

## **CAFII ALERTS WEEKLY DIGEST: June 10 to June 17, 2022**

June 17, 2022

*The CAFII Alerts Weekly Digest is intended to provide a curated compendium of news articles, analyses, editorials, and opinion commentary on insurance, regulatory, business/industry/economic, and societal topics of relevance to CAFII Members – drawn from domestic and international industry trade press and mainstream media – to aid in Members' awareness of the spectrum of recently published media content in those areas. Inclusion of a news article, analysis piece, editorial, or opinion column in the Weekly Digest in no way implies CAFII's support or endorsement of the interpretations, analyses, views, and/or opinions therein.*

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## REGULATOR/POLICY-MAKER NEWS

### New Bank Rules Come Into Force This Month But Critics Say They Don't Go Far Enough

*By Ian Bickis, The Canadian Press, June 12, 2022*

<https://www.cp24.com/news/new-bank-rules-come-into-force-this-month-but-critics-say-they-don-t-go-far-enough-1.5943672>

The long wait for shorter wait times on resolving bank complaints is almost over as part of a raft of updates to banking regulations set to come into force.

The reforms are contained in a new financial consumer protection framework that is meant to address gaps in the system, but despite being almost a decade in development critics say the changes amount more to minor tweaks than any fundamental fix to the problems.

"It's not an earth-shaking change, it's not adequate to really protect consumers," said John Lawford, executive director of the Public Interest Advocacy Centre.

Banks have already started sending out notifications on some of the changes they'll have to implement when the rules come into force on June 30, such as alerts on when an account balance goes below \$100, and new rules limiting the liability on lost or stolen credit cards to \$50 unless there's gross negligence.

The new rules also reduce the number of days to 56 after first submission of a complaint against a bank before someone can elevate the issue to one of the third-party evaluators. Previously, the rules allowed escalation to a third-party to occur 90 days after it had been escalated to the bank's second level of resolution, but a lack of transparency from the banks around the timing helped push the actual average time to escalate a claim to be around 130 days.

Since the finance department sent out an initial consultation paper on the changes in late 2013 there have also been increased concerns about high-pressure sales tactics and up-selling in the industry. The new rules now specifically state that banks can't "impose undue pressure" to sell a product or service, and that those products and services need to be "appropriate for the person" and their financial needs.

But while the new framework directs banks to improve their policies, it's not clear how enforceable, or effective, the new rules will be.

"It doesn't really change the fundamental relationship that banks and their customers have, which is still transactional," said Rene Kimmett, who is an articling student at the Public Interest Advocacy Centre.

The rules don't go so far as to establish a fiduciary duty to act in the best interest of the client as some securities law does, she noted.

The changes also don't incorporate rules around financial product design that are used in Australia, the U.K., and the EU, which require banks to design products for an appropriate target market, moving the question of whether a product is appropriate to earlier in the product development stage.

Such rules are especially useful to protect consumers who are offered products and services via push notifications without the opportunity to ask questions about the product and its appropriateness for meeting their goals, said Kimmitt.

The Financial Consumer Agency of Canada (FCAC), which is tasked with protecting the interests of banking clients, said the new rules should address many of the concerns around sales tactics that it reported on in late May. The agency's report noted that around 15 to 20 per cent of mystery shoppers found product recommendations to be inappropriate, such as premium credit cards without asking about spending habits or income, with worse outcomes for visible minority and Indigenous customers.

For its part, the banking industry supports the changes under the new framework, said Canadian Bankers Association spokesman Mathieu Labrèche in a statement.

"Banks devote considerable time, effort and resources to help ensure customers are provided products and services that are appropriate for them and which they have consented to receive. Banks are committed to compliance with consumer protection measures."

Looking beyond the framework itself, critics such as Kimmitt also note that while the complaints timeline has improved, the problem remains that Canada has two external complaints bodies that banks can choose from, leading to a skewed incentive for the two organizations which need to keep banks as clients while making rulings against them.

The federal government made an election promise to establish a single external complaints body, and recommitted to it in this year's federal budget, but hasn't given a timeline yet on when it will implement the change.

The new rules also do nothing to protect consumers from unfair prices, said Duff Conacher, co-founder of Democracy Watch, a Canadian advocacy organization.

"The rules are not very comprehensive in terms of stopping abuses and discrimination, and do nothing to stop gouging."

He said that along with better enforcement by the FCAC itself, a much more effective action by the federal government would be to follow through on the Liberals' campaign promise to enhance the powers of the FCAC to review prices charged by banks and impose changes if they are excessive.

"It was promised and was a huge promise, because it's the first time a ruling party has promised to give a regulatory agency the power to review prices and impose changes."

When asked about plans to create the single complaints body and to enact the enhanced powers, a Department of Finance official reiterated the budget commitment without providing further details, and said the government regularly reviews the financial sector framework and the protection of financial consumers.

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## FCNB Formally Adopts CISRO's Principles Of Conduct For Insurance Intermediaries

*The Financial and Consumer Services Commission of New Brunswick has formally endorsed and adopted the Canadian Insurance Services Regulatory Organizations (CISRO)'s Principles of Conduct for Insurance Intermediaries, indicating such via an E-Bulletin disseminated on June 16 which is reprinted below*

<https://fcnb.ca/en/news-alerts/bulletin-principles-of-conduct-for-insurance-intermediaries>

On April 6, 2022, CISRO published the final version of its Principles of Conduct for Insurance Intermediaries (the Principles). The full document can be found at Canadian Insurance Services Regulatory Organizations (CISRO) Principles of Conduct for Insurance Intermediaries (cisro-ocra.com) together with a Questions and Answers document: 2472 (cisro-ocra.com). The Insurance Division of the Financial and Consumer Services Commission (FCNB) actively participated in the development of the Principles.

The Principles complement and supplement the Guidance: Conduct of Insurance Business and Fair Treatment of Customers (cisro-ocra.com) jointly published by CISRO and the Canadian Council of Insurance Regulators (CCIR). The Principles reflect minimum regulatory conduct standards that are common across Canada regarding the fair treatment of customers. They also reflect requirements found in the Insurance Act or related regulations, or are reflective of accepted industry practices.

Intermediaries should conduct their business, following the relevant Principles that apply in the circumstances, while ensuring compliance with all applicable laws, regulations, rules, or regulatory codes within all jurisdictions where they carry on business. Any more stringent requirements, rules or standards of conduct take priority over the Principles. The Principles will also be a resource for customers to better understand the behaviour that they should expect when dealing with an insurance intermediary. Intermediaries should share the Principles with their customers.

It is the expectation of the Insurance Division of FCNB that insurance intermediaries will adopt the Principles and ensure that measures are in place to abide by them. These expectations involve the licensee's conduct at all stages of the lifecycle of the product (from design, to sales, to claims process, to the end of the lifetime of the policy). The Insurance Division of FCNB will consider compliance with the Principles in determining suitability to hold a licence and in all future market conduct reviews.

CISRO is a forum of Canadian regulatory authorities that are dedicated to consistent qualifications and conduct of business standards for insurance intermediaries.

For any questions on the Principles, contact the Insurance Division of FCNB at 866-933- 2222 or by email at [info@fcnb.ca](mailto:info@fcnb.ca).

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## U.S. Regulators Hope Digital Can 'Right-Size' Risk

*By Michael Shashoua, Senior Editor, Digital Insurance, June 14, 2022*

<https://www.dig-in.com/news/regulators-hope-digital-can-right-size-risk-dig-in-panel>

While insurers and insurtechs partner on new digital solutions for addressing issues within the industry, insurance regulators are trying to reach a consensus on guidelines for the use of AI technology, according to panelists in a conversation on “The Impact of Regulation and Policy on Digital Innovation” at DIG-IN New Orleans on June 10, 2022.

“Eventually, the technology is going to get to the point where people will start to think about how they aggregate risk,” said Scott Harrison, president and CEO of the American Insurtech Council, an industry advocacy group, and the panel's moderator. “It's not just selling the product faster. It's completely rethinking categories of products and categories of risk, and maybe even rethinking how that risk is aggregated in finance.”

The first step in rethinking risk in keeping with new technology for insurance is to evaluate how technology has replaced manual processes and improved efficiency, according to Kathleen Birrane, insurance commissioner for the state of Maryland, who is chair of the Innovation, Cybersecurity and Technology committee (commonly known as the “H” Committee) of the National Association of Insurance Commissioners, an alliance of US state regulators that collects data, expertise, and analysis to inform regulatory policies.

“What's intriguing is how do we use technology effectively to right-size risk without limiting the concept of insurance?” Birrane said. By putting together innovation, cybersecurity, and technology in one group, NAIC wants members to collaborate and reach consensus on principles for the use of AI, for example, she added.

Tesla's telematics base for its own insurance product is a good example of how technological advances fuel discussion of regulatory issues, according to Troy Downing, commissioner of securities and insurance for the state of Montana.

“Tesla's insurance program can dynamically change based on how you drove yesterday. Companies that are starting to say if they put this device in, you might be able to get cheaper insurance based on your driving experience. This is voluntary and a lot of people opt out because of privacy concerns. They don't want anyone to know where they're driving or how they're driving,” he says. “But at some point because they're so good at predicting results by knowing behavior, the delta in pricing is going to compel pretty much everybody to eventually jump into that. I'm not really clear what our role is as regulators in that. I think that that's a natural process that's going to happen in that industry.”

Data privacy is not the only concern caused by technological advances, and regulators think about which concerns could come up depending on what an insurtech's product or service does. These can include consumer fairness or protection, and those seeking regulatory approval to operate should have already thought about how to address those issues, stated Birrane.

"You have ideas. You're looking to implement them in my market. Come talk to me and let me understand what it is that you're doing, and what it's going to do in my market," she said. "I don't want to hear your investor speech because that's not what my primary concern is. What I want to understand is what the product's going to do, how does it work, and how might it impact consumers."

As an example of this process, Birrane pointed to an app for supplemental health benefit applications that could provide what doctors charge for a procedure based on CPT codes, so the user could compare prices. While this may be a useful innovation, a regulator has to think about how the service could be accessible to all of the public in a fair manner, not just those who are tech-savvy and used to smartphone apps, she emphasized.

"We mapped out all the ways in which you can wrap customer services and call centers around this to make it work for everybody," Birrane said. This underlines how important it is for innovators or the business side of their companies to work with their regulatory compliance departments, so that an innovative technology won't run afoul of regulations in a way they may not have anticipated or thought about, she explained.

The NAIC's H Committee has working groups specializing in AI and big data, cybersecurity, e-commerce, innovation in technology and regulation, and privacy protections. Some of the working groups are older than others. The committee is focused on three areas: AI and machine learning, cybersecurity, and data privacy.

Birrane acknowledged that regulators "will never be ahead of industry" in their understanding of technology, but as Downing said, regulators' main concern is making sure new technologies are not discriminatory because of the algorithms, AI, or machine learning they use.

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## DIVERSITY/INCLUSION/FIGHTING SYSTEMIC RACISM NEWS

### Canada's Worker Shortage Has One Big Upside For Employers

*The Supertight Job Market Has Managed To Do Quickly What Employment Equity Practices And Public Policy Have Struggled With For Years.*

*By Heather Scoffield, Toronto Star, June 11, 2022*

The super-tight job market that is bedeviling employers and the Bank of Canada alike has an upside: it has managed to do quickly what employment equity practices and public policy have struggled with for years.



It has drawn in racialized workers, new immigrants, young people, older workers, and women in astounding numbers, making history along the way.

Whether that kind of inclusion can last, however, is an open question that will depend on employers and public policy makers alike.

For one, the current pace of hiring is not likely to last.

In May, the unemployment rate hit a record low of 5.1 per cent, Statistics Canada reported on Friday, June 10. Employers created just 39,800 new positions over the course of a month — solid although nothing to write home about.

Still, from the start of the pandemic, the job market is now 497,000 positions larger than it was back then. In other words, after all of the ups and downs, closures and re-openings, illness, and fear, that's half a million more jobs than what we used to have, and it speaks to the resilience of the Canadian labour market.

That resilience has benefited a wide array of people who used to have a hard time getting a fair shake.

Let's look at workers between the ages of 25 and 54 years old to start. First Nations women in that age bracket have seen their unemployment rate plunge 9.3 percentage points over the past year to 7.3 per cent. Southeast Asian women have a 4.1 per cent unemployment rate, which is 6.3 percentage points lower than a year ago. Filipino men have a 3.4 per cent unemployment rate, down 4.7 points on the year.

Participation rates — how many people are actively working or looking for work — are also proof of significant progress for some key demographics. The participation rate is at a record high for women aged 25 to 54, at 85 per cent. That's still lower than men of the same age (91.9 per cent), but after all of the troubles women had at the beginning of the pandemic, it's remarkable.

The experience of newcomers to Canada is also eye-opening, says Brendon Bernard, senior economist at jobs website Indeed.com. He points out that immigrants who have been in Canada for five years or less are jumping into the job market in leaps and bounds, and they're landing pretty good jobs.

Before the pandemic, their participation rate was 76.5 per cent. Now, it's 84.3 per cent. And wage data shows they're being hired into higher income positions.

"One of Canada's longest-standing labour market challenges has been the underemployment of newcomers. And there really has been a noticeable shift," Bernard said in an interview.

Can it all last? Or will the pending slowdown in the Canadian economy make for "last hired, first fired" and erase the gains for demographics that have been struggling to catch up?



Jean-François Perrault, chief economist at Scotiabank, suggests it can actually last. For sure, hiring is set to slow down as the economy overheats and the central bank moves to cool it off by dramatically raising interest rates. But at the same time, Perrault points out that there are about one million vacancies in the job market right now, and they're not just going to evaporate with a slowing economy.

"There's this huge backlog of jobs to fill," he said. For companies hoping to just get by day to day, "these vacancies are massive, and they're critical."

He suspects that even if the pace of hiring slows down over the next few months, vacancies will remain high. So employers are deeply concerned about long-standing labour shortages and they'll hang on to their workers for as long as they can. It's just too hard to ramp back up.

For politicians, this means that they can't really afford to let up on their policy attempts to draw more people into the workforce, even if the job numbers soften.

Even if there's a downturn, the long-standing trend toward an aging population means Canada will need to encourage older workers and women to join the workforce in greater numbers over the next few years.

Ottawa's \$30 billion child care strategy was supposed to dramatically increase women's participation in the workforce, but it has been slow to fully gear up. The returns, in terms of labour participation, are likely still years away.

And the federal Liberals are unlikely to reverse their dedication to retirement at 65 to encourage older workers to stay in the workforce longer.

But if employers and policy makers are wise, they'll take a look at what the tight job market has accomplished for them, appreciate what the gains to inclusivity have done for their workforce, and then lock them in.

The next slowdown doesn't have to set us back.

Read Story (Subscription Required): <https://www.thestar.com/politics/political-opinion/2022/06/11/canadas-worker-shortage-has-one-big-upside-for-employers.html>

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## BC Government Passes The Anti-Racism Data Act

*By Robert C. Piasentin and Kristen Shaw, McMillan LLP, June 15, 2022*

### [The Anti-Racism Data Act - McMillan LLP](#)

On June 2, 2022, the BC Government passed the Anti-Racism Data Act. The Act is intended to support the collection, use and disclosure of demographic information within BC for the purposes of identifying and dismantling systemic racism and advancing racial equity, particularly in policing, health care, and education.

Co-developed with Indigenous partners, and with engagement from representatives of BIPOC communities, the Act sets out requirements for collaboration and consultation with Indigenous peoples and racialized communities regarding data initiatives. However, the Act also raises questions as to how privacy considerations will be preserved and human rights considerations will be protected while advancing these goals. This bulletin summarizes what the Act permits and how it addresses these privacy and human rights concerns.

### **What Are The Objectives Of The Act?**

The provincial government aims to utilize the Act to work with Indigenous peoples and racialized communities to find ways to safely collect demographic information such as ethnic origin, ancestry, race, age, and gender identity, in order to address gaps and provide better programs and services to all British Columbians. To this end, the Act allows for collection, storage, and disclosure of a broader scope of data than currently exists under the current public sector privacy legislation, the Freedom of Information and Protection of Privacy Act ("FIPPA").

### **What Are The Key Privacy Considerations?**

As noted, the Act permits a broader scope of collection, use, and disclosure of personal information. Because this scope is connected to particularly sensitive information such as race, privacy is of greater importance. As a result, the Act seeks to address privacy concerns by:

- Stating that disclosure of personal information to a public body is voluntary;
- Ensuring that proper notice is published prior to collection and use of personal information; and
- Setting limits for disclosure of the collected personal information.

### **Voluntary Disclosure**

Disclosure of personal information to the relevant public body for the purposes of this legislation is voluntary, and therefore public bodies that collect such personal information must not withhold or limit any benefits or services to those individuals who do not wish to provide their information. For example, if one chooses not to provide information about their race to a health care provider, they will not be denied health care services. Under the Act, personal information collected can only be used for the purposes of identifying and eliminating systemic racism and advancing racial equity.

### **Notice**

The public body must ensure that an individual is notified of the purpose for which their personal information is being collected and used, and the types of information that may be collected and used. This notice must also set out the legal authority for collecting and using such personal information and contact information for a person who may be asked to provide such information. Similar to the requirements under FIPPA, when personal information is collected, notifications must be written on the form or the document that is used to collect the information itself.

