

Results-based Plan Briefing Book 2011-12

Ministry of Consumer Services

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PART I: PUBLISHED RESULTS-BASED PLAN 2011-12**Ministry Overview****Ministry Vision and Mandate**

The vision of the Ministry of Consumer Services (MCS) is to lead the way to a fair, safe and informed marketplace through knowledge, partnerships and protection.

The ministry's mandate is to provide consumer protection and public safety in accordance with the principles of honesty and integrity and in the public interest. The ministry accomplishes this through:

- delivering excellent customer service and timely information
- fostering partnerships
- promoting compliance with modern consumer protection and public safety standards.

The Ministry of Consumer Services helps Ontarians as they go about their day-to-day lives. Whether they are buying a car or home or making travel plans, MCS is here to inform and protect consumers. We do that in a number of ways, both at the ministry and through the work of our regulatory authorities and agencies. These authorities regulate a broad range of consumer products, including motor vehicles, travel, new homes, funeral services, real estate and Ontario wines, and support technical and electrical safety. Through the Ontario Film Review Board (OFRB), the ministry supports the classification of movies, videos and DVDs which is required before a film can be exhibited or distributed in Ontario. We help people learn more about their consumer rights and responsibilities so they can shop with confidence. And we provide advice and assistance if they have problems. At the ministry, our work helps empower consumers and protect the public.

Within the ministry's broad mandate, we are also dedicated to ensuring that our regulatory practices serve the interests of all Ontarians, while contributing to a competitive economy. To help achieve that goal, the ministry is an active participant in the broader Government of Ontario initiative called "Open for Business" under the Open Ontario plan. This initiative makes it easier for businesses to work with government, and to grow and succeed while creating an environment that supports innovation, attracts new investment and creates jobs.

Priorities and Results

The ministry contributes to the overall Ontario government priority areas of serving the public interest and a strong economy by building Ontarians' confidence in public safety

and consumer protection and modernizing business law. This is accomplished through focusing on activities that promote a fair, safe and informed marketplace where consumer rights and public safety are protected by:

- educating people about their consumer rights and responsibilities in the marketplace
- helping consumers resolve issues
- investigating consumer complaints, enforcing legislation and regulations and providing mediation services
- administering consumer protection and public safety statutes through our regulatory authorities and Consumer Protection Branch
- providing oversight to ensure effective governance, accountability and relationship management with respect to the ministry's agencies and regulatory authorities
- leading regulatory, legislative and other policy development projects.

Ministry Activities

Consumer Services

In its direct delivery of consumer protection programs, the ministry's key activities are:

- promoting consumer awareness on current and emerging consumer issues and monitoring and educating the marketplace
- providing consumer protection, complaint handling, mediation and investigations
- registering and regulating businesses, including cemeteries, collection agencies, payday lenders and films, under a number of business statutes;
- inspecting regulated businesses for compliance with regulations
- licensing professional boxing, kickboxing and mixed martial arts in Ontario
- providing the Ontario Film Review Board (OFRB) with operational support, including the intake of films submitted for classification, screenings, revenue and content management for the OFRB website.

