

2013|2014

# Business Plan



**Enhancing Public Safety**

Technical Standards and Safety Authority



## Executive Summary

Since 1997, the Technical Standards and Safety Authority (TSSA) has been entrusted by the government of Ontario with the safety of Ontarians in four key sectors:

- boilers and pressure vessels and operating engineers;
- elevating devices, amusement devices and ski lifts;
- fuels; and
- upholstered and stuffed articles.

TSSA is a not-for-profit, self-funded organization whose sole responsibility is to enhance public safety. Headquartered in Toronto, TSSA employs over 394 staff, approximately 70 percent of whom work in operations. TSSA is accountable to the Ontario government, the residents of Ontario and the industries it regulates.

TSSA's purpose is to promote and enforce public safety. While TSSA is mandated by the Government of Ontario to enforce the *Technical Standards and Safety Act, 2000* and associated regulations, the organization has embraced a much broader role than compliance. Through advocacy, including awareness and education, and enforcement actions, TSSA seeks to continuously improve safety. Since many incidents are a result of people unintentionally and often unknowingly putting themselves at risk, TSSA seeks to act as both a regulator and an advocate – firmly committed to improving the safety of Ontarians.

To best achieve its vision to be a valued advocate and recognized authority in public safety, TSSA updates its five-year strategic plan each year. TSSA's strategic plan for fiscal years 2012/2013 to 2016/2017 outlines four strategies designed to continuously improve safety and support achievement of the following goals for the plan period:

- 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 as measured by the employee engagement survey score; and
- Our regulated customers will believe that we deliver high value by promoting and enforcing public safety.

The four strategies to continuously enhance safety are as follows.

### **Compliance First**

It is a key assumption that a better state of compliance represents an enhanced level of safety in Ontario. Through the Leverage Risk Knowledge strategy, TSSA obtains an enhanced understanding of safety risk to Ontarians and the state of compliance. This knowledge is put into action under the Compliance First strategy through the design and delivery of compliance initiatives.

It is fundamental to TSSA's commitment as a regulator to ensure compliance with the regulatory requirements. Non-compliance may reflect a lack of awareness of the safety requirements, a belief that the requirements do not address a safety risk or a determination that the risk of non-compliance is lower than the cost of compliance, or possibly a combination of these. TSSA will apply knowledge gained from its direct engagements and through its customer value surveys to design compliance initiatives that reflect a better understanding of their root cause.

Compliance cannot be taken for granted, especially with economic and other market pressures that may influence safety decisions. As such, TSSA will always exercise appropriate due diligence in improving compliance.

