About Us

About the Technical Standards and Safety Authority (TSSA)

Mandated by the Government of Ontario, TSSA is Ontario’s public safety regulator in four key sectors: fuels; elevating and amusement devices; boilers, pressure vessels and operating engineers; and upholstered and stuffed articles. Working collaboratively with stakeholders, TSSA reports to the Ministry of Government and Consumer Services, the Ontario government body that sets public safety policy, oversees both the delivery of safety services and TSSA’s organizational performance, and retains authority for the Technical Standards and Safety Act, 2000.

Our Mission: To enhance safety where Ontarians live, work and play.

Our Vision: To be a valued authority for a safer Ontario.

Our Core 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 commitments.

Communication – Share information responsibly and effectively.

Collaboration – Work together across the whole organization and with our external partners.
After serving in the position of President and CEO at TSSA for just more than one year, I can say that I am very encouraged about the year ahead. I am pleased to present this year’s Business Plan, the operational blueprint of TSSA’s comprehensive 5-Year Strategic Plan, and the key to our future success.

The past year has been one of transition as we created an overarching action plan, including stakeholder consultation and recalibration of project plans, to enable successful implementation of our strategic goals as an organization. Our laser-like focus for the year ahead is one of execution against our plans to effectively deliver on our public safety mandate.

We have embarked on a major transformative agenda that will make deep, sustainable change to become a modern outcome-based regulator in all that we do. From how we regulate to how we communicate. From our culture to our business model and beyond. With the help of key partners, stakeholders and advisory councils we defined what it means to be an outcome-based regulator for TSSA and developed a path to execute. We will achieve this through three major foundational changes/enablers.

TSSA, has a fee for service business model. A key enabler for TSSA to effectively transition to an outcome-based regulator is to modify TSSA’s business model to ensure the organization focus is on improved safety outcomes and harm reduction.

Secondly, we have embarked on a Culture Journey that puts us on a path to become a more progressive, responsive, and collaborative organization that thinks and acts as an outcome-based regulator should. We empower people to do things differently and support them in making the shift from enforcement and compliance centric to promotion of harm and risk reduction.

Thirdly, essential to TSSA’s modernization is the capacity to advance our processes and technologies through better access to timely, reliable data and increased transparency to government, industry and the public. This will help to establish the necessary foundation to support our transformation into an outcome-based regulator.

In sum, these are critical foundational enablers that are a means by which we are able to continually improve and achieve the desired results. It is vitally important to achieve all three stages for success.

As the organization seeks to continually deliver on our mission and mandate to keep Ontario safe, TSSA will address recommendations from the Auditor General and make progressive changes in FY20. These recommendations validate and are consistent with priorities in our Strategic Plan.

As an outcome-based regulator, we will work with regulated customers, enabling them to be compliant, support safe behaviour and reduce overall risk.

To learn more about this year’s safety priorities, our associated goals and measures, I invite you to read this report and, I welcome your feedback. We look forward to a year of transformation that will ultimately result in a safer Ontario.

Sincerely,

Bonnie Rose
President and CEO
Executive Summary

Established in 1997, Technical Standards & Safety Authority (TSSA) has delivered public safety services as delegated by the Government of Ontario in the following key sectors:

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

TSSA is Ontario’s public safety regulator mandated by the Government of Ontario to enforce provincial safety regulations and enhance public safety. Headquartered in Toronto, TSSA employs more than 400 staff, approximately 75 percent of whom work in operations. TSSA is accountable to the Ontario government, the residents of Ontario, and the industries it regulates. The organization uses a cost recovery approach to set fees, including registration, inspection, engineering, examination, permit, and licensing, allowing it to deliver on our mandated activities. TSSA’s funding model is developed in a transparent and consultative manner which includes stakeholder engagement and appropriate advance notice.

The TSSA Board and leadership team take the accountability for administering Ontario’s public safety mandate extremely seriously. TSSA is committed to embracing the evolving role of regulators to build capacity and adopt new approaches to achieve their goals as political and economic pressures challenge them to achieve and maintain required outcomes, while at the same time demonstrating value and reducing regulatory burden on businesses.

Fiscal Year 2020 represents the third year of TSSA’s FY18-22 Strategic Plan that outlines the path forward to make TSSA a highly valued authority for a safer Ontario. The Strategic Plan outlines the priorities and projects that will be a focus for TSSA over the coming five years. The Business Plan for FY20 outlines the initiatives planned for the third year of the Strategic Plan.

