

PIVOT



SUMMER 2024



ANSWERING THE CALL

**It's time for Canadian
businesses to commit
to working with
Indigenous peoples**

**HOW FORMER POLITICAL
RIVALS ARE KEEPING
THE COUNTRY IN CHECK**

**THE CPAs MAKING
MENTAL HEALTH A
CORPORATE PRIORITY**

**GLOBE-TROTTING
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UNITING FOR A STRONGER WAY FORWARD

Member voices are at the heart of CPA Canada's evolution
BY PAMELA STEER



The Chartered Professional Accounting profession is nothing without its members—you, me and every CPA across Canada.

We have further sharpened our focus on this simple fact in the past several months as we at CPA Canada evolve and look to the future to meet the needs and wants of CPAs. We've been tirelessly working to bring each of you into the discussion on the national stage through consultations and focus groups.

“CONSULTATION WITH CONSTITUENTS IS AN ESSENTIAL AND BASIC PRINCIPLE IN MODERN SOCIETY”

Our aim is to learn how you can help us build a better future.

Consultation with constituents is an essential and basic principle in modern society. This edition of *Pivot*, in fact, contains an incredibly important article surrounding corporate Canada's responsibility

to the Truth and Reconciliation Commission's efforts for economic and cultural justice for Indigenous peoples here in Canada. I urge you to read this piece on page 26 as it contains vital information on how CPAs can lead efforts across Canada and do your part in contributing to reconciliation with Indigenous peoples.

What struck me most when reading this article was the importance of free, prior and informed consent.

At CPA Canada, we are dedicated to ensuring each CPA across Canada has a voice and a platform. We will continue to do our part to consult with CPAs about our path for the future. Only CPA Canada can do this in a unified, national way. Our consultation with members is especially relevant in light of the impending withdrawal by the regulators in Ontario and Quebec from membership in CPA Canada, which consequently removes membership for Ontario and Quebec CPAs at the stroke of a pen.

In our ongoing outreach, we've confirmed the value members place on the work CPA Canada does every day—from ensuring a rigorous national education system, thought leadership and standards support to advocacy at the federal and international levels. All of this work contributes to the strong reputation and credibility of CPAs, both nationally and internationally. A strong

CPA Canada is critical to continue fostering the position CPAs enjoy as a national body working on behalf of CPAs everywhere.

I must admit that one item that is consistently named as a core priority is “recognition as a CPA Canada member” and it fills my heart.

It is gratifying to see that CPA Canada as an organization and members of CPA Canada are recognized the world over, and the instant credibility and respect that represents.

I'm always excited to connect with our members and build an even stronger profession, but to do so, we need your help. If you believe in a strong national profession, then please reach out to us; you deserve to be heard. Help us build a better profession and tell us how you want to be a part of it. When you receive outreach from CPA Canada, know that we truly want your input.

I promise to every CPA across Canada: We are evolving as an organization and a profession. Your input will help shape our future. We are nothing without you. ♦

 You may have noticed a difference in the timing of this edition of *Pivot*. Starting this month, we have elected to move to a quarterly publishing schedule for our award-winning magazine. This move also heralds a new approach to our digital content offerings: *Pivot News* is now live at cpacanada.ca/news and chock full of in-depth analysis, guidance and advocacy.

This month, you'll find exclusive guidance on the new anti-money-laundering standards, advice on ESG fraud and multiple articles on incorporating technology and AI into the CPA profession.



Let us know if you enjoy our new print and digital content strategy at pivot.letters@cpacanada.ca.


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PIVOT

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RE: Changing the face of cancer

What a moving piece of writing—daring to share her personal experience. I had the privilege of working with Jasmine before I retired from CPA Canada. I remember how shocked we all were to hear of her illness. How wonderful to see her fully recovered and to see how she has taken her strength and channelled that into the Keep Your Hair organization. I only wish I was still working at CPA Canada so that I could have welcomed her back in her new role as VP qualification!

—*Kathy Létourneau
Timmins, Ont.*

RE: The housing conundrum

“Housing crisis” is a misnomer. It implies Canadian housing was working for low-income Canadians and now it doesn’t. The house-building market has always been for businesses, investors and those who have money to become landlords to earn more money. There is very little incentive to build and offer low-income or no-income affordable housing. The default, historically, has been for run-down buildings to be bought for cheap, and offered at lower rents (the term “slum lords” comes to mind).

The current federal new-housing strategies and programs are resulting in a disproportionate amount of new rental units that low-income Canadians and immigrants cannot afford.

Perhaps offering subsidized grants to landlords for eligible new-build apartments and houses would result in more affordable units. The grant could be given to landlords up to the market rents. So if a landlord rented a three-bedroom apartment that was worth \$3,000 for \$1,500, they would get a \$1,500 grant per month.

The other idea would be to exempt rental income from income tax for new-building units that were deemed to be for low-income renters. Something’s got to give!

—*Michael Gallagher, CPA, CMA
Thunder Bay, Ont.*

Then and now

I may seem out of step with today’s experts on why there is insufficient rental housing stock for our housing needs today, but I have different opinions. When my family and others I knew were building and buying apartment stock in the ’60s and ’70s. It seemed like everyone with a pool of capital was buying land and building apartment buildings. In order to rent out brand-new buildings as quickly as possible and create a break-even rental stream, landlords gave new tenants free wall-to-wall carpeting, free colour TVs, low rents and three-year leases with no increases for the entire term. And after the term was up, a renewal term might have included a five-dollar increase (including a whole unit repainting).

Privately built rental housing stock in Ontario was being added at the prodigious rate of 40,000 units per year, for a total of 400,000 privately built units between 1962 and 1972, until 1973 when the Arab League quadrupled the price of oil.

Canada’s response to the inflation caused by the oil embargo was to create temporary wage and price controls until inflation was absorbed. The legislation covered all fields of business except residential rentals. This was to allow provinces the opportunity to introduce rent controls.

Then-premier Bill Davis introduced rent controls in Ontario in 1975 and all private construction of rental housing ground to a stop.

From time to time, the province tried to encourage new rental construction by creating incentives, such as ARPs, CRSPs and MURBs. These programs were introduced with the promise that any buildings built under these programs would be free of rent controls, but after one or two elections, every time, they were scooped into the rent-controlled pool. So most private landlords don’t believe these types of promises anymore and have stopped building apartment buildings altogether.

Only a few private developers who had accumulated residential zoned

land near the downtown area (where they can charge a high introductory rate) are able to continue building for-purpose apartment buildings.

If you want to see those golden years of apartment construction return, all you need is to find a way to keep the government out of rent controls. You need the federal government to put appropriate property rights into the Canadian constitution so that the provinces and municipalities will never again be able to introduce rent controls in Ontario, or any province. If you do this, you will see landlords climbing over one another to bring more rental units to market again, as they did in the ’60s.

—*Marvin J. Sigler, CPA (retired)
Toronto, Ont.*

Assumptions!

I had to laugh at myself when I first came across the term “equity-deserving groups” in your March/April 2024 article “The Chief (Flexible) Officers.” My initial reaction was: “Now why would some people be more deserving of equity than others?” My accountant mindset had assumed “equity” meant “net worth.”

—*Lorraine Briscoe, CPA, CA
Knowlton, Que.*

RE: Strategist for success

I enjoyed your article about Linda Raynier in the Jan./Feb. 2024 issue. In an era of heavily curated public personas, and the common focus on C-suite holders who seem to have nothing but success after success, it’s good to read about someone who’s had setbacks and disappointments—like we all do—and is open about it.

Everyone needs to find their own path to their unique success, and I’m happy to see Linda’s involves not a lofty corner office, but one providing real, actionable help to many people around the world and changing their lives for the better.

—*Jason Applebaum, CPA, CMA
Toronto, Ont.*

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CHANGING LIVES

Cheri Burke-Gaffney, a Calgary-based CPA and director of operations for Canadian Women for Women in Afghanistan, has found inspiration through the organization's work to provide education, and hope, to Afghan women living through adversity **BY ALI AMAD**

When the Taliban seized power in Afghanistan in 1996, the repressive regime imposed harsh restrictions on Afghan women, barring them from employment and banning them from leaving their homes without the accompaniment of a male relative. Afghan girls were prevented from attending schools and pursuing higher education. That same year, in a grassroots effort to help Afghanistan's women and girls, an informal fundraising group was created in Toronto by Deborah Ellis, acclaimed Canadian writer of *The Breadwinner* novel series, which revolves around the life journey of an 11-year-old Afghan girl.

The grassroots organization initially collected donations for community literacy classes, health clinics and vocational training for women in Afghanistan, as well as Afghan refugees in neighbouring Pakistan. It soon added chapters in Calgary, Victoria and Vancouver. After the Taliban's rule ended in 2001, the organization—which incorporated as a not-for-profit organization called Canadian Women for Women in Afghanistan (CW4WAfghan) in 2003—additionally began creating a network of village libraries and school science labs. They became a registered charitable organization in 2009. Over the next several years, CW4WAfghan helped more than 5,000 Afghan women learn to read and write and trained 10,000 teachers. They also launched the Darakht-e Danesh Library, the first multilingual collection of online educational resources for Afghans. Today, the library receives upwards of 65,000 visits a month.





In 2021, after the United States and NATO withdrew their military forces from Afghanistan, the Taliban quickly returned to power, reinstating many of the restrictions it had previously imposed. “This is why our work is now more important than ever,” says Cheri Burke-Gaffney, a Calgary-based CPA who has been CW4WAfghan’s director of operations since 2022. With no end in sight for the Taliban’s regime, and, as CW4WAfghan enters its 28th year, Burke-Gaffney and her team plan to introduce comprehensive virtual education for Afghan women and girls over the next decade.

“WITNESSING HOW THESE GIRLS ARE THRIVING AND BRIMMING WITH TALENT WAS HEARTWARMING”



Burke-Gaffney (middle) and her team at a strategic planning session in Banff, Alta., in 2022

How did you first get involved with CW4WAfghan?

I started my career in Alberta’s oil and gas industry. After 10 years, I became a self-employed CPA so I could have more work/life flexibility while raising my three children. I provided bookkeeping, advisory and tax services for clients in various sectors, and took on my first non-profit client in 2013. Through that client, I met Janice Eisenhauer, one of CW4WAfghan’s co-founders. She was looking for someone to replace their treasurer, and I felt so inspired by her work and the passion of everyone involved. CW4WAfghan was providing hope by tangibly improving the lives of Afghan women and girls caught in a hopeless situation, and I wanted to be part of that. I started as their

5,000

The number of Afghan women CW4WAfghan has helped to learn to read and write

accountant and eventually became their director of finance. Today, I’m in charge of operations, including fund development, public engagement and human resources.

How did you handle the challenges of managing the financial aspects of a non-profit?

The first thing I did when I joined CW4WAfghan was train to become a certified non-profit accounting professional (CNAP), a certification provided by Humanity Financial Management, a Vancouver-based accounting firm. Of course, there are certain different accounting principles and tax requirements, but overall, I learned that a non-profit’s financial aspects aren’t that dissimilar from the for-profit sector. Profit might not be the end goal, but you still have to monitor your expenses and you still have to generate revenue. We may not be accountable to shareholders, but we do provide detailed impact reporting to our donor base of 6,000 Canadian individuals and organizations.

What about challenges in providing services within a volatile country like Afghanistan?

We have to accept that there are a lot of constantly changing variables in Afghanistan. All we can do is adapt and do our best. For example, we had a four-year Canadian government grant in place from 2019 to 2023, but when the Taliban took over in 2021, the government explained its funding had to end. It couldn’t maintain a presence in Afghanistan since it was now being controlled by an unrecognized government. We scrambled to provide a comprehensive outline of how we can deliver our programs virtually—without being present in the country—and still make a big difference. I was overjoyed when the government was swayed to maintain our grant and adapt its funding toward our virtual programming. We now provide online teaching courses for Afghan educators, both men and women, in Afghanistan and in other countries. We’ve also launched virtual classrooms for girls who are locked out from regular school because of the Taliban’s policies. Moving all our programming online has had the added benefit of helping to keep our students and teachers safe.

What are some of the most rewarding experiences you’ve had while working with CW4WAfghan?

A memory that always sticks out for me is a recent celebration where two of our seventh-grade students expressed their gratitude to one of our donors through

special gifts. One of the girls shared a thank you message in flawless English, which she learned through our virtual classroom. The other student sketched a beautiful portrait of the donor. Witnessing how these girls are thriving and positively brimming with talent and ambition was truly heartwarming. Their stories have also inspired my children—my daughter and youngest son are both accountants who've taken up volunteering, while my eldest son is studying infectious diseases and the impact of malaria vaccines in Ethiopia. One day, I hope we can all safely visit Afghanistan and meet the wonderful women and girls who've crossed our paths.

What are the future objectives of CW4WAfghan?

We've all seen the destructive societal and economic impact of just five years of denying women education when the Taliban ruled from 1996 to 2001. An entire generation of girls didn't attend school and grew up to be illiterate adults. In order to prevent another lost generation, we need to break that cycle of illiteracy and poverty. Education is power. It can shape your life and it empowers you to make your own choices and influence change. That's why we're scaling up our virtual programs and expanding our scholarship program, which provides girls with money for tuition, computers and other educational resources. We are also working to create an accreditation program so girls will be able to obtain high school diplomas that will ensure they're eligible for higher education.

What role can CPAs play in advancing the cause of women's rights and human rights globally? And what advice do you have for CPAs considering a career in the intersection of finance and social impact within the non-profit sector?

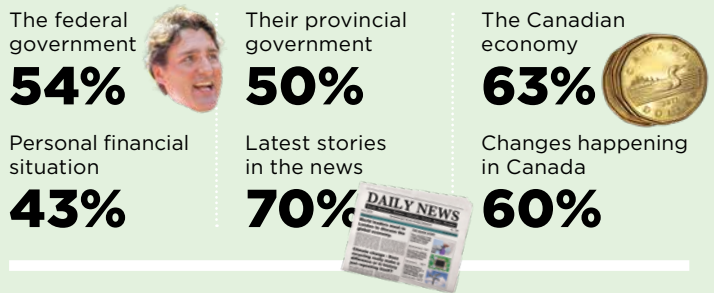
CPAs are leaders, and we have an important responsibility to use our abilities and experiences to help make the world a better place. If you're passionate about making a difference in the lives of others, follow your passion and it will lead you to a rewarding career. The non-profit sector will enhance a CPA skill set while also providing personal growth and fulfillment. As a CPA, I also wouldn't shy away from the fact that there are major factors beyond your control in the non-profit sector. Those changing government and economic conditions can affect for-profit businesses too, and the non-profit sector has proven itself to be resilient—particularly during the recent pandemic. The skills that we bring to the table as CPAs can only help in strengthening that resilience. ♦

PHOTOGRAPHS BY ISTOCK TRUDEAU BY GETTY

THE HEAT OF THE MOMENT

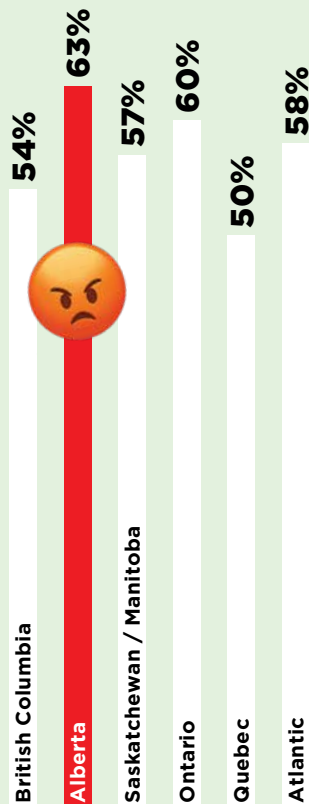
Angry? You're not the only one. Pollara Strategic Insights tracks the mood of Canadians related to our governments, economy and current events, capturing a disenchanting nation. **BY STEVE BREARTON**

Percentage of Canadians reporting they are angry or annoyed by institutions, circumstances and events in November 2023:



Anger and annoyance highest in Alberta and lowest in Quebec

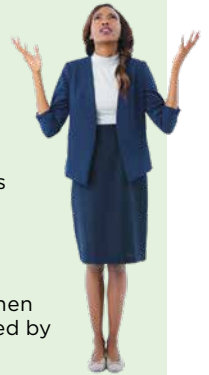
Average percentage of Canadians angry or annoyed by region:



Women are angrier than men

59%

Percentage of women angry or annoyed by recent trends



54%

Percentage of men angry or annoyed by recent trends

Angriest age group for each topic

The Canadian economy
18-34

Personal financial situation
35-49

Changes happening in Canada
50-64

The latest stories in the news

65+



THE ECONOMIST

OUR FAIR SHARE

Canada could attract more investment, but first we need to capitalize on what sets us apart



DAVID-ALEXANDRE BRASSARD

Since the start of the conflict between Russia and Ukraine, the global economic outlook has become uncertain. It has also pushed investors to make different choices about where they place their money. In 2023, for example, money flowed to the United States, Brazil, Mexico and Canada, which tied for third place among Organisation for Economic Co-operation and Development (OECD) countries for foreign direct investment (FDI). Yet there is no sign of any real improvement in Canada's position in terms of attracting capital. Our country continues to have a negative FDI balance, meaning that Canadian direct investment abroad still exceeds FDI in Canada. This is neither new nor unique to our country: more developed economies are richer and sometimes invest more abroad. The United States, with its balanced FDI position, is one of the few countries not to follow this trend.

