tremendous amount of time and stress. If the legislation is passed, the province would provide start-up funding for the condominium authority.

Going forward, the authority would set its own fees that would include a user fee for dispute resolution services and fees collected from condo corporations. In order to ensure the fees remain cost-effective for condo owners, the fees would be set in accordance with processes and criteria that will be approved by the Minister of Government and Consumer Services.

There's still a lot of work to be done in order to finalize the details of this authority, but it's estimated that the fee collected through condo corporations would be approximately \$1 per unit per month. This is a minimal cost when you consider the amount of money that is spent on dispute resolution through private arbitration and the court system. It's also important to note that the condo authority would not start charging these fees until the dispute resolution process is in place and condo owners and residents could start using this important mechanism.

The second body that the passing of this act would allow the province to establish would be a licensing authority designed to administer the licensing and regulation of condominium managers. Similar to the condo authority, this new licensing authority would be an independent, self-funded, not-for-profit corporation. The initial funding for this proposed authority would be provided by the province. The licensing authority would then be responsible for raising revenue through fees collected from managers and management firms.

To ensure accountability and transparency, both of these administrative authorities would have an administrative agreement with the Minister of Government and Consumer Services, be required to publicly disclose information, and be subject to oversight by the Auditor General.

Mr. Speaker, I'd like to reiterate Minister Oraziotti's closing statement by thanking you for the opportunity to speak about the benefits of Bill 106. Addressing the needs of the fast-growing condominium communities across this province and supporting the long-term sustainability of condominium living are key to the government's mandate.

This bill would bring much-needed change to Ontario's condominium laws and regulations. There's still work to be done before this legislation can improve Ontario's condominium communities and provide Ontarians with the help I have outlined for you today. Passing this legislation would be a step forward to strengthening the protection and well-being of condominium owners and residents. This is why I'm asking for the support of the House in passing this bill, which will do so much for so many who call a condominium home.

The Acting Speaker (Mr. Rick Nicholls): I thank the member from Newmarket–Aurora for his contribution to the debate.

Questions and comments.

Mr. Jim McDonell: It's a pleasure to get up today and respond to the Condominium Act. We see that it's been years that we've been looking for some of these changes. I know that the different associations have been asking for them and are glad to see something finally come through.

We're a little worried about what's in the meat of the legislation versus what's in the regulations. Of course, the regulations will be coming afterwards, so we'll be working with the government, with some potential amendments that we think are necessary. But I think, as I say, we're supporting this bill and we want to see it go through.

The debate will be interesting. I'm waiting to hear my colleague get up and talk about it today. I know we had a meeting with Armand Conant, who is in the gallery here today. He's from the Canadian Condominium Institute. He's in here today to listen to some of the issues in the new legislation. They were working hand in hand with the government and ourselves to bring this legislation about. We were kind of waiting to see it go through and looking forward to working with them over the next upcoming month or so, as we come through this legislation. I'll end it with that.

The Acting Speaker (Mr. Rick Nicholls): Further questions and comments?

Mr. Percy Hatfield: A bit of history is in order, I believe, this afternoon. I think it was eight years ago. The former member of Trinity–Spadina, Rosario Marchese, tried to get such a bill introduced in the House, repeatedly, over eight years. The Liberals were never interested—never interested. Then the glass panels in the shoddily built condos in downtown Toronto started flying off, down onto the street below. All of a sudden, they got a little bit interested. So they went out and talked to their developer buddies, their banker buddies, their lawyer buddies. They didn't talk to too many tenants; they didn't talk to too many owners. They put them on all these advisory committees—very few tenants and owners, a lot of developers, a lot of lawyers—and they came up with this bill.

I say it's a good first step, but it doesn't go far enough. They're so far behind the times. They have a cookie cutter.

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In my part of Ontario, they're not building condos anymore. They took apartment buildings and converted them to condos just for a tax relief structure. "God bless," as the former member from Trinity–Spadina would say. It's all within the law; they can do that. The rest of us have to make up the tax that the new condo-registered apartment buildings aren't paying any more. But that aside, what they're building in my part of the province are townhomes, townhouses. We don't shovel the snow and we don't mow the lawn. It's like a condo, but there's nothing in here to say, "By the way, if you're in a townhouse or a townhome under similar situations, you will also have these protections." That's what could improve this bill. That's what's needed in this bill. Don't think of it as Toronto-centric, much like the Liberal government; think of it as a province-wide bill that can be improved if you put townhome and townhouse associations in there.

The Acting Speaker (Mr. Rick Nicholls): Further questions and comments?

Mr. Mike Colle: I was in opposition at the time in 1998 when the then Conservative government brought in the first Condominium Act. Let me tell you, it was a lot of work that the government of the day did because it's an extremely complex piece of legislation. I remember the committee sat for months and months and months, so it is not a simple process. Going forward, this is a very complex bill because we're dealing with some of the most complex issues of landholding and property rights that you could never believe, Mr. Speaker.

As you know, Mr. Speaker, this is critically important because there are over 1.3 million Ontarians who live in condos. It's a huge reality. Fifty per cent of new homes being built in Ontario are condos. There are 700,000 condo homes in this province and another 50,000 on stream. So it is critical that we tackle this issue, that we modernize the good work that was done in 1998 and bring it up to speed because of the complexities and the different issues that have been brought forward.

We've had this review. I know that in my own riding of Eglinton–Lawrence we had meetings with condo owners, with their suggestions. There has been a lot of dialogue and discussion, and there will be more because this is extremely important, crucial work. It is, as I said, very demanding, and it will be very demanding work on this Legislature to get it right with the help of the meetings, the committee work and the submissions from the opposition. We've got a lot of work ahead of us, and I hope, together, we can come up with some good legislation protecting people who live in condominium homes.

The Acting Speaker (Mr. Rick Nicholls): Further questions and comments?

Mr. Steve Clark: It's an honour for me to provide just a couple of minutes of comments on Bill 106, Protecting Condominium Owners Act. In fact, Mr. Colle just finished speaking—and I have to admit that it's not often I say this, but many of the points you just made I was going to make as well. We have an opportunity to put some legislation forward that will provide some protection.

Over the years, at least as a legislator for five and a half years and working for my predecessor for three years, there were a lot of good points brought forward by condominium owners in terms of registration,

licensing and protection, and some of the concepts to establish the authority, some of the opportunities that we have—this is pretty unique.

What I hope is that, as a former House leader—

Hon. James J. Bradley: You're not the House leader now?

Mr. Steve Clark: No, I'm not, Jim, and neither are you; I know we both had that position before—that with some of these bills that we do seem to have general consent for, perhaps we can work together and get some of these bills into committee. The member notes that there were a number of hearings that took place. I know that the normal legislative process will allow at least a couple of days of hearings where we can have submissions from folks. I guess it's our hope that we'll move the bill forward and allow it to get into committee, and allow some of that meaningful debate to happen, but in terms of dispute resolution, in terms of some of the condo owner education, the fact that the registry would move forward and the authority would be established—I can't argue with those on a conceptual basis.

I think that now the challenge for all three parties will be how quick we get the job done. I look forward to this bill being debated today and I look forward to the hearings that are going to take place to deal with it. Thanks for giving me the chance to provide my two minutes.

The Acting Speaker (Mr. Rick Nicholls): Back to the member from Newmarket–Aurora for final comments.

Mr. Chris Ballard: I'd like to thank the members from Stormont–Dundas–South Glengarry, Windsor–Tecumseh, Eglinton–Lawrence and Leeds–Grenville for their comments on the proposed Bill 106. I know that we certainly look forward to the input from all parties in order to make sure that this important piece of legislation is the right piece of legislation for condominium owners in the province.

I can say that in my previous life in consumer advocacy, I was impressed by the amount of consultation with consumers, with owners and with consumer advocates on this bill, and I know that that will continue going forward. We have listened to people from across the province and incorporated a lot of what they've told us into this proposed Bill 106, and I know that, working with members opposite, we will be able to make this bill even stronger.

In my riding of Newmarket–Aurora, which is very much an urban and formerly rural area—it's certainly not downtown Toronto, with condominiums and glass towers everywhere, but there is a considerable amount of development going on, and I'm surprised, frankly, at how much of it is condominium development. It is the way of the future, especially as we intensify. I know that as an MPP I get telephone calls consistently from condominium owners who have questions about what their rights and responsibilities are, so I know the need for this bill and I know the need for what it puts in place and I look forward to seeing it move ahead.

As I said earlier, I look forward to working with all parties to make sure that the legislation meets the needs of a very growing industry, a form of housing, and really help to build and strengthen condominium ownership in Ontario.

The Acting Speaker (Mr. Rick Nicholls): Further debate?

Mr. Randy Pettapiece: I'm pleased to rise today to speak on Bill 106, the Protecting Condominium Owners Act. That, in title, is what it is. It's the Protecting Condominium Owners Act. I will be splitting my time with my colleague the member from Stormont-Dundas-South Glengarry.