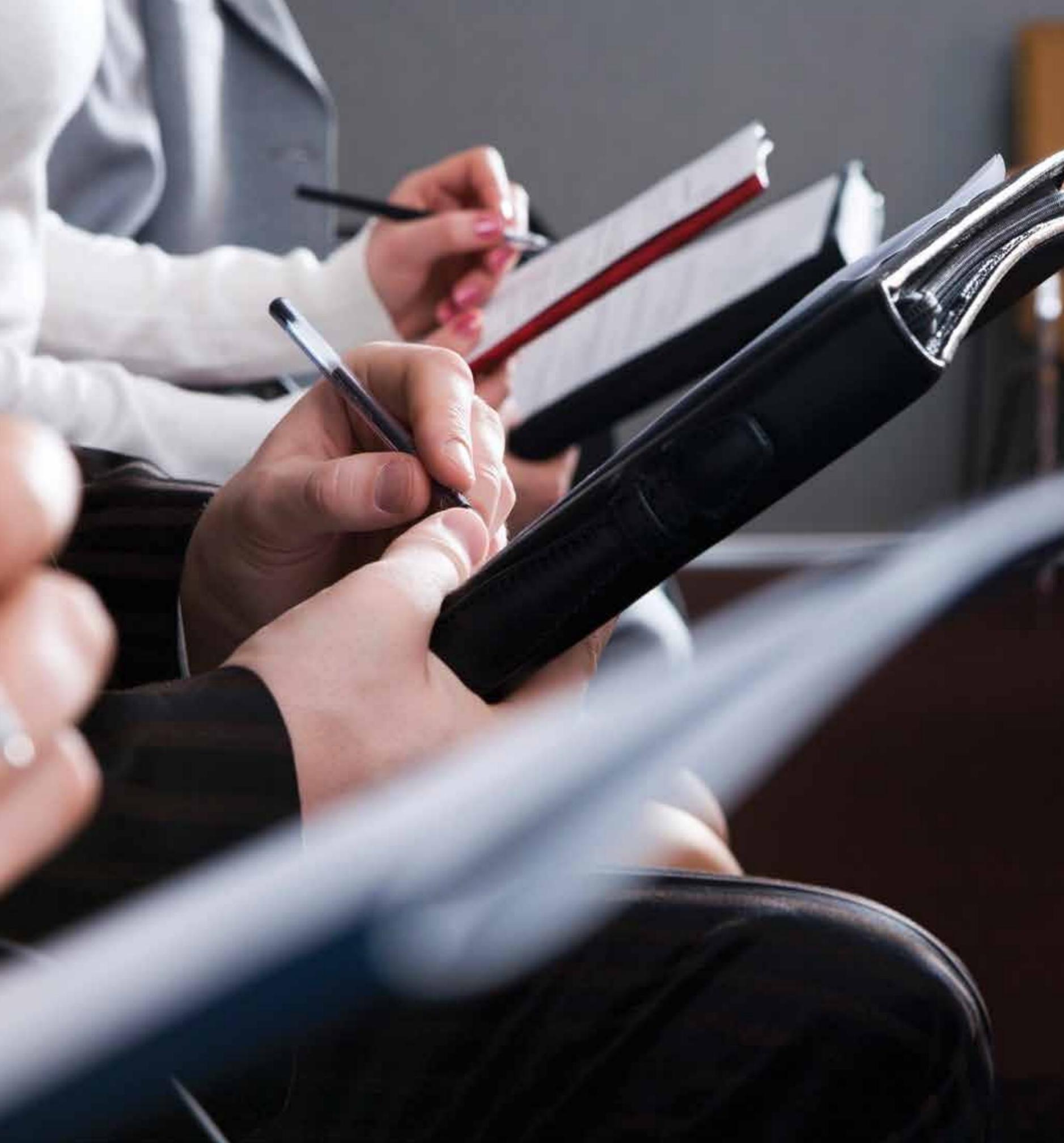
### **Leverage Risk Knowledge**

TSSA's innovative risk-informed decision-making (RIDM) initiative is the basis of TSSA's approach to managing its public safety responsibilities by providing an understanding of the potential and the most effective means of controlling risks. Using this sound and systematic approach helps TSSA be an effective regulator through transparent and accountable safety decision-making. By leveraging risk knowledge, TSSA is positioned to design rational and effective compliance measures and associated goals and, through the development of the safety performance metrics, monitor and assess their effectiveness. TSSA has developed its next five-year work plan to enhance the governance, knowledge base and application of RIDM, which forms the foundation of this strategy.

### **Shared Responsibility for Safety**

Although some causal factors can be eliminated or constrained through regulations, codes, design, training, inspections and a variety of other means contained within the delegated mandate provided to TSSA, other causal factors, particularly those related to operator or user behaviour, can at best only be influenced by TSSA. The Shared Responsibility for Safety strategy directly supports TSSA's commitment to promote public safety leading to its vision to become a valued advocate.





## **Organizational Effectiveness**

In order to achieve its vision, TSSA will take steps to enhance organizational effectiveness to most effectively promote and enforce safety, and ensure the right resources are in the right place at the right time doing the right things. This strategy is designed to enhance safety, employee engagement and customer value.

For each of the four strategies, the business plan outlines specific initiatives and targets consistent with the second year of the five-year strategic plan.

This business plan also sets annual goals and performance targets in the form of a balanced scorecard. TSSA is committed to continuous improvement of its performance metrics. This year, TSSA refined some of the key performance metrics and targets to more accurately reflect the efforts undertaken to achieve the vision goals in a challenging but achievable manner. In particular, the customer value metric and targets have been revised along with employee engagement and a new metric, Level of Public Safety Risk, for safety outcomes (formerly expressed as predicted disability adjusted life years (DALY) metric).

TSSA reports on its performance against all balanced scorecard targets in its annual report. TSSA utilizes the results of the assessments, both accomplishments and challenges, to determine the root-cause of its successes and shortfalls as a means of enhancing its future performance.

TSSA's strategic plan, business plan and annual report are available on the organization's website.

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## 1. Corporate Overview

### 1.1 Corporate Profile

#### 1.1.2 Organization

Since 1997, TSSA has delivered public safety services as delegated by the Government of Ontario in four key sectors:

- boilers and pressure vessels, and operating engineers;
- elevating devices, amusement devices and ski lifts;
- fuels; and
- upholstered and stuffed articles.

TSSA is a not-for-profit, self-funded organization whose sole responsibility is to enhance public safety. Headquartered in Toronto, TSSA employs over 394 staff, approximately 70 percent of whom work in operations. TSSA is accountable to the Ontario government, the residents of Ontario and the industries it regulates.

TSSA uses a cost recovery approach to set fees, including registration, inspection, engineering, examination, permit and licensing, allowing TSSA to deliver on its mandated activities. TSSA's funding model is developed in a transparent and consultative manner which includes stakeholder engagement and appropriate advance notice.

### 1.2 Vision, Mission, Mandate and Values

**TSSA's Purpose:** To promote and enforce public safety.

**TSSA's Vision:** To be a valued advocate and recognized authority in public safety.

#### TSSA's Corporate Values:

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 all commitments.

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

Teamwork - Work together, respect individuals and celebrate success.

#### 1.2.1 Corporate Governance

TSSA is governed by a 13-member board of directors. TSSA's board of directors is responsible for stewardship, including oversight of the organization, and taking a leadership role in the development of the organization's strategic direction.

The board and management monitor emerging governance best practices and act to adopt those that best serve to strengthen TSSA's governance regime.

#### 1.2.2 Safety Value Chain and Program Areas

While TSSA is mandated by the Government of Ontario to enforce the *Technical Standards and Safety Act, 2000* and associated regulations, the organization has embraced a much broader role than compliance. Through advocacy, including awareness and education, and enforcement actions, TSSA seeks to continuously improve safety. Since many incidents are a result of people unintentionally

and often unknowingly putting themselves at risk, TSSA seeks to act as both a regulator and an advocate – firmly committed to improving the safety of Ontarians. Thus, TSSA has a dual role to encourage and ensure compliance with the regulations, as well as educate and promote public safety. In keeping with this dual role, TSSA's vision is to be a valued advocate and recognized authority in public safety.

TSSA provides a variety of safety-related services that it refers to as its safety value chain. In identifying its safety value chain activities, TSSA has included activities that enable both elements of its purpose – to promote and enforce. In addition, certain activities within the safety value chain outlined below are, by definition, more preventative in nature, and TSSA is committed to increasing its preventative efforts.

TSSA's safety value chain activities – in order of preventative to reactive – include:

- **Influence codes and regulations:** support government in developing regulations, and participate in code development and standard setting.
- **Inform, educate and modify behaviour:** inform and educate the public and industry participants regarding better safety practices and issues, new codes, regulations and requirements, and seek to influence safe behaviours.
- **License, register and certify:** influence training institutions to properly train tradespeople, and effectively examine and certify tradespeople, register plants and equipment, and license devices, sites and contractors.

- **Review designs:** review the design of new technology, new installations, alterations and modifications to existing equipment and plants for compliance to codes and regulations.
- **Inspect and monitor:** inspect/audit tradespeople, contractors, plants, equipment and sites for compliance with codes and regulations, and monitor developing safety-related trends or issues.
- **Enforce:** take appropriate regulatory actions to resolve non-compliance situations or take appropriate actions in response to safety incidents.
- **Investigate:** investigate safety incidents or near-misses.

TSSA's value proposition is to put the greatest emphasis on preventative activities within the safety value chain.