This trend is especially apparent when it comes to taxpayers and pension funds. In 1996, Canadian direct investment abroad was equal in value to FDI in Canada. Since then, Canadian investment abroad has increased by a factor of 11, while foreign investment in Canada has increased by just a factor of seven. As for pension funds, they have diversified. While Canadian assets (excluding bonds) accounted for 80 per cent of the portfolio in the 1990s, they now represent less than 50 per cent. And for the Canadian share of equities, the difference is even more marked: over the same period, it has fallen to scarcely 23 per cent from 74 per cent.

It's clear that Canada is not attracting enough money from multinational corporations, taxpayers and pension funds. That shortage of capital can result in productivity declines and can make Canadian investments even less attractive, creating a vicious circle.

Attracting capital

In theory, the solution is simple: either we make Canadian investments more attractive—and therefore more competitive—or we make sure to



The fossil fuel industry is investing as much as it did before the pandemic

23

The percentage of decline in Canadian equities in homegrown pension funds since the 1990s

stand out on the international stage. The devil, however, is in the details.

To make investments more competitive, there are several economic development approaches available. I personally favour systemic approaches that target the business environment (like lower tax rates and agile but responsive regulations). While it's still in practice, the classic Canadian approach of attracting large multinational companies with generous subsidies seems to me to be a relic of the past. It is too expensive and promotes the development of business ecosystems that are dependent on those multinationals. Then, in order to keep that company in Canada, we are sometimes forced to turn the initial aid into a permanent subsidy.

The other approach is to make Canada stand out internationally to attract investors—through our political positioning or ESG considerations, for example. As a producer of fossil fuels, Canada is well positioned to receive investments—and those

investments will be very welcome. As it stands, the fossil fuel industry is investing as much as it did before the pandemic, not counting inflation, while investment from abroad is lower.

But, when it comes to environmental issues, the picture is less rosy. Our economy is partly based on natural resources, and our low population density generates a heavy environmental impact when it comes to transportation.

And we simply cannot compete with the United States solely based on returns: the TSX almost systematically underperforms the S&P 500. That's where our ESG performance comes in, providing Canada with the opportunity to compete in other spheres. In the area of corporate governance, our performance is comparable to or even better than that of the United States. A similar observation applies to the social component of ESG. Income and wealth inequalities are not only lower in Canada, but they are also not increasing at the same rate as in the United States. The Global Social Mobility Index ranks us higher than our neighbour to the south. The same is true within our companies, where the pay gap between CEOs and employees is smaller and with fewer low-wage workers.

That said, Canada needs to quickly stand out in terms of the transparency and quality of information available to investors. Things are moving in the right direction, however, as the Canadian Sustainability Standards Board is working with its international counterpart to implement international and Canadian standards.

CANADA IS NOT ATTRACTING ENOUGH MONEY FROM MULTINATIONALS, TAXPAYERS AND PENSION FUNDS

In its 2023 economic update, the federal government also promised to increase the transparency of pension funds. This is a good start. I wouldn't mind also seeing governments introduce economic development mandates to increase the impact of our money here at home. The Caisse de dépôt et placement du Québec already does this with no negative impact on its returns. In other words, repatriating investment to Canada will be well received provided we avoid two sectors that are already overheating: real estate and infrastructure. ♦

David-Alexandre Brassard is CPA Canada's chief economist.

PHOTOGRAPH BY ISTOCK



SOCIAL Qs

BREAKING THE SILENCE ON MENTAL HEALTH AND WELL-BEING

Financial insecurity affects Canadians, impacting happiness, mental health and productivity

BY DORETTA THOMPSON

The relationship between happiness and financial well-being is self-evident. What is becoming increasingly understood is the enormous impact of financial insecurity. It weighs us down in profound ways, diminishing not just our happiness, but our mental health and well-being—and our productivity.

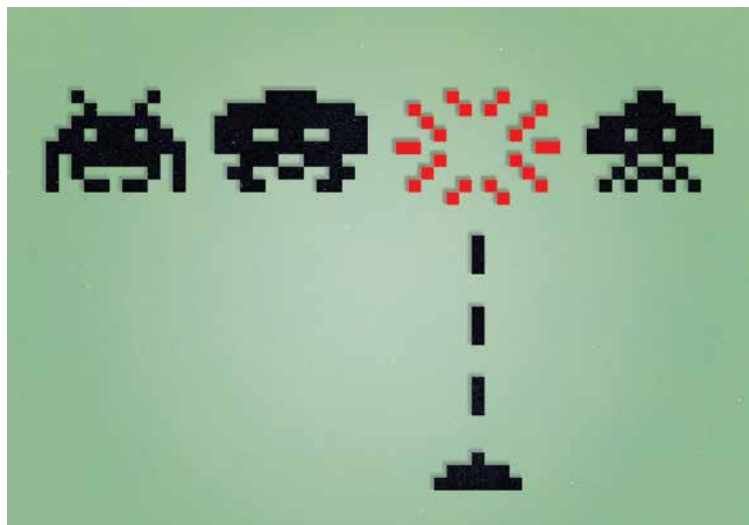
Credit card debt, crushing interest rates and food inflation are affecting Canadians dramatically. In the National Payroll Institute's most recent survey of working Canadians, almost 40 per cent reported being financially stressed—one-third of whom earn more than \$100,000 annually. These workers spend about 30 minutes each day thinking about their financial situation at a cost of more than three weeks' loss of productivity per year.

At the heart of this stress is the correlation of financial difficulty and shame. It can take the average person struggling with debt five years to reach out for help. This creates a vicious circle of stress, anxiety and shame, which, in turn, feeds spiralling mental health challenges.

Information and dialogue are key to breaking this cycle. It's time to banish the shame surrounding financial difficulty, to encourage people to ask for help early, and to provide the information and support they need to weather financial storms.

Healthy financial habits support both financial and mental well-being. The time to get help with financial challenges is when they begin to appear. ♦

Doretta Thompson is financial literacy leader at CPA Canada.



THE BRASS TAX

GAME OVER

The government essentially beta-tested some new tax rules. Here's why that's a bad idea.



JOHN OAKEY

In the gaming industry, it's a well-established strategy: software developers release early versions of their games so eager users can beta-test them—in other words, search for bugs and glitches—and then feed their discoveries back to the developers to fix the glitches

before releasing their products. This approach to crowd-sourcing the identification of problems also saves the developers huge sums they'd otherwise have to spend on internal quality controls.

We can probably all agree that what works in the software industry isn't necessarily the most effective approach for developing public policy and regulation. Beta testing tax legislation isn't as much fun as a video game.

Yet, it seems in recent years, this is precisely how the federal government has managed some new federal tax rules, such as the Underused Housing Tax (UHT) and updates to reporting requirements for bare trusts: release new tax legislation to taxpayers and their advisers as beta testers, then scramble to repair the damage on the fly.

In the case of the UHT, a tax meant to target foreign owners ended up affecting countless Canadians who indirectly owned their residential

properties through a specified Canadian trust, partnership or corporation. These Canadian tax filers and their CPAs had to invest a significant amount of time in understanding the rules and completing the UHT filings, even though most Canadian taxpayers were ultimately exempt from the tax. It was a nonsensical process that added cost and stress for everyone involved, yielded no additional tax revenue, and failed to improve the housing market. After receiving plenty of negative feedback from stakeholders, including CPA Canada, the Department of Finance, this past November, introduced amendments to the UHT to “help facilitate compliance.”

The new rules for reporting bare trusts is a more recent example. These changes to the Income Tax Act emerged from a Department of Finance that seems to be struggling to keep up with the torrent of tax-oriented legislative activity coming from the federal government. The application of the final version of these rules turned out to be so broad that it would have imposed reporting obligations on all sorts of situations involving bare trusts that were never intended to fall within their scope. After months of sounding the alarm that there were serious flaws in the system, just days before the filing deadline for countless bare trusts across Canada, the decision was made, albeit at the last minute, to exempt bare trusts for the 2023 tax year. Canada Revenue Agency indicated in its announcement that it will “work with the Department of Finance to further clarify its guidance on this filing requirement.”

TAXPAYERS AND CPAs TRY TO COMPLY WITH THE RULES, BUT THERE ARE BUGS IN THE SYSTEM

This is a problem, and we need to get in front of it.

In both cases, it seems as if the federal government has opted to beta-test its new tax rules rather than take the appropriate time to properly consult with and listen to expert external advice and then work out the bugs and glitches *before* the rules go into effect. In the meantime, taxpayers and accountants are forced to spend an enormous amount of time and resources trying to comply, only to find out that there were bugs in the system.

Not all of the government's recent tax legislation has followed this trajectory. Take, for example, recent changes in the tax treatment of intergenerational transfers of shares in a corporation. For years, section 84.1 of the Income Tax Act made

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it more advantageous from a tax-planning perspective for those shares to be transferred to a third party than to a child or grandchild. The Department of Finance eventually drafted changes that wouldn't penalize family members with a deemed dividend, thus enabling genuine intergenerational transfers of businesses to benefit from capital gain treatment and even a lifetime capital gains exemption. In this case, though the changes have evolved since the introduction of Bill C-208, the government did consult with stakeholders including the Joint Committee on Taxation of the CBA and CPA Canada, and the Department of Finance made some important modifications based on those recommendations—yet, in this fast-paced legislative environment, it seems that such outcomes are becoming the exception and not the rule.

Clearly, we have an opportunity to learn from debacles such as the implementation of the UHT

2023

The year the last-minute decision was made to exempt bare trusts for the tax year

and trust reporting rules. The federal government should take a more cautious and collaborative approach to tax reform. Tax legislation is intricate and highly technical, and everyone benefits when the Department of Finance takes its time and leverages the necessary resources in the Canadian tax community to draft effective legislation that balances policy objectives and the compliance burden imposed upon taxpayers.

While beta-testing may be great for catching the bugs in a video game, it's not the right approach to implementing tax legislation. I prefer the wisdom of another profession: measure twice, as the old carpenters' adage goes, and cut once. It's a pragmatic philosophy that surely applies to tax policy as well. ♦

John Oakey, CPA, is vice-president of taxation at CPA Canada.

SHAM, WOW

A catalogue of recent cons

BY ANDREW RAVEN

FOREVER YOUNG

Think being young and Internet savvy will prevent you from falling victim to an online scam? Think again.

Nearly one-third of Canadians between the ages of 18 and 34 have lost money in a web-based fraud, according to a recent study by TD Bank.

"Growing up as a digital native and being more technologically savvy doesn't mean you're immune to the dangers of online scams," says TD fraud expert Sophia Leung.

Why are so many millennials and Gen Z-ers falling for online fraudsters?

TD says one reason is due to scams becoming remarkably elaborate. In a series of recent cases, fraudsters built phony cryptocurrency trading apps, duping people into forking over real money for worthless digital portfolios.

The kicker in this whole situation: TD believes fraudsters may have swindled many more young people than the survey suggests. More than 40 per cent of respondents said they would feel too embarrassed to report being defrauded.



SICKLY BEHAVIOUR

Toronto police have arrested a 34-year-old man, accusing him of impersonating a canvasser for the SickKids Foundation, a charity attached to one of the city's best-known children's hospitals, the Hospital for Sick Children.

Police say they received reports of a man who spent months knocking on doors in Toronto's downtown core asking for cash donations to the foundation.

Officers say he had a false identity badge and became "physically intimidating" when residents questioned his credentials.

The man, from the city of Vaughan, Ontario, faces more than a dozen charges, including fraud-related and parole violations.

Police believe he duped multiple victims but no details were available on how much money he made off with.

In a press release, police said canvassers for SickKids are forbidden from asking for cash donations. Legitimate canvassers have an ID number and a QR code that can be scanned for more information about them.

FREQUENT FLYER

Scams don't get much bolder than this.

British police arrested a former airline employee for allegedly orchestrating a \$5-million immigration fraud from a check-in desk at London's Heathrow Airport.

Police said the 24-year-old accepted bribes from passengers bound for Canada, waving them through check-in even though they did not have a valid visa. Some passengers forked out more than \$40,000 CAD for a flight.

Once in Canada, the flyers applied for asylum, according to reports. The 24-year-old suspect was arrested earlier this year. But after making bail, he reportedly fled to India, where he owns multiple homes.



PHOTOGRAPHS BY ISTOCK

Decrypting DAFs

Do you discuss philanthropy with your clients?

Research shows that advisors who engage in discussions around giving with their clients bolster their business and increase client satisfaction by building a better, trust-based relationship, all while doing good in the community¹. Your clients have achieved financial success. Giving them a chance to express what they care about most and engaging in a conversation about the legacy they want to create will strengthen your relationship.

If your clients are philanthropically minded, then you can offer solutions that help them achieve their goals. Exploring these easy solutions makes you, as a trusted advisor, part of their giving journey. Offering tax efficient ways to do charity, through a Donor Advised Fund, is a great option to simplify giving. Read our Q&A with the Jewish Community Foundation of Montreal (JCF), a Donor Advised Fund provider, to learn more.



What is a Donor Advised Fund (DAF)?

Interviewer: Thank you for sitting down with us to discuss Donor Advised Funds and their relevance for philanthropically minded clients. Can you start by explaining what a Donor Advised Fund is?

JCF: Of course – it's our pleasure. A Donor Advised Fund, commonly referred to as a DAF, is essentially a philanthropic bank account. They're the fastest growing philanthropic vehicle because of their flexibility for clients with all levels of philanthropic capital.

Interviewer: Ok, so how does it work in practice for a client interested in philanthropy?

JCF: In practice, a donor would work with a DAF provider, like the JCF, to establish a fund. The fund becomes their philanthropic bank account where they can gift assets to build capital and make disbursement recommendations to their chosen Canadian charities. The donor receives a donation receipt after transferring assets to their DAF and can then make charitable disbursements using their fund.

Interviewer: Great, so how else is a DAF structured? Are there fees associated? Can a donor name the fund themselves? What are the rules on granting?

JCF: Good questions. The specific DAF structure will depend on the provider. At the JCF there are no fees for funds held in cash. A donor can keep their philanthropic capital in cash and make disbursement as they wish, to any registered Canadian charity, with absolutely no fees. For donors interested in maintaining their fund over the long term, or building their philanthropic capital, we have a Pooled Investment Fund they can choose to place their fund in. The annual fees are very competitive, starting at just 0.65% for balances up to \$1 million, 0.3% for balances up to \$10 million and 0.2% for funds over \$10 million.