To see why this issue is important, all we have to do is look to the south from Queen's Park at the skyline. The number of condo owners has multiplied. Even in smaller communities and towns like the ones I'm privileged to represent, many people are choosing to live in condos. It's not a new trend; it has been happening for many years. Certainly, since this government was elected in 2003—that's almost 12 years ago, though it sometimes feels much, much longer—so it's disappointing that it has taken this government this long to introduce new legislation to protect condo owners. In fact, the most recent condo legislation is from 1998.

Today, 1.3 million Ontarians live in condos. There are currently 700,000 condo units in Ontario, with another 51,000 units under construction. That's up from 270,000 units in 2001.

Some 50% of new homes being built in Ontario are condos. A lot of that growth is in the GTA but, as I said, there are also condo units being built in Perth–Wellington and across the province.

We in the PC caucus know that home ownership is one of the best investments a family can make. Families need to know that they will be protected once they have made this substantial financial commitment.

Condominiums have a unique set of challenges, as they differ from both apartments and homes. Each unit is individually owned, with a board of directors governing the building as a whole and a third-party property management company responsible for the maintenance of the building. This creates a network of relationships, each of which must be managed responsibly, transparently and in an accountable manner. For years, condominium owners have been contacting this government to share their concerns and recommendations. Finally, in 2013, the government launched a consultation which brought together condo owners, developers, managers and industry experts. I understand that this review generated over 200 recommendations, many of which suggested reforms to strengthen consumer protection and support the needs of current and future condo owners.

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Having spoken with condo owners and managers, I know there has been a need for reform for many years. Condo owners have had difficulties dealing with building boards; managers are dealing with the lack of formal training; and issues often have little recourse other than the legal system. I have heard many common concerns from the condominium industry. In particular, condominium owners have been seeking enhanced consumer protection for years.

While I served as critic, I met with many condo owners. I heard horror stories from condo owners about the lack of protection and the lengths they have gone to in order to protect their financial investment. One family in particular lost their condominium after a prolonged legal battle with the condominium management company and board. Those kinds of cases are simply unacceptable.

There is no doubt that condominium owners need and deserve greater consumer protection. That's why I'm encouraged by measures such as the proposed requirement for developers to give condo buyers a

copy of an easy-to-read guide to condominium living at the time of sale. This kind of information is imperative for prospective buyers, to help them make informed decisions, especially when compared with the legalistic contracts currently in existence, which I have heard are commonly hard to understand.

This act proposes a number of changes geared towards increasing consumer protection. The act is set to provide more comprehensive rules, to prevent any buyer surprises after a condo purchase. It will also enable the government to create regulations for standard condominium disclosure statements. I think these are positive measures that will benefit condo owners.

The other primary areas of change in this bill raise a few more issues. Let's start with how condominiums are run.

As I discussed earlier, each condominium unit is individually owned, with a board of directors governing the building as a whole and a third-party property management company responsible for the maintenance of the building. The relationships boil down to a host of government issues. The condominium corporations themselves are self-governing communities. Unit owners elect their own government, commonly known as the board of directors. This board is responsible for the condominium community and makes decisions on its behalf.

This act would like to change the mechanisms of the condo board processes. For example, one section would make it easier for condo boards to hold a meeting through conference calls or other off-site meeting technology. On the surface, this seems like a straightforward change. However, I would caution that it's important these new permissions be open and transparent. For responsible condominium boards, these will no doubt be positive changes. However, for some condo boards, changing the style of meetings and certain processes may leave the door open to additional mismanagement, which I've heard is already an extremely serious issue.

Becoming a condo board member is not particularly difficult. These boards are given significant responsibility, but there are few checks on who can become a board member and the power they hold once elected. I have been contacted by many condo owners who have had many legitimate and serious concerns with their condo's board of directors. I know this issue was also raised during the government's review, with many condo owners reporting abuses of power, including bullying, cronyism and kickbacks. Some proposed solutions to address these governance issues have been left out of this bill, and I believe they require further consideration.

During the condo act review, participants suggested instituting a system of penalties for noncompliance. If condo board members were failing to comply with legal obligations, it should follow that there is some type of consequence. I hope that during committee review, issues of enforcement will receive a greater deal of scrutiny.

Another identified concern is owner disengagement. I have had worries that fewer owners are turning out for meetings and annual general meetings, which not only means that it's difficult to meet quorum but that it can be difficult to find new recruits for board positions. While I understand that this act will require condo boards to issue regular updates to owners on issues, including the corporation's insurance or legal proceedings, I'm not convinced that the government has done enough investigation into the underlying issues of owner disengagement.

Condo owners certainly deserve regular updates about the status of condo businesses, and I'm sure it will be helpful to have this requirement in writing. However, written updates do not do enough to give owners more voice. Owners need to be provided with opportunities to provide input at board meetings. They need clear information about their rights and responsibilities, and they need open communication strategies when it comes to their condo corporation. I hope that this act is a first step to providing these rights, and I hope that when it comes before a committee, these governance concerns will be given their due consideration.

The third main issue that this bill addresses is financial management rules for condominium corporations. As anyone who has lived in a condo knows, a reserve fund is necessary for a condo corporation to ensure that repairs and upgrades can be made to the building as it ages. With many condo buildings being developed, it is important to address this issue now so that there are adequate reserve funds for future needs. Existing condo buildings share many lessons about how reserve funds should be structured. There need to be standardized requirements for a reserve fund study and these requirements must specify what exactly is to be included in the study. There needs to be clarity about reserve funding requirements and how they are met. The word "adequate" is not enough; the government needs to tell us how they define "adequate." We know, Mr. Speaker, that the government has had a tough time with that particular definition over the years, but here's a chance to give it one more shot.

Finally, we need to ensure that reserve funds meet each individual corporation's needs. I have heard from those affected in cases where the corporation has required significant contributions for repairs that the owners were not prepared for. This is unacceptable and defeats the purpose of reserve funds and reserve fund studies. Financial management issues surrounding reserve funds are already issues for many condo buildings, and they must be addressed to keep pace with the current condo boom.

I'd now like to discuss some of the more contentious measures of this bill. I'm very concerned about the increased red tape and the additional levels of bureaucracy contained in this bill. Let's start with the licensing of condominium managers. I must start out by saying that there are many well-trained professional managers with exceptional integrity. This should be the standard for all condo managers, but the current reality is that it's not. Right now, there are no requirements to become a condo property manager. How the government has allowed that to be the case for so many years I simply do not understand. There are many demands on a condominium manager. He or she must have a strong understanding of the Condominium Act and must be fluent in the bylaws of the individual community they manage. Many condo managers are responsible for the day-to-day management of a condo building, which can mean responsibility for millions of dollars. I would love to hear the government explain why it has never before mandated training for individuals who are tasked with the responsibility for the contracting, building maintenance, and financial management of a condo building.

This act plans to introduce a new Condominium Management Services Act and regulations that would address this inadequacy. It's my understanding that the new act would set out a compulsory licensing system for condo managers and management firms, training and education for managers, and a code of ethics for condo managers. I think, in theory, this is a great first step to improving condo governance. Where I strongly disagree with the government is how this licensing is to be implemented. The government, through this act, plans to create yet another new administrative authority, which will administer the licensing and training to be set out under the Condominium Management Services Act. This means we can expect to see a new licensing authority, which will be an independent, self-funded, not-for-profit corporation. This should raise many red flags.

We've seen all too often how well this government's administrative authorities and independent agencies function. We think of eHealth, we think of the Ornge scandal, we think of the serious accountability issues that plague the agencies that are supposedly overseen by this government. Do we really expect that this government, which is currently under four OPP investigations, will take issues of accountability and integrity seriously?

The government has left so many unanswered questions when it comes to this proposed licensing authority; here are just a few.

What will the operating expenses be for the authority? How much is this new bureaucracy going to cost condo owners, managers and management firms? How much will a licence cost?

What kind of training and education will the manager have to complete? How long will it take to complete the training and education necessary to become a licensed manager? Will current managers be grandfathered into the system?

What specific qualifications will an individual need to become a licensed manager? How often will these licences have to be renewed? How long will it take to get this new system up and running?

These are important questions that deserve answers. Condo managers and owners need to know whether these new requirements will actually be in their best interests or whether this is simply another government tax grab. My money is on another government tax grab.

I also have to wonder why the government is trying to reinvent the wheel when it comes to condo manager education. I know there are already outstanding training programs for condo managers. I think the government should be doing more to support these already developed courses. Why not invest in an organization like the Association of Condominium Managers of Ontario which already has a program in place to provide a registered condominium manager designation? The Association of Condominium Managers of Ontario has an established partnership with Humber College. The college provides a part-time program with evening and weekend courses for prospective condo managers. Once an individual completes their Humber certificate, they can then write the ACMO's comprehensive registered condominium manager exam. This is a proven system with a high set of standards for condo managers.

Instead of reaching out and working to expand this program across the province, the government plans to introduce more bureaucracy. We all know how well that went over with the creation of the Ontario College of Trades. Licence fees skyrocketed with no apparent benefits to tradespeople. Using the old standby excuse of "increasing consumer protection," the government instead made it harder for tradespeople to maintain their livelihoods. Over and over, I have said that the government needs to get out of businesses' way and let them do what they do best. This situation demands the same: Let these experts do what they do best, and support them in that goal. Don't set up a new bureaucracy with more red tape and exorbitant expenses to recreate what's already being done, and being done well, I might add.