## Limits For Disclosure

In addition, the Act sets out limitations for disclosure of the information collected under the Act. It only permits primary demographic data and program data to be shared with another public body if it is for the purpose of identifying and eliminating systemic racism and advancing racial equity. Information collected under the Act can be shared with an Indigenous governing entity for the purposes identified above, and to the benefit of the services provided for their respective community. For example, when a nation is providing services to their members, such as education or health care, they may access the information needed to improve the delivery of their services. Further, Indigenous governing entities are able to access the information of other racialized groups in certain situations, for example, to compare outcomes of services or participation in programs.

## What Are The Key Human Rights Considerations?

The Act is aligned with article 19 of the United Nations Declaration on the Rights of Indigenous Peoples, which sets out the requirement for states to consult with Indigenous peoples in good faith before adopting and implementing legislative or other administrative measures that may affect them. Additionally, the distinctions-based approach to data collection supports Indigenous peoples' right to self-governance and is therefore aligned with the goals in BC's Declaration on the Rights of Indigenous Peoples Act.

In the Act, certain key terms were intentionally left undefined, such as systemic racism and intersectionality. The BC legislature chose not to define systemic racism because systemic racism can look different depending on the communities and it may change over time – meaning that systemic racism must be flexible enough to take its meaning within the context of a particular group. Similarly, because there are so many intersectional variables that may affect individuals, racialized groups are able to take an active role in designing the variables that make up the intersectional analysis. In both cases, the hope is that the lack of definition allows the legislation to keep up with the current understandings of racism and intersectionality, and avoids prematurely excluding groups that the BC government intended to be included.

However, leaving these terms without a clear definition introduces an element of risk that the application of the legislation may not firmly align with its purposes. To address this risk, the Act permits the establishment of data directives and data standards respecting variables and values for personal information collected, used, and disclosed, allowing the BC government to dictate how and what kinds of data should be collected, used and disclosed. This is done in consultation and engagement with Indigenous peoples and racialized groups so that the needs of those communities are responded to appropriately.

For example, data standards and data directives must be developed in collaboration with a committee that is composed of racialized people, in consultation with Indigenous peoples whose rights or interest could be affected, and in a manner that supports cultural safety and mitigates and minimizes community harm. Additionally, when developing data standards, the director must consult with both the BC Information and Privacy Commissioner and the BC Human Rights Commissioner.

These built-in protections are intended to ensure that the data collected, including any personal information, will not be used in ways that further marginalize and harm Indigenous peoples and BIPOC communities, by leaving some flexibility for each community to have a say in how and what kinds of information will be collected.

## Conclusions

The Act aims to collect and provide access to key demographic data that would assist in the provincial government's understanding of systemic barriers. Ideally, this information will pave the way to identifying and eliminating forms of systemic racism across the public sector. It remains to be seen whether this race-based data collection and the requirements proposed under the Act will actually lead to substantial and meaningful change that will eventually improve racial equity when accessing public services and programs.

Nevertheless, the efforts undertaken to collaborate with Indigenous partners and BIPOC community members in drafting this legislation, along with the stated intention to continue meaningful engagement with these groups as required under the Act, indicates that the government is cautious about doing this work with care, sensitivity, and collaboration. This is further seen in the voluntary nature of data collection and the limits on use and disclosure, consistent with the purpose-based approach in existing Canadian privacy legislation.

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## NEWS ABOUT/FROM CAFII MEMBERS AND/OR PARENT COMPANIES

### CIBC Endows Sustainable Finance Chair At Schulich Business School

*New Position At York U Business School Aims To Bring Industry And Academia Together For Climate Fight*

*By James Langton, Investment Executive, June 15, 2022*

[https://www.investmentexecutive.com/news/industry-news/cibc-endows-sustainable-finance-chair-at-schulich/?utm\\_source=newsletter&utm\\_medium=nl&utm\\_content=investmentexecutive&utm\\_campaign=INT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3](https://www.investmentexecutive.com/news/industry-news/cibc-endows-sustainable-finance-chair-at-schulich/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3)

CIBC and York University's Schulich School of Business are launching a research chair focused on sustainable finance.

With a \$1.25 million commitment from the bank, the Schulich School announced the creation of the CIBC Chair in Sustainable Finance to undertake research into the financial sector's growing sustainable investment needs.

The new post will "help bridge the gap between academia and industry in areas such as green energy transition, the low carbon economy, and the political, regulatory, and governance challenges of a sustainable financial system," the Schulich School said.

“The new CIBC Chair will undertake ground-breaking research that will help guide businesses and policy-makers in their efforts to shift to a low-carbon economy,” said Detlev Zwick, dean of the Schulich School of Business, in a release.

“The CIBC Chair will also address the unmet need for the education and training of industry practitioners in the rapidly growing field of sustainable finance,” he added.

“With new and intensifying environmental challenges, we recognize that the best path forward is working with stakeholders to enable solutions that shape a more sustainable future,” said Roman Dubczak, managing director and head of global investment banking at CIBC Capital Markets, in a release.

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## **COVID-19 PANDEMIC RESILIENCE AND RECOVERY NEWS**

### **We Can Plan To Beat The Next Wave Of COVID-19, Or We Can Try To Wish It Away. Take Your Pick, Canada**

*Opinion By The Globe and Mail Editorial Board, June 11, 2022*

<https://www.theglobeandmail.com/opinion/editorials/article-we-can-plan-to-beat-the-next-wave-of-covid-19-or-we-can-try-to-wish-it/>

By now, you’ve stored away your winter coat and lined boots. The wool tuques are hidden in a drawer. The gloves are out of sight, at the back of the top shelf in the hall closet. Snow tires? Long gone.

You won’t be needing any of those things any more. Or rather, you don’t need them now – but you will want them again, in a few months. Winter is over, but not forever. This goodbye is an *au revoir*. We’ll see it again.

Just like the flu, the common cold and the Maple Leafs’ quest for a Stanley Cup, all will be back for another season. So will COVID-19.

When vaccines against this novel coronavirus were first being developed, the hope was that they would work like the vaccine against, say, polio: get a jab and you’re set for life. Once enough people got the jab, we’d have eradicated the disease. But that’s not how things turned out with COVID-19. The vaccines are more like those against seasonal flu: highly effective, but time-limited. For millions of Canadians, a flu shot is an annual thing. It’s been that way for decades. And it looks like that’s also going to be the story with COVID-19 vaccination.

Problem: neither Canadians nor their governments appear to have entirely got their heads around that.

We all get that winter is eventually coming back, which is why your municipality did not auction off its snowplows and its road salters last month. Nobody acts like the last snowstorm of 2022 was the last snowstorm ever.

But that's sort of where the country is at on COVID-19.

Canada lives with winter by equipping ourselves to overcome it, individually and collectively. We live through it by taking the actions necessary to make it livable.

What will be necessary to overcome future waves of COVID-19? Two things.

First, all levels of government have to prepare for the likelihood that a very large and very fast booster campaign will be needed in the fall, if not sooner. The COVID-19 vaccines offer strong protection against severe outcomes (though far less protection against simple infection) – so long as someone's vaccination is up to date.

As was learned during the Omicron wave, the link between infection and severe illness can be greatly diminished by vaccination up front, and regular boosters later. Two shots received a year ago isn't enough, especially for people aged 50 and older.

Preparing for a fall wave means having the infrastructure to quickly give millions of shots – via everything from last year's long-dismantled mass vaccine clinics to pharmacies and family doctors. That's the first need – lots of capacity to deliver boosters. Right now, much of that infrastructure has been dismantled.

The second need is for Canadians, especially seniors and the middle-aged, to understand the benefits that will come from getting regularly boosted.

Back in 2021, Canadians were among the world's most enthusiastic vaccine hunters. More than 90 per cent of Canadian adults have had at least two shots of vaccine. That's 13 percentage points higher than the United States.

It's part of the reason why Canada's COVID-19 outcomes have been so much better. Canada's official tally of dead from the virus is one-third the U.S. level, and the real gap with our neighbours is likely wider.

A recent World Health Organization study found that, in 2020 and 2021, the U.S. had 15 per cent more deaths than normal, suggesting a significant undercount of COVID-19 mortality. The Canadian figure was just 4 per cent. Among 19 developed countries, only Japan, Australia, and South Korea did better.

However, while Canada was a superstar of first and second shots, the country has been mediocre on boosters. Less than 59 per cent of Canadian adults have had at least one booster shot. Nearly 90 per cent of Canadians 70 years of age and over had had at least one booster, which is good, but nearly 40 per cent of people in their 50s have had zero, and the same goes for nearly half of people in their 40s.

If we want to avoid the overwhelmed hospitals and delayed surgeries of the past few waves, we've got to accept that COVID-19 is likely to be a recurring visitor whom we must be prepared to meet and minimize, year after year. Like winter, it's a reality that we can live with. But pretending it isn't coming back won't make it so.

## U.S. To Drop COVID-19 Testing For Incoming International Air Travellers

*By David Shepardson, Reuters, June 10, 2022*

### [U.S. to drop COVID-19 testing for incoming international air travellers - The Globe and Mail](#)

The Biden administration will drop pre-departure COVID-19 international air testing requirements effective Sunday, June 12 at 12:01 a.m. after heavy lobbying from airlines and the travel industry, a senior administration official told Reuters.

The Biden administration will announce on Friday, June 10 that the Centers for Disease Control and Prevention (CDC) will no longer require pre-departure COVID-19 testing for travellers coming to the United States after it determined based on the science and data that this requirement is no longer necessary. CDC will do a re-assessment of this decision in 90 days, the official said.

Since December, the CDC has required travellers to test negative within one day before flights to the United States but does not require testing for land border crossings.

The official said, "If there is a need to re-instate a pre-departure testing requirement – including due to a new, concerning variant – CDC will not hesitate to act."

American Airlines Chief Executive Robert Isom said last week at a conference that the testing requirements were "nonsensical" and were "depressing" leisure and business travel.

Airlines have said that many Americans are not travelling internationally because of concerns they will test positive and be stranded abroad.

Isom said that 75% of the countries which American Airlines serves do not have testing requirements.

"We're really frustrated and this is something that is damaging not only U.S. travel but it just doesn't make sense," Isom said last week.

In December, the CDC tightened requirements for international air travellers by requiring them to get a negative test within one day rather than three days of coming to the United States.



## Federal Government To Temporarily Suspend Randomized COVID-19 Testing At Airports

*By Marieke Walsh, Andrea Woo, and Eric Atkins, The Globe and Mail, June 10, 2022*

<https://www.theglobeandmail.com/canada/article-federal-government-to-temporarily-suspend-randomized-COVID-19-testing/>

The federal government will temporarily suspend its random COVID-19 testing at airports in an effort to ease one of the bottlenecks leading to hours-long waits at customs, missed connections, and cancelled flights.

The change will take effect on Saturday, June 11 said a joint statement from four cabinet ministers released on Friday, June 11. The random testing at airports will be suspended until July 1 when it will be moved off-site.

In the meantime, testing of unvaccinated travellers will continue at the airports but that program will also be moved off-site as of July 1, the statement said.

“Our efforts are having a positive impact. Current traveller wait times at major Canadian airports are decreasing,” read the statement from Transport Minister Omar Alghabra, Health Minister Jean-Yves Duclos, Public Safety Minister Marco Mendicino, and Tourism Minister Randy Boissonnault.

Mr. Alghabra has been under immense pressure to find a fix to the airport bottlenecks that have left passengers waiting to deplane because airports are so clogged with passengers waiting to go through customs and security screenings.

Morgan Bell, a spokeswoman for Calgary-based WestJet Airlines, called the suspension a “step in the right direction” toward alleviating the lineups and delays customers face.

WestJet and the rest of the aviation industry have been pushing the government to drop the tests, vaccine mandates, and other public health protocols to encourage more air travel and reduce the bottlenecks in airport terminals.

“We want to see them all removed,” Ms. Bell said by phone.

The United States on Sunday, June 12 will drop the requirement for pre-departure COVID-19 tests for people arriving by airplane. The move is expected to boost the volume of visitors to the U.S., and also reduce the delays travellers face departing for the U.S. from Canadian airports.

Canada has already dropped its mandatory pre-departure testing requirement, but unlike the United States and many other countries, Canada requires domestic travellers by air and rail to be vaccinated.

Brad Cicero, a spokesman for Porter Airlines, said dropping the random tests should help the overall aviation system, given the connections involved. Porter flies out of Toronto’s Billy Bishop Airport.

International passengers who arrive there or at most other smaller airports have not been subjected to the random tests.

Jan De Silva, head of the Toronto Region Board of Trade, said it is urgent that Toronto Pearson Airport reduce the congestion as the summer travel season approaches. Ms. De Silva pointed to upcoming technology and mining conferences in Toronto that are expected to attract more than 30,000 visitors. “We certainly have a crisis at the moment based on staffing shortages and COVID-19 measures,” she said.

On Thursday, June 9, The Globe reported that Air Canada cancelled almost 10 per cent of its scheduled flights at Toronto Pearson in the first seven days of June, as staffing shortages and a surge in passengers continued to overwhelm Canada’s busiest airport.

WestJet and Air Transat have also seen delays and cancellations at Pearson as a rebound in demand for air travel has swamped the ability of the responsible government agencies to conduct security, customs, and immigration checks at that airport and other major Canadian airports. Those in Calgary, Montreal, and Vancouver have experienced bottlenecks but not to the extent of Pearson.

The extra time it took to screen passengers for COVID-19 testing was one of the issues that airports pointed at to explain the massive lineups to get through customs.

Last week, Conservative MP Melissa Lantsman tabled a motion in the House of Commons calling for the federal government to “immediately revert to pre-pandemic rules and service levels for travel.” The motion was supported by Conservatives and Liberal MP Joël Lightbound but defeated by the overwhelming opposition from all other Liberal MPs, and all NDP, Bloc Québécois, and Green MPs who voted.

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## Ottawa Announces Suspension Of Vaccine Mandates For Domestic Travel, Federal Employees

*Mandates Have Been In Effect Since October 30, 2021*

*By Ashley Burke and Richard Raycraft, CBC News, June 14, 2022*

<https://www.cbc.ca/news/politics/government-end-vax-mandates-1.6487585>

The federal government has announced a suspension of vaccine mandates for federal employees and for passengers wishing to board a plane or train in Canada.

Federal employees and transportation workers in federally regulated sectors will no longer have to be fully vaccinated as a condition of their work. Those on unpaid administrative leave because of their vaccination status will be invited to return to work.

Starting June 20, vaccines will no longer be required for travellers in Canada. Visitors and Canadian citizens entering the country from abroad will still be required to meet entry requirements and masks will remain mandatory for those boarding planes or trains in Canada.

Minister of Intergovernmental Affairs Dominic LeBlanc told reporters that while some mandates are being suspended, the federal government will bring them back if the COVID-19 situation changes for the worse.

"Today's announcement is possible because Canadians have stepped up to protect each other," LeBlanc said. "We are now able to adjust our policy because we have followed consistently the best advice from public health authorities."

LeBlanc said that the federal government does not regret its cautious approach to lifting mandates, adding that Ottawa's policies saved lives.

The vaccine mandates for travel have been in effect since October 30, 2021. As the mandates were phased in, travellers had a one-month grace period during which they could instead provide proof of a negative COVID-19 test.

The government has been under pressure from opposition parties and industry organizations to relax some public health measures in response to delays and long lineups at airports.

When the vaccine mandate came into effect for travel, Transport Minister Omar Alghabra said it was to keep travellers and employees in the industry safe.

### **Meeting Requirements**

Unvaccinated Canadians have always been allowed to return to Canada. But the federal government's website says unvaccinated Canadians have to meet all "pre-entry, arrival, Day-8 testing, ArriveCAN and quarantine requirements" or face a fine up to \$5,000 or criminal prosecution.

Infectious diseases specialist Dr. Isaac Bogoch said that while two doses of a COVID-19 vaccine protects against severe illness or death, it's time to end the travel mandates.

"The purpose was to really prevent transmission of COVID-19 in transportation," he said. "Two doses doesn't really provide much in the way of protection against getting the infection and onward transmission of the infection for those who are infected."

Government officials — including Alghabra, Health Minister Jean-Yves Duclos, and Chief Public Health Officer Theresa Tam — have pointed to mandates as an effective way of getting more Canadians vaccinated.

But experts have questioned the effectiveness of vaccine mandates for travel since the emergence of the more infectious Omicron variant. Tam has said that effective protection against the variant requires a third booster dose.

So far, the government's definition of "fully vaccinated" remains two doses of an approved COVID-19 vaccine or one dose of the Johnson & Johnson vaccine.

Last week, the federal government announced that it was suspending random COVID-19 testing at airports.

At that time, Alghabra said Ottawa was taking other measures to address airport congestion, such as hiring more security screening personnel and adding more customs kiosks at Toronto's Pearson International Airport.

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## Tourism Minister Says Travel Delays Could Be Resolved In A 'Matter Of Weeks'

*By Sarah Turnbull, CTV News, June 11, 2022*

[Travel delays could be resolved in 'matter of weeks': minister | CTV News](#)

Canada's Tourism Minister Randy Boissonnault says the federal government is focused on resolving the long delays which travellers are experiencing at major airports in a "matter of weeks."

Speaking to CTV's Question Period, Boissonnault said he's not pleased with the reports of Canadians waiting hours to get through regular travel checkpoints, specifically at Toronto Pearson International Airport.

"I'm going to be very blunt. I'm not happy with the situation. I don't want Canadians waiting in lines. I don't want international travellers stuck on the tarmac. We've got an issue, we need to fix it, and we're leaning in on this hard," he said.

Asked when travellers can expect to be able to travel through Canada's airports with more ease, the minister said they're working on getting the situation resolved before the arrival of the summer travel season.

"I want to see this done in a matter of weeks, not a half a year or a year...I want to make sure that this summer season is a summer season that people are going to remember for the experience that they have once they've left the airport, not a negative experience once they're at the airport," he said.

