PIVOT

CPA CANADA

JANUARY/FEBRUARY 2024

START-UP MODE

CPAs Lyndsay Monk and Andy Taylor orchestrated a bold overhaul of Gore Mutual, preparing the venerable insurer for an uncertain future

+

AI, BLOCKCHAIN, FRAUD. WELCOME TO 2024

CAN CANADA'S TAX SYSTEM BE FIXED?

LABOUR UNIONS FIND THEIR VOICE


QNAP
TS-855X

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CPACANADA.CA/NEWS

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- How CPAs can help fix the gender wage gap
- Looking back on the most popular stories of 2023

PHOTOGRAPH BY FREEPIK; SMOKESTACK BY ISTOCK

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ON THE COVER
PHOTOGRAPH BY KATHERINE HOLLAND

WHAT DO YOU THINK?
Send your input to the editor at pivot.letters@cpacanada.ca. If your letter is chosen for publication, it may be edited for length and clarity.

RINGING IN A TRANSFORMATIONAL YEAR

The year ahead will be challenging but our commitment to a unified profession will motivate us to look to the future **BY PAMELA STEER**

As we look ahead to a transformational year for the Canadian CPA profession, we also reflect on and celebrate all that we achieved together in the year that was.

For me, 2023 closed with a whirlwind of travel to represent the Canadian profession and ensure our perspectives were heard at important international events, including the Global Accounting Alliance meeting in Munich, the IFAC meeting in Vienna and the COP 28 climate conference in Dubai.

Every time I attend these international events, I'm reminded how the Canadian CPA designation is renowned by our global peers and how the same global trends—including AI, sustainability and geopolitical uncertainty—are impacting organizations like ours around the world. I also see the clear opportunity CPAs have before us to show leadership in strong ethics and standards that help contain the chaos.

It is an honour for me to represent you, my esteemed colleagues, on the international stage. CPAs are shaping the financial ecosystem, both nationally and internationally—from our successful push for the federal finance department to exclude Canadians from the Underused Housing Tax to our designation as an official capacity-building partner with the International Sustainability Standards Board. In each and every conversation I have with our peers in the international business community, I am driven by a deep sense of pride in our collective accomplishments as Canadian CPAs.

But for all of our national and international successes, there is no denying that 2023 also introduced a new era of uncertainty when it comes to the cohesiveness of our national profession—a unity that has never been more important given the complexity of the myriad challenges our global profession faces.

After months of uncertainty since CPA Ontario and L'Ordre des CPA du Quebec announced their withdrawal from the Collaboration Accord, we closed the year on a note of cautious optimism. We reached an agreement on terms for the maintenance of the current national education program that will see CPA Canada continue its pivotal role in maintaining a consistent national approach with high standards and rigour in developing the curriculum and examinations.

We are hopeful that this commitment on education will set the tone for continued constructive dialogue as we try to find resolutions that respect the legislative authority of the provincial regulatory bodies and the role of CPA Canada at the national and international levels.

I have no doubt that the year ahead will be challenging, as we work

EVERY TIME I ATTEND INTERNATIONAL EVENTS, I'M REMINDED HOW OUR DESIGNATION IS RENOWNED BY OUR GLOBAL PEERS

tirelessly with the provincial, territorial and Bermudian bodies to forge a new path forward that best serves members of this profession as well as the greater public interest before the withdrawals take effect at the end of the year.

I am deeply grateful and encouraged by the steady stream of messages from members who have reached out with their support for CPA Canada and a unified profession. I can feel that you share my deep sense of reverence for our designation. It is that sense of pride and loyalty to my fellow CPA colleagues that motivates me to continue to push forward with a vision for the future for the Canadian CPA profession.

It is only through a shared sense of purpose that Canadian CPAs can continue to have the impact and influence we are exerting on the national and international stages. We have the attention of our global peers; let us use it as a force for change we can take pride in when the time comes to reflect on the 2024 year ahead. ◆

PHOTOGRAPH BY GETTY


World leaders arrive for COP28 UN Climate Conference in Dubai

SKIP

PIVOT

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A household hit
I just wanted to let you know that, as a magazine for non-CPAs, *Pivot* is a hit with my family. When the September/October edition arrived in the mail, my sister grabbed it and was totally absorbed by the article on the Bold Helmet—a special helmet for Sikh children that leaves space for their topknot and patka. While she admitted that some of the other articles weren't geared toward the layperson, she still hasn't returned the magazine to me!

My mother read the previous [July/August] edition—which included the articles about the leatl made from mushrooms, and the recycling of the chopsticks—practically cover to cover, except for the technical article on ESG reporting. She was wondering where she could get more information about the chopsticks: Do they gather the old, used ones, do they charge for pickups, etc.?

Congratulations on an excellent magazine. My mother asked me, "Do you have any more of these?" Ha! So now I will share my back issues with her.

—Donna Pinsky, CPA
Montreal, Que.

Overlooked factors in EV infrastructure
The author, Ali Amad, is correct in that the lack of charging stations is a major barrier to electric vehicle adoption, but his article is notable for what it does not say. He doesn't address three fundamental issues:

- While an EV may well be zero emission in and of itself, it still creates a massive carbon footprint from the mining, production and transportation of materials used in its manufacture.
- The elephant in the room is the battery, which has a limited life and made from materials that are mined and transported. What do the environmentalists say about the operations to produce lithium, whicl is central to an efficient EV battery?
- Even with a sufficiency of chargir stations, how are the massive amoun of required electricity to be generatec Solar, wind and tidal probably can't do the job, and many activist groups oppose nuclear power and hydro-electric generation. So, there is no plan!

In my view, any product or project that requires substantial government subsidy and mandates is probably a very bad idea. The wholesale mandated adoption of EVs in Canada will do virtually nothing to impact global warming, flies in the face of the free market at work and will result in the pointless waste of taxpayer funds (for example, the billions to be given to a highly profitable foreign corporation for battery manufacturing).

—Richard Bennett, CPA, CA
Gibsons, B.C.

Banking on it
I enjoy reading your articles and think the magazine is really informative in many areas. The September/October issue featured the "Trust the System" article, discussing Canadian banks' resilience and durability versus the U.S. system. I truly believe that Canadian banks are at the forefront in the world in these critical

times. The American banking system is far inferior in their governance and security areas, and they should learn that a national regulation system is surely something to be implemented in order to protect American citizens. It has been under review for some time but has gotten bogged down in political posturing. For the sake of American citizens, let's hope things can change.

In Jeff Buckstein's article he states that "no Canadian banks have gone under in the 21st century." While true, Buckstein must remember that both the Northland Bank and the Canadian Commercial Bank were forced into liquidation in 1985. Although it occurred in the previous century, it's still in relative recent history and a sign of what could happen today. Both banks failed due to their heavy portfolio loans to the energy and real estate markets, mainly in Western Canada. It is a reminder that a well-diversified portfolio is critical and that bank regulators have to continue to be diligent in their monitoring processes.

—J. Cameron Thompson, CPA, CMA
Winnipeg, Man.

4th Annual National Summit on Episodic Disabilities and Employment

Moving from Knowledge to Action

DATES: **March 20th & 21st 2024**
TIMES: **12pm – 3:30pm (Eastern Time) each day**
PLACE: **Virtual meeting on Zoom**
REGISTRATION: **is free**

Our Summit theme in 2024 is **Moving from Knowledge to Action.**

The Summit is an opportunity for business leaders, managers, human resources professionals, people living with episodic disabilities, and others to create links between valuable research and actionable workplace solutions. The Summit will catalyze workplace change through sharing best practices and highlighting key research.

Join us! What you learn will help pave the way for a more inclusive and accommodating work environment that supports people living with episodic disabilities and benefits employers too.

(Last year's Summit – Centering Mental Health at Work – drew a widespread and diverse audience. Over 500 people from every region of Canada took part with significant representation from human resource professionals, business owners and managers, civil servants, leaders from the not for profit and educational sectors as well as people with lived experience navigating mental health concerns at work.)

Episodic Disabilities:

Long-Term Pain Multiple Sclerosis
Cancer Asthma Migraines Repetitive Strain Injury
Chronic Pain Arthritis Depression Muscular Dystrophy
HIV/AIDS Chronic Inflammatory Demyelinating Polyneuropathy (CIDP)
Chronic Obstructive Pulmonary Disease (including chronic bronchitis and emphysema) Fibromyalgia Lupus • ME/CFS
Anxiety Bi-polar Disorder Cystic Fibrosis Guillain-Barre Syndrome
Epilepsy Long-COVID POTS (Postural Orthostatic Tachycardia Syndrome)
Substance Use Disorder Crohn's Disease & Ulcerative Colitis
Post-traumatic Stress Disorder (PTSD) Hepatitis B & C Parkinson's Disease
Schizophrenia Diabetes ALS Meniere's Disease
Tuberculosis

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25 YEARS realize
FOSTERING POSITIVE CHANGE FOR PEOPLE LIVING WITH HIV AND OTHER EPISODIC DISABILITIES

PURPOSE DRIVER

STRATEGIST FOR SUCCESS

Linda Raynier's path to becoming a career coach was a difficult one, from initially failing her CFE to being let go from EY. But those temporary bumps on the road served as lessons and opportunities she could share with the thousands of professionals she's helped throughout the years. **BY ALI AMAD**

Linda Raynier knows first-hand that life doesn't always work out the way you expect it to—but that can actually be a good thing. Sometimes, the riskier non-traditional route is better than the safer well-worn path. And sometimes, you have to fail before you can succeed.

Born to Vietnamese refugees who immigrated to Canada in the 1980s, Raynier grew up watching her parents work tirelessly to build a new life in their adopted home of Toronto. "My father took over a tire shop despite knowing nothing about the business, while my mother worked long shifts as a machine operator at a factory," she recalls.

Raynier self-imposed a constant pressure to make good on her parents' sacrifices. Despite excelling in class and being selected as her high school valedictorian, she was never satisfied with her achievements. "I dealt with a lot of self-doubt and insecurity when I was young, which carried into adulthood," she says. When she enrolled as a business administration student at Wilfrid Laurier University, Raynier initially aspired to become a corporate lawyer. As she balanced her course load with a co-op position at EY and studying for her LSATs, the pressure to succeed eventually took its toll. She failed her CFE, a crushing blow to the then-23-year-old's confidence. But with a job offer from EY in hand, she decided to shift her focus solely to a career in accounting.

Another unexpected life transition came about in 2012, when she was let go from EY shortly before receiving her CPA designation. What could have been yet another devastating setback became an opportunity: she found a new job as a recruiter for finance and accounting professionals at a top staffing firm. In that position, she discovered she had a talent for

PHOTOGRAPH BY WADE HUDSON

matching people to roles that suited their ambitions and abilities. She was so good at it that in 2016, she struck out on her own and launched a YouTube channel, where she currently shares her career advice with nearly one million subscribers. Through her YouTube, she offers courses on building resumés and acing job interviews, which helped her become a career strategist.

Now, the Toronto-based mother of two plans to transition her fast-growing business into a holistic enterprise that teaches professionals to find fulfillment in all facets of life by trusting their instincts and being their most authentic selves.

You started off with a more conventional career path as a staff accountant at a Big Four firm. Why didn't that job pan out?
Throughout my childhood, I wanted to pursue a prestigious career. That's why I was drawn to the stability and status of getting hired by a big accounting firm. But the reality of doing audit engagements didn't come naturally to me. I was constantly second-guessing myself and my decisions. Working past midnight every day for weeks on end was the norm during busy season, and I struggled to cope with that too.

To compound things, I hit multiple hurdles in getting my CPA designation—I'd failed both my SOA as well as my UFE exams on the first try. I was embarrassed by how far behind I was compared to my peers. When I was let go along with several co-workers for budgetary reasons, I knew it was also because my managers sensed the same thing I did: I just didn't belong there.

How did you cope with that setback, especially considering that this type of career had been a lifelong aspiration?
Believe it or not, failing the CPA designation exams helped change my perspective on things. When I failed my exams, I cried and felt sorry for myself. My previous inability to pass the LSATs weighed heavily on me too. My self-worth was at an all-time low. But when I finally passed the CFE and got my CPA designation, it instilled this newfound confidence in me that I was capable of doing far more than I thought was possible.

In a way, all my feelings of uncertainty at EY also proved to be a valuable lesson. Instead of seeing my uncertainty as a negative, I saw it as my inner voice calling out to me that something was off. I realized that a traditional career with a big firm was an excellent goal for many CPAs, but that didn't mean it had to be my goal in life.

How did that job lead to your current gig as a career strategist?
After three years with Vaco Lannick, a staffing firm in Toronto, I decided to take a big risk and start my own business. I now had this wealth of knowledge about how to get the right job and I wanted to harness it to empower others to find fulfilling careers.

Today, it's very easy to get sidetracked by attempting to copy the approaches of all the successful entrepreneurs online instead of being your genuine self. But I knew that if I stayed true to myself and focused on adding value and helping people, I would get recognized and attain success. That authentic approach resonated with clients immediately. In the past seven years, I've helped thousands of professionals, many of them CPAs, who've taken my courses.

What are the most common challenges that CPAs face in their careers?
I personally experienced all the most common challenges. Once I got a job at a Big Four firm, I believed that all I had to do now was put my head down and work hard. Many CPAs assume that if you do those things, you'll move up the ladder and get more rewarding opportunities. But hard work simply isn't enough to get you noticed, which is incredibly frustrating for those who are stuck in their career trajectory despite putting in long hours at the office.

But the most recurring issue I've seen in my CPA clients is stress. Every CPA gets overwhelmed with stress at some point in their career, which can lead to health issues and seep into your personal life and relationships.

PHOTOGRAPH BY WADE HUDSON

How do you help your clientele tackle these challenges?
I teach my clients a few key skills and approaches. Hard work is important, but you also need to learn soft skills to get ahead. Emotional intelligence and fostering quality relationships with your peers, clients and managers is critical in building a successful career. I also coach CPAs on how to positively and assertively carry themselves and interact with people in the workplace. It all comes down to authenticity in your daily interactions. Learning how to best sell yourself and be comfortable in your own skin can make a massive difference when it comes to getting promotions and job offers.

Of all the thousands of professionals you've helped, is there a success story that really stands out?
I often think about this particular student who took my online resumé-building course. She was a working mother from Tajikistan—a country I'd never even heard of at the time. Despite being highly educated, she was working a low-paying menial job and struggling to get any offers for better opportunities elsewhere. One day, she contacted me out of the blue to thank me. After taking my course, she got a job that offered her double her previous salary. The career change completely transformed her circumstances: she had financial security and self-confidence for the first time in her life. As a mother of two myself, the fact that I helped another mother in a country nearly 10,000 kilometres away leaves me in awe of the unlimited impact my work can have.

What's next on the horizon for you?
Beyond my career strategist work, I want to guide people to align their careers with their life purpose. We're often guilty of treating our careers as a separate and detached part of our existence, but human beings don't work that way. Our sense of meaning and personal growth are connected to all aspects of our lives. ◆

EQUALLY INVESTED. UNEQUALLY TREATED.

Canadian women's participation in the workforce rose from 37.7 per cent of the labour force in 1976 to 84.6 per cent in 2022, but persistent barriers and inequities exist. Women continue to earn less than men and have yet to achieve equal opportunities. A 2017 McKinsey Canada report noted that gender equity in Canada's workplaces would provide a $150 billion annual boost to the country's GDP by 2026. **BY STEVE BREARTON**

Proportion of women among top executives in select countries, 2020

11.7%
Japan

31.4%
Canada & United States

26.2%
France

38.2%
United Kingdom

The wage gap between men and women is 11.1%

Canadian women earned 11.1 per cent less than their male counterparts in 2021—down from 18.8 per cent in 1998, according to Statistics Canada.

20.5%
Representation of women on Canadian boards of directors in 2020

+15.2%
Change since 2016

31.4%
Representation of women among top executives* at Canadian firms in 2020

+8.3%
Change since 2016

*OFFICERS WHO LEAD THE DAY-TO-DAY OPERATIONS OF A CORPORATION AND ARE APPOINTED BY BOARD DIRECTORS

"Across the board, transparency in the practices that organizations are engaging in is the most valuable way for employers to assist women—transparency in pay, promotion, reward systems, and process for compensation. Making these practices visible will be an important way to assist women to excel—armed with this information, women will be able to advocate for themselves."
—Dr. Nicole Haggerty, Assistant Dean, Mentorship at the Ivey Business School, Western University, quoted in a 2023 report on women in the Canadian workplace from employment firm Indeed

PHOTOGRAPH BY **ISTOCK**

SOURCES: STATISTICS CANADA, MCKINSEY & COMPANY AND INDEED

THE ECONOMIST

THE VIRTUES OF (FISCAL) DISCIPLINE

Governments come and go, but debt remains. All the more reason to demand better financial management from elected officials.

DAVID ALEXANDRE BRASSARD

An economic downturn is beginning to take shape and it will hurt public finances. Data that I've compiled on past recessions shows that it takes five to eight quarters to rebalance each quarter of economic slowdown. So, we can expect budgetary implications well into 2025. Given that we are still reeling on all levels of government from the financial pain caused by the pandemic—and the federal and some provinces continue to run deficits—it makes me wonder just how well positioned the country is financially.

ILLUSTRATION BY KAGAN MCLEOD; PHOTOGRAPH BY FREEPIK

Debt and finances

On the surface, Canada seems to fare well on the international stage, with general government debt representing around 115 per cent of GDP, placing it second among G7 nations (13th among G20 nations). In the United States, this ratio is around 125 per cent. Unfortunately, this indicator (general government debt-to-GDP ratio) has its limitations: during the pandemic, Canada accumulated nearly $400 billion in debt, while the debt-to-GDP ratio showed little change, as GDP rose under inflationary pressures.

From a fiscal perspective, this debt is unreasonable. Each year, Canada uses 40 per cent of its GDP to finance its government operations at all levels, placing it fourth among G7 nations—16th among G20 nations in terms of fiscal competitiveness. On the other hand, the United States uses "only" 30 per cent of GDP to finance their operations. This means that they have more flexibility than Canada to reduce their debt while remaining fiscally competitive in North America.

We also need to anticipate the impact of an aging population. When we look at the numbers, we see that three of the G7 countries with a higher debt-to-GDP ratio than ours (France, 120 per cent; Italy, 150 per cent; and Japan, 250 per cent) have something in common: a more advanced aging population. Clearly, it's time to get our public finances in order.

CANADA NEEDS TO ESTABLISH TIMETABLES FOR A RETURN TO BALANCED BUDGETS IN THE POST-RECESSION WORLD

Guarding against short-termism

The adoption of sound budgeting practices would, in part, limit the scope of discretionary financial decisions made by politicians whose objectives are often short-term. This approach would allow us to leverage the government's experience and expertise in managing a public budget.

In this respect, public administrations need to resume their rightful place in the balance of power. Politicians wield a great deal of influence, but their ability to manage a budget has proved lacking over the years. Even balanced budgets—a basic principle of public finance—have been politicized, and governments have moved away from this goal. The federal government has gone so far as to forgo explicit debt reduction targets in favour of a “steady decline,” based on models that assume the economy will grow at a constant rate. This is far from sufficient.

There are many options for turning things around and they require nothing more than political courage. From the outset, we need to re-establish specific debt-reduction targets to ensure that our public finances hold up in the face of an uncertain and unpredictable economic reality.

We also need to establish timetables for a return to balanced budgets post-recession. Deficit limits could be established based on the performance of the economy, whereby a deeper recession would create more room to manoeuvre on the deficit front. This type of approach would have allowed us to adjust more quickly during the pandemic, when deficits continued to accumulate despite the recovery. Before resorting to deficits, we should invest more time in planning so if something goes awry, we can forecast in a way that respects our fiscal targets.

Most importantly, we should be accumulating surpluses when the economy is doing well. Just as an individual or household should save for a big purchase, governments can create opportunity to generate and invest surpluses, away from political interference. This is an essential strategy given the political pressure to spend, which is at its peak.

There is also work to be done to restore fiscal balance in the country, at a time when the provinces and territories will bear the brunt of the financial impacts of an aging population. If the status quo is maintained, the federal government will have to transfer more money to the provinces and territories. In this respect, I would very much like to see a reduction of resources being siphoned to simply to move money from the right pocket to the left.

Finally, obtaining independent advice on spending at predetermined intervals is sound advice for anyone, doubly so for government. We readily increase programs, initiatives and spending, but when it comes to making cuts, we are much more reserved. An outside eye would provide a fresh perspective on those billions of dollars being spent but no longer serving their intended purpose. ◆

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

ILLUSTRATION BY **KAGAN MCLEOD**; PHOTOGRAPH BY **FREEPIK**

16.5
million dwellings in Canada: of these, 422,000 are owned by non-residents, according to Department of Finance data.

THE BRASS TAX

HOME, AGAIN

The federal government’s approach to tackling vacant homes may not have been the best executed plan

JOHN OAKEY

When the federal government’s Underused Housing Tax (UHT) Act came into effect in January 2022, its ostensible purpose was laid out in its 2020 fall economic statement: “The government will take steps over the coming year to imple ment a national, tax-based measure targeting the unproductive use of domestic housing that is owned by non-resident, non-Canadians, which removes these assets from the domestic housing supply.”

This new one per cent levy, modelled on similar measures enacted in British Columbia and the City of Toronto, also sought to address what some policy-makers assert is a growing problem: foreign investors speculating in real estate. With fierce housing shortages right across Canada, the federal government reckoned it could deploy a national tax-based measure as a means of putting foreign-owned underused dwellings back into the market.

As a general rule of thumb, governments tax for one of three reasons: to raise revenue, to encourage certain activities or to discourage certain activities. But tax measures can and do fail if their administrative costs exceed the expected revenues, or if they fail to either deter or encourage the desired behaviour.

The question is, does the UHT successfully increase the housing supply in Canada by discouraging underused foreign ownership? And does it do this without unintended consequences or significant costs?

According to Department of Finance data, there are about 16.5 million dwellings in Canada, of which about 422,000 are owned by non-residents. Of those, the Department of Finance, citing Statistics Canada and B.C. data, estimates 45,000 are vacant or underused, and 30,000 of those would be subject to the tax, which the Parliamentary Budget Officer estimates would yield about $600 million in gross revenue over five years. Sadly, the cost of administering the program has not been factored into the PBO’s estimates, which calls into question the actual contribution to the government’s annual budget.

Here’s the wrinkle. While the federal government is quite explicit in targeting non-Canadian owners, the original design of the UHT reporting system inadvertently applied to Canadian tax filers when the property in question is indirectly owned through a trust, partnership or corporation. Although there is a specific exemption allowing these indirect Canadian ownership vehicles to avoid the tax, the system as originally drafted captures these Canadians in the administrative burden designed for non-Canadians.

There are scenarios where the reporting burden on Canadians can become extremely onerous. For example, if a Canadian corporate developer is building a condominium complex, and the developer owns each unit (as in, if they've not yet been sold), each condo unit could generate a separate filing. We've heard stories of clients who have hundreds of filings from a single development project.

When we look back at the federal government's goal in introducing the UHT, it was envisioned as a program for non-Canadians. Under the original rules, a significant volume of the filing activity was coming from Canadians indirectly owning property through a corporation, partnership or trust. In the Liberals' 2023 fall economic statement, the government rolled back this reporting burden.

Besides the seemingly unnecessary reporting cost to these exempt filers, there are opportunity costs associated with a tax system that seems to miss the mark in this way. Given a tsunami of new tax legislation, the CRA faces huge operational challenges and limited budgets. Before last fall's proposed changes, the UHT filing requirement placed an administrative burden on the CRA, and thus drew limited resources away from other important priorities. We're pleased to see that the government has recognized that the CRA does not have endless resources available to advance a policy objective that may not actually solve the problem that the policy was designed to address.

Canada, of course, is by no means the only large economy facing a dire housing crisis. Nor is it the only jurisdiction that has sought to use its taxing authority to try and get vacant homes back into the active housing stock. Ireland has such a measure on its books. Similarly, the Australian state of Victoria imposes an additional tax on vacant residential land, also to encourage owners to put those properties to work. New Zealand is also actively considering its own tax.

Canadians need to know if this policy will actually succeed in easing the housing crunch, and the evidence on this point is unconvincing. Even if the UHT succeeded in moving every one of the 30,000 subject vacant homes onto the market, it would increase Canada's housing stock by less than a fifth of one percent. By comparison, Canada Mortgage and Housing Corporation recently estimated that for the country to provide enough affordable housing to keep up with population growth, we need to add another 3.5 million homes by 2030, bringing the total housing supply to 22 million. That works out to about 40,000 to 50,000 monthly.

While we should laud governments for trying to tackle the housing crisis, it's difficult to defend an approach that's long on administrative costs but very short on results. ◆

John Oakey, CPA, is Vice-President of Taxation at CPA Canada.

SOCIAL Qs

THE KIDS ARE ALL RIGHT

The information age enters a new stage in which misinformation is easier to come by than ever—which is why we must equip our youth with the means to harness the power of AI **BY DORETTA THOMPSON**

PHOTOGRAPH BY ISTOCK

When you were growing up, what were your go-to information sources? Encyclopedias? Wikipedia? Google? And how did you access that information—sorting through several volumes of annually updated books, libraries or dial-up Internet? And did you ever question the authenticity of what you learned?

Your answers depend on your generation—which raises the question: what are today's kids growing up with and how will it serve them in a world of increasingly sophisticated generative artificial intelligence (AI)?

In the past few years, we've gone from AI-created images to AI-generated, well, everything. So now it's our duty to prepare today's kids for a world where human minds will be challenged to compete with the continuous learning technology and perpetual stamina of machines.

Many are now turning to AI, expecting its enabled tools to answer our questions, complete our thoughts and even write for us. We're sacrificing intellectual and artistic ingenuity for something that we hope will be authentic, reliable and true. Will our children choose to create, or will art and discourse become the products of language prompts? To that end, we must not allow AI to become a major content creator and instead shape it into a tool of empowerment for future generations.

Teaching kids how to use AI as a tool rather than a Google-like search engine begins with critical thinking skills, learning how to learn and learning how to question what they learn in an objective and rational way.

Exponentially sophisticated generative AI is the new reality… and the stakes have never been higher. ◆

Doretta Thompson is financial literacy leader at CPA Canada.

GUEST COLUMN

EMBRACING THE SPECTRUM

Many companies talk about inclusion but not enough have embraced neurodiversity within their workforces

DR. MARIE-HÉLÈNE PELLETIER

In today's rapidly evolving corporate landscape, the inclusion dialogue is gaining necessary traction, embedding itself at the core of organizational strategies and values. Yet, an often-overlooked facet of this dialogue is neurodiversity, an element that is integral to fostering a dynamic, innovative and resilient workforce.

Neurodiversity: A social movement

Neurodiversity is a term that was coined in the late 1990s by Australian sociologist Judy Singer. It's not a medical term or a diagnosis. It refers to the way our brains function, learn and process information. Just as left-handed individuals navigate a world designed for the right-handed majority, neurodiverse individuals grapple with environments not always tailored to their unique wiring. As such, it becomes common for them to believe something is wrong with them or for others to underestimate their abilities.

Traditionally, the narrative around neurodiversity in the workplace has been somewhat constrained. The focus often fell on the perceived limitations or accommodations that individuals with autism, ADHD or dyslexia might require. The conversation was primarily rooted in a medical or pathological model, where neurological differences were viewed through a lens of disability, often emphasizing the challenges and overlooking the strengths. Employees with these characteristics were sometimes unfairly labelled, and their unique skill sets and perspectives were underutilized or overlooked. The emphasis was on adapting these individuals to fit into pre-existing workplace structures rather than adapting the workplace to fully leverage their unique abilities.

But a new perspective is emerging, one that recognizes that difference does not equate to negative. It's a perspective that considers the full spectrum of human abilities and has profound implications for everyone in the workplace, whether they identify as neurodiverse or neurotypical.

15-20%

The portion of the population that is neurodivergent according to different studies.

Organizations include large and potentially unrecognized neurodiverse populations with significant and hidden talents. In recent years, innovative organizations such as Microsoft, EY, JP Morgan and Ford have all adopted inclusive recruiting processes, reporting success in hiring neurodiverse people, decreasing turnover and increasing retention rates. A conscious effort to embrace and support such diversity leads to more creativity, innovation, productivity and resilience, and everyone benefits.

Resilience and neurodiversity

Resilience pertains to the ability to endure adversity, adapt and emerge even stronger. Resilience is paramount in a corporate workplace marked by constant regulatory changes, economic uncertainties and shifting market dynamics.

The resilience mindset recognizes that every person, neurodiverse or neurotypical, possesses distinctive strengths and challenges. It sees the whole picture.

Consider the case of an accountant with ADHD who struggles with focus and time management but possesses an extraordinary ability to think creatively and identify patterns that others might miss. Or an autistic colleague who excels in attention to detail, making them an invaluable asset in auditing processes. In both instances, the focus is not solely on the challenges but on the individual's unique strengths and contributions.

By shifting the mindset from deficit-focused to resilience-focused, organizations can unlock the full potential of all individuals, enhancing innovation, productivity and adaptability within teams and organizations.

The business case for neurodiversity

Organizational climates that connect neurodiversity with inclusion and ethical climates do better. And there are many benefits:

- **Creativity and innovation:** A diverse team, including neurodivergent members, brings various perspectives and problem-solving approaches together. This diversity can lead to innovative solutions to complex financial challenges, giving organizations a competitive edge in a rapidly changing business environment.
- **Productivity:** Neurodivergent individuals often possess hyper-focused abilities in areas that align with their interests and strengths. Harnessing these talents can significantly boost productivity

ILLUSTRATION BY KAGAN MCLEOD; PHOTOGRAPH BY FREEPIK

within teams. Moreover, neurodivergent individuals are often strongly committed to their work, contributing to a positive work ethic.

- **Resilience:** Neurodivergent individuals have, by necessity, developed resilience throughout their lives as they navigate a world that may not always understand and accommodate their differences. This resilience can be a valuable asset within organizations, helping them weather storms and adapt to unforeseen challenges.

However, more is needed to acknowledge the benefits of neurodiversity; organizations must actively create a culture of inclusion and support.

Implementing A neurodiversity strategy

- **Education and awareness:** Start by educating teams about neurodiversity. Encourage open conversations and dispel myths and misconceptions. Awareness is the first step toward fostering an inclusive culture.
- **Flexible work environments:** Recognize that neurodivergent individuals may thrive in different work environments. To accommodate their needs, offer flexibility regarding workspace, hours and work arrangements.
- **Mentorship and support:** Establish mentorship programs that pair neurodivergent individuals with experienced colleagues who can provide guidance and support. Creating a strong support network is crucial for their success.
- **Inclusion training:** Invest in inclusion training for all employees to ensure that everyone understands the value of neurodiversity and feels empowered to contribute to an inclusive workplace.
- **Accommodations:** Be proactive in identifying and providing reasonable accommodations for neurodivergent employees. These accommodations can range from noise-cancelling headphones to alternative communication methods.

The benefits of embracing neurodiversity extend beyond immediate work environments. They extend to society, setting an example for inclusivity. When organizations consciously create and support inclusive climates, everyone benefits. Neurodiversity is not a challenge to overcome, it's a strength to harness. ◆

Dr. Marie-Hélène Pelletier is a keynote speaker, workplace psychologist, executive coach and author of The Resilience Plan: A Strategic Approach to Optimizing Your Work Performance and Mental Health *(Feb. 2024).*

SHAM, WOW

A catalogue of recent cons **BY ANDREW RAVEN**

EVERYONE, EVERYWHERE ALL AT ONCE

Just how widespread is fraud in Canada? Very, according to a recent survey from think tank TransUnion.

The company found that 49 per cent of Canadians were recently targeted by scammers, with six per cent falling victim to fraud.

The industries with the largest jump in fraud attempts were telecoms, insurance and what TransUnion called online communities, a category that includes Internet dating.

SPEAK OF THE DEVIL

In what cyber security experts warn could be the next frontier of fraud, a Saskatchewan grandmother was swindled out of more than $7,000 after it's been theorized that scammers used artificial intelligence to mimic her grandson's voice.

The 75-year-old Regina woman told the CBC she received a call last year from someone "who sounded so much like my grandson." He said he had been arrested after crashing his car and needed $7,000 for bail.

After forking over the money, the woman spoke to her actual grandson, who said he was fine.

Just days before news of that case surfaced, an Arizona woman recounted to the U.S. Senate a harrowing phone call she received from someone claiming to be her daughter. The teen said she had been kidnapped by "bad men" and begged for help, said the woman, Jennifer DeStefano. She would only realize later that her daughter was resting comfortably in bed.

Experts say fraud attempts like those are on the rise. Several commercial websites offer voice cloning services for a small fee, with some claiming they need as little as 30 seconds of speech to duplicate a voice.

HOPES AND SCHEMES

An Ontario man has been arrested in connection with a nationwide scam that saw multiple victims tricked into thinking they had won the lottery.

Police say the man targeted "older adults," telling them they had scored a jackpot worth millions of dollars. The catch: they had to pay "taxes" for their winnings to be released. The victims were told to send their money to the suspect, who lived in the city of Brampton.

The scam began November 2020 and lasted for two years, said police in a media release. Officers from Moose Jaw, Saskatchewan, to Bridgewater, Nova Scotia, took part in the investigation. The 60-year-old suspect has been charged with multiple crimes, including four counts of fraud over $5,000.

So-called lottery scams are one of the most common types of fraud in Canada.

The scheme has several variations, but experts say it usually involves victims receiving a letter, email or phone call telling them they have hit it big. Fraudsters ask victims to either send a money transfer or prepaid gift cards to cover taxes and fees on the winnings.

PHOTOGRAPH BY ISTOCK

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GUEST COLUMN

TOMORROW'S LEGACY, TODAY'S TAX BREAK

Individuals and corporations alike can preserve Canada's natural heritage while optimizing tax benefits

NATASHA VAN BENTUM

Habitat loss and degradation are the greatest threats to biodiversity in Canada today. Many key habitats, from marshes to grasslands, are on private property with landowners playing a vital role in their conservation. Thanks to its tax advantages, Canada's Ecological Gifts Program grants Canadians the ability to leave a legacy for tomorrow with a tax break today.

With the Ecological Gifts Program being so unique, more CPAs should know about it. They play a valuable role in making ecological gifts happen, along with financial advisors, estate planners and other professionals. The Ecological Gifts Program is made possible through provisions in the Income Tax Act and the Quebec Taxation Act and is administered by Environment and Climate Change Canada. It provides a way for both individuals and corporations with ecologically sensitive land to protect nature and leave a legacy for future generations, while also reaping benefits of their own.

For example, there may be clients (individual or corporate) who own property that includes significant wildlife habitat, such as forest, grassland or wetland. But what happens when the landowner can no longer care for their property, or if they have children who aren't interested in maintaining it? They may worry about the tax consequences of selling their land (such as capital gains tax) or that the pristine land they have cared for over decades may be developed into something garish.

Ecological gifts are made by the donor to an eligible recipient, such as a land trust or a government body. These recipients then become responsible for the conservation of the donated land's biodiversity and environmental heritage.

Qualified donations of ecologically sensitive lands, or of conservation easements, covenants and servitudes, are eligible for special tax benefits beyond those offered for most other types of gifts. Advantages of ecological gifts include no tax on capital gains and no limit on the total value eligible for deduction or credit in any one year, and any unclaimed amount may be carried forward for up to 10 years.

Corporate donors may deduct the eligible amount of their gift directly from their taxable income, while the eligible amount of a gift made by an individual (or an individual's spouse or common-law partner) is converted to a non-refundable tax credit. The donors receive a charitable receipt for the fair market value of their donation.

To be eligible, the land must qualify as ecologically sensitive and be certified as such by the Minister of Environment and Climate Change. The landowner then presents an appraisal of the fair market value of the property for review by the minister. The fair market value is determined by the minister, and this process can be completed before the decision to proceed with the gift is made.

Since 1995, Canadians have made more than 1,800 ecological gifts across the country. To date, more than 240,000 hectares of private land are protected at a value of over $1.2 billion. Each donation, no matter how small, makes a substantial contribution to protecting species and habitats across the country for future generations. In the words of Karen Cooper, KPMG Law: "Without the help of professional advisors who are familiar with the Ecological Gifts Program, these kinds of donations may not occur." ◆

Natasha van Bentum is Outreach Advisor for the Ecological Gifts Program, Canadian Wildlife Service, Environment and Climate Change Canada.

ILLUSTRATION BY **KAGAN MCLEOD**; PHOTOGRAPH BY **ISTOCK**

BY THE NUMBERS

STATE OF THE UNION

In Canada, 2023 was the Year of the Strike. Skyrocketing food and housing prices and lagging wage growth have emboldened workers and unions and contributed to job actions from federal public servants, grocery workers and port workers, among others. And with ongoing low unemployment and high demand for workers, labour unrest seems likely to continue in 2024. —*Steve Brearton*

Canada has more than 5 million unionized workers.

5.181 MILLION

Canadian union members as of August 2023

3.060M	2.121M
Public sector	Private sector

Union jobs in Canada, on average, pay more.

Average hourly wages in Canada 2022*

$34.47	$30.87
Union	Non-Union

*NOVEMBER 2022

Newfoundland and Labrador residents are most likely to be unionized, Albertans least likely.

Percentage of employees with a collective agreement by province, 2022

39.7% NL	30.3% NS	38.8% QC	34.6% MB	23.9% AB
34.2% PEI	30.8% NB	26.4% ON	34.2% SK	29.7% BC

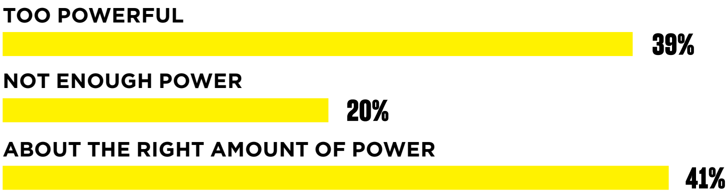
But union membership for Canadian employees dropped 8.9 percentage points between 1981 and 2022.

37.6%	28.7%
1981	2022

SOURCES: ANGUS REID AND STATISTICS CANADA

In 2023, six in ten Canadians believe unions have the right amount of power or should be more powerful, according to a September Angus Reid poll.

Would you say labour unions in Canada are too powerful, not powerful enough or about right?



Canadians support the right to bargain—even at the cost of economic harm.

Nearly half of Canadians believe the right to bargain should outweigh potential economic damage brought by strikes, according to a September 2023 Angus Reid poll.

47%
Right to bargain outweighs economic risk

37%
Economic risks outweigh the right to bargain

16%
Not sure

Workers' wages haven't kept pace with inflation.

+6.8%
Annual change in Canada's consumer price index in 2022

+5%
Annual change in average hourly compensation in 2022

It's time for workers to catch up.

"This feeling of empowerment within the labour movement has been absent on a big scale for a very long time. And it is rooted in the average worker knowing that they have been getting a raw deal for so long."

Peggy Nash, Chair of Toronto Metropolitan University's Centre for Labour Management Relations, commenting on the resurgence of Canada's labour movement.

2023 was the Year of the Strike

Canadian work stoppages (person days not worked, 2021 to YTD 2023)

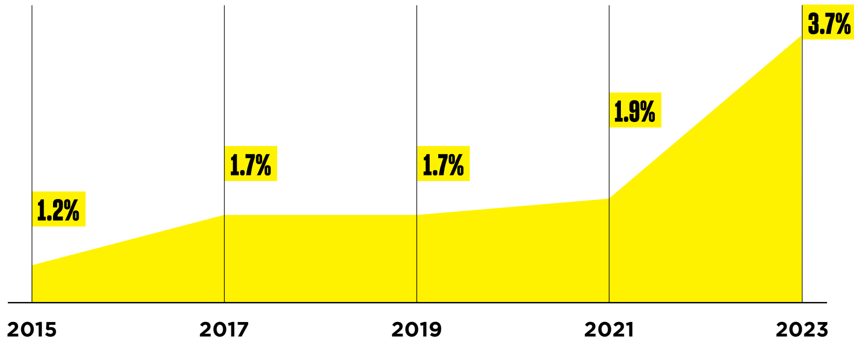
1,323,637
2021

1,892,902
2022

And wage settlements jumped significantly in 2023.

Average biannual wage increases by collective bargaining settlements, 2015 to YTD 2023*

*JANUARY TO JULY 2023



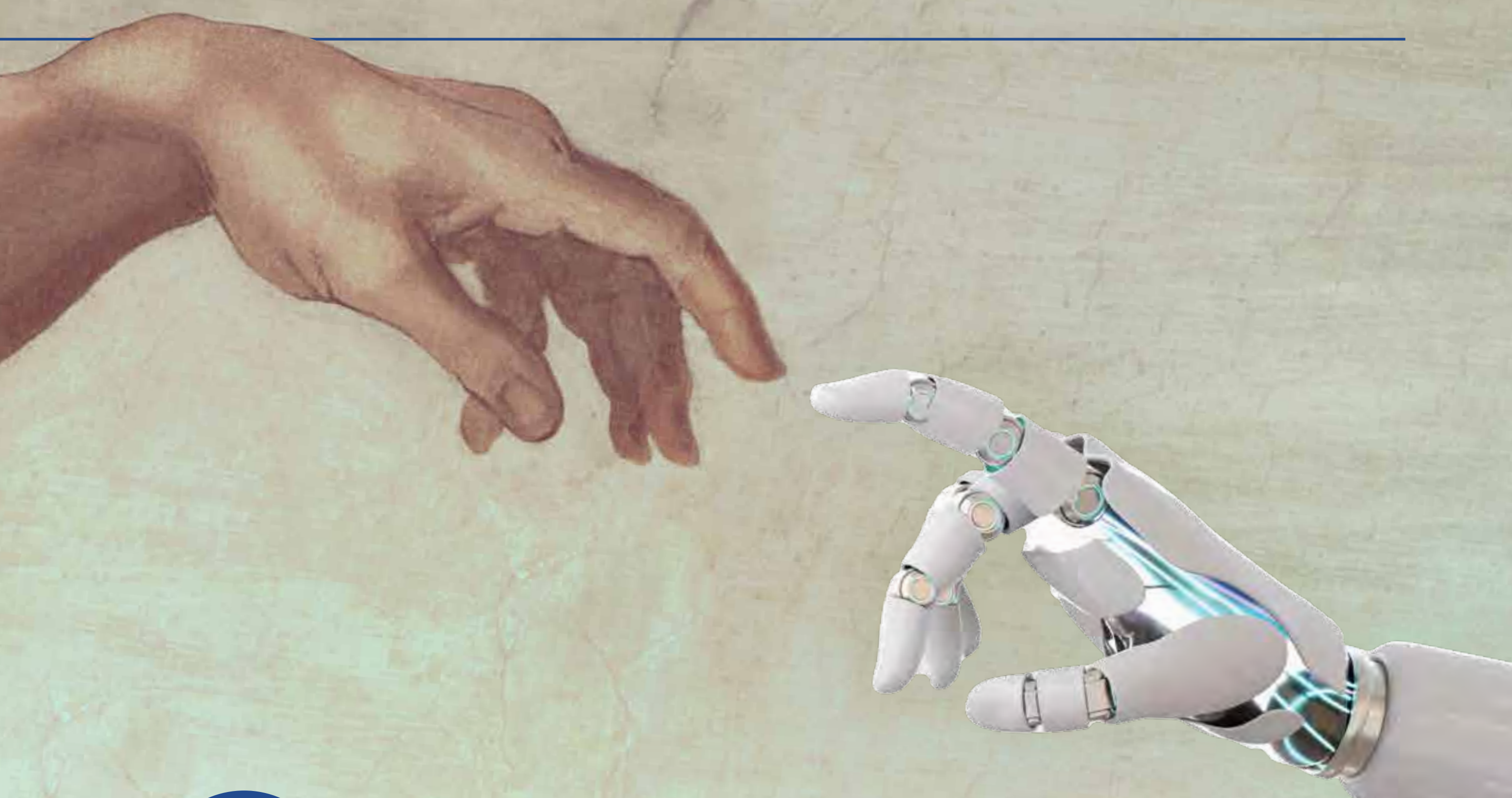
"Workers made it abundantly clear that they needed to see real wage gains in the first year of the agreement to address the affordability issues they currently face, which is exactly what we accomplished in this new contact."

Gord Currie, President of Unifor Local 414, representing Metro grocery workers and others, celebrates a contract settlement in August 2023 that provides full-timers with a pay increase of $2.00 per hour.

PHOTOGRAPHS: ISTOCK

FORECAST 2024

From AI to Web3 to blockchain, and the scams and hoaxes that accompany each one, the future of finance is anything but clear. To help you navigate the year ahead, here's a look at where business is going and how it's changing.



PHOTOGRAPH BY GETTY IMAGES

Embracing the AI advantage

Industry experts forecast the future of generative AI in accounting and business

By Coleman Molnar

The 'robots' have come for our jobs enough times at this point that we really should know to simply get out of their way. After all, they've taken over the more arduous and mundane tasks and have assisted the human workforce, boosting productivity at those organizations that embrace them.

Generative AI isn't likely to be any different. In the now-famous words of Karim Lakhani, professor of business administration at Harvard Business School, "AI is not going to replace humans, but humans with AI are going to replace humans without AI." And seeing as it's here to stay—just ask Siri—those professionals also looking to stick around should probably be paying attention.

The fall of prompt engineering

The job title prompt engineer has sprung into prominence over the past year as organizations look to capitalize on generative AI's full capabilities. Prompt engineers are individuals who create and refine instructions for generative AI programs—and they've recently been enjoying something of a moment. But Zohaib Akhtar, senior manager of Omnia AI, Deloitte Canada's AI Practice, says those days may be numbered.

"The models will no longer need that sort of consistent prompt engineering, or that sort of an input to provide us with outputs," he says, giving the example of a generative AI program sourcing information from government regulations on trade programs for businesses. Today, prompt engineers might enter a series of directions to first find the appropriate regulation, then summarize it, then draw the key insights from the summary, and so on. "Instead of doing these five different prompts," Akhtar explains, "I could simply say, 'Give me the most important regulation' and the system would be smart enough to now know that in order to get to that stage, I need to first summarize, then I need to look at the key themes, then I need to synthesize further."

A new career path for knowledge workers

As the national transformation leader at PwC Canada, Chris Mar believes that knowledge workers will continue to benefit from AI developments, but how they work will be key to think through.

"A lot of the lower-order cognitive tasks are going to be accelerated," says Mar. "Knowledge workers who harness this technology are going to create a whole lot more output, but how are employees actually going to learn these skills and acquire these new capabilities?"

Today, says Mar, most companies use an "apprenticeship model" in which a new hire learns new skills on the job from both human and technical resources. "If a lot of these lower-order cognitive tasks are now being automated by technology, how are they actually going to know enough to make use of the tool in an effective way?" That could result in a very different early career path for a lot of young knowledge workers, thanks to generative AI.

'Blurred Lines' between AI and generative AI

As we all begin to use the various forms of artificial intelligence, Deloitte's Akhtar says we'll soon start to see more of a "blurred line" between the two currently distinct forms. "At some point, it'll just be referred to as AI," he says. "And that is probably the best way to proceed, because obviously generative AI in combination with AI will continue to evolve, will continue to improve. And it'll probably either be just referred to as Gen AI or AI, but... it'll potentially leverage the best of both worlds."

The productivity arms race fallout

With AI being harnessed by an increasing number of organizations in a multitude of ways, productivity has been skyrocketing. But what will brands and businesses do with those suddenly-available hours? "Let's say you saved 10,000 hours out of your business by deploying this technology," says Mar. "Are you going to downsize? Or are you going to reinvest that newfound capacity—those people—and redirect them to do something of higher value? I believe the better companies are going to think about how they can strike the balance."

The evolution of the CPAs role

While Mar notes early career paths will change, Taryn Abate, CPA Canada's director of research and thought leadership, believes that change is accompanied by a continuously evolving future role for CPAs. "Finance professionals and assurance providers are increasingly incorporating analytics, RPA and AI into their processes; this will only continue as the accessibility to and power of AI increases". CPA Canada and the American Institute of CPAs (AICPA) are developing a series of resources on the evolution of AI and the professional accountant's role. "This series aims to build an understanding of the progression and adoption of AI in professional accounting and audit and explores the role of the CPA in the responsible development and use of AI."

Michal Šimečka, leader of the Progressive Slovakia party

PHOTOGRAPH BY GETTY IMAGES

Future of Cons

A catalogue of the cons, frauds and scams to come

In the ever-evolving business landscape, a new year heralds not only promises of fresh opportunities but also a continued cat-and-mouse game between scammers and those striving to safeguard their financial interests.
As we explore the forecast of trends for the upcoming year, it's imperative to shine a spotlight on the dark underbelly of these advancements—the world of scams.

P2P threats

Peer-to-peer transactions are quick and convenient payments made in real time, which makes them a target for both scammers and fraudsters. While many popular P2P services like Venmo, Zelle and Cash App are unavailable in Canada, that may change with a push toward a more competitive Canadian banking sector. The closest we have is our trusty Interac e-transfer (although it uses our financial institutions as the go-between in these transactions).

The concern with some American P2P services, should they make their way here, is their scam and fraud policies. Zelle, for example, has a zero-liability policy when it comes to fraud perpetuated on a user, but no such policy exists in the case of authorized push payments (APPs), where a user is scammed into sending money to a bad actor.

9 per cent of P2P users who use it at least once per week have been the victim of a scam

Sound familiar?

In a recent McAfee study of 7,000 participants, one in four people have, or know someone who has, experienced an AI voice scam. And of those people, 77 per cent lost money as a result. Like most tech-based scams, advancements in AI not only help make this easier but a lot faster, with some voice-cloning technology requiring only five seconds of audio to be able to replicate a human voice. The implications of its misuse stretch far beyond dollars and cents, as voters in Slovakia found out. Two days before the national election, an audio recording of Michal Šimečka, leader of the liberal Progressive Slovakia party, leaked on Facebook apparently discussing how to rig the election through buying votes. It was quickly debunked by Slovakian news agencies, although Šimečka still lost the election in a tight race.

Seeing double

As the number of our online purchases proliferate as fast as our social media accounts, so, too, do the chances of our personal information leaking. This form of fraud can impact consumers and financial institutions alike, with fraudsters applying for credit using these fake identities. They accumulate debt and often default on payments, causing substantial financial losses to banks and lenders. The losses can result in increased interest rates or fees for legitimate customers to compensate for these losses.

According to an Equifax Canada report, synthetic identity fraud made up for **68.5 per cent** of all fraudulent credit card applications in 2023

Malicious intent

We've all become familiar with malware and ransomware threats. And AI is increasing the volume and threat level of attacks. In 2022, ransomware payouts amounted to less than $500 million, as reported by the blockchain analysis firm Chainalysis. However, the narrative shifted in 2023, as victims shelled out up to $449.1 million within the initial six months. With would-be hackers now looking to ChatGPT to generate codes to launch cyberattacks, these numbers are more likely to get worse before they get any better.

340 million people have been impacted by data breaches and leaks between January and May 2023

A cyberattack happens every **39 seconds**

THUMBS UP *THUMBS DOWN*

SUPERMARKET SOLUTIONS

The Competition Bureau released its study on Canada's retail grocery market after calls for change from consumers feeling the burden of food inflation. The study lays out some recommendations to the government for increased competition to combat fast growing prices.

EV RACE

SWITCHING GEARS

BYD overtook Tesla as the world's leading electric vehicle manufacturer in 2023. Combined with Toyota's 2027 plan for a 10-minute charge and 1,200-kilometre-range EV, it signals increased competition and positive eco-impact.

CLEANING UP

In a move sure to simplify and declutter, Apple is switching to USB-C charging for all its smaller electronic products, from smartphones to the Apple Pencil. It will not only eliminate charging cable confusion but will allow Apple to abide by European legislation aimed at creating a universal USB-C charging standard (and to pre-empt similar potential legislation in North America).

IN THE LEAD

ChatGPT has become the leading representative of what AI can offer to the common person—a conversational AI model that answers questions and can quickly generate long-form text. Curiosity and interest helped ChatGPT reach over 100 million active users within its first two months, the fastest-growing consumer software application ever.

NFT COLLAPSE

Non-fungible tokens, once the hip trend in the digital assets space, have now been declared worthless with 95 per cent of NFT assets declared unprofitable investments in a 2023 report.

X DOESN'T MARK THE SPOT

Ad revenue on X, formerly Twitter, dropped at least 55 per cent year over year each month since Elon Musk purchased the social media platform in October 2022. This comes on the heels of controversial name change, which some experts call a mistake as it undoes over 16 years of equity and brand recognition.

FACE VALUE

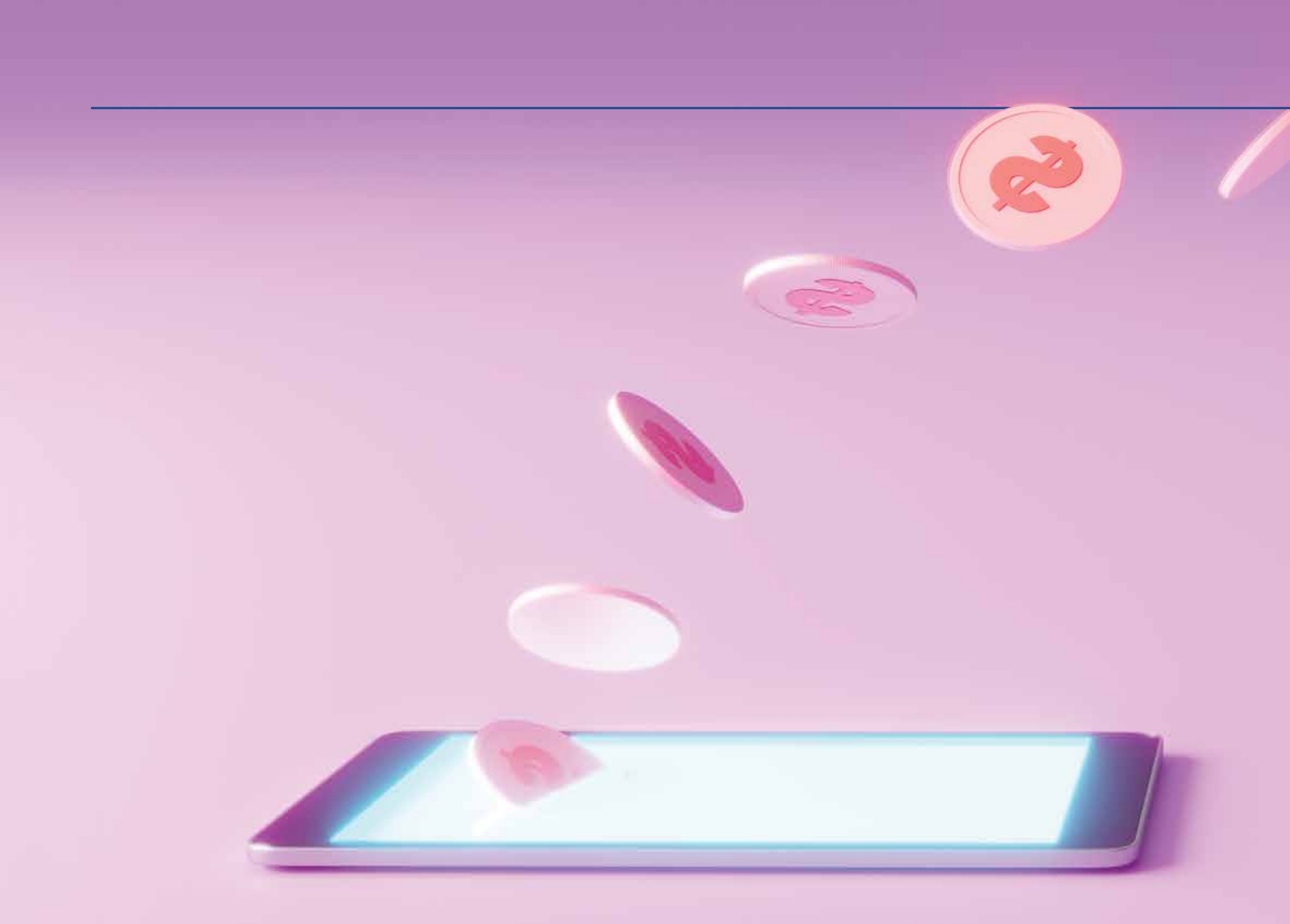
We waited nearly a year to find out X/Twitter's value after Musk bought the company for $44 billion, and now there's an answer. X employees were granted equity in the company at a valuation of $19 billion, a 55 per cent drop.

FRESH COAT OF PAINT

Amid a year filled with controversies, Indigo and Loblaws have appointed new CEOs, Heather Reisman and Per Bank, respectively, in an effort for both Canadian empires to move past recent turmoil. While it's too soon to say whether the new leadership has paid off, all eyes will be on both companies in 2024.

META'S PLAY

Meta's foray into the generative AI world adds a unique twist by partnering with celebrities to "play and embody" the characters of different AIs. Snoop Dogg is Dungeon Master, offering choose-your-own adventure fun; Tom Brady is Bru, the sports bro; Charli D'Amelio is Coco, the dance enthusiast. Will this be the successful fresh approach on the new technology or a blunder in the human-AI relationship in the digital age?



Web3 and the blockchain advantage

Web3 proves that the future of digital currency on the Internet is as easy as 1-2-3

By Alyssa Schwartz

Last summer, as inflation soared 124.4 per cent over the previous August, Argentinian investors began flocking to a new type of cryptocurrency, one that's linked to the U.S. dollar.

With their wild fluctuations, Bitcoin and other digital currencies are still often viewed as fringe by many investors. But according to Jonathan Mirarchi, a CPA and senior associate in tax digital enablement at PwC Canada as well as co-founder of Web3 Montreal, emerging currencies such as USD Coin (USDC) represent a significant leap toward bringing crypto—and the entire Web3 ecosystem—into the mainstream.

"Because of the inflationary crisis, there are limitations on how much U.S. money each person is allowed to acquire due to limited liquidity," says Mirarchi. "But because of crypto, Argentinians are actually able to buy U.S. dollars from a global market and hold those dollars in their own custody and not have to rely on the banking system to access it."

It's an advance that propelled Argentinians to one of the highest levels of cryptocurrency ownership in the world—and a sign of what's coming in the Canadian financial sector (despite not sharing the same level of inflation), Mirarchi says.

"We're starting to see major institutions investing a lot of time and effort into these new products," he says, citing PayPal USD, which launched last August, as one example. "It makes sense for a company like PayPal because they process a lot of global payments on a daily basis. What we're going to see as these new types of payments become common is they're going to decrease settlement times to near

PHOTOGRAPH BY ISTOCK

instantaneous, they're going to decrease interbank transaction fees to near zero and they're going to allow for a global settlement of dollars with an efficiency we've never seen before."

But stablecoins are just one of the Web3 advances Mirarchi believes will upend finance, investing and the work of accounting as we know it.

"Currently we live in the age of Web2, which allows us to both read and write on the Internet. Web1 was the Internet of the '80s and '90s that was read-only. Then in the 2000s and 2010s, we were introduced to Web2, which allowed us to interact. It gave us things like social media and e-commerce, which didn't really change the underlying systems, just how we access them. Online banking didn't change the way dollars are held in our bank accounts—it just gave us a platform to view our bank account balance or make transactions online," Mirarchi explains.

"Web3 allows us to interact with assets in ways we weren't able to in the past. People are starting to wake up and realize they can tokenize other types of assets—real estate, bonds, securities—and that's leading financial institutions and banks to start building new products," he says.

While mass adoption may still be a ways off, Mirarchi predicts change will feel "slow, then all at once."

For CPAs, he predicts a steep learning curve—but he also believes the very nature of how Web3 works will resolve significant legacy challenges.

"Blockchain transactions come from a technology that is basically a public ledger," he says. "Every transaction creates a trail that is auditable. Any individual is able to verify and confirm that money has actually been transferred on specific dates to specific people… With an advancement called zero knowledge proof, we will even be able to conduct private transactions and then prove certain conditions are true without having to reveal sensitive information."

Although a lack of regulation might make Web3 feel a bit like the Wild West now, Mirarchi predicts this will change quickly as new innovations bubble up.

"It's like putting cars on the street. As they got more popular, we needed infrastructure, and speed limits and road rules," he says. "There's a large opportunity for accountants who start preparing themselves. It's not a matter of if—it's a matter of when." ◆

BY ROB CSERNYIK

PHOTOGRAPHS BY KATHERINE HOLLAND

Facing industry headwinds and an evolving future, CPAs **Andy Taylor** and **Lyndsay Monk** helped drive a bold transformation of **Gore Mutual,** aiming to push the venerable insurer towards a future of innovation and growth

THE 184-YEAR-OLD START-UP

Nothing was wrong with Gore Mutual Insurance Co. per se. It had a billion-dollar balance sheet and was a profitable, albeit unexciting, medium-size property and casualty (P&C) insurance company. But given the long-term challenges facing the industry, business as usual suggested a possible downward trajectory for the firm, which was founded in 1839 and is headquartered in Cambridge, Ontario. Perhaps it would become an acquisition target for another member-owned mutual insurer, or it would just eventually become obsolete.

By 2018, the writing was on the wall. The brokers who sold Gore Mutual policies were changing, consolidating into regional and national chains and increasingly accustomed to better tech from some publicly traded insurance companies. And, to thrive in future eras of catastrophic climate events and potentially stricter industry-wide regulatory changes, insurers are expected to require increased capital, business model diversification and scale.

Gore Mutual was often lumped in with farm mutual insurers, perhaps due to its co-operative roots (even though it doesn't write farm business), and viewed as a regional player without room to grow. Though valued at about $475 million in premiums five years ago, Gore Mutual was competing against companies with $2 billion to upwards of $10 billion in premiums to attract customers, broker recognition and top workplace talent. That's why in 2018 executives started discussing its future with new urgency. Central to the conversation was a riff on a question fresh graduates get at job interviews: Where did they see themselves in 10 years?

A theme emerged among the concerns that employees, board members and other stakeholders shared about Gore Mutual's future.

"The worry was that we almost had a sense of complacency," says Andy Taylor, chief executive officer and a CPA. That because the company had done well in the past, the same would hold true in the future. Taylor, 50, is used to planning ahead. After working in KPMG's insurance practice, he joined Gore Mutual in 2005 as part of a succession plan to become chief financial officer. He became CEO in 2020.

Though looking a few years down the line was normal at Gore Mutual, in October 2019, the company announced its Next Horizon expansion plan, extending this view to a decade. Executives felt incremental improvement would not be enough to keep up with changes within and outside the industry. Their solution? A commitment to infuse 10 years' worth of capital investment into three years to refashion the company. "Rather than renovating one room at a time, we decided to rebuild the whole house in three years," Taylor says.

Gore Mutual premiums have increased by about $300 million since the launch of Next Horizon. Its workforce has nearly doubled. The company refreshed its branding and opened a new Toronto office in part to shed the farm mutual misconception. With 10,000 square feet overlooking a bustling downtown corner, the company is stepping into the spotlight, symbolizing its new ambition: to become a top 10 national P&C insurer by 2030.

But insurance is an industry slow to embrace change, so Gore's rapid growth has involved steep learning curves, especially for a company not accustomed to a start-up's mindset and pace. But Taylor and his team view this risk as leading to big rewards if they keep their eyes on Next Horizon.

"RATHER THAN RENOVATING OUR HOUSE ONE ROOM AT A TIME, WE DECIDED TO REBUILD THE WHOLE HOUSE."

Ask an executive to list companies that inspire their corporate decision-making and Apple, Google and Uber—known for their growth, innovation and industry dominance—are bound to come up.

Not for Taylor, who says Gore Mutual drew lessons from companies that didn't innovate to meet the moment, losing influence or vanishing entirely. He didn't want to head the next BlackBerry, Blockbuster Video or Nokia.

The goal of staying relevant is less challenging than that of becoming a top 10 Canadian P&C insurer. These firms control about 70% of the market, with the balance held by nearly 200 other firms. According to insurance credit rating and data firm AM Best, Intact Group topped the list at year-end 2022 with $14.2 billion in direct premiums written and 16.7% of market share. (During the same period,

Gore Mutual had $670 million.) Second-ranking Desjardins Group has less than half of Intact's market share ($6.15 billion, 7.2% market share). To crack the top 10 currently requires achieving a similar footprint to Allstate or Northbridge Group, in the $3.27 to $3.51 billion range.

Lyndsay Monk, Gore Mutual's CFO and a CPA, says to avoid falling behind, the company had to act fast, with foresight and pragmatism.

"We don't have as much time and we can't make as many mistakes as other organizations that can access capital," says Monk. Her CPA experience helps her focus on the company's financial performance and risk management, which is critical in Gore Mutual's accelerated growth phase.

During the first phase of Next Horizon, Gore Mutual focused on updating its technology, creating operating efficiencies and infusing the company with new specialized talent. The company had struggled to update its tech for a decade, though it wasn't alone. In 2022, Deloitte reported three out of five Canadian insurers rely on legacy software instead of faster cloud technology.

Monk says Canadian mutuals, often smaller than publicly traded insurers, are more likely to use legacy tech platforms instead of Guidewire, a cloud-based platform commonly used by market leaders. "That was really the foundation," she says. "If we're going to be a scalable, viable business in the future, we need to be on the leading platform."

↑
While some staffers left during the transition, about one third of Gore's workforce is made up of legacy employees

In 2021, Gore Mutual became the first Canadian insurer to use the full Guidewire suite across its policy, billing and claims services. The move helped Gore Mutual automate claims processing—previously a highly manual task—so now more than 90 per cent of its personal lines business gets processed automatically. "We would have measured our processes in days and weeks and now we're talking about minutes and hours around service times," Taylor says.

Mutuals, which can return profits from insurance lines and investments to policy holders through dividends or policy fee reductions, are under less profit pressure than publicly traded firms to meet earnings targets. This allowed Gore Mutual to self-fund its transformative efforts. "We probably wouldn't have been able to do that if we were a

public company because we wouldn't have been able to generate the earnings that would have been required," Taylor says.

The firm worked with McKinsey and Company consultants on aspects of the Next Horizon changes. While McKinsey is notoriously private, senior partner Alex D'Amico expressed bullishness on the future of mutual insurers in a podcast interview. "We think that mutuals have, by dint of their capital structure, a unique opportunity here to help push the industry forward."

Despite this, some view becoming a publicly traded company as the clearest path to growth for a mutual insurer. Companies achieve this through a complex long-term process called demutualization, which converts mutual-owned companies to exchange-listed firms, providing disbursements to mutual owners and selling new shares to investors.

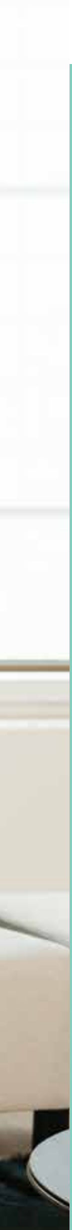
Though several Canadian life insurance companies demutualized in the 1990s, Economical Insurance (now with a parent company called Definity Financial), the first Canadian federally regulated P&C insurer to demutualize, only recently completed the process.

Because it involved creating new government frameworks, it took about a decade for the renamed Definity, now the eighth-largest P&C insurer in Canada, to demutualize. Yet in 2021, that effort paid off with $1.4 billion in shares being sold—Canada's largest initial public offering of that year. Its market cap as of late 2023 was $4.36 billion.

Gerald Hooper, then-chairman of Economical's board of directors, said in 2015 the demutualization would allow the company to "unlock its full potential" and compete with top industry players. Though Gore Mutual decision-makers discussed demutualization, Monk says they did not view it as necessary.

"We made a conscious decision based on our size, our focus on purpose and the expense of demutualization that it really wasn't in the best interest of all our stakeholders."

↑
Monk and Taylor each leaned on their CPA experience to guide the company through its accelerated growth phase



Taylor also disagrees with the contention that demutualization is key to unlocking potential. Instead, the firm is opting for what he calls a "modern" mutual model.

"Our view is that if we could actually combine the benefits of the mutual model but modernize them with access to capital through a combination of high-performing business and inorganic opportunities, we can achieve the same outcome in the coming years."

Recent regulatory changes may help Gore with this quest—including temporarily increasing debt allowances for P&C insurers beyond their previous two per cent limit. Though not only mutual P&C insurers benefit, this shift allows them in particular greater access to capital than before.

Still, it's impossible to undergo a transformation like Gore Mutual has without growing pains. Taylor says the biggest is that the company didn't plan for rapid growth early on, thinking they'd transform for three years before entering a growth phase. Yet the new employees, enhanced broker relationships and operating model updates paid off quicker than expected. Even in Gore's first full year of the plan, business grew 17 per cent. Monk says typical industry growth is closer to six to eight per cent annually.

"THERE'S SOMETHING UNIQUE ABOUT OUR ORGANIZATION. WE'RE HIGHLY RESILIENT."

Then there is the transformation of their workforce to consider. Gore Mutual now has just over 600 employees, compared to about 350 when Next Horizon began.

"Standardization and specialization equals scalability," says Monk. "So we started breaking down roles that would have been generalists."

For instance, the company can break a general claims adjustor role into multiple specialized roles with increased benefits to the company, she says. Claims was a primary area for this, which offered opportunities for cost savings—including through a new special investigations unit for insurance fraud.

Today about a third of Gore Mutual's workforce are legacy employees—some leaving due to natural attrition and retirements—and others exiting because they "preferred the old Gore Mutual," Taylor says. "That's natural when you go through a change on the scale that we've done."

Taylor says the company has attracted "entrepreneurial" and "ambitious" employees. "We have really changed the culture of the organization to be much more high performance driven," Taylor says.

Today a majority of employees don't know a Gore Mutual prior to the Next Horizon plan. Taylor says the plan helps with this culture change as new employees join the firm knowing its ambition and vision. "We talk very openly and excitedly about being a purpose-driven, digitally led national insurance company."

Gore Mutual is now entering phase two of Next Horizon. After the digital transformation and workforce build-out, Taylor says this era of change focuses on performance and harvesting the benefits of the company's unprecedented investments in the business.

Taylor expects the firm will end 2023 with around $715 million in gross premiums, up from about $475 million at Next Horizon's outset. Within the next three to five years, the company plans to harness organic growth opportunities to reach $1 billion. The third phase is what Taylor calls the "true north star of national scale," harnessing M&A or strategic partnerships to reach $2 billion. Taylor says it's unrealistic to take a mutual insurance company from $500 million to $2 billion organically, because of capital and profitability constraints.

"We may actually end up merging with another organization that's as large as or larger than us," Taylor says. But there's a caveat. "We would only do it if it's in the best interest of the company and if we could continue the journey that we're on."

With an average lifespan of S&P 500 companies being two decades, many come and go, and Taylor takes inspiration from Gore Mutual's staying power.

"There's something unique about our own organization, in our DNA, that we're highly resilient," he says. This includes surviving the Great Depression and Recession, wars and pandemics. "We've been able to reinvent ourselves for 180 years." In that sense, Gore Mutual's Next Horizon is as much a plan for the future, as it is business as usual. ◆

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UNINTENDED CONSEQUENCES

BY JOHN LORINC

Changes to Canada's tax system should have eased the burden on individuals and small businesses. But the process has resulted in a complex system of rules and regulations. Is there any way out of this maze?

THE YEAR WAS 2015, and income-splitting had barged into a federal election that was putting the future of Stephen Harper's ruling Conservatives at risk. The previous year, the federal government had proposed an income-splitting benefit for families with children—a move consistent with Harper's affection for demographically laser-focused tax breaks. But during the campaign the following year, Justin Trudeau, then the leader of the third party in the House of Commons, added some populist seasoning to the politics of income splitting, alleging that such measures, when used in the context of corporate taxes, were merely a way for affluent business people to duck their taxes.

"We have to know that a large percentage of small businesses are actually just ways for wealthier Canadians to save on their taxes," he said in an interview with the CBC. "[W]e want to reward the people who are actually creating jobs and contributing in concrete ways."

Trudeau's Liberals won that contest, and in their first budget tabled in the following year, the new government introduced the "specified corporate income" rule—a move designed to prevent private companies from shifting income to unassociated companies as a means of reducing the overall corporate tax rate by gaining access to multiple small business deductions. This was accomplished by excluding income from the small business deduction of that corporation when it was received from a private company where the corporation or one of its shareholders (including non-arm's length persons) held a direct or indirect interest in that private company.

Yet this new anti-avoidance policy came with potential unintended consequences: it also placed a hefty burden on companies that didn't engage in aggressive tax planning, to better understand and document these non-arm's-length relationships.

"These rules basically required businesses to know everything about their clients," says CPA Joe Devaney, director of education at Video Tax News in Edmonton. "It required corporations to know exactly who has an interest in each of their corporate customers—not just knowing who their shareholders are, but, potentially, who their lenders are and beyond." He points out another wrinkle, saying that "the rule doesn't require customers to disclose that information to vendors, it just requires vendors to know the information, which is a problem."

It can be difficult for small companies that have intricate relationships to comply with the rule, he says, which leaves these small businesses and their accountants in a tricky spot: business owners would have to spend heavily in order to follow the letter of the law, but even then, they still may not be able to comply.

Tax systems inevitably grow more complicated over time, and this evolution isn't unique to Canada. But in recent years, Canada's tax system has become increasingly convoluted and difficult to comprehend, even for experienced tax professionals. That trend began to accelerate during the Harper years, with the profusion of bespoke tax credits, like the children's fitness tax credit, and has significantly accelerated under the Trudeau government. Tax experts point, by way of the latest example, to the advent this year of a whole new reporting regimen governing bare trusts.

While tax experts say the government's policy objectives may be well-intentioned, the actual provisions appear to be hastily drafted, without adequate public and expert consultation, with little acknowledgement of the reporting burden on tax filers, and with a surprising lack of input from CRA, which is tasked with administering all the new rules that come out of the Department of Finance and the legislative process.

The CRA, on many occasions, has been left trying to guide taxpayers and their advisors on proposed tax provisions that have not been enacted. As well, newly minted regulations don't always integrate well with older ones, but the government hasn't sorted out the contradictions, leaving it up to tax advisors to figure out a way through the maze. "There are a lot more requirements to report than we had a number of years ago," says Heather Evans, CTF's executive director, adding that efforts by policy-makers to halt avoidance may have precisely the opposite effect because "complexity makes compliance difficult."

Others see an erosion of some core principles in the way the tax system is organized. "Not only do they want you to self-assess," says Al Walker, vice-president of tax and internal audit at J.D. Irving in New Brunswick, "they want you to point out any areas where you might have some risk that you might not be right in the way you've calculated. It's not just that you have to satisfy yourself that you've calculated correctly, but you have to point out the areas where you might have a little bit of weakness, or where someone else might think the answer should be different."

John Oakey, CPA Canada's vice-president of taxation, adds that the reporting burden has had a noticeable effect on both CRA and the profession itself. "All the firms say, 'We don't have enough tax people to do the work we need to do,'" he observes, adding that some practices are becoming more selective in who they take on as tax clients.

While many tax practitioners agree that the rules have become complicated, there's less consensus on how to reverse this dynamic. Some, like Kim Moody, founder of Moodys Private Client, wants to see a wholesale review, modelled on the royal commission on taxation that began in the early 1960s and eventually influenced the 1972 Income Tax Act. He also argues that Canada should become markedly less dependent on income tax to raise revenues, and turn instead to higher consumption or value-added taxes, which are more transparent and easier to administer.

But quite apart from the debate over pulling the Band-Aid off quickly or slowly, the most pressing problem is the need for some sort of acknowledgement by policy-makers that the current approach has backfired. "The system is almost at a breaking point," says Moody. Adds Evans: "You need a government that wants to take this on."

The process by which the federal government changes the Income Tax Act is one characterized by opacity, and the complicated dance between the government of the day and the Department of Finance officials tasked with translating political intention into legal language. Many changes to the act originate on the political side of that relationship. Measures such as the transit tax credit, the various other Harper-era tax benefits, or the more recent Underused Housing Tax emerge from the political process.

For most governments with policy objectives to advance, it can be easier to raise revenues by

Intended as an incentive, the federal transit tax credit didn't lead to increased transit usage

PHOTOGRAPH BY GETTY IMAGES

‘THE PROBLEM IS THAT PEOPLE WHO WANT TO DO IT RIGHT CAN’T. TO COMPLY WITH EVERYTHING WOULD COST MORE THAN ANY TAXPAYER COULD AFFORD.’

changing the tax system than passing spending bills. Some, like the Canadian child benefit, are broadly acknowledged to be effective policy tools, but others produce modest results. The transit tax credit is a case in point: while transit pass users claimed the credit, the incentive itself produced little in the way of the behavioural change sought—increased transit usage. The credit was eventually repealed, but such revisions are infrequent. “Once [a benefit] is in the Act, it rarely comes out,” says Hugh Neilson, director of taxation services at KRP LLP.

Yet the problem of accruing complexity isn’t just caused by poorly conceived political action. Too often, the Department of Finance is left with too little time to properly consult with tax experts and ordinary Canadians.

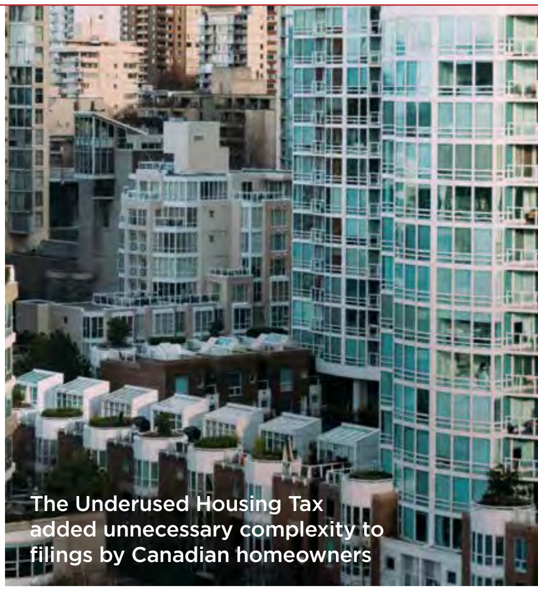
A third factor, notes Oakey, has to do with Ottawa’s desire to plug loopholes in the Income Tax Act specifically to protect the national tax base from leaks, especially in highly competitive global environments where Canada’s trading partners and rivals are trying to attract investment using various means, including tax incentives.

Another driver of complexity has to do with the accumulation of internal contradictions in the tax code, as well as seemingly redundant duplication—two different forms that both require filers to report foreign income, albeit in slightly different ways. Many tax professionals say that recent guidance published by the Department of Finance and CRA increasingly poses difficult choices for filers and advisors, with the difficulty driven by ambiguities within the tax law. “Increasingly, the Income Tax Act has a drafting system that is very complex,” says Evans. “It’s a bit of a morass. What is the government trying to say here?”

In some cases, of course, recent changes are driven by factors other than bureaucratic or political sloppiness. The global push in the past decade or so to find ways to stop money laundering, terrorist financing and the leakage of capital to opaque off-shore tax havens has forced policy-makers to require tax filers to increase their reporting. “Everyone agrees on the importance of stopping this from happening,” says Walker. “But how does the Department of Finance and CRA approach that? They don’t understand the tools they need to stop those things, so they make complex rules for everyone.”

The UHT is a perfect case in point. In Vancouver and Toronto, rampant real estate speculation and suspicions about money laundering in the housing market inspired municipal and provincial governments to impose restrictions on investment. Those moves, in turn, came with demands that governments also create tax penalties for off-shore investors who leave homes vacant. When the federal government moved to follow suit with its own tax, the legislation inadvertently overreached.

As it turned out, a broad range of ownership vehicles were covered by the reporting obligations even though their beneficial owners were Canadians. "Many Canadians are required to file these forms even though the UHT targets foreigners," says Neilson, adding that the federal government ignored warnings from the Senate that it had been given too little time to review changes. "Nobody realized how big this would be." (In the Liberals' 2023 fall economic statement, the government promised to relieve Canadian filers of the unintended reporting obligations created by the original version of the UHT regulations.)


The Underused Housing Tax added unnecessary complexity to filings by Canadian homeowners

The unintended consequence of onerous reporting obligations is that the cost and complexity of adhering to the rules may create even more incentive for filers to adopt aggressive avoidance practices or seek out low-cost tax advice as a means of hedging their accounting expenses. As Moody says, there's "very aggressive tax avoidance, bordering on tax evasion, and complicated punitive rules are also a factor."

Tax experts differ sharply on how to remedy an admittedly gnarly dilemma, the solutions to which will almost inevitably create their own ripple effects in public finances and politics. Moody, for his part, favours a tabula rasa approach, modelled on the process that led to the last major reforms of the Income Tax Act in 1972. He also supports a broad shift toward consumption taxes and away from income tax, which was only introduced in the First World War as a temporary means of raising revenues to fund the war effort. But, Moody concedes, such a drastic shift seems unlikely. "I don't see that happening in my lifetime."

1972
Year the Income Tax Act received its last major overhaul

Evans strongly urges policy-makers to exercise restraint when considering new credits or other reporting obligations. She also says Ottawa could begin to demystify the system by slowing down the legislative process, seeking out more external advice and ensuring that the administration of the tax laws evolves in lockstep with policy changes. "There could be a more collaborative approach to drive change," she says, citing a U.K. initiative to simplify its tax code.

Asked what metric the government might track to see if it has made progress in such efforts, Evans says CRA could track how many individuals succeeded in filing their taxes without mistakes or significant amendments. A more indirect method involves measuring the uptake in entitlements provided through tax law. One way of interpreting a low take-up on a new kind of benefit is that the government has failed to properly educate Canadians on both the benefits and the means of taking advantage of it.

From his vantage point at Video Tax News, Devaney agrees that the Department of Finance needs to slow down its legislative cycle. He argues that this would give the department's officials more time to work closely with the CRA and other stakeholders to gain a clearer understanding of whether a new rule can actually be administered in ways that don't lead to huge collection costs or sharp increases in the fees incurred by taxpayers and businesses simply trying to file correctly.

"The biggest problem for CPAs and Canadians in general is that the people who want to do it right often can't because to comply with everything as it is written would cost more than any taxpayer could afford," Devaney observes, saying that the most striking symptom of what he calls the complexity spiral is the proliferation of egregious reporting mistakes. "We know there's something wrong, but we just can't put our finger on what it is."

For CPA Canada's Oakey, when it comes to tax, any legislation must be accompanied by robust consultation with experts and, especially, the CRA. "CPA Canada continues to advocate for a comprehensive tax review, led by an independent panel," he says. "In the interim, we recommend that the government adhere to a principled approach to tax policy and administration that is driven by purpose and vision, as opposed to politics and expediency. Simplicity, fairness, efficiency and competitiveness are among the most basic principles of a good tax system." ◆

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Hyun Young (Emily) Kim
Laura Kindred
Nakul Kohli
Parveen Kooner
Jonathan Krohn
Alice Kwok
Devon Labuik
Crystal Lafontaine
Patricia Lahoud
Yvonne Lam
Xuyao (Skye) Lang
Yejin (Maggie) Lao
Andrée-Anne Lavoie
Bonnie Lee
Kyoung Ran (Kerrie) Lee
Kevin Letourneau
Amanda Lewis
Yu Jia (Carol) Li
Lisa Li
Yue Xi (Penny) Li
Menglu (Quinn) Li
Ming Xuan (Sam) Liang
Yan (Winny) Lin
Jing Liu
Julian Lombardo
Shuyan (Tim) Lou
Annie Lumb
Huiying (Kelly) Luo
Heather MacPherson
Adityaraj Mankotia
Helen Manuel-Silva
Nikolai Maronski
Phillip Martin
Ashish Mathews
James McConnell
Ryan McDonald
Munjal Mehta
Robert (Graham) Morton
Heather Mountford
Naima Mubashar
Maria Muttoo
Fili Ng
Jonathan Nguyen
Ebire Nyingifa
Shailja Ojha
Christopher Parete
Hiralkumar Patel
Mittal Patel
Neil Patel
Jasmine Phung
Stacey Poff
Emily Poli
Kevin Pranjivan
Eric Purkis
Ryan Quinton
Inderveer Rai
Mary Grace Reblando
Rose Reynolds
Élise Rivest
James Roberts
Deyell Robinson
Derrick Rogers
Xinyi (Rebecca) Rong
Brittany Rossler
Sahaana Ruthirakanthan
Chantal Sabourin
Chris Saikaley
Si Jia Sang
Benjamin Schwarz
Rafael Segalin Zanella
Varun Sehgal
Benveen Selvanayakam
Alessandro Setola
Martin Shackleton
Ansub Shafique
Madhvin Shah
Reshma Sharma
Syed Ali Irfan Shehzad
Bum Jin (Glen) Shin
Amritpal (Paul) Sidhu
Jagdeep Singh
Ravinder Singh
Sarjini Sivanesan
Adam Skoczylas
Anshdeep Sodhi
Nawal Soudah
Jory Stern
Ana Stoica
Michael Sturino
Annastasia Su
Chang Su
Yu Sun
Murugha Sundararajan
Ali Syed
Faiez Syed
Yalun (Ellen) Tan
Oi Kei Iris Tang
Marija Tasevska
Fei Teng
Rakshna Thirumuruka
Emilie Thompson
Nicholas Tremblay
Stephen Troiani
Audrey Tulio
Samuel Turgeon-Marceau
Skylar Turkiewicz
Ries Vahrmeyer
Renee Van
Ryan Vandenberg
Luz (Fernanda) Velazquez Rubello
Lan Vo
Milan Vukovic
Ryan Wallace
Fei (Helen) Wang
Hui (Hillary) Wang
Yichen (Jocelyn) Wang
Linda Wang
Xianpeng Wang
Patrick Martin Wojcik
Brandon Wong
Daniel Wong
Denison Wu
Wei Wu
Yang Xu
Fan Yang
Genan Yang
Ching Ho (Kevin) Yang
Yin Yin
Winnie Yu Wong
Lunrui (Larry) Zhang
Zishan Zhao
Anni Zhu
Ling (Lynne) Zou

Quebec
Marianna Afaunova
Anju Aravazhi
James Baloukas-Apokatanidis
Jesse Boretsky
Stefan Del Gaudio
Mathieu Devost
Georgia Hope Dimopoulos
Frédérique Duchesne
Sean Dugal
Dominic Dulude
Michael Farkas
Yasmin Ghajariyeh
Vincenzo Iacono
Stephen Kanellopoulos
Alex Lacroix
Laurence Lambert
Helen Laverdière
Erin Lesser
Qiong Hu (Jane) Luo
Joshua Luo
David Marcotte
Jean-Marc Poce
Veena Ramchurn
Badrish Raturi
Yiming Shen
Michael Siemaszko
Codou Sow
Valentin Tanasescu
Esther Toledano
Anthony Triassi
Priscilla Tsang Yan Fong
Victoria Usubalieva

New Brunswick
Wei Jiang
Sam Matthew
Karine Ouellette-Levesque
Myriam Plantin-Godin
Stephanie Stapleford
Nicholas Stephens

Prince Edward Island
Tianyi (Tina) Yu

Nova Scotia
Dustin Atkinson
Marissa Slaght

Newfoundland & Labrador
Adrian Barrett
Ryan Gosse
Chelsea Walsh

Sustainable and savoury plant-based smoked salmon

PHOTOGRAPH COURTESY OF **SAVE DA SEA**

EXTRAORDINARY ITEM

FISHING EXPEDITION

How a Victoria-based company is developing faux fish that rivals the real thing **BY ISHANI NATH**

Seafood used to be a staple for Aki Kaltenbach. "I'm half Japanese… seafood is a huge part of our culture," she says. Plus, her father is a chef and avid fisherman, and her family owns multiple Japanese restaurants serving favourites like sushi and ramen. "There was a lot of seafood in my life," says Kaltenbach. That is, until she decided to make some changes.

Approximately six years ago, after learning about the health benefits of a plant-based diet, Kaltenbach opted to go vegan. At the time, she witnessed the "meteoric rise of plant-based meats" like Beyond Meat and the Impossible Burger—but the expanding menu of vegan offerings had a surprising shortcoming. "When I looked for the equivalent in seafood, I could not find a single item," she says. "It just blew my mind." And it sparked an idea.

With the environmental issues of overfishing, health risks of some seafood, supply chain issues, and a growing interest in animal welfare and veganism, recent reports show the plant-based seafood market is growing rapidly. By 2031, this industry is predicted to generate US$1.3 billion globally. Yet, according to the Good Food Institute, a non-profit think tank, as of June 2021, there are only 87 companies in the world producing plant-based substitutes for seafood. To Kaltenbach, this added up to a "ginormous opportunity."

Historically, compared to making plant-based patties or vegan hot dogs, replicating the taste, texture, appearance and nutritional value of seafood, especially raw seafood, has been challenging. And Kaltenbach was determined not only to create plant-based alternatives that tasted delicious, but also ones that were minimally processed. She started experimenting with plant-based menu items for her family's Japanese restaurants in Whistler, B.C., creating options that went beyond the typical cucumber or avocado roll. Using carrots, she developed a smoked salmon alternative

AKI KALTENBACH SAW A "GINORMOUS OPPORTUNITY" IN THE PLANT-BASED SEAFOOD MARKET

for a vegan spin on a Philadelphia sushi roll. She also developed a plant-based ramen that remains a top-selling item. By 2019, she was confident enough in her recipes and the demand to take the plunge and launch a plant-based seafood business, Save da Sea.

The Victoria-based business offers three items: two versions of smoked salmon created using cooked and marinated carrots, and a tuna salad made from jackfruit. Coming from the restaurant industry, Kaltenbach's priorities are taste and texture, but nutrition is a close third. "It is something we are continuing work on, but it cannot sacrifice flavour," says Kaltenbach, explaining that while their products have omega-3s from flax oil, they're always looking for new ways to increase the protein level.

And Kaltenbach isn't the only fish in this sea. In Canada, several companies have launched plant-based seafood products, from Konscious Foods'

Save da Sea's plant-based tuna salad and smoked salmon

vegan sushi, poke and onigiri to TMRW Foods' play on fish cakes. Despite the competition, Save da Sea has seen their revenue double year over year and their products are now sold in more than 500 retailers across the country, including Whole Foods, Healthy Planet and Save-On-Foods. Kaltenbach plans to keep that momentum going, adding a new tuna salad product and launching in the United States.

As Save da Sea expands, Kaltenbach hopes encouraging vegans and non-vegans to eat plant-based seafood can help minimize our impact on oceans. "We can't continue consuming food the way we have," she says. "Changing the way we eat is the easiest and biggest way we can have an impact on our planet." One bite at a time. ◆

ART

A FINE ART

As she prepares to curate the Focus platform at Art Toronto, the pre-eminent art fair in Canada, Kitty Scott details her approach to curation—and why she's always looking for what's not there **BY SADAF AHSAN**

The role of an art curator can be difficult to define; they acquire, they collect, they catalogue. But they also function as historians and documentarians, researching, writing and educating the public about art. If we zoom out even further, a curator has the great power of defining and even shaping the art world—of a time, place and people.

For Kitty Scott, one of Canada's most prolific contemporary art curators, becoming a master at all of the above required learning to see the artist as the true director of the ever-evolving industry. As she puts it, "Artists set the terms. I watch, follow and listen to them."

That ethos was born from a life dedicated to understanding the architects behind so many of her favourite works. Born in St. John's, Newfoundland and Labrador, Scott earned a bachelor of fine arts at Montreal's Concordia University and an MA in curating contemporary art at London's Royal College of Art, then began writing about art and participating in residences at the Banff Centre. In her early years as a curator, she met British Columbia-based couple and collaborators Janet Cardiff and George Bures Miller. Renowned for their work with sound and their efforts to add a new dimension to audio, the innovative pair made a resounding impact.

"I was very excited by their experiential works and I could see that audiences were deeply affected by them," says Scott. "I wanted to work with this art and these artists while finding a bigger platform for this work."

PHOTOGRAPHS BY LILLIE LOUISE MAJOR

Gabrielle L'Hirondelle Hill, *Be Long*

Kitty Scott has been involved in the contemporary art museum field for over 30 years

PHOTOGRAPHS: KITTY SCOTT BY **CRAIG BOYKO**; *BE LONG* COURTESY OF **GABRIELLE L'HIRONDELLE HILL**

Scott has since worked at many of Canada's leading art institutions, including Ottawa's National Gallery of Canada (for which she was the first-ever permanent female chief curator), Toronto's Art Gallery of Ontario, and the Banff Centre for Arts and Creativity. She has also curated countless notable exhibitions, including the 2018 *Liverpool Biennial* and Geoffrey Farmer's installation at the Canada Pavilion for the 2017 Venice Biennale. In addition to all this, she was also an agent for dOCUMENTA (13) in 2012, regularly lectures at art schools and curatorial programs throughout North America and continues to write about contemporary art. This past October, she curated the Focus platform at Art Toronto.

"I love my work," says Scott. "In every position, I have focused on the artists, art, audiences and collection-building."

With a long and storied career, Scott's accomplishments have been many, but the most memorable and important, for her, have included acquiring Louise Bourgeois's "Maman" (1999–2003) for the National Gallery of Canada, and watching an especially engaged audience at the opening of Theaster Gates's exhibition *How to Build a House Museum* (2016) at the Art Gallery of Ontario.

With the exhibitions she has curated having featured such names as Paul Chan, Janice Kerbel, Ragnar Kjartansson, Silke Otto-Knapp, Frances Stark and Ron Terada, Scott has developed a reputation for discovering new, diverse artists with unique messages. That's largely because she has always been conscious of the responsibility she has in crafting their platform, the trust they place in her, and the gift their work can be for even the average gallery audience.

"I want to make sure their work is presented in the best possible way, and that audiences leave having seen, at the very least, something memorable," explains Scott. "I have tried to make exhibitions that share deep insights into the way artists work. It is important to see and learn how they think. Their perspectives differ from our own and open up new ways of seeing the world. As a people—we are desperately in need of alternate visions. One of them might save us in this challenging time."

"I WANT TO MAKE SURE THE ART IS PRESENTED IN A WAY THAT AUDIENCES LEAVE HAVING SEEN SOMETHING MEMORABLE."

When it comes to her curatorial priorities, Scott often considers what is absent as opposed to what there could be more of. She explains, "Are you working in a museum, a residency, or are you making a biennial- or dOCUMENTA-style exhibition? Are you in a major city or somewhere like Fogo Island? My thinking is always responsive to art and artists, and the site of the event itself. Often, I will ask, 'What is *not* happening here?'"

Just as the most cited advice for writers is to "read, read, read," for curators, it's best to take in as much art, in as many places, and from as many artists as you can, says Scott. Otherwise, it's difficult to know exactly what is missing and what demands a platform.

"This is how you learn," she says. "There are all kinds of spaces one can visit. There are the large museums, private galleries, art schools, foundations and artist-run centres. Studio visits are one of the best ways to learn about artists. I like to have long-running conversations and visits with artists. This kind of knowledge-gathering takes years. I also encourage looking at and staying with things you don't understand. Sometimes, this kind of looking brings rewards at a later date. I guess I like playing a long game."

It's that excitement in and dedication to moving with the art world as it evolves, progresses and diversifies that has made Scott the respected, long-time curator she is. It's not only curators, however, but lovers of art who also share in this responsibility to building a more equitable art world.

"There are so many possibilities," Scott says. "Exhibitions, collection-building, writing and programs are all areas where an individual's values are visible. There is much work to be done in the area of collection-building with respect to diversity. Every event is an opportunity to make some kind of change happen. Again, I look to artists. They are thinkers who are exploring the unknown. They are thinking about new ways of living and more equitable and just models. Their potential contribution going forward is immense." ◆

BOOK VALUE

RAGE AGAINST THE MACHINE

Exploring the true cost of technological disruption through the lives lost and industries overturned **BY BRIAN BETHUNE**

For more than two centuries, "Luddite" has been one of the most effective insults to hurl at anyone seen as blocking the march of technological and economic progress. It would immediately bring to mind the familiar image of ignorant and deluded English peasants breaking the factory machinery that paved the way for modern prosperity. But history is always revisited through the lens of contemporary concerns. And in a new era of tech-driven socioeconomic upheaval, when the labour-replacing "robots"—whether defined as mechanical looms or AI algorithms—are coming again, the Luddites are now getting the appreciation they're due.

No one has better told their story than Brian Merchant has in *Blood in the Machine: The Origins of the Rebellion Against Big Tech*. Nor set out its modern-day relevance so well. "By understanding this story, what led to that first rebellion, and the cataclysm that followed," writes the award-winning NPR science reporter, "perhaps we will be able to avert the need for another."

In Industrial Revolution–era Britain, the Luddite movement was an all-encompassing issue in the first two decades of the 19th century. Those years began with a tenth of the British workforce involved in the wool trade, most men and women supporting their families by working within their own homes in the original "cottage industry." And they ended with thousands of shattered mechanical looms, burned-down factories, industry wages slashed almost by half, an explosion of exploited child labour (since skilled and well-paid adult workers weren't as needed) and the triumph of laissez-faire capitalism in a world of surging inequality. Along the way, the Luddites assassinated one hated factory owner, while the British state killed—by execution or armed repression—more than 40 Luddites, and imprisoned or transported abroad many more.

Compelling as the story of the resistance is, Merchant brings his book to another level with the lessons he draws from that era. Far from being uneducated fools with an instinctive propensity for violence, the Luddites spent years petitioning Parliament to enforce its existing industry regulations before spiralling poverty pulled them into direct action. They understood, and often first developed, the machines in question: At one point, workers requested the presence of a machine that measured thread count and thereby established how much workers should be paid. The request was rejected by factory owners, who wanted no part of mandated pay scales.

It was the factories themselves, William Blake's "dark satanic mills," and not the machines that Luddites hated, Merchant writes, the places that took them from their homes, controlled them and turned them from skilled artisans into factory "hands"—a job title that says everything about the owners' perception of their workforce. It wasn't the tech but the uses to which it was applied that were immoral in the Luddite view, the embodiment of property rights trampling human rights. Merchant's book is a powerful corrective to what has been the

THE TRUE STORY OF HOW MACHINES CAME FOR HUMAN JOBS PARALLELS TODAY'S AI DISRUPTION

main lesson we have taken from the Luddites for generations, that it is both impossible and somehow wrong to block or slow technological change. What we should grasp instead, the author writes, is that technology isn't taking your jobs, its owners are.

Blood in the Machine continually shifts perspective between Luddites, factory owners, Parliament and the world of arts and letters. In the latter, Mary Shelley's novel *Frankenstein; or, the Modern Prometheus*—the story, Merchant notes, of "a monster forged of the reckless use of technology"—strongly sympathized with the workers. But most importantly, the author also switches throughout between *then* and *now*, demonstrating striking parallels.

The replacement of adult weavers in their cottages by factory-based children—often orphans turned indentured servants—leads Merchant to the autonomous delivery robots now common on American college campuses. They're not truly autonomous—human hands are always needed to maintain the machines—but they are remotely overseen by workers in countries like Colombia, for $2 an hour. The physical toll on the child labourers, often killed or maimed in their unsafe working conditions—the literal blood in the machines—leads him to Amazon warehouses with emergency vehicles parked outside and waiting for distressed workers, because that was cheaper for the company than air conditioning the buildings.

The robots, whether devices or code, that promise to alleviate hard labour, Merchant argues, actually devalue it in every sense: less pay, less security, less respect.

And why has so little fundamentally changed in the way technologies come into our society since the first wave of tech titans devastated the lives and livelihoods of working-class Britain 200 years ago? Since then, writes Merchant, "every Silicon Valley philosophy—moving fast and breaking things, regulation as the enemy of invention, the gospel of 'disruption' at any cost—is now deeply ingrained in our lives."

That development, for Merchant, leaves us in a situation where we desperately need to learn from our history. All of us, but perhaps contemporary tech titans the most of all, need to grasp one lesson in particular. "People tire quickly of being treated like automatons, it turns out," he writes. "We're all Luddites that way." ◆

TECH

CAN BIG TECH REALLY SOLVE SOCIAL PROBLEMS?

Canadian tech companies are increasingly exploring opportunities for social innovation. But results can vary. **BY KATHERINE SINGH**

For Eva Wong, co-founder and COO of Canadian fintech company Borrowell, the idea to launch a rent advantage program in 2022 had a pretty clear inspiration: their customers needed it. That year, the Toronto-based company, which educates and helps members improve their credit scores, surveyed people with credit scores under 660 and found that 68 per cent of the 2,873 respondents surveyed were renters, and that despite advances globally, Canada doesn't have a credit score program specifically designed to help renters without the involvement of their landlord.

"We found that of our member base [of three million Canadians], people who have a mortgage have credit scores that are on average more than 100 points higher than those who don't have a mortgage," Wong says. While this data isn't necessarily indicative of a causation (you have to have decent credit in order to get a mortgage in the first place), Wong believes one explanation for this discrepancy is that mortgage payments are reported to credit bureaus, while rent payments are not.

For Wong and her team, this was a problem. Credit scores can open, or close, gates for many Canadians, dictating their access to credit cards, lines of credit and eventually homeownership. And it's affecting a vast number of people—renters make up 33.1 per cent of Canada's housing market, a record number per Statistics Canada's 2021 census. It can be especially limiting for newcomers to Canada.

"This feels like a big injustice," Wong says.

It's one Borrowell is looking to correct. So, it now offers a service where the company reports rent payments to Equifax Canada, which helps build customers' credit history.

Borrowell is far from the first Canadian technology company to address social problems, either directly or through charitable donations. The past several years have seen tech companies both big and small put their money—and work—toward combating everything from climate change to equity. For example, tech giant Shopify has partnered with Indigenous organizations to reduce barriers to entrepreneurship, and with women in tech to support and uplift their roles in tech spaces. Peyvand Melati's climate tech company, QEA Tech, is trying to use drones to spot energy loss in buildings as a potential solution to climate change. And in 2017, Tulip Retail's CEO Ali Asaria pledged 80 per cent of his shares to charity. It looks good on paper and, according to experts, can actually do good—but quantifiable impact depends on how companies go about it and how authentic their initiative feels to their bottom line.

While it may feel like the tech industry would inherently be aligned with addressing social problems, the truth is that this emphasis is fairly new.

"The tech landscape has definitely changed in recent years, with an increasing emphasis on addressing social issues," says Celia Edell,

ILLUSTRATION BY **ADAM CHOLEWA**

a postdoctoral researcher at the University of British Columbia. The uptick in tech companies looking to address these issues makes sense, as a part of the constant presence of tech in our day-to-day lives, she says. "The more ingrained tech becomes in our social lives, the more important social issues become to tech."

There are other reasons, too—one being visibility. "The Internet has become even more widely available, with more people becoming Internet literate and social issues more easily known and discussed," she says. "This means that public perception and scrutiny are also more easily known and discussed. [And,] there is a competitive edge connected to having an altruistic and positive brand image. Tech companies know that this is something users value, and no doubt it helps sell their product."

Which isn't to say that all companies are just chasing good press. On a less cynical note, Edell also says many tech companies have ample profits available to devote to social responsibility initiatives, so they're taking advantage of that.

These profits are one of many reasons that tech companies could be just the right entities to look at and address specific social problems. In addition to money, tech companies bring a unique problem-solving mindset, and experience working with nimble teams and lean resources. "The way that tech companies can be different [from government organizations and NGOs] is that they're sort of pushing the boundaries of what's possible," she says. "Tech companies aren't daunted by 'I don't know how we're going to do this.' It's like, 'Okay, let's figure out a way.'"

The issue comes down to figuring out just why a specific company may want to get involved with addressing these social problems—and what their altruism truly means or how far it can actually go. As David Ryan Polgar, founder of All Tech Is Human, points out, it's a complex issue. At the end of the day, these companies are just that, companies, with business models, ad-based revenue, and shareholders to account for.

"One of the inherent tensions that's always happening is that the general public is increasingly recognizing the significance that tech companies play in influencing the future of the human condition and the future of democracy at large," Ryan says. "So now tech companies effectively have a quasi-governmental type of role. How do you align our tech future with the public interest when it's traditionally residing within a private company?"

"THE MORE INGRAINED TECH BECOMES IN OUR LIVES, THE MORE IMPORTANT SOCIAL ISSUES BECOME TO TECH."

It's ultimately up to consumers to decide what they think is authentic and which companies they want to throw their support behind in the most telling of ways—with their wallets. "The average individual as a consumer can sniff out a strategy or a PR stunt," Polgar says. "So [companies' programs] should be authentically related to some larger purpose with any of the work that they're supporting."

Regardless of whether or not an initiative is authentic or just a PR strategy to offset some bad press, it can't be disputed that any support or attention brought to these issues is helpful. "I can't entirely fault [tech companies] for doing what looks good if it actually does good," Edell says. "There is no way of stopping the ongoing digitization of society, so it's important to build social responsibility into the business models driving this shift."

So, can tech companies potentially solve social problems? "No," Edell says. "But with community support and collaboration, resource allocation, diverse input and transparency to consumers, they can make a meaningful impact." ◆

TRAVEL

HAVE A GOOD TRIP

Travel is back in 2024—but it's going to look a little bit different

BY MARYAM SIDDIQI

If you thought your most recent flight was busy, expect things to get even busier in 2024, as the World Travel and Tourism Council has projected the global tourism sector is expected to fully recover from the impacts of COVID-19 and exceed 2019's numbers.

Things may look a bit different, however. Between the intense heat waves that hit southern Europe last year, the cyclone that flooded Auckland, New Zealand, and wildfires in Greece, Maui and multiple parts of Canada—considering the climate emergency while travelling is necessary.

Maple Leaf Adventures' small ships traverse the West Coast

In Booking.com's 2023 Sustainable Travel Report, 76 per cent of travellers said they want to travel more sustainably. And many are taking eco-conscious habits from home on the road with them—67 per cent turn off the air conditioning when they aren't in their hotel, and 60 per cent use towels multiple times before asking for a fresh set.

Jeremy Sampson, CEO of the Travel Foundation, which works to foster tourism that has positive impacts on destination communities, says his organization is seeing increased intention from travellers

PHOTOGRAPHS COURTESY OF MAPLE LEAF ADVENTURES/KEVIN SMITH

Small groups and guided tours are less disruptive to wildlife

CANADIAN TRAVEL COMPANIES ARE LEADING THE CHARGE AS THE TOURISM SECTOR HITS PRE-PANDEMIC NUMBERS

around making better choices when planning holidays. “But there is a gap between intention and action,” he says.

The good news is that it’s getting easier to take action and make plans that are designed to have a positive impact. And there are several Canadian travel companies leading the charge.

Frontiers North Adventures is one. Offering polar bear and beluga whale viewing trips in Churchill, Manitoba, the company is taking a number of steps to show off the incredible nature and wildlife that can be found in the north, while minimizing the impact of doing so. “We are committed to continuous improvement within our operation,” says Ian Wood, the company’s manager of marketing and communications.

Guests explore the tundra with rides on the company’s Tundra Buggies, and the company is in the process of converting its fleet of diesel engine vehicles to electric power. “It’s one of the biggest endeavours that we have undertaken. To date, we have converted two and the third is in process,” Wood says. Not only is this minimizing the company’s carbon emissions, but it benefits guests’ experiences. “It provides a silent viewing experience, which is less disruptive to wildlife we are observing and provides a better overall experience as guests are able to interact with guides, staff and other guests with less background noise.”

In British Columbia, Maple Leaf Adventures welcomes travellers on small ships to explore regions along the West Coast. Groups are kept small, with eight to 24 travellers maximum, which helps the company leave a lighter footprint both on the water and on land. “We intentionally limit our carrying capacity to that of the towns and ecosystems of the coast,” says Maureen Gordon, co-owner of Maple Leaf Adventures.

The company is retrofitting its vessels with engines that use 40 per cent less fuel and sailing a maximum of six hours a day to limit fuel consumption. On land, it has helped develop the Commercial Bear Viewing Association of British Columbia to formalize sustainable practices for viewing excursions, and guests have the opportunity to contribute to a marine debris cleanup in the Great Bear Rainforest coastline.

PHOTOGRAPHS COURTESY OF **MAPLE LEAF ADVENTURES**; TOP BY **JEFF REYNOLDS**; RIGHT BY **SIMON AGER**

Both Maple Leaf Adventures and Frontiers North Adventures are also prioritizing Indigenous voices and knowledge in their sustainability work. “Many guests look for not just environmental responsibility but also cultural respect these days,” says Gordon. In Gwaii Haanas National Park Reserve, for instance, a Haida storyteller is on the ship as a crew member for the entire journey. In Churchill, Frontiers North includes activities led by local Indigenous businesses on every itinerary.

The benefits of this industry shift are profound, especially for tourists—sustainability-minded travel means more intimate experiences, more interaction with local communities and opportunities to contribute to destinations in meaningful ways.

There are still limitations, though. Maple Leaf Adventures’ attempt to convert a ship to electric powered has been hampered by a lack of technology as the company couldn’t find an electric engine that met its needs. And the effects of air travel are a challenge the entire industry has to face.

“For Frontiers North specifically, we have guests coming from all over the world to experience Churchill, and due to the nature of being a remote northern community, we have to fly our guests to Churchill once they meet us in their designated departure city,” Wood says.

Sampson also points out that it can be tough for travellers to know if they’re making environmentally responsible choices because of the complexity of information available. “I’ve worked in the industry for a long time and I still find it difficult to make good choices when I travel because the amount of information to help guide that decision is dependent on the place, and every place is different.”

Given how travel around the world has been affected by the climate emergency this year alone, it’s clear that making sustainable decisions is more important than ever. And travel companies are hoping that, by doing so, you’ll have a deeper, more enriching experience on holiday. ◆

ILLUSTRATION BY ADAM CHOLEWA

FOOD

HOW DID THE SNACK AISLE GET SO VIRTUOUS?

Experts weigh in on food companies’ efforts to deliver sweet indulgences with better-for-you benefits **BY LORA GRADY**

When the dreaded three o’clock energy slump hits, it can be tempting to reach for a sweet snack. But as the average consumer becomes more health conscious, they’re increasingly opting for more nutritious, low-sugar options over chocolate bars or pastries. A 2019 survey from Mintel found that 51 per cent of Canadians would like to see more healthy snacks packaged for eating on the go.

“Many consumers now regularly check nutrition labels before buying a product,” says Claire Lancaster, head of food and drink at trend forecasting company WGSN. As a result, “we’ve seen an explosion of ‘conscious indulgence’ snacks.” Companies are introducing low-sugar and zero-sugar options while providing transparency about the provenance of their ingredients. There are even sweets that claim to improve health with nutrients like fibre and protein. It’s a lucrative business—snack food production revenue in Canada has grown to an estimated $5 billion, with a 2.6 per cent increase in 2023 alone.

In response to the growing desire for healthier options, Canadian snack companies are working hard to deliver treats with a healthy twist. MadeGood, which offers organic packaged snacks and desserts, adds vegetable extracts as a healthy source of vitamins and minerals. They also use what they claim as “better for you” alternative vegetable oils in their products. Nomz Energy Bites don’t contain any added sugar—instead, they’re sweetened with dates, which boast fibre and antioxidants. On the candy side, SmartSweets offers low-sugar gummies with 86 to 92 per cent less sugar per 50-gram serving versus the leading candy equivalents. Their candy also offers about 32 to 46 per cent of the daily recommended fibre intake, with their Peach Rings clocking in at 13 grams of fibre in a 50-gram bag. These companies have similar missions: the founders of Nomz and SmartSweets were motivated by cutting sugar out of their own diets, while MadeGood was launched by siblings who share a love for healthy snacks.

"CONSUMERS HAVE BEEN LOOKING FOR A WAY TO HAVE THEIR CAKE AND EAT IT TOO."

Many factors throughout the years have led up to this moment in snacking trends, says Jordan L. LeBel, professor of food marketing and co-director of the Centre for Sensory Studies at Concordia University in Montreal. The '80s were all about exercise, and in the '90s, there was a growing fear of sugar, LeBel says. The latter decade is also when the industry figured out that new products didn't need to be healthy in absolute terms, just healthier than the alternative choices. "Consumers have been looking for a way to have their cake and eat it too," LeBel says, adding that during the pandemic, many snack companies reported record-breaking sales of both traditional and better-for-you snacks. One survey from Deloitte found that 67 per cent of consumers say their snack expenses increased between 2020 and 2021.

In today's financial climate, "value is a primary purchase driver, particularly as consumers feel the bite of inflation at grocery stores," Lancaster says. "However, many continue to prioritize snacks as must-have items, while also seeking to improve their health. As a result, we're tracking the rise of a 'less-but-better' mentality."

That means shoppers are reducing the number of products in their shopping carts while trading up for food and drink options that offer value beyond price. Consumers are able to justify the slightly higher prices thanks to these better-for-you formulations and recognizable ingredients, along with transparent and trustworthy supply chains, and sustainability, Lancaster says. And research shows that Canadians are snacking a lot right now, often choosing to graze throughout the day instead of sitting down for three square meals.

While there are some federal regulations around what snack foods can and can't claim on the labels, there's a lot of grey area. LeBel says that while the Canadian government has focused on specific nutrition claims, such as "good source of fibre" and "oats can help lower cholesterol," many terms—including "smart" and "healthy"—are not regulated.

So how do Canadians navigate the ever-evolving snack aisle? Calgary-based registered dietitian Andrea Holwegner recommends starting with the ingredients list. "Simple food ingredients often suggest a more nutritious food." Energy bars simply made with only dried fruits and nuts, for example, are a good choice. "There are many healthy packaged food choices; there are no so-called 'bad foods,'" Holwegner says. "It's all about being intentional with your choices."

Experts predict the trend toward healthier snacks and sweets will grow even stronger over the next few years. Lancaster says that younger generations, including Gen Z and millennials, are driving the expectation for brands to improve products to meet rising wellness requirements while continuing to satisfy cravings. LeBel agrees that the trends will continue, adding that as long as the stress from our modern lifestyles persists, "convenient grab-and-go solutions will always be popular." ◆

***PIVOT* RECOMMENDS**

Off the clock

BY CHRIS POWELL

Watch

It's been going steadily downhill for HBO's ***True Detective*** since that terrifically atmospheric first season a decade ago. But with an interesting new setting and cast led by Oscar winner Jodie Foster, the fourth season seems poised to change the show's trajectory. Debuting Jan. 14, ***True Detective: Night Country*** takes place during the long Alaskan winter, with detective Liz Danvers investigating the disappearance of eight men from a remote research station.

Read

In "*Filterworld: How Algorithms Flattened Culture,*" *New Yorker* writer Kyle Chayka argues that machine learning is weaving an ever-tightening web, with online and offline spaces increasingly engineered for "seamless consumption." The book examines what it means when messiness is superseded by shareability, and the implications of making a "choice" when there's really no choice at all.

Listen

Our lives are soundtracked by noises whose sheer ubiquity has turned them into the equivalent of aural wallpaper. In ***Twenty Thousand Hertz,*** host Dallas Taylor provides a fascinating overview of some of the world's most recognizable and interesting sounds. One episode, for example, delves into the history of HBO's signature sonic branding: the click of a TV being turned on followed by a staticky noise and a choral sound that has been described as a "celestial choir."

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OFF THE BEATEN PATH

Fuelled by a creative spirit that refused to be confined to spreadsheets and ledgers, CPA Janahan Pavanantham (JP PAV), 34, left RBC in 2018 to co-found Resolve Wellness, a wellness brand specializing in cannabis-based pain relief products. JP's creativity shines through his photography and as a DJ, where his skills have earned him a following with wedding and corporate event planners for RBC, Manulife, Lululemon, Sunnybrook and more. **BY ALEX CORREA**

Becoming a CPA was a very safe route to go in terms of job prospects and security. Plus, there was a very defined path for it through public accounting firms and Wilfrid Laurier University. **But I knew from the start that the corporate world wasn't going to be my endgame—I've always been a creative at heart.**

Getting into DJing was organic for me, because I had a deep passion for music from a very young age. I just needed to learn [the technique behind a pair of turntables and a digital mixer]. Once I did, I went from playing songs on my iPod Mini in my car for friends to DJing student events.

In 2017, with cannabis legalization on the horizon, I began planning a cannabis tourism business. **But when the COVID-19 pandemic happened, my business partners and I pivoted further into CBD products, and it eventually outpaced the tourism side.**

Photography was always my first passion. **I shoot for *Toronto Life* pretty regularly for their TL Insider events, and have also shot for *Canadian Business* and *RunwayTO*.** Starting Resolve Wellness has allowed me to do a lot of my photography because, in the early stages, I was doing all the product photography, lifestyle shots...anything that went onto our website and social media.

Whether it's Resolve Wellness, DJing or my photography, my CPA training gave me an edge because I'm able to bring business and accounting knowledge into these areas. **Numbers are the universal language of business, so if you understand that, it just makes your life a lot easier.**

The CPA training definitely helped, as well as the corporate experience. Those are the soft skills that you can't learn in a classroom or in a textbook. I'm constantly practising and honing my people skills and emotional intelligence—all of the skills that are still with me today in everything that I do, whether it's my business or in the creative field.

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