TSSA recognizes that the evolutionary path toward this goal will vary for each sector. To deliver on its value proposition, TSSA gives priority attention to identified gaps in compliance through the application of best practices in safety compliance management. Where opportunities remain to enhance safety, TSSA will design and implement safety promotion solutions such as public safety awareness campaigns. In addition, TSSA plays a key advisory role to the Ministry of Consumer Services (MCS) to ensure appropriate safety standards are set out in legislation and regulation through a mutually-beneficial policy development process.

An outline of TSSA's associated responsibilities and the sectors it regulates are summarized in the following pages. TSSA outlines its achievements and activities in its annual report.

## Boilers and Pressure Vessels and Operating Engineers Safety Program

### Boilers and Pressure Vessels

TSSA is responsible for regulating all pressure-retaining components manufactured or used in Ontario, in accordance with the *Technical Standards and Safety Act, 2000* and applicable regulation, with a commitment to ensuring the safety of boilers, pressure vessels and piping systems. TSSA also provides its services in this area to support the safety of Ontario's nuclear power plants.

### Operating Engineers

Under the *Technical Standards and Safety Act, 2000* and applicable regulation, TSSA examines and certifies power plant engineers and operators. TSSA also registers operating plants in order to specify the operating requirements under the regulation, including the certification level of the operating engineering personnel.

## Elevating and Amusement Devices Safety Program

### Elevating Devices

TSSA is responsible for the oversight of elevating devices in Ontario under the *Technical Standards and Safety Act, 2000* and applicable regulation. These devices include elevators, escalators, moving walks, lifts for persons with physical disabilities, construction hoists and ski lifts (passenger ropeways). Elevating device mechanics, including ski lift mechanics, must be certified in order to install and maintain elevating devices. TSSA also provides elevator inspection services under contract to Public Works and Government Services Canada to ensure the safety of elevating devices in federal buildings in Ontario.

### Amusement Devices

TSSA is responsible for regulating the safety of permitted amusement rides in Ontario under the *Technical Standards and Safety Act, 2000* and applicable regulation. These devices include roller coasters, Ferris wheels, waterslides and go-karts. Ride mechanics must also be certified, and are responsible for the safe and proper set-up, maintenance and operation of all rides.

### Fuels Safety Program

TSSA provides fuel-related safety services, in accordance with the *Technical Standards and Safety Act, 2000* and applicable regulations, associated with the safe transportation, storage, handling and use of fuels such as gasoline, diesel, propane, natural gas, digester and landfill gas, and hydrogen. TSSA delivers programs and services that regulate the safe use of motor and energy fuels for private, industrial and commercial uses in Ontario.

TSSA regulates fuel suppliers, storage facilities, transport trucks, pipelines, contractors and their certified employees, and equipment or appliances that use fuels, including residential applications.

TSSA additionally works to protect the public, the environment and property from fuel-related hazards such as spills, fires and explosions.

### Upholstered and Stuffed Articles Safety Program

TSSA protects the public from potential hazards related to the use of upholstered and stuffed articles sold in Ontario in accordance with the *Technical Standards and Safety Act, 2000* and applicable regulation.

In addition to promoting safety, TSSA's aim is to protect consumers against fraud and ensure consistent requirements for all upholstered and stuffed articles registered for sale or distribution in Ontario.

### Enforcement of Safety Regulations

As a delegated regulator of public safety, TSSA's mandate requires it to undertake inspection, enforcement and other roles. Although the organization has the authority to order changes to and even shut down unsafe operations when necessary, its focus is on prevention. TSSA works cooperatively with its industry partners and other stakeholders, including the general public, to improve safety in the sectors it regulates.

Consistent with its commitment to putting public safety first through the efficient and effective enforcement of the *Technical Standards and Safety Act, 2000* and its associated regulations, TSSA uses a variety of tools including targeted education programs, licence revocation, legal orders and prosecution to ensure public safety. TSSA balances its resources by establishing and applying risk management criteria to the allocation of available enforcement tools. TSSA will apply these tools in a progressive manner. The choice of enforcement action will be appropriate for and escalate with the nature of the violation.

Enforcement decisions are assessed according to the following criteria:

- violations of law, which result in personal injury, substantial property damage or have a potential to cause personal injury or substantial property damage, and incidents with catastrophic or near catastrophic results; the vigorous prosecution of high profile incidents is an effective way to promote public safety and enhance compliance;
- non-compliance in areas of perceived or persistent problems, regardless of the seriousness of the violation, persistent or previous offenders, or offences reflecting a lack of safety commitment; all available data and resources will be utilized to identify compliance challenges and public risk;
- enforcement efforts will be determined based on the nature of the violation; and
- non-compliance with statutory authorization requirements, challenges to TSSA's inspection or enforcement authority, such as disregard for inspector's orders or statutory licensing requirements.

The authorization and inspection requirements are the cornerstone of an effective regulatory regime. Maintaining the integrity of these important legislative provisions is necessary to avoid a deterioration of public safety standards. As such, all available resources will be utilized to determine the course of enforcement action based on the nature of the violation/non-compliance toward statutory authorization requirements.

## 1.3 Commitment to Stakeholders

TSSA's responsibility to its stakeholders is characterized by a high degree of accountability and transparency, which is expressed through the following responsibility statements.

**To all stakeholders:** The conduct of TSSA and its employees will always be honest, professional and ethical.

**To the public:** TSSA and its employees will work with diligence and competence to protect the public interest by maintaining and enhancing safety. TSSA will lead the way in working to prevent avoidable incidents. TSSA will educate the public so they may take personal responsibility for their safety.

**To the government:** TSSA will perform its delegated responsibilities with diligence, observing the principle of ensuring a fair, safe and informed marketplace that supports a competitive economy. TSSA will recommend amendments to delegated legislation and regulations that will enhance public safety, and advise MCS promptly of any matters that may require action or attention.

**To its customers:** TSSA will provide timely and value-added services at a fair price. TSSA will provide an objective and expert application of its delegated authority that promotes a level playing field and continuous improvement.

TSSA will consult with its stakeholders and work in partnership to communicate performance and earn their trust. Feedback on how TSSA is meeting its commitments and responsibilities is solicited and always welcome.

