

2012|2013
Annual Report



Enhancing Public Safety

Technical Standards and Safety Authority



THE TRUE VALUE OF TSSA'S SAFETY SYSTEM

To keep every Ontarian safe, every day, we enforce regulations, codes and standards through engineering design reviews, inspections, investigations, and examination, certification and licensing activities. To make Ontarians aware of how to lead safer lives, we inform and educate owners, users, manufacturers, operators, and the public with regard to better safety practices. We explain why rules and regulations exist, and how Ontarians can make every day decisions that result in safer activities.

Our value proposition is to emphasize prevention, and to identify gaps in compliance by applying best safety policies and practices.

We all share a desire to make Ontario safer. We all play a part in the safety system. Together, through informed decisions, greater awareness, and a keen sense of responsibility, we will continue to pursue positive safety outcomes in the province of Ontario. TSSA's true value rests in our relentless pursuit of making Ontario a safer place, every day.

PURPOSE: To promote and enforce public safety.

VISION: To be a valued advocate and recognized authority in public safety.

VALUES: TSSA's values are a reflection of our commitment to public safety, and the beneficiaries of all our efforts are our public and industry stakeholders.

SAFETY - Be safety conscious at all times.

LEADERSHIP - Be the best in actions and words.

INTEGRITY - Be honest and ethical.

RESPECT - Build trust and earn respect.

ACCOUNTABILITY - Be responsible for all actions and deliver on commitments.

COMMUNICATION - Be an effective and efficient communicator, and an active listener.

TEAMWORK - Work together, respect individuals and celebrate success.

TECHNICAL STANDARDS AND SAFETY AUTHORITY

Profile Overview

Safety is both an abstract concept and a concrete reality. You can't touch it but you feel its strength every day. Whenever you drive your gas-powered car to work, ride an elevator to a friend's apartment, turn up the thermostat, sit yourself down on the couch, take the kids to an amusement park, skating rink or winter ski excursion – safety is all around you. So much so, it's easy to take it for granted. At the Technical Standards and Safety Authority (TSSA), we take nothing for granted: safety is our lifeblood.

Our job is to keep Ontarians safe, every day – in every way. That's the mandate of TSSA, Ontario's public safety regulator.

Created in 1996 as an administrative authority, TSSA administers and enforces public safety laws in Ontario under the *Technical Standards and Safety Act, 2000* in designated industry sectors such as amusement devices, boilers and pressure vessels, elevating devices, fuels, power plants, ski lifts, and upholstered and stuffed articles. The Ministry of Consumer Services (MCS), which retains authority for the *Technical Standards and Safety Act, 2000*, is responsible for setting public safety standards and policy, overseeing delivery, and monitoring TSSA's performance.

The organization's range of safety services include public education and consumer information, certification, licensing and registration, engineering design review, inspections, investigations, safety management consultation, and enforcement and prosecution activities. TSSA has a team of over 390 safety professionals – approximately 75% of whom work in operations – passionate about protecting the safety of every Ontario citizen.

With TSSA, Ontarians safely enjoy their everyday activities. Working with partners in industry, government, advisory councils and the public, we strive for zero serious injuries and fatalities in our regulated sectors. Through our commitment to creating a work environment that is conducive to high morale and performance for our team members, and the highest safety standards for our customers, TSSA is both a valued advocate and recognized authority in public safety.



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MESSAGES FROM TSSA

●● The impact of what we do goes far beyond the codes and standards we enforce. ●●



A Message from the Chair



After serving on TSSA's Board of Directors for more than a decade, it was a special honour to accept the Chair appointment this past September. Leading the Board of one of Ontario's most important safety-driven organizations has been both a real privilege and an exciting challenge.

Safety is so critical to our well-being and quality of life, yet it is often taken for granted. The achievements in safety we've made in Ontario are nowhere more evident to me than when I return home after travelling outside the province. I see firsthand and sometimes experience the safety risks that can emerge when safety is taken for granted.

Fortunately here in Ontario, TSSA's dedicated staff of safety professionals work tirelessly to keep us safe and maintain an enviable safety record. This past year, the TSSA team, both the Board and staff, strongly affirmed the organization's vision and purpose to advance public safety in Ontario and be a valued advocate and recognized leader in public safety. The organization did this by achieving key objectives in the first year of the five-year strategic plan.

Among the many notable achievements, TSSA successfully implemented a structured change management plan to support inspectors in the field. The Field Support Services initiative introduces information system enhancements and new work processes to significantly reduce the administrative burden on inspectors, allowing them to focus on their core inspection responsibilities to ensure better safety outcomes.

TSSA's risk-informed decision-making process (RIDM), our innovative approach to managing public safety risks, continued to gain momentum as a leading edge safety tool. One of the most significant validations of RIDM came with the

issuance of a US patent for TSSA's work on a risk-based scheduling system that would prioritize device inspections based on an analysis of observed and intrinsic risk.

As part of its strategic oversight responsibilities, the Board appointed Daniel Hoornweg as Chief Safety and Risk Officer last July. With an extensive background in risk management and legislation and public policy design, much of it gained during his tenure as a lead urban specialist at the World Bank, Mr. Hoornweg provided perceptive insights into improving TSSA's public safety work. The Board is appreciative of his contributions to date.

As one of its key responsibilities, the Board met the challenge of choosing TSSA's new President and Chief Executive Officer (CEO). We selected former TSSA Vice President of Operations

Michael Beard to lead the organization. The appointment of an internal candidate among a strong slate of contenders reflects the strength of TSSA's staff and the deep-rooted safety culture of the organization. Michael's leadership will provide continuity in TSSA's strategic direction and accelerate the organization's ongoing evolution as a leading safety regulatory authority.

I want to thank my colleagues on the Board and the TSSA staff for their commitment and dedication to public safety. I also want to thank and acknowledge former Board Chair George Irwin, former President and CEO Kathy Milsom and Interim President and CEO David Scriven for their contributions toward fulfilling the important responsibilities that have been entrusted to us by the Government of Ontario.

A handwritten signature in black ink that reads 'E Dowdeswell'.

Elizabeth Dowdeswell, O.C.
Chair, Board of Directors

Leading the Board of one of Ontario's most important safety-driven organizations has been both a real privilege and an exciting challenge.

A Message from the President and CEO



After serving as TSSA's Vice President of Operations for three years, being appointed President and CEO this past March was both humbling and an honour. I am deeply appreciative of the Board's confidence in my abilities and vision for TSSA and excited about leading TSSA's exceptional team of safety professionals in enhancing safety in Ontario.

TSSA's purpose is to enforce safety regulations in the sectors which the Government of Ontario has mandated us to regulate. But the impact of what we do goes far beyond the codes and standards we enforce. TSSA's safety decisions have real effects on the safety and well-being of Ontarians in so many ways. Whether it's the elevator or escalator we ride to get to work or the gas furnace or air conditioner we use to heat or cool our homes, the work of TSSA engineers and inspectors touches virtually every dimension of day-to-day life.

Our work also has real impacts on businesses and the broader economy as a whole. Our responsibilities regulating the fuels sector, boilers and pressure vessels, elevating devices, power engineers and upholstered and stuffed articles ensure safety in key sectors of Ontario's economy.

The safety and economic responsibilities that have been entrusted to TSSA are taken seriously and require the dedication of highly professional staff. Their vigilant commitment to safety and working with the public, industry and the Ontario government to continuously improve safety throughout the province resulted in a number of important achievements in fiscal year 2012/2013 that have contributed meaningfully to improving the lives of Ontarians.

As Liz referenced in her Chair's Message, a key focus of the organization's current efforts are in applying innovative risk strategies to our work to improve safety in Ontario. One of the ways we did this last year was through the development of standard inspection orders to make sure the orders our inspectors issue are based on sound risk analysis. Risk assessments were conducted for each standard inspection order and a specific time allowance for compliance was determined. By standardizing the way risks are understood and quantified, inspectors will be able to determine exactly how much time to give for an order to be resolved.

In conjunction with the standard inspection orders, TSSA continued to invest in its information systems and successfully launched the Field Support Services initiative that will reduce the amount of administrative work for our inspectors. This is a critical step in increasing our ability to deliver our safety mandate. By automating inspection schedules, billing and other administrative tasks, our inspectors will be able to focus more time on their most important responsibility – conducting inspections to enforce safety regulations that keep the public safe.

To ensure TSSA's financial viability, we performed fee reviews of our major programs. We worked closely with our advisory councils and listened to the industry sectors we regulate. The collaborative and consultative process we established was highly effective in balancing TSSA's need to operate on a cost-recovery basis in order to enforce safety regulations and address industry's concern on the impact of higher fees. The fee schedule included components that recognize and reward safety compliance in the industries we regulate.

Safety is very much a shared responsibility – between all of our stakeholders: industry, government, and the general public. We value our partnerships because it's the premise of safety in Ontario. Through our advisory councils, public outreach and Ministry liaisons, we continued to strengthen our relationships and identify those areas where we need to improve. We are very appreciative of this collaborative approach and remain committed to working closely to enhance safety throughout Ontario.

A handwritten signature in black ink, appearing to read "Michael Beard". The signature is stylized and written in a cursive-like font.

Michael Beard,
President and Chief Executive Officer

Looking ahead, we confirmed our comprehensive, five-year strategic plan for fiscal years 2012/2013 to 2016/2017 seeking to:

- achieve positive safety trends;
- improve safety resource allocation and cross-program best practices;
- further enhance safety through strategic investments; and
- deliver high value to our customers by effectively promoting and enforcing public safety.

In the spirit of continuous improvement, we recognize that we have many opportunities ahead – all in achieving greater safety for Ontarians. As always, we welcome your feedback on how effectively we meet our commitments and how we may improve our services. We look forward to another year of safety enhancements with your support.

Reporting and Corporate Oversight

It is important to appreciate what we do to enhance safety and how we do it. We actively pursue a best practice approach to corporate governance and disclosure. We are committed to the principles of transparency and accountability in all aspects of our operations.

Our Board of Directors is ultimately responsible for the safety of Ontarians and the stewardship of the organization, including promoting sound corporate governance practices. The Board provides oversight of the organization and takes a leadership role in the organization's strategic direction. The Board and senior management team monitor emerging governance best practices, with a view to continuous improvement and enhancement of our governance regime.

