



Frequently Asked Questions (FAQs) Regarding TSSA's New Fee Structure

1. Why is TSSA introducing a new fee structure?

The Technical Standards and Safety Authority (TSSA) is transforming to become an outcome-based regulator that focuses resources on areas that pose the greatest threat to public safety in Ontario, while reducing the regulatory and administrative burden on responsible businesses.

As part of this transformation, TSSA is implementing an improved method of charging fees that is predictable, reduces the number of invoices issued to customers, and is more appropriately scaled for small businesses and operators of smaller, simpler devices.

Furthermore, the fee-for-service model currently in use by TSSA dates back to 1997 and is best suited to a prescriptive model with cost recovery focused largely on inspection. As TSSA supplements its safety services with improved risk analytics, compliance support, an emphasis on reducing high risks, and a focus on pursuing unlicensed devices and illegal workers, its current business model must change as well.

2. What are some of the benefits of the new fee structure?

The new fee structure is:

- **SIMPLE** – The pre-paid flat fee is standard and predictable. Businesses will be able to budget with certainty.
- **EQUITABLE** – The fee is fair and reasonable. In most cases, smaller businesses will see a reduction in fees. Fees are scaled to the size of the business and are consistent for all businesses of the same type.
- **COMPLIANCE** – The fee encourages compliance and supports a focus on safety.
- **EFFICIENT** – The simplified fee structure lowers administrative costs by reducing the number of client invoices.
- **DISPUTE REDUCTION** – The new fee structure will reduce the number of fee disputes by eliminating hourly charges for routine inspections and travel costs.
- **COST RECOVERY** – The new fee structure will be revenue neutral for TSSA, a not-for-profit organization, and will achieve cost recovery by program.
- **CONVENIENT** – Customers will have convenient, online access to pay fees.

3. When will the new fee structure be implemented?

The new fee structure will come into effect on May 1, 2021. Customers were notified by email on November 20, 2020, and mailed a letter on January 29, 2021.



4. How will customers be impacted by the new fee structure?

The new fee structure is revenue neutral overall for TSSA, meaning that TSSA will collect the same total amount from clients in 2021 in each program area under the new fee structure as it would have under the current fee structure. In moving to fixed annual fees based on the average costs for each customer type, the majority of businesses will pay the same amount but will now have certainty about their annual fees if they remain compliant. A smaller number of businesses that are above or below the current average costs of others in their fee category will see a change in the move to a fixed, predictable fee.

		
<p>Jane runs a small indoor bouncy castle business for children. Right now she pays \$478 on average per device to TSSA. Jane has no certainty about how many hours of inspection time she'll be billed each year. Under the new fee structure, due to her small size Jane knows in advance that she will only have to pay \$374 per device.</p>	<p>John is an elevating devices mechanic – a highly sought-after trade in Ontario. As an individual certificate-holder who pays fees to TSSA, he will experience no impact to fees under the new fee structure. Certificate-holder fees will be maintained at the current rate of \$81.</p>	<p>Currently, ABC Properties pays the same amount (annual licence and inspection rate) for its six-story, single-elevator rental units in Peterborough as it would for 21+ multi-story condo in downtown Toronto. With the new fee structure, ABC's annual renewal fees will be lower than high-rises with elevators that service 21+ floors.</p>

5. How will the transition to the new fee model work?

Authorizations will continue to renew on their normal renewal date. Authorizations effective from May 1, 2021, will be invoiced according to the new fee structure.

Renewal invoices will be sent out using the new fee schedule starting as early as March 2, 2021, for those renewing on May 1, 2021. Invoicing 60 days before each authorization renewal date is TSSA's standard practice.

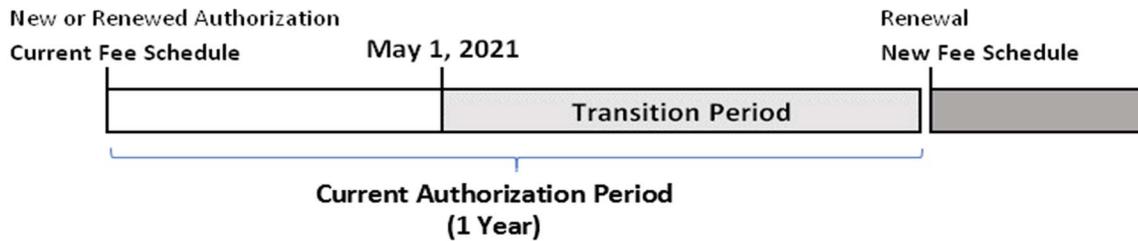
In order to move all applicable authorizations (licences, permits and registrations) to the new fixed fee structure, TSSA will issue pro-rated invoices during the week of May 3, 2021, based on the following calculation:

- **Credit for fees already paid under the current fee structure** - Calculated based on the number of days from May 1, 2021, to the annual expiry date of the authorization.
- **Charge for fees under the new fee structure** - Calculated based on the number of days from May 1, 2021 to the annual expiry date of the authorization.
- **Amount Due** - Difference between the credit for fees already paid and the charge under the new fee structure.