The federal government has sought to provide reassurance that the Canada Border Services Agency and the Canadian Air Transport Security Authority are ramping up recruitment to be able to return to pre-pandemic staffing levels.

Individual airlines have also said that they're working on resolving staffing and scheduling hurdles.

However, Air Canada told CTVNews.ca that it intends to operate at 20 per cent less capacity this summer compared to its pre-pandemic summer schedule.

In a statement released on Wednesday, June 8, Ottawa said the vast majority of airports across the country are not seeing the same kind of delays as Pearson is but even then, recent improvements have been made.

"Only three per cent of all passengers at Pearson Airport and Vancouver International Airport are now waiting more than 30 minutes in line," reads the statement.

Opposition parties have called on the federal government to remove the remaining COVID-19 public health requirements at airports to alleviate what they call unnecessary pressure points.

On Friday, June 10, Transport Canada announced that it was temporarily suspending mandatory randomized testing at all airports between June 11 and June 30 for the fully vaccinated. Unvaccinated travellers will still be tested on-site.

"The Government of Canada recognizes the impact that significant wait times at some Canadian airports are having on travellers. We continue to work with airports, airlines, baggage handlers, and other partners to implement solutions to reduce delays as we approach the summer peak season," a statement from the department reads.

As of July, all testing, including for unvaccinated travellers, will be performed off-site.

The federal government had already exempted international travellers with a connecting flight from random testing. Other measures, such as COVID-19 vaccine mandates and mandatory use of the ArriveCAN app, will remain in place.

"We recognize that there is still work to be done, particularly for international arrivals at our largest airports, and we will continue to work with all orders of governments and partners to reduce the delays in the travel system," the government said.

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## Proof Of COVID-19 Vaccination No Longer Required In House Of Commons On Monday, June 20

*By The Canadian Press, June 16, 2022*

[Proof of COVID-19 vaccination no longer required in House of Commons on Monday \(msn.com\)](#)

The House of Commons is suspending COVID-19 vaccine mandates for MPs, staff, and visitors next week.

Government House leader Mark Holland put forward a motion this afternoon to end the mandate as of Monday, June 20.

House leaders from all parties met to discuss the mandate earlier this week and the House unanimously agreed to suspend them in a vote today.

The Board of Internal Economy, an all-party committee that makes decisions about Parliament business, voted to bring in the mandate for anyone coming to the parliamentary precinct beginning last November.

At the time, it also agreed to make wearing masks mandatory until June 23, and to allow members to participate remotely in debate and committees in a hybrid format until that date.

The federal government has also suspended vaccine mandates for domestic and outbound international flights and rail travel starting Monday, June 20.

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## Canadian Passport Delays Are Frustrating Travellers. What's The Fix?

*By Aaron D'Andrea, Global News, June 10, 2022*

[Canadian passport delays are frustrating travellers. What's the fix? | Globalnews.ca](#)

Travelling has not been stress-free for many Canadians since COVID-19 measures began to ease earlier this year.

Many have been caught up in delays at major airports this spring, with some waiting for hours to clear health checks and customs.

Meanwhile, for those who aren't at the airport, attempts to get a hold of a new passport to plan those trips abroad have been excruciating. For weeks, many Canadians have been seen waiting in lines outside Service Canada offices to get their much-needed travel documents.

So, what's happening exactly and what's being done to fix the issue? Here's what we know.

### What's Happening?

Unprecedented demand for Canadian passports has led to delays in processing times, putting eager travellers in limbo ahead of the summer travel season.

Since the onset of the COVID-19 pandemic in 2020, many Canadians were forced to put their travel plans on hold due to measures imposed to limit the spread of the novel disease.

More than two years later, many of those restrictions are being lifted and travellers are eager to head abroad, but some need to get their documentation in order to do so.

Officials have been bracing for a rise in passport demand with the relaxation of COVID-19 border measures, which have eased several times this year.

But as many Canadians look to travel abroad, some passport seekers say they've been forced to camp outside service centres or reschedule trips because of the bureaucratic bottleneck.

## When Did This Start?

News of long delays at Canadian passport offices began to emerge in April, with Global News reporting a surge in passport renewals at the time.

Since April 1 this year, Service Canada has issued 317,000 passports. In comparison, between April 1, 2020, and March 31, 2021, 363,000 passports were issued.

From April 1, 2021, to March 31, 2022, that number grew to 1,273,000 passports issued, with more than 960,000 issued between September 1, 2021, and March 31, 2022.

Service Canada expects to receive 3.6 million to 4.3 million passport applications in fiscal 2022-2023, a spokesperson told Global News on Friday, June 10.

Despite longer processing times, for the week ending June 5, 75 per cent of Canadians who applied for a passport received it within 40 working days, and 96 per cent of Canadians received their passport within 10 working days of submitting an application in-person, the spokesperson added.

However, getting in the door at those locations is proving to be a challenge for some Canadians, which is putting their travel plans in jeopardy.

## How Is It Impacting Canadians?

In Edmonton on Thursday, June 9, Melissa Hansen and Brianna Rosin drove from Fort McMurray for a shot at renewing their passport at the Canada Place office.

The two heard about the long lines and delays and packed lawn chairs for their wait.

"We drove from 10 last night to come here and now we're here to wait in line," Hansen told Global News.

"We're travelling next month to Vegas, so less than 40 days, so we're hoping that we can get it today, but we have no appointment so we're just kind of winging it."

Noah Huang also had travel plans for July and needed to renew his passport. He spent seven hours in line on Wednesday, June 8 and returned on Thursday morning, June 9 hoping for the best.

"I didn't get in (Wednesday). ... We have to come here around 5 a.m. so maybe we can get a chance," Huang told Global News.

Last week in Montreal, hundreds of residents brought camping chairs, blankets, and sleeping bags to get a passport renewal in person.

"You think at 2 a.m. you'll be the first one but that's not the case," Didier Cyr told Global News on June 2.



“We came here yesterday at 7:30 a.m. thinking an hour in advance was enough. The line already wrapped around the building.”

In British Columbia last month, Avang Narjali, who was five months pregnant, camped outside a passport office with her one-year-old, father, and cousin, hoping for a chance to get their documents.

“We showed up here yesterday at 5 a.m. and we stayed here overnight. It’s been horrible,” she told Global News on May 18.

“I’ve been going in and begging them to help us but they just keep giving us the same answer.”

So, when can Canadian travellers expect relief?

### **What’s The Solution?**

The recent surge in demand seems to have caught officials by surprise.

“The fact of the matter is that while we were anticipating increased volume, this massive surge in demand has outpaced forecasts and outstripped capacity,” said Karina Gould, the families, children and social development minister, before a parliamentary committee on May 30.

“We know many people have been put in very difficult circumstances. And that is why I have directed officials to work as hard as possible to meet the demand.”

Like many sectors across the country, the travel and tourism industry is suffering from a labour shortage right now, said Beth Potter, president and CEO of the Tourism Industry Association of Canada.

“What we’re learning from government is that they’ve had to re-staff a lot of those positions — positions that were either redirected or people left during the pandemic,” she told Global News.

“We have asked government to look at where they can streamline their processes so that we can get the backlog dealt with, and how they can increase their human resources that they’re applying to this problem. ... There’s a big intake of stuff they really need to fast track as fast as they can.”

Last month, Service Canada announced it had hired 600 new employees to help with processing passport applications, had opened more dedicated passport intake counters in Service Canada locations, had created more processing hubs, and had introduced a new workload management system and processing technology to increase efficiency.

Service Canada continues to hire and train more employees, including the integration of up to 600 new employees over the course of the year and the re-assignment of up to 600 employees to passport service delivery, the spokesperson said.

“In addition, teams in passport offices, processing centres, and call centres are working overtime every day and on weekends, such as opening some Service Canada Centres on Saturdays to provide passport services,” the spokesperson added.

Also, Service Canada created a new process for applicants to renew an expired passport if it was issued in the last 15 years. Applicants no longer need a guarantor or need to provide their original documents, such as proof of citizenship or photo identification. They now need two photos, two references, their completed form and the applicable fees.

"We understand that this situation is difficult and stressful. ... The minister has directed officials to work as hard as possible to meet the demand and to examine operations to ensure they're doing everything they can," a spokesperson for Gould told Global News in an email.

"The minister has been travelling the country, visiting Service Canada locations, and hearing directly from frontline staff about the challenges they are facing."

As for travellers, Potter said they should do as much advanced planning as possible before their trip, including checking when their passport expires to avoid getting caught in a rush.

"Even if you don't have travel plans, go and take a look at your passport and see when it expires so that you're aware, and you can deal with it in a timely manner and give yourself lots of time so that you're not at risk of running out of time to get that renewal done," she said.

"Travel is going to look a little bit different for a while as we get the system back up and running. It was easy to turn it off. It's a little harder to get back on."

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## Federal Government Now Posting Passport Wait Times Online As Long Lineups Continue

*By The Canadian Press, June 13, 2022*

[Federal government now posting passport wait times online as long lineups continue \(msn.com\)](https://www.msn.com/en-ca/news/politics/federal-government-now-posting-passport-wait-times-online-as-long-lineups-continue)

Passport offices are still dealing with a surge of applications, the minister responsible says, and wait times are "far from acceptable."

Karina Gould says those long wait times are her top priority, but she cannot say when things may return to normal.

The federal government says 72 per cent of Canadians who apply for a passport in any manner will get it within 40 business days, while 96 per cent of people who submit their application in-person will get their passport within 10 business days.

The government's website now includes estimated wait times for visits to passport offices, updated three times a day, to help people plan.

On Monday afternoon, June 13, you could expect to wait four hours and 45 minutes at the Ottawa location, three hours in Toronto, and six hours and 45 minutes in Vancouver.

Gould says her department is considering further changes, including moving the application process online.

She also says her department is working with Immigration, Refugees and Citizenship Canada to determine if there's a way to issue passports to people as they get their citizenship instead of requiring a separate application. Both options will take time to implement.

There are typically between two million and five million passport applications per year in Canada. During the pandemic, only about 1.5 million passports were issued over two years.

As a result, passport staff were given other work during that time and Service Canada is now trying to shift that work elsewhere.

And while Gould says that 2022 is on track to be at the high end of the typical range, close to five million, "we've typically been able to manage that volume throughout the year but we're seeing the surge happening all at the same time, which of course is leading to long lineups."

Australia's passport processing times are six weeks, according to Gould, while it takes 10 weeks to get a passport in the United Kingdom, and 11 weeks to get one in the United States.

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## Ending Vaccine Mandate Is 'Not Enough' To Fix Airport Woes, Airline Group Tells Government

*The Vaccine Mandate Should Also Be Removed For International Travellers And The Government Should Permanently End COVID-19 Testing, The Group Said*

*By Ryan Tumilty, National Post, June 14, 2022*

<https://nationalpost.com/news/politics/ending-vaccine-mandate-is-not-enough-to-fix-airport-woes-airline-group-tells-government>

The federal government ended COVID-19 vaccine mandates for domestic travellers and public servants on Tuesday, June 14, but airlines say the changes won't be enough to bring the chaos at the country's airports to an end.

Effective June 20, Canadians will no longer need to be vaccinated to travel domestically on either trains or planes, but the requirement will remain in place for international arrivals.

Foreign nationals who aren't vaccinated will still be refused entry and unvaccinated Canadians will be allowed in, but will have to quarantine. The government has had the mandate in place since last fall, making it largely impossible for unvaccinated Canadians to leave the country, so quarantine cases should be rare.

International travellers will still have to use the ArriveCan app to provide vaccination records and cruise ships will still have a vaccine mandate in place.

The government has faced calls for weeks from industry groups, airlines, frustrated travellers, and even Liberal MPs to eliminate the mandates. Transport Minister Omar Alhabra said the government won't apologize for taking its time to make a decision that keeps Canadians safe.

"After a thoughtful, deliberate, prudent discussion, we've reached this decision. It's what Canadians expect us to do. We will always err on the side of public health," he said.

Alhabra said there were a variety of factors, not any one metric, such as hospitalizations or new COVID-19 cases, that led to the removal of mandates, and he wouldn't detail what conditions might lead to their reinstatement.

Suzanne Acton-Gervais, interim president and CEO of the National Airlines Council of Canada, said she welcomed the changes, but there is a lot more to be done before airports can return to normal.

"Today's changes are not enough to resolve the situation at Canada's airports and the complexity travellers face," she said in a statement. "Aviation is a global industry that relies on consistency, predictability, and harmonization."

The number of delayed and cancelled flights has skyrocketed in recent weeks, especially for those travelling through Toronto's Pearson International. Planes have been held on the tarmac at Pearson because the customs hall could not accept more passengers and people have reported hours-long waits.

Acton-Gervais said the mandate should be removed for international travellers as well, the government should permanently end testing, which was suspended last week, and make the changes announced on Tuesday, June 14 permanent to give people confidence in travel.

Ministers did not commit to permanent changes, however, instead insisting they would be willing to bring the changes back in the fall if COVID-19 cases should rise again.

"Our job as a national government has always been to keep Canadians safe. If the situation takes a turn for the worse, we are prepared to bring back the policies necessary to protect Canadians," said Intergovernmental Affairs Minister Dominic LeBlanc.

He insisted they would act prudently and err on the side of caution.

"That's a fundamental difference from some of our political adversaries. And I think it's a fundamental difference that Canadians have come to respect and appreciate."

The government is keeping mask rules in place for travel. Alhabra said they believe strongly that masks lower the risk of catching COVID-19 and are worth keeping in place.

"It's a small, minor inconvenience for travellers who are sitting together in a small, tight, enclosed space."

Alhabra also cautioned travellers to ensure that they check the vaccination requirements in the country they are flying to, noting that some countries including the U.S. still require vaccination.

He said the government was doing everything it could to help airlines, including hiring 900 new CATSA security screeners in just a few weeks time. He said they have already seen positive results and they hope to continue to eliminate delays as the summer continues.

“We’re acting. We have a responsibility to act. We’re working with airlines. We’re working with airports and we’re doing everything we can to ease those bottlenecks,” he said. “We are now calling as well on airports and airlines to do everything they can to continue to work with us on ensuring that we smooth out these potential bottlenecks.”

The vaccine mandate for public servants will also end on June 20, allowing thousands of civil servants who had been suspended without pay to return to their jobs. The federal government’s three largest unions have all filed challenges against the policy.

Health Minister Jean-Yves Duclos said that while the government is dropping the mandates, everyone should still get vaccinated. He said the government will make a major push this summer to get people up to three doses of the vaccine to give them better protection.

“The Omicron variant showed us that two doses are no longer enough, because the immunity acquired through two doses varies and wanes over time,” he said. “There are approximately 60 per cent of adults in Canada that have a third dose. We need to move that up significantly, at least to what we have had for the last few months in terms of second doses.”

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## Travel Selfie Spike Could Prove Stressful For Contents Insurers

*By Canadian Underwriter Staff, June 13, 2022*

[https://www.canadianunderwriter.ca/insurance/travel-selfie-spike-could-prove-stressful-for-contents-insurers-1004222392/?utm\\_medium=email&utm\\_source=newcom&utm\\_campaign=CanadianUnderwriterDaily&utm\\_content=20220613160554&hash=6d73923380f292a40dc042b455f0fde3](https://www.canadianunderwriter.ca/insurance/travel-selfie-spike-could-prove-stressful-for-contents-insurers-1004222392/?utm_medium=email&utm_source=newcom&utm_campaign=CanadianUnderwriterDaily&utm_content=20220613160554&hash=6d73923380f292a40dc042b455f0fde3)

Social media savvy Canadians may find their tendency to post vacation selfies resulting in the wrong kind of house cleaning.

With COVID-19 restrictions easing, summer is once again travel time and 62% of Canadians who are active on social media indicated they’re planning a trip, according to a survey commissioned by Allstate Insurance Company of Canada. For 42% of them, it will be their first trip in more than two years.

The concern, noted Allstate, is a tendency to share travel dates, vacation locales, and destination selfies on social media. These posts can alert thieves to the fact that their homes are unoccupied.

“That post-pandemic travel selfie can be very tempting for many people, but it could also lead uninvited visitors to your home and risk a break-in,” said Melissa Marquis, Allstate’s director of business development.

“We’re asking Canadians to think twice before posting that quintessential beach selfie or dreamy sunset photo to social media until after their return from vacation.”

The survey said 29% of respondents who are active on social media posted vacation details before or during a trip. And the number rose to 46% for people aged 18 to 34.

Among all respondents who shared their travel details, 10% posted about travel plans in anticipation of a trip and 24% posted during the trip, revealing they are away. The web survey was conducted May 6 to 9, 2022, sampling 1,534 Canadians older than 18, 1,076 of whom were active on social media.

Among those on social media, the survey found 37% plan to travel outside their city, 14% outside their province and 12% internationally.

Allstate offered a few tips for clients who plan to travel:

- Don’t tell people other than trusted neighbours, family, or friends that you’ll be away from home.
- Be careful on social networks. Never publish vacation departure dates; remind people you live with not to do that as well. While using rigid privacy settings for social media accounts should limit access, people can sometimes still see your posts through the accounts of friends and followers.
- Check privacy and security settings of social media accounts. Review who has access to your personal information. For example, Facebook lets you set parameters to allow only friends to access detailed personal information.
- Review previous social media posts and remove any details that could be used to find your home address. Remember things like street names and house or apartment numbers can be seen in photo backgrounds.
- Don’t geotag your photos. It can tell people your street address or show them that you’re 3,000 kilometres away from that address.