I am now going to move to arguably the most important and most controversial part of this bill: the condo authority. The condo authority will be responsible for administering condo owner education,

dispute resolution and a condo corporation registry. In particular, it will provide a registry for all condo corporations in Ontario, including their board of directors and contact information. It will provide a guide for condo buyers, setting out unit owners' roles and responsibilities. Most notably, it will provide dispute resolution services, including mediation and a tribunal.

As with the licensing authority, the condo authority will be an independent body operating as an administrative authority. From what we have gleaned from the act, the government will provide all the start-up funding for the condo authority and it will then be up to the condo owners to finance its operations. Not only will users of its service be paying; a fee will also be levied on all condo corporations across the province. The condo corporations would collect the fees to run the condo authority from owners as part of monthly common expenses. Figures on the proposed monthly levy range from \$1 to \$3 a month per owner. It's cited that this will give the condo authority an annual budget of \$10 million to \$20 million. Comparatively, it is estimated that the annual operating cost of the Ontario Municipal Board is \$7.6 million and the annual cost of the Landlord and Tenant Board is \$21.6 million.

The condo authority will be delegated to administer the Condominium Authority Tribunal. The tribunal's objective would be to resolve disputes through case management, mediation and adjudication. The tribunal's discussions would be binding and enforceable, as if they were a court order.

The government claims that with the creation of the condo authority and the Condominium Authority Tribunal, condo owners will have a cheaper and faster way to resolve disputes. I absolutely agree that those services should be available to condo owners; however, I very much doubt that the government will be able to follow through on those promises. After all, when's the last time this government did much of anything cheap or quick?

In my constituency office, we frequently receive calls from constituents who are dealing with the Landlord and Tenant Board, the WSIB or the Social Benefits Tribunal. All these agencies provide an avenue of last resort for people to deal with their disputes or appeals. Based on anecdotal evidence, nothing about these dispute resolution agencies is quick and easy. Constituents are easily waiting six months to a year for their cases to be heard and for a decision to be rendered.

In the case of the WSIB, there is a separate body, the Office of the Worker Adviser, that is designed to assist workers with the appeals process. Not only is the WSIB's appeals system backlogged, but I've heard that, based on an overwhelming number of cases received by the Office of the Worker Adviser, they now have to prioritize cases and put others on waiting lists.

These examples can be extended to almost every government agency and program. Families in Perth-Wellington and across the province are in desperate need of developmental services funding for their children. Despite the government's promise in 2014 to invest \$810 million in developmental services, families and community organizations have yet to see or benefit from that money. Children, young adults and their families are waiting for funding to pay support workers, provide respite or find appropriate housing to suit their needs. I speak to families on a regular basis who have been on waiting lists with Developmental Services Ontario for years and have yet to receive the support they need.

My office works with commercial drivers who are waiting for over a month to have their licences reinstated by the Ministry of Transportation after a medical suspension. The physician records get sent in, and then it takes around a month for these records to actually be reviewed.

I have received calls from social assistance recipients asking us to speed up their tribunal hearing because they have been without benefits for months and cannot afford their bills. I work with seniors waiting to move into a long-term-care home, but there are no beds available. I hear from constituents who have been waiting for months for important surgery to improve their quality of life.

The overarching theme here is that this government makes big promises but does not follow through. They're doing a great job of writing press releases, which they always send to the media and, on increasingly rare occasions, to opposition MPPs, but when it comes to actually following through on their promises, they fall short—way short.

Telling condo owners that they are now going to have access to a fast and easy dispute resolution system does not ring true when we hear every day from those waiting months and years to access the services they need from already-existing government agencies.

The government's track record on sourcing work to agencies and authorities should also serve as a warning sign about the effectiveness of a condo authority. Let's look at Hydro One: Not only has this government caused hydro rates to skyrocket; it has let Hydro One run completely out of control. Whether it's bloated executive salaries, expensive and unsustainable hydro pensions or poor customer service, Hydro One, as confirmed by the Ombudsman of Ontario, has lost sight of its public interest purpose. My office has been inundated with calls over about the last two years because of hydro bill issues. I cannot tell you how many calls we received from people who went months without ever receiving a bill and from those who received incorrect bills.

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We used to send those complaints to Hydro One, never to hear back. It was quite common for constituents to wait up to six months to hear from Hydro One to discuss their concerns. That kind of service—

Ms. Ann Hoggarth: Point of order, Mr. Speaker.

The Acting Speaker (Mr. Rick Nicholls): Point of order: I recognize the member from Barrie.

Ms. Ann Hoggarth: I was wondering if we were going to talk about the bill that is on the floor.

The Acting Speaker (Mr. Rick Nicholls): I believe he is.

Ms. Ann Hoggarth: I've been hearing all sorts of talk about Hydro and other things.

The Acting Speaker (Mr. Rick Nicholls): I've been listening intently and he is addressing the bill.

Please continue.

Mr. Randy Pettapiece: That kind of service from a government agency is appalling. The fact that this government chose to bury its head in the sand instead of addressing the serious issues at Hydro One gives me reason to believe they are afraid of tackling the hard issues. Even now, instead of dealing with the ongoing Hydro issues, the Premier's plan is to sell off the agencies.

We on the other side of this House don't think that the government is taking into consideration the best interests of the people of Ontario. The decision to sell Hydro One was made without public input, and the sale will be done in complete secrecy. That's not to mention the issues surrounding the loss of majority ownership and the loss of independent consumer protection. It's ironic that at the same time this government is removing Ombudsman and Auditor General oversight over Hydro One, it's introducing a bill entitled the Protecting Condominium Owners Act.

While the government will try to convince us that the condo authority and the condo authority tribunal are being created in the name of consumer protection, I find it interesting that these new authorities, in fact, reduce consumer rights. As you look closely at the bill, you will find that any disputes that are eligible to be referred to the tribunal would have to take that route. That seems to mean that condo owners will not have the option of seeking outside mediation or taking their cases before the court, even if they believe that's the best course of action for their individual situation. Interestingly enough, we will not find out which disputes are eligible and therefore forced to go through the condo authority tribunal until after this legislation is passed.

This is not the only example of this government limiting people's rights to due process. Right now the government is considering introducing an online dispute system called an administrative monetary penalty system for offences such as traffic tickets. Instead of allowing people to appear in court to dispute a traffic ticket, the government wants to force people to go through a resolution process online.

In court, a case is heard by a judge or a judicial officer trained in the law. With the AMP system, we don't know who will be deciding the outcome of the case; we only know there are independent hearing officers. This is a definite reason to be concerned that this government is limiting our legal and appeal options. Modernizing the system to keep pace with the 21st century is important, but that should never mean that a government can eliminate a person's right to bring a case before the traditional legal system.

With the proposed introduction of the condo authority and condo authority tribunal, I also hold concerns about the accountability of these authorities. For a year, I worked on consumer concerns with the Tarion Warranty Corp., which administers the warranties for new homes built in Ontario. The accountability of this delegated administrative authority was one of the top complaints by consumers trying to access Tarion services. They did not feel that they received the answers or action they needed from Tarion. After escalating their concerns to this government, consumers were told that the minister could not look into their concerns because Tarion is an arm's-length agency.

I expect that anyone with concerns about the condo authority and the condo authority tribunal will hear exactly the same message from this government. When consumers cannot go to the government to address their concerns with government agencies, then we have a serious breach of accountability.

As with most government legislation, we have only the bare bones. We know the high-level goals this bill wants to achieve, but we don't know how that will be accomplished or how much all of this will cost. And that concerns me.

This is exactly the same issue we ran into with the government's Ontario Retirement Pension Plan. The ORPP is set to begin taking peoples' money in 2017 and we still don't have all the details on its implementation.

Our party fought tooth and nail to stop this misguided plan from being introduced. We know that it's going to hurt businesses and employees by requiring contributions of up to 1.9% in annual earnings. What we don't know is how much the ORPP will cost to administer, how many jobs it's going to cost the economy, how the funds will be invested and many other important aspects that the government has failed to address.

As in the situation with this condo act, the government passed a bare-bones bill giving it permission to create the Ontario Retirement Pension Plan. Let me be clear: The PC Party voted against this tax grab and has stood up for the best interests of businesses and employees since the government floated the idea.

However, most of the specifics of the Ontario pension plan have never and will never come up for debate or vote in this Legislature, and that is because the decisions will have been made through regulation, which is at the sole discretion of the government.

That is what the government is doing with the Protecting Condominium Owners Act as well: It's giving itself permission to create these bureaucratic bodies without telling us what they look like and exactly how much they will cost to run. All we know is that the initial start-up capital will be funded by all taxpayers and, moving forward, costs will likely be shouldered by condo owners.

In my final thoughts, I would like to address the issues that this legislation has failed to address. One particularly pressing issue with the increase in condo development is phantom rent. I was recently made aware of a family who has been living in a new condo building for two years and is still paying occupancy fees to the developer. Occupancy fees are not uncommon and are fees paid to the developer before a condo building is registered and the buyer has taken official ownership. However, two years after moving in, paying occupancy fees is extreme, particularly as it means that not a penny of your payments is going towards your mortgage. As we are still in the midst of a condo boom, it is a glaring omission that this legislation does not address these pressing consumer and financial protection issues.