New Fee Structure Customer FAQs

The one-time prorated invoice will bridge the period from May 1 to a customer's regular authorization renewal date. This transition period will cover the portion of the year the customer will be on the new fee structure. The new fee structure with flat fees includes inspections fees and means there will no longer be invoices for periodic inspections nor for the first follow up inspection. The majority of customers will pay the same amount under the new fee structure but now have predictable annual TSSA fees that don't vary from year to year or customer to customer.



6. How will TSSA's service offerings change with the new billing structure?

Fees for exams and individual certificate holders, such as mechanics and technicians, will continue to be billed in the same way.

Review the chart below for changes to organizational services.

SERVICE OFFERING	CURRENT BILL	FUTURE BILL
Authorizations <ul style="list-style-type: none"> Licensing Registration Permits 	<ul style="list-style-type: none"> Flat fee Prepaid 	<ul style="list-style-type: none"> Flat fee scaled by category includes all periodic inspections and one follow-up inspection (where applicable) Prepaid
Engineering	<ul style="list-style-type: none"> Minimum fee and hourly billing Invoiced after service performed 	<ul style="list-style-type: none"> Flat or minimum fee includes engineering reviews, plus associated inspections (where applicable) Prepaid
Inspections	<ul style="list-style-type: none"> Minimum fee and hourly billing Invoiced after service performed 	<ul style="list-style-type: none"> No more inspection invoices for periodic inspections*, and first follow-up inspection (where applicable). Routine inspections now included in Authorization fee above.

*Please check the fee schedules posted at www.TSSA.org/fees to confirm details.

7. How does billing for TSSA services with minimum fees work?

A minimum fee includes a certain number of service hours. Any excess time spent beyond these hours will be billed in 15-minute increments at the applicable labour rate.



8. I just received my licence renewal invoice from TSSA. Why does it seem as though the cost of a licence has increased?

The costs for the majority of annual TSSA customers remain the same. TSSA is moving to flat fees which include licence **and** inspection costs. Your annual licence fee may appear to have increased because it now includes all of your annual TSSA costs. TSSA will no longer send invoices for inspections, unless multiple follow-up visits are required due to non-compliance.

Under the current fee structure, the licence fee only includes the site/device licence. You would also incur additional fees for your periodic inspections, as well as additional fees for any follow-up inspections necessary to address non-compliances found during the periodic inspections.

Under the new fee structure, your annual renewal includes your licence, all periodic inspections and the first follow-up inspection (if necessary). Flat fees are based on average historical costs which were determined by analyzing five years of data for each category of customer. There will no longer be additional invoices for periodic inspections, nor for the first follow up inspection if one is required. In addition to inspection services, your annual fee contributes towards safety programs and education initiatives that promote public safety in Ontario.

9. How did TSSA develop the new fee structure?

In spring 2018, TSSA began working with its industry advisory councils on its new fee structure. Advisory councils provided input on principles for the new fee structure, different design options and the proposed fees and categories.

Once an approach was determined, the average costs for each type of service (i.e., engineering and inspection) was calculated by analyzing five years of TSSA data for each program. For each category of customer (e.g., elevating devices with 0-3 floors), averages costs within these categories were established. A flat fee for the service was determined based on the averages.

10. How will this new fee structure help improve public safety in Ontario?

Supporting TSSA's transformation to an outcome-based regulator, the new fee structure with fixed annual fees for licences, permits and business registration enables TSSA to allocate resources to the highest-risk areas and effectively cover costs for no-fee services focused on reducing harm. Some of those services include:

- Data collection and risk analysis
- Compliance support
- Education
- Harm identification
- Underground market reduction
- Public awareness



11. What was the purpose of TSSA's recent fee increase versus this new fee structure?

Fee Increase: As a not-for-profit public safety regulator, TSSA charges fees on a cost-recovery basis. TSSA introduced a phased fee increase in 2019, with effective dates of August 1, 2019, May 1, 2020, and May 1, 2021. These fee increases are independent of the new fee structure.

While fees are typically reviewed every three years, TSSA had not introduced a fee increase across all program areas since May 1, 2013. As such, TSSA needed to adjust fees in order to:

- more equitably reflect the costs of providing public safety services in each program area;
- support initiatives that incent good safety performance; and
- allow for investments in new and existing safety resources.

TSSA also had to focus new resources to implement the recommendations of the Auditor General's 2018 value-for-money audit.

New Fee Structure: The new fee structure is revenue neutral and supports TSSA's move to an outcome-based regulator model. See FAQ #1 for more information.

12. Where can I obtain further information?

Questions about the new fee structure may be directed to:

- Email: customerservices@tssa.org
- Telephone: 1-877-682-8772