“Canadians are eager to take time off...but [travel plans] should not be made at the expense of putting your home at risk,” said Marquis.

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## Alberta’s Tourism Industry Faces Daunting Path To Rebuild Lost Workforce

*By Tom Vernon, Global News, June 9, 2022*

[Alberta’s tourism industry faces daunting path to rebuild lost workforce | Globalnews.ca](#)

Before the gates were even opened at Fort Edmonton Park on a sunny and warm Thursday morning, hundreds of kids were lined up waiting to get in. A flurry of field trips late in the school year means the park is in high demand, making for busy days right from the get-go for its staff.

“It’s kind of been all hands on deck,” senior vice president of customer experience Renee Williams tells Global News.

“Our full-time team, our crew that are here year-round, tend to jump in at those moments when we don’t necessarily have all the staff in place to help get the job done.”

Every summer that full-time team is supported by a large group of seasonal staffers — mostly high school and college students, plus retirees, who get into period-specific costumes to act as interpreters, operate the train and work in other support roles.

This year, they have been hard to come by.

“Cashiers, admissions, in some of those areas we definitely did see a bit of a lag in terms of the recruitment process,” Williams said.

Fort Edmonton Park isn’t alone in this challenge. The tourism sector says these staffing challenges are being felt right across the country, and it will take time to rebuild.

“It could take up to 10 years to get back to where we were pre-pandemic,” said Darren Reeder with the Tourism Industry Association of Alberta.

The tourism industry was hit particularly hard by the pandemic, with lengthy closures and other restrictions leading to layoffs.

Many of those workers have moved on to other sectors, and Reeder warns that that will impact the ability of tourism operators to fully re-open.

“This is a business model built on the foundation of people, so not having people at the root of what we have to sell means we’re not able to generate the economic impact we did pre-pandemic,” Reeder said.

The federal government is currently in consultations on a new tourism growth strategy, and the industry says rebuilding the workforce has to be a central theme in the final report.

“Through, say, immigration for example,” said Philip Mondor, the President and CEO of Tourism HR Canada.

Travel restrictions have played a role in the staffing crunch, with many workers from Europe and Australia simply not coming to Canada to work in areas such as the mountain parks. Mondor says there are options here at home as well.

“More investments in programs to help groups that are not so represented in the labour market, like Indigenous workers and people with disabilities,” Mondor said.

There are jobs available, the industry hopes it can fill enough of them to kickstart the rebuild of the damaged sector.



## Border City Mayors And Tourism Industry Leaders Urge Ottawa To Ditch ArriveCan App

*By James McCarten, The Canadian Press, June 15, 2022*

<https://www.theglobeandmail.com/canada/article-border-city-mayors-and-tourism-industry-leaders-urge-ottawa-to-ditch/>

It's time to bid farewell to the ArriveCan app, say Canadian border city mayors, tourism industry leaders, and others who complain that Canada's stringent COVID-19 rules for international travellers are encouraging would-be U.S. visitors to spend their tourist dollars at home.

Two Ontario mayors whose cities depend on cross-border tourism – Sarnia's Mike Bradley and Jim Diodati of Niagara Falls – urged the federal government on Wednesday, June 15 to stop requiring travellers to navigate a pre-clearance process which many find frustrating and confusing.

"I learned a long time ago – I've been in politics a long time: when you're riding a dead horse, dismount," Bradley told a news conference in Ottawa.

"That's what the federal government needs to do."

Bradley, Diodati, and Estelle Muzzi, mayor of the Quebec border community of Saint-Bernard-de-Lacolle south of Montreal, as well as advocates for duty-free store operators, say the rules are a drag on incidental cross-border visits, which they say are vital for their local economies.

Adding insult to injury, they say, is the fact that similar rules don't exist for travellers entering the U.S., especially now that Ottawa is lifting the COVID-19 vaccination requirement for domestic and outbound international travel.

Canadian and foreign visitors aiming to enter Canada must continue to use the app or an online portal to submit their vaccination information to the Canada Border Services Agency ahead of time, a rule Diodati said has outlived its usefulness.

"We all supported the federal government with all the restrictions at the border; we stood shoulder-to-shoulder with them to make sure that we are safe," he said.

"But the science is now telling us that having these restrictions at the border (is) no longer serving us. In the beginning, it was to keep the virus out – well, it's clearly here. It's not doing what it was originally intended to do."

Richard Cannings, a New Democrat MP whose southern B.C. riding encompasses six separate Canada-U.S. border crossing points, said duty-free stores in those communities continue to see business that's 95 per cent lower than it was before the pandemic.

"The NDP caucus especially has been very much in favour of restrictions to keep Canadians safe in travel and in their line of work," Cannings said.

“But we have been calling for many months for a safe border task force, a safe border strategy that would bring together stakeholders to build a system that makes sense for all Canadians to keep us safe, but also keep businesses going.”

There was an absence of American voices from Wednesday, June 15's news conference, a striking distinction from the bilateral appeals for eased restrictions that became a fixture of the pandemic last year.

That's because U.S. communities and tourism operators are benefiting from the imbalance, because it encourages American travellers to stay put and spend their money closer to home, Bradley said.

“The Americans, and I give them credit, are great at their own self-interest,” he said.

Some U.S. lawmakers took full political advantage of the vaccine mandate protests that snarled southbound cross-border traffic and trade earlier this year, arguing in favour of ramping up domestic manufacturing and supply chains, Bradley added.

“They were using it as an economic development tool to keep industries in their own country instead of coming here.”

Representative Brian Higgins, the New York congressman who over the course of the pandemic became one of the most vocal proponents of eased travel restrictions, did surface later on Wednesday, June 15 to express solidarity with his Canadian cousins.

“I stand with municipal leaders and tourism agencies in calling for an end to the ArriveCan mandate,” Higgins said in a statement. Constituents frequently call his office, “frustrated and confused” by the constant changes in the requirements for crossing the border, he said.

“Consequently, to bypass the uncertainty and hassle it creates, many are avoiding making the trip across the border entirely. We have to get back to pre-pandemic U.S.-Canada border management.”

Martin Firestone, a travel insurance broker in Toronto who specializes in helping retirees spend the winter months in warmer climes such as Florida, said the ArriveCan requirements are especially onerous for his older, less tech-savvy clients.

Many of them “don't have a phone to do it on – and even if they can do it on a computer, nothing is simple about it; it serves no purpose,” Firestone said.

“You are asking too much from people to the point where they're going to say, ‘You know what, it's just not worth it.’”

The government will “suspend” COVID-19 vaccine mandates for domestic and outbound international travellers, as well as federally regulated workers, effective Monday, June 20. Visiting foreign nationals must be vaccinated to avoid a 14-day quarantine and extensive testing requirements.

Transport Minister Omar Alghabra has acknowledged the ongoing complaints, saying on Tuesday, June 14 that the government is working on “efficiencies” to make it less onerous. But it remains a valuable and necessary public health tool, Alghabra said.

Travel industry groups have blamed federal public health measures and mandates for slowdowns at airport customs that have contributed to long waits for passengers and forced flight delays and cancellations.

Those delays will only get worse now that the rules are changing for some travellers, but not all, Firestone warned.

“The airport stream is going to pick up significantly come Monday,” he said, including among Canadian travellers who don’t fully understand the international rules. “Watch what happens at the airport when they land and they don’t have their ArriveCan completed properly.”

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## 'We're The Rodney Dangerfield Of Cities Right Now': Border City Mayors Demand Respect From Ottawa

*By Michelle Maluske, CTV News, June 15, 2022*

[Border city mayors demand elimination of ArriveCan app | CTV News](#)

Mayors from border communities including Windsor, Sarnia, and Niagara Falls are asking Ottawa to scrap the ArriveCan app for land border crossings.

“We’re being punished by not being recognized that this need for this app has gone and you can’t justify its continued existence. I don’t know how we get Ottawa’s attention on this,” said Sarnia Mayor Mike Bradley during a virtual news conference on Wednesday, June 15.

“We’re the Rodney Dangerfield of cities right now because we’re not treated with respect by the federal government.”

The mayors held the news conference one day after the federal government made their announcement on easing COVID-19 restrictions for travellers.

“Yesterday’s timid announcement by federal ministers further solidifies that this government doesn’t understand border communities or worse, doesn’t care,” said Barbara Barrett, executive director of the Frontier Duty Free Association.

“Border businesses that depend on US tourism are still 50 per cent down from 2019,” said Barrett, who was critical of the government for allowing unvaccinated strangers to travel together, but denying unvaccinated families from crossing the border in their own vehicle.

“Inexplicably, this federal government has punished border communities with inconsistent and incoherent border travel rules,” said Barrett.

"It's (ArriveCan app) like a boa constrictor on our communities," said Mayor Bradley. "It's just squeezing the economy when we should be going in the other direction."

Bradley and Niagara Falls, Ontario Mayor Jim Diodati told the media that they have had conversations with various federal ministries, asking for the app to be removed.

"There seems to be, within the Liberal government, support. But we're not getting (support) from PMO (Prime Ministers' Office), which seems very distracted from the border city issue," said Bradley.

"\$105 billion for tourism and hospitality in Canada, and that's at risk right now," said Diodati. "As far as jobs go, here in Niagara, its 40,000 jobs directly affected by tourism — 40,000 people counting on tourism to feed their families."

Windsor Mayor Drew Dilkens was unable to participate in the news conference on Wednesday, June 15 because of a different commitment.

In an interview afterwards, Dilkens said he supports the group's efforts to have the app removed because it is the final barrier to a return to normal life living in a border community.

"Two years of not being able to welcome people across the border, people start developing other habits. And it's harder to bring them back," said Dilkens.

He also says as long as the ArriveCan app is mandatory at the border, Transit Windsor's tunnel bus will be idled.

"It's impossible to run a system, a transit system on schedule if you have the drivers trying to police something like the ArriveCan app," said Dilkens. "If you bring people across the border into Canada, and they haven't done the work that is required for entry into Canada, the bus then has to wait for those passengers to be cleared and (it) completely disrupts the system."

If the ArriveCan app is eliminated, Dilkens says they could get the tunnel bus back up and running within a month.

CTV News is awaiting a response from the Public Health Agency of Canada about their intentions for the ArriveCan app.

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## Niagara Falls, Ontario Mayor Calls On Trudeau To Drop ArriveCan App To Stop Pushing Tourists Away

*By Hannah Alberga, CTV News, June 15, 2022*

[Trudeau urged to drop ArriveCan app by Niagara Falls mayor | CTV News](#)

Niagara Falls, Ontario's mayor is calling on the federal government to put an end to Canada's ArriveCAN app as other border measures loosen later this month.

Starting on June 20, domestic and outbound international travellers will no longer have to show proof of vaccination against COVID-19 in order to fly out of a Canadian airport. However, inbound travellers will still need to enter their health information, quarantine plan, and proof of vaccination through the ArriveCAN app.

On Wednesday, June 15, Niagara Falls, Ontario Mayor Jim Diodati, alongside a committee of mayors from Canadian and American border cities, urged that keeping the ArriveCAN app will have a “long lasting” impact on the country’s tourism sector.

Throughout the pandemic, border city mayors have rallied together to call for an easing of restrictions that have particularly burdened their local communities, which heavily rely on tourism as the backbone of their economies.

“We’re just about to kick off the tourism season and this is supposed to be a great recovery,” Diodati said.

“What’s happening right now is Americans are showing up in the minivan with their family at the border with no knowledge of the ArriveCAN app,” he said. “There’s a lineup of cars behind them. They can’t get into the country.”

As a result, Diodati said tourists are bypassing Canada, which has a ripple effect on the country’s \$100-billion industry.

In particular, the mayor said that seniors who struggle with digital technology have called him expressing that they feel discriminated against by the app-based platform.

“The answer they get is to get your kids and your grandkids to do it for you. Anyone that’s been through this will realize that’s very unreasonable,” Diodati said.

Mayor Diodati said that he has spoken with Canada’s Federal Minister of Public Safety on this subject and his understanding is that the decision is coming “right from the top.”

“If you want to leave them for now at the airports then so be it, but...the majority of the process does happen to be at land border crossings.”

“Why don’t we start there?”

Transport Canada acknowledged that lingering restrictions will be addressed in time.

“We recognize that there is still work to be done,” the government said in a statement on Friday, June 10.

“We will continue to work with all orders of governments and partners to reduce the delays in the travel system.”

## Scrap The App: Prescott, Ontario Mayor Joins Calls To Drop The ArriveCan App Requirements

*By Nate Vandermeer, CTV News, June 15, 2022*

[Scrap the App: Prescott, Ont. mayor joins calls to drop the ArriveCan app requirements | CTV News](#)

Border-city mayors say the removal of some travel mandates by the federal government on Tuesday, June 14 is just one-step to help towns and cities recover from the pandemic.

The second step is scrapping the ArriveCAN app.

"It almost seems out of place now with how we've moved along," said Prescott Mayor Brett Todd. "I'm not sure it's really a necessary step that really needs to be taken for people traveling in over the land border."

"I think it's a good sensible next step to remove ArriveCan and let's move on," he added.

Todd's comments echoed other border city mayors, who held a press conference on Wednesday morning, June 15 that included tourism industry leaders and an opposition MP.

They say that the app is confusing for travellers and is discouraging cross-border traffic.

"We've always said follow the science; well, the scientists are telling us now that there's no reason to have the ArriveCAN app," said Niagara Falls, Ontario Mayor Jim Diodati.

"Right now in this situation, it's man-made disaster that we are dealing with," he added. "We are just about to kick off the tourism season and this is supposed to be the great recovery and what are we doing? We need to open things up."

Sarnia Mayor Mike Bradley even compared the situation to a Monty Python skit.

"This has become very silly, the rules are inconsistent, and they are disrespectful of border cities that had stood by the federal government in the last two years," he said.

The remarks come at a key time, when those tourism dollars could help many border towns get back on their feet economically.

"It's like a boa constrictor on our communities, just squeezing the economy when we should be going in the other direction," Bradley added.

"Yesterday's announcement by federal ministers further solidifies that this government doesn't understand border communities or worse doesn't care," said Barbara Barrett, Executive Director of the Frontier Duty Free Association.

"Border businesses that depend on U.S. tourism are still 50 per cent down from 2019," she added.

Todd said that it is time to move forward on the issue, with one international crossing just five kilometres east of his town.

"That is a significant barrier to people readily crossing the border because some people are just going to look at that and say I'm just not going to bother, I'm happy to stay at home until everything is completely cleared up," Todd said.

The Prescott mayor has travelled to the U.S. multiple times through land crossings since the borders re-opened last November. He says it takes more time to fill out the information through the ArriveCan app than it does to cross the border in his vehicle.

"It's been fantastic here both at Prescott-Ogdensburg and at Ivy Lea. No issue whatsoever, very seamless, never even referred to (the app) by the border crossing officers," Todd said.

He is also concerned about the upcoming tourism season, noting that people still aren't travelling like they used to.

"From visits over there and talking to people here, I think COVID-19 has changed a lot of travel patterns and buying patterns and so on," he said. "It may not be permanent, but I think it's going to last longer than COVID-19."

"It's going to be interesting to see what it looks like after we get a couple of years of what we call normal travel without any apps, without COVID-19 concerns," he added.

"I think removing the app requirement is going to be necessary because it's just, it's spreading a lot of confusion on that side of the border with Americans who just don't understand what that added step means for them to cross right now. So the best way to deal with that is just to remove it," Todd said.

Diodati noted that 50 per cent of the revenue in his border city comes from American tourists, and action needs to be taken immediately to have a successful summer.

"We are going to kill our opportunity at a tourism season," he said. "So we're pleading to our counterparts in Ottawa: do the right thing and do it now."

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## Westjet Boosting Flights In Western Canada, De-Emphasizing Eastern Routes As Part Of New Strategic Plan

*By Eric Atkins, The Globe and Mail, June 16, 2022*

WestJet Airlines says it will emerge from the pandemic with a renewed focus on Western Canada, boosting its flight schedule in its traditional home turf while "de-emphasizing" markets in the eastern parts of the country.

The Calgary-based airline will also reshape its fleet as it adds more narrow-body planes, including new Boeing 737 Max jets, and halt the addition of wide-body 787 Dreamliners.



The changes are part of the airline's strategic plan unveiled on Thursday, June 16 by chief executive officer Alexis von Hoensbroech, who joined WestJet as CEO in February.

He announced the plan as the aviation world emerges from the pandemic into fresh uncertainty brought about by Russia's war on Ukraine, economic doubts, and high prices for fuel. Staffing shortages at some major airports in Canada, London, and Amsterdam are hurdles to a smooth return to more normal flows of passenger jets and customers.

Mr. von Hoensbroech said WestJet, owned by Onex Corp., is on solid footing compared to many of its peers.

"WestJet is strong foundationally, having weathered the pandemic as perhaps the world's only airline of scale that did not accept sector-specific government funding or issue any new equity or debt. We're now at an exciting and pivotal moment for the industry and our airline," Mr. von Hoensbroech said.

Other parts of the plan include strengthening business and premium holiday travel in the west. WestJet's proposed purchase of Sunwing's airline and vacation divisions, announced in March, is awaiting regulatory approval.

WestJet began in Calgary in 1994 as scrappy alternative to Air Canada, the large eastern airline. WestJet has expanded to other parts of the country, and added overseas routes as it looked to compete directly with Air Canada in higher-priced markets. After a few stumbles blamed on a rising cost structure and tough competition, then-publicly traded WestJet agreed to be taken over by Gerry Schwartz's Onex Corp. in 2019 for \$3.5-billion.

WestJet said the network changes announced on Thursday, June 16 will be implemented by the summer of 2023. WestJet said it will continue to look for growth from other areas of its operations, cargo, the loyalty program, WestJet Vacations, and Swoop, its budget carrier.

In a statement, Mr. von Hoensbroech said WestJet will "pause" the purchase of more 787s, and will fly the existing ones in the west. WestJet will receive 15 new 737s this year, bringing its Max fleet to more than 30. The regional De Havilland Q400 fleet will move to Western Canada. "WestJet is working towards a substantial additional narrow body order," WestJet said, without providing details.

"We will deploy our aircraft where they can be of greatest service to Canadians," Mr. von Hoensbroech said. "While we will be investing the majority of our fleet in the West, as a national airline we will maintain a significant presence in the Eastern provinces, primarily through direct connections to our Western cities, while significantly enhancing our network to sun and leisure destinations."

Read Story (Subscription Required): <https://www.theglobeandmail.com/business/article-westjet-flights-western-canada-new-boeing-airplanes/>

## Saskatoon Welcomes Swoop Flight As Feds End COVID-19 Vaccine Mandate For Travelers

*By Kayla Guerrette, Global News, June 14, 2022*

[https://www.thestar.com/politics/provincial/2022/06/15/when-ontario-got-rid-of-licence-plate-stickers-it-left-a-lot-of-questions-here-are-some-answers.html?source=newsletter&utm\\_content=a12&utm\\_source=ts\\_nl&utm\\_medium=email&utm\\_email=6D73923380F292A40DC042B455F0FDE3&utm\\_campaign=teve\\_129493](https://www.thestar.com/politics/provincial/2022/06/15/when-ontario-got-rid-of-licence-plate-stickers-it-left-a-lot-of-questions-here-are-some-answers.html?source=newsletter&utm_content=a12&utm_source=ts_nl&utm_medium=email&utm_email=6D73923380F292A40DC042B455F0FDE3&utm_campaign=teve_129493)

People in Saskatoon will be seeing a whole lot more flights taking off as Swoop Airlines made its first stop at the city's airport on Tuesday morning, June 14. The airline will be offering cheaper flights to travellers at a time when the industry is hoping to really take off.

"Skyxe is thrilled to welcome Swoop to our community," said Stephen Maybury, Saskatoon airport authority president and CEO.

"With summer quickly approaching, Swoop's new direct routes connecting Saskatoon to Edmonton, Winnipeg, and Toronto are timely to provide low cost and efficient options for Canadian travelers as they travel again and add tangible benefit to our local economy."

Swoop's arrival comes as the federal government announced that vaccine mandates will no longer be required, as of June 20, for outbound travelers. It's welcome news for those in the industry.

Bob Cummings, Swoop president, said the requirement of validating vaccination for travellers has been a challenge. "It's a very, very difficult process – it's difficult on employees with all the restrictions that still exist."

The travel industry was hit hard throughout the pandemic. Travel Advisor Barb Crowe said she often found herself working alone in the Ixtapa travel agency as most of her colleagues worked from home. She said the agency location is now up for sale and all travel advisors, herself included, will find themselves working remotely.

"This has been the worst of the worst for the travel industry," Crowe said.

Crowe said that while the lifting of the vaccination mandate is welcome news for travel advisors such as herself, COVID-19 is not over. Vaccine mandates may be dropping in Canada but there are still restrictions and people are still nervous.

"There's certainly a lot of anxiety in the planning stage of going," said Crowe. "I think people will just feel more comfortable now and hopefully we see even more things get lifted."

Crowe said it will be important for travelers to be patient as things slowly change and to plan ahead as things are still not like they used to be.

“We still don’t have the flights that we used to have,” said Crowe. “There’s not as much frequency and so that’s one of the hurdles that we have. The prices of flights are going up.”

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## Top Canadian Accounting Firms Drop COVID-19 Vaccine Policies For Employees

*KPMG And Others Follow Big Banks In Relaxing Office Rules As COVID-19 Cases Decline.*

*By Jacob Lorinc, Toronto Star, June 13, 2022*

Several of Canada’s major accounting firms are dropping vaccine requirements for staff as COVID-19 cases wane and governments across the country ease public health measures

KPMG, Ernst & Young, and PricewaterhouseCoopers are the latest in a string of major white collar employers to reverse their COVID-19 policies for employees, letting staff work in the office without needing to confirm their vaccination status or face additional safety measures.

Like many Bay Street firms, the trio introduced strict vaccination policies for staff in September as the Delta variant struck the country. But as COVID-19 cases dwindled and government-issued restrictions ended, major employers have begun undoing their rules in response.

Ernst & Young Canada dropped its vaccine policies for offices and sponsored events on June 1, though the company said its employees could still be asked to confirm their fully vaccinated status if requested by clients.

Starting June 15, KPMG says it will retire its office vaccine policy “in accordance with recent changes to public health guidelines,” allowing staff to work in the office without being asked to confirm their vaccination status or face additional safety measures.

PricewaterhouseCoopers Canada removed its COVID-19 protocols in April, shortly after provincial governments lifted vaccine mandates. As workers return to the office, the company said it will have floors for mask-wearers and floors for people who are comfortable without them.

Deloitte, the fourth of Canada’s Big Four accounting firms, lifted its vaccine policy in March.

The Big Four employ more than 30,000 Canadians, offering consulting and auditing services to a range of businesses across the country. While most of that work can be done remotely, the companies pursued mandatory vaccinations for staff in part to help staff meet face-to-face with clients back in 2021.

Some businesses have been reluctant to lift vaccine requirements in case of another wave of infections, but private companies will have a harder time justifying those mandates as COVID-19 cases drop, said Howard Levitt, a partner and employment lawyer with Levitt Sheikh.

With the easing of government-issued restrictions, private companies are finding it difficult to hold employees to a higher standard than what is required in public life.

“Many businesses with these policies put workers on unpaid leaves because they weren’t vaccinated. And, at the time, those employers could argue that it was the right decision in light of the public health crisis. But that case isn’t as strong as it was a few months ago,” said Levitt.

All of Canada’s Big Five banks dropped their vaccination policies in April and May.

Over the weekend, Ontario lifted most of the remaining mask mandates in the province, including on public transit.

The province also reported its lowest COVID-19 test positivity rate in six months last week.

Read Story (Subscription Required): [https://www.thestar.com/business/2022/06/13/top-canadian-accounting-firms-drop-COVID-19-vaccine-policies-for-employees.html?li\\_source=LI&li\\_medium=thestar\\_recommended\\_for\\_you](https://www.thestar.com/business/2022/06/13/top-canadian-accounting-firms-drop-COVID-19-vaccine-policies-for-employees.html?li_source=LI&li_medium=thestar_recommended_for_you)

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## More People Are Heading Back To The Workplace, But That Doesn't Mean They All Like It

### *The Pressure Is Building For More Canadians To Return To The Office*

*By Geoff Nixon, CBC News, June 11, 2022*

<https://www.cbc.ca/news/business/canada-return-to-office-pressure-workers-1.6484707>

Career consultant Sweta Regmi remembers the days when working from home was unfathomable to her.

If you had asked her years ago, when she was employed at a call centre, Regmi would have had a question of her own for you.

"Are you crazy?" Regmi, founder and CEO of Teachndo Career Consultancy in Sudbury, Ontario said, laughing at the distant memory.

But that was then — not today, when even her former colleagues at the call centre have been working from home amid a pandemic-era pivot toward more flexible work.

Yet the proportion of Canadians who are working from home most of the time is decreasing, as the protective lid of public health restrictions is pulled back and businesses grow more confident about bringing their people back to the office.

That's setting up tension with those employees who don't want to go back to the way things were — but who will have to adjust if that's what they must do.

## A Shifting Landscape?

Statistics Canada reports that nearly one in five employed Canadians were still doing most of their work from home as of May 2022.

That sounds like a lot, but it's down from more than 24 per cent in January of this year — and well down from what was reported during the first year of the COVID-19 pandemic.

Ruel Tria has been working at home for more than two years. For him, the arrangement is just fine.

"Our business allows that," said Tria, an operations supervisor who did all of his work in a Toronto office prior to the pandemic.

But that could change, as his workplace has sent out surveys asking about potential concerns employees might have about returning to the office.

Tria has been saving money while working at home, as well as the time he used to spend commuting.

"My concern is obviously the rising fuel costs," Tria said, noting that that's just one cost that's making the lives of commuters more expensive.

Nita Chhinzer, an associate professor of human resources in the department of management at the University of Guelph in southwestern Ontario, said there are various reasons why employees are not keen on returning to the office — not all of them strictly financial in nature.

"Maybe someone moved away from the city, or maybe they sold the car, or maybe they don't want to do the commute anymore, or maybe they're realizing that the work politics and drama isn't of interest to them anymore," Chhinzer told CBC's Canada Tonight on Friday, June 10.

Beyond that, she said, there are varying views among people on what works best for them — including those who want to be back in the office more regularly — and that's something employers have to wrestle with.

"The challenge for employers today is: how do they provide that flexibility but still create an environment where they can bring people together and kind of recreate the pulse of the workplace?" Chhinzer said.

## People Aren't Where They Used To Be

Cities are also feeling the effects of seeing fewer people make the trek into the office.

In Toronto, the return to the office has lagged and foot traffic in the downtown office core remains far below pre-pandemic levels.

Marcy Burchfield, vice-president of the Toronto Region Board of Trade's Economic Blueprint Institute, said the lengthy pandemic restrictions the city faced have shaped its rate of recovery.

"People across the Toronto region, they worked remotely for prolonged periods of times," Burchfield said.

"There's a direct relationship between how long a jurisdiction was locked down and the return of office trajectory. And Toronto is a perfect example of that."

And that trajectory could remain slower than some businesses would like: Mark Rose, chief executive of the commercial real estate firm Avison Young, told the Globe and Mail this past week that a full, across-the-board return to the office is likely five years away.

### **Flexibility A Key Draw For Some**

Out on the east coast, Paige Black is working in a new job that she specifically sought out because of the flexibility it offers in allowing her to work from home in Dartmouth, Nova Scotia.

She left her last job because that option was no longer going to be available in the same way.

Like Tria, Black used to work in an office before the pandemic. The non-profit professional admits she "wasn't a huge fan" of working from home, at least initially.

But she soon found that more flexible work offered many advantages, including more control over her day-to-day life.

"I felt like I got more of my time back," she said.

For Black and many others, that kind of flexibility is hard to beat.

"Nobody can put a price tag on flexibility," said Regmi, the career consultant, summing up its worth to workers. "That's priceless."

### **Embracing Flexibility**

At some larger organizations in Canada, there's a recognition that flexibility is here to stay — and they're focusing on what they need to do to support that.

At the Canada Life Assurance Company, for instance, the organization is aiming to support both its people and a range of working styles.

"Our approach to returning to the office is one that empowers our 11,000 employees to do their best work — wherever they are," Colleen Bailey Moffitt, the company's senior vice-president of human resources, said in an emailed statement.

Bailey Moffitt said Canada Life is "committed to supporting a hybrid, flexible way of working" and recognizes that its teams and people have varying needs. It permits leaders to decide "which work style fits best for their team."

But the insurance giant has also taken steps to make sure its various campuses and offices are welcoming to staff and fully equipped for their in-person work. And it has invested in those spaces over the past two years, including modernizing its meeting rooms and common spaces.

Other large employers have made similar investments in facilities over the course of the pandemic, as the changing long-term needs of their businesses have become apparent.

The federal government has also paid attention to the broader shift in how people — including its own public servants — are working.

"During the COVID-19 pandemic, federal public servants proved their ability to adapt to new ways of working both on-site and remotely while delivering results for Canadians," the Treasury Board of Canada Secretariat said in a statement.

The Treasury Board said that it does not have government-wide data available on the proportion of federal servants working on-site versus from a remote setup, but it said "more and more employees are making their way into work sites on a regular basis."

The experience of the past two-plus years will help guide the government in developing "flexible, hybrid workforce models as part of how and where public servants work in the future," the Treasury Board said.

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## How To Win Workers And Restore Loyalty In The Workplace

*Opinion By Evan Siddall, Contributed To The Globe and Mail, June 12, 2022. Evan Siddall is the chief executive officer of Alberta Investment Management Corporation (AIMCo), one of Canada's largest institutional investment managers, with more than \$168-billion in assets in 2021.*

<https://www.theglobeandmail.com/business/commentary/article-how-to-win-workers-and-restore-loyalty-in-the-workplace/>

A historic shift has begun. After a decades-long global economic expansion that saw the value of work decline relative to return on investments, the balance of power is shifting between capital and labour. In these waning days of the pandemic, it may now even have swung in favour of employees.

Today, employers are facing a crisis of loyalty. Pent-up frustration, latent turnover, and the growth of the work-from-home economy have coalesced into a "Great Resignation." According to a recent Bank of Canada survey, 19 per cent of Canadians expect to quit their current jobs in the next 12 months – the highest level since the survey began in 2014. Entrepreneurial ventures, "side hustles" and increased leisure time reminded our colleagues that they can make different choices. People's emotional connection to work has faded.

This has been a long time coming, with several factors scrambling the implicit contract between capital and labour. In recent years, workers have experienced real declines in minimum wages, while productivity has outpaced wage growth.



Outsourcing and the increased use of temporary staffing firms have further eroded the employer-employee bond, commoditizing people and reinforcing a transactional labour economy.

Let's face it: employees are disloyal to employers because they've been treated disloyally.

The pandemic has shown us that companies have neglected employees and loyalty at their own peril.

Wage inflation is accelerating as employers scramble to retain workers and preserve office space, while employees reject "presenteeism" and insist on greater flexibility. Leaders now fret about the "new normal," the "future of work," "workplace 2.0" and "hybrid workplaces." However, the solution is much more involved than insisting that employees devote two or three days per week to their offices.

As our economy has matured, jobs require more intellect and nuance. Workers are more skilled and more capable. They don't need to be told where and when to do their jobs. They resist micro-management and are able to work with reduced supervision. We need to look past obsolete models of hierarchical control adapted from military command for a manufacturing economy.

People want purpose-driven work. Dan Pink identified three factors – purpose, autonomy, and mastery – as the core sources of employees' extra discretionary effort in his 2009 book, *Drive: The Surprising Truth About What Motivates Us*. It is the combination of these three drivers that increases productivity, instills a commitment to customer service, and creates fertile ground for innovation. And they find the most value and satisfaction in their work when we, as leaders, trust them to do it well.

At AIMCo, we are changing the manager-employee relationship and supporting a "choice first," results-only work environment.

#### **Four Key Elements Reinforce A Culture Of Trust And Respect:**

1. Let employees choose: work is personal. It is a huge mistake to dictate working conditions to employees. Task teams to be deliberate about determining the kind of collaborative work best done in person. Work that supports apprenticeship/learning, team alignment, and innovation/brainstorming are often, but not always, examples. We have asked our teams to define how they choose to collaborate. The decisions are ultimately theirs.
2. Measure what matters: performance management should never have been about management by line of sight. Use an outcomes-based goal-setting methodology to ensure leaders and employees are all focused on the same measurable goals. Give feedback often, far more frequently than monthly check-ins.
3. Retrain people leaders: the potential weak links in this new system are managers' bad habits. A "results only" mindset requires them to unlearn old ways. Moreover, heading blindly into new workplace conventions is reckless without a new, coherent support system. That may mean looking outside your organization for help to train people leaders.

4. Flatten the organization: consistent with more employee autonomy is a lighter managerial hand. We have also adapted our organizational structure by increasing people leaders' spans of control (number of direct reports). This gave us the opportunity to "high grade" our management cohort and lighten managers' touch.

Employees just want a little respect. Both Stephen Covey and Richard Branson have been quoted as saying, "Treat your employees the way you want them to treat your customers."

Employers ought to trust their employees to make decisions that will allow them to do their best work. Rather than scrambling haphazardly to block the exits, we intend to light the way to the entrance, allowing us to attract and retain the strongest calibre of colleagues, who will help us continue to deliver superior results for our clients and their beneficiaries – the people of Alberta.

It's actually that simple.

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## OTHER CAFII MEMBER-RELEVANT INDUSTRY/BUSINESS/SOCIETAL NEWS

### Canadian Credit Unions Potentially Impacted By Cyber Incident

*By Lyle Adriano, Insurance Business Canada, June 16, 2022*

[https://www.insurancebusinessmag.com/ca/news/cyber/canadian-credit-unions-potentially-impacted-by-cyber-incident-409765.aspx?utm\\_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm\\_medium=20220616&utm\\_campaign=IBCW-MorningBriefing-20220616&utm\\_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8](https://www.insurancebusinessmag.com/ca/news/cyber/canadian-credit-unions-potentially-impacted-by-cyber-incident-409765.aspx?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20220616&utm_campaign=IBCW-MorningBriefing-20220616&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8)

Over 100 credit unions across Canada may be impacted by a recent cyber incident that befell a major vendor which supplies them with digital technology services.

In a statement, Calgary-based Celero Solutions said that it became aware of "unauthorized access to the company's systems" on June 8.

"We immediately convened our incident response team and took a number of security measures," the company told CBC News in an email.

Celero also indicated in its statement earlier this week that it had received assurances that its network and systems were secure.

In a previous statement last week, the company announced that there was "no evidence of compromised member data or unauthorized access to member-facing systems," adding that the ability of some of its members to access online services may be impacted due to the ongoing investigation and response to the breach.

As reported by CBC News, Celero's services are used by over 115 credit unions and financial institutions in Canada. Celero did not reveal how many of its clients were affected by the breach, but at least one credit union confirmed with the news outlet that they experienced their own cyber incidents on June 8 – Sunrise Credit Union.