We also offer significant investment flexibility for clients with a fund over \$1 million. They can choose from our Pooled Investment Fund that is balanced and managed professionally to deliver steady returns over a long-term horizon or invest with a broker of their choice. **So, if you're a money manager, you could centralize your client's philanthropy with us while still managing their philanthropic assets.**

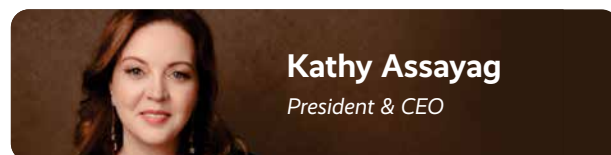
Donors can name their own fund and choose to have their grant(s) recognized under their fund name, or anonymously, each time they make a disbursement to a charity. We facilitate grants to any registered Canadian charity and, thanks to the generosity of our donors, collectively we grant close to \$200 million per year to over 1,000 different charities.

Interviewer: Wow, that's an impressive level of grants! So, we've discussed the benefits of a DAF to the donor, but what are the benefits to an advisor who might be considering this for their client(s)?

JCF: We like to work in partnership with advisors to achieve the most tax-smart philanthropic outcome for our clients. Often this starts by looking at the individual client's needs in partnership with their advisor and determining the best donation vehicle, whether it be appreciated marketable securities, a gift of private company shares, life insurance, real estate, or other assets. There are a lot of tools to help what we've coined 'Smart Philanthropy'. We also know that discussing philanthropy with your clients, if you're an advisor, increases their trust and satisfaction with your services, so really this is a win-win.

Interviewer: Sounds fantastic for everyone involved. Thanks for sharing the basics of a DAF. If our readers wanted to understand more, or have clients who might be interested in philanthropy, how do they get in touch?

JCF: Thanks for speaking with us – we're here to support philanthropy so we're keen to encourage advisors to work with us to increase client satisfaction and charitable impact. If your readers want to discuss more, they can email us at info@jcfmontreal.org or phone us on (514) 345-6414 and ask to speak to our team of Philanthropic Advisors.



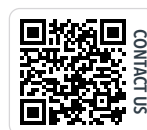
¹ CAGP Research Layout Master (cagp-acpdp.org)



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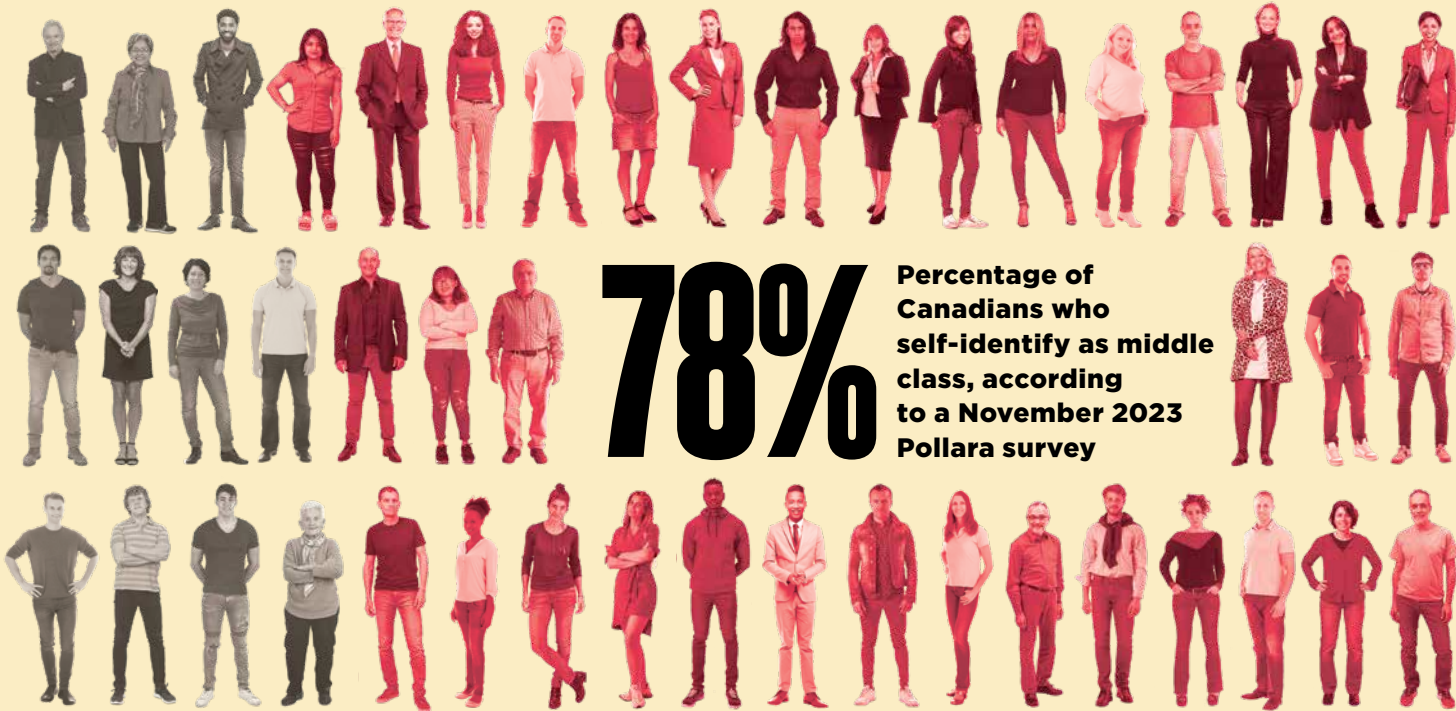
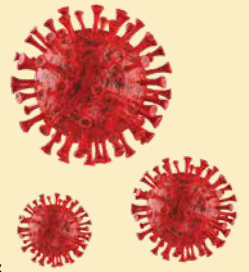
BY THE NUMBERS

STUCK IN THE MIDDLE

In 2023, nearly eight in 10 Canadians self-identified as middle class, including 39 per cent of people with an annual household income of less than \$20,000 and 92 per cent of those whose households earned more than \$150,000. It's a belief that appeals as much to regular Canadians as to politicians—who often use the term because it connects them with a broad swath of voters. Recent economic uncertainty, inflation and spiralling housing costs, however, may be weakening our historic urge to be middle class. Are Canadians straying from the middle way? —Steve Brearton

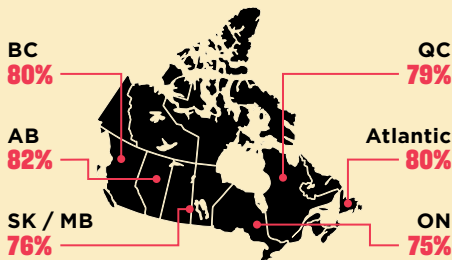
“I do think this period we’re in of high inflation, economic frustration, just general post-COVID malaise with the public is certainly making people feel like their middle-class dream is a bit less attainable than before...As this economic frustration grows, middle-class optimism shrinks correspondingly.”

—Dan Arnold, Pollara Strategic Insight’s chief strategy officer, explains the decrease in middle-class optimism to the Toronto Star in December 2023



The most in Alberta and the least in Ontario

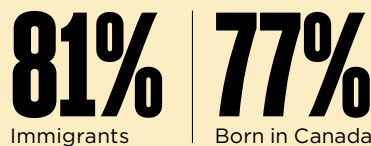
Canadians by region who describe themselves as somewhat or very closely middle class, according to Pollara:



Immigrants are slightly more likely to feel they are middle class than those born in Canada

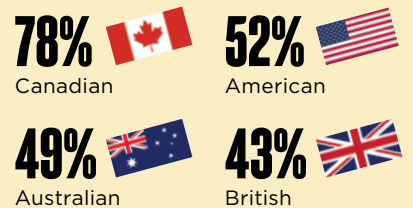


Canadians who self-identify as middle class by place of birth:



The Canadian percentage is higher than many other nations

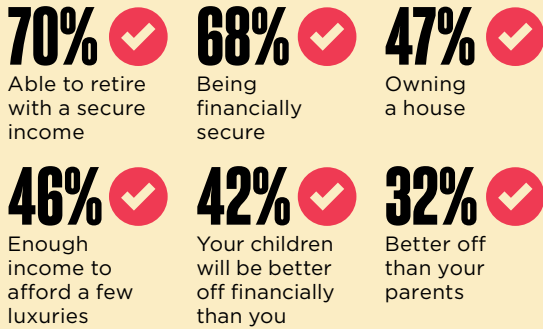
Percentage of national populations self-identifying as middle class:



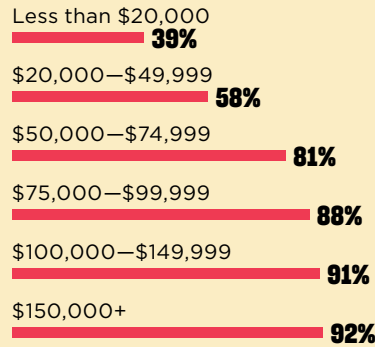


The meaning of middle class: a secure income and a few luxuries

The percentage of Canadians who say the following characteristics are important to a middle-class identity, according to a 2017 Ekos Research report:



Percentage of Canadians who call themselves middle class, by annual household income:



Canadians below and above 'middle income' consider themselves middle class

The middle-income range for Canadians could be defined as those whose earnings place them in the 40th to 60th percentile of household income. In 2021, that range was \$55,001 to \$89,744.

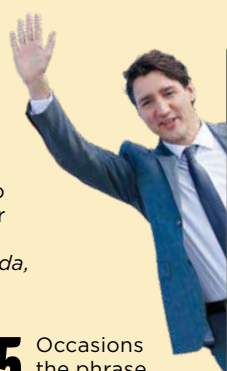


Politicians are keen to align themselves with this broad spectrum of voters

"We made a commitment to stand up for the middle class, and we will not stop fighting until everyone has a real and fair chance to succeed."
—Justin Trudeau, Prime Minister of Canada, September 2023

22 Occasions that "middle class" was mentioned in the Liberal Party of Canada's 2021 campaign platform

35 Occasions the phrase "middle class" appeared in Federal Budget 2024.



The historic connection of most Canadians to a middle-class identity may be shrinking

77% Percentage of Canadians who believe the middle class is shrinking in 2023, according to Pollara

Canadians feeling optimistic about the future of Canada's middle class:

53% 👍 2020 | **31%** 👍 2023

Percentage of parents who are confident their children can be middle class through hard work:

79% 👍 2020 | **52%** 👍 2023

Lisa Raitt
will be keynote
speaker at this year's
ESG Symposium,
discussing how
to build sustainable
economic growth
for Canada

Score

Keepers

Former political rivals
Lisa Raitt and Anne McLellan
are united in their work to
address Canada's economic
and social challenges.

**Corporate Canada
and government
leaders should
be paying attention.**

BY LIZA AGRBA
PHOTOGRAPHS BY
BLAIR GABLE





Anne McLellan and
Lisa Raitt speaking at
a *Maclean's* Live event
in Ottawa in 2021



Lisa Raitt, co-chair of the Coalition for a Better Future—136-and-counting organizations with a collective mandate to foster inclusive, sustainable economic growth—spent much of her career on the opposite side of the aisle from her co-chair. At one time, Raitt served as the deputy leader for the Conservative Party; her counterpart Anne McLellan, a longtime Liberal, was deputy prime minister from 2003 to 2006. But when it comes to the coalition’s approach to major issues, she doesn’t use the word “bipartisan.”

“We’re cross-partisan,” says Raitt. “Our membership encompasses, well, almost everybody.” That includes major labour unions and social justice organizations, chambers of commerce and professional associations, and fintechs and research associations, to name a few members. There’s a lot to be said for the benefit of diverse perspectives coming together to tackle issues facing the entire country. But there’s also a public relations bonus for having both a high-profile Conservative and Liberal at the helm.

Raitt and McLellan know their respective bases well—and though the specifics are off the record, teaming up has helped guide the coalition’s communications, preventing it from alienating one or the other group. But it’s not an exercise in Pollyannaish centrism. “In the summer of 2021, when governments were responding to COVID, Canadians liked it when they saw different governments working together across the country. And understandably, they don’t like it when their leaders work at cross-purposes,” says Raitt. “The coalition builds on the sentiment of wanting to see different parties work together for a greater good.”

Fortunately, Raitt is accustomed to balancing priorities. At various times in her career, she served as the minister of natural resources, minister of labour and minister of transport. The most important lesson she’s learned from each of these roles? “Crisis management times three,” she says. She was in charge of governing a sector during a crack in a nuclear reactor, the worldwide depletion of medical isotopes, five national strikes and the Lac-Mégantic rail disaster.

Now she’s tackling what she sees as a broader crisis: Canada’s largest decline in productivity outside a recession since the 1950s, coupled with shaky living standards and an unclear path to a green energy transition. That’s some of what the coalition’s centrepiece—a scorecard of 21 metrics of economic and social progress—is meant to capture.

The annual scorecard report is generally not prescriptive about policy; rather, it’s meant to serve as a dashboard for policy-makers and other groups, complete with aspirational targets for 2030. “We are driven by outcomes,” says McLellan. “Reasonable people of good faith will disagree on how to reach the objectives we have outlined for 2030, but for us, the key is getting people focused on the fact that one way or another, we must hit them. Or we will risk falling behind the rest of the world.”

The scorecard is divided into three categories. There’s “Living Better” (with metrics like Canada’s poverty gap and prosperity index ranking), “Winning Globally” (GDP per capita, business investments in R&D and the like) and “Growing Sustainably” (clean-tech contributions to GDP, renewable energy in final energy consumption, and others).

“Having strategic objectives and transforming them into metrics is a useful approach,” says David-Alexandre Brassard, CPA Canada’s chief economist. “One challenge we have in 2024 is that our policy is not particularly data-driven. In other words, it’s not typical for governments to correlate their broad goals, like affordability, with specific strategic objectives.” A tool like this, he says, helps us remedy that, and to observe the downstream effects of policies as they’re put into place.

In a way, the scorecard is an effort to find a signal through a great deal of noise—and, hopefully, to see that effort translate to tangible outcomes. For Raitt, it’s a familiar approach grounded in her academic and professional background. She didn’t start out as a career politician—before she was elected to represent Halton Region in the House of Commons in 2008, she earned a master’s degree in chemistry and went to law school. After that, she was the CEO of the Toronto Port Authority. The Liberal government at the time passed legislation to halt the construction of a bridge from downtown Toronto to the city-centre airport—a policy Raitt considered a major overreach. She made her displeasure known, and shortly after, was courted by the Conservative Party to run in her home riding.

“I can complain about public policy on the sidelines or I can go be part of the process, and that’s what I did. In a way, tweaking policy is like introducing a new variable to an experiment. Similarly, my scientific training taught me to look for patterns and weigh potential outcomes,” she says. “And my legal education taught me to take copious notes. I have a habit of writing absolutely everything down, and making notes in the margins trying to figure out what it all means in the bigger picture.”

As for the bigger picture, this year's scorecard (the second one ever) includes some reasons to be optimistic: incomes and wages have recovered from the pandemic, and the economy appears more resilient than expected, even amid high borrowing costs. But otherwise, the outlook seems somewhat grim—or at the very least, cautionary. On a per-capita basis, the economy is contracting, and the share of Canada's clean-tech sector in the overall economy is shrinking. On the other hand, Raitt is encouraged by our number of "narwhals"—private start-ups with billion-dollar valuations—which went up to 23 from 21 since the previous year, far surpassing the coalition's 2030 goal of 17.

But while Canada's narwhals are doing well, business spending on research and development is about 0.6 per cent of the economy's total value—well below the United States, which spends about three times that much. That worries McLellan, who's also concerned about Canada's trend in per-capita GDP growth, which the International Monetary Fund projects to grow by 1.7 per cent through 2028—the third-lowest among 41 advanced countries, including the United States, which is projected to grow by 9.2 per cent.

"Some of our metrics try to assess why that is," says McLellan. "Part of the reason is that our private sector does not make the requisite investment in terms of machinery and equipment, IT, training and R&D. The private sector might respond that they need the right framework in which to make those investments, and that's absolutely right. It may mean changing competition law or tax law, and crucially, the framework can't keep changing every four years."

McLellan adds that other comprehensive data sources are dedicated solely to housing issues, and the coalition aims to complement existing resources rather than duplicate efforts. Also, she argues, the scorecard indirectly addresses housing through its other metrics. "A safe place to live, good-quality education and health care are foundational conditions for all 21 metrics," says McLellan.



McLellan and Raitt describe their work as "cross-partisan"

Raitt and McLellan know their bases.