Among its key responsibilities, the Board's mandate includes:

- regularly reviewing the strategic environment, the emergence of new safety risks and opportunities, and the implications for our strategic direction;
- approving the strategic plan that takes into account our major risks and opportunities, and overseeing management of those risks;
- appointing, coaching, monitoring and assessing the performance of the Chief Executive Officer (CEO);
- charging the CEO of the organization with the general management and direction of the business and affairs of the organization;
- appointing the Chief Safety and Risk Officer (CSRO) upon the consent of the Minister and directing the CSRO to prepare reports pursuant to the memorandum of understanding with MCS;
- overseeing the appointment, training, monitoring and succession planning for senior management;
- monitoring the external communications, including public disclosures, of the organization;
- monitoring the integrity of our internal control and management information systems; and
- approving the business plan and budget, and ensuring the integrity of our reported financial performance.

Demonstrating clear strengths in Board and Committee charters, terms of reference and work plans, we continued our leading practices in performance reporting, including focusing on safety activities, outcomes and results, over the course of the year. This fiscal year, we also enhanced our corporate bylaws, Board and Committee charters, work plans and policies consistent with best practices. The Board demonstrated a strong commitment to continuous learning by participating in a comprehensive director development program, including sessions on best practices as well as visits to the field to learn more about the organization's delivery of services and relationship with its customers.

Moving forward, we will continue to pursue strong corporate disclosure and governance, reaffirming our commitment to accountability and transparency.

 This fiscal year, we also enhanced our corporate bylaws, Board and Committee charters, work plans and policies **consistent with best practices.** 

A YEAR IN REVIEW

●● TSSA brings together the expertise of many to cultivate and strengthen a system that keeps Ontario safe – at home, work and play. ●●



A Year in Review

As Ontario's public safety regulator, TSSA is committed to enhancing safety in the key sectors of the economy that we are mandated by the Government of Ontario to regulate: fuels, boilers and pressure vessels, operating engineers, elevating and amusement devices, and upholstered and stuffed articles. We conduct engineering reviews, perform inspections, analyze operations, assess risk and identify issues. We work closely with the Government of Ontario, engage industry and educate the public to keep Ontario safe.

During fiscal year 2012/2013, we made significant strides fulfilling our role as an advocate and authority in public safety. Some of the major milestones we achieved over the course of the year include:

- completing risk assessments to manage aging aboveground fuel oil storage tanks, elevator overspeed conditions, and internal inspection of boilers;
- evolving our safety metric which enables TSSA to predict and, thereby, prevent incidents and injuries from happening in the first place and support the proactive development of stronger public safety strategies;
- leading a safety initiative in partnership with the Canadian Standards Association to create a unique public risk management standard that would enhance TSSA and other safety regulators' ability to manage risks more effectively;
- developing a risk-informed process based on the quantified risk of non-compliances to determine how much time inspection orders should be given to comply; and
- development of an inspection model for elevators and escalators that schedules inspections based on quantifiable risk factors.

In addition to many of the significant accomplishments, we also continued to enhance public safety in Ontario by enforcing safety regulations through inspections and investigations, and ensuring the organization is managed effectively and operates efficiently, including:

- increased investigation analysis and utilization of risk-informed criteria to make better safety decisions through TSSA's incident management system;
- strengthened compliance with regulations and new safety requirements in TSSA's regulated sectors by conducting inspections, effective court prosecutions, contractor audits and other progressive enforcement actions;
- generated positive financial results for the organization and continued investments in Ontario's safety system, including a healthy reserve;
- strengthened the close and collaborative partnership with the Government of Ontario by working closely on a wide range of public safety policy initiatives;
- engaged in extensive consultations with industry to review safety service fees, culminating in a revised fee schedule commencing fiscal year 2013/2014; and
- continued to engage advisory councils to identify and address priority safety issues and build stronger safety partnerships with industry and consumer groups.

TSSA works closely with a broad range of partners to keep Ontario safe. We share knowledge, skills and experiences with a multitude of stakeholders committed to public safety. We work with power and gas utilities, petroleum companies, policy analysts, professional engineers, elevator technicians, firefighters, piping contractors, building owners, welders, boiler manufacturers, fuels technicians and many others who collectively influence and ensure the safety of Ontarians. Safety is a shared responsibility and TSSA brings together the expertise of many stakeholders with specialized knowledge to cultivate and strengthen a safety system that keeps Ontario safe at home, work and play.

The core of TSSA's activities is in enforcing safety regulations, conducting engineering reviews, investigating incidents and prosecuting those who put public safety at risk. This past year, we conducted over 12,500 engineering design reviews, over 49,000 inspections, issued over 124,000 safety compliance orders, and tackled 34 legal cases to prosecute both individuals and corporations that violated safety standards. While those are impressive numbers, one small example of the activities above clearly shows the true breadth and depth of our safety-driven activities. TSSA successfully banned a series of natural gas and propane-fired freestanding fireplaces that were found to be unsafe, prohibiting their sale, lease, rental, installation or use. TSSA's Fuels Safety Program and the Public Safety Risk Management team conducted a detailed investigation, including testing the devices, that clearly showed a delayed ignition, which triggered a powerful explosion that sprayed shards of glass into the living area. That warning to manufacturers, fuel contractors, and unsuspecting homeowners no doubt prevented severe injuries and saved potential lives throughout Ontario.

Through our work developing safety codes and standards, we share our expertise with partners to enhance public safety, such as holding professional workshops with technical experts, providing training seminars and reviewing safety practices with industry. This year, our team of inspectors and engineers participated in the continuous improvement of safety standards and codes, such as the Canadian Standards Association (CSA) B149 series of codes for natural gas, propane, fuel oil and bio gas, the American Society for Mechanical Engineers (ASME) and the CSA B51/B52 series of codes for boilers and pressure vessels, the CSA N-285 nuclear design codes, as well as the ASME A17.1/CSA B44 *Safety Code for Elevators and Escalators*. To offer another small example of how that makes a difference to Ontarians, the requirement for a new elevator maintenance program will see additional maintenance tasks that will significantly enhance the safety of all elevators throughout the province.

Recognizing the importance of public education, we improved communications and safety messaging with the public and strengthened our safety partnerships. TSSA remained focused on our multi-year effort to protect the public from carbon monoxide (CO) injury and fatality, influencing Ontario homeowners and renters to take action on their shared responsibility for managing CO exposure in the home – the primary cause of user-behaviour related fuel incidents in Ontario. Using our unique analysis of individual risk perceptions within the public and then modifying messages accordingly, we delivered relevant CO awareness through multiple community-focused, direct-mail campaigns to more than a quarter of a million households. But we didn't stop there. We continued to measure the impact of our approach, further tested receptivity of our messaging, and revised our online presence for a more dynamic and interactive user experience. And all that positive work

will help us progressively enhance our public education strategies and reduce the number of CO incidents.

We are committed to measuring how we are progressing to make Ontario safer. TSSA's balanced scorecard, found on pages 54 to 58 of this report, provides more detailed information regarding fiscal year 2012/2013 goals and corresponding achievements. For more detail on the state of compliance as well as measures and trends on the safety performance of regulated sectors, please refer to our Annual Public Safety Performance Report. A few highlights for the various programs are as follows.

Boilers and Pressure Vessels

TSSA is responsible for regulating all pressure retaining components manufactured or used in Ontario. Our job is to make sure every boiler, pressure vessel, and piping system in Ontario, such as propane tanks for vehicles, boilers for schools and hospitals, high-pressure rink systems and other industrial pressure systems is safe.

We ensure safety by conducting engineering reviews and inspections of uninsured boilers and pressure vessels throughout Ontario. We also work with insurance companies that conduct the majority of boiler and pressure vessel inspections in Ontario; however, TSSA is responsible for the certification of all BPV inspectors in Ontario, including those employed by the insurance companies.

This year, we conducted over 14,800 inspections and over 4,100 engineering design reviews to ensure the continued safety of boilers and pressure vessels in Ontario.

Activities from the fiscal year 2012/2013 include:

- issuing 121 orders related to non-compliances with safety regulations;

- continuing and convening new task groups with our industry-based advisory council, the Boilers and Pressure Vessels Advisory Council, to address:
 - internal inspection requirements for boilers and pressure vessels to view the inside of a boiler to ensure there are no hidden risks or defects;
 - increased communications to industry regarding technical code changes to ensure the latest standards are adopted in order to achieve greater safety outcomes;
 - sharing incident data with various cross-jurisdictional stakeholders, including the National Public Safety Advisory Committee; and
 - implementing an improved initiative to gain comprehensive data of all insured boilers from insurance company partners;
- continuing to provide technical training seminars and technical expertise to all standard committees, including: membership on the technical committees of the CSA including B51, B52, and N285 standard; representation in the nuclear design working group for vessels for ASME codes; membership in the Canadian Association of Chief Inspectors, the National Board of Boilers and Pressure Vessel Inspectors; and, continued ASME certification as an Authorized Inspection Agency, ensuring TSSA remains current with industry issues for greater boiler safety;
- continuing to provide authorized inspection services under contract to nuclear power generating stations in Ontario – with dedicated inspectors at Darlington, Pickering and the Bruce Power Plant – licensed by the Canadian Nuclear Safety Commission;

- continuing to provide engineering and inspection services to industry concerning the transportation of dangerous goods to ensure Ontario roads remain safe;
- ensuring emerging public safety issues were addressed, including the use of new refrigerants at significantly higher pressures within the heating, ventilation, air conditioning and refrigeration industry; and
- processing an increasing number of applications from manufacturers who wish to be certified for the fabrication of nuclear components to ensure an adequate supply for Ontario's increasing demand and continued safety in the nuclear industry.

Operating (Power) Engineers

We examine and certify over 12,700 operating (power) engineers and operators to confirm their knowledge and understanding of safety regulations. In addition, our power plant inspectors conduct initial and periodic inspections of approximately 2,900 power plants to ensure they are registered, operating safely and in compliance with safety regulations. These power plants can range from an automated refrigeration plant at a curling rink to a large-scale thermal generation power plant.

This year, we conducted over 2,600 inspections and certified over 13,000 professionals, ensuring the continued safety of operating plants under the technical expertise of power engineers in the province of Ontario.

Activities from the fiscal year 2012/2013 include:

- issuing over 5,300 orders to approximately 1,500 plants related to non-compliances with safety regulations;
- registering 183 new plants for their continued safety;
- continuing to work with industry to

understand the potential skills shortage for the power engineering profession and seek ways to address it; and

- conducting a risk assessment of steam turbine overspeed trip testing to determine if any regulatory amendments or other actions are required due to the potential risk inherent in the technology.