### Advisory Councils

Partnering with industry, TSSA consults with advisory councils that have been established for each of its regulated sectors. TSSA and its nine industry advisory councils work closely together in a spirit of continuous improvement, primarily to identify and reduce risk, and additionally to develop public education plans, training proposals, regulatory changes, design changes and new inspection processes.

Industry advisory councils are supported by technical committees, called risk reduction groups, which propose operating improvements for their sectors. They are instrumental in looking at specific safety challenges in their sectors and helping TSSA find effective solutions. This close partnership with industry is fundamental to the improvement of public safety in Ontario. Providing an effective balance to the interests of industry, TSSA also benefits from a Consumers Advisory Council that provides independent, consumer-focused advice and guidance related to the impacts of TSSA's activities on the public or on consumers who are purchasers or users of products and/or devices regulated by TSSA.

More information regarding the advisory councils, including terms of reference, composition and minutes of meetings, can be accessed through TSSA's website at [www.tssa.org](http://www.tssa.org).

## Complaint Handling

TSSA defines complaints as an expression of dissatisfaction with respect to services it provides, actions of its staff or the complaint process itself. Although TSSA seeks to 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 appointed under the delegated safety legislation or the President and Chief Executive Officer. TSSA tracks the results of its complaint handling and includes in its annual report a summary of complaints for the fiscal year. TSSA will continue to strive toward improving processes and service delivery as a way to increase customer satisfaction and improve safety outcomes in Ontario.

### 1.4 Commitment to the Minister of Consumer Services

As an organization responsible for public safety, TSSA must be accountable and transparent. TSSA is one of the first public safety organizations to embrace outcome-based reporting, providing all its stakeholders with an understanding of safety in its delegated sectors. As a result, TSSA provides transparent performance reporting through its strategic plan, business plan, annual report and annual public safety performance report. All of these documents are available to the public and can be accessed through TSSA's website at [www.tssa.org](http://www.tssa.org).

In addition, TSSA reviews its performance with MCS on a quarterly basis by way of a safety performance report that provides detailed information on safety outcomes and services, including compliance levels, incidents and injuries.

TSSA is committed to continuously enhancing both the quality and comprehensiveness of its data and the content of its reporting to MCS to ensure that the ministry's needs are fully met or exceeded.

### French Language Services

Consistent with its *French Language Services Policy*, TSSA responds to all requests for French services as they arise during the year. TSSA monitors requests for services in French to determine the appropriate level of service to meet public safety and customer service needs.

## 2. Business Planning

### 2.1 Overview

TSSA's strategic plan for fiscal years 2012/2013 to 2016/2017 outlines a path forward for the organization to achieve its vision – with a focus on four strategies. A copy of the strategic plan is posted on TSSA's website. The business plan for fiscal year 2013/2014 makes operational the second year of this five year strategic plan. In particular, it outlines the initiatives planned for the fiscal year to achieve the identified strategies. It also includes a balanced scorecard for performance monitoring and measurement purposes. TSSA reports on its success against the targets identified in the balanced scorecard in its annual report.

### 2.2 Delivering on the Strategic Plan

TSSA's strategic plan for fiscal years 2011/2012 to 2015/2016 identified four strategies designed to continuously improve safety and support the organization's achievement of its vision through the following vision goals over the plan period:

- 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 as measured by the employee engagement survey score.
- Our regulated customers will believe that we deliver high value by promoting and enforcing public safety.

The four strategies identified in the strategic plan to achieve these goals are as follows.

### Compliance First

It is a key assumption that a better state of compliance represents an enhanced level of safety in Ontario. Through the Leverage Risk Knowledge strategy, TSSA obtains an enhanced understanding of safety risk to Ontarians and the state of compliance. This knowledge is put into action under the Compliance First strategy through the design and delivery of compliance initiatives.

It is fundamental to TSSA's commitment as a regulator to ensure compliance with the regulatory requirements. Non-compliance may reflect a lack of awareness of the safety requirements, a belief that the requirements do not address a safety risk or a determination that the risk of non-compliance is lower than the cost of compliance, or possibly a combination of these. TSSA will apply knowledge gained from its direct engagements and through its customer value surveys to design compliance initiatives that reflect a better understanding of their root cause.

Compliance cannot be taken for granted, especially with economic and other market pressures that may influence safety decisions. As such, TSSA will always exercise appropriate due diligence in improving compliance.

### **Leverage Risk Knowledge**

TSSA's innovative RIDM initiative is the basis of TSSA's approach to managing its public safety responsibilities by providing an understanding of the potential and most effective means of controlling risks. Using this sound and systematic approach enables TSSA to be an effective regulator through transparent and accountable safety decision-making. By Leveraging Risk Knowledge, TSSA is positioned to design rational and effective compliance measures and associated goals and, through the development of the safety performance metrics, monitor and assess their effectiveness. TSSA has developed its next five-year work plan to enhance the governance, knowledge base and application of RIDM, which forms the foundation of this strategy.

### **Shared Responsibility for Safety**

Although some causal factors can be eliminated or constrained through regulations, codes, design, training, inspections and a variety of other means contained within the delegated mandate provided to TSSA, other causal factors, particularly those related to operator or user behaviour, can at best only be influenced by TSSA. The Shared Responsibility for Safety strategy directly supports TSSA's commitment to promote public safety leading to its vision to become a valued advocate.

### **Organizational Effectiveness**

In order to achieve its vision, TSSA will take steps to enhance organizational effectiveness to most effectively promote and enforce safety, and ensure the right resources are in the right place at the right time doing the right things. This strategy is designed to enhance safety, employee engagement and customer value.

For each of the four strategies, the business plan outlines specific initiatives and targets consistent with the second year of the five-year strategic plan.

TSSA has established a robust strategic and business planning process supported by a commitment to continuous improvement. Certain elements of the process are outlined below. As a starting point, TSSA conducts an annual assessment of internal and external factors that have the potential to impact the achievement of these goals. Key inputs to this process include the Annual Safety Performance Report, externally administered customer value and employee engagement surveys, and input from TSSA's advisory councils and the Chief Safety and Risk Officer. This assessment, combined with ongoing monitoring of the achievement of business initiatives designed to address the identified goals and strategies, enables TSSA to identify opportunities to revise or refine its approach. No significant new issues or trends were identified during this planning cycle.

This year, TSSA refined some of the key performance metrics and targets to more accurately reflect the efforts undertaken to achieve the vision goals in a challenging but achievable manner. In particular, the customer value metric and targets have been revised along with employee engagement and a new metric, Level of Public Safety Risk, for safety outcomes (formerly expressed as predicted disability adjusted life years (DALY) metric). These revised metrics and targets are included in an updated strategic plan for fiscal years 2012/2013 to 2016/2017 that is available on TSSA's website.

Also in support of the strategic plan, TSSA annually assesses current and prospective initiatives to ensure that a long-term view is taken to determine initiatives to be included in the annual business plan. In this respect, TSSA has focused on two objectives: ensuring that key foundational initiatives are given priority over desirable enhancements to current business practices; and, that consistent with its target setting, the number of initiatives is challenging but achievable. No significant changes in current initiatives have been identified through this process.

In addition, TSSA has established and maintains an enterprise risk management process based on best practice, which is designed to identify and prioritize the risks that have the potential to inhibit achievement of TSSA strategic goals. Management is confident that the initiatives in the current five-year strategic plan (years two through five) are sufficient to mitigate the priority risks to a level that will not impede achievement of objectives and, as such, no further mitigation efforts are recommended.

### 3. Initiatives for the Fiscal Year 2013/2014

#### 3.1 Strategic Priority Initiatives

On an annual basis, TSSA identifies initiatives, both existing and proposed, that can contribute to the achievement of the objectives identified in the strategic plan. These initiatives are assessed, evaluated and prioritized on a five-year horizon. Following this initial assessment, they are further prioritized to reflect the execution capacity of the organization, recognizing its responsibilities to continue to deliver its safety mandate.

The results of this process are represented by the fourteen initiatives identified for delivery in fiscal year 2013/2014. Consistent with prior years, each initiative is linked to a strategy and objective. A fiscal year target and description is also provided.

##### Strategy One: Compliance First

Initiative	Description of Initiative	Fiscal Year Target
<b>Objective: Achieve positive safety trends by addressing areas of significant non-compliance</b>		
<b>Achieve and sustain no periodic inspection backlog</b>	This continuing multi-year initiative scheduled for completion in fiscal year 2014/2015 will ensure that all periodic inspections are effectively performed in accordance with regulatory and TSSA policy requirements.	No periodic inspection backlog and system enhancement project milestones achieved.
<b>Objective: Support continued positive compliance behaviour through effective incentives</b>		
<b>Enhance the fee framework using incentives to positively influence safety behaviours</b>	This new multi-year initiative seeks to build on the learnings from the most recent fee review to design and implement incentive-based fees, in addition to continuing to simplify the fee structure, as part of regular three-year fee review scheduled for completion in fiscal year 2015/2016.	Review all regulated sectors to identify and document innovative fee models for further consideration with industry stakeholders.

##### Strategy Two: Leverage Risk Knowledge

Initiative	Description of Initiative	Fiscal Year Target
<b>Objective: Improved safety decision-making by enhancing the risk knowledge base</b>		
<b>Enhance data management (including enterprise content management)</b>	Reflecting the importance of data at TSSA for safety decision-making and reputational risk management, this initiative takes a holistic approach to establishing and maintaining a sustainable foundation for effective data management. This multi-year initiative is scheduled for completion in fiscal year 2015/2016.	Data cleansing for critical data elements in the Elevating Devices Safety Program area complete; accuracy levels determined and targets set; and a roadmap developed for Enterprise Content Management.
<b>Objective: Improved safety decision-making by utilizing the knowledge base</b>		
<b>Manage potential safety risks associated with aging devices through risk-informed decision-making</b>	The safety risk posed by older or deteriorating equipment has been identified as a priority. Through this continuing multi-year initiative scheduled for completion in fiscal year 2014/2015, TSSA will develop risk-based methods to determine: service lives; frequencies of inspection; replacement intervals; and other engineering solutions.	Two pilot projects completed and reports received by the appropriate statutory director.
<b>Enhance the periodic inspection framework with greater focus on areas of high-risk non-compliance</b>	This continuing multi-year initiative scheduled for completion in fiscal year 2014/2015 will result in the design and implementation of an enhanced risk-based scheduler for periodic inspections to ensure optimal deployment of resources.	The enhanced risk-based scheduler is implemented in the elevating devices safety program.
<b>Objective: Increased effectiveness of the safety performance metrics through the promotion of risk-informed decision-making</b>		
<b>Risk-informed decision-making is recognized as an innovative regulatory approach</b>	Recognition of TSSA's safety performance metrics as the benchmark to measure safety is a vision goal. This ongoing initiative seeks independent validation of risk-informed decision-making as the foundation achievement of this goal.	Publication and/or presentation of TSSA research/commentary in a peer-reviewed journal or academic conference and a signed cooperation agreement between TSSA and a regulator to work collaboratively.

### Strategy Three: Shared Responsibility for Safety

Initiative	Description of Initiative	Fiscal Year Target
<b>Objective: Reduce public safety risk where compliance is not a factor by modifying user behaviour</b>		
<b>Reduce health impacts through user behaviour research</b>	To improve safety outcomes, TSSA has undertaken research to understand the key drivers, and identify and understand how the public perceives and manages risk in the sectors where user behaviour is the dominant root cause of safety incidents. This continuing multi-year initiative is scheduled for completion in fiscal year 2015/2016.	Risk definitions completed for two of four segments of identified risk profiles and identify target audience for elevator and escalator safety public engagement strategies.
<b>Increase awareness levels to reduce carbon monoxide (CO) incidents resulting from user behaviour</b>	CO is one of the largest sources of safety incidents with a significant percentage of injuries resulting from a lack of awareness, understanding or knowledge of risks associated with the technology. Through this continuing multi-year strategy scheduled to continue through the strategic plan period to fiscal year 2016/2017, TSSA will formulate and assess strategies to reduce CO incidents related to user behaviour.	CO and direct mail campaigns implemented and new CO safety kit designed and piloted; performance metrics established.
<b>Objective: Achieve positive safety trends through effective and viable safety partnerships</b>		
<b>Enhance compliance oversight for insured boilers and pressure vessels</b>	TSSA is working collaboratively with the Ministry of Consumer Services on a multi-year initiative to enhance compliance oversight of insured boilers and pressure vessels and ensure alignment of TSSA's compliance activities with the regulatory framework.	Work collaboratively with the Ministry of Consumer Services to develop options and a path forward.

### Strategy Four: Organizational Effectiveness

Initiative	Description of Initiative	Fiscal Year Target
<b>Objective: Build a strong foundation to succeed</b>		
<b>Enhance employee engagement to support achievement of vision and strategy</b>	Enhancing employee engagement is essential to the successful delivery of TSSA's purpose and achievement of its vision. This three-year initiative is scheduled for completion this fiscal year.	Learning programs delivered consistent with work plan and change management capacity improved against benchmark.
<b>Create a standardized level of training and expertise for all TSSA employees</b>	This multi-year initiative scheduled for completion in fiscal year 2016/2017 will develop and implement a training program to ensure a comprehensive and consistent skill set within each program and across the organization.	Enhanced standardized inspector training for the Elevating and Amusement Devices Safety Program implemented.
<b>Objective: Fully utilize TSSA resources to optimize performance</b>		
<b>Increase time available for core safety services through implementation of Field Support Services (FSS) and related processes</b>	This multiyear initiative, scheduled for completion in fiscal year 2014/2015, will standardize orders for inspectors and increase the time available for inspectors to deliver core safety services by reducing administrative burden and through more efficient scheduling.	Implement the new inspection entry process for three safety programs and permanent FSS department, complete workflow changes, and develop advanced scheduling for implementation consistent with the project work plan.
<b>Increase high customer value by enhancing contractors' view of TSSA's value</b>	Contractors have historically rated TSSA's value lower than other TSSA customers. Through this initiative, TSSA will seek to gain meaningful insight into the causes of this result and work to address them. This multi-year initiative is scheduled for completion in fiscal year 2015/2016.	Two tactics assessed consistent with the project work plan.
<b>Increase capacity for project management</b>	This initiative scheduled for completion this fiscal year will increase TSSA's capacity to oversight and deliver internal projects. The project management office will include business analysis and process design capabilities.	Project management office staffed and methodology established.

## 4. Assessment of Corporate Resources

To deliver broadly on its mandate and specifically on its business plan, it is essential that TSSA has sufficient and appropriate human, financial and information services resources. In developing its business plan, TSSA reviews these resources and the results of that review are summarized in the following subsections.

### 4.1 Human Resources

As a knowledge-driven organization, TSSA's people are its most important resources. As such, employee engagement remains one of TSSA's strategic plan key performance indicators. Through the use of change management principles, specific action plans have been created and are being monitored to improve levels of engagement across the organization.

TSSA ensures that it has sufficient and qualified talent to execute its delegated responsibilities and strategic and business plan initiatives by regularly monitoring staffing levels and focusing on succession planning for key roles. For example, TSSA added additional resources to the Fuels inspection team last fiscal year to address identified priority inspections in that program.

TSSA continues to have relatively low turnover rates compared to the market and has not experienced recruitment challenges. Ongoing monitoring of appropriate compensation levels in the external market allows TSSA to remain competitive in the marketplace. TSSA continues to monitor the anticipated shortage of technical talent in the province and is implementing a recruitment strategy to identify inspector candidates from new immigrants, recent graduates and seasoned skillsets in key industries.

### 4.2 Information Services

In support of TSSA's business strategies, TSSA continues to apply appropriate tools and take advantage of new technologies, including advancements in cloud computing. Significant investment is included in this business plan to enhance system capabilities related to the delivery of inspection and engineering safety services and customer facing modules. Most of these investments involve multi-year initiatives.

This fiscal year, the enhancements to the information system will support a more effective inspection order process and additional initiatives to support field services. TSSA will also continue to further enhance business reporting capabilities, based on a recently deployed data warehouse.

TSSA plans to complete a significant upgrade to the information system and database by the second quarter of the fiscal year to ensure continued support, performance, security and reliability. This upgrade will also position TSSA to benefit from both new and seeded product enhancements, and to ensure required system compatibility with the planned enhancements listed above.

Business-continuity efforts will focus on implementation and continued review and testing of disaster recovery services and processes to ensure continuity of all essential corporate services.

TSSA is confident that it has sufficient information resources to enable successful execution of TSSA's regulatory mandate and business plan.

### 4.3 Financial Resources

Fiscal year 2012/2013 represented another strong year for TSSA with both revenues, and the excess of revenues over expenses (net margin), exceeding prior year's financial performance and budget expectations.

Reflecting increased safety activities across all programs, TSSA revenues grew over prior year by an average of 6%. Increased safety efforts across all programs were evident in the above budget revenue performance in each sector. While growth in operating expenses was higher than prior year by 7%, the majority of this variance was directed to operational resources to support growth in safety-related initiatives. Operating expense growth, other than operational resources, was managed prudently on budget and was equal to prior year. TSSA finished the year with a net margin of approximately \$1.5 million. Most of this excess was transferred to restricted reserves in accordance with policy, and otherwise directed to fund future strategic initiatives consistent with plan.

For fiscal year 2013/2014, TSSA remains committed to continued strong operating and financial performance supported by a sound system of internal controls. A key element of TSSA's plan is continued investment in risk-informed decision-making, technology, public education, employee development and other foundational initiatives. TSSA also remains committed to ensuring it has the capital and reserves to enable funding for these initiatives, and the ability to absorb any future unforeseen adverse events.

The primary focus of the fiscal year 2013/2014 capital budget is aimed at finalizing its investment and implementation of field support services and related risk-based systems, as well as increasing investment in educational and other preventative safety measures. The following assumptions support a projected revenue increase of approximately 8%:

- 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% growth in each of the next three fiscal years;

- Additional impact of incremental inspection/engineering capacity from fiscal year 2012/2013 and additional new capacity;
- 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:

- Investment in customer research, education and other user behaviour initiatives;
- Establishment of a project management office to continue efficient management of new and existing initiatives;
- Investment in indirect support personnel associated with enhanced efficiency and administration of 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.