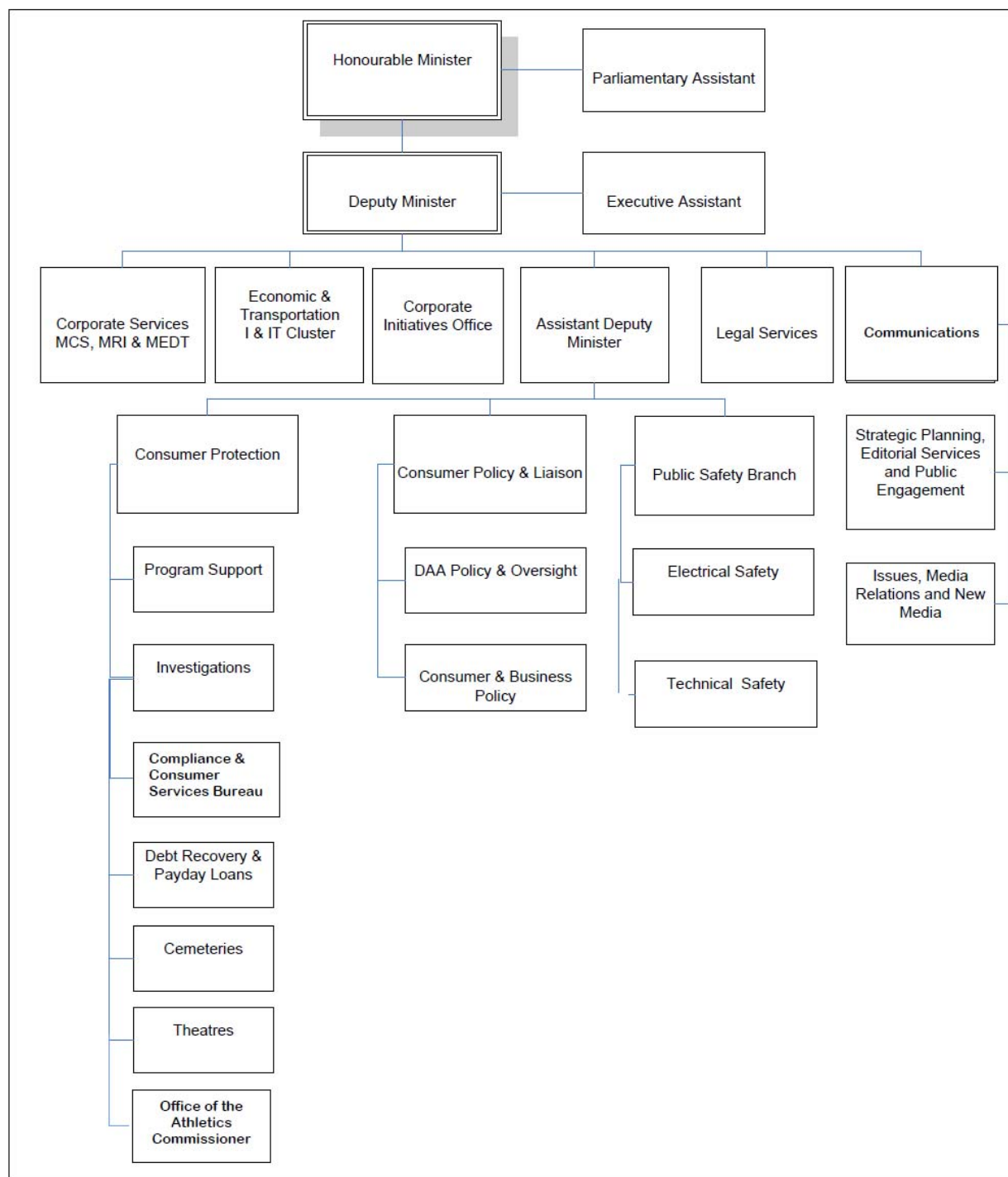
The MCS website (www.ontario.ca/consumerservices) is a comprehensive resource for consumers and includes a Consumer Beware Database that reports on businesses that are not in compliance with Ministry legislation: www.ontario.ca/consumerbeware

In addition to direct delivery of consumer protection services, the ministry oversees eight independent regulatory authorities that deliver consumer protection and public safety programs. In doing so, the ministry protects the public interest by providing oversight, accountability and governance, policy development and relationship management services.

The ministry is responsible for 44 consumer protection, public safety and business statutes. Its policy activities focus on:

- supporting a broad and diverse policy agenda in three key areas: consumer protection, public safety and business law modernization
- developing legislation and regulations that strengthen consumer protection, public safety and modernize the legal framework for businesses operating in Ontario
- reducing unnecessary regulatory burden and creating a more positive economic climate
- undertaking policy research on a broad range of marketplace issues, including the identification of emerging trends and factors affecting consumers and business.

MCS Organizational Chart



AGENCIES, BOARDS AND COMMISSIONS

The **Ontario Film Review Board (OFRB)** receives its mandate through the Film Classification Act, 2005. Subject to specific exceptions, if a film (e.g. movie, DVD, video, etc.) is to be distributed or exhibited in Ontario, it must first be classified by the OFRB. The Board's objective is to classify films and thereby provide the public with sufficient information to make informed viewing choices for themselves and their children.