To be successful, TSSA is focused on priorities that will have the largest impact in advancing our vision to be a valued safety authority for a safer Ontario. The Strategic Plan is anchored on five strategic themes, including goals and enablers:

**Strategic Goals:**

- **Modernized Regulatory Framework:** TSSA will continue to work collaboratively with the Government of Ontario and regulated customers to ensure a modern regulatory environment that is focused on outcomes and benefits all stakeholders.

- **Service Excellence:** Working with key stakeholders, TSSA will focus on ensuring customer interactions are consistently effective, efficient, and supportive.

- **Safety Awareness, Active Compliance:** TSSA will continue to promote actions that improve both the public and regulated customers’ awareness of risks and empower them to adopt safe behaviours.
Foundational Enablers:

- **Engaged People & Effective Teams**: TSSA will empower teams and promote an open and trusting environment for our team to adopt best practices and drive meaningful change at all levels of the organization.

- **Solid Operational Foundation**: TSSA will continue to improve our operating efficiency and transparency for the benefit of employees, customers and other stakeholders.

For each of these strategic themes, the Business Plan outlines specific initiatives and targets to be achieved. The Business Plan also sets out annual goals and performance targets in the form of a scorecard, progress on which is reported each year in our Annual Report. Over the coming year, TSSA will continue efforts to establish a transformational organizational culture that is aligned with the principles and approaches of modern regulators. TSSA's President and CEO Bonnie Rose and the Executive Leadership Team will be strongly engaged in this work in FY20.

The replan of the 20/20 Program, an Information Technology (IT) system initiative is core to TSSA ultimately becoming an outcome-based regulator, implementing process and data changes to more effectively deliver on our mandate, and increasing transparency and accountability.

TSSA’s Strategic Plan, Business Plan, Annual Report, and Annual State of Public Safety Report are available on our organization’s website at [www.tssa.org](http://www.tssa.org).
Corporate Overview

Organization

Established in 1997, the Technical Standards & Safety Authority (TSSA) delivers public safety services as delegated by the Government of Ontario in the following key sectors:

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

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Purpose, Vision and Values

TSSA's Purpose: to enhance safety where Ontarians live, work and play.

TSSA's Vision: a valued authority for a safer Ontario

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 commitments.
- Communication: Share information responsively and effectively.
- Collaboration: Work together across the whole organization and with our external partners.

Governance

TSSA is governed by a 13-member Board of Directors that 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 is composed of seven elected and six appointed members who are recruited with the use of a skills matrix to ensure it possesses the required diversity of experience and expertise.

The Board and management monitor emerging best practices and act to adopt those that best serve to advance the organization’s vision through strong governance and oversight.

Through the Annual Report, TSSA is committed to transparency and accountability by reporting on progress and results achieved through initiatives undertaken by the organization.
TSSA’s Role in Safety and Areas of Responsibility

TSSA is mandated by the Government of Ontario to enforce the *Technical Standards and Safety Act, 2000* (the Act) and associated regulations. The organization focuses on compliance and enforcement, as well as advocacy, including awareness and education, to continuously improve safety. Activities as both a regulator and an advocate are articulated through the strategic goal of Safety Awareness, Active Compliance.

TSSA recognizes that there are many safety risk factors, such as user behaviour (including instances in which people unintentionally and often unknowingly put themselves at risk) which can be influenced but not fully controlled, making traditional enforcement activities unlikely to be effective on their own.

TSSA will help regulated customers, safety partners, and the public to identify and manage risks through increased awareness and understanding. This includes acting as a catalyst for action on issues through a variety of safety-related services that form TSSA’s safety value chain. In identifying our activities, TSSA has included those that enable both elements of our purpose – safety awareness and active compliance. In addition, certain activities within the safety value chain are more preventative in nature, and TSSA is committed to increasing these efforts.

TSSA’s safety value chain activities, includes TSSA’s ability to:

- **Influence codes and regulations**: leverage TSSA staff expertise to support government in developing regulations and participate in standards development and adoption of codes and issuance of Directors’ Orders.
- **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**: partner with 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 is committed to our goal of becoming an outcome-based regulator. As such, TSSA is actively working to improve collaboration with partners and regulated customers, enhancing decision-making through the use of reliable and timely data, ensuring innovative practices and technologies are used throughout the organization, and improving transparency and information provided to all stakeholders.