Sunrise Credit Union president and CEO Tim Klassen did not provide CBC News with further details on the incident, but gave assurances that it was "contained," and that the credit union's systems are "secure." He also noted that Sunrise initiated its standard incident response processes, immediately shut down access, increased security measures, and brought in experts to investigate the matter.

Credit Union Central of Manitoba was also unable to provide information on the exact number of credit unions affected by the breach, instead referring CBC News to Celero.

"Credit unions are highly regulated and secure financial institutions who take cybersecurity seriously," said Credit Union Central of Manitoba director of strategic communications Amie Warkentin.

"The integrity of member data is a top priority for credit unions at all times. Credit unions take action on an ongoing basis to ensure the safety and security of their systems."

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## Beneva Adds Gender-Affirming Surgery Coverage

*By Lyle Adriano, Insurance Business Canada, June 16, 2022*

[https://www.insurancebusinessmag.com/ca/news/group-benefits/beneva-adds-genderaffirming-surgery-coverage-409764.aspx?utm\\_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm\\_medium=20220616&utm\\_campaign=IBCW-MorningBriefing-20220616&utm\\_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8](https://www.insurancebusinessmag.com/ca/news/group-benefits/beneva-adds-genderaffirming-surgery-coverage-409764.aspx?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20220616&utm_campaign=IBCW-MorningBriefing-20220616&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8)

In time for Pride Month, Canadian insurance mutual Beneva has announced that it is expanding its group insurance offering by adding coverage for gender-affirming surgery.

The addition of a gender-affirming clause to the group health policy will cover expenses for sex reassignment surgery that are not covered by the public insurance option. Beneva said that to be eligible, an insured must first be diagnosed with gender dysphoria.

"This new clause reflects Beneva's fundamental values of equity, diversity and inclusion. We are proud to support plan members who are transitioning," said Beneva executive vice-president of group insurance Eric Trudel. "Since our objective is to provide plan sponsors and members with the best coverage possible, it's important for us to adapt our offering to meet their needs."

Also coinciding with Pride Month, Beneva announced that it had made a \$50,000 donation to the Centraide of Greater Montreal's Diversity, Equity, and Inclusion (DEI) Fund. The fund aims to help disenfranchised youth, including those within the LGBTQ2S+ community.

## Interest Grows In 4-Day Work Week As Employers Consider Impact On Staff, Retention, Productivity

### *Companies In U.K. Latest To Test A Shorter Work Week With 3,300 Workers From Varying Sectors*

*By Courtney Dickson, CBC News, June 11, 2022*

<https://www.cbc.ca/news/canada/british-columbia/four-day-work-week-1.6482456>

Many dream of a shorter work week, one where you spend less time at the office, more time with loved ones, all while still being able to afford life as we know it.

And for more people, that's becoming a reality.

Businesses and organizations in countries across the world are testing out a four-day work week, one that wouldn't compress 40 hours into fewer days or pay workers a smaller salary.

Companies in the U.K. are the latest who will be piloting four-day work weeks for 3,300 workers across a variety of sectors over the next six months.

In Iceland, the national government and Reykjavík city council worked with unions to test a four-day work week for its staff over the course of four years starting in 2015. Researchers described the project as an "overwhelming success" and many workers have now moved to fewer hours.

Businesses in Australia, New Zealand, and elsewhere have also signed up to give it a shot through the global non-profit 4 Day Week, which was started by the founders of an estate planning company in New Zealand that switched staff to a four-day week in 2018, and now aims to help others figure out if it will work for them.

It's not a foreign concept in Canada, either, with more bosses and owners recognizing its potential benefits, including healthier employees and lower staff turnover.

Staff at the law firm Acheson Sweeney Foley Sahota in Victoria currently work a four-day week, without adding hours to those days and without a loss of pay. Partner Rajinder Sahota launched a pilot over the summer of 2021 to see how it affected his staff's work and personal lives — and said it was a resounding success.

He recognizes some employers might be concerned about productivity, but he said there hasn't been an issue getting things done. His team is flexible with its hours and still makes it to meetings and to court, he says.

Sahota said business owners need to start changing the way they think about labour.

"The sort of antagonistic relationship between labour and capital does not any longer need to be at the fore," he told CBC's On the Island host Gregor Craigie.

"We should think about different ways to organize our socio-economic system to prioritize the human element as opposed to this ever increasing need for productivity."

According to 4 Day Week, 63 per cent of businesses it has worked with have found it easier to attract and retain employees under the four-day model.

"If folks like their jobs, enjoy the kind of work that they do, the people that they represent, and the atmosphere vis à vis their colleagues, then I don't think you need someone to constantly monitor and manage how much time they're spending working," Sahota added.

In Thunder Bay, Ontario, the environmental non-profit EcoSuperior recently switched to a four-day work week.

Executive director Sue Hamel said the COVID-19 pandemic got her thinking about how the organization could better serve the well-being of her staff.

"It's not a cost-saving measure, it's actually what I call a value-added measure," said Hamel, who adds that she has noted an improvement in the mental and physical health of the entire staff, including herself, and that productivity has actually improved thanks to a flexible work schedule.

Others in Canada experimenting with a four-day work week include Toronto-based recruitment firm the Leadership Agency; Tulip Inc., a software company in Kitchener, Ontario; and the District of Guysborough in Nova Scotia.

### **Wider Benefits To Society**

Amanda Watson, a sociology lecturer at Simon Fraser University with a particular interest in the culture of capitalism, says the project that's started in the U.K. has been a "long time coming."

Watson was particularly happy to see a restaurant included in that study, saying it's important to include workers that are already the most "time poor" and the most wage poor, rather than simply office professionals.

She said that giving people another day off would have beneficial effects on society as a whole.

For example, she said, with an extra day off, if she needed to buy shorts for the summer she'd be able to go to a thrift store or buy a used pair from a local business. Without that extra time, she would probably end up ordering online from a fast-fashion company and having them shipped.

"If we could be less time poor, we actually might be able to live more according to our values," she said.

Labour laws are socially constructed, Watson said, so there's no reason why they can't be rewritten for a more modern society.

In order for that change to happen in British Columbia, workers will have to guide the change, companies will have to be flexible, and lawmakers will need to regulate the work week, she said.

In 2020, B.C. Premier John Horgan said a four-day work week is not "off the table."

A statement on Friday, June 10 from Premier Horgan's office and the Ministry of Labour said that while there are no plans at this time for legislative changes that would require a four-day work week, employers are certainly able to make those changes themselves.

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## Is It Time For The Four-Day Work Week?

*In The UK, 3,200 Employees At 70 Different Workplaces Began World's Largest Four-Day Work Week Experiment.*

*Editorial by Waterloo Region Record Editorial Board, June 13, 2022*

Another Monday is here, and as the day dawned the weekend sank into the dim, distant past for millions of Canadian workers. As they trudged to the office, shop, factory, basement study or wherever else they earn their daily bread, they began the uphill climb of another hopefully challenging, possibly grinding five day work week. And whatever satisfaction they derived from their efforts, every step of that climb would see them juggling the demands of work with their responsibilities to home, partners, and families. Then, if there were a few minutes left, they might see to themselves.

Does it have to be this way, more than a few might have grumbled. A new pilot project that just started in the United Kingdom may have the answer they're waiting for. Last week, 3,200 employees at 70 different workplaces in the U.K. began the world's largest ever experiment with a four-day work week. For the six next months, the program's participants will receive 100 per cent of their regular pay, working 80 per cent of their regular hours in return for their commitment to maintain at least 100 per cent of their regular productivity. Say goodbye to five days on, two days off, the rhythm of life pounded into so many of us for decades. Say hello to four days on, three days off. At least for these Brits.

There are compelling arguments for this shorter work week trial in the U.K., as well as other smaller ones like it happening elsewhere, including Canada. A barrage of new technologies and their attendant efficiencies were long expected to give humans less work and more play. And history attests to how the 10-hour-a-day, six-day-a-week life so common in the early days of 19th century industrial capitalism gradually shrank to nine-hours-a-day in a five-and-a-half day week. Then, in the mid-20th century, it morphed into the 40-hour, five-day week so many of us now consider normal. But with the technological revolutions happening all around us, why can't we do even better?

COVID-19 made more people wonder. As the pandemic disrupted every aspect of life, we were forced to rethink the workplace. For many, home became their new office. Working remotely transformed how people lived their daily family lives. And though we're finally exiting the pandemic, the prospects of artificial intelligence and ever-more talented robots promise new and likely more profound workplace disruptions. We can be reactive to these changes. Or we can be proactive in charting a new course for the workers of the world. The U.K.'s four-day work week experiment, which is being run by the not-for-profit 4 Day Week Global, is the better response.

A brewery, a tax inheritance specialist, a software firm, and even a fish-and-chip shop are all taking part. Academics at the universities of Oxford, Cambridge, and Boston College in the United States will study the impact of the truncated work week on businesses' productivity, the health and well-being of their employees as well as the effects on the environment and gender equity.

Skeptics are already having a field day. "It can't be done on a legislative national basis," opines economist Robert Skidelsky who examined the idea for a British opposition party. He believes with real incomes ready to fall in the face of soaring energy and food prices, people will want to work more hours, not fewer, to keep up their standard of living.

Perhaps. But we're convinced that a shorter work week might suit a lot of people. And so are governments and employers around the world. Workplaces in Iceland, Germany, Spain, and Japan have all given it a try, with varying degrees of success. In February, Belgian employees won the right to do a full work week in four days, instead of five, without being dinged on their paycheque. An experiment similar to the one in the U.K. but with fewer participants was launched in Canada and the U.S. earlier this year.

So keep your fingers crossed. The benefits of a better work-life balance on family relationships, child rearing, as well as physical and mental health could prove of inestimable value — even if GDP doesn't always rise as fast as we want it to. Let's see what happens to those 3,200 Brits, and their counterparts in other places. With some foresight, planning, and luck, we may be inching toward a better future. One where Friday becomes the new Saturday.

Read Story (Subscription Required): [https://www.therecord.com/opinion/editorials/2022/06/13/is-it-time-for-the-four-day-work-week.html?rf&source=newsletter&utm\\_content=a07&utm\\_source=ml\\_nl&utm\\_medium=email&utm\\_email=6D73923380F292A40DC042B455F0FDE3&utm\\_campaign=wrha\\_127677](https://www.therecord.com/opinion/editorials/2022/06/13/is-it-time-for-the-four-day-work-week.html?rf&source=newsletter&utm_content=a07&utm_source=ml_nl&utm_medium=email&utm_email=6D73923380F292A40DC042B455F0FDE3&utm_campaign=wrha_127677)

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## Are Work Dress Codes On The Way Out?

*'We Want Everyone To Be Themselves And Know That They Belong'*

By John Dujay, Wealth Professional, June 5, 2022

[https://www.wealthprofessional.ca/your-practice/practice-management/are-work-dress-codes-on-the-way-out/367190?utm\\_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm\\_medium=20220610&utm\\_campaign=WPCW-Newsletter-20220610&utm\\_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8](https://www.wealthprofessional.ca/your-practice/practice-management/are-work-dress-codes-on-the-way-out/367190?utm_source=GA&e=YnJlbmRhbi53eWNrc0BjYWZpaS5jb20&utm_medium=20220610&utm_campaign=WPCW-Newsletter-20220610&utm_content=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8&tu=9B8F63D4-69B1-4D0C-AE64-59C8BBAFABC8)

Now that most Virgin Atlantic employees are allowed to display tattoos in public, is it time for employers to once and for all dump restrictive dress codes and fully allow employees to be their full selves?

While this new relaxing of rules doesn't yet apply to flight attendants (although that might change at some point), the move shows that at least one employer is living up to the oft-repeated mantra that an employee is at his or her best when allowed to bring their authentic selves to the workplace.



“We want everyone to be themselves and know that they belong. Many people use tattoos to express their unique identities and our customer-facing and uniformed colleagues should not be excluded from doing so if they choose. That's why, in line with our focus on inclusion and championing individuality, we're relaxing our tattoo restrictions for all our people,” says Estelle Hollingsworth, chief people officer at Virgin Atlantic.

In this case, the irony of the attendant uniform, which was designed by Vivienne Westwood, who is well-known for her part in the creation of punk, is apparent.

“It's only fitting that Virgin Atlantic team members can express themselves with their unique tattoos, wearing the red uniforms designed by the godmother of punk,” says the airline.

### **Not As Progressive**

While the Virgin employees must be feeling relieved about this, in Canada, teachers are not so lucky as one Quebec teacher was taken out of the classroom for wearing a hijab.

While in most cases, this type of action would have failed to pass the human rights sniff test, the province's Bill 21 allowed this to happen legally.

“In most workplaces, it's probably not a significant issue to the point where the dress code would even address this, but I think the critical thing is that employers need to be mindful of the fact that they have obligations to accommodate human rights and they also have an obligation to not be implementing policies that negatively impact people of certain religions. If somebody's wearing a hijab, for example, at the workplace, it doesn't really have any connection to what they actually do,” says Nicole Toye, an employment lawyer and partner at Harris & Company.

While many workers went home in the early part of the pandemic and turned in business attire for home casual, questions still arose as some employers actually required some female employees to dress provocatively to gain new customers or present a better face while on the job.

### **Legal Questions**

But is that above board?

“An employer can ask employees to dress professionally and to have a respectful appearance in the workplace, especially in situations where you're dealing with clients and customers. That is a reasonable expectation and it's an expectation that an employer should communicate to all its employees,” says employment lawyer Lior Samfiru.

While that requirement to be professional is warranted, singling out women to dress in a certain manner is not, he says.

“You cannot make demands that women dress in a provocative way or in an alluring or sexy way: that is inappropriate. That is a complete and utter breach of the Human Rights Code and human rights legislation in any province. Distinguishing between men and women is not appropriate and making demands that call upon a female’s attractiveness or asking her to be more attractive, that is clearly inappropriate.”

It’s not only illegal to ask different workers to dress differently, it’s also not the right idea for a workplace.

Stuart Rudner, founder of Rudner Law, says: “Employers need to recognize at all times that they cannot implement policies that create such a harsh distinction between employees based on gender, religion, ethnicity, or otherwise. No one should have to show up to work feeling pressured to wear something that they are completely uncomfortable with only for the sake of accumulating better tips or attracting clients.”

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## Net-Zero Laggard Insurers Are Putting Their Reputations At Stake

*By Bethan Moorcraft, Insurance Business Canada, June 9, 2022*

[Net-zero laggard insurers are putting their reputations at stake | Insurance Business Canada \(insurancebusinessmag.com\)](#)

Insurance companies who fail to act quickly enough in their transition to net zero are putting their reputations at stake, according to Isabelle Santenac, global insurance leader at Ernst & Young (EY).

It is now widely accepted that insurers have a vital role to play in implementing an orderly and fair transition to net zero carbon emissions, and to foster global resilience to climate-related risks. By and large, the insurance sector has accepted this task with open arms.

A group of over 20 of the world’s leading insurers, representing more than 11% of world premium volume globally, has joined the UN-convened Net Zero Insurance Alliance (NZIA), committing to transition their insurance and reinsurance underwriting portfolios to net-zero greenhouse gas (GHG) emissions by 2050. The NZIA also advocates for and engages in governmental policies for a science-based and socially just transition of economic sectors to net zero.

The few naysayers and/or laggards in the insurance industry “face major reputational risks,” said Santenac. “No one wants to be on front page news for not doing enough, quickly enough in their transition to net zero.”

The urgency to act was set in stone at the 26th United Nations Climate Change conference (COP26), held in the UK, which delivered an agreement to “phase down” coal, a new focus on achieving a just transition through biodiversity and sustainable development, and heightened levels of commitment from the private sector, including from insurers.

A need for appropriate base standards for sustainability reporting was stressed by the insurance industry via the NZIA and the Geneva Association's Task Force on Climate Risk Assessment – which included 17 of the world's largest P&C and life insurers, including: Achmea, Aegon, AIG, Allianz, Aviva, AXA, Chubb, Daichi Life, Hannover Re, Intact Financial, Manulife, MetLife, Munich Re, Prudential Financial, SCOR, Swiss Re, and Tokio Marine.

One key announcement at COP26 was the creation of the International Sustainability Standards Board (ISSB), a standards-setting body under the International Financial Reporting Standards Foundation (IFRS), with the task of setting global baseline standards for sustainability reporting with a focus on climate change.

While these standards are what the insurance industry has been asking for, they do come with new regulatory risks associated with mandatory reporting, as well as new capital requirements.

"Once standards are set, regulators will start to force companies to disclose their actions according to those standards, and they will be judged or measured on what they've done compared to their peers," said Santenac. "Obviously, that's going to create emulation, because investors will question companies about why their peers are more advanced than they are. Investors are going to ask: 'Why are you so slow?'"

Greenwashing is another big risk, according to Santenac. Investopedia defines greenwashing as: "the process of conveying a false impression or providing misleading information about how a company's products are more environmentally sound. Greenwashing is considered an unsubstantiated claim to deceive consumers into believing that a company's products are environmentally friendly."

This depends on how insurers disclose and communicate their sustainability targets and actions.

"New regulation and standards will create another level of discussion," explained Santenac, "and the big risk there is if companies communicate things that are not totally accurate or could be contradicted a few months later. Greenwashing is big risk. We haven't seen it yet among insurers, but we've started to see regulators fining banks for greenwashing. It all ties into the reputational risk."

How insurers act and disclose their intentions around the transition to net zero could also influence another big challenge in the sector – talent attraction and retention.