REGULATORY AUTHORITIES

The ministry's regulatory authorities are based on several pieces of legislation. The Safety and Consumer Statutes Administration Act provides a framework for the administration of electrical safety, motor vehicle dealers and sales persons, travel sales, as well as real estate salespersons and brokers. The oversight frameworks applicable to funeral services regulation, technical standards, new home warranties, and appellations of Ontario-made wine are established within specific statutes for each respective area.

Each statute establishes an accountability and governance framework between the ministry and a not-for-profit corporation that administers legislation on behalf of the government in specific consumer or safety areas.

The ministry monitors regulatory authority service delivery and the government enacts the legislation and regulations that are administered within a defined business sector. The regulatory authorities deliver services such as licensing, inspections, complaint handling and enforcement.

The **Board of Funeral Services (BoFS)** regulates the funeral industry by administering the Funeral Directors and Establishments Act. It also mediates and adjudicates complaints and administers a consumer compensation fund.

The **Electrical Safety Authority (ESA)** enforces Ontario's Electrical Safety Code, regulates electrical distribution safety and licenses electrical contractors and master electricians. The ESA is also responsible for ensuring that electrical products used in Ontario are subject to reporting in relation to product defects and recalls.

The **Ontario Motor Vehicle Industry Council (OMVIC)** administers the Motor Vehicle Dealers Act and the Motor Vehicle Dealers Compensation Fund. It is responsible for registering motor vehicle dealers and salespeople and conducts inspections and investigations.

The **Real Estate Council of Ontario (RECO)** administers the Real Estate and Business Brokers Act, 2002 which regulates the conduct of real estate salespersons and brokers.

The **Tarion Warranty Corporation** registers new home builders and vendors. It enrolls new homes for warranty coverage, investigates illegal building practices and resolves warranty disputes between builders/vendors and homeowners.

The **Technical Standards and Safety Authority (TSSA)** enforces public safety standards in industry sectors such as amusement devices, boilers and pressure vessels, elevating devices, natural gas, petroleum, propane fuels and equipment, operating engineers and upholstered and stuffed articles.

The **Travel Industry Council of Ontario (TICO)** administers the Travel Industry Act. It regulates travel retailers and wholesalers and manages Ontario's Travel Compensation Fund.

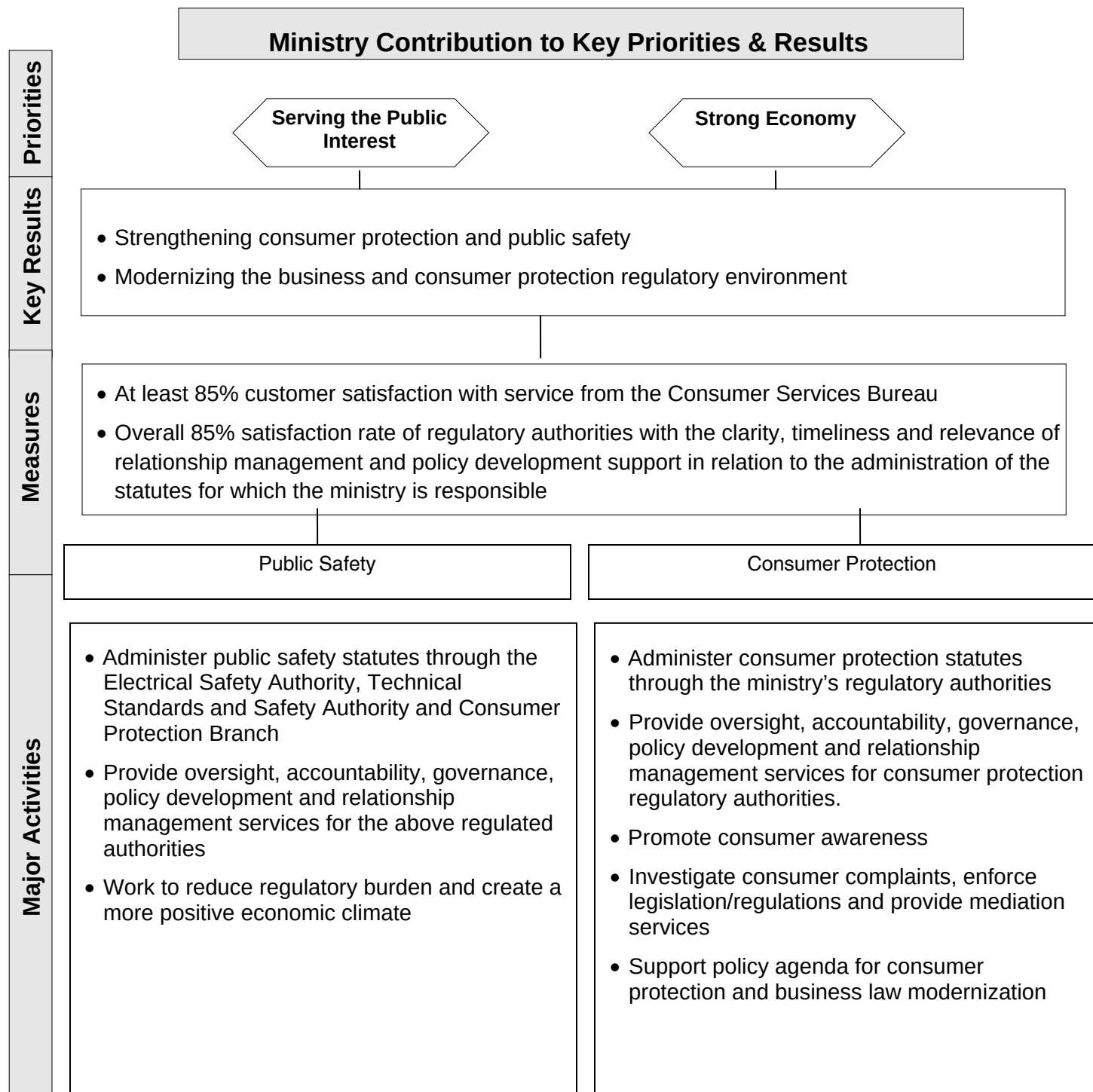
The **Vintners' Quality Alliance Ontario (VQA Ontario)** establishes and administers the framework for an 'Appellation of Origin' system governing the production and marketing of quality Ontario wines designated 'VQA'.

LEGISLATION

Name of the Act
Apportionment Act
Arthur Wishart Act (Franchise Disclosure)
Assignments and Preferences Act
Athletics Control Act
Bailiffs Act
Business Corporations Act
Business Names Act
Business Regulation Reform Act
Cemeteries Act (Revised)
Collection Agencies Act
Collision Repair Standards Act - unproclaimed
Condominium Act,
Consumer Protection Act,
Consumer Reporting Act
Corporations Act
Corporations Information Act
Discriminatory Business Practices Act
Electricity Act,
Electronic Registration Act (Ministry of Consumer and Business Services Statutes)
Extra-provincial Corporations Act
Factors Act
Film Classification Act,
Funeral Directors and Establishments Act
Funeral, Burial and Cremation Services Act,
Horse Riding Safety Act
Limited Partnerships Act
Ministry of Consumer and Business Services Act
Motor Vehicle Dealers Act
Not-for-Profit Corporations Act,
Ontario New Home Warranties Plan Act
Paperback and Periodical Distributors Act
Partnerships Act
Payday Loans Act,

Name of the Act
Personal Property Security Act
Real Estate and Business Brokers Act
Repair and Storage Liens Act
Residential Complex Sales Representation Act
Retail Business Holidays Act
Safety and Consumer Statutes Administration Act
Securities Transfer Act
Technical Standards and Safety Act
Travel Industry Act
Vintners Quality Alliance Act
Wine Content and Labelling Act

*Responsibility for these statutes is shared with the Ministry of Government Services



Ministry Contribution to Key Priorities & Results

Key Performