



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 clients, 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?

- **SIMPLICITY** – The pre-paid flat fee is standard and predictable. Businesses will be able to budget with certainty.
- **EQUITABILITY** – The fee is fair and reasonable. In most cases, smaller businesses will see a reduction in fees.
- **COMPLIANCE** – The fee encourages compliance and supports a focus on safety.
- **EFFICIENCY** – 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.
- **ACCESSIBILITY** – 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 in 2021. Customers will be notified of the start date a minimum of 60 days in advance of the implementation of the new fee structure.



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.



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.



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.



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.

5. How did TSSA develop the new fee structure?

In the spring of 2018, TSSA informed its advisory councils of its plans to develop the new fee structure. TSSA has since embarked on several months of stakeholder consultation as part of the fee review process.

At the outset, a survey was sent to the various industry advisory councils to get their input on the initial options.

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. If unique categories could be defined (e.g., with elevating devices, the number of floors serviced by elevators), averages within these categories were established. A flat fee for the service was determined based on the averages.

From January to April 2020, TSSA held follow-up meetings to present to each council detailed fee calculations for the proposed new fee structure and the rationale for the changes. Since April 2020, TSSA has presented the new structure to various industry groups for additional feedback and input.

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

The new fee structure supports TSSA's transformation to an outcome-based regulator and, as such, enables TSSA to allocate resources to areas where they are needed most to reduce harm including:

- Licensing and inspection (authorization)
- Compliance support
- Education
- Focus on high risk areas
- Harm identification
- Underground market reduction
- Public awareness

7. 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. The May 1 fee increase is 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 a manner that:

- more equitably reflected the costs of providing public safety services in each program area;
- incents good safety performance; and
- allows 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.

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

More detail will be provided closer to the date of the new invoices being sent out to customers.

9. 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