Elevating Devices

We are responsible for regulating the safety of more than 53,000 elevating devices in Ontario, including elevators, escalators, moving walks, lifts for persons with physical disabilities, construction hoists and ski lifts. Over 200 elevator contractors are registered with TSSA and employ over 3,700 elevator mechanics certified by TSSA. They are responsible for the safety of the elevating devices they install, alter and maintain.

This year, we conducted over 20,000 inspections and over 7,500 engineering design reviews, ensuring the continued safety of elevators, escalators and ski lifts throughout the province of Ontario.

Activities from the fiscal year 2012/2013 include:

- issuing over 65,000 orders related to non-compliances with safety regulations;
- completing a risk assessment of aging equipment and working with the elevating device sector to collect accurate data in preparation of a safety upgrade requirement for elevators with single speed drives;
- consulting with industry on code adoption document (CAD) revisions to adopt ASME A17.1/CSA B44 2010 *Safety Code for Elevators and Escalators* as well as issuing CAD-261-13 to incorporate a new maintenance control program and assist the elevating device sector with alternative methods for load-bearing tests within the upcoming 2013 code;

- issuing Information Bulletin 262/13 as a reminder that only qualified personnel may perform maintenance and service in the event of a labour disruption; heightened monitoring and vigilant pursuit of unqualified workers;
- issuing Director's Order 253/12 on mechanical lock and contact upgrades for freight platform lifts and material lifts to further enhance safe operation; Guidelines 256/12 and 257/12 for minimum log book requirements on construction hoists to ensure proper maintenance procedures and documentation; and Alteration Guidelines 251/11-r-1 for design submissions and checklists to further facilitate demonstration of safety compliance as a result of CAD revisions;
- continuing to enhance safety compliance with overdue orders from follow-up inspections that resulted in tougher penalties;

- continuing training and testing of our inspectors and engineers with qualification certification from ASME and the National Association of Elevator Safety Authority to keep abreast of industry codes and safety developments and further maintain a continuing education standard;
- recruiting and training 12 new elevator inspectors to ensure sufficient and well-trained resources to address a growing number of devices;
- delivering our public education campaigns at various ski resorts across the province as well as partnering with the Canadian Ski Instructors Alliance to further encourage lift and overall ski safety to approximately 28,000 new skiers and snowboarders – the most at-risk players on the slopes; and
- promoting escalator safety to over 540,000 higher risk riders through outreach to elementary schools and partnerships with the Association of Day Care Operators of Ontario, the Older Adult Centres' Association of Ontario, and Oxford Properties Group.

Amusement Devices

We are responsible for regulating the safety of over 1,800 permitted amusement devices in Ontario, including roller coasters, Ferris wheels, go-karts, inflatables and waterslides. Ride operators must also be licensed and are responsible for the safe and proper set-up, maintenance and operation of all rides.

This year, we conducted over 2,000 inspections and over 300 engineering design reviews, ensuring the continued safety of amusement devices throughout the province of Ontario.

Activities from the fiscal year 2012/2013 include:

- issuing over 2,390 orders related to non-compliances with safety regulations;
- continuing technical seminars for engineers, inspectors and industry, and third-party inspector accreditation through the National Association of Amusement Ride Safety Officials to keep abreast of industry codes and safety developments and further maintain a continuing education standard;
- reminding industry of mandatory incident reporting to ensure regulatory oversight and assist in TSSA's safety-driven risk analysis;
- continuing work on harmonization of American Society for Testing and Materials (ASTM) F24 and CSA Z267 *Amusement Devices Safety Code* to bring a more robust amusement device standard to both Canada and Ontario;
- delivering our public education campaigns at numerous waterslide and go-kart parks to assist with safe rider behaviour, resulting in over 67,000 direct face-to-face interactions with riders; and

- establishing a safety outreach partnership with the Office of the Fire Marshal's Public Fire Safety Council and the Toronto Blue Jays to raise awareness with young target audiences, distributing over 150,000 special safety-edition baseball collector card decks, through local distribution by fire departments and during a Fire Safety Day Blue Jays game at the Rogers Centre, highlighting various fire, go-kart and waterslide safety tips to children across the province.

Fuels

We provide fuel-related safety services for the safe transportation, storage, handling and use of fuels that many Ontarians use every day. The fuels we regulate range from fuel oil and natural gas for home heating or fireplaces, and gasoline, diesel, hydrogen and propane for vehicles and outdoor cooking to private and commercial uses for butane, digester and landfill gas.

At TSSA, we regulate the safe regulatory practices of over 7,800 registered contractors, over 54,800 certified tradespeople, and over 14,000 licensed sites, including fuel suppliers, storage and dispensing facilities, transport trucks, pipelines, and equipment or appliances that use fuels, including residential appliances. And that makes a big safety difference in the lives of all Ontarians.

This year, we conducted over 7,800 inspections and over 530 engineering design reviews, ensuring the continued safety of all aspects of fuel usage, transportation, storage and handling throughout the province.

 To increase compliance with regulatory requirements, **we issued over 124,000 orders.** 

One of the most prevalent issues that we aggressively address are pipeline strikes – the most common incident, accounting for approximately half of reported cases. These strikes remain a very serious violation of Ontario’s safety rules that put the public in real danger and we take our commitment of aggressive enforcement very seriously. In addition to legal action and penalties, we ensure greater oversight in the location where most damage occurs –the Greater Toronto Area – with two damage prevention inspectors that further promote public safety and improved compliance. But we don’t stop there. We also conduct safety presentations across the province and partner with like-minded organizations, like the Ontario Regional Common Ground Alliance, dedicated to the safety of underground infrastructure. Through this effective partnership, TSSA runs its own ‘dig safe days’ where we audit excavation sites throughout Ontario. Our inspection team checks these sites to gauge the level of compliance and provide safety awareness information. As a result of these efforts, pipeline hits continue to decrease year-over-year.

To ensure greater compliance with safety regulations, we continue to conduct pre-registration inspections for contractors to make sure new registrants fully understand the regulatory requirements, their role in maintaining the safety net, and the importance of having proper equipment to do their work. This continues to improve positive safety outcomes with contractors. And that’s a big win for the industry and public safety.

To keep people safe, we conducted over 49,000 safety inspections.

Activities from the fiscal year 2012/2013 include:

- issuing over 33,500 orders related to non-compliances with safety regulations;
- directing our resources to higher risk areas and enhancing public safety through contractor audits;
- completing risk assessments of safety issues with direct vent fireplaces and fuel oil storage tanks that will further help both consumers and homeowners throughout the province;
- working in partnership with the Ministry to consult with stakeholders on potential regulations to conclude implementation of the Propane Safety Review panel’s recommendations;

- issuing code adoption documents for pipelines, propane, fuel oil and natural gas to ensure further fuel safety across Ontario;
- protecting the safe use of gas-fired crop dryers for the farming industry;
- protecting consumers and homeowners with safety advisories on leak test companies for fuel oil, secondary containment liners for tanks (to prevent leakage), and the monitoring of sump pumps at gas stations and other usages for liquid fuels to ensure greater safety;

- further protecting the environment from fuel contamination with revisions to the environmental management protocol and an industry-wide advisory on environment review services;
- delivering effective seasonal safety information, focused mainly on carbon monoxide and fuel safety, that the public reads at home, reaching over 570,000 households through major direct mail campaigns involving TSSA’s *SummerSmart* and *AutumnWatch* booklets;
- partnering with the Office of the Fire Marshal’s Public Fire Safety Council and the Liquor Control Board of Ontario to gain a wider, more effective public safety reach, delivering over 470,000 brochures on seasonally-themed, fuels safety messages across the province;
- protecting the public from carbon monoxide (CO) injury and fatality through four public education pilot campaigns to influence more than 245,000 households across Ontario and help them gain further CO awareness, inciting them to take action on their shared responsibility for managing CO exposure;
- conducting over 100 presentations to industry as well as publishing articles in industry magazines to broadly communicate safety messages to those who can influence safety the most; and
- working with industry associations to address possible skills shortage in the heating, ventilation and air conditioning industry sector.

Upholstered and Stuffed Articles

The role of our Upholstered and Stuffed Articles Safety Program is to protect the public from potential hazards associated with the use of unclean or unsafe materials in upholstered and stuffed articles in Ontario. Products can range from bedding, furniture and sports equipment to luggage, handbags, toys and clothing – basically any article that contains filling material. With over 11,200 registered licensees, we seek to ensure their items are properly labelled with filling materials disclosed to consumers. In addition to promoting safety, our aim is to protect the public against fraud and misrepresentation of upholstered and stuffed articles, and to provide a level playing field for the industry.

Activities from the fiscal year 2012/2013 include:

- issuing over 17,800 orders related to non-compliance with the safety regulations;
- further enforcing second-hand label requirements with retailers that clearly declare contents on all returned articles at point of sale;
- utilizing effective approaches to safety inspections regarding filling materials of new articles in the marketplace;
- continuing to ensure that furniture, mattresses and bedding sold to the public are not contaminated or vermin-infested; and
- engaging in effective information sessions across Ontario that further educate customers on the safety requirements of the *Upholstered and Stuffed Articles Regulation*.

 We created **over two million opportunities** to communicate important safety messages to the public. 

Enforcement Activity

We have a progressive enforcement policy. In keeping with this policy, we apply a variety of enforcement options dependent on the nature of the violation and the past conduct of the offender.

We continue to strive for a high level of compliance in the industries we regulate by targeting enforcement resources in conjunction with our risk management strategy.

Prosecutions are one high-profile enforcement activity we use. In 2012/2013, we pursued 34 prosecutions. In addition, we use a variety of other tools including targeted education programs, legal orders and licence revocation. Our choice of enforcement action is appropriate for and will escalate with the nature of the violation.

Customer Contact

We are committed to delivering customer relationship excellence including the effective handling of customer contacts.

Our customer service approach includes:

- encouraging an organizational culture that welcomes feedback as an opportunity to improve services;
- empowering team members to resolve issues on the first contact; and
- conducting analysis on feedback to improve business processes, communication and service delivery.

Our customer contact centre is the central point of contact for customers. The centre provides knowledgeable and timely answers to most common concerns and enquiries.

In fiscal year 2012/2013, TSSA's customer contact centre handled over 100,000 phone calls and over 12,000 email contacts – a 1.3 per cent increase over contact volumes from the previous fiscal period. On average, the contact centre answered 81 per cent of calls within 30 seconds.

Issues Management

We define complaints as an expression of dissatisfaction with respect to services we provide, actions of our team members or the complaint process itself. Committed to continuing to improve customer satisfaction and providing high standards of service to ensure that satisfaction, we address complaints at the level they are raised. Should the matter require further attention, the complaint is escalated to more senior personnel, up to and including statutory directors or the President and CEO.

French Language Services

Consistent with our *French Language Services Policy*, we continue to monitor requests for services in French to determine the appropriate level of service to meet public safety and customer service needs.

Chief Safety and Risk Officer Daniel Hoornweg

The Chief Safety and Risk Officer (CSRO) is a unique position, independent of TSSA management, reporting directly to its Board. Responsible for public reports on TSSA's safety activities, the CSRO also reports on any safety matters that he, the TSSA Board or the Minister of Consumer Services requests.

This past fiscal year, CSRO Daniel Hoornweg produced a report recommending enhancements to TSSA's Annual Public Safety Performance Report.

For more information on the CSRO and public reports, please visit www.chiefsafetyriskofficer.ca.

The aforementioned results in 2012/2013 represent our ongoing commitment to industry, government and the public to continuously improve performance with the goal of greater safety for all.

MANAGEMENT'S DISCUSSION AND ANALYSIS

●● Our employees are the drivers of our success – the men and women who work so tirelessly *every day* to make Ontario a safer place. ●●



Management's Discussion and Analysis (MD&A)

The Technical Standards and Safety Authority's (TSSA's) annual MD&A is provided to assist in the assessment of TSSA's financial results for the year ended April 30, 2013. The MD&A is a summary of actual business and financial performance reflecting the results of an integrated strategic and business planning framework and process followed by senior management each fiscal year.

This MD&A should be read in conjunction with the audited financial statements and related notes to the financial statements which have been approved by the Board of Directors. These financial statements, expressed in Canadian dollars, are presented in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

The MD&A is an integral part of the Annual Report. TSSA's external auditors review the MD&A for consistency, accuracy and overall context relative to the audited statements. The MD&A contains both historical and forward-looking statements, as well as a description of underlying risks, providing readers with an overview of company performance and future prospects through the eyes of management. It is intended to improve TSSA's overall financial disclosure. TSSA's MD&A has evolved consistent with the recommendations contained in the Canadian Institute of Chartered Accountants (CICA) published report entitled, "Guidance on Improving MD&A Risk Reporting". Risk disclosure in the MD&A is considered a 'best practice', allowing readers of the financial statements to better appreciate how key enterprise risks affect various elements of the business.

By their very nature, forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties, which give rise to the possibility that management's forecasts and management's assumptions may not be correct, and that TSSA's financial performance objectives, vision and strategic goals may not be achieved.

Revenues

The following table summarizes TSSA's statement of operations for the year ended April 30, 2013 with comparisons to the annual budget and prior year. At \$60 million, TSSA's revenues were marginally ahead of budget expectations by 1% and ahead of prior year by 6%. Revenues are categorized into regulatory and non-regulatory business to provide readers with segmentation between business in support of delegated responsibilities from the Ontario government as outlined in the guidelines of the Memorandum of Understanding (MOU) and other safety-related activities. At \$56.6 million, TSSA's regulatory revenues were 2% and 6% ahead of budget and prior year respectively. All TSSA program areas achieved or exceeded the current year budget, and outperformed prior year revenues reflecting increased safety-related activity, a focus on productivity, and a mildly improving economic environment. At the program level, all programs performed well against budget expectations.

The Boilers and Pressure Vessels/Operating Engineers Safety Program exceeded budgeted expectations and prior year revenues by 4% and 8% respectively. The Fuels Safety Program exceeded budgeted revenues by 1% and exceeded prior year revenues by 5%. The Elevating Devices and Amusement Devices Safety Program achieved budget revenues while

year-over-year revenues also increased by 7%. The Upholstered and Stuffed Articles Safety Program revenue was also ahead of budget by 5% and prior year by 7%. Strength in engineering, and licensing, registration, certification and exam revenues more than offset revenue shortfalls in inspection. The latter revenue stream was impacted by an important safety initiative leading to increased travel, generally not recovered through revenue.

Non-regulatory business revenues were marginally lower than budget and prior year by 2% as management's primary focus was directed towards regulatory activities. Non-regulatory business activities continue to provide value and synergies in addition to TSSA's regulatory business activities.

TECHNICAL STANDARDS AND SAFETY AUTHORITY STATEMENT OF INCOME AND EXPENSES

(In thousands of dollars)

Year ended April 30, 2013, with comparative figures for 2012

	2012/2013 Actual	2012/2013 Budget	2011/2012 Actual
Regulatory Business¹:			
Boilers and Pressure Vessels/Operating Engineers Revenue	13,049	12,559	12,102
Elevating and Amusement Devices Revenue	20,313	20,294	18,963
Fuels Revenue	19,719	19,530	18,813
Upholstered and Stuffed Articles Revenue	3,484	3,320	3,258
Revenue	56,565	55,703	53,136
Expenses	55,980	56,088	51,934
Excess/(Deficiency) of Revenue over Expenses (Net Margin)	585	(385)	1,202
Non-Regulatory Business:			
Revenue	3,422	3,476	3,491
Expenses	2,481	3,066	2,776
Excess/(Deficiency) of Revenue over Expenses (Net Margin)	941	410	715
Total TSSA:			
Revenue	59,987	59,179	56,627
Expenses	58,461	59,154	54,710
Excess/(Deficiency) of Revenue over Expenses (Net Margin)	1,526	25	1,917

¹ The Ontario government has delegated the responsibility of administering the *Technical Standards and Safety Act, 2000* and the associated regulations to TSSA and these responsibilities have been defined as the Regulatory Business.

Operating Expenses

TSSA remains committed to providing customer value while closely monitoring all expenses and seeking continued cost efficiencies. Management continued diligent cost management, and for the year ended April 30, 2013, total expenses were \$58.5 million, representing a 1% improvement to budget. Consistent with TSSA's business plan for the year, total expenses grew over prior year by 7%. Approximately 70% of the total \$3.8 million increase in operating expenses, compared to prior year, were within operations representing increased inspection and engineering resource capacity. The balance of spending increases was within indirect and corporate functions. TSSA's cost structure is largely driven by human resources and associated costs of compensation, representing 69% of total operating costs. In total, compensation expenses were about equal to budget but higher than prior year by 11%. This planned increase reflected growth in the size of TSSA's staff complement, largely within operations, combined with the increased compensation expenses associated with the market. All other discretionary costs, representing approximately 31% of total operating costs, were 2.5% and 0.7% lower than budget and prior year, respectively. Corporate cost centres includes traditional support centres

such as Finance and Accounting, Human Resources, Information Services and Customer Service, but also include indirect safety-related departments associated with Enterprise Risk Management (ERM)/Public Safety Risk Management (PSRM), Stakeholder Relations, Safety Research and Education and those costs associated with TSSA's Board of Directors and Industry Advisory Councils.

Net Margin

TSSA generated a net margin surplus of \$1.5 million, a reduction from prior year's net margin of \$1.9 million, yet still representing strong financial performance. For fiscal year 2012/2013, this represented a \$1.5 million improvement over a planned break-even estimate. This net improvement reflected a roughly equal contribution from improved operational performance and lower operating expenses associated with prudent cost management. As a percentage of revenues, the current fiscal year net margin and prior year reflects a return on total revenues of 2.5% and 3.4% respectively. This positive return is within the guidelines contained in TSSA's MOU with the Ontario government, and is necessary to ensure future investment in safety programs for the province of Ontario.

Capital Expenditures

Capital expenditures of \$2.3 million were incurred during fiscal year 2012/2013 and related primarily to continued investment in TSSA's technology with an emphasis on improved functionality associated with supporting field personnel. Other expenditures included investment in mobile technology, desktop/laptop computing and infrastructure related to security, stability and general operating system performance.

Management continues to ensure all capital investments fully support value to stakeholders and reflect the strategic objectives of the organization.

Net Assets

With net assets of \$19.6 million, TSSA's financial position remains strong. TSSA continues to operate with no funded liabilities and maintains a solid working capital position of \$9.5 million (\$10.6 million fiscal year 2011/2012). The reduction in working capital from prior year is largely explained by an additional \$2.2 million investment in long-term investments which by definition are excluded from working capital. At April 30, 2013, TSSA's current ratio (excluding deferred revenues) was a multiple of 1.9:1, an overall healthy liquidity position. TSSA's investment in short- and long-term financial instruments, totalling \$26.6 million (\$25.6 million fiscal year 2011/2012), are high-quality, low-risk financial instruments which adhere to the investment policy as set by the Board of Directors. Foreign currency exposure within these investments continues to be avoided, as was any direct investment involving sovereign risks and derivatives.

At April 30, 2013, TSSA's total reserve was \$12.5 million or 21% of total operating expenses. The internally restricted reserve of \$8.9 million represents 15.3% of total operating expenses which is in excess of the minimum 10% reserve required by policy as approved by TSSA's Board of Directors. The balance of the unrestricted reserve is available to management for future approved initiatives. Management regularly assesses TSSA reserves to ensure adequate capital exists to absorb future unforeseen economic shocks and that sufficient capital is maintained to fund further enhancements to the safety system for the benefit of all Ontarians.

Enterprise Risk Management

Committed to continually improving the level of public safety, TSSA's vision is to be a valued advocate and recognized authority in public safety. Guided by its values, TSSA's core purpose is to promote and enforce public safety.

Like all businesses, TSSA is susceptible to risks that may impede the organization from achieving its goals. While management of risk is a shared responsibility at TSSA, two specific functions have responsibility for providing a disciplined approach to managing risks, namely ERM and PSRM. While ERM, described more fully below, concentrates on all risks that may impact the organization, PSRM is focused on operational risks that may impact public safety. PSRM considers both internal and external factors associated with near-misses, injuries and fatalities affecting the public safety of Ontarians. Fatality Equivalents (reduction in risk of injury or fatality) is an external measure that PSRM uses to quantify the safety impact of the loss of healthy life years for Ontarians. This measure is more fully described and analyzed in TSSA's Annual Public Safety Performance Report.

In support of the organization's core purpose and vision, ERM forms an integral part of management and of the strategic, business and internal audit planning cycles. The goal of ERM is not to eliminate risk; rather, it is to identify, assess and monitor the management of risks with a view to minimizing adverse outcomes and maximizing opportunities. Risk is viewed as any threat or uncertainty, event or trend, to which probability can be assigned and that impacts TSSA's ability to achieve its objectives. In short, it is anything that can cause variability relative to TSSA's goals and objectives.

ERM entails incorporating risk management principles into all business processes and decisions, training employees to make risk-informed decisions, ensuring consistent application of internal controls and communicating this process to the Board of Directors, management and applicable stakeholders.

While the Board has responsibility to oversee management's assessment of risk appetite, the Audit, Finance and Risk Committee (AFRC) has been delegated responsibility to oversee the implementation of the ERM framework and management's ongoing oversight assessment and monitoring of key risks and associated risk mitigations.

Within TSSA's Risk Framework, eight categories of risk have been identified, namely:

Strategic Risks are risks that are external to the organization and over which the organization typically has no control. Strategic risks relate to the environment in which the organization operates, for example, the economy, whose impact can be mitigated through financial controls.

Compliance Risks are risks that are internal to the organization. Compliance risks relate to the legislative environment and the organization's ability to comply with applicable acts, regulations and legislation, for example, Occupational Health and Safety legislation, which can be mitigated through a defined safety framework.

Operational Risks are risks that are internal to the organization and typically arise from the operations of the business. Typical operational risks result from gaps in processes or internal controls. Documenting business requirements or outcomes and defined process maps can minimize such risks.

Information Systems Risks are risks that are internal to the organization and relate specifically to technology tools used to support business processes, for example, system security. Security risks can be mitigated through internet usage policies, firewalls, and intrusion prevention and detection systems.

Financial Risks are risks that are internal to the organization and as such are within the sphere of influence of the organization. Financial risks typically arise from the planning, budgeting and forecasting cycles of the organization and can manifest as significant variances to budgets. Financial risks can be mitigated by sound financial frameworks that include management oversight, internal controls and frequent monitoring and reporting.

People Risks or human resources risks are risks that are internal to the organization and relate specifically to employment, including availability/recruitment, skill sets, retention and organizational culture. Manifestations, such as insufficient resources, can be mitigated through defined recruitment policies and associated processes.

Governance Risks are internal risks that relate to the management and oversight of the organization including compliance with internal controls. Ensuring a strong relationship between management and its Board of Directors aids in managing this form of risk.

Stakeholder Risks are risks that relate to the organization's relations and reliance upon its various stakeholders and its related obligations. Open, transparent and inclusive discussions with stakeholders aims to mitigate potential manifestations of this form of risk.

Through application of a Risk Framework and Policy, a number of priority risks are identified, supported by a detailed risk register, identifying sources of risk which have been assigned to various risk champions within the organization. These risks have been mapped in terms of impact and probability, and appropriate risk mitigation strategies have been developed to manage risks within established risk appetite levels, which are reviewed on a regular basis with AFRC.

Through a continued cycle of assessing and monitoring of all enterprise risks, management ensures the objectives of the organization are achieved through appropriate risk mitigation.

Fiscal Year 2013/2014 Outlook

In fiscal year 2013/2014, we will continue to follow our five-year strategic plan with many of our multi-year initiatives and a proactive approach to making a difference in Ontario, reinforcing the true value of safety and assisting both the public and industry through our roles as both an educator and a regulator. That's our mission and promise for the greater benefit of everyone in the province. To accomplish that and more, we will pursue our four safety-focused strategies:

- **compliance first** – achieve positive safety trends by addressing areas of significant non-compliance and support continued compliant behaviour through effective incentives;
- **leverage risk knowledge** – improve safety decision-making through a deeper understanding and application of risk and a more proactive pursuit of our safety-minded approach;
- **shared responsibility for safety** – reduce public safety risk by modifying user behaviour and achieve positive safety trends through effective partnerships; and
- **organizational effectiveness** – build on further enhancements to employee engagement, data management, technological advancements, and customer value.

No plan is complete without measurement. As such, we will assess achievement of our goals through enhanced safety compliance and robust performance measurements. This will enhance our strategic efforts that have a direct and positive impact on safety, and effectively allocate our resources within inspection and engineering to where they are needed most.

Specifically, we will:

- manage potential safety risks associated with aging devices and areas of significant non-compliance;
- use technology to automate tasks, reduce workload and further build capacity;
- continue to improve data integrity through a holistic and sustainable approach;
- utilize safety metrics that enable us to predict and prevent incidents from happening;
- support continued positive compliant behaviour through effective financial incentives;
- continue to strengthen customer value through a variety of means, including working with contractors in the fuels and elevating devices sectors;
- continue public education outreach and user behaviour modification strategies where incidents occur as a result of people putting themselves at risk; and
- continue to develop joint efforts to support greater compliance and safety outcomes, and push safety responsibility out to those that can most directly influence it.

We want to know the impact of our safety efforts for all Ontarians. In fiscal year 2013/2014, we will use our innovative safety metrics to measure improvements in the reduction of risks associated with injury or fatality. This will further allow us to quantify the risk and externally benchmark the health impacts on the public, permitting us to focus our resources on those areas that have the greatest impact on safety.

Over the course of our five-year strategic plan, we will accomplish four laudable goals:

- Our safety performance will indicate positive safety trends consistent with our compliance goals.
- Our safety performance metrics will be recognized by Canadian regulators as the benchmarks to measure safety.
- Our employees will be highly engaged, empowered, and proud of what TSSA stands for.
- Our regulated customers will believe that we deliver high value by promoting and enforcing public safety.

We enter fiscal year 2013/2014 in a strong financial position, and we will remain focused on customer value-for-money and prudent cost management practices. The rate of planned discretionary expense growth for the fiscal year is about equal to the Consumer Price Index (CPI). Additional expenses are due to strategic investments in our safety system in fiscal year 2013/2014 consistent with our strategic priorities. These investments include continued development of Risk-Informed Decision-Making (RIDM), employee training and development, user behaviour modification, preventative safety measures, and enhancements to information systems and data management. Consistent with our commitment to industry, a Fee Review process was followed during the past fiscal year with implementation, as planned, on May 1, 2013. TSSA completed its fee review consultation, consistent with its fee setting principles under the MOU, and engaged industry in the fee process and revised schedules. These new fees are expected to contribute positively to TSSA's future financial health, ensuring that continued investment in safety remains at the forefront. A review of our reserve policy is also planned,

keeping with industry best practices, and to ensure sufficient reserves for unforeseen events such as severe economic downturns or other financial crises are maintained.

Tracking customers' perceptions of TSSA's value since 2006, we conduct in-depth research to determine the key dimensions of value and how customers perceive us beyond a simple value-for-fees proposition. With this insight, we seek to continually strengthen customer relations and sharpen the value of the service we provide. In this year's study, we will conduct our annual values survey to dig deeper into issues and develop a quality service metric. Research will also be conducted to further support the fuels and elevating devices contractor action plan.

Our employees are the drivers of our success – the men and women who work so tirelessly *every day* to make Ontario a safer place. To further ensure a positive and collaborative work environment for staff, we will advance our employee engagement activities and begin development of a new centre for training excellence. With our exceptional team, working in partnership with industry and the Government of Ontario, we will protect the public in more proactive, preventative ways – and deliver on our purpose to both promote and enforce public safety.

With the fiscal year 2012/2013 just completed, TSSA has generated positive financial results for the last three fiscal years through a continued focus on its safety mandate and prudent cost management. TSSA's primary goals remain focused on safety, supported by a strong system of internal controls which yield sustainable and positive financial performance. TSSA remains committed to ensuring it has the capital and reserves to secure funding available for these initiatives and the ability to absorb any unforeseen adverse events.

There also remains both global and domestic economic uncertainties that may impact the Canadian economic landscape; therefore, management remains focused on the external environment, business strategy and its annual budget commitments. TSSA's fiscal year 2013/2014 budget reflects a continuation of the strategic priorities as reported in its Strategic and Business Plans.

The table below provides a summary of the budget approved by TSSA's Board of Directors.

TECHNICAL STANDARDS AND SAFETY AUTHORITY
STATEMENT OF INCOME AND EXPENSES

(In thousands of dollars)

Year ending April 30, 2014 budget, with comparative figures for 2013 actual

	2013/2014 Budget	2012/2013 Actual
Regulatory Business:		
Boilers and Pressure Vessels/Operating Engineers Revenue	12,752	13,049
Elevating and Amusement Devices Revenue	22,475	20,313
Fuels Revenue	22,228	19,719
Upholstered and Stuffed Articles Revenue	3,725	3,484
Revenue	61,180	56,565
Expenses	60,647	55,980
Excess of Revenue over Expenses or Net Margin	533	585
Non-Regulatory Business:		
Revenue	3,320	3,422
Expenses	2,622	2,481
Excess of Revenue over Expenses or Net Margin	698	941
Total TSSA:		
Revenue	64,500	59,987
Expenses	63,269	58,461
Excess of Revenue over Expenses or Net Margin	1,231	1,526

For the fiscal year 2013/2014 budget, management projects total revenue growth of approximately 8% attributable to the following factors:

- Effective May 1, 2013, TSSA implemented new fees across the majority of its programs; these fees are expected to deliver on average about 1.9% increase annually in each of the next three fiscal years;
- Additional annual impact of inspection/engineering capacity from fiscal year 2012/2013 and additional new capacity planned during the budget year;
- New revenue stream for the Fuels program related to the standardization of TSSA's administration of exams, consistent with other programs; and,
- Volume growth consistent with projected growth of the Ontario economy.

Total operating expenses are also projected to grow by 8% over fiscal year 2012/2013 attributable to the following factors:

- Continued investment in multi-year programs for customer research, education and other user behaviour initiatives;
- Establishment of a project management office to continue efficient management of new and existing strategic initiatives;
- Investment in a support team associated with enhanced efficiency and administration of the inspection workforce;

- Technology, including investments in enterprise content management and overall data management; and,
- Additional cost recovery, on behalf of the Ministry of Consumer Services, associated with regulatory oversight.