Teaming up allowed them to avoid alienating either group.

Notably, the scorecard does not include a specific metric to proxy the housing crisis, even though Raitt and McLellan freely admit it's the year's hot-button issue. Before revealing the scorecard results, Raitt and McLellan take part in a student conference held at the University of Ottawa. "Coming out of COVID, the number one topic of discussion was mental health. This year, it was all about housing and affordability," says Raitt. Part of the reasoning for excluding it is simply a matter of continuity—Raitt says that when the scorecard was designed in 2021, it just wasn't top of mind.

The green energy sector, however, is definitely on the docket. The scorecard includes three measurements to capture Canada's progress on the climate crisis—clean-tech contribution to GDP, renewable energy in final energy consumption, and GHG emissions per unit of GDP. On the bright side, Canada's share of electricity production from renewables is relatively high compared to its peers, aside from a few Scandinavian countries. But one disturbing trend is that, adjusted for inflation, GDP generated by the environmental and clean-tech sectors slightly contracted in 2022. Given the scorecard's target to triple this contribution by 2030, it looks like things are moving decidedly in the wrong direction.

The scorecard's accompanying report argues that getting to net zero by 2050 means balancing a healthy resource sector with climate transition goals, especially by reviewing and updating regulatory frameworks to create a good environment for private sector investment in green tech and

infrastructure. “Our message to policy-makers is that they are not moving quickly enough on this. You’ve got a big, flashing light here, and you’re going to miss the opportunity if you don’t get on it right away,” says Raitt. “In other words, you made a commitment to reviewing your regulatory pieces, and with these metrics, we’re holding you to your word.”

Raitt is also deeply concerned about the relative dearth of executive women in the workforce. “COVID dealt us a really harsh blow, even though for a while I thought we were moving in the right direction. Now, in both the data and my everyday work life, I see a series of bright red flags. That tells me the policies we’ve put in place to support, encourage or even mandate more women in senior positions are just not working.”

That’s not the only troubling metric around economic inclusivity. In a reversal of gains made in previous years, last year, Indigenous people experienced declines in employment and participation rates. Also, the number of Indigenous people in senior management

But while Podlasly applauds the scorecard’s highlighting Indigenous leadership, he notes that it’s worth remembering the main objective—and what perspective might be missing. In 2020, Podlasly co-authored the discussion paper “Centering First Nations Concepts of Wellbeing: Toward a GDP-Alternative Index in British Columbia.” It argues that using GDP to measure economic output is too crude a proxy to gauge true economic well-being.

“I don’t prescribe how to draft the policy.

I advocate for listening to all the voices pulling together.”

It cites other countries—namely Iceland, New Zealand and Scotland, among others—that are developing alternative indices that measure economic output among numerous other indicators like safety, leisure time, health and education. A life well lived, as an individual and as a nation, is not all about economic output—it’s about well-being, says Podlasly. “The scorecard is very useful for what it sets out to do, which is to track Canadian competitiveness in an economic sphere. I have not seen these important metrics presented in such a clear, accessible way before. But perhaps it could be broadened.”

When it comes to balancing the pursuit of profit with equitably distributed economic growth, Raitt jokes that if she had the ultimate solution to that problem, she would win a Nobel Prize. “I don’t prescribe how to draft the policy. But I do advocate for listening to all the voices pulling together for change,” she says. “And we’re providing the evidence to show that we’re not moving in the right direction. I know from experience that politicians will change the metrics they call attention to in order to make themselves appear better than they are. That’s why we measure the same things every single year.”

Looking back on her storied career, Raitt has no shortage of milestones to call up as defining moments. But the thing she’s most proud of isn’t related to governance, or even her work with the coalition—it was the decision she made with her husband, in 2016, to go public with his diagnosis of Alzheimer’s disease. “I cannot tell you how many people come up to me at conferences and thank me for sharing that. For families like mine, it’s a matter of being seen,” she says. “I think that is the most impactful thing I’ve ever done.” ♦



Lisa Raitt at the Conservative Party of Canada leadership convention in Toronto in 2017

positions dropped to 2.4 per cent from 2.7 per cent—leaning further away from the scorecard’s aspirational rate of 5 per cent by 2030, which is in line with Indigenous peoples’ share of Canada’s population.

Mark Podlasly, Nlaka’pamux Nation member and chief sustainability officer at the First Nations Major Projects Coalition—which seeks equity for its First Nations members in projects like pipelines and gas utilities, to enhance their prosperity and capacity for environmental stewardship—is happy to see a metric around Indigenous leadership. “It’s definitely a reasonable goalpost, even though it will take time to achieve,” he says.

Lisa Raitt is the keynote speaker at this year’s ESG Symposium, which is focused on action and accountability. Joining her will be **Mark Podlasly** as a featured speaker at the event, available in a 3-D virtual format.

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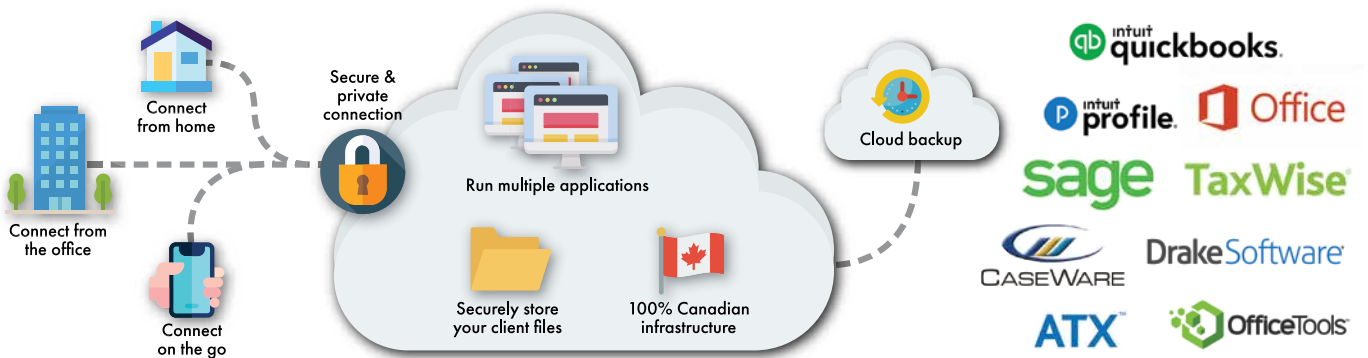
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Call and Response

The Truth and Reconciliation Commission's Call to Action #92 invokes corporate Canada to prioritize genuine consultation and respectful dialogue with Indigenous peoples. *Pivot* spoke with experts to explore its impact and future, including insights on how CPAs can play an instrumental role.

In 2008, the Truth and Reconciliation Commission, later led by Justice Murray Sinclair, set out on a nationwide journey to gather testimony from residential school survivors. The survivors recounted harrowing tales of being separated from their family, sometimes forcibly, to attend government-funded, church-run residential schools—where they faced physical and sexual abuse and were prohibited from speaking their own language.

After gathering thousands of testimonies from residential school survivors, in 2015, the TRC—mandated to create a historical record of Canada's residential school system—issued its final report, including 94 Calls to Action developed to “redress the legacy of residential schools and advance the process of Canadian reconciliation.”

Call to Action #92 asks Canada's corporate sector to “adopt the United Nations Declaration on the Rights of Indigenous

Peoples (UNDRIP) as a reconciliation framework and to apply its principles, norms and standards to corporate policy and core operational activities involving Indigenous peoples and their land and resources.” It's a business's “obligation to do a deeper dive into their own internal company orientation and the impact on Indigenous peoples,” explains Jason Rasevych, consultant and co-founder of the Anishnawbe Business Professional Association.

The Call to Action provides explicit direction for its implementation, including: educating management and staff on the history of Indigenous peoples; ensuring equitable access to jobs, training and education opportunities for Indigenous peoples and ensuring Indigenous communities “gain long-term sustainable benefits from economic development projects”; committing to “meaningful consultation, building respectful relationships, and obtaining the free, prior and informed consent (FPIC) of



Indigenous peoples before proceeding with economic development projects.”

Some large Canadian corporations have stumbled on their path to reconciliation. Last December, the Canadian National Railway Co.’s entire 12-member Indigenous advisory council—co-chaired by Sinclair and mandated to reinforce diversity and inclusion and foster meaningful relationships with Indigenous peoples—resigned with a statement saying, “CN had no intention of acknowledging and accepting their role in the historical and ongoing impact on Indigenous peoples,” according to CBC News.

Other companies, like Mosaic Forest Management (MFM) in British Columbia, have garnered a positive reception for their Indigenous relations efforts. MFM has supported Indigenous language revitalization efforts, partnered with First Nations on forest management and is using a portion of its proceeds from selling carbon credits—derived from the deferred harvesting

of around 40,000 hectares of land in B.C. for 25 years—to support Indigenous Protected and Conserved Areas. In 2023, MFM earned a Gold Progressive Aboriginal Relations certification from the Canadian Council for Aboriginal Business.

It falls to CPAs to help spearhead this ongoing development within their companies by bringing their knowledge and capabilities to the table. While it’s a joint effort for the many professionals involved, the CPA perspective can help facilitate this meaningful change.

“There’s been much wealth generated from extracting resources from the traditional lands of Indigenous peoples for over a century now,” says Rasevych. Adopting Call to Action #92 is a way for businesses to create opportunities and address the imbalance created by residential schools and other policies that led to the exclusion of Indigenous peoples, explains Rasevych, adding, “This Call to Action to corporate Canada is not going away.”



■ A Healing Walk through downtown Winnipeg



■ **Scott Munro**

CPA and deputy chief executive officer at First Nations Financial Management Board, Kaska Dena

It's been nearly 10 years since the TRC issued its Calls to Action. Do you remember what the reception was like within corporate Canada at that time?

I certainly remember when it came out, but it didn't feel like it was resonating elsewhere. I think the turning point was when the bodies of many of the residential school victims started to be found and identified, and talked about, and these were openly discussed by residential school survivors and First Nations, starting with the children who perished in Kamloops at the Indian Residential School, and others who have followed. These were known. They were never secrets. It's just that it started to be talked about and shared for the first time by survivors and by First Nations in ways that were new to most Canadians. It was bringing to light that reality in that dark chapter. I think that's when I felt a big shift in corporate Canada because it was no longer sort of a look back, and a report that has a certain shelf life, but it actually meant something to people, I think, for the first time.

How would you describe consent in the context of FPIC?

The word "consent" can generate lots of discussion, and I don't think anyone has a single definition of what that means, or a way of measuring necessarily what that means, or when consent exists—it will be on a case-by-case basis to some degree. It depends on the relationship that you have with the rights holders who you're talking with. It's up to the Indigenous peoples who are impacted to decide what that means, and how it's given.

Nor do I think it's used to scare anyone. It's not a veto. It's a way of communicating whether or not one party feels its rights have been respected. That's no different than in the context of any negotiation that's being done in good faith. At the end of the day, we have a very strong judicial system and legal system, and there will still be times where the legal system will have to be relied upon to decide what the outcome is, and whether or not consent has been given. I don't think it's introducing anything new. I think it's being more explicit about what always should be happening. That concept can be applied in many other situations that are unrelated to Indigenous rights holders.

What does FPIC look like applied to accounting?

I think it can be applied in the context of standard setting, for example. UNDRIP's Article 19 says that the state shall get the free, prior and informed consent of rights holders on administrative matters that may affect them. So, the way I look at it, we should be developing standards or amending them only after we have the free, prior and informed consent of Indigenous peoples, when we're talking about things that ought to reasonably affect them.

Can you give an example of why that's important?

On the East Coast, particularly in Mi'kmaq territory, many of the First Nations there acquire commercial fishing licences as part of their economic development strategy. What was happening frequently, especially in that region, was that these fishing licences—which cost millions of dollars—were not treated as assets from an accounting point of view. That was really interfering with accountability and transparency objectives that elected officials, chiefs and councils had with respect to their citizens. They were caught in a dilemma. They would either have to defy accounting standards of the day or follow them and treat those purchases as an expense, and then face citizens who were upset by that, asking what they did with all that money. You'd have to explain we have the licence, but it's not an asset.

Now, the good thing that came from it was that the Public Sector Accounting Board reached a consensus to amend one part of the Public Sector Accounting Standards. Basically, it allowed any public sector entity, including First Nations, to begin recording those fishing licences as assets, as they probably should have been from the start. That's probably hundreds of millions of dollars of assets that now could correctly be reported as assets that have enduring value.



What is redwashing?

According to a Yellowhead Institute report on Indigenous relations at Canada's big banks, redwashing is akin to greenwashing in that it's "a generally corporate response to an urgent social and/or legal issue that merely co-opts language and symbols but offers little transformative or meaningful change."

For example, a prominent Canadian bank has been criticized for redwashing its tens of billions of dollars in financing for Alberta's oil sands via its Indigenous relations initiatives, which the Yellowhead Institute describes as "problematic."

Other symptoms of redwashing include tokenizing Indigenous peoples and committing to Call to Action #92 but failing to implement its framework into policy, explains Jason Rasevych, consultant and co-founder of the Anishnawbe Business Professional Association. The antidote to redwashing, he says, is that companies need to "operationalize UNDRIP and FPIC into their corporate DNA," and collect data to measure the impact of that effort.

PHOTOGRAPH BY GETTY



■ Hayley Angell

Senior manager of DEI at Chartered Accountants Australia and New Zealand (CA ANZ)

In 2021, CA ANZ developed a Reconciliation Action Plan (RAP). What issues does it aim to address?

Previously, there was no mechanism for Aboriginal and Torres Strait Islander members to be able to identify themselves, so the first challenge set by the CA ANZ Aboriginal and Torres Strait Islander Member Panel was establishing a formalized mechanism. A cultural background question was incorporated into the annual member subscriptions process in 2023 to give us the first indication of Aboriginal and Torres Strait Islander representation and participation in the profession. Only 0.5 per cent of CA ANZ members identify as Aboriginal and/or Torres Strait Islander, despite Aboriginal and Torres Strait Islander cultural identities making up 3.8 per cent of the broader Australian population. A key highlight for us was including First Nations voices on a panel ahead of an Australian referendum last year that would have recognized Indigenous peoples in the constitution (the referendum, painfully, did not pass).

What lessons can Canadian businesses take from the RAP and DEI initiatives that CA ANZ has implemented?

Approach this space with curiosity and openness and be willing to acknowledge gaps and shortcomings as well as what's working. Just making a commitment to ask questions and learn will fundamentally change you, your team and your organization, and you'll learn and grow more quickly than you imagine. If I look at something as simple as the First Nations acknowledgement in the opening pages of our DEI strategy released in 2022, and I think about how we do that today, and what we understand as an organization, it is honestly night and day.

■ Aboriginal elder and cultural ambassador Major Sumner performs a welcome ceremony ahead of a referendum to amend Australia's constitution to recognize First Peoples of Australia





■ Matthew Foss

Vice-president of research and public policy at the Canadian Council for Aboriginal Business (CCAB), member of Métis Nation of Alberta

CCAB has partnered with Indigenous Services Canada to increase Indigenous procurement. What kind of barriers has CCAB identified when it comes to Indigenous procurement?

A lot of it comes down to access to capital. That seems to be a common barrier with respect to financing Indigenous businesses that we have documented for quite a while, specifically in getting involved in procurement contracts with the federal government. The short duration of projects tends to be a challenge. Oftentimes, you're dealing with requests for proposals that are anywhere from 20 to 60 pages in length, that have a lot of legalistic language that speaks to limitations and risks and the terms of the parties' relationships, and that almost requires a lawyer's expertise in dealing with contracts and procurement. So, we're pushing to try and get the government to simplify these types of agreements and use more plain language.



■ Indigenous lobster fishermen in Nova Scotia

Indigenous people have been held back from Canada's economy since the start of Canada. The Indian Act's exclusionary policies have prevented Indigenous people from participating in the economy the same way that other Canadians have. It's prevented the accumulation of and passing on of intergenerational wealth that other Canadians have benefited from. So, many Indigenous people are starting from behind.

