

January 29, 2018

via e-mail, fax and Twitter

Open Letter to Kathleen Wynne, Premier of Ontario

Subject: The Tarion Review, Bill 166 and your government's new legislation re Tarion

Dear Premier Wynne:

Many are very troubled by your government's handling of Justice Cunningham's Tarion Review Final Report. After studying this matter for more than a year, at your government's request, Justice Cunningham provided your government with a comprehensive road map of how to fix Ontario's new home warranty debacle. Instead of accepting Justice Cunningham's recommendations, your government largely ignored them, and pushed through a woefully inadequate Bill 166 -- with all opposition parties voting against it.

With your new legislation, it appears you and your government have abandoned Ontario's new home purchasers and sided with the building industry – with what is supposed to be consumer protection legislation.

In your December 2017 Brampton town hall meeting, when a homeowner inquired you about your government pushing through Bill 166 you said "*..my understanding is that we have moved to create more accountability, but again if there's more that we need to look at, then please let us know...*". You said this after your government pushed the legislation through – after all of the related deputations, hearings and debates. But in that same town hall meeting, you also acknowledged changes passed by your government in December related to Tarion don't "go as far" as buyers want (Toronto Star, Dec. 13, 2017).

In response to your invitation for people to let you know what else you need to look at, we offer the following:

- Justice Cunningham's review clearly showed the Tarion model is fundamentally broken. Ontario's approach to new home warranty lags behind most other provinces in Canada, e.g., the ongoing monopoly model. Have you read Justice Cunningham's report? No explanation has been provided by your government for why most of Justice Cunningham's recommendations have been ignored with your new legislation.¹
- Have you read the Hansard transcripts of the debate in the Legislature and the recommendations of the opposition parties via the Standing Committee? The vast majority

¹ CPBH has repeatedly requested from Minister MacCharles and her ministry officials the cost to Ontario taxpayers for this Tarion Review. No costing information has been provided by government officials, but documents obtained via Freedom of Information suggest that the cost of the Tarion Review exceeded \$750,000.

of the recommendations made by the Opposition Critics were rejected by your government, and no explanation has been provided by your government.

- Have you read the Hansard transcripts of the deputations made to the Standing Committee? My deputation on behalf of CPBH on Nov. 20, 2017 at Queen's Park may be found here http://www.canadiansforproperlybulthomes.com/html/whatsnew/2017/Nov/Nov20-17deputation_Bill166Tarion.pdf . None of the recommendations that I made were accepted and no explanation has been provided.
- Have you read the notes from the secret meetings held by the Ministry of Government and Consumer Services (MGCS) in the summer of 2017? Given the seriousness of these secret meetings, and the lack of available information, CPBH processed an FOI request in September 2017 for documents from that meeting, but the release of this information continues to be stalled, and this information was not available prior to your government pushing through Bill 166, which is very troubling. These secret meetings were dominated by industry/Tarion representatives, according to MGCS. There was only one consumer representative in these secret meetings.
- Have you read the letters and e-mails sent to you since you became Premier from homeowners begging for help? Have you read the correspondence from suffering homeowners sent to the Ministry of Consumer Services/Government and Consumer Services since your government took power 15 years ago?

Once Justice Cunningham tabled his report in 2016, we requested a meeting with Minister MacCharles, but she was not willing to meet with us. Instead she referred us to her Senior Policy Advisor. I had a telephone conversation with him, but he could not provide responses to our questions. We also met with Ministry officials last summer, but they were not able to answer our questions. They said that they are simply taking direction from Cabinet.

Sadly, our assessment of this new legislation called the "Strengthening Protection for Ontario Consumers Act, 2017" is that it will do little, if anything, to provide better protection for future purchasers of newly built homes once it comes into effect. Further, homeowners suffering today because of lack of consumer protection by Tarion, who continue to fight with their builder/Tarion, and/or who feel their claims were wrongfully denied by Tarion have been completely ignored by your government in Bill 166. Your government has left these homeowners to fend for themselves.

In closing, here are six questions we are asking you, as Premier, to respond to:

1. Why did your government largely ignore Justice Cunningham's recommendations? (We note with great interest that your government said it has addressed all of the 19 recommendations proposed by Justice Cunningham regarding elevators (Government of Ontario News Release dated Jan. 25, 2018)).
2. Which of Justice Cunningham's 37 specific recommendations has your government accepted via its new legislation passed in Dec. 2017?

3. Why did MGCS convene secret meetings in the summer of 2017 and why were these MGCS secret meetings dominated by industry/Tarion representatives?
4. Why is your government not placing a much higher urgency on this very serious issue of inadequate consumer protection for the largest purchase most Ontarians make - a home? Your government's new legislation is not expected to be implemented until 2020 according to Minister MacCharles².
5. What support/assistance is your government providing to consumers who are still fighting with their builder/Tarion and/or homeowners who feel their claims were wrongfully denied by Tarion?
6. What steps has your government taken since receiving Justice Cunningham's final report in 2016 to provide greater oversight of Tarion?

Please provide a prompt response to these six questions, Premier Wynne. The June 2018 election is drawing near. Ontarians deserve your answers to these questions before they cast their vote.

Yours truly,



Dr. Karen Somerville, PhD in Management, C.Dir.
President

Founded in 2004, Canadians for Properly Built Homes (CPBH) is a national, not for profit corporation dedicated to healthy, safe, durable, energy efficient residential housing for Canadians, and is the only organization of its kind in Canada. Working for consumer awareness and protection, CPBH is run by a volunteer Board of Directors and is supported by a volunteer Advisory Council of industry experts and other key stakeholders.

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² As noted in an Oct. 17, 2017 Toronto Star column headlined "*Delayed action on consumer protection for homeowners a sad reflection on provincial government*", your government acted swiftly to impose a new non-resident tax on real estate purchases.