From my work with Tarion, I also know that this bill does little to tackle builder and developer accountability. We have all heard the stories about falling glass windows and flooding condos. Some of these cases come down to building deficiencies. In tandem with Tarion, I believe the condo authority should be tasked with addressing builder and developer accountability.

With the influx of condominium development and the trend towards urban condo living, there is no doubt that stronger and clearer rules and processes are needed. This bill addresses many of the issues that were raised by the condo industry during the review process, and for that reason I plan to support this bill so that it can be considered in detail by an all-party committee.

It is my hope that, during the committee process, many of the shortcomings of this bill can be addressed and that condo owners get an opportunity to voice their feedback on the proposed legislation. I know when I contacted the minister months ago about a group wanting to make a delegation during debate on this bill, he was not open to the idea. That is not how our democratic process should work. Those who followed and participated in the condo review should have the opportunity to share their thoughts on the way the government has issued that information.

Moreover, all of those who have recently bought or moved into a condominium should be allowed to provide input on the legislation that governs their new home. We should be hearing directly from those affected by this legislation about whether it addresses their needs and how it could be improved.

Therefore, I am imploring the government to hold consultations during the committee process. As legislators, we should strive for the strongest legislation, and that cannot be done without consultation.

I will now turn it over to my accomplished colleague the member from Stormont–Dundas–South Glengarry for his comments.

The Acting Speaker (Mr. Rick Nicholls): Continuing along with debate, I recognize now the member from Stormont–Dundas–South Glengarry.

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Mr. Jim McDonell: I will be challenged to follow my esteemed colleague from Perth–Wellington, as he did a great job of pointing out some of the issues and some of the benefits of the legislation.

First and foremost, I'd like to take this opportunity to congratulate our new leader, Patrick Brown, in his by-election just two weeks ago. His huge gain in popularity over the previous election shows the willingness or the desire, or maybe the urgency, in this province to have a change of government. We unfortunately have to wait a couple of years for that.

Ontario residents have access to a growing choice of consumer products and services. This, however, comes with the added cost of increasing complexity. The consumer's ability to understand a contract's terms and all the attached conditions becomes the basis for making a fully informed choice beyond basic factors such as price, quality and guarantees. Condominiums are a good example of how Ontario's consumer market has evolved and how our laws need to take these rapid changes into account.

In 2001, there were 270,000 condo units; now, there are over 700,000, with another 51,000 under construction, so we can see that the market is exploding. An Ontarian who purchases a property in a condominium becomes more than just a homeowner; they join a community of shareholders in a condo corporation responsible for managing a significant reserve fund and maintaining the value of what is, for many families, their single largest investment: their home.

Unlike a rental unit, where most responsibilities are clearly defined between the tenant and the landlord, in a condominium environment, property ownership has to coexist with the responsibility towards fellow owners in the same building and communal expenses. Communal elements paid for by all unit owners in the building—such as lobbies, gardens, exercise rooms, pools and outdoor decks—contribute significantly to a building's attractiveness to prospective buyers and consequently the value of each unit. Condominium owners are, therefore, essentially co-signatories to each other's property investment.

In this context, disagreements on various issues are inevitable. The current system of dispute resolution does not work in the owner's best interests. Retaining an appropriately skilled lawyer to represent you in court over a condominium dispute is expensive and is, today, a significant cost concern for

prospective condo owners. The proposed reform addresses this by transferring dispute resolution in condominiums to a separate tribunal similar to the Landlord and Tenant Board.

The proposed reform states that matters such as liens for non-payment of dues to the condo corporation, purchase interest, determining liability in common areas, dangerous activity in the unit, corporation amalgamations and terminations, and property titles will automatically be excluded from the tribunal's jurisdiction and will therefore have to be settled in the courts.

We've been told that the new condominium authority, including the tribunal, will cost the average condominium corporation approximately \$12 per unit per year. With 700,000 estimated condominiums in Ontario, the total budget of the authority is expected to be \$8.4 million annually.

If we compare this to the Landlord and Tenant Board's budget and the client market size for 2010-11, the last year before the financial consolidation of all Social Justice Tribunals Ontario accounts in the province of Ontario, we see that the board had approximately \$30 million in expenditures for a rental market of about 1.4 million units, or \$21 per unit per year.

The condo authority will have a broader mandate than the Landlord and Tenant Board. It will include duties such as condo owners' education, the production of information materials such as a condo guide, and the maintenance of a registry of all condominium corporations in Ontario.

I would like to expand on this mandate in particular. The government's record with information technology is far from stellar. On-time and on-budget performance is the exception rather than the rule. We only need to look at the most recent efforts to introduce new computer systems in the health, justice, social assistance and child services to see the evidence of poor design, poor contracting and definitely poor oversight over projects. We remember calamities in eHealth and SAMS, just to mention a few.

We welcome the government's guarantee that the authority will be subject to the Auditor General's oversight, yet we must also point out that preventing bad management and bad accounting is better than finding about it months after the investigation is completed.

Bill 106 creates a potential significant caseload for the tribunal by addressing—rightly—condominium owners' concerns about noise from other units. While disputes referred to the condominium tribunal under this new provision and other existing ones may be fewer than those presented to the Landlord and Tenant Board, we are concerned that the government's total cost estimate of \$12 per unit is far too optimistic.

An individual's household budget would not be significantly impacted by cost overruns in the authority, since we are talking about a few dollars a year. This would, however, join a string of hidden increases in the cost of living in Ontario that cannot be allowed to continue.

Back in 2013, our caucus obtained plans by this government to levy new and higher user fees on Ontarians in order to increase this government's revenues. Some of these increases, such as the rising cost of vehicle registration, are already causing many of my constituents concern.

The Ministry of Consumer Services oversees several authorities that it defines as self-funding, meaning they collect for the operations directly from their clients in the form of licence fees, inspection fees and similar revenue-collection initiatives. Collectively known as delegated administrative authorities, they act at arm's length from the government while being the sole makers and enforcers of the rules in their respective spheres of influence. They include the Technical Standards and Safety Authority and the Electrical Safety Authority, amongst others.

I have advocated on behalf of several law-abiding, experienced business owners and contractors whose compliance and inspection costs were driving their enterprises into the ground. When you include the hydro costs and massive regulation, you can see why businesses are leaving Ontario in droves.

The model of agency funding that is proposed for the condominium authority is far from perfect. There is a need to have strong safeguards against escalating costs. The act, as written, does not contain such guarantees. We look forward to hearing from condominium owners and consumer groups regarding this issue and ways to improve consumer protection from a less-than-accountable arm's-length agency.

It is important to point out that the authority may not decrease the legal costs associated with resolving condominium disputes. A court case could be expensive. However, many constituents bringing their cases to administrative tribunals will feel the need to retain qualified legal counsel in order to make their case. My constituency office regularly refers clients to our community legal clinic on matters related to landlord and tenant proceedings, the Social Benefits Tribunal and other adjudicative bodies.

Building a strong case in any adjudicative setting is a time-consuming task that requires good knowledge of the law being enforced and awareness of the evidence and standards being used. The closest example is the Licence Appeal Tribunal, where homeowners facing difficulties with builders and the Tarion corporation feel that retaining a lawyer is an essential prerequisite to any chance of success because of the complexity of the building code and the other acts pertaining to new homes.

The length of a proceeding before the condominium tribunal is also not guaranteed. Taking a proceeding out of the court system will not guarantee a speedy resolution unless the government appoints a sufficient number of adjudicators to deal with the caseload as it grows, which it will inevitably do.

I will cite two examples. The Workplace Safety and Insurance Appeals Tribunal saw a doubling of its caseload between 2010 and 2014, resulting in significant processing delays for workers seeking WSIB compensation. The Social Benefits Tribunal has a nine-month wait period for a decision. Over half the appeals in the Social Benefits Tribunal regarding disability support are granted, meaning that a large number of disabled Ontarians, whose finances are already strained by a loss of income and medical costs, have to wait nine months in order to receive assistance that they are entitled to.

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The main goal of Ontario's condominium owners should be swifter and more affordable justice. If it doesn't deliver these two objective, measurable outcomes, the authority will deliver no value for money.

Simply delegating the dispute resolution process is not the answer. Once established, the tribunal must be given the resources to operate effectively and transparently. We will continue to monitor the

development of the tribunal and will take consumer feedback into consideration for possible amendments.

The complexity of condominium ownership begins even before the owner moves in. The declaration, arguably the fundamental document for the condominium, sets out important criteria, such as the unit limit and defining the common areas of the building. To some, this may appear to be a mere technicality. Different declarations may mean that owners are responsible for the plumbing and electrical components in the walls, or the maintenance, upkeep and repair of exterior walls of the unit and other structural parts of the building.

The declaration could also contain fundamental aesthetic provisions, such as the style and colour of visible decorations, including blinds and balcony furniture. Consumer opinions may differ on whether such limitations on freedoms of property ownership are necessary. However, it is undeniable that the content of a declaration, when explained plainly and clearly, should be a contributing factor to the decision whether or not to purchase a unit in a specific building. For instance, a consumer could choose to take a higher condominium fee to live in a building where plumbing and electrical work are the corporation's responsibility, more akin to a rental situation. Others may prioritize a building with plenty of resident amenities which may command a higher fee and a higher purchase price regardless of the unit limit.

The government's reform begins to address the complexity of condominium ownership by creating the condominium guide, a document to be published by the condominium authority outlining the rights and responsibility of ownership, as well as how condominium corporations are governed and how owners may request information and meetings. The proposed act allows government to make regulations regarding the form and content of declarations and disclosure statements.

As with previous efforts by this government to delegate a certain aspect of the legislation entirely, the PC caucus intends to consult with the consumers and stakeholders in order to identify the key components of a declaration and the means by which such a disclosure should be enshrined in the act.

The most significant innovation in the proposed reform is the requirement for licensing condominium managers. The profession is currently self-regulated on a voluntary basis through the Association of Condominium Managers of Ontario. Except for ACMO standards, there is no universal standard for training for managers, or a unified code of conduct. In the growing condominium market, this may be a significant problem.

There are over 9,000 condominiums in Ontario. Only a fraction of managers in those condominiums have completed ACMO's training and certification program and abide by the association's codes. We recognize that most condominium managers act in good faith. However, the financial repercussions of inefficient management are severe for a condominium corporation and the unit holders.

There is no prohibition in today's Condominium Act against an unqualified individual becoming the manager of a condominium. Unit owners are, therefore, taking a potential gamble when the corporation chooses a manager to administer the building's day-to-day operations. ACMO helps condo boards in this task. However, the shortage of certified managers and the voluntary nature of many condo boards increases the chance of recruiting a well-meaning but less-than-qualified manager.

On the furthest end of the scale, we have seen episodes of managers defrauding condominium owners with badly executed or overbilled contracting work. One recent case is under police investigation: the charging of a manager in the Hamilton-Burlington area, the charges against whom include fraud and embezzlement. A high-profile case in 2011 involved a manager borrowing \$20 million against several condominium corporations and then fleeing. Something has to be done.

Volunteer condominium boards need the reassurance of a management profession consistently subject to oversight and discipline. The government's reform includes stronger education and qualification requirements for condominium boards, as well as restricting the practices of the condominium management profession.

We must, however, temper our enthusiasm. Several professions in Ontario are regulated, and their practice outside of the registered professional bodies is forbidden. These include accountants, teachers, surveyors, engineers, social workers, architects, lawyers and medical professionals. The common thread linking these professions is the high level of trust placed in these professionals by the public and the high stakes involved in their practice.

Given the immense value of the home investment to an average Ontario family, the mandatory regulation of condo managers is in the public interest. Bad condo management damages families' economic prospects and reduces the value of our economy.

Regulation, however, is no substitute for uprightness and morality. Regulating condo managers will not abolish bad faith or fraudulent intent in those determined to pursue them. Regulation will, however, bring qualified managers under the same umbrella and train those well-meaning managers whose skills need to be upgraded in order to best serve their board, establishing a common set of professional measures by which a good manager may be assessed.

For the condominium boards, this will mean greater efficiency in choosing a manager. The fact remains, however, that condominium owners and boards need to be given tools, authority and knowledge to proactively scrutinize the work of their management company.

One of the greatest sources of owner concern and frustration is the lack of transparency in certain procurement processes. The act does not create the criteria for transparent procurement; it merely creates the power for the minister to make regulations defining those criteria. Although the government committed publicly to creating a sealed-bid, competitive procurement process, we are unable to judge whether this will deliver any greater guarantees to the homeowner.

The only mention of procurement in this bill is the new section 39.1, which states: "A corporation shall not enter into a prescribed contract or transaction unless the procurement process and other contracts or arrangements that the corporation entered into in relation to the contract or transaction meet the prescribed requirements." The minister retains the power to define what contracts should follow this new, more transparent procurement process and what the actual process should be. We believe this section could be improved by making certain competitive procurement practices mandatory, such as sealed bids and multiple quotations.

Right now, we are unable to foresee what the condo authority or the licensing authority will do in regard to regulating condominium procurement conflict of interest. A more transparent, sealed-bid process is

not immune from influence by the minority of managers and contractors who act in bad faith. For condominium owners, this results in the condo fee and reserve fund being depleted, while the value of a home in their building is potentially under threat.

Letters cited by several condominium information resources highlight the fact that bad managers often have inappropriate financial interests or relations with the contracting company, and resist scrutiny by being unresponsive to owners' concerns or resort to intimidating tactics.

Regulating condominium managers will make it easier for owners and corporations to take action, should such a situation arise. However, it will not prevent it. It will fall to the licensing authority, then, to define the conflict-of-interest framework in condominium management, if it chooses to do so. Nothing in the proposed act sets out an obligation for the new managers' regulatory body to address conflict of interest.

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The province already regulates conflict of interest in other areas of public life. The PC caucus believes that incorporating a legislative mandate for the new licensing authority to regulate professional conflicts of interest for condo managers will give Ontario's homeowners greater confidence in this new agency.

I would like to take a few minutes to highlight the oversight mechanisms for the new condo authority and the licensing authority for condominium managers. For both agencies, the appointment process is detailed in schedule 1, section 1.10, and schedule 2, section 11, stating that the appointment of certain directors of each authority is by minister's letter, similar to the appointment process for the Technical Standards and Safety Authority, the Tarion Warranty Corp. and other agencies.

Without any cabinet appointments or provincial share capital, both the condo authority and the managers' regulatory body would be outside of the reviewing powers of the government agencies committee.

Most regulated professionals in Ontario, where practising is forbidden unless one is licensed by an authorized body, are overseen by a college or association that contains at least one appointment by the Lieutenant Governor in Council. Just a couple of weeks ago, the members from Perth-Wellington, Huron-Bruce and I conducted a two-day marathon of committee hearings in order to interview public appointees, including candidates for professional association council positions.

We shouldn't legislate to create a professional monopoly without retaining direct legislative oversight over its operations. The PC caucus will submit an amendment to ensure that at least one member of the board of directors of the condo authority and the managers' licensing authority is appointed through a certificate by the Lieutenant Governor in Council. It is a minor change that will not delay any appointments while ensuring public accountability for both of these regulatory bodies.

This concern extends further to the appointment of the members of the Condominium Authority Tribunal. As the bill is written, the tribunal would be composed of members appointed by the authority, which would in turn be appointed by the minister. This arrangement takes the tribunal, empowered to make adjudicative decisions, out of the realm of legislative oversight altogether. The public would not

tolerate such an arrangement for any other adjudicative body. It should not be expected to tolerate it for the condominium tribunal either.

We can trust the condominium authority to recommend the most outstanding adjudicators for appointment. Vesting them with the power to make potentially life-changing decisions for homeowners, however, should only be done through an appointment by the Lieutenant Governor, as is done for members of the Landlord and Tenant Board and other dispute resolution bodies.

The Ontario PC caucus will propose an amendment that will ensure members of the tribunal will be appointed with legislative oversight. Section 169 of the Residential Tenancies Act serves as a good model for this, and it states very simply that the members of the Landlord and Tenant Board shall be appointed by the Lieutenant Governor in Council.

We have new legislation before us that is long overdue and has been asked for by the industry, an industry that has swelled in numbers over the last number of years. We look forward to the passing of this legislation, and we will be working with stakeholders to ensure that they have ample time to be at committee, to view concerns with the legislation. We will be proposing amendments based on that review, and we hope the government works with us as we listen to these stakeholders.

The legislation is long overdue. People have been asking for it. In my former role as critic, I met with many groups that were pushing the government and ourselves, as the loyal opposition, to help ensure that this legislation went through. When we're doing it, let's hope that it's really there to solve an issue that has been created over the years. We look forward to getting it to committee, and we want to see this legislation passed as soon as possible.

The Acting Speaker (Mr. Rick Nicholls): Questions and comments?

Ms. Cindy Forster: I look forward to having longer than two minutes to actually talk about this bill. The former member from Trinity–Spadina, Rosario Marchese, four times in five years brought forward a bill, and he would be happy that this bill is here today, but it is lacking in many areas. There is no Tarion reform. There are no protections against shoddy construction. There needs to be a comprehensive and affordable dispute resolution that includes condo managers and developers, not just condo owners and boards, and the bill still needs to rein in unethical developer behaviour, including their habit of promising one thing when you buy your condo and later delivering something else.

I have personal experience, having bought a condo six or seven years ago in Welland, one of the first condos built. An unscrupulous developer-builder named Pointe of View at the time left town after they built bad condos both in Welland and in Brampton. Six or seven years later, we're still on the hook. They come in, they promise you all kinds of things, and then they close up shop and leave town. They then resurface under another name in another province, and they leave the condo board and the condo owners holding the bag not only for repairing their units but for paying huge engineering fees to engineering companies, so that they can then move on to their next fight with Tarion.

I can tell you that in my experience the fight is still on six years later. Those things need to be addressed in this bill, as well. They're not, and you can be sure that the NDP will be tabling amendments to make sure that they are.

The Acting Speaker (Mr. Rick Nicholls): Further questions and comments?

Mr. Bas Balkissoon: I'm pleased to be given an opportunity to add a few comments to the two speakers on the other side. Originally, I was going to comment on the bill, but I listened carefully to both of them, and I just want to respond quickly to some of the comments made, because I think it struck a little bit of a chord in some of the stuff I've been involved with over the years.

The member said that the Association of Condominium Managers of Ontario exists today. I just want to remind him that it exists as a voluntary organization, and the bad apples we have out there who are condo managers, the ones who create the fraud and everything else that has been going on that condo owners have been complaining about, are not members of that organization. This act makes it mandatory—

Interjection: As it should be.

Mr. Bas Balkissoon: As it should be. This act also mandates the type of training they have to have. This is a big improvement to what we have out there. I know that the association exists today, but I can assure you that the association worked with the ministry on this particular issue, and they are supportive of this.

The other thing that the members across the way, both of them, mentioned is that they don't have confidence in the condo authority and the tribunal, and they're not sure that this government will follow through. I would remind everybody—because I've had a lot of experience, both personally and on behalf of my constituents—of the Ontario Human Rights Commission. It was backlogged. It would take you six to seven years to get your cases through.

It was this Liberal government that split up that commission, and we now have the Ontario Human Rights Commission, which does the work of human rights, and we have the tribunal. And since the tribunal was created, there are no more complaints out there in the community. People are happy they are getting their cases heard, and they can get to the front of the line.

I thank you very much. I had a lot more to say, but maybe I'll come back.

The Acting Speaker (Mr. Rick Nicholls): Further questions and comments?

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Ms. Lisa MacLeod: It's my pleasure to join debate today for Bill 106. I want to congratulate my colleague Mr. Pettapiece from Perth—Wellington, as well as my colleague from Stormont—Dundas—South Glengarry. I think they had an easy transition between the two of them from former critic to current critic.

I'd be remiss not to congratulate—in my first opportunity to speak since he has been elected leader—Patrick Brown for coming into the Legislature, joining this assembly, and providing strong and stable leadership that will eventually topple this Liberal government in 2018.

To that end, in terms of Bill 106, I think it's important to know that this bill—or bills like it—have been before this House several times since I was initially elected nine years ago. I must say to my friend Armand Conant, who has been here time and time again, and who was here earlier today, that it's important that we all do support this government initiative, given the fact that it did take a number of cries and calls from the opposition.

My colleague from Welland actually mentioned a good friend of this House, someone who was here yesterday—Rosario Marchese—and his advocacy on behalf of those who live in condominiums and who have condominiums across the province.

I think that this is a piece of legislation that we can all support. It's one that has taken members of this assembly a great deal of time in order to get this far. We're looking forward to seeing this bill pass in a timely and expedient manner, so that stakeholders like Armand can feel that the amount of hours and time and meetings that they have spent here at Queen's Park have been successful and have been worth it.

Speaker, I want to say thank you for allowing me this opportunity to rise in debate.

The Acting Speaker (Mr. Rick Nicholls): Further questions and comments?

M^{me} France Gélinas: I too was very interested in what the two speakers had to say, and I agree with big parts of it. Since Rosario first brought the need to update the condo act to this House—in 2007, Rosario Marchese put his first bill to reform the act. It has been a long time coming, and finally, part of it is here.

Why did he do this? For many, many reasons, such as: Did you know that right here, right now in Ontario, throughout our province, 45% of the people who buy condos are single women? They sometimes have a really tough time getting their voices heard. Rosario wanted to give those women a voice.

Why did he want to do this? Because a lot of people were having a tough time with the developers. But the developers are completely—or almost completely—out of this bill. They should be in. Why should they be in? Because right now, if you look, there are seven class action lawsuits from condo owners against developers. Why, after eight years, are we finally doing a little bit of updating on this condo act, but we don't even look at the elephant in the room, which is the developers?

I have a smidgen of an idea for this. If you look at the donations that the developers give to some of the political parties in this room—not the NDP, I can guarantee you that—that may explain some of the reasons why there is no protection against the developers, although so many condo owners want that protection. It's our responsibility to give it to them, like Rosario Marchese wanted us to do.

The Acting Speaker (Mr. Rick Nicholls): Back to the member from Stormont—Dundas—South Glengarry for final comments.

Mr. Jim McDonnell: I'd like to thank the members from Welland, Scarborough—Rouge River—although misdirected—Nepean—Carleton and Nickel Belt for their comments.

I do feel for people like Armand Conant and Rosario Marchese and the years that they spent trying to get this government to move on something that should have been straightforward. I think everybody agrees; I think, from my understanding, all three sides of the House agree that the legislation was required, and now we're seeing something that's eight years. It's too bad we couldn't spend eight years on putting the sale of Hydro One on the board because maybe then we could cancel it before it goes through. Unfortunately, bad legislation goes through in a hurry but good legislation takes a long time.

We have a lot of issues here that we've talked about. We're looking forward to hearing in committee some of the concerns. I know, in meeting today with representatives from the condo associations, that they do have some concerns. So we'll be looking for that.

When we talk about the common theme for all the messages around here—and from the comments, it was about the length of time to get this legislation through. Certainly, eight years is a long time. We should be thankful the government is finally moving on it. It's not done yet. They have to call it up and then finally get it through second and third reading and call for royal assent. We're hopeful because it's a good start. There's some good legislation here that we'll be working through. The condo owners and managers have certainly been waiting for this for a long time.

The Acting Speaker (Mr. Rick Nicholls): Further debate?

Mr. Jagmeet Singh: It feels a bit like *déjà vu*; I feel like I got up earlier on something similar.

This is a great honour, because I follow in the footsteps of a legendary member of provincial Parliament who has done tremendous work on this issue. So before I begin, I feel like it's appropriate, though I'm the critic for consumer services to give a salute to the former member from our caucus who has done tremendous work on this file, Rosario Marchese, the previous member from Trinity–Spadina. I want to recognize that.

This area of law, or this area of protection, is new because the development of condominiums is something that has happened very recently. While it expanded, the previous member, Mr. Marchese, realized that it was expanding at a great rate, particularly in his riding. Trinity–Spadina was, at the time, one of the most concentrated areas for condominiums. He noticed that there was a great boom in terms of condominiums but there was very little protection when it came to the condominium owners. So he raised significant issues.

One of the issues that I really want to focus in on is that many of the complaints that people have when it comes to their condominiums—those complaints are against the developers and condo managers. Those are the two individuals that people have the most complaints with, but very curiously, those are the two people that the tribunal that's created by this legislation does not in any way cover. Those two individuals are exempt. The tribunal, the way it's structured, only reflects disputes, or only allows for an avenue to resolve disputes, between the condominium owner and the condominium board. While that's an important step—it's absolutely important; condominium boards and consumers and owners of condominiums certainly have a number of issues that arise, and having a mechanism to resolve that is important—the fact remains that many, and perhaps far more, complaints arise with the developer and with the actual condominium manager, and why that was left out of this tribunal process is something that is quite troubling.

The other area that is tremendously important—and we have to look at what goes on: When someone goes to a condominium and makes a decision to purchase a condominium, the actual unit itself is obviously quite important. You want to make sure that if you purchase a unit with granite, in terms of the kitchen, or if you purchase a unit with certain flooring, you get those items. You've paid for them; you expect to receive them. The developer or the individual who's responsible for building and selling the unit has a responsibility to say, "This is what you're going to get," or "This is what you're paying for," and then that's what you actually get.

What's particularly important is, when you get a condominium, you're sacrificing in terms of size. It's smaller than a house would be. But what you make up for in terms of that loss in size is that often condominiums have a number of great amenities, and that's often the big selling point. When you purchase a condominium, often a lot of the owners and the people who purchase condominiums look to what amenities this building will have. Though they might get a smaller space, that condominium might have a party room. So they make up for having a smaller space in their actual living space by having a place where they can actually have friends come over. It might be a patio, it might be something outdoors. That provides them with an alternative to not having a large space.

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Often another selling point is that they might have a good gym in the condominium. They realize that although they are giving up something in size and they might have a condo fee that they have to pay, because they have access to a gym, it might be a bit of a savings. They don't have to pay for a gym membership; and in addition to that, have an amenity like a pool.

These are things that are told to the consumer: "If you purchase this unit, you are going to get a unit, it's going to look like this, and it's also going to have all of these amenities"—a lovely lobby, perhaps a wonderful pool and a great gym facility.

The protections that exist in this bill and the protections that now exist provide for very strict guidelines around the unit. The unit itself has to be exactly what, or very close to what, the developer or the person selling the unit says that it's going to be. That's good protection. But when it comes to the common elements, there is very little regulation around that. You could hope and bank on getting a unit that has a big party room, that has a lovely gym and a pool, but at the end of the day you don't get any of that—or you get a smaller pool, maybe no pool, a really minor gym space when you're expecting a place that could replace your actual gym. When you don't get that, that is a big setback to the consumer; and there is a lack of consumer protection on that front.

That's an important area because that's something that condominium owners are banking on or hoping for, and they rely on that. When they don't see that protection, that's a hole, that's a mistake on the part of the government to not provide that protection.

In addition, one of the major areas of concern—I know one of my colleagues, the member from Welland, has experienced this as well. One of the major concerns that comes up when you purchase a new unit is the warranty.

I want to contrast. In this bill, the government has set up a condominium authority. The condominium authority is going to be run based on a levy of \$1 per unit per building. So there is a levy that's going to

be mandated, and that's going to create a fund that is going to provide the resources for the condo authority to work, to run.

They did the right thing in this case, because when they asked for that levy, they realized those are public funds that are going into this condo authority, so the condo authority is subject to Auditor General oversight—which is the right thing to do. It makes sense. If you're requiring the community or the consumer to pay into this condo authority, it makes sense that that condo authority also has some oversight. The Auditor General can look into the books of this condo authority to make sure we're getting the best value for money, to make sure there's some transparency and accountability. That's the right thing to do.

The scope of the condo authority and its mandate is somewhat limited in what they are actually going to be able to do, but there is that accountability mechanism, so keep that in mind. The scope and the mandate for this authority are somewhat diminished to. It's going to be provide education and training, to provide some guidance to people in terms of how condo managers and condo boards should operate, but they have the accountability, the high standard of accountability, of the Auditor General.

Tarion is the only home warranty program that exists in Ontario. It is mandated; when you purchase a new home, you have to purchase a Tarion warranty. There is only one company; it's Tarion. It's been mandated by law by the Ontario government. But Tarion, which oversees billions of dollars in terms of all the homes that are built and providing warranties for them, is not subject to the Auditor General.

That is a serious concern. When you have something like the condo authority which, in terms of the amount of money coming into it and its actual scope and mandate, is far smaller than what Tarion is doing—the condo authority is subject to mandatory Auditor General oversight, but Tarion is not. That's truly troubling and that is going to be my next topic, where I really want to focus in on.

If the government doesn't take this opportunity to reform Tarion, they are failing to do their duty to really protect condominium owners and, in fact, all new homeowners, whether it's a condo, a townhouse or a house, a freehold home.

Tarion should be a source of security, of peace of mind, for a homeowner. You should be able to have that piece of mind, that "I have a warranty program. If there's any problem with my home, if there's anything shoddy, if anything has been poorly made, if there's any problem, then I can rely on this warranty program. I can go to that program, I can make a claim and I will get coverage."

Often, for most people, a condominium or a home is one of the largest investments you make, one of the largest purchases you make. Often people look at their home as an investment, so to have protection on that very crucial investment—probably the most expensive, most valuable asset in most people's lives—it would make sense to have strong protection, a strong warranty.

Well, the reality is that Tarion systemically and systematically denies claims. There has been such a great outpouring of complaints around the Tarion claims process and Tarion in general, and the government has not done anything to address that. This is clearly a great opportunity, if you're reforming the condominium landscape in terms of the law, to address this issue as well; the government has failed to do so.

Some of the issues that could easily be dealt with: I proposed a bill, Bill 60, which again built on the heritage and the great work of Rosario Marchese. One of the key elements of this bill would require looking at some of the accountability and transparency around Tarion.

One of the biggest concerns that I and a number of people have—Rosario had this as well. If you look at Tarion, Tarion's purpose is to provide accountability, or to provide protection for the consumer when it comes to home builders and developers. Now, you would think that the board would have that principle in mind, would have that purpose in mind: that Tarion exists to protect the consumer, that Tarion exists to make sure that the consumer can have some peace of mind that they've bought this most expensive, most valuable asset in their life and they'll have some protection.

The first bylaw of Tarion clearly indicates, clearly states that half of the board members must be appointed by the Ontario Home Builders' Association. Now, you've got to take that in for a second. The Ontario Home Builders' Association is a great organization. They do great work, but they're a construction lobbyist, essentially. So, to fully appreciate the situation: You have a warranty program which is supposed to protect the consumer who has bought a home from a home builder, and in the organization that provides them with the warranty, half of the board members are made up of the home builders. So how would there be any accountability?

If I'm a consumer and I want to challenge what Tarion is doing or I want to challenge what the home builders are doing and say, "Listen, I want protection. I want a claim. I want to be reimbursed for this loss or this lack of appropriate building materials or the way and manner in which it's built, and I want to bring a claim," but the board members who are controlling this warranty program are all home builders, are all part of the construction side of the equation, that inherently seems to be unfair.

It would make far more sense if the board of Tarion was made up of consumers or, if nothing else, just independent people who have nothing to do with—or maybe experts in the field who aren't affiliated with either homeowners or with the construction side. That might be completely independent.

I would say that what would be better is that if we want Tarion to clearly be a protection agency for the homeowner, it should be protection for the consumer. So I think, if anything, it should be biased in favour of the consumer, and there should be some clear requirements that the majority of the board is made up of people who have that interest in mind, if that's its purpose.

It makes absolutely no sense that Tarion is controlled by the industry that it's supposed to regulate. Think about that for a second. How can you give the control of a warranty program to the industry that it's supposed to regulate? It just doesn't make sense. That would be a very easy reform, a very clear reform, something that the government could have implemented in this act, and they simply did not.

But let's talk about some of the good points and some of the things that we can build on. In terms of the positive points, one of the major concerns that people have when it comes to issues around condominiums is that the remedy that most people had up until this point in time was to go to the courts. Court remedies are very difficult. They're very costly. It's very time-consuming and it's difficult to navigate. So implementing tribunals is a great solution to that.

The fact that the government has now introduced a tribunal which would address complaints that come up—there have been a number of examples of this. Various news agencies have covered issues where the condominium board refused to be transparent, refused to be accountable or refused to disclose what was going on, didn't provide reasons for why the condominium maintenance fees were going up and didn't provide a full, detailed explanation of what the repairs were, how much they cost, who won the bid or what was the bidding process. A lot of the issues around the maintenance of the condominiums are not transparent whatsoever.

Having a tribunal that addresses any concerns that the condominium owner might have with the condominium board makes a lot of sense. But the problem with the way in which this is structured is that a lot of the actual substance of the tribunal is left to regulation. The problem with that is, it doesn't give us, as the opposition or as legislators or lawmakers in general, the opportunity to really provide scrutiny on the tribunal and how it's going to function. If most of its function is left to regulation to determine how it will work, the mechanism by which it will work, then how can we as the opposition do our job to ensure that it is actually a strong piece of legislation and eventually a strong tribunal?

This is, I guess, a broader question about regulations versus putting things into legislation. I do understand and acknowledge that there are times when regulations provide flexibility and provide the government and legislators with the flexibility to address situations without requiring a piece of legislation to come back before the House in terms of a vote and having a new law passed or a law amended. But at the same time, when you overly rely on regulation, it doesn't actually provide clarity in terms of what the law is that we are seeking to pass in this House, and it doesn't allow for a very robust opposition or input from the opposition in terms of how a bill should be crafted. That's an issue with this bill. The tribunal is a great idea, but without knowing the regulations and the details around that, we're unable to really say if this tribunal will be effective or not. That's one of the problems that comes up with this bill.

When we look at the way this law was crafted or the process by which the government got to this point, one of the major concerns that comes up is that when you craft a law, in terms of the people you consult, to me it makes sense that you want to consult with, or you want a panel to be made up of—at least a completely balanced panel. Or, if there is a bias, the bias should be in favour of the person, persons or group that needs to be protected.

In this case, the bill is entitled Protecting Condominium Owners. The purpose of the bill is to protect the condominium owner. That's very clear in terms of the title. But if you look at the expert panel that was struck and the panel that was responsible for coming up with many of the recommendations that the government worked on or implemented into this bill, that expert panel was comprised predominantly of members of either the construction industry and two main groups that I can point to: There was the CCI and the ACMO.

Now, while it makes sense to obtain information and insight from those who are experts in the field, if the purpose of this bill is to provide protection for the consumer, then you would expect that the consumer—at least homeowners, condominium owners, condominium-owning associations, tenants or organizations that are made up of a membership which are people who own a condominium—would have a greater voice. When we look at the panel, there were consultants and lawyers that were connected—I'm a lawyer so I have no problem with lawyers being there, but the vast majority of them were connected with both construction-related organizations, CCI and ACMO. There was only one member on the entire expert panel that one could say represented the condo owners, a very able and

skillful panel member, Anne-Marie Ambert, who manages the Condo Information Centre. But that was one member. On an expert panel for a law which is entitled Protecting Condominium Owners Act, there was only one person representing a condominium owner on the entire panel. The rest of the panel was made up of people who were, if anything, associated with the construction side. So how can this panel really speak to the interests of the consumer, the interests of the actual condominium owner, when the vast majority of the panel was made up of people who weren't, as their main focus, their primary focus, concerned about the condominium owner and instead were associated with the construction side?

Again, having a balanced panel makes sense, having members from each of the related stakeholders or each of the related parties, but to have it so biased in one direction seems to me not to make a lot of sense if the bill was entitled "Protecting Condominium Owners." If the bill was instead how to protect the construction industry, or the home builders' association, that's different and then I wouldn't really be able to raise this concern. But if that's the purpose of your bill, then it doesn't really make a lot of sense.

But that being said, there are a significant number of improvements that are proposed by this bill. There are going to be some significant improvements if this bill is passed.

Just talking about the condo authority, the condo authority will be set up under this bill, and it will be a delegated administrative authority bound by the governance and accountability provisions in an administrative agreement with the crown and subject to oversight of the Auditor General. Like I said, that's an excellent step; it's a positive step.

The main purpose of the condominium authority will be to provide training, education and advice to condo owners and boards. This will definitely increase the playing field somewhat. When condo owners and boards have appropriate training and education, they will be able to be more effective in their job. Whether it's a condominium board that's able to more appropriately manage the condominium itself—in some cases, it's a tremendously difficult job. You have a number of units. There are various issues that come up in terms of maintenance and in terms of repairs, so having that training will be essential. That's a great step.

The other issue is giving the advice to condo owners. Now, an educated and informed owner will be able to navigate the system better; will know what their rights are; will know what they're entitled to; will be able to assess if a maintenance fee increase or a condominium fee increase is appropriate or inappropriate; and will know what questions to ask of the board, to be able to get to the bottom of it. A more informed and more educated condominium owner will be able to ensure that they have more protection and they are more protected.

The tribunal component: One of the things that's quite a positive sign is that the tribunal will have the same damage limit as the Small Claims Court, which has been recently augmented to \$25,000. That provides at least a meaningful recourse. If there is an issue with your condominium and you do want to challenge it through the tribunal, the tribunal will be able to impose damages up to \$25,000, so it gives the tribunal some teeth.

But I want to focus on this point: It's important to know, like I said earlier, that the tribunal will not hear disputes involving developers and condo managers. These still must be resolved in court. Like I said before, it's disputes with the developer and the condo managers which are often deemed the major or

the majority of the complaints. If those major complaints and the majority of complaints aren't actually going to be addressed by the tribunal, it raises the question of why they would not include it. If you want to have an effective tribunal, why wouldn't you include these other parties and, at the minimum, still impose the \$25,000 limit? If there is a matter that's greater than \$25,000, perhaps it requires the greater scrutiny of a court. But at least allow for matters up to \$25,000 in terms of damages; at least allow those to be included in this tribunal. That would be an easy amendment, and it would significantly improve protection for condo owners.

Just on that condominium authority, finally, I really want to highlight that if you look at its authority and what it's going to do, it's going to be a tribunal. The condominium authority will also provide training and education and advice.

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Now, if you compare those three components—and the tribunal has a limit of \$25,000, and the levy of one dollar per unit per building—to what Tarion does, the amount of money that Tarion charges, the amount of resources that Tarion is responsible for and how important in terms of the claims that you can bring forward to Tarion, they are quite different.

If I can put it this way, one has a significantly larger source of resources in terms of how much money you put out, and more impact in terms of your life if you have a claim you want to bring forth to Tarion. But something that's bigger and has more access to funds is not subject to the Auditor General, while something that is smaller, that has less of a scope, less of a mandate, is subject to the Auditor General. To me, it makes sense for both of them to be covered by the Auditor General. This would be another very important, very simple amendment to this bill. If they would include an amendment to Tarion to require Tarion to also be subject to the Auditor General, it would be a tremendous step forward.

One of the things that I think is, again, something very important—and this is something about which people find a lot of confusion. There's definitely a lack of clarity around this issue. A provision in this act will allow for clear, more comprehensive rules to prevent owners from being surprised by unexpected costs and maintenance fee increases after buying a newly built condo.

This is one of the scenarios that happens: People want to get you through the door; they want you to sign up very quickly, get into that condo, and there isn't a full and clear disclosure about what the cost may be. Once you get into the condo and a year goes by, all of a sudden, you are hit with a significant increase. You've been told that the condo fees would only be \$300 or \$400 a month, which is still quite expensive, but then all of a sudden, they balloon up to \$1,000 a month. That's something that you don't account for when you budget. A consumer is looking at, "What does this condominium cost? What are my mortgage payments going to be? What's my tax exposure? How much am I going to have to pay per year on tax? What are my condo fees? And if they don't include utilities, what are my utilities?"

People budget for what they know. If all of a sudden, they see not a 100% increase but a 200%, maybe even a 300% increase, that is completely unacceptable. People aren't going to be able to budget for that. It will throw them completely off. They probably wouldn't have made that decision in the first place. Maybe they would have purchased another unit; maybe they would have held off on purchasing a unit. But the fact that there wasn't that disclosure up front, the fact that there weren't clear guidelines

and rules around what the unexpected costs may be, what the maintenance fees may be and how they may increase, that's something that's doing a disservice to the consumer.

To provide strong consumer protection, the condominium owner should know very clearly that this is what the fees are now, this is what they may increase to, and have a timeline and a guideline of approximately how much they can increase and when. In that way, they can make an informed decision. If the consumer still wants to go ahead and purchase that unit, then they're able to.

This is an area of concern that's come up a number of times: unethical sales practices. The bill will prohibit some of those practices. One of them, which we've talked about very briefly, is promising one thing and delivering another thing, and providing clear guidelines around what is promised and what should be delivered.

Like I said, there are clear rules around the unit itself. If you're promised something in the unit, there are pretty tight rules around the unit being exactly what you were promised. But those same rules don't apply to the actual common elements. Like I said, in a condominium it's the common elements which are often some of the biggest selling points. There needs to be a very clear guideline around what is promised and what is delivered, that there can't be significant variances to what's initially promised, even if it's a common element. Those common elements are often just as important as the unit itself. I think that's an important area that needs to be bolstered. Right now, the law only prohibits and prevents some of the unethical practices but not all, and it could be broader to cover more of those.

There is a positive amendment which seeks to amend the Ontario New Home Warranties Plan Act, and to extend Tarion warranty coverage to include condo conversions, as per regulations. We heard some of the previous members speak about condo conversions, and it's good to see that the new home warranty plan and the Tarion coverage will extend to those conversions, but again, if Tarion is not reformed and made stronger, some of that protection is not really that meaningful.

We need to make sure that if we want to extend that same new home warranty program and Tarion coverage, Tarion is also strengthened and we don't see the current situation where people are relying on Tarion, they think that they have this protection, and when they make the claim, they are faced with an army of lawyers on one hand who are fighting tooth and nail to deny the claim, and on the other hand, you have the homeowner who is strapped and overextended in terms of their costs and expenses, and doesn't have the time and the ability to actually navigate the legal system in order to put forward or advance their claim. That's why we need to really look at reforming Tarion to make this meaningful.

The next piece here is that condo boards will be required to file annual returns with the condo registrar. Now, this is something that seems to me to make a lot of sense. When you have a condominium board, they're dealing with sometimes a great deal of money, if you look at the amount of condo fees collected by each unit. Their operating costs are quite significant, but there have been a number of news stories released where condominiums have kept a big surplus, or there's a lack of clarity about what's happening with the money that's being collected. When there are no overt repairs and no overt maintenance being done but there's an increase in maintenance fees requested, people are left wondering where that is coming from, where the money is going, why the money is being spent. Requiring condominium boards to file annual returns will really satisfy a lot of the concerns that are raised. It seems to be something that should have been done before, and I'm glad to see that it's included in this part of the bill.

Again, these issues were raised by one of the condominium owners' advocates, Anne-Marie Ambert. She raised a number of areas that are still missing. Though there's the requirement to have an annual return filed, there are certain areas that are not included in that return and need to be addressed. There are inadequate checks on unexplained large surpluses and inadequate owner control over large expenditures. Whereas the condominium board will put forward these returns, there isn't a check and balance in place on explaining why there is such a large surplus and where that came from.

More importantly, if there are large expenditures, the owners of the condominiums themselves have to have input in terms of how that is done. If there are minor things like snow removal, it makes sense that the condominium board can have the flexibility to do those on their own. But when it comes to things like the serious overhauling of maybe the facade of the building or serious changes to the lobby that are going to significantly impact the condominium owner and also be a significant cost, then in those circumstances the condominium owner should have a more active role in determining where those expenditures are made and how they're made, and decisions around that.

In that same vein, in terms of those large expenditures, there needs to be more transparency for contract procurement, including knowing the names of bidders in order to discourage bid-rigging. Again, when it comes to these condominiums, often they're dealing with a large amount of money. When it comes to providing bids, those bids should be done in a very transparent manner, and the owners should have a lot of access to that, to address that.

Interjection.

Mr. Jagmeet Singh: I always appreciate the subtleness of Mr. Speaker in providing me with a heads-up, and I appreciate that in this circumstance as well. I would, with your leave, Mr. Speaker, ask that I may conclude my remarks at a later date.

The Acting Speaker (Mr. Rick Nicholls): I thank the member from Bramalea–Gore–Malton. You will have additional time at a more appropriate time.

Second reading debate deemed adjourned.

The Acting Speaker (Mr. Rick Nicholls): Since it is now 6 o'clock, this Legislature stands adjourned until 9 o'clock tomorrow morning.

The House adjourned at 1759.