In addition, TSSA plays a key advisory role to the Ministry of Government and Consumer Services (MGCS) to ensure appropriate safety standards are set out in legislation and regulation through a mutually-beneficial policy development process. This collaboration leads to the modernization of regulation that benefits the public and regulated industries and ultimately creates a safer Ontario.
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 Act 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 Act and applicable regulation, TSSA examines and certifies power plant engineers and operators. TSSA also registers operating plants in order to specify the 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 Act 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.

Amusement Devices

TSSA is responsible for regulating the safety of permitted amusement rides in Ontario under the Act and applicable regulation. These devices include roller coasters, Ferris wheels, merry-go-rounds, inflatables, bungee-devices, zip lines, waterslides, go-karts, and other spinning or whirling rides. 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 Act 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 also regulates fuel suppliers, storage facilities, transport trucks, pipelines, contractors and their certified employees, and equipment or appliances that use fuels, including residential applications.

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

Upholstered and Stuffed Articles (USA) Safety Program

The Ontario government decided to revoke the USA Regulation, taking effect on July 1, 2019. After revocation, Upholstered and Stuffed Articles sold in Ontario will continue to be subject to applicable federal legislation, including the Canada Consumer Product Safety Act and the Textile Labelling Act.
Commitment to Becoming an Outcome-Based Regulator

As a statutory corporation that administers the Technical Standards and Safety Act and its associated regulations, TSSA’s primary focus is public safety. Although the organization has the authority to order changes to, and shut down, unsafe operations when necessary, it strives to work cooperatively with industry partners and other stakeholders, including the general public, to proactively promote and improve safety in the sectors it regulates.

To deliver on the commitment to transition into an outcome-based regulator built on a foundation of evidence, trust, collaboration and innovation, TSSA formed a task force that has completed the following in line with the Auditor General’s recommendations:

• Defined a modernized regulatory framework that will result in further improvements to the state of public safety in Ontario;
• Developed a regulatory delivery model that is fair, transparent, balanced and focused on reducing risks to Ontario’s safety and prosperity.

Implementation within the context of the framework and delivery model, and consistent with the Auditor General’s recommendations, is our focus for this year.

Commitment to Stakeholders

TSSA’s responsibility to our stakeholders is characterized by a high degree of accountability and transparency, which is expressed through the following statements:

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

To businesses: TSSA will work to ensure our mandate is delivered while at the same time endeavouring to reduce the regulatory burden on businesses where possible.

To the public: TSSA and our employees will proactively 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 members of the public so they are able to take personal responsibility for their safety.

To the government: TSSA will perform our delegated responsibilities for public safety 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 MGCS promptly of any matters that may require action or attention.

To our customers: TSSA will provide timely and value-added services at a fair price. TSSA will provide an objective and expert application of our delegated authority that promotes a level playing field and continuous improvement. TSSA will consult with our stakeholders and work in partnership to communicate performance, reduce operational risk and earn their trust. Feedback on how TSSA is meeting our commitments and responsibilities is actively solicited helps us to determine priorities.
Advisory Councils

TSSA and our eight industry advisory councils established for each of our regulated sectors work closely in the spirit of continuous improvement, primarily to identify and reduce risk, and to comment on 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 and field advisory committees which propose technical improvements for their sectors. They are instrumental in considering specific safety challenges within their respective sectors and helping TSSA identify effective solutions. This close partnership with industry is fundamental to the improvement of public safety in Ontario. TSSA also benefits from a Consumers Advisory Council that provides independent, consumer-focused advice and guidance related to the impact of our activities on the public and 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.

Complaint Handling

The provision of service excellence is one of TSSA's strategic goals -- the organization strives to achieve fairness and satisfaction as a valued regulator. A complaint may be an expression of dissatisfaction with respect to services it provides, actions of our 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 our complaint handling and strives to continuously improve both processes and service delivery to both increase customer satisfaction and improve safety outcomes.

TSSA also has a third-party Whistle Blowing Service where potential TSSA wrong doings can be reported, investigated and tracked.