The positive news story is that the Indigenous population is the fastest-growing population; its average age is younger than the Canadian average. This is the workforce of the future, and if we can get Indigenous individuals fully participating in Canada's economy, it's going to reap benefits for all Canadians. As Indigenous nations and communities thrive, all of Canada thrives. In contrast, when they don't, we've got challenges. Recent court rulings demonstrate that the legal world is finally embracing and respecting the sovereignty of Indigenous peoples. When we don't do that, projects get held up. We see lawsuits, and we get opposition to development. In some cases, things have to be completely abandoned. It's in everyone's best interest to be inclusionary.

Why is it important to highlight Indigenous perspectives in business?

Indigenous people have been held back from Canada's economy since the start of Canada. The Indian Act's exclusionary policies have prevented Indigenous people

CPA Canada aiding Indigenous youth

The CPA Canada Mentorship Program for Indigenous Students has one goal: to provide Indigenous students with CPA mentors who encourage them to graduate and pursue post-secondary education. Through this, students are exposed to many career opportunities, including those in accounting and finance, and forge meaningful connections with CPAs in their communities.

Programs generally launch in September, when the mentor team meets with students and parents or guardians. Each program is unique, with students and mentors together planning the year ahead, activities ranging from social events to resumé and scholarships workshops to CPA office visits.

The program has proven successful for schools, with enhanced student retention, performance and graduation rates, as well as for mentors, who report learning from the Indigenous students. Carol Langley, a school lead from West Vancouver Schools, says, "The opportunity to ask the mentors questions about post-secondary life and different careers has equipped them with connections and tools to help them be successful in their future journeys beyond high school."

Present efforts are concentrated on restoring the program to its pre-COVID capacity and launching the inaugural post-secondary initiative at the University of Winnipeg.

PHOTOGRAPH BY CP IMAGES



■ Mark Podlasly

Chief sustainability officer at First Nations Major Projects Coalition (FNMPC), board member at CIBC and Hydro One, and member of Cook's Ferry Indian Band, Nlaka'pamux Nation, British Columbia

What has changed in corporate Canada since the TRC issued its Calls to Action in 2015?

The world has changed since then. You have UNDRIP coming into force in Canada, and around the world. You're starting to see court cases in Canada decided in favour of Indigenous people, and Indigenous rights are now recognized as something to be reckoned with. The FNMPC has found that companies now realize that they're not going to get their development permits from the government unless they have at least consulted with Indigenous people. Indigenous rights have come to the fore in a way they weren't able to in 2015, and you're starting to see companies now waking up to that.

What do a company's operations look like when UNDRIP has been well implemented?

The position of the FNMPC is, if you have an Indigenous co-investor, you have a co-proponent, and if you have a co-proponent, de facto you have consent. That's the approach we're taking, and you're starting to see more projects like that. Right now, 20 per cent of Canada's clean energy-generating infrastructure is Indigenous-owned. You're starting to see that really blossom, and if you talk to those companies, they will tell you that having an Indigenous co-proponent gives them consent. You start to see those companies thinking this is the best thing in the world. It takes care of the risk, speeds up their permit issuing in theory, and investors themed in sustainable investment love these projects and will crowd in the capital.

What advice would you give to a company that's just starting out on its reconciliation journey?

One thing a lot of companies don't know is who is the traditional owner of the territory they're on. If there's a treaty, what is the treaty? No company would go into an international realm without knowing that, right? That's the first place to start. Then go meet those people and start a conversation. A lot of companies, what they'll do is they'll go ahead, do their plans, draw everything up, and then after all the plans have been decided, they'll go to a First Nation and say, "Hey, here you go. We want your opinion." And they drop a completely finished plan on their desk. That's not respectful.

Indigenous rights have come to the fore and you're starting to see companies waking up to that

What if the First Nation had contributed their traditional knowledge about what would be better in terms of use of the land, or lesser environmental impact? Or increasingly, they're a possible source of capital for that project as a co-investor. That's a loss at that point, and that's generally how it's done in this country. Companies just show up with their finished plans and it's an afterthought to go to the First Nation. In those cases, if the First Nation is unable to comment on something that may be very complex, or has already been costed out, the answer is going to be automatically no. Think about how you get out of that hole as a company. It's better to start at the beginning.

Mark Podlasly will be speaking at this year's ESG Symposium on the topic of meaningfully incorporating Indigenous perspectives in capital projects and business models

Indigenous Learners Initiative

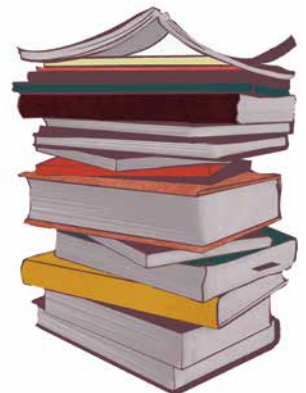
Launched last spring, the Chartered Professional Accountants Western School of Business's (CPAWSB) Indigenous Learners in Accounting (ILA) initiative aims to increase the number of Indigenous accountants by infusing the CPA curriculum with "Indigenous content, context and culture."

A 2022 report commissioned by CPA Canada to identify and mitigate

systemic barriers faced by Indigenous peoples pursuing a career in accounting found an "absence of Indigenous culture and context" in accounting studies. One of its 44 recommendations proposed the inclusion of Indigenous case studies in education materials.

Developed in partnership with the Aboriginal Financial Officers Association of Alberta, CPAWSB and

CPA Canada, the ILA was prepared by Indigenous subject matter experts, including Dr. Robert Andrews, CPA, and is taught by Indigenous instructors. The program currently offers three prerequisite courses and three CPA Professional Education Program modules, and features new textbooks with Indigenous business cases, with more offerings expected in the future. ♦







Retired CPA Dan Rubenstein turned a passion for volunteer work, an interest in the wider world and an abiding concern for the environment into a second fulfilling career

BY JEFF BUCKSTEIN

Applying many of the same skills that made him a successful auditor and accountant, CPA Dan Rubenstein has dedicated his time to serving in emergent nations, helping to improve the lives of local residents and preserve endangered ecosystems and species.

“After I retired, I had a hunger for a new, more adventurous career. That is when I discovered volunteering in the developing world,” he says. “I know so many CPAs who are active in their retirement. They serve on boards. They play a vital

role in [the] governance and oversight of organizations. Volunteerism is hard-wired into their professional DNA.”

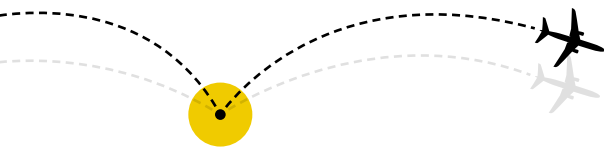
In 2013, Rubenstein became a volunteer with the Canadian Executive Service Organization (CESO), since renamed Catalyze+. The organization connects retired Canadian professionals with individuals in developing countries requiring their expertise to advance local economic, social and living conditions. From that point on, his days and years were filled with volunteer assignments around the world and, eventually, right at home.

Rubenstein's first assignment was in San Pedro Sula, Honduras, working with the local Fundación Merendón—a not-for-profit organization that assists local farmers in finding new agricultural methods that are less destructive to the environment. He spent three weeks completing an environmental audit of the human impact on the 40,000-hectare Merendón Forest Reserve, living with coffee and cacao workers in remote villages in the Merendón watershed.

He loved the experience. "When you're a volunteer, you're embedded with the local people in that community for weeks. You feel their concerns. You see the country through their eyes." He returned to Honduras later that year to help the Fundación develop an environmental education program for the children of the coffee growers.

Rubenstein's next overseas volunteer initiative was in Guyana in 2014, assisting staff in the Audit Office of Guyana as they learned performance auditing. He returned in 2016 to help them develop a five-year strategic plan. The following year he aided the Guyana Environmental Protection Agency as it worked on a five-year strategic plan of its own.

Also in 2016, Rubenstein went to Santa Cruz, Bolivia, to work with a group dedicated to protecting the Chiquitano Dry Forest—a forest that can survive with very little water. He helped them develop a strategic plan.



“When you’re a volunteer, you’re embedded with the local people. You see the country through their eyes.”

When the COVID-19 pandemic began, Rubenstein began working remotely with the Paran Women Group in Kenya in 2022, providing them with training in double-entry bookkeeping. Over 2022 and 2023, he helped the Government of Suriname draft enabling legislation to launch that country's sovereign wealth fund.

His most recent assignment in 2024 was with a Métis group in Yellowknife, where he assisted with contaminated mine sites requiring remediation and monitoring.

“Dan is one of our best advisers,” says CPA Wendy Harris, president and CEO of Catalyste+. “What makes him such an effective adviser is that he’s always there to learn and to help. He understands

the importance of localized priorities. Dan is a lifelong learner, so it comes naturally to him to want to learn, understand and contribute,” she adds.

Rubenstein, 77, says his sense of equality and interest in volunteering was honed at an early age as he grew up in Poughkeepsie, New York; he was the son of a painter and an art historian “who loved experiencing the diversity of humanity.”

When Rubenstein left home to attend Tufts University in Boston in 1964, he'd “seen a fair bit of the world,” he says, recalling a childhood trip to rural Mexico in 1952 and living in Tokyo in 1958, where his parents were Fulbright scholars.

At Tufts, Rubenstein majored in economics and creative writing but was uncertain about his career choice. He recalls being bored by an accounting course. “In college, I never thought I would have any future in accountancy,” he says laughing.

As an American college student in that era, however, he faced another pressing concern. “The Vietnam War cast a shadow over millions of men my age,” says Rubenstein.

After graduating in 1968, he gained conscientious-objector status. As part of his alternative service, Rubenstein worked with Vietnam veterans at a rehabilitation centre in New York City, then helped to organize a fishing co-operative in Pompano Beach, Florida.

In 1968, he met Nancy Dyson, and they fell in love. The couple married in 1970 and, seeking adventure, rode the Canadian Pacific transcontinental train, camping at various locations before ending up in Vancouver, where they realized it was time to seek employment.

“We saw an ad in the *Vancouver Sun* for the Alert Bay Student Residence. We had no idea what that was, but we took our knapsacks, flew up there in a float plane and got a job at what turned out to be the former St. Michael's Indian Residential School,” says Rubenstein.

What the couple saw there disturbed them to the core.

“I said, ‘What is going down here? These children are totally alone. Why are they separated from their families?’ They were so sad and vulnerable. It was hard for them to see their siblings in the school. They had nobody to trust, nobody to talk to,” he recalls.

The couple tried to reach out to Indigenous leaders in the community and assist a local minister with a petition urging government officials to investigate what was happening in the school. But he said nothing was done to look into their complaints.

“This school is an instrument of cultural genocide,” Rubenstein told the school's administrator. He was fired on the spot, and he and Nancy left the community and moved to Sointula, B.C.





Rubenstein's volunteer work has taken him to San Isidro, Honduras (clockwise, from above), to the Amazon rainforest and to Kenya—with many stops in between

He spent the next few years working in tree planting and fishing, but by 1973, he was a landed immigrant. With a one-year-old son, Ari, he realized he needed a steady profession to support his family. He enrolled in a business program at Malaspina College in Nanaimo, where he was encouraged by a professor to become a chartered accountant. Rubenstein took this advice, got on the CA track and began working for a private firm. He passed the Uniform Final Exam in 1977.

“Once I got my ticket in 1977, I was proud to join the Institute of Chartered Accountants of B.C. Then I moved from the private to the public sector to work for B.C. Buildings Corporation, a Crown corporation. It was an interesting job because we had to set up brand-new accounting and general ledger systems,” he recalls.

Rubenstein left B.C. Buildings to join Touche Ross Canada in their national office in Toronto in 1979. “I had a chance to work with some of the most brilliant, gifted professionals. I really saw what a creative profession accountancy was and how it was at the heart of big business.”

However, his family, which had expanded with the arrival of daughter Elizabeth in 1974 and son Joshua in 1977, did not like living in a big city, and Rubenstein accepted a transfer to the firm's Ottawa office.

In 1983, he was hired by the Office of the Auditor General of Canada, where he thrived. “As a member of the Auditor General of Canada, you are a servant of Parliament. That is a really honourable

profession. There's something sacred about the Canadian Parliament, and I found a real calling in that. This was something that I could really believe in, helping Parliamentarians do their job to hold government to account.”

Moreover, by this time, Rubenstein learned that he “was really a social activist at heart. I was much more concerned about the public good—the public welfare—than making money.”

After becoming a Principal with the Auditor General, he reignited “a latent desire to write” and began contributing articles to *CA Magazine*. His first article, “Black Oil, Red Ink,” was about the *Exxon Valdez* oil tanker, which struck a reef in Alaska's Prince William Sound.



That event had a profound impact on him. “Images of that oil destroying all of that wildlife, and all of that pristine nature and the ocean—it dawned on me, looking at that, that there was no accounting for ecological natural capital in our double-entry system. I had to do something about it,” he says.

Rubenstein, who had been gaining a reputation as an expert in the fledgling field of environmental accounting, was offered a grant by the United Nations Conference on Trade and Development to study a large section of the boreal forest and write

In 1994, the Office of the Auditor General established the Commissioner of the Environment and Sustainable Development branch. Rubenstein worked there for seven years, eventually retiring in 2007.

Rubenstein and his wife have co-written two books in recent years, including *Railway of Courage*, a novel about the underground railroad that provided escape for former slaves. They also wrote *St. Michael’s Residential School: Lament and Legacy*, published in 2021, based on what they witnessed a half-century earlier.

Rubenstein remembers attending Truth and Reconciliation hearings in Ottawa in 2015 and listening to the raw emotions of survivors. “We in Canada have an opportunity to move from reconciliation talk to reconciliation action, and the CPA profession in Canada has a vital role to play in this because Indigenous groups will be moving to increased sovereignty and increased self-government.

“There will be a huge demand for Indigenous CPAs,” he explains.

He notes that every cause needs money to survive and must exercise strong financial and fiduciary control.

CPAs instinctively understand good governance and good financial management, and so “our skills are always in demand. There is an inexhaustible demand for CPAs and volunteering,” says Rubenstein. “And it is so rewarding.” ♦

At home in Ottawa, Rubenstein keeps busy with volunteer work and other projects



“I was really a social activist at heart. I was much more concerned about the public good than making money.”

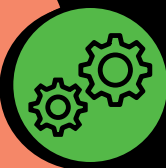
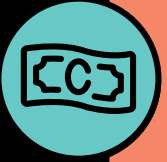
a report incorporating emerging concepts of the value of natural capital. That resulted in a book, *Environmental Accounting for the Sustainable Corporation*, published in 1994. The book discussed establishing satellite accounts for the natural capital upon which a company is economically dependent, using the boreal forest as an example.



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**Michel Rodrigue and
Chuck Bruce are using
their CPA skills to
confront the ongoing
stigma around
mental health and
urging companies
to pay attention
to the well-being of
all their employees**

BY ALI AMAD

In the spring of 2005, Michel Rodrigue, a public affairs consultant in Toronto, was in the midst of a three-week intensive executive program at Queen’s University when he received a shocking call from back home. A close friend had died by suicide, leaving behind a wife and two young daughters. The tragic loss and revelation that his friend had been silently and secretly struggling with mental illness caught Rodrigue completely off guard. “He had a loving family and a wonderful network of friends,” he says. “It was heart-wrenching for all of us, and an eye-opener for me. I didn’t realize the extent of the impact of suicide loss on an entire community until that impact hit mine.”

Rodrigue’s friend was one of 3,743 Canadians to die by suicide in 2005—the ninth leading cause of death that year, behind Alzheimer’s and ahead of kidney disease. Mental illness has long been considered the most important risk factor in instances of suicide, affecting Canadians from every walk of life. Research has also shown that depression is the most common mental illness in those cases, with approximately 60 per cent suffering from the condition.

Many of those deaths come as a surprise to family and friends, and much of that has to do with long-held stigmas regarding mental illness and its role in a broad range of conditions, including mood disorders like depression, and substance use disorders involving alcohol or pharmaceutical drugs (30 per cent of people diagnosed with a mental illness will experience a substance use disorder in their lifetime). These societal stigmas are rooted in deep-seated fears and misconceptions around the nature of mental health and the causes of mental illness, as well as cultural norms that perpetuate discrimination and marginalization toward individuals experiencing mental illness. “In the past, our societies had an ‘out of sight, out of mind’ attitude about mental illness, typically isolating people who lived with mental illness in hospitals or asylums,” says Rodrigue. “Even in 2005, I realized that many people didn’t talk about it and didn’t seek help because we were all too ashamed to do it. Since no one was talking about it, many of us were also simply ignorant about mental illness.”