The balance sheet is expected to remain solid and liquidity continues to be strong based on prudent management of working capital and positive cash flow. TSSA's liquidity ratios remain at healthy levels, and continue to reflect positive momentum. TSSA continues to review and assess reserves to ensure adequate capital to support the business with its long-term vision and goals, and with respect of regulatory requirements.

TSSA is confident that the established operating and capital budgets are prudent and responsible, and provide sufficient resources to enable successful execution of TSSA's regulatory mandate and overall business plan.

TECHNICAL STANDARDS AND SAFETY AUTHORITY  
**STATEMENT OF INCOME AND EXPENSES**

(In thousands of dollars)

Year ended April 30, 2013 with Fiscal Year 2013/2014 Budget

	2012/2013 Actual \$'000	2013/2014 Budget \$'000	Changes	
			\$	%
<b>Regulatory Business:</b>				
Boilers and Pressure Vessels/Operating Engineers Revenue	13,049	12,752	(297)	(2%)
Elevating and Amusement Devices Revenue	20,312	22,475	2,163	11%
Fuels Revenue	19,719	22,228	2,509	13%
Upholstered and Stuffed Articles Revenue	3,484	3,725	241	7%
<b>Revenue</b>	<b>56,565</b>	<b>61,180</b>	<b>4,615</b>	<b>8%</b>
<b>Expenses</b>	<b>55,980</b>	<b>60,647</b>	<b>4,667</b>	<b>8%</b>
<b>Excess of Revenue over Expenses or Net Margin</b>	<b>585</b>	<b>533</b>	<b>(52)</b>	<b>(9%)</b>
	1%	1%		
<b>Non-Regulatory Business:</b>				
<b>Revenue</b>	<b>3,422</b>	<b>3,320</b>	<b>(102)</b>	<b>(3%)</b>
<b>Expenses</b>	<b>2,481</b>	<b>2,622</b>	<b>141</b>	<b>6%</b>
<b>Excess of Revenue over Expenses or Net Margin</b>	<b>942</b>	<b>698</b>	<b>(244)</b>	<b>(26%)</b>
	28%	21%		
<b>Total TSSA:</b>				
<b>Revenue</b>	<b>59,987</b>	<b>64,500</b>	<b>4,513</b>	<b>8%</b>
<b>Expenses</b>	<b>58,460</b>	<b>63,269</b>	<b>4,809</b>	<b>8%</b>
<b>Excess of Revenue over Expenses or Net Margin</b>	<b>1,527</b>	<b>1,231</b>	<b>(296)</b>	<b>(19%)</b>
	3%	2%		

TECHNICAL STANDARDS AND SAFETY AUTHORITY  
**CAPITAL EXPENDITURE**

Year ended April 30, 2013 with Fiscal Year 2013/2014 Budget

	2012/2013 Actual \$'000	2013/2014 Budget \$'000	Changes	
			\$	%
Capital Expenditure	2,265	3,296	1,031	46%

## 5. Managing Risks to Delivery of the Plan

TSSA continues to proactively identify, assess and evaluate its strategic and operational risk exposures and put into place mitigation plans to manage risks that have the potential to inhibit the organization's ability to achieve its business objectives, and capitalize on opportunities that support business objectives.

During fiscal year 2012/2013, TSSA focused its efforts on implementing the design enhancements to the enterprise risk management process, which included clarifications to the enterprise risk management framework and guideline, revising the risk register and piloting a new tool (heat map). These enhancements aimed to increase the comprehensiveness and quality of the risk assessment, streamline and redefine its inventory of risks, and provide a new reporting tool to assist the Board of Directors in its oversight responsibilities.

In fiscal year 2013/2014, TSSA will focus its efforts on creating a stronger link between the enterprise risk management process and the strategic planning process.

## 6. Performance Management

TSSA sets annual goals and performance targets in the form of a balanced scorecard. The balanced scorecard enables TSSA to identify goals, monitor and manage performance, and report on performance outcomes with respect to the needs of its various stakeholders.

TSSA is committed to the balanced scorecard generally reflecting a stable set of performance metrics that encompass all regulated sectors and enable a year-to-year comparison. TSSA reports on its performance against balanced scorecard targets in its

annual report. TSSA utilizes the results of the assessments, both accomplishments and challenges, to determine root-cause of its successes and shortfalls as a means of enhancing its future performance. The fiscal year 2013/2014 balanced scorecard is provided in Appendix 1.

This year, TSSA refined some of the key performance metrics and targets to more accurately reflect the efforts undertaken to achieve the vision goals in a challenging but achievable manner.

In its strategic plan, TSSA adopts a revised customer value metric based on an index of tracking questions within the customer value survey that represent a number of factors, including overall value, that have proven to be the customer's key drivers of value. The advantage of this performance index is that it provides a higher degree of sensitivity in terms of measuring progress towards increasing the number of customers that believe TSSA delivers high value.

In conjunction with the Ministry of Consumer Services, TSSA set targets for health impacts in its strategic plan and reports on achievements using the percentage reduction in the risk of injury or fatality. This measure, supported by TSSA's RIDM processes and DALY-based measures, will be accompanied by data for fatalities, permanent injuries and occurrences, published in TSSA's Annual Safety Performance Report, available on TSSA's website at [www.tssa.org](http://www.tssa.org). This new approach should be more intuitive and therefore more easily understood by a wider audience.

More information regarding specific industry sectors, including advisory councils and performance reporting, such as compliance and safety outcomes, and customer value survey results can be accessed through TSSA's website at [www.tssa.org](http://www.tssa.org).

## Appendix 1: Balanced Scorecard for Fiscal Year 2013/2014

Objective	Measure	Fiscal Year 2012/2013 Performance	Fiscal Year 2013/2014 Target
<b>Safety Outcomes</b>			
Reduced health impacts	Risk of Injury or Fatality	7.8 percent reduction of risk of injury or fatality compared to fiscal year 2011/12 to be treated as the baseline. <sup>1</sup>	A reduction from previous year toward the strategic plan target for 2016/2017 of a 10% reduction from baseline
Increased regulatory compliance	Periodic inspections/audits passed on first visit <sup>2</sup>	<b>Fuels</b> Contractors audits                      70% Licensed sites                              43%	Equal to or better than previous fiscal year <sup>3</sup>
		<b>Elevating and Amusement Devices</b> Elevating Devices                      28% Amusement Devices                      57%	Equal to or better than previous fiscal year
		<b>Boilers and Pressure Vessels and Operating Engineers</b> Boilers and Pressure Vessels        95% Operating Engineers                      47%	Equal to or better than previous fiscal year
<b>Organizational Effectiveness</b>			
Enhanced Efficiency	Operating Leverage <sup>4</sup>	1.6%	Positive leverage
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%
Enhanced customer value	Performance index score from customer value survey	172	An improvement from previous year toward the strategic plan target for 2016/2017 of 205
Enhanced employee engagement <sup>5</sup>	Employee survey engagement score	Fiscal year 2011/2012 results were 64%	67% overall engagement
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
<b>Financial Performance</b>			
Total revenue	Annual \$	\$59.99 million	\$64.50 million
Total net margin	Annual \$	\$ 1.53 million	\$1.23 million

<sup>1</sup> For further information, please refer to TSSA's Annual Safety Performance Report on [www.tssa.org](http://www.tssa.org).

<sup>2</sup> 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.

<sup>3</sup> 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.

<sup>4</sup> The percentage of revenue growth, less the percentage expense growth, arising from normal operations exclusive of planned strategic investments approved by TSSA's Board of Directors over a five-year period.

<sup>5</sup> Employee engagement surveys are conducted approximately every 18 months.

## Appendix 2: Business Initiatives for FY 2012/2013 Performance Against Targets

### Strategy One: Compliance First

Initiative	Measure	Fiscal Year Target	Fiscal Year 2012/2013 Performance
<b>Objective One: Achieve positive safety trends by addressing areas of significant non-compliance</b>			
1. Eliminate the periodic inspection backlog	Project plan milestones	Absence of a periodic inspection backlog maintained for elevating devices, operating engineers and propane facilities	Achieved
2. Establish a more visible prosecution presence	Increased prosecution activity	Increased number of prosecutions commenced over previous year	Achieved
<b>Objective Two: Support continued positive compliance behaviour through effective incentives</b>			
3. Effective delivery of a fee review	Stakeholder engagement commitments	Commitments achieved and MCS support received	Achieved

**Strategy Two: Leverage Risk Knowledge**

Initiative	Measure	Fiscal Year Target	Fiscal Year 2012/2013 Performance
<b>Objective Three: Improved safety decision-making enhancing the risk knowledge base</b>			
4. Address identified issues with current Incident Management Information System (IMIS)	Audit of incident data	Successful audit	Achieved
<b>Objective Four: Improved safety decision-making by utilizing the knowledge base</b>			
5. Manage potential safety risks associated with aging devices through RIDM	Completion of pilot projects to address safety risks associated with aging equipment and/or infrastructure	Three pilot projects (fuel oil tanks, pressure vessel internal inspections and pipeline transmission line failures) completed	Achieved
6. Enhance the periodic inspection framework with greater focus on areas of high-risk non-compliance	Project milestones	Select a service provider through a request for proposal process and determine an approved design for future implementation	Achieved
<b>Objective Five: Increased effectiveness of the safety performance metrics through the promotion of risk-informed decision-making</b>			
7. Enhance data analysis and reporting utilizing the Disability Adjusted Life Years (DALY) metric	Development of predicted DALY baseline, including risk acceptability criteria	Predicted DALY developed for consolidated and individual programs.	Achieved
8. RIDM is recognized as an innovative regulatory approach to decision-making	RIDM validated externally through peer and academic reviews	Enter into an agreement with at least one regulator to adopt RIDM processes	Achieved

**Strategy Three: Shared Responsibility for Safety**

Initiative	Measure	Fiscal Year Target	Fiscal Year 2012/2013 Performance
<b>Objective Six: Reduce public safety risk where compliance is not a factor by modifying user behaviour</b>			
9. Reduce health impacts through user behaviour research	Project plan milestones	Consolidate user behaviour research completed to date to support existing public safety messaging, engagement strategies and associated performance metrics	Achieved
10. Increase awareness levels to reduce carbon monoxide (CO) incidents resulting from user behaviour	Levels of public awareness of CO risks	Validate CO safety engagement strategies including the use of quantitative performance metrics through in-field CO campaigns	Achieved
<b>Objective Seven: Achieve positive safety trends through effective and compliant training and certification</b>			
Note: This is a multi-year strategy with initiatives identified to begin in fiscal year 2014/2015.			
<b>Objective Eight: Achieve positive safety trends through effective and viable safety partnerships</b>			
11. Enhance compliance oversight for insured boilers and pressure vessels	Project milestones	Review of insurer inspections quality programs completed	Achieved

**Strategy Four: Organizational Effectiveness**

Initiative	Measure	Fiscal Year Target	Fiscal Year 2012/2013 Performance
<b>Objective Nine: Build a strong foundation to succeed</b>			
12. Enhance data management	Project plan milestones	Establish an appropriate data governance framework and Data Policy	Achieved
13. Enhance employee engagement to support achievement of vision and strategy	Project milestones	Learning programs delivered consistent with work plan and change management capacity improved against benchmark	Achieved
<b>Objective Ten: Fully utilize TSSA resources to optimize performance</b>			
14. Increase time available for core safety services through implementation of Field Support Services and related processes	Project plan milestones	Develop and implement “work creation” and “work execution” phases of project plan	Target not achieved. Overall multi-year targets are expected to be achieved
15. Increase high customer value by enhancing contractors’ view of TSSA’s value	Customer value score for contractors	Project plan with target for future year developed based on additional research	Achieved
<b>Objective Eleven: Leverage information technology to support effectiveness</b>			
16. Enhance information system support and functionality through successful implementation of a key upgrade	Project milestones	Information system upgrade completed and system stabilized	Achieved



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