"The transition to net zero is important to people worldwide," Santenac emphasized. "We see more and more that the younger generation wants to work for companies that have a noble purpose. The insurance industry has a noble purpose by definition, but if insurers fail to act on climate change and the transition to net zero, I think they'll miss an opportunity to attract and retain top talent. That's a big risk for the industry."

## RESEARCH/THOUGHT LEADERSHIP/TECHNOLOGY/DIGITIZATION NEWS

### Lifecos' Main Digitization Priorities Are In Sales, Underwriting And On High-Volume Health Claims

*Editorial by Greg Meckbach, Investment Executive, June 13, 2022. This Editorial appears in the June 2022 issue of Investment Executive.*

[https://www.investmentexecutive.com/newspaper /insurance-guide/the-next-frontier-in-digitization/?utm\\_source=newsletter&utm\\_medium=nl&utm\\_content=investmentexecutive&utm\\_campaign=INT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3](https://www.investmentexecutive.com/newspaper /insurance-guide/the-next-frontier-in-digitization/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=INT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3)

Carriers are investing billions into technology, but more work could be done to digitize life insurance claims.

"The insurance industry is still lagging behind [others] from a service standpoint in terms of how they deliver services digitally, particularly on the claims side," said David Mamane, partner and financial services senior analyst with RSM Canada LLP in Toronto.

Digitizing the claims process "is a major area of investment" for both large and mid-tier life and health insurers, said David Kerr, partner, industry solutions, with Deloitte Consulting LLP in Kitchener, Ontario.

"There are still improvements to be made in what I call 'higher-touch' claims, like disability, travel medical, and true life insurance," Kerr said. "[But] in terms of once-and-done payments, for things like prescription drugs or a simple medical treatment or a dentist's visit, [digitized claims are] pretty much standard now."

Carriers receive far fewer "pure life" claims than other types of claims, Kerr said, so there is "less of a business case" to digitize life insurance claims than with other types of insurance products.

Some lifecos may not have a digital process at all for pure life claims. Instead, the claim is often made initially through a telephone call, Mamane said, "and then passed to a variety of different parties inside the carrier to validate that death and the various details to arrange payment."

Mamane added that clients may have questions as they encounter those different parties, and "there's often a lack of services around that," he said. For example, some beneficiaries may have questions regarding the tax implications of a death benefit payment.

"The insurance carriers aren't always providing that type of financial advisory support and that can absolutely be provided and augmented through a digital experience," Mamane said.

For example, lifecos could advise beneficiaries on what they should do after filing a death benefit claim and what type of advice they should be seeking.

Insurers also could use more self-service capabilities that allow claimants to easily get answers to basic questions, wrote Mark Breeding, partner with Boston-based Strategy Meets Action, in a 2017 blog post called The life insurance claims experience: room for improvement.

“These self-service capabilities should have click-to-chat and click-to-call options so the individual can get more help if needed,” Breeding wrote. He advised life insurers to move their claims process to “a more omni-channel environment, so that information and conversations can be easily transferred [among] channels, eliminating the need for people to repeat information or start the process all over again every time they talk to someone new.”

The death claims process “is still not as streamlined as or augmented through digital as it could be,” Mamane said.

A spokesperson with Manulife Financial Corp. said that the insurer has invested more than \$850 million since 2018 in digital enhancements. Today, 63% of Manulife’s technology applications are cloud-based and the insurer’s rate of straight-through claims processing (i.e. requiring no manual intervention) is 82%.

“The gold standard for [straight-through processing] is to have every claim process completely digitized without manual labour or intervention, leading to a shorter claim and settlement process for the customer and a much better experience,” the spokesperson said.

A spokesperson for Canada Life Assurance Co. said the insurer “believe[s] in increased automation and digital solutions, which are essential to future growth to help ensure the financial well-being of millions of Canadians,” but did not elaborate on their progress in this area.

Regarding digitization, insurers should “take inspiration from other industries,” Kerr advised. Amazon and Netflix are just two examples of vendors outside insurance that provide good user experiences. “They are learning about your wants and needs and preferences as you go along,” Kerr said.

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## Children May Be The Future, But Older Workers Are Needed Now

*Increase Labour Force Participation Among Those 50 And Older: Scotia Economics*

*By James Langton, Investment Executive, June 15, 2022*

[https://www.investmentexecutive.com/news/research-and-markets/children-may-be-the-future-but-older-workers-are-needed-now/?utm\\_source=newsletter&utm\\_medium=nl&utm\\_content=investmentexecutive&utm\\_campaign=NT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3](https://www.investmentexecutive.com/news/research-and-markets/children-may-be-the-future-but-older-workers-are-needed-now/?utm_source=newsletter&utm_medium=nl&utm_content=investmentexecutive&utm_campaign=NT-EN-morning&hash=6d73923380f292a40dc042b455f0fde3)

For an economy dogged by widespread labour shortages, one possible solution is under-employed older workers, suggests Scotia Economics.

In a new report, the bank’s economists argue that increasing labour force participation by workers in their 50s and 60s could help to quickly address the glut of job vacancies.

As it stands, it has never been tougher to attract and retain workers in Canada, which represents a significant barrier to economic growth, the report said.

“If we could find a way to fill the million vacancies that currently exist, we could raise our GDP by over \$100 billion, or roughly 5% assuming average productivity remains the same,” it said.

To address these shortages, governments are seeking to boost immigration and female workforce participation, it noted — these initiatives should be bolstered by efforts to boost older workers too, it suggested.

“We believe bold and ambitious policy initiatives are also required to ensure that Canada benefits more from the immense human capital in older Canadians,” the report said. “Finding ways to retain older workers in the Canadian job market could go a long way to reducing the critical labour shortages we have faced in the last few years.”

For most age cohorts, participation rates are around their pre-pandemic level, but workforce exits for those aged 60 and over has the overall rate slightly below its starting point, the report noted.

“Even though the participation rates of older Canadians have generally increased over time, that trend was interrupted in the pandemic, and the participation rate for workers in their 50s and 60s remains well below those of younger Canadians,” it said.

The report argues that government policy-makers should be pulling levers to get more older Canadians working as they near, or surpass, the ordinary retirement age by creating financial incentives to delay retirement.

For instance, it suggests that the federal government could offer a refundable tax credit for workers that extend their careers. The government could also adjust the rules around the Old Age Security (OAS) program to encourage more older workers to keep working, Scotia Economics said.

Policy-makers could also consider initiatives to keep workers who are under age 65 in the labour market, it said.

“... targeted tax cuts for individuals within a certain age bracket, or lump sum payments to individuals within a certain age/income bracket might incent greater labour market participation,” it suggested.

At the same time, businesses have a role in retaining older workers too, the report said.

“In house re-training and upskilling programs, along with working arrangements that are adapted to older Canadians and financial incentives to retain talent, are key to businesses’ success and productivity gains,” it said.

“Designed properly, measures that meaningfully increase the participation of older Canadians in the labour market could go a long way to addressing labour shortages,” the report concluded. “Moreover, such measures could have the added advantage of having near instantaneous impacts on the supply of labour at a time when workers are critically needed.”

## Nearly Half Of Women Would Quit Their Jobs If Required To Go Back To Office, Survey Finds

*By Brooklyn Neustaeter, CTV News, June 15, 2022*

[Women concerned about return to office: survey | CTV News](#)

As workplaces shift back to in-person or hybrid models, a new survey suggests that nearly half of Canadian women would quit their jobs if asked to return to the office full-time.

According to The Prosperity Project's Canadian Household Perspectives survey, 63 per cent of women said they would turn down promotions at work if it meant they could keep working from home, with 45 per cent saying they were more likely to quit their jobs if working from home for at least a few days of the week is no longer an option.

In addition, the survey results released on Wednesday, June 15 found that 91 per cent of women said they would prefer to have the majority or at least part of their job done remotely moving forward.

"As organizations create post-pandemic work strategies, this research sheds light on what women are thinking and feeling about work and their careers. A majority would like the flexibility offered during the pandemic to continue, specifically the option to work remotely some of the time," said The Prosperity Project CEO Andrea Spender in a press release.

The online survey was conducted by Pollara Strategic Insights, in partnership with CIBC and Enterprise Canada, in mid-May and looked at 800 employed women across the country.

While 73 per cent of those surveyed acknowledged that employers were more accommodating during the pandemic, the survey found a similar proportion at 72 per cent also expect their employers to prioritize in-person office work going forward.

"This research tells us some changes brought about by the pandemic were actually improvements for working women, but there's still uncertainty about whether they're permanent," said Pollara Senior Vice-President Lesli Martin in the release. "Amid this uncertainty, many Canadian working women are understandably apprehensive about their future."

According to the survey, nearly 60 per cent of women said they feel that they will have to choose between their career and their family, with 46 per cent saying the pandemic has increased their responsibilities at home.

More than half of the women surveyed (55 per cent) noted that they are primarily responsible for child care in their household, with only seven per cent reporting that their partner or spouse handles child care, while 35 per cent said they share the responsibilities equally.



The survey found that 52 per cent of working women with kids under 18 said that balancing their career with being a good parent is the major barrier for returning to work in an office. Of those surveyed, 18 per cent said they were concerned about how they will balance family priorities if they had to return to the office.

The survey found that half of the respondents believe they will be returning to working in the office, either via a hybrid model (31 per cent) or in-person full-time (23 per cent), while eight per cent said their employer no longer has an office. In addition, 17 per cent said they believe they will have a choice as to where they want to work.

Of those surveyed, only one-fifth said they would want to spend all or most of their work day in the office. Overall, the survey found that fewer Canadian women are working full-time at 62 per cent compared to 70 per cent prior to the COVID-19 pandemic.

Pamela Jeffery, founder of The Prosperity Project, said that employers have gained a greater understanding on the value of workplace flexibility for employees throughout the pandemic, adding that they "must continue to heed those lessons."

"Canada's economic growth needs women contributing. Enabling women to balance their careers and home responsibilities – through hybrid home/office work and other adjustments, with equal opportunity for promotion and advancement – is a critical priority," Jeffery said in the release.

## **Methodology**

The Prosperity Project is a registered charity and the survey is part of its Canadian Households' Perspective on the New Economy initiative.

On behalf of The Prosperity Project, Pollara Strategic Insights conducted an online survey between May 12 and May 17 among a randomly-selected group of 800 Canadian Women above the age of 18 who were employed full-time. As a guideline, a probability sample of 800 carries a margin of sampling error of  $\pm 3.5$  percent, 19 times out of 20. The margin of error is larger for sub-segments. The dataset was weighted by the most current age and region Canadian Census data, to ensure that the sample reflects the actual population of women in Canada.

## It's Hip To Be Bear: Business Leaders Join Chorus Of Economic Doomsayers

*Those Choosing To See The Economic Bright Side Are Rapidly Vanishing, As The Word 'Recession' Is Tossed Around By Economists, Business Leaders, Politicians, And Workers Alike*

*By Jason Kirby, The Globe and Mail, June 11, 2022*

Anyone taking the pulse of the economy right now has plenty of reasons to feel optimistic. The COVID-19 pandemic appears to be under control, the Canadian and U.S. economies are still expanding (albeit haltingly), household balance sheets are relatively sound, and unemployment has never been lower.

Yet, those choosing to see the economic bright side these days are a rapidly vanishing breed. Suddenly, the word “recession” is being tossed around by economists, business leaders, politicians, and workers alike. Over the past two weeks, an unrelenting stream of high-profile names have joined the grim chorus, including top banking execs such as JPMorgan Chase’s Jamie Dimon, billionaire chief executives including Elon Musk, and global institution heads such as World Bank President David Malpass.

Even Grammy-winning rapper Cardi B chimed in earlier this week, tweeting: “When y’all think they going to announce that we going into a recession?”

Now bearish market watchers who were warning of a downturn as other forecasters ratcheted up their outlooks are finding the mood of the market is starting to match their voices – stock markets are flirting with bear market territory, and American consumer confidence is plumbing depths not seen in half a century.

And many bears think everyone else is still far too optimistic. “I hear everybody saying the recession is now a next-year story, but I’m saying the next-year story is going to be about the rebirth of the recovery,” says David Rosenberg, chief economist at Toronto-based Rosenberg Research and a self-proclaimed “maverick” contrarian. “I think the recession is already staring us in the face.”

With the distorted sense of time brought on by COVID-19, it’s easy to forget that less than a year ago, some were waxing hopeful about a post-pandemic economic boom to rival the Roaring Twenties, a decade popularly remembered for its prosperity and hedonism on the heels of the First World War and Spanish Flu pandemic. As vaccines rolled out last year and lockdowns lifted, headlines blared the coming “new Roaring Twenties,” with comedian Bill Maher joking, “Let’s do it this time without a depression at the end.”

Such hopefulness for the immediate future has largely evaporated. Social unrest, punishing price spirals for food and gasoline, and the spectre of a new cold war sparked by Russia’s Ukraine invasion have instead rekindled memories of the 1970s, a decade that gave birth to the toxic mix of low growth and fast-rising prices known as stagflation.

More immediate than that, though, economists and investors have been spooked by the resolve with which central bankers have sworn to tackle high inflation, ratcheting up interest rates and shrinking their bloated balance sheets.

The U.S. Federal Reserve has announced the most aggressive cycle of monetary tightening since former Fed chairman Paul Volcker nearly doubled interest rates in the 1980s, to 20 per cent, to crush runaway inflation.

Meanwhile, as recently as last month, the Bank of Canada was emphasizing that future rate hikes might be conditional on how the housing market responds. In a mid-May speech, deputy governor Toni Gravelle said “a larger-than-expected slowdown” in the housing market, amplified by the staggering debt loads being carried by Canadian households, “might lead us to pause” rate hikes once they enter the bank’s neutral range of 2 per cent to 3 per cent.

If homebuyers and homeowners took that as a wink-wink signal of an implied floor under house prices, a speech by Mr. Gravelle’s fellow deputy Paul Beaudry earlier this month put that to rest. Without mentioning the housing market once, Mr. Beaudry noted an annual inflation rate of just 5 per cent (it’s currently 6.8 per cent) robs Canadians of \$2,000 a year and said inflation expectations are at risk of becoming unanchored. If workers, consumers, and business leaders start to think prices will keep going up, he warned, high inflation can become entrenched. “We must – and we will – be resolute in bringing inflation back down.”

There’s a goldilocks-style view of how the coming months will unfold. It holds that central banks can nudge their levers just enough to find the sweet spot where the economy is neither overheating nor contracting – where wages, job growth, and consumer prices ease without crippling corporate profits or spooking the so-called animal spirits – thus bringing about a “softish landing” for the economy, as U.S. Federal Reserve chair Jerome Powell put it.

The problem is, fewer and fewer people seem to believe that’s possible.

In a note this week, Stephen Brown, senior Canadian economist for Capital Economics, wrote that the Bank of Canada now appears “unfazed” by a recent tumble in home sales and “leaves us concerned that it will take a more aggressive approach to policy tightening than is ultimately required, driving house prices sharply lower and risking a major recession.”

Against this backdrop, the question becomes whether the world’s bad mood will feed on itself. After all, economic activity is often a lagging indicator to sentiment. And while feelings of gloom are more acute in the U.S., that still has a spillover effect in Canada, both directly, through our close trade ties, and psychologically, as consumers here absorb America’s more intense feelings of misery.

The longest bull market in history – which kicked off in 2009 after the Great Recession and which was only interrupted for a few brief months when the entire global economy was put on life support in early 2020 – has not been kind to bears. Investors with a pessimistic outlook and a belief that gravity would eventually pull valuations down from the cosmos were repeatedly left nursing bruised portfolios and battered reputations.

In fact, the past year has seen several famously dour investors call it quits. In November, British hedge fund manager Russell Clark wound down his RC Global Fund after a 10-year wrong-way bet against the bull market. Gabe Plotkin shut down Melvin Capital in May after his bearish wagers against so-called meme stocks – money-losers such as video-game retailer GameStop Corp. and theatre chain AMC Entertainment Holdings Inc. that became speculative darlings during the pandemic – went off the rails.

Others bears held on and are now being rewarded as the gloom spreads.

Crispin Odey, another Britain-based investor who oversees the Odey European Inc. hedge fund, has generated a return of 110 per cent this year thanks to his bets that stock prices would fall, erasing six years of losses. “I have the ability to remain in an uncomfortable place for an uncomfortable amount of time,” he told Bloomberg this week. “It is difficult to be a contrarian. You are wrong when you are early, and you make your money very quickly when you are right. It is a bad business structure, and that is why we are rare beasts.”

Being a bear can indeed be lonely, says Mr. Rosenberg. “The typical economist always feels the necessity to provide a view that’s filled with roses, tulips and violets,” he says, while noting his firm’s own clients don’t always appreciate his downbeat analysis. “It’s amazing that if you talk to clients and discuss the R word, it’s almost as if you’re saying their kid is ugly.”

While bears all share a dismal view of markets and the economy right now, their belief in how everything will come undone tends to differ, particularly when it comes to inflation.

One camp sees the economy on the brink of outright deflation, brought on by a recession caused by central bankers’ tightening policies.

Mr. Rosenberg is one of that camp’s most high-profile proponents. Having foreseen the collapse of the U.S. housing market in the mid-2000s while working as Merrill Lynch’s chief North American economist, he has consistently argued from the moment inflation anxiety took hold last year that prices for goods and services were going to tumble.

Even without central bank intervention, he sees inflation turning to deflation, arguing that with governments pulling back on fiscal stimulus the remaining driver of inflation will be supply disruptions, and the barrage of shocks – Omicron, Russia’s invasion of Ukraine, and widespread lockdowns of Chinese cities and ports – are unlikely to be repeated.

While Mr. Rosenberg has yet to be proven right with his deflation call, his warning that the Federal Reserve could break the back of the U.S. economy with its rate hikes has become more mainstream. “The Fed has had its thumbprints on 11 recessions since 1950 and only achieved soft landings 20 per cent of the time,” Mr. Rosenberg says. “All I know is what history teaches me, which is that inflation melts in a recession.”

There’s another camp of bears who believe high inflation will become a lingering problem, even as they foresee a sharper market crash and recession on the horizon. Jeremy Grantham, a prominent value investor and co-founder of Boston money manager GMO LLC, is among them.

In January, Mr. Grantham warned that the U.S. was in its “fourth super-bubble” of the modern era, with the previous three being equity bubbles in 1929 and 2000, and the housing bubble in 2006. “At the peak of a bubble, no one wants to hear the bear case,” he says. “People always believe the economy is in fabulous shape and is basically indestructible, and of course in none of the cases has that ever turned out to be true.”

While Mr. Grantham points out that the S&P 500 index in the first four months of this year suffered its biggest decline “since I was one year old in 1939,” he says he wouldn’t feel vindicated in his call if markets stabilized at current levels. (The S&P 500 index is up 5.5 per cent from its 52-week low in May, while the Nasdaq has recovered 6.5 per cent – though both indexes have fallen sharply in recent days.)

That’s because Mr. Grantham sees a much steeper drop ahead, in line with what occurred after the dot-com bubble burst in 2000. In that crash, the S&P 500 was cut in half, while the tech-heavy Nasdaq plunged 75 per cent. “This period is eerily like 2000,” he says.

Mr. Grantham also predicts a recession will hit the U.S. economy in the next 12 months. “If you break the psychological bubble, you get a recession,” he says. Even so, after a temporary slowdown in inflation, he sees price pressures picking up again because of structural factors such as limitations in the supply of labour and resource scarcity. “You have fewer workers, which is inflationary, and shortages of energy, metals, and food, which is inflationary, and so the recession will phase into longer-term stagflationary forces that we lived through for quite a long time in the 1970s and 1980s.”

Even the World Bank’s Mr. Malpass, in the organization’s latest Global Economic Prospects report released this week, warned that whether a recession occurs or not, “the pain of stagflation could persist for several years.” (All told, the word “stagflation” appears 75 times in the World Bank report.)

For each of these grim viewpoints, there are, of course, many who take the opposing position. Analysts at U.S. investment bank Goldman Sachs this week pointed to signs that economic output continues to expand, even if the “near-term recession risk has increased in a mechanical sense.”

Meanwhile, Canada’s Big Bank CEOs were cautiously optimistic when they reported second-quarter results last month. “Markets are struggling to predict how we land the economy,” Royal Bank of Canada chief executive Dave McKay said in a call with investors. “Do we land it with a slight recession? Our message today is it could go either way. It’s 50-50. However ... we believe the key ingredients are in place to help mitigate any sustained slowdown.” Mr. McKay highlighted low unemployment, rising wages, and elevated liquidity as keys to avoiding a recession.

Yet, as any bear will tell you, wages and the job market are lagging indicators. And with the mood of investors and consumers souring by the day, the worry now is that feelings of gloom about the economy are becoming a self-fulfilling prophecy.

The world has every right to feel dour. Those early predictions of another Roaring Twenties were rooted in an assumption shared by many during the height of the pandemic that an awful moment in time was about to come to an end, that the world would return to normal.

Last May, that sentiment was captured, of all places, in a viral gum commercial. In the spot (which Adweek saw as tapping into the world's desire for a "euphoric release") comically dishevelled workers cast off their Zoom-dominated lives, pour into the streets, break down doors to return to their offices and make out with strangers in a park.

Unfortunately, normal has yet to return. Instead, we got Omicron, supply chain bottlenecks that have made it impossible to buy a car or stove, rising prices for food and gas, a war in Europe accompanied by nuclear sabre-rattling, even higher food and gas prices, severe lockdowns in China, and still higher food and gas prices.

As it turns out, last spring – as that gum commercial was making the rounds – marked the high point of the post-pandemic mood. Within a month, the University of Michigan's consumer sentiment index, the longest-running gauge of consumer confidence in the U.S., topped out before going into free fall. It was also roughly the moment when inflation rates blasted past the 2-per-cent target central banks strive to maintain.

It's worth remembering that the economic stories in Canada and the U.S. share a lot of similarities, but key differences, too. For one thing, inflation sticker shock isn't quite as severe here – at least not yet. The Canadian consumer price index rose by 6.8 per cent in April from the year before, compared with 8.6 per cent in the U.S. in May.

At the same time, Canada's benchmark stock index, the resource-heavy S&P/TSX Composite, has held up relatively well at a time of rising commodity prices. The index is down just 6.5 per cent from its 52-week high, compared with a drop of 16 per cent for the S&P 500. At one point, the U.S. benchmark was down by 25 per cent, briefly putting it in bear-market territory.

As a result, the Canadian decline in consumer confidence has been less acute than south of the border. But aside from the old adage "when the U.S. sneezes, Canada catches a cold," bears such as Mr. Rosenberg also point to what they consider to be one of the world's largest housing bubbles as a sign that Canada is dangerously exposed to rising interest rates. A drop in house prices would have a profound impact on the psychology of Canadian consumers, he argues, with the "wealth effect" that has driven rising levels of consumption over the past two decades sliding into reverse.

Amid the gloom, those who study the interplay between sentiment and the economy see the risk of a feedback loop forming. "How people feel today will drive the decisions they make economically," says Peter Atwater, an adjunct professor of economics at the College of William & Mary, who sees falling consumer confidence as a rising sense of vulnerability. "Inflation is not economic, it's psychological, and it creates feelings of scarcity that weigh heavily on people's feelings of certainty and control." That, in turn, can translate into a pullback in spending, which stokes yet more fears.

This is also a moment for investors to remind themselves not to panic, says Lisa Kramer, a professor at the University of Toronto's Rotman School of Management who studies the interplay between human emotion and markets. "Fear doesn't drive good decision-making," she says. "If you look at your portfolio every day or multiple times a day, it will just look more volatile." With that in mind, Professor Kramer has started to minimize her consumption of market and economic news. (In other words, read this story, but then step away from the screen.)

Could all the recession talk actually be a sign we're reaching a bottom? After all, when even Cardi B is weighing in on the business cycle, surely that means pessimism is reaching a saturation point. Perhaps, says Mr. Atwater, but the mood in markets still feels more like "impatience rather than capitulation." For his part, Mr. Grantham argues a bottom won't come until investors are "terrified" to own stocks.

The bears, meanwhile, continue to accumulate data points they say prove their case: inventory pile-ups at retailers, weakening corporate profit outlooks, plunging auto sales. And as of Friday, June 10, the mood in America reached a devastating new low: the University of Michigan's consumer sentiment index fell to 50.8, a level not seen since the gauge was created in the 1950s.

For 46 of those years, until last month, Richard Curtin served as the consumer survey's director. He took on the job amid one era of rising inflation and geopolitical uncertainty, and now he's leaving in another.

The good news, he argues, is that consumers are in much better shape financially than they were in the 1980s, having rebuilt their savings during the pandemic. "This is only a pale reflection of the kind of horrendous pain households went through in the early 1980s," he says. Back then, inflation hit nearly 15 per cent, and massive rate hikes brought on a recession that pushed unemployment to nearly 11 per cent.

But as the U.S. Federal Reserve tries to lower demand, Mr. Curtin believes the outside forces pushing up food and gasoline prices will remain, resulting in a stew of wilting economic activity and rising prices. "If I had to pick the most likely result of all this, it would be stagflation, with a falling job market and uncomfortably high inflation."

A bear might say he told you so.

Read Story (Subscription Required): <https://www.theglobeandmail.com/business/article-its-hip-to-be-bear-business-leaders-join-chorus-of-economic-doomsayers/>

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**Here's Why The So-Called 'Hurricane' Of Recession Is Unlikely In Canada**  
*Bearish Prognosticators Are Not Cassandras, Writes Star Business Columnist David Olive. We've Been Living In A 'Hurricane' For A Long Time, And New Dangers Must Be Heeded. But The Preponderance Of Evidence Points To Clear Skies Ahead.*  
*Opinion by David Olive, Toronto Star, June 11, 2022*

If the biggest issue for everyday Canadians today is inflation, the chief worry of financial markets is that we're headed for a recession.

The mounting concern about a recession next year or in 2024 is mostly based on a fear that the Bank of Canada and other central banks will act too aggressively in fighting inflation. They will raise borrowing costs high enough to slow economic growth, tipping the economy into recession.



Jamie Dimon, CEO of JPMorgan Chase & Co., startled financial markets last week in warning that an economic “hurricane” is “coming our way.”

Recession forecasts are plausible because when central banks launch interest rate-hiking cycles, as our bank did earlier this year, recessions often follow.

Bearish economists who think a recession forecast is too risky are warning of coming “stagflation,” or stagnant economic growth with resulting high unemployment accompanied by continued above-average inflation.

After two years of unpleasant pandemic surprises, a looming recession or bout with stagflation don’t seem to be far-fetched prospects.

And yet, it’s a return to normality that beckons, not a recession or even stagflation. Here are some reasons why.

As noted, recession forecasts are based primarily on a fear that aggressive central banks will crash the economy to subdue inflation. But they won’t do so. They won’t need to.

Most economists expect the inflation rate to be cut in half by this time next year. Inflation will start its decline in the meantime, ending the year in Canada below four per cent, down from about seven per cent now.

That means the bank can halt the increases to its benchmark lending rate at two per cent by December — an eightfold increase this year — and let inflation come down further on its own. That’s far short of its benchmark rate of 3.5 per cent that might indeed push the economy into recession.

Canadians are helping drive down inflation. Consumer sentiment surveys show households cutting back on dinners out, vacations, and big-ticket purchases such as houses, cars, appliances, and furniture.

### **Consumers Will Help Power The Next Phase Of Recovery**

Canadian households still have an estimated \$300 billion in pandemic savings to invest and spend. The economy has also been posting historically high wage gains of 4.5 per cent to 5.5 per cent, providing still more economic stimulus.

Pent-up demand is higher in Canada than the U.S., in part because of stricter and more widespread pandemic protections north of the border.

Which means that in 2023 and 2024, when a recession is said to be likely, Canadians will be spending again, taking advantage of lower prices and greater variety as product shortages are curtailed.

Pent-up demand for cars alone, noted here earlier this week, could be sufficient stimulus to keep a recession at bay.

And corporate Canada, which entered the pandemic recession with a strong balance sheet, will also be spending more robustly.

That includes constant or increased hiring, as Canada's labour shortage eases with the addition of about 1.2 million New Canadians between 2021 and 2023.

Finally, the same soaring food and fuel prices that are a hardship for Canadian consumers are boosting Canada's export revenues of those and other commodities. That's creating jobs and enabling resource provinces to strengthen their finances.

### **These Unusual Times Will End**

Today's high inflation results from a remarkable confluence of negative factors whose staying power is limited. In Canada, the norm is sustained economic growth with low inflation.

Between 1990 and 2020, the average annual rate of inflation was two per cent. During that same three decades, Canada's economy tripled in size, to \$2.2 trillion.

To believe that a return to the norm will be interrupted by a recession is to discount some "green shoots" of recovery.

For instance, supply chain efficiency is already beginning to improve. An historically tight Canadian labour market will loosen with a labour force participation rate that has increased 1.1 per cent above the level before the pandemic. (That rate is still down 0.6 per cent in the U.S., where inflation is running a point higher than Canada.)

And shortages of critical materials will not continue indefinitely. The U.S. is recapturing its self-sufficiency in semiconductors, for instance, with scores of billions of dollars devoted to building new chip factories. (Chip shortages are a culprit in shortages and high prices of cars and other essential goods.)

And Europe is meeting with growing success in obtaining energy products from sources other than Russia.

The bearish prognosticators are not Cassandras. We've been living in a "hurricane" for a long time, and new dangers must be heeded. But we are adjusting to the storm. And the preponderance of evidence still points to clear skies ahead.

Read Story (Subscription Required): <https://www.thestar.com/business/opinion/2022/06/11/heres-why-the-so-called-hurricane-of-recession-is-unlikely-in-canada.html>

## UPCOMING WEBINARS AND EVENTS

### Web Seminar By McMillan: Bill 96 – How Changes To French Language Legislation Will Impact Your Business Practices And Documentation

**Dates:** Tuesday, June 21, 2022

**Time:** 10:00 a.m. – 11:00 a.m. EDT

Please join Enda Wong, Head of McMillan's Business Law practice in Québec and Émile Catimel-Marchand, Associate, Financial Services and Regulatory as they discuss the newly passed Bill 96 and its impacts on the day-to-day operations on companies doing business in Québec or otherwise interacting with Québec counterparties.

They will cover:

- When to expect new obligations
- Changes in respect of business communications and advertising
- Impacts on legal documentation (contracts and other documents)
- Consequences in government interactions

[Register Here](#)

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### Web Seminar By CSAE: CSAE's Ottawa-Gatineau Network Presents... Your Role in Leading an Inclusive Organization

**Dates:** Tuesday, June 21, 2022

**Time:** 11:00 a.m. – 12:00 a.m. EDT

What is diversity, equity and inclusion (DEI)? Why is this important for workplaces across Canada? Join this interactive session where you can learn the fundamentals, explore your role as leaders, and come away with practical tips to foster an equitable and inclusive workplace.

Join Anne-Marie Pham, Executive Director, Canadian Centre for Diversity & Inclusion for this session on inclusive organizational leadership.

[Register Here](#)

## Web Seminar By McMillan: Taking Control - Proactive Data Breach Preparedness And Responsible Incident Management

**Dates:** Tuesday, June 21, 2022

**Time:** 1:00 p.m. – 2:00 p.m. EDT

Join us on Tuesday, June 21 as members of our Privacy and Technology Groups discuss how your organization can proactively prepare in order to be in control if and when an incident occurs and to take measured and responsible steps to prevent and manage the associated legal and business risks.

Topics for discussion will include:

- The importance of taking a regular inventory of your organization's data assets and understanding the applicable legal and regulatory framework
- Forthcoming incident reporting obligations in Québec and what your organization can do to prepare for compliance
- Proactive steps your organization can take to prevent breaches and to minimize potential legal and business risks if a breach occurs
- The key elements of a well-considered incident response plan

[Register Here](#)

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## Web Seminar By Cassels: Captive Insurance Solutions In Alberta Presentation

**Dates:** Tuesday, June 21, 2022

**Time:** 1:00 p.m. – 2:00 p.m. EDT

This one-hour info-session will provide an overview of Alberta's new captive insurance company legislation and the issues it may help solve for businesses and associations.

You will hear from experts from Cassels, Palm Insurance Canada Inc., Indigenous Wealth Finance Group and ATB Capital Markets and are welcome to attend in person or virtually via webinar.

This session will feature Allison Manzer, Partner, Cassels; Rick Da Costa, Partner, Cassels; Valeria Cusano, Principle Partner & Captives Consultant, Palm Insurance Canada Inc.; Gord Anderson, Co-founder, Indigenous Wealth Financial Group; and Brent Houston, Senior Director, ATB Capital Markets

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## Web Seminar By Torys LLP: Fundamentals Of Banking And Insurance Law

**Dates:** Wednesday, June 22, 2022

**Time:** 12:00 p.m. – 1:00 p.m. EDT

The financial services industry has undergone transformational change in recent years. Being well-versed in the basics is vital to building and applying knowledge to this fast-evolving industry. This series will provide a general overview of the regulatory regime applicable to banks and insurance companies, with a more detailed discussion of selected topics, and will equip participants with a comprehensive overview of the essentials of banking and insurance law.

Join us for the third session in this series as the speakers run through a high-level overview of the statutory regime applicable to foreign banks under the *Bank Act* (Canada), including permissible activities, restrictions and limitations.

[Register Here](#)

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## Web Seminar By McCarthy Tetrault: Celebrating Indigenous Pride

**Dates:** Wednesday, June 22, 2022

**Time:** 3:00 p.m. – 4:30 p.m. EDT

Amazing Race Canada Season 7 winners Anthony Johnson and Dr. James Makokis share their perspectives on what it is like to be Indigenous and Two-Spirit in today's modern context. Through their own life stories, they offer important historical and cultural insights into Two-Spirit identities and how they differ from colonial notions of gender and sexual identity and discuss how their lived experiences as Two-Spirit men shaped their lives, including their time on the Amazing Race and their work as activists.

Finally, we will hear how we, as leaders in the legal profession and business community, can be better allies to Two-Spirit and Indigenous communities and ways we can all create and follow our own pathway to action. This session will include a presentation followed by a fireside chat with Anthony and James.

[Register Here](#)

## Web Seminar By Canadian Club Toronto: They. Them. Us.

**Dates:** Wednesday, June 22, 2022

**Time:** 5:30 p.m. – 8:00 p.m. EDT

Changes to marriage, the military, and grass-roots victories around employment rights signal meaningful progress for Canada's 2SLGBTQ community. But, many of these victories leave, indigenous, non-binary, and racialized members of the queer community behind. Despite growing public awareness of the struggles the most marginalized members of the 2SLGBTQ community often face, many remain ill-equipped to create policies and workplaces that support the full spectrum of 2SLGBTQ friends and colleagues.

This Pride, join Canadian Club Toronto on June 22 for an important conversation with Katie Dudtschak (RBC), Andrew Kriegler (IIROC) and David Simmonds (Canada Life) on how business, politics, and civil society can prioritize 2SLGBTQ acceptance for the mainstream queer rights movement, and why it matters, now.

[Register Here](#)