A year later, the prevailing stigma surrounding mental health prompted the release of “Out of the Shadows at Last,” a landmark 308-page report commissioned by the Canadian Senate. The report examined the shortcomings of mental-health and addiction services in Canada, while also outlining recommendations to overcome the pervasive stigmas associated with mental illness. The report also underscored a significant barrier to care: a staggering 72 per cent of individuals with mental health issues received no treatment within the course of a given year. Senator Michael Kirby’s tireless advocacy efforts spearheaded the publication, ultimately culminating in the establishment of the Mental Health Commission of Canada (MHCC) in 2007, with Kirby assuming the role of its inaugural chairman.

In 2012, as part of its mandate to improve mental health care services and access for all Canadians, the MHCC embarked on the process of creating a national standard of psychological health and safety within the workplace. Chuck Bruce, a CPA based in St. John’s, was one of the business and community leaders invited to join the national standard technical committee. Bruce, whose background was primarily in wealth management and pension administration, first got involved in the mental health sector in the early 2000s during his tenure as CEO of an insurance plan in Nova Scotia. “I saw that mental illness was a considerable cost in the plan, and I realized that I had little to no knowledge in this topic,” he says. Bruce took the initiative to learn more about mental illness and its significant impact on workplaces by consulting with mental health experts in his community.

“Mental health should not be recognized as an expense. It should be viewed as an investment in a company’s people.”



Michel Rodrigue (left) and Chuck Bruce (right) CPAs invested in improving mental health awareness across Canada

Those connections and curiosity led him to volunteer as a board member with the Canadian Mental Health Association, a non-profit advocacy organization, and later as chairman of its Nova Scotia division.

In assessing why many employees were absent from work on short- or long-term disability, Bruce realized that employers often didn’t understand or recognize the prevalence of mental illness. “Employee leave is often presented as physical illness by the employee,” he says. Working with mental health experts, Bruce aimed to spread awareness of best practices and helpful resources to support employee reintegration to the workplace. “Instances of employers who were able to successfully reintegrate workers returning from mental illness-related leaves of absence were few and far between,” he says.

Rodrigue’s successful efforts on that front brought him to the attention of the newly created MHCC, which drafted him into its workforce advisory committee and, eventually, the Canadian Standards Association national standard technical committee. The committee’s ambitious goal was the creation of a comprehensive framework that provided organizations with free implementation tools and resources to promote mental health, boost productivity and employee retention, and optimize risk management. Launched in 2013, the National Standard of Canada for Psychological Health and Safety in the Workplace was the first of its kind in the world and has since been emulated by other G7 and G20 countries. Since 2019, Bruce has been chairman of the MHCC, overseeing a research project documenting the implementation of the workplace national standard over the past 11 years.

As for Rodrigue, in 2015, he was seeking a career change after a four-year stint as chief information officer of the Professional Institute of the Public Service of Canada in Ottawa. Memories of the loss of his friend 10 years earlier still lingered, as did his desire to prevent those tragedies from affecting other families and communities. “That’s when an opportunity to work with the MHCC came up,” he recalls. “I wasn’t a physician and I didn’t have experience in the mental health space, but I wanted to use my communication and organizational skills to help experts find solutions.” Starting off as vice-president of operations, Rodrigue then took on a role as vice-president of external affairs and, finally, as president and CEO in 2021.

In supporting the MHCC’s mandate, Bruce and Rodrigue have both utilized their financial skills as CPAs to engage organizations across the country on the merits of devoting more resources to mental health and mental health literacy. “Our aim is to show that mental health should not be recognized as an expense. Instead, it should be viewed as an investment in the company’s people,” says Bruce. To help make that argument, Rodrigue regularly cites a 2019 Deloitte Canada study that found that companies with mental health programs in place for one year had a median annual return on investment of \$1.62 for every dollar spent. For organizations with programs in place for three or more years, the return soared to \$2.18 for each dollar invested. “There’s a cost to doing nothing about mental health: that relates to legal exposure, absenteeism, high turnover rates, grievances in a unionized environment, workplace injury and subsequent illness,” adds Bruce. “Traditionally, CPAs are valued as long-term thinkers and we can really speak with authority on the tangible value of long-term thinking when it comes to mental health investments.”

While the financial argument is a key incentive, Bruce and Rodrigue also have a deep understanding that organizational culture changes regarding mental health require an impetus from the top. “One of the fundamental things I’ve learned over the last nine years working in mental health is that leadership matters,” says Rodrigue, who points to the unique role that CPAs play within their organizations and business communities to potentially drive cultural change. From small and mid-size



72%

of people with mental health issues received no treatment within the course of a year

organizations to multinational conglomerates, the nature of a CPA's position means they tend to be involved in nearly every aspect of a company: human resources, finance, compliance and assurance, risk management, strategic decision-making and more. With a thorough understanding of the needs and abilities of different facets of an organization, CPAs naturally become adept at delegating responsibilities to individuals best equipped to assume them.

Several of the MHCC's evidenced-based courses and programs are built on careful consultation with mental health experts and individuals with lived experiences of mental illness. Managers are taught how to manage a situation when a staff member may experience mental health issues and guide them to mental health professionals. An outstanding success story in this regard is the widespread adoption of the MHCC's Mental Health First Aid course, which has trained more than 750,000 Canadians.

A crucial distinction between mental health first aid and physical first aid, Bruce explains, is that managers do not treat a mental health issue directly, as one might apply a bandage to a physical wound. "If I'm trained in mental health first aid, it's not for me as a manager to look you in the eyes and make a diagnosis and offer a treatment plan," says Bruce. "First and foremost, it's centred on respect for the individual in distress. Once that relationship of trust is established, managers are

\$1.62

The median annual return on investment for every dollar spent on mental health programs

750K

Number of Canadians trained under MHCC's Mental Health First Aid course



1 IN 5

Canadians will experience a mental health problem in any given year

30%

of all long-term disability claims are due to mental health



is the cost to the Canadian economy in lost productivity due to mental illness

educated in how to effectively respond to someone experiencing difficulties and promote available services and resources they can utilize.” This approach cultivates a different and more effective type of leadership: instead of attempting to resolve an individual’s mental health issue directly (which can be fraught with risks due to lack of appropriate expertise and the manager-employee power dynamic), managers are empathetic facilitators focused on non-judgmentally supporting the individual’s long-term well-being.

Today, Bruce and Rodrigue are both encouraged by the fact that Canada has come a long way in reducing stigmas associated with mental illness, although they’re keenly aware that those stigmas haven’t been banished quite yet. In the aftermath of the pandemic, rates of depression and anxiety have also remained troublingly high. “Each and every week, more than 500,000 people in Canada miss work due to a mental health problem,” says Rodrigue. “Lost productivity due to mental health costs the Canadian economy more than \$50 billion a year.” Among Canadians, mental health issues account for 30 to 40 per cent of short-term disability claims and 30 per cent of long-term disability claims. However, the statistic that troubles Rodrigue the most is that one in five Canadians will experience a mental health problem or illness in any given year. “That number should really shock us into action,” he says.

By harnessing CPAs’ financial and leadership abilities, Bruce and Rodrigue believe the profession has a vital role to play in galvanizing Canadian society to robustly address mental health and spread awareness—whether that’s within a CPA’s own organization, through volunteering or via a career focused on mental health.

The profession is already setting an example by taking significant steps in supporting the mental health of CPAs. All Big Four firms in Canada have implemented employee assistance programs, while EY and Deloitte lead the way in annual

mental health coverage to the tune of \$5,000 and \$4,000 respectively for all employees and dependents (the numbers total \$3,000 for KPMG and \$2,500 for PwC). Another notable instance of the profession's increased emphasis on mental health is KPMG Canada's appointment of Denis Trottier as its chief mental health officer in 2017—the first position of its kind nationwide.

Growing up in a tiny northern Ontario town where mental health was not talked about, Trottier silently battled depression for years before overcoming the stigma by seeking help and receiving treatment. Nowadays, Trottier is in high demand as a speaker, travelling across the country to exchange ideas with KPMG's clients and C-suite executives on developing new mental health resources and improving awareness of underutilized existing supports—for instance, KPMG's employment and family assistance program, which averages close to 15 per cent utilization annually, compared to a 10 per cent average for professional services firms.

Last October, Trottier also delivered a keynote speech about the importance of recognizing mental health at the highest levels of company structures to 2,000 young leaders at the One Young World Summit in Belfast. "COVID-19 has moved the dial so fast in this space with the increased adoption of technological tools and hybrid workweeks, but it's the new generation that's really driving this transformation," he says. "After personally experiencing the stigmas around mental health, it's encouraging to see young professionals prioritizing their mental health and not being afraid to demand adequate mental health benefits and practices from employers."

Trottier sees his role, along with other CPAs, as that of ambassadors who can help clients and corporate Canada develop a culture where people can talk about mental health at work and recognize that an organization's greatest assets are its people. "The professional services world has always had a client-first approach geared toward billable hours, deliverables and meeting deadlines," he says. "But if we angle that approach toward a people-first mindset, caring for your people leads to people caring for their colleagues, clients, families and, of course, themselves."

For CPAs considering volunteer work in mental health, Bruce recommends taking inspiration from his career path: he balances his position as chairman with the MHCC with his role as CEO of Provident10, the administrator of Newfoundland and Labrador's public service pension plan. "Mental health organizations, from grassroots initiatives to the national level, require the guidance and assistance that CPAs can provide," he says. "If mental health is something you're passionate about, lend some of your time to it. I haven't cured one person and I don't intend to, but working in mental health for the past 22 years has been fulfilling both personally and professionally for me. Looking back, it's been the highlight of my career."

Rodrigue is also grateful for the fulfillment he's experienced during his nine years with the MHCC, particularly when he receives poignant reminders of the positive impacts of his efforts. "We have first responders, police and firefighters who have shared with us that our programming has saved their lives or a colleague's life," he says. "I am incredibly proud of the contribution to society that I'm able to make every day here, but there's still a lot of work to do before we reach a point where everyone in Canada can access mental health services when and where they need them. We're unfortunately not there at this point, but that goal keeps me motivated to keep coming to work."

Rodrigue is confident that other CPAs will find a career in mental health equally motivating. "Creating better mental health outcomes for people who live in Canada is a difficult yet important responsibility, and CPAs never shy away from those big challenges." ♦

"It's encouraging to see young professionals prioritizing their mental health"



Denis Trottier
KPMG Canada's chief
mental health officer

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EXTRAORDINARY ITEM

LIP SERVICE

Ghlee is a made-in-Canada beauty brand with roots in South Asian Ayurvedic traditions

BY ISHANI NATH

For many South Asian families, ghee, or clarified butter, is a kitchen staple. Varun Sharma fondly remembers a golden jar of homemade ghee being a “necessary condiment” at all family meals, making dishes like dal and saag even more delicious. But now, Varun and his sister, Arati Sharma, are bringing this beloved South Asian cooking ingredient to the world of beauty and skin care.



PHOTOGRAPH COURTESY OF GHLEE

Together, the sibling duo has launched Ghlee, a skin care brand offering lip balms, lip scrubs and lip masks that feature ghee as a central ingredient. According to Arati, their aim is to highlight ghee's often-overlooked benefits. "We didn't get into this to become skin care founders; we did this because we wanted to leverage the power of ghee," she says.

he remembered his mother's advice. "I went to the kitchen, put my finger in the jar and put it on my lips, and I was mind blown," he says, describing the sensation as instantly moisturizing. "At that moment, I knew there was something there."

Arati, who was working at e-commerce giant Shopify at the time and had noticed ghee gaining attention

Greater Toronto Area. In May 2023, the siblings scaled up production to serve an international consumer base, though they've continued working with Ontario dairy farmers and skin care manufacturers to keep their production local.

Next up: they're preparing to expand the line to include healing body products.

"We want to make products that really marry the power of ghee with Ayurveda and practices that our ancestors have used forever," says Arati.

Having personally experienced the benefits of ghee, Varun says the goal has always been to share the benefits—and history—of this traditionally South Asian ingredient. "The reason I made Ghlee in the first place was to make ghee accessible to multiple cultures; it doesn't matter which walk of life you come from." ♦



“WE DID THIS BECAUSE WE WANTED TO LEVERAGE THE POWER OF GHEE”

The healing properties of ghee have a long history in South Asia, particularly in traditional Ayurvedic medicine—benefits that Varun experienced first-hand.

As a child, any time the temperature dipped below zero, his lips would become painfully chapped. When the various lip balms borrowed from his sisters failed to help, his mother recommended dabbing a bit of ghee across his lips. As a kid, he brushed off the recommendation, but in 2019, during a terrible ice storm, the discomfort became unbearable and

in the West, agreed. To take it beyond a home remedy, the siblings set out to make ghee an accessible skin care product for modern life—creating a shelf-stable formulation for lip balms that were easy to use on the go.

And then there's the scent.

The rich smell of ghee reminds Arati of fresh batches made by her family. However, when adapting ghee into a skin care ingredient, the Sharmas took care to modify the recipe to offer scents that link back to their Indian heritage without smelling too strongly of butter. Varun helmed the scent profiles, ensuring “mango-papaya” was summery but not too sweet, “rose” was vibrant without being too perfumed, and “chai” smelled like an authentically brewed cup rather than a Starbucks chai latte.

The brand soft-launched in 2019, creating products in small batches and selling to consumers mostly in the

TECH

MODERN LOVE

How dating apps are handling user safety in the age of AI

BY KATHERINE SINGH

Modern dating is tough. Between stressing over creating the most engaging profile, worrying about getting ghosted and feeling overwhelmed by yet another source of notifications, trying to find *the one* can be exhausting. And now, instead of just worrying about the perfect opening line, daters will also need to ask whether or not the person they're sending said line to even exists at all. Now entering the dating space: artificial intelligence.

To be clear, dating apps have always been built on AI. Tinder, Bumble, Hinge and other apps use AI to suggest matches based on compatibility. And Tinder also gives tips for choosing your “best” profile pictures and Bumble suggest conversation topics. But now, *users* are turning to AI

PHOTOGRAPH COURTESY OF GHLEE

to help them in their love lives. This can range from the fairly harmless, like coming up with catchy icebreakers or generate a bio, to the more morally grey areas, such as editing photos and using AI to create actual messages during conversation.

“I’m sure many users have edited the photos that they share,” says futurist and technology expert Sinead Bovell. “But AI just takes that to another level. And then you have some users who are even going as far as creating bots that can speak on their behalf, which has a lot of red flags and ethical issues.”

ONLINE DATING HAS BEEN HERE FOR YEARS, BUT ONLY NOW ARE WE SEEING THE APPLICATION OF AI

This is just the latest by-product of ChatGPT’s rising popularity since its inception in November 2022. What started with people using the chatbot to help them finesse their resumés, develop a script to use when asking for a raise or even write a term paper has naturally expanded to include messaging on dating apps. “It’s just become so democratized and so accessible for everyone,” Bovell says.

But while equal access is usually a positive, in the case of dating apps, the consequences can be dire.

“On the one hand, catfishing just got an enormous upgrade,” Bovell explains. “Not only can you create AI-generated imagery, you can have AI-generated audio, AI-generated video and AI-generated text in the style and voice of somebody. So it becomes much more challenging to [recognize that] somebody isn’t real or to be suspicious of someone.”

This can lead to physical safety concerns—users could make plans to meet up with someone who misrepresented themselves online—as well as scams. According to a 2020 study from cybersecurity blog TechShielder, Canada has the third-highest number of catfishing reports globally, with over 1,000 Canadians reportedly swindled out of a collective \$9 million in 2020 alone.

AI can also contribute to the proliferation of racist biases among dating app users. Since it is trained on data sets that may contain racist imagery or information, AI may respond by editing users’ photos so they appear lighter-skinned or with Eurocentric features, for example.