TSSA's Ombudsman is an independent and confidential resource that serves as a supplement to TSSA's formal channels in which concerns are raised and discussed, and suggestions or issues for improving how the organization and those it regulates delivers our services and engages our staff are brought forward. More information can be accessed through TSSA's Ombudsman website at ombudsman.tssa.org.

The Ombudsman’s Annual report documents both the Ombudsman’s and Whistle Blower activities.

Commitment to the Ministry of Government and Consumer Services (MGCS)

As an organization responsible for public safety, TSSA strives to be accountable and transparent. As a result, the organization provides transparent performance reporting through our Strategic Plan, Business Plan, Annual Report, and Annual State of Public Safety Report. These documents are available to the public and can be accessed through TSSA's website at www.tssa.org. TSSA reviews our performance with MGCS on a quarterly basis. TSSA is committed to continuously enhancing both the quality and comprehensiveness of our data and the content of our reporting to MGCS to ensure that the Ministry’s needs are fully met or exceeded.

French Language Services

Consistent with our 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.
Business Planning: Strategic Context

Overview

The FY18-22 Strategic Plan is transforming the organization by achieving our goals and addressing issues that may be barriers to success. The Board and staff are fully committed to being transparent and accountable in measuring and reporting performance in the implementation of the Plan.

FY20 represents the third year of implementation. The Plan outlines the priorities and projects for 2017/18-2021/22 and is available on the TSSA website.

The initiatives planned for the coming year, therefore, include planned, multi-year initiatives as well as new activities developed in response to emerging issues.

During FY20, TSSA will focus on key initiatives that will support the long-term success of the organization. As indicated, becoming an outcome-based regulator is a goal of the Strategic Plan. TSSA will work to implement this strategy as committed to the Minister in the response to the Auditor General’s report. Concurrent with this, TSSA will continue our investment in transforming our organizational culture and establishing required supporting structures that enable our strategic vision.

TSSA will continue to be a trusted partner to the Government of Ontario to advance the modernization of a regulatory framework by continuing to support emerging, ongoing and completed initiatives. TSSA will seek opportunities to work with the Government of Ontario and to proactively identify opportunities to keep Ontarians safe. TSSA will continue to implement the recommendations identified in the Auditor General’s value for money audit and is implementing an action plan for this purpose.

FY20 will also see TSSA continue to develop, implement, and monitor advocacy and education action plans for safety priorities as identified in the Annual State of Public Safety Report. This will be done in collaboration with TSSA’s partners to maximize collective impact and will consider evidence, value for money, leading practices in the design and implementation of initiatives.

Delivering on the Strategic Plan

To be successful, TSSA must focus on priorities that will have the largest impact in becoming a valued regulator for a safer Ontario. To this end, the Strategic Plan encompasses five themes:

Strategic Goals:

• Modernized Regulatory Framework: TSSA will continue to work collaboratively with the Government of Ontario and regulated customers to ensure a modern regulatory environment that benefits all stakeholders.
• Service Excellence: Working with staff and key stakeholders, TSSA will focus on ensuring customer interactions are consistently effective, efficient, and supportive.
• Safety Awareness, Active Compliance: TSSA will continue to promote actions that improve both the public and regulated customers’ awareness of risks and empower them to adopt safe behaviours.

Foundational Enablers:

• Engaged People & Effective Teams: TSSA will empower teams and promote an open and trusting environment for staff to adopt best practices and drive meaningful change at all levels of the organization.
• Solid Operational Foundation: TSSA will continue to improve our operating efficiency and transparency to achieve our goals and to benefit our employees, customers and other stakeholders.
Modernized Regulatory Framework

We established much of the foundation for our transformation to become an outcome-based regulator during Fiscal Year 2019. Among our progress, we:

• Conducted a culture and values assessment;
• Developed a plan to implement the outcome-based regulatory model;
• Retained external expertise and assembled an industry advisory group;
• Presented our plan to all TSSA’s advisory councils and additional stakeholder groups;
• Designed a compliance support function with stakeholder input; and
• Established a process for enhanced authorizations.

Continuing to build on the progress we achieved last year, this year we will:

• Launch a comprehensive compliance support program;
• Launch a new enforcement campaign for repeat offenders in Fuels;
• Implement risk-based inspection program for select sectors; and
• Recommend a new business model.

Service Excellence

When it comes to improving service for our customers, this fiscal year we will maintain our focus on continuous improvement by actively identifying and pursuing opportunities to provide more efficient and responsive service to our regulated parties and communities across the province. We will focus on the following areas to achieve this:

• Redefining the role of the Chief Safety and Risk Officer;
• Refresh our business continuity plan;
• Revise the Annual State of Public Safety Report (ASPR) based on the Auditor General’s recommendations; and
• Increase inspector consistency.

Safety Awareness, Active Compliance

In the coming year, we will shift our focus to be more centered around how TSSA interacts with and is perceived by the general public. Our goal is to have TSSA recognized as a trusted partner when it comes to public safety. To achieve this, our priorities will include:

• Launching a new public focused brand campaign;
• Defining transparency for TSSA; and
• Launching a new customer focused Report Card on Public Safety based on the revised ASPR.

Engaged People & Effective Teams

Our people are our most valuable resource, and they are essential in our pursuit to become an outcome-based regulator delivering safety for all Ontarians. In order to maintain and elevate our leadership, service and technical skills for the future, we are actively working to improve staff engagement and professional development opportunities. We have embarked on a Culture Journey that puts us on the path to become a more progressive, responsive and collaborative organization.
Our priorities for the coming year include:

- Onboarding of human resources in key positions,
- Refining and implementing performance management; and
- Increased Audit resources to provide oversight to ensure proper implementation.

The TSSA team brings diverse expertise and experiences to our vital work. The health and safety of each employee is of paramount importance in creating a safer Ontario for all. To this end, TSSA has robust procedures and programs to promote and report safety measures for our own employees. These performance metrics are reported to the Board as part of the scorecard.

**Solid Operational Foundation**

As part of our commitment to ongoing improvement through efficient and innovative operating models, we have continued to strengthen and rebuild operational and financial systems, enhance data reliability and accessibility, and establish the necessary foundation to support our transformation into an outcome-based regulator. The capacity to advance our processes and technologies through better access to timely, reliable data and increased transparency to government, industry and the public are essential to TSSA's modernization. Our priorities for the coming fiscal year include:

- Rollout of the 20/20 Program and Boilers and Pressure Vessels (BPV) Certificate of Inspection (COI) Replan;
- Build improved risk-based methodology;
- Peer review of risk-based methodology; and
- Implement harms analytics for Operating Engineers Path Two.

**Addressing Recommendations of the Auditor General of Ontario**

In December 2018 the Auditor General of Ontario (OAGO) issued its annual report, including the results of 15 value-for-money audits across Ontario. The report included 19 recommendations to strengthen TSSA, 17 of which fall to TSSA to implement.

TSSA fully participated in the OAGO’s review process and welcomed the recommendations outlined in the report. We were pleased that the recommendations aligned with our strategic plan; they validated our direction and assisted with the prioritization of our efforts. Over the ensuing months, we refined our work plans to ensure that each of the OAGO’s recommendations would be fully addressed as we continued to implement our strategy. We validated both short and long-term actions, identified interdependencies between initiatives, allocated resources, and established timelines for the full implementation of each recommendation. Implementation of the recommendations is underway and we are making progress that is being measured and reported though MGCS.
### FY20 Initiatives

#### Key Strategic Goals
- Modern Regulatory Framework
- Service Excellence
- Safety Awareness & Active Compliance

#### Foundational Enablers
- Engaged People & Effective Teams
- Solid Operational Foundation

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<td>Launch New Enforcement Campaign for Big Repeat Offenders in Fuels</td>
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<td>Define transparency for TSSA</td>
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<td>Launch a new consumer friendly “Public report Card on Safety” based on the revised ASPR.</td>
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<td>Recommend new business model</td>
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Assessment of Corporate Resources

To deliver broadly on our mandate and specifically on our business plan, it is essential that TSSA have sufficient and appropriate human, financial, and information technology resources. With our commitment to modernizing the way TSSA operates, the organization will focus on the areas of human resources and information technology through significant investment, both monetary as well as staff and management time. These investments will support TSSA’s cultural transformation and the implementation of the 20/20 Program. In developing our Business Plan and assessing the needs to successfully deliver on these fundamental initiatives, TSSA has considered our resource requirements, the results of which are summarized in the following subsections.