Since the most recent financial crisis, management has focused its efforts on a continued strengthening of the financial health and balance sheet of the organization, as is evidenced by TSSA's continued strong financial performance and flexibility. Further evidence of this financial stability was attributable to the incremental spend on enhancing the safety infrastructure during fiscal year 2012/2013. This has allowed management to focus on operational priorities, including addressing data issues and other workflow/process improvements, while continuing to invest for the future. Investments and rebalancing of other operational programs in this budget will ultimately contribute to positive long-term sustainability.

TSSA's financial results are presented on the basis of accounting standards for not-for-profit organizations with use of accounting policies that reflect very limited uncertainties and subjectivity. There are no known operating trends, demands, commitments or events that are likely to have a material impact on future results of operations or financial condition.

Management Responsibility for Financial Reporting

The financial statements of TSSA have been prepared by management in accordance with accounting standards for not-for-profit organizations as prescribed by the Canadian Institute of Chartered Accountants.

Management confirms that financial and management reporting systems include appropriate controls to provide reasonable assurance that the organization's assets are safeguarded to facilitate the preparation of relevant, reliable and timely financial information.

Where necessary, management uses judgment to make estimates required to ensure fair and consistent presentation of this information.

For fiscal year 2012/2013, the Board of Directors of TSSA was composed of 12 directors. The Board of Directors has the responsibility to review and approve the financial statements, as well as oversee management's performance of its financial reporting responsibilities. The Board of Directors has approved the financial statements contained herein.

The auditors are responsible for auditing the financial statements and have issued a report thereon.

All other financial and operating data included in the annual report are consistent, where appropriate, with information contained in the financial statements.



Michael Beard
President and Chief Executive Officer



Richard Smart, C.A.
Chief Financial Officer

Independent Auditors' Report

To the Members of Technical Standards and Safety Authority

We have audited the accompanying financial statements of Technical Standards and Safety Authority, which comprise the statement of financial position as at April 30, 2013, the statements of operations, changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

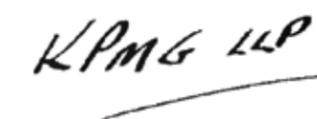
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those

risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Technical Standards and Safety Authority as at April 30, 2013, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Chartered Accountants, Licensed
Public Accountants

June 23, 2013
Toronto, Canada

TECHNICAL STANDARDS AND SAFETY AUTHORITY
(Incorporated under the laws of Ontario)

Statement of Financial Position

(In thousands of dollars)

April 30, 2013, with comparative figures for 2012

	2013	2012
Assets		
Current assets:		
Cash	\$ 1,716	\$ 1,442
Short-term investments (note 2)	10,858	12,099
Accounts receivable (note 3)	6,246	5,606
Prepaid expenses	984	736
	19,804	19,883
Long-term investments (note 2)	15,788	13,547
Capital assets (note 4)	7,141	6,837
	\$ 42,733	\$ 40,267
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 10,329	\$ 9,238
Deferred revenue	12,776	12,927
	23,105	22,165
Net assets:		
Invested in capital assets	7,141	6,837
Internally restricted reserve (note 10)	8,938	8,070
Unrestricted reserve (note 10)	3,549	3,195
	19,628	18,102
Commitments and contingencies (note 12)		
	\$ 42,733	\$ 40,267

See accompanying notes to financial statements.

On behalf of the Board:



Elizabeth Dowdeswell
Chair of the Board of Directors



Kevin Lavalee
Chair of Audit, Finance and Risk Committee

TECHNICAL STANDARDS AND SAFETY AUTHORITY

Statement of Operations

(In thousands of dollars)

Year ended April 30, 2013, with comparative figures for 2012

	2013	2012
Regulatory business revenue:		
Elevating and amusement devices	\$ 20,313	\$ 18,963
Fuels	19,719	18,813
Boilers and pressure vessels and operating engineers	13,049	12,102
Upholstered and stuffed articles	3,484	3,258
	56,565	53,136
Non-regulatory business revenue	3,422	3,491
	59,987	56,627
Regulatory business expenses:		
Salaries, wages and benefits	38,942	35,031
Operating	15,077	14,840
Amortization	1,961	2,063
	55,980	51,934
Non-regulatory business expenses	2,481	2,776
	58,461	54,710
Excess of revenue over expenses	\$ 1,526	\$ 1,917

See accompanying notes to financial statements.

Statement of Changes in Net Assets

(In thousands of dollars)

Year ended April 30, 2013, with comparative figures for 2012

	2013			2012	
	Invested in capital assets	Internally restricted reserve (note 10)	Unrestricted reserve	Total	Total
Net assets, beginning of year	\$ 6,837	\$ 8,070	\$ 3,195	\$ 18,102	\$ 16,185
Excess (deficiency) of revenue over expenses	(1,961)	-	3,487	1,526	1,917
Investment in capital assets	2,265	-	(2,265)	-	-
Interfund transfer (note 10)	-	868	(868)	-	-
Net assets, end of year	\$ 7,141	\$ 8,938	\$ 3,549	\$ 19,628	\$ 18,102

See accompanying notes to financial statements.

TECHNICAL STANDARDS AND SAFETY AUTHORITY

Statement of Cash Flows

(In thousands of dollars)

Year ended April 30, 2013, with comparative figures for 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,526	\$ 1,917
Items not involving cash:		
Amortization	1,961	2,063
Unrealized loss (gain) on short-term investments	(166)	156
Unrealized gain on long-term investments	(70)	(74)
Change in non-cash operating working capital	52	1,706
Cash flows provided by operating activities	3,303	5,768
Investing activities:		
Proceeds on maturity of short-term investments	2,986	5,560
Purchase of short-term investments	(1,579)	(5,251)
Proceeds on maturity of long-term investments	7,858	6,564
Purchase of long-term investments	(10,029)	(9,851)
Acquisition of capital assets	(2,265)	(2,722)
Cash flows used in investing activities	(3,029)	(5,700)
Increase in cash	274	68
Cash, beginning of year	1,442	1,374
Cash, end of year	\$ 1,716	\$ 1,442

See accompanying notes to financial statements.

TECHNICAL STANDARDS AND SAFETY AUTHORITY

Notes to Financial Statements

(in thousands of dollars)

Year ended April 30, 2013

Technical Standards and Safety Authority ("TSSA") is a statutory corporation without share capital under the *Technical Standards and Safety Act, 2000* (the "TSS Act"), based on amendments that were proclaimed effective May 1, 2010. TSSA is responsible for the administration of the TSS Act. As required by the amendments, TSSA entered into a Memorandum of Understanding ("MOU") with the Ministry of Consumer Services of the province of Ontario. Effective April 24, 2013, and pursuant to the TSS Act, the Ministry of Consumer Services of the province of Ontario and TSSA executed an amendment to the MOU to revoke and replace the prior additional non-regulatory objects of the TSSA, including certain procedures to facilitate compliance with the revised requirements. These revised objects reflect more clearly the non-regulatory business activities of the TSSA.

TSSA's objectives, as outlined in the TSS Act and MOU, allow TSSA to continue to administer the TSS Act and its regulations to promote and undertake public safety activities in relation to matters assigned to it, including training, certification, licensing, registration, audit, quality assurance, inspection, investigation and enforcement, subject to certain additional powers of the Ministry of Consumer Services of the province of Ontario. TSSA is a non-profit organization under the *Income Tax Act* (Canada) and is exempt from income tax.

Regulatory business revenue (formerly known as mandated revenue) reflects those activities prescribed under the TSS Act.

In addition to its regulatory business services, TSSA offers services to the federal government and undertakes other contracts that are not regulated, as permitted by the TSS Act and MOU. This revenue is categorized as non-regulatory business revenue (formerly known as discretionary revenue).

1. Significant accounting policies:

The financial statements are prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Canadian Institute for Chartered Accountants' Handbook.

(a) Revenue recognition:

Revenue from the provision of inspection and engineering services is recorded when services are performed. Licensing, registration and certification fees are recognized as deferred revenue when received. These fees are then recognized evenly over the period covered by the fee.

Interest income is recognized as revenue when earned and is recorded on the accrual basis.

(b) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized at cost, unless management has elected to carry the instruments at fair value. TSSA has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the effective interest rate method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, TSSA determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount TSSA expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(c) Accounts receivable:

Accounts receivable are measured at fair value on origination.

At year end, TSSA assesses whether there are any indications that the carrying value of the receivables may be impaired. For purposes of impairment testing, each individually significant account is assessed individually; the balance of the accounts are grouped on the basis of similar credit risk characteristics. When there is an indication of impairment, TSSA determines whether there has been a significant adverse change in the expected timing or amount of future cash flows. When TSSA identifies a significant adverse change, it reduces the carrying amount of the receivable to the higher of the amount that could be realized by selling the receivable at the statement of financial position date and the present value of the cash flows expected to be generated by holding the receivable.

When the extent of impairment of a previously written down receivable decreases and the decrease can be related to an event occurring after the impairment was recognized, the impairment loss is reversed to the extent of the improvement.

(d) Capital assets:

Purchased capital assets are recorded at cost less accumulated amortization. Leases that transfer substantially all the benefits and risks of ownership are capitalized. Replacements are expensed in the year of replacement. Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Business systems	20%
Equipment	25%
Furniture and fixtures	20%
Computer software	50%
Computer hardware	33%
Leasehold improvements	Remaining term of lease

Amortization of a capital asset commences when it is brought into service.

Contributed capital assets are recorded at fair value at the date of contribution.

Assets attributable to capital projects that are not available for use are held as construction in progress and are not amortized until they are available for use.

(e) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rates of exchange at the year-end date. Revenue and expenses are translated at the exchange rates prevailing on the transaction date. Realized and unrealized exchange gains and losses are included in the statement of operations.

(f) Allocation of expenses:

TSSA classifies expenses on the statement of operations by business type, regulatory business and non-regulatory business. TSSA allocates certain expenses as noted below on a consistent basis each year. Allocated expenses and the basis of allocations are as follows:

- Direct labour and benefits are allocated on the basis of time incurred as a percentage of revenue.
- Certain corporate support expenses are allocated using various allocation methods, including percentage of revenue and square footage of space.

(g) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets; and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

2. Investments:

- (a) Short-term investments consist of cash, bankers' acceptances, guaranteed investment certificates and bonds, with yields between 1.05% and 5.25% (2012 - 1.00% and 5.25%), maturing prior to April 23, 2014 (2012 - March 31, 2013).
- (b) Long-term investments consist of the following:

	2013		2012	
	Cost	Market value	Cost	Market value
Corporate and government bonds	\$ 15,740	\$ 15,788	\$ 13,569	\$ 13,547

The long-term investments have effective rates between 1.00% to 4.97% (2012 - 1.10% to 5.25%), maturing from May 2014 to October 2017 (2012 - June 2013 to December 2016).

TSSA holds fixed income securities which are subject to market risk, interest risk and cash flow risk. These risks will also impact future cash flow streams, including dividends, gains and losses and interest income.

The value of fixed income securities will generally rise if interest rates fall and fall if interest rates rise. Changes in interest rates may also affect the value of equity securities.

The value of securities denominated in a currency other than the Canadian dollar will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the security is denominated.

TSSA does not enter into any derivative instruments arrangements for hedging or speculative purposes.

3. Accounts receivable:

	2013	2012
Accounts receivable	\$ 6,670	\$ 6,096
Less allowance for doubtful accounts	424	490
	\$ 6,246	\$ 5,606

4. Capital assets:

	2013		2012	
	Cost	Accumulated amortization	Net book value	Net book value
Business systems	\$ 8,644	\$ 2,755	\$ 5,889	\$ 5,840
Equipment	1,061	1,007	54	75
Furniture and fixtures	1,518	1,503	15	7
Computer software	1,256	1,077	179	39
Computer hardware	3,540	3,195	345	150
Leasehold improvements	2,047	1,388	659	726
	\$ 18,066	\$ 10,925	\$ 7,141	\$ 6,837

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$1,036 (2012 - \$847), which relate to sales tax, payroll remittances and oversight fees charged by the Ministry of Consumer Services of the province of Ontario.

6. Allocation of expenses:

Direct labour and benefits expenses of \$1,178 (2012 - \$1,203) have been allocated to non-regulatory business expenses.

Corporate support expenses of \$26,514 (2012 - \$25,431) have been allocated as follows:

	2013	2012
Regulatory business expenses	\$ 25,310	\$ 23,958
Non-regulatory business expenses	1,204	1,473
	\$ 26,514	\$ 25,431

7. Fair values of financial assets and financial liabilities:

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair values due to the relatively short term to maturity of these financial instruments.

The fair value of short-term investments and long-term investments is equal to quoted market value, as described in note 2.

8. Pension plans:

TSSA has established defined contribution pension plans for its employees. Contributions by TSSA on account of current service pension costs paid and expensed amounted to \$1,660 (2012 - \$1,485).

9. Indemnification of directors and officers:

TSSA has indemnified its past, present and future directors and officers against expenses (including legal expenses), judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors and officers are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of TSSA. The nature of the indemnity prevents TSSA from reasonably estimating the maximum exposure. TSSA has purchased directors' and officers' liability insurance with respect to this indemnification.

10. Internally restricted reserve:

TSSA has an approved internally restricted reserve to ensure sufficient capital is maintained for continued services and to allow for significant unforeseen economic events. This policy, approved by the board, requires that an internally restricted reserve is maintained at not less than 10% of annual operating expenses. The board considers the sum of the internally restricted reserve and unrestricted reserve to be the total reserve. As at April 30, 2013, the total reserve was \$12,487 (2012 - \$11,265). At April 30, 2013, the board approved a transfer from the unrestricted reserve to the internally restricted reserve in the amount of \$868 (2012 - \$1,163). The balance of \$3,549 (2012 - \$3,195) in the unrestricted reserve represents funding for future business initiatives.

11. Capital disclosures:

TSSA's capital is its net assets as reflected in the statement of financial position. Within net assets, TSSA manages its internally restricted reserve and unrestricted reserve, as described fully in note 10. TSSA's primary objective of enhancing public safety is supported by safeguarding its assets and ensuring it remains financially viable through effective risk-based planning, investment and cost management policies and procedures. TSSA manages its capital structure through its strategic planning process, as approved by the board. This includes an annual budget of revenue and expenses, investments in capital assets and management of cash and interest-bearing short-term/long-term investments. There are no externally imposed restrictions on its capital structure.

12. Commitments and contingencies:

(a) Operating facility:

Under the terms of its banking agreement, TSSA has available a demand operating facility of up to \$750. This facility bears interest at TSSA's bank's prime rate plus 0.25% per annum and is secured by a general security agreement over TSSA's assets and assignment of fire and business interruption insurance. As at April 30, 2013, nil (2012 - nil) was drawn on the facility.

(b) Lease obligations:

TSSA leases office space, vehicles and equipment. Future minimum payments, by year and in the aggregate, under operating leases with initial or remaining terms of one year or more, consist of the following:

2014	\$	2,037
2015		1,947
2016		1,329
2017		144
Total minimum lease payments		\$ 5,457

(c) Litigations:

TSSA has been named as defendant in certain litigations alleging actual and punitive damages. However, it is management's belief that the ultimate outcome will not materially affect TSSA's financial position. Settlement, if any, will be accounted for during the period of resolution.

13. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.

CORPORATE INFORMATION

●● TSSA solicits advice and input from industry through our advisory councils in relation to safety strategies, initiatives and service delivery within respective industry sectors. ●●



Corporate Information

TSSA's Board of Directors

Donald Aronson

President, Aronson and Associates Inc.

Lynda Bowles

former Audit Partner, Deloitte and Touche

Elizabeth Dowdeswell, Board Chair

President and CEO,
Council of Canadian Academies

David Hipgrave

former President and CEO, Society of
Management Accountants of Ontario

Brock Horseman

former Chief Operating Officer and Senior
Vice President, Prevention and Operations of
the Workplace Safety and Insurance Board

Norm Inkster

former Commissioner of the Royal Canadian
Mounted Police

Brian Lackey

former Vice President, Strategic Planning
and Airport Development, Greater Toronto
Airports Authority

Kevin Lavallee

former President and CEO,
ThyssenKrupp Elevator (Canada) Limited

Bhupinder (Lally) Marwah

President, SQS Solutions

Robbie Shaw

Executive Advisor to the Dean of Management,
Dalhousie University

Neil Smith

former Assistant Deputy Minister for
Small Business and Entrepreneurship,
Ministry of Economic Development and Trade

Judith Wolfson, Vice Chair

Vice President, University Relations,
University of Toronto

TSSA's Board Committees

Standing Committees

TSSA requires all directors to be a member of one of the two standing committees: Audit, Finance and Risk; and Governance, Safety and Human Resources.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the organization.

The Committee's role includes the oversight of:

- financial information provided to stakeholders and the Ontario government;
- the organization's processes to manage business and financial risk;
- the organization's information technology;
- the review and recommendation of the organization's budgets;
- compliance with applicable legal, ethical and regulatory requirements; and
- the external audit firm engaged to prepare and issue an audit report on the financial statements of the organization.

Kevin Lavallee, Chair

Donald Aronson, Member

Lynda Bowles, Member

Elizabeth Dowdeswell, Member

Norm Inkster, Member

Neil Smith, Member

Governance, Safety and Human Resources Committee

The Governance, Safety and Human Resources Committee assists the Board of Directors in fulfilling its responsibilities with respect to:

- Board governance, including Board ethics, performance, succession, education and development and policies, and Board composition and recruitment;
- regulatory governance, including the organization's safety management framework;
- human resources, including performance, compensation, succession, and occupational health and safety;
- leadership;
- corporate strategy; and
- stakeholder relations and disclosure.

Robbie Shaw, Chair

David Hipgrave, Member

Brock Horseman, Member

Brian Lackey, Member

Bhupinder (Lally) Marwah, Member

Judith Wolfson, Member

TSSA's Board of Directors – Board Remuneration

Members of the Board of Directors are remunerated in a manner that enables the organization to: attract high calibre directors; support the organization's commitment to corporate governance excellence; and remain accountable to all stakeholders through transparent compensation practices that are fiscally prudent. With the aid of an external consultant, the levels of remuneration for the Board Chair, Vice Chair, committee chairs and directors are established based on a combination of annual retainers and meeting fees. Director total compensation levels are triennially reviewed against industry comparators within crown

corporations, and non-government regulatory organizations and associations. A blend of the market median of these comparators is utilized to establish compensation levels for retainers and meeting fees. For additional information on Board remuneration, please visit www.tssa.org.

Pay Policy

TSSA's compensation philosophy is to pay a competitive total compensation package to attract and retain exceptional resources while remaining accountable to all stakeholders through transparent, fiscally prudent compensation practices.

Based on yearly market data from an external consulting firm, with a blend from public and private sectors, TSSA's pay policy provides base compensation at the median of market comparators, utilizing the Greater Toronto Area comparators for all non-executive employees and national data for the executive group. Earned incentive pay compensation targets are also established at the median of market.

Annual salary reviews are conducted and, at the discretion of the organization and within the overall budget approved by the Board, increases are administered on a merit basis with consideration to internal equity, external competitiveness (market data) and individual performance. In addition, TSSA adheres to the requirements of the *Pay Equity Act*. Reinforcing a performance culture and providing compensation that is competitive and appropriate for the organization, employees must meet basic performance criteria in order to be eligible for incentive pay. Incentive pay is awarded on exceeding key performance objectives.

Senior Management Team

Tom Ayres
Vice President and General Counsel

Michael Beard
President and CEO

Brenda Buchanan
Vice President, Human Resources and Training

Wilson Lee
Director, Stakeholder Relations

Robert Pope
Chief Information Officer

David Scriven
Vice President, Research and Corporate Secretary

Richard Smart
Chief Financial Officer

TSSA's Statutory Appointments

The individuals listed below are designated as Director or Chief Officer under Ontario's *Technical Standards and Safety Act, 2000* and/or specific regulations.

Roland Hadaller, P.Eng.
Director
Technical Standards and Safety Act, 2000

Amusement Devices, Ontario Regulation 221/01
Certification and Training of Amusement Device Mechanics, Ontario Regulation 187/03

Elevating Devices, Ontario Regulation 209/01
Certification and Training of Elevating Device Mechanics, Ontario Regulation 222/01

John Marshall, BA, CIGC
Director
Technical Standards and Safety Act, 2000

Compressed Natural Gas,
Ontario Regulation 214/01

Fuel Oil, Ontario Regulation 213/01

Gaseous Fuels, Ontario Regulation 212/01

Liquid Fuels, Ontario Regulation 217/01

Oil and Gas Pipeline Systems,
Ontario Regulation 210/01

Propane Storage and Handling,
Ontario Regulation 211/01

Fuel Industry Certificates,
Ontario Regulation 215/01

Certification of Petroleum Equipment
Mechanics, Ontario Regulation 216/01

Mike Adams, M.Eng., P.Eng., PMP
Director and Chief Officer
Technical Standards and Safety Act, 2000

Director
Boilers and Pressure Vessels,
Ontario Regulation 220/01

John W.B. Coulter, C.E.T., TECH C.E.I.
Chief Officer
Operating Engineers, Ontario Regulation 219/01

Dara Vorkapic
Director
Technical Standards and Safety Act, 2000

Upholstered and Stuffed Articles,
Ontario Regulation 218/01

Industry Advisory Councils

TSSA actively solicits the advice and input of key stakeholders from the respective industries that it regulates through nine industry specific advisory councils. The advisory councils provide a forum that enables TSSA to obtain advice and input in relation to safety strategies, initiatives and service delivery within their respective industry sectors. These councils and their chairs are listed below.

Virginia Ludy
Amusement Devices

Peter Harschnitz
Boilers and Pressure Vessels

Richard Kaczmarczyk
Elevating Devices

Bob Smith
Liquid Fuels

Bill Vale
Natural Gas

Colin Andrews
Operating Engineers

David Karn
Propane

Bruce Haynes
Ski Lift

Lloyd Hall
Upholstered and Stuffed Articles

Consumers Advisory Council

The Consumers Advisory Council's mandate is to provide observations, identify gaps and recommend opportunities for improvement with respect to TSSA's services, policies and actions as they impact on the public. We additionally advocate for the public interest and for public input in safety matters in areas regulated by TSSA. During the fiscal year,

this council addressed the following priority safety issues: public safety of aging equipment; enhancing member participation on industry advisory councils; and enhancing the public's capacity to acquire and utilize appropriate safety information. Members continue their involvement in other TSSA-related activities by providing consumer perspectives to the industry advisory councils' deliberations.

The Safety Education Graduate Scholarship program is supported by TSSA's safety education fund, established in 1998. It is historically funded from: compliance payments such as court authorized settlement; contributions (matched by TSSA) from Consumers Advisory Council members and others; and contributions by TSSA based on Consumers Advisory Council attendance. The Consumers Advisory Council has oversight responsibility for the fund and the scholarship is now in its seventh year. The Council reviews successful applicants for an award of \$15,000 per annum up to a maximum of two years for Master's students and three years for PhD students. In addition, the Council continues to provide scholarships of \$1,000 to finalists in six categories of the Ontario Technological Skills Competition.

Members of the Council are listed below.

Patricia Jensen, Chair
Robert Brady, Member
Dolly Gerrior, Member
Jane McCarthy, Member
Elizabeth Nielsen, Member
Matilda Presner, Member
Kathryn Woodcock, Member
Matthew Ing, Member

More information regarding the advisory councils, including minutes of meetings, can be accessed through TSSA's website at www.tssa.org.

Balanced Scorecard for Fiscal Year 2012/2013

Objective	Measure	Fiscal Year 2011/2012 Performance		Fiscal Year 2012/2013 Target	Year End Status	Comments
Safety Outcomes						
Reduced health impacts	Fatalities	Fatalities	4	Less than the internationally accepted benchmark of 13 fatalities	3	
	Disability Adjusted Life Years (DALY) ¹	Total DALY	218.19 ²	Less than the benchmark ³ of 570 ⁴ DALY	174.87	
		DALY due to non-compliance ⁵	138.77	Less than the predicted ⁶ DALY of 283.4	56.10	
		DALY due to inadequate regulation ⁷	0.00	Less than the Predicted DALY of 4.55	51.50	Target not met due to a fatality ¹² related to this category of DALY
		DALY due to external factors ⁸	79.41	Less than the Predicted DALY of 139.1	67.26	
Increased regulatory compliance	Periodic inspections/ audits passed on first visit ⁹	Fuels				
		Contractors audits	69.81%	Equal to or better than previous fiscal year ¹⁰	70.2%	
		Licensed sites	41.60%	Equal to or better than previous fiscal year ¹¹	42.6%	

¹ Disability Adjusted Life Year (DALY), an internationally recognized metric in which a DALY of 1.0 is the loss of one year of healthy life of a single person due to an injury.

² The total number of DALY also includes incidents where TSSA is unable to determine root cause.

³ An internationally recognized criteria for an acceptability threshold has been established at one fatality per million population per year and translates into a 44 DALY.

⁴ Based on the current life expectancy of an exposed Ontario population of 13 million.

⁵ That portion of the total predicted DALY that represents injuries arising from non-compliance with safety regulations.

⁶ Predicted DALY represents the expected outcomes in a given year based on a combination of historical incidents, injuries and near misses, and specific actions planned to reduce the risk.

⁷ That portion of the total predicted DALY that represents injuries arising from gaps in the regulations.

⁸ That portion of the total predicted DALY that represents injuries that result from factors such as user behaviour that are outside the direct control or influence of TSSA and may require the identification of other mitigation measures.

⁹ The median value of periodic inspections/audits passed on first visit over an eight-year time period. The higher the number the better the compliance.

¹⁰ Results may be impacted by mandated enforcement initiatives to address identified compliance concerns. These initiatives are described in TSSA's annual public safety performance reports.

¹¹ Results may be impacted by mandated enforcement initiatives to address identified compliance concerns. These initiatives are described in TSSA's annual public safety performance reports.

¹² A fatality in an entrapped elevator indicates a potential gap in current controls for an older design - under current risk analysis. Please refer to TSSA's Annual Public Safety Performance Report.

Objective	Measure	Fiscal Year 2011/2012 Performance	Fiscal Year 2012/2013 Target	Year End Status	Comments
		Elevating and Amusement Devices			
		Elevating Devices	27.1%	Equal to or better than previous fiscal year	27.7%
		Amusement Devices	55.6%	Equal to or better than previous fiscal year	56.6%
		Boilers and Pressure Vessels and Operating Engineers			
		Boilers and Pressure Vessels	94.8%		95.4%
		Operating Engineers	47.2%		47.5%
Organizational Effectiveness					
Enhanced Efficiency	Operating Leverage ¹³	-7.4%	0% or better	1.6%	
Accuracy and completeness of incident data used for public safety decision-making and performance reporting	Data error rate	Incident data accuracy and completeness verified through independent audit	90% confident that error rate is less than or equal to 10%	AD - 0% ED - 0% FS - less than 10% Pipeline - less than 10%	
Enhanced customer value	Percentage of customers indicating high value compared to moderate value ¹⁴	46% high customer value compared to 44% moderate customer value	Equal to ¹⁵ or better than previous fiscal year	45% high customer value	Result missed target but is within the survey's margin of error

¹³ The percentage of revenue growth less the percentage expense growth arising from normal operations exclusive of planned strategic investments approved by the Board over a five-year period.

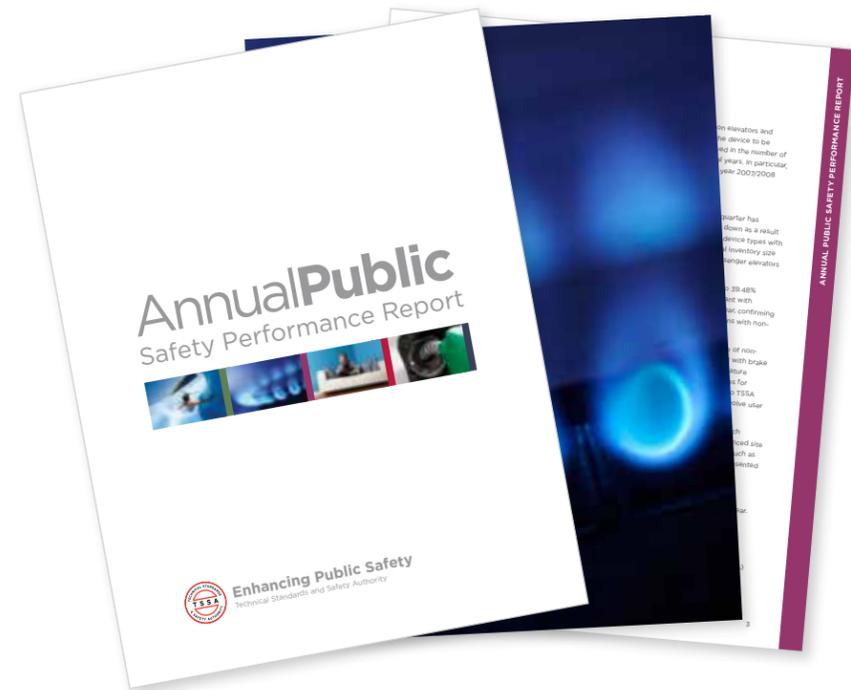
¹⁴ Value with respect to TSSA's services is measured through an annual customer values survey and expressed as a percentage.

¹⁵ "equal to" means a statistically insignificant change; that is, any change within the survey's margin of error.

Objective	Measure	Fiscal Year 2011/2012 Performance	Fiscal Year 2012/2013 Target	Year End Status	Comments
Enhanced employee engagement ¹⁶	Employee survey engagement score	64% overall engagement compared to a benchmark of 69%	No survey is planned for this fiscal year	Next survey planned for early next fiscal year	
Employee health and safety	Occupational health and safety dashboard leading indicators (training, quality audits completed and average quality audit score)	Green on all indicators	Green on all leading indicators	Green on all leading indicators	
Financial Performance					
Regulatory business revenue	Annual \$	\$53.136 million	\$55.703 million	\$56.565 million	
Regulatory business margin	Annual \$	\$ 1.202 million	\$(0.390) million	\$0.584 million	
Non-regulatory business revenue	Annual \$	\$ 3.491 million	\$3.476 million	\$3.422 million	Shortfall driven by sun setting of a program and focus on regulatory business
Non-regulatory business margin	Annual \$	\$0.715 million	\$0.410 million	\$0.941 million	

¹⁶ Employee engagement surveys are conducted approximately every 18 months.

Annual Public Safety Performance Report now available online!



TSSA's Annual Public Safety Performance Report provides comprehensive information on the state of compliance as well as measures and trends on the safety performance of the sectors it regulates. Download your copy at www.tssa.org/regulated/about/publicSafetyReports.





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