App creators say they are taking steps to ensure safety against AI for their users. As far back as 2016, Bumble implemented profile verification via selfie and Tinder did the same in 2020.

In 2022, Hinge followed suit with their own verification process, adding a “Verified” badge to the account of any user who submitted a selfie video. And in early 2024, Match Group Inc., which owns dating app companies Tinder and Hinge, announced the wider implementation of its expanded ID verification program after testing it in Australia and New Zealand and releasing it in Japan in 2019. With this new verification step, users submit a photo of their valid driver’s license or passport along with a self-recorded video, which is then checked by a third-party vendor. Approved profiles receive a blue check mark. In addition to this, Match Group has also launched an educational campaign against romance scams, and in 2018 launched the Match Group Advisory Council, a safety council consisting of advocates and safety experts who meet to assess and review a product’s safety.

While these steps are helpful, it’s important to note that across all of these platforms, the verification status is only an additional (and optional) step, leaving the onus on app users to discern whether or not they want to move forward with unverified matches. What’s more, relying on AI detectors isn’t a foolproof way to weed

out inauthentic accounts and users, Bovell notes. This is because some AI-generated accounts are easy to spot, but advances in this technology—like the ability to emulate creative human dialogue—aren’t as easy to discern.

“At the end of the day, we don’t have consistent AI tools that can 100 per cent verify that something is



AI-generated,” Bovell says, noting that this is largely because the technology is so new. Eventually, “there’s going to be bigger structural changes to the Internet and to digital platforms that make pathways to accountability a lot easier.”

For now, though, she advises dating apps to commit to staying at the forefront of industry safety standards and protocols.

There’s only one way to look, she says, and that’s forward: “Being proactive is really the only path to take.” ♦



A look at the *Immersive Van Gogh* exhibit

ART

INTO ART

Why immersive exhibits are everywhere right now
BY CORRINA ALLEN

When Yayoi Kusama’s *Infinity Mirrors* exhibit launched in 2018 at the Art Gallery of Ontario in Toronto, the competition for tickets was fierce—as was the race to take the best selfie inside one of her reflective landscape installations within the strict window of viewing time each gallery-goer was allotted. The works’ strong appeal came from the feeling of immersion inside a kaleidoscopic miniverse, allowing viewers to feel that they were inhabiting Kusama’s creations.

It’s that same feeling, one of being on the inside of a painting or work of art, that production teams behind the multimedia experiences like *Imagine Monet*, *Immersive Frida Kahlo*, *Immersive Klimt* and *Immersive Disney Animation* are aiming for. This style of

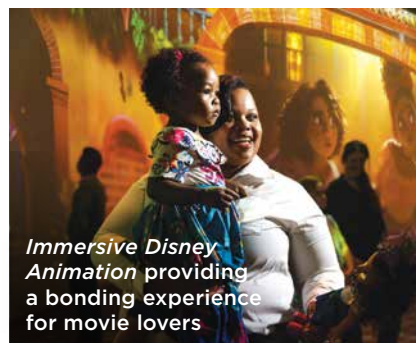
art exhibition first took off during the pandemic, perhaps due to a collective wish to be transported out of the COVID era to literally anywhere else...or perhaps thanks to a cameo of the *Immersive Van Gogh* exhibit in the hit Netflix series *Emily in Paris*. Regardless of the reason, they’ve continued to grow in popularity.

The projection-based shows incorporate strong visuals, screenwriting and poignant musical scores that all work together to tell a story centred on a chosen artist or subject. And as they’ve evolved, even over only a short period of time, technology has allowed the exhibits to become more interactive.

“The most fascinating part of creating these immersive experiences is that the technology is ever-changing,” says Corey Ross, president of Lighthouse Immersive, one of the studios behind a slate of immersive art experiences. “When we presented the original *Immersive Van Gogh*... you could almost see each brush stroke presented on the 360-degree walls, as if you were in the painting yourself.

Since then, new technology has allowed guests of *Immersive Disney Animation* to not only have that 360-degree interface, but they can also interact with the floors, which actually change with each step taken.”

Artists like James Turrell and Robert Morris have been creating pieces intended to envelop the viewer and provide a three-dimensional sensory experience since the 1960s. These recent exhibits and their popularity, however, seem to be driven by our increasingly digitized world and the way that the Internet reshapes the kinds of experiences that appeal to us. Immersion, escapism and interactivity are consumer priorities, so the entertainment industry is catering to those desires.



Immersive Disney Animation providing a bonding experience for movie lovers

The other element that seems to resonate with audiences is the emotional reaction these exhibits evoke. Massimiliano Siccardi, the creator of both the Van Gogh and Klimt immersive pieces, says that “storytelling through images and music is emotional storytelling. People who go to see the work have an [emotional] experience. The narrative ends where their emotion begins.”

In Siccardi's view, these installations go beyond inviting a spectator to step inside a particular artwork, they allow that person to feel what it is to *be* a particular artist.

"My work," he explains, "tries to put the spectator at the centre. We are Van Gogh, we are Frida, we are Klimt and we live the experience of their art."

"YOU COULD ALMOST SEE EACH BRUSH STROKE PRESENTED ON 360-DEGREE WALLS, AS IF YOU WERE IN THE PAINTING"

For most visitors, embodying a world-renowned painter might be a stretch, but through the use of 90 million pixels and the incorporation of hundreds of works by a single artist, you can imagine how easy it would be to get swept away by this sensory bombardment.

Siccardi is a champion of digital art, crediting the medium itself for its success. "If used well, it really leaves its mark. I think that in the future we

should increasingly move toward the awareness that to create a work of art it is not enough to project images on the walls of a space. We need to think."

To that end, artists like Refik Anadol are working to evolve the immersive experience past its current iteration. His 2022 MoMA exhibit employed artificial intelligence in a project that

sought to show audiences what the dreams of a machine might look like after viewing the museum's massive collection. Anadol's *Unsupervised* project uses large-scale digital displays to show the MoMA-inspired images the AI generates in real time.

In 2023, 86-year-old artist David Hockney also launched an immersive exhibit, which was a sort of retrospective of his six-decades-long

painting career. Unlike the deceased Van Gogh or Klimt, Hockney had a hand in the curation and direction of the show, and he acted as narrator, telling his own art-world story.

An honest debate continues to take place over whether shows like these are museum-worthy works or simple family-friendly entertainment. Some institutions embrace the technology to boost attendance and increase engagement while others decry the oversimplification of artistic discourse. To their credit, though, immersive exhibits have the potential to bring great works of art to audiences beyond those able to travel to see them. These installations move between Toronto and Riyadh or from Las Vegas to Madrid by far more economical means than it would require to, for example, collect and transport a portion of the 2,000 paintings used to create the Van Gogh show.

And, of course, there are the opportunities for some really great selfies. ♦

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BEYOND THE BUTTERFLY EFFECT

Brian Klaas's *Fluke* challenges notions of fate and individualism, highlighting how seemingly random events shape our lives profoundly **BY BRIAN BETHUNE**



When he was 20 years old, writes political scientist Brian Klaas in *Fluke: Chance, Chaos, and Why Everything We Do Matters*, his father told him that his grandfather—Klaas's great-grandfather—had come home from work one day to find his wife had killed their four children and herself. For the young man processing that gruesome story, one fact came quickly to the surface: his father, the grandchild of great-grandfather's subsequent marriage, would never have existed without that tragedy. And no father, no Brian Klaas. In the kind of story that humans remember, reflect upon and often use to guide their actions and

lives, Klaas was the child of murder.

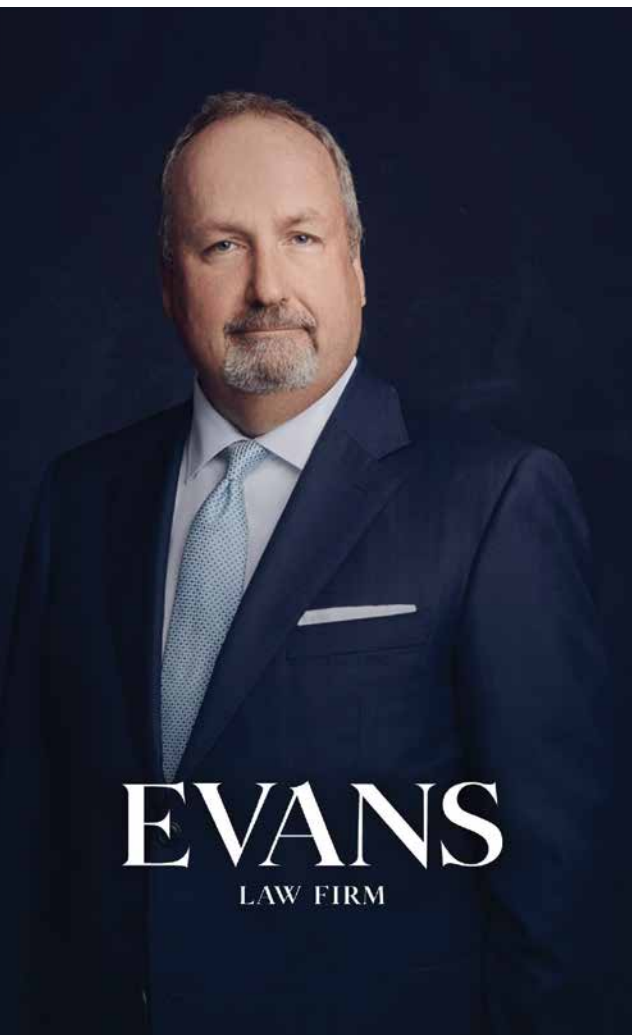
Similarly “fluke-ish” is the better-known story that opens Klaas's book, made newly prominent thanks to the Oscar-winning film *Oppenheimer*. It's about how Henry Stimson's enthralled visit to Kyoto in 1926 protected the ancient Japanese city from becoming the world's first atomic bomb target 19 years later when Stimson was U.S. secretary of war. Instead, the *Enola Gay* flew to Hiroshima.

But Klaas has not written another list of fateful historical coincidences. In part, his purpose is to show how storytelling defines and often misleads people. But mostly he wants to

demonstrate that his story is the story of all of us. What-if moments, almost all of them far from Stimson- or even Klaas-level in their consequences, set or block career paths, lead to or away from personal relationships, and arbitrarily deposit us in whatever place we call home.

And for all that, Klaas writes, we mostly ignore “the moments that we will never realize were consequential, the near misses and near hits that are unknown to us because we have never seen, and will never see, our alternative possible lives.”

We also mostly ignore how we affect everyone else with our actions—those alive and even those yet to be. We (and not another) took this job, we (and not another) had a child with this partner, we (and not another) grabbed the last available seat on a plane that crashed—and by so doing sent ripples into the universe, each one a change-maker, just as all the people and all the other organisms that led to humans did before us. “We control nothing,” writes



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Klaas, “but influence everything.” The implications—for everything from our devotion to autonomy and individualism through our basic ability to understand our fluke-riddled world to our dangerous drive to eliminate rather than add slack to economic and industrial systems—are immense.

The bulk of *Fluke* consists of Klaas unpacking those implications with urgency, verve and persuasive power. In his “more slack, please” case, he points to how a single ship stuck in the Suez Canal caused massive and expensive disruptions in international supply chains optimized to just-in-time efficiency. On the other side, Klaas praises how the electrical grid in Chile is designed—at the cost of overall efficiency—for local grids to be easily decoupled from the national system, a development that paid off after a major 8.8 magnitude earthquake in 2010. The decoupling stopped what would have been a cascading national failure and weeks of countrywide blackouts.

Klaas also argues that we do not fully understand either ourselves or our randomized environment, where uncountable tiny actions tend to shred forecasts regarding any wide-scale human activity. In large part, that’s because predictions, all of which carry an unspoken “if things carry on as they have” proviso buried in their fine print, tend to alter behaviour by the very fact of being publicized.

In 2016, the *Economist* magazine looked back at all 21st-century forecasts from the International Monetary Fund (IMF), covering a period when individual countries entered recessions on 220 occasions. The IMF forecasts come every April and October, the latter having the benefit of half the actual data for the year. So, how often did they see the coming downturns? The October ones, about half the time, the April predictions, *zero*. We can land a vessel on a four-kilometre-wide comet travelling at 135,000 kilometres per hour, because physics randomizes only at its quantum edges, but human affairs are inherently chaotic.

As for our belief in individualism, Klaas realizes the facts of the matter—

with 1.3 bacteria cells in our bodies for every purely human cell, plus a load of fungi, bacteria, archaea and viruses, we are not exactly alone in this world. The “I am the master of my fate, I am the captain of my soul” narrative has enormous, visceral appeal, for which there is no better evidence than the groaning self-help shelves in bookstores.

That doesn’t mean Klaas ascribes to the traditional flip side in human attitudes, the belief that everything is decided by blind fate or divine providence. Rather, what moves him is how the interconnection of all things brings surprise and serendipity, joy as well as sorrow, into our lives. There are few if any starring roles in human affairs, Klaas argues, but we each play our part. ♦

WORK

TRADE SECRETS

As AI integration becomes more common in the workplace, privacy and data security risk becoming a low priority

BY SARAH LAING

What would you say if your employer asked you to wear a headband that tracked your brain waves to determine fatigue levels on the job? Or a pair of headphones to monitor your stress while you’re working? While this sounds like the stuff of dystopian sci-fi movies, these are just examples from our present reality, courtesy of companies like SmartCap (maker of the headband, used by over 5,000 companies worldwide), who are at the forefront of the growing trend of using artificial intelligence in the workplace to track employees’ vital statistics, including their mental and physical health.

In theory, corporate Big Brother does this for the good of their employees. The SmartCap headbands, for example, are designed to prevent fatigue-induced workplace accidents, vital in industries like trucking and

mining, where fatigue has far more severe consequences than just nodding off at your desk. (There’s also a profit-driven reason, of course; according to the *Harvard Business Review*, fatigue costs US\$136 billion in lost productivity each year.)

In practice, however, it’s much more complicated—and employees may be disinclined to believe their employers’ motives are as altruistic as they say. Even just the feeling of being watched at work, let alone wearing a wearable tech device that’s monitoring your bodily functions, affects employees: according to a recent study by the American Psychological Association, almost a third of people who knew their boss was monitoring them reported “fair or poor” mental health, a higher percentage than those who weren’t being watched at work.

“I see this as an invasion of the worker’s private life, in addition to the workspace,” says Fabricio Barili, an academic who studies the way employers use surveillance in the workplace. “Algorithms are always looking to quantify each worker’s performance



and compare it with others, making it easier to reward or penalize those who have results that are outside the average.”

This isn’t new, of course: employers have long-used key cards to monitor who is (and who isn’t) showing up to the office, and, as Barili points out, during the pandemic, we saw companies like Ford experiment with using wristbands that buzzed when employees got too close to each other as a means of enforcing social

distancing on the line. We've also seen American workplaces fit out their employees with Fitbits, with the promise that better health will equal lower health insurance premiums.

"Big Brother is not concerned about health *per se*, because if that were the case, he would think about reducing his [employees'] working hours," notes Barili, who is leery of the blurring between personal and professional that happens when a device is tracking you 24 hours a day. "He's concerned about increasing productivity, even if it's something you do outside of work hours."

Similarly, Barili raises concerns about, say, a predictive algorithm in a wearable device that might one day help an employer guess that a person is pregnant, opening a myriad of sinister possibilities for what might happen with that data, the most benign of which is that an employer might suspect you're expecting before you do.

On the flip side, there are some solutions that have their origins in a

much purer motive—like Watercooler AI, a tool that can be added to Slack to boost engagement by automatically setting up informal touch points between employees, and to give workers the chance to ask leadership questions anonymously.

project management tools like Jira—and applies algorithms to study that data across 150 distinct variables.

"The algorithms are trained to look for unique and abnormal behavioural patterns. It's crucial to note that the algorithm doesn't examine each

ALGORITHMS ARE ALWAYS COMPARING EACH WORKER'S PERFORMANCE, MAKING IT EASY TO PENALIZE OR REWARD THOSE OUTSIDE THE AVERAGE

"What really urged me to start Watercooler was a single data point that I came across: 120,000 people lose their lives each year due to work-related stress," says CEO Eitan Vesely. "I couldn't live with knowing that people die because they go to work. Where are their managers? Couldn't they see that they are 'killing' their own people?!"