Human Resources

TSSA’s people are our most valuable resource to achieve our pursuit to be a valued outcome-based regulator delivering safety for Ontarians. TSSA is investing in a cultural transformation that has begun with employee survey, focus group and interview input that has defined the shifts we need to make over the coming years to deliver on our strategic plan. Our people value safety as their core purpose. To maintain and elevate our people’s leadership, service and technical skills for today and the future, we are working on improving engagement and development opportunities.

TSSA leadership plays a key role in fostering a positive employee engagement as well as setting the tone for our culture shifts. TSSA has made some leadership changes that will help the organization in fulfilling our strategic plan commitments. In FY20, TSSA is focused on piloting compliance support as part of our outcome-based regulator initiative. It is also focused on our people leaders practicing behaviours that will lead the entire organization through major shifts over the coming years. While transformation can be exciting as we focus on our future, we recognize it can also be met with resistance that we need to work through.

We are on the right path having listened to and engaged our team and stakeholders.

Information Technology

The replan and development the TSSA 20/20 Program continues to be a key focus of TSSA’s technology resources for Fiscal Year 2020. This program is a modernization of TSSA’s IT systems and infrastructure, and data management. This will provide a solid foundation for TSSA to evolve as an outcome-based regulator through innovation and technology, to the benefit of TSSA’s regulated customers, employees and stakeholders.

TSSA has added additional project management and subject matter expert resources to assist in the delivery of our 20/20 Program, as well as new senior level leadership to provide executive guidance. These resources will support the TSSA 20/20 Program along the path for successful delivery as well as to ensure ongoing sustainment of the new processes and technology.

In order to create a solid foundation for the 20/20 program, IT is also focused on establishing and executing a data quality program.
Financial Resources

The Fiscal 2020 budget represents management’s commitment to stakeholders to develop and implement a practical financial plan aligned with the vision and strategic priorities of TSSA. The emphasis is on delivering efficient, customer focused processes that support TSSA’s regulated mandate while funding investment to ensure a solid business foundation and modernize for the future. TSSA has not increased fees since the implementation of the new fee schedule on May 1, 2013 despite multi-year inflationary pressures on costs. One of TSSA’s responsibilities under the Memorandum of Understanding (MOU) with the Ministry of Government and Consumer Services, is to ensure there is adequate financial resources to deliver TSSA’s safety mandate and comply with the Technical Standards and Safety Act, 2000 (the Act). The MOU requires that fees established under the Act recover all direct and indirect program costs. In addition, if the reserve falls below the 25 per cent target level, TSSA’s Reserve Policy requires an action plan to replenish reserves to target levels. Based on the fiscal 2019 Fee Review, it was determined that a fee increase is necessary to comply with the recommendations of the MOU and the Reserve Policy. The Board of Directors has approved a three-year fee increase for fiscal years 2020 to 2022, to take effect August 1, 2019. The fee changes will allow for a more equitable reflection of the true cost of public safety services and will be used to implement the Auditor General’s recommendations and launch initiatives that will lead to burden reduction.

Total budgeted revenue is $72.7million, anticipated to decline by 4 per cent over prior years, largely due to the wind-down of the USA Safety program, an expected decrease of $3.6million. Partial offsets are projected, resulting from the fee increase across all three programs, effective August 1, 2019, in addition to volume increases related to piping/shop inspections and LRC increases in BPV from COI volume ramp-up. EDAD expects increases in LRC revenue driven by device growth trends and Fuels anticipates growth from a change in inspection volume mix.

Total budgeted expenses of $78.8million are anticipated to grow by 5 per cent over the prior year and includes internal resource costs to support the volume of planned activities to deliver TSSA’s safety mandate and investments to achieve the strategic and business plan objectives. Key investments include refocus on delivering the 20/20 program, based on the replan during fiscal 2019. Core business expense growth, excluding the 20/20 program, is expected to be 4 per cent, consistent with supporting the core mandate and the business initiatives in the 5-year strategic plan. Taking into account the Auditor General’s recommendations, TSSA strives to become an outcome-based regulator. Investment to support the implementation of a new, evidence-based regulatory model that more effectively regulates industry and reduces unnecessary regulatory burden is required. Planned initiatives include a no-fee compliance coaching and education initiative to better support our regulated communities and further promote compliance and safety. Cost controls remain in place to ensure focused spend. Staffing changes continue to require stringent business case justification, inflationary increases are to be absorbed with cost saving initiatives and offsets identified for one time or cyclical expenditures. TSSA will continue to invest in workforce training, development and safety, the stability and performance of core IT infrastructure, and programs such as the TSSA Safety Awards.

TSSA’s capital budget for fiscal 2020 is projected at $2.5million. Spend is driven by a combination of the TSSA 20/20 program, other IT projects and leasehold improvements required to ensure adequate work space and address security risks identified by an external security advisor. While there will be continued capital spending to upgrade and maintain IT infrastructure to ensure effectiveness, security, performance and reliability, investment on existing systems is limited, with the focus on the TSSA 20/20 program.
The balance sheet is expected to remain solid and liquidity will continue to be strong based on available working capital and ongoing cash management. TSSA’s liquidity ratios are strong, with cash available to support operations and capital investments. TSSA’s investment portfolio of high-grade, low-risk investments remains within policy and is also closely monitored by a third-party investment manager.

TSSA continues to monitor our reserves. The unrestricted reserve balance at the end of fiscal 2019 is adequate to support fiscal 2020 investment in the TSSA 20/20 program and all initiatives to deliver the strategic plan, including advocacy initiatives. However, the internally restricted reserve balance at the end of fiscal 2019 is 20 per cent of total operating expenses excluding TSSA 20/20 program and is projected to further decline due to the budgeted fiscal 2020 deficit and strategic investments previously mentioned. The reserve policy targets a restricted reserve level of 25 per cent of budgeted operating expenses. It is expected that reserves will recover through the approved fee increase to support the business in achieving our long-term vision and goals and ensure adequate capital for unforeseen economic events.

TSSA is confident that the established operating and capital budgets will enable the successful execution of TSSA’s regulatory mandate and overall business plan. In fiscal 2020, TSSA will continue to focus on our transformation into an outcome-based regulator, with the ability to clearly demonstrate improved safety outcomes for Ontarians. TSSA is committed to be a trusted partner and educator, to assist our regulated community in achieving compliance and safety outcomes, while reducing unnecessary burden on the industry and fostering economic growth.
**Technical Standards and Safety Authority**  
**STATEMENT OF INCOME AND EXPENSES**  
Year ended April 30, 2019 with Fiscal 2020 Budget

<table>
<thead>
<tr>
<th>Fiscal 2019 Actual</th>
<th>Fiscal 2020 Budget</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$</td>
</tr>
</tbody>
</table>

**Regulatory Business:**

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Boiler and Pressure Vessels/Operating Engineers Revenue</td>
<td>16,187</td>
<td>16,910</td>
<td>723</td>
<td>4%</td>
</tr>
<tr>
<td>Elevating Devices and Amusement Devices Revenue</td>
<td>25,829</td>
<td>25,845</td>
<td>17</td>
<td>0%</td>
</tr>
<tr>
<td>Fuels Revenue</td>
<td>22,177</td>
<td>22,283</td>
<td>106</td>
<td>0%</td>
</tr>
<tr>
<td>Upholstered and Stuffed Article Revenue</td>
<td>4,700</td>
<td>1,107</td>
<td>(3,593)</td>
<td>(76%)</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>68,892</td>
<td>66,145</td>
<td>(2,747)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Expenses</td>
<td>70,080</td>
<td>73,717</td>
<td>3,637</td>
<td>5%</td>
</tr>
<tr>
<td>Net Margin</td>
<td>(1,188)</td>
<td>(7,572)</td>
<td>(6,384)</td>
<td>537%</td>
</tr>
</tbody>
</table>

**Non-Regulatory Business:**

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6,653</td>
<td>6,517</td>
<td>(136)</td>
<td>(2%)</td>
</tr>
<tr>
<td>Expenses</td>
<td>4,765</td>
<td>5,117</td>
<td>351</td>
<td>7%</td>
</tr>
<tr>
<td>Net Margin</td>
<td>1,888</td>
<td>1,400</td>
<td>(488)</td>
<td>(26%)</td>
</tr>
</tbody>
</table>

**Total TSSA:**

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>$</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>75,545</td>
<td>72,662</td>
<td>(2,884)</td>
<td>(4%)</td>
</tr>
<tr>
<td>Expenses</td>
<td>74,846</td>
<td>78,834</td>
<td>3,988</td>
<td>5%</td>
</tr>
<tr>
<td>Net Margin</td>
<td>700</td>
<td>(6,172)</td>
<td>(6,872)</td>
<td>(982%)</td>
</tr>
</tbody>
</table>

Technical Standards and Safety Authority  
**CAPITAL EXPENDITURE**  
Year ended April 30, 2019 with Fiscal 2020 Budget

<table>
<thead>
<tr>
<th>Fiscal 2019 Actual</th>
<th>Fiscal 2020 Budget</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>$'000</td>
<td>$'000</td>
<td>$</td>
</tr>
</tbody>
</table>

| Capital Expenditure | 1,262  | 2,532  | 1,270 | 101% |
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 our various stakeholders. TSSA reports on our performance against balanced scorecard targets, the results of which can be found in TSSA’s Annual Report.

Appendix A contains the balanced scorecard that will be used for FY20, and it is aligned with the themes contained in the Strategic Plan. There have been a few changes to the balanced scorecard for FY20, which are outlined here. For Employee Engagement, the measure relates to management training focused on the cultural diagnostic results received in 2019.

For the Service Excellence measure, TSSA will use BPV COI Issuance.

TSSA sets targets for health impacts in our Strategic Plan and reports on achievements using the percentage reduction in the risk of injury or fatality. This measure, supported by TSSA’s Risk Informed Decision Making (RIDM) processes and the risk of injury or fatality (RIF) metric, will be accompanied by data for fatalities, permanent injuries and occurrences, published in TSSA’s Annual State of Public Safety Report, available on TSSA’s website at www.tssa.org.

Although, this scorecard continues to measure Percentage of Low Risk Inspections with respect to Active Regulatory Compliance, TSSA continues to report on specific industry sector compliance, including Passed on First Inspection results. This information as well as other information on safety outcomes can be found in our Annual State of Safety Performance Reports available on our website at www.tssa.org.
# Scorecard for FY2020

<table>
<thead>
<tr>
<th>Objective</th>
<th>Measure</th>
<th>Fiscal Year 2019 Performance Results</th>
<th>Fiscal Year 2020 Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Safety Awareness, Active Compliance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reduced Health Impacts</td>
<td>Risk of Injury or Fatality&lt;sup&gt;1&lt;/sup&gt;</td>
<td>0.86 FE/Mpy</td>
<td>0.77 FE/Mpy</td>
</tr>
<tr>
<td>Active Regulatory Compliance</td>
<td>Percentage of low risk inventory&lt;sup&gt;2&lt;/sup&gt;</td>
<td>89.7%</td>
<td>90.5%</td>
</tr>
<tr>
<td><strong>Engaged People and Effective Teams</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culture Transformation</td>
<td>Participation</td>
<td>91.7%</td>
<td>N/A</td>
</tr>
<tr>
<td>- Survey</td>
<td></td>
<td></td>
<td>People leader training complete</td>
</tr>
<tr>
<td>- Training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee Health and Safety</td>
<td>Lost time incident frequency rate&lt;sup&gt;3&lt;/sup&gt;</td>
<td>Green on leading indicators</td>
<td>0.5</td>
</tr>
<tr>
<td><strong>Service Excellence</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer Service</td>
<td>% of submitted BPV COIs with expiry &gt;40 days</td>
<td>N/A</td>
<td>&lt;10%</td>
</tr>
<tr>
<td><strong>Solid Operational Foundation</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency of safety service delivery</td>
<td>Cost per core safety service hour&lt;sup&gt;4&lt;/sup&gt;</td>
<td>$288</td>
<td>$309</td>
</tr>
<tr>
<td>Net Margin</td>
<td>Annual Dollars&lt;sup&gt;5&lt;/sup&gt;</td>
<td>$5.39 Million</td>
<td>-$0.443 Million</td>
</tr>
</tbody>
</table>

<sup>1</sup> The predicted severity of risk of injury or fatality to someone interacting with TSSA-regulated devices or technologies in Ontario; expressed in fatality-equivalents (FE) per million persons per year (Mpy)

<sup>2</sup> The percentage of TSSA-regulated devices or facilities in the province of Ontario with a low potential risk of injury or fatality

<sup>3</sup> Leading indicators include training, quality audits completed and average quality audit score

<sup>4</sup> Total operating costs less TSSA 20/20 Program and less strategic initiatives and one-time items divided by total core safety service hours

<sup>5</sup> Net Margin excluding TSSA 20/20 Program and one-time items