Watercooler uses AI to analyze the data created by an employee's digital footprint—email, instant messaging,

variable in isolation," says Vesely. "For example, the significance of the variable 'excessive work hours' will be based on whether it is occurring throughout the organization or limited to specific teams or individuals."

So, Watercooler might determine that employees are least likely to quit when they spend between five and 12 hours a week in meetings, and interact with their manager one or two times a week. But, Vesely says,



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Shadan Ali | Managing Partner
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the company uses an approach called differential privacy, which involves aggregating data and sometimes adding “random noise,” especially in smaller teams, so managers “cannot reverse engineer the analytics to figure out the identity of individual employees.”

This proper handling of data is imperative when it comes to these emerging technologies, says Martin Fox, managing director, Canada, at global recruitment firm Robert Walters.

“While data can yield significant benefits, it heavily depends on who processes and interprets it. Are there biases at play? Would assumptions be made about someone with a learning disability?” he says. “Before we even begin to collect such sensitive data on our employees, it is imperative to establish a comprehensive education and training process to ensure that the data is handled and perceived in the intended manner.”

Melissa Robertson, a CPA and principal at Chartered Professional Accountants of Canada, agrees. This is why she argues organizations need to have a robust data governance policy—and it should specifically account for the use of AI tools on employee data. She’s particularly concerned about the potential for bias in these tools, especially as it pertains to the employees themselves.

“Just as we care about how our customers’ data is managed and protected, we care about our own workers’ data and their right to privacy and security,” she says. “A red flag for me is where an organization is throwing time and investment to implement AI tools without adequately ensuring that it has a robust data governance program in place to manage how, when and why AI systems are being used. When we think of AI being used to automate internal processes in an organization, especially where those processes involve automating decisions about employees—think hiring, performance assessment, promotion readiness, salary assessments, etc.—ensuring that these systems are fair, and that employees understand how these tools are being used and how they impact decisions

within the organization and that affect them, is important.”

Of course, there are some cases where sharing more *may* be an employee’s benefit. Fox points to recent data from a survey Robert Walters conducted with over 6,000 North American professionals. “People wanted their employer to understand them better, on a personal level,” he says. “In fact, our findings revealed that a lack of understanding or awareness among managers regarding their staff’s personal situations, including aspects like mental health, caregiving responsibilities and religious beliefs, sometimes acted as a barrier to career progression.”

It’s a fine line to manoeuvre, though, and relies on the employer responding appropriately—and transparently.

“Gathering information about your employees can be immensely valuable for companies looking to enhance themselves. [But] when trialling any new initiatives, it’s crucial to involve them in the process, communicate that it’s a pilot and highlight that it’s an opportunity to gather insights on whether this technology aligns with future goals,” Fox says. ♦

SCIENCE

CULTURED COLOURS

Lite-1’s technology uses genetically modified micro-organisms and the power of fermentation to make clean, sustainable dyes

BY REBECCA GAO

Colouring our clothes is also colouring our oceans. Synthetic dyes, the most common type of dyes used to give textiles their hue, are responsible for one-fifth of the world’s water pollution. Each year, the global textile industry uses 21 trillion gallons of water—enough to fill 37 million Olympic-size swimming pools—to dye and finish garments. The water, loaded with chemical dyes, is then released

into rivers and streams, damaging waterways and ecosystems.

That’s why Canadian bio-designers Sarah Graham and Roya Aghighi started Lite-1. Their technology uses micro-organisms, such as bacteria, to produce sustainable colourants (for example, dyes and pigments, or anything else that can be used



Lite-1’s Sarah Graham (left) and Roya Aghighi



as alternatives to harmful dyes. The technology is still in its development phase, but its biologically grown colourants have the potential to replace synthetic dyes, which currently make up about 90 per cent of the world’s textiles dyes and are typically made from petroleum or coal tar—in other words, they’re derived from fossil fuels. Plus, manufacturing garments often leads to waste water containing toxins from synthetic dyes being released into the environment. On top of that, workers in factories that use chemical dyes have reported illnesses and ailments like sores, skin irritation, fevers and respiratory problems—just to name a few.

Lite-1's goal is to produce enough of their sustainable colourants at scale so that they can be used in any industry that needs colour—be it textiles, paints or cosmetics.

Getting dye from bacteria is a challenge, acknowledges Graham, the company's chief innovation officer. But she says Lite-1 is taking advantage of a process that already exists in nature. Different bacteria produce different colours, she explains. It's just that they're doing it for survival. Or, rather, bacteria-produced colours are the aesthetically pleasing side effect of certain survival tactics—for example, some hues are used to protect cells from harmful UV light, while others have microbial properties.

In order to harness colours from these processes, Lite-1 developed a bio-manufacturing process that not only allows the bacteria to grow, but to thrive and create the perfect pigments. First, the company's R&D team genetically modifies the bacteria in order to produce more pigment, and faster. Once they've created the effective micro-organism, they begin a process called precision fermentation. Essentially, the bacteria go through a similar process that industrially manufactured beers and other fermented products go through—and colours are a by-product

LITE-1'S SUSTAINABLE DYES PROVIDE A GREENER ALTERNATIVE WITHOUT THE POLLUTANTS

of the bacteria working their fermentation magic. "We have these tanks and we put in the ingredients that this bacteria needs to grow and thrive and produce [the colourant]—things like sugars and nitrogens," Graham explains. Lite-1 uses industrial waste streams as nutrient sources for bacteria and their fermenters, reducing the environmental impact of the colourants. By incorporating the waste sources into a circular manufacturing process, they prevent it from entering landfills.

Then, to get the best possible colours, Lite-1's team controls the environment to ensure the bacteria

have the ideal elements to ferment.

This means controlling the airflow, pH levels and temperatures. "Just like brewing beer, but instead of making beer, the bacteria is making colour liquids for us," Graham says.

Once they've got their coloured liquids ready to go, the final step is formulation. "We take all that liquid and purify it: we take out all the extra cell matter or leftover sugars," says Graham. What's left is a crude colourant that's then processed further by in-house chemists to make sure that it's formulated to work well for its intended application—which would be dyeing cotton, synthetic fibres or any other fabric. "It can be used exactly how conventional synthetic dyes are used," Graham says. "But without all the pollutants."

Though Lite-1's technology is still in its development phase (the company aims to scale up and sell their colourants to the mass market in the next year), these natural colourants have the potential to replace synthetic dyes.

As of today, Graham says that the company has blue and black colourants that are ready to go to market. "Those are the most commonly used colours in the [textile] industry and are two of the most toxic," she says. The team is also working to develop

more colours and is expanding into the paint, cosmetic and food industries, though these are still in the early phases of development. While Lite-1 has their eyes mostly on the textiles industry right now, Graham says that future applications could be as diverse as their eventual colour range. Industries like cosmetics and paints are just the beginning—because these colourants are safe for human consumption, they could be used in the pharmaceutical and medical industry, or even for food.

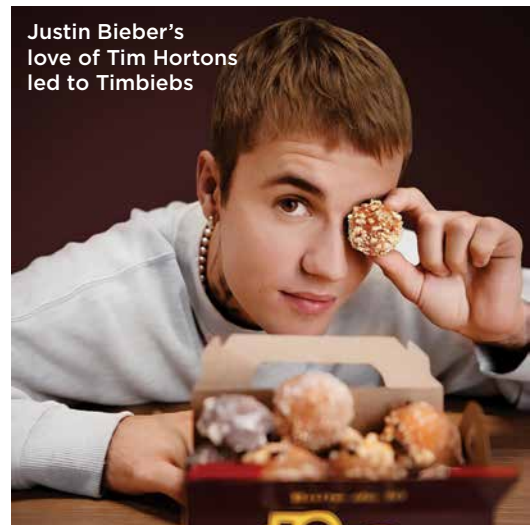
"We're turning bacteria into colour factories," she says. ♦

FOOD

WOULD YOU LIKE FRIES WITH THAT?

If you've noticed an increase in celebrity meal deals at fast-food spots, you're not alone

BY SARAH LAING



Think back to a visit through a drive-through in the past few years, and you'll almost certainly have seen it: a celebrity's face grinning out at you from a glowing screen, proffering "their" special spin on something that particular fast-food chain is famous for. Maybe you bought some Timbiebs, a collaboration between Justin Bieber and Tim Hortons that saw the singer create three new flavours of Timbits and a Biebs Brew iced coffee. Or perhaps you bit into a Popeyes Hottie Sauce chicken sandwich, part of a partnership between the fried chicken joint and Megan Thee Stallion (which also included merch). You could also have picked up a Jack Harlow meal at KFC, combining the rapper's finger-lickin' faves in custom packaging, or the Travis Scott meal at McDonald's, which promised fans the chance to "eat like Travis."

Whatever your fast-food purveyor of choice, the menu for celebrity collaborations is vast—and seemingly

PHOTOGRAPH COURTESY OF CNW GROUP/TIM HORTONS

growing every year. Clearly these co-branded meals appeal to consumers and marketers in the same way finding one more fry at the bottom of the bag does. Case in point? In the lead-up to Travis Scott's meal being available, McDonald's saw a five per cent boost in sales.

"[One of] the original celebrity endorsements was George Foreman and the Foreman grill," says Jo-Ann McArthur, president and founding partner of Nourish Food Marketing, a firm that has created campaigns for the likes of spice brand McCormick and Egg Farmers of Canada. "He made more with that thing than he ever did in his boxing career."

Another pioneer in celebrity food partnerships is Michael Jordan's groundbreaking McJordan Special meal deal, which was released in 1992. This was the first time a celebrity would have a burger named after them at the fast-food giant, and it would be nearly three decades before they did it again with Travis Scott.

CELEBRITY-ENDORSED MEALS OFFER FANS THE CHANCE TO EAT LIKE THEIR FAVOURITE STAR

From a restaurant's perspective, these partnerships have a twofold benefit: the virtuous glow of what McArthur calls "the celebrity halo effect," where some of their status and cool factor is transferred to you, and the fact that with meal deals in particular, companies can usually benefit from the perception of novelty without having to invent an entirely new menu item.

"A whole new product can be risky, and a lot of money for a quick-serve restaurant," she says. "New ingredients, teaching franchisees to prepare it... it becomes a much higher risk than taking components of something that's already on your menu and just adding a different sauce or bacon."

A good mash-up, she adds, is one that is personalized in some way but still easy for these restaurants to prepare.

What makes our particular moment such a gold rush for these meal collabs, however, is a shifting media landscape that makes it harder for brands to cut through using traditional ads like billboards or flyers, says McArthur.

"Now, with social media, you've got celebrities living their life more in public, giving their fans a window into the products that they use," she says. "That started organically, and then some of them thought, 'Well, we're bringing all of our fandom to this [brand] with my special order, why aren't I being remunerated for that?'"

A great example of this is the Justin Bieber partnership with Tim Hortons, which came after years of the singer posting about his Timmies runs any time he was back in his native Canada. "It's got to be credible," says McArthur. "If I don't believe that the celebrity would ever use a product, that's where you're going to have an issue."

And when it works, the math is undeniable. "In today's saturated market, standing out is key, and celebrities offer a dynamic and buzz-worthy avenue to capture the audience's attention," says Stacy Jones, founder and CEO of Hollywood Branded, a Los Angeles-based branded creative agency.

Of course, there is a question mark over whether or not these are as beneficial for us, the consumers—particularly the younger people who are often the target of these campaigns. This is why we have rules around marketing to children, McArthur notes.

As for what might be the next big celebrity meal deal? If Jones were to manifest her dream collab, it would involve the most famous woman on the planet right now, Taylor Swift, and a brand that specializes in chicken fingers.

"Taylor's love of chicken fingers, enjoyed at Chiefs games and post-Super Bowl parties is well-known and reported by the media, making her [an] authentic ambassador for the category," she says.

Sounds like a match made in fast-food marketing heaven. ♦

PIVOT RECOMMENDS

Off the clock

BY CHRIS POWELL



Watch

The latest property to get the update treatment is **Presumed Innocent**, a new eight-part series coming to Apple TV+ on June 14 that's based on the 1987 novel by Scott Turow. Jake Gyllenhaal steps into the role made famous by Harrison Ford in the acclaimed 1990 movie of the same name. He plays Rusty Sabich, a Chicago prosecutor who is accused of murdering his co-worker (and mistress).

Read

The origin story of whisky brand Jack Daniel's often overlooks the pivotal role enslaved Black distiller Nathan "Nearest" Green played in its creation. According to Fawn Weaver's new book **Love & Whiskey**, Jack Daniel regarded Green as a teacher and friend. While the pair were close in life, Green was unacknowledged for 150 years. The book rectifies that while telling the story of Weaver's creation of Uncle Nearest Premium Whiskey, making her the first Black female CEO of a major spirit brand.

Listen

Who replaced Avril Lavigne? examines the wild Internet theory that the pop-punk princess died early in her career and was replaced by a body double. A collaboration between BBC and CBC, the podcast hosted by Irish comedienne Joanne McNally dives into how Lavigne supposedly went from a self-proclaimed "rock chick" into an Internet-described "bubblegum pop princess" now played by someone named Melissa Vandella. Does death become her? Listen to find out.

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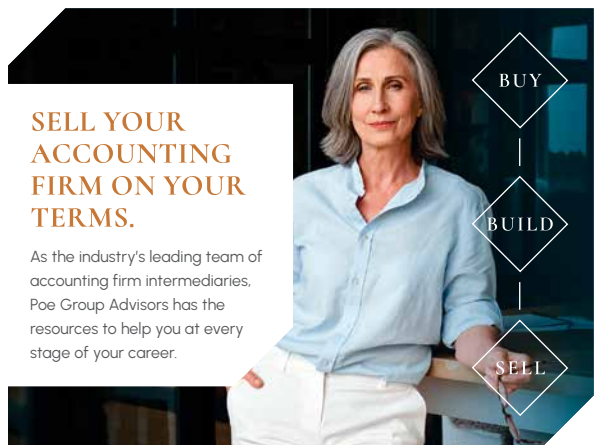
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PET PROJECT

For the last seven years, Stephanie McCullough, CPA and lifelong dog fancier, has been the treasurer for B.C. Pets and Friends, a non-profit charitable organization that provides free pet therapy for people in retirement care facilities, hospitals and universities in the province's lower mainland. By day, she's a financial officer with the B.C. Public Service, happiest when there's a pooch at the office. **BY ROB CSERNYIK**

When I started with Pets and Friends, I had a different dog. He was the perfect example of what an in-office dog would be and also what a good therapy dog is, which is a dog that can put up with a lot of petting. You don't think that would be a problem, but some dogs don't like that. **A good pet therapy dog is also very interested in responding to new people.**

With my job, the most confusing thing is explaining to the board the difference between our bank balance and our reported cash flow versus our revenue. **I have to explain timing, recognition and different ways we look at that dollar in the accounting world.** It helps them to see the statements rather than seeing just money in and out.

Being on the volunteer board has helped my career because I get to do things that aren't in my regular day job. I recommend CPAs do the same because it's only going to benefit you, especially as a new CPA. You're going to get better at making recommendations, defending your point and communicating finance to people.

I was studying marketing, and wanted something clearer, data-driven and verifiable. **Back in the CMA times, they talked about creative accounting in the workplace.** That seemed like something I could do to solve a problem rather than just make money.

I've seen therapy dog sessions because my grandparents are at a care home and we have volunteers who go there. This isn't a person going to talk to someone, this is just a dog. It might be someone who's not super-mobile, or who doesn't speak a lot, but most of these people's eyes light up. **They start smiling and the dog will come to their lap and there's so much love.**

Being decisive as a CPA is so valuable. **If you are in front of a board and you're waffling between alternatives, that's not good financial sense.** You need to be committed and able to support your ideas. It's very black and white for me.

Diversifying our revenue stream is one of the biggest challenges. For the longest time, we were solely supported by grant funding, a few individual donations and our membership. Grant funding can be unpredictable, especially if there are numerous other applicants. When we diversified into acquiring more business donations and increasing our membership base, that helped us have more stability and afford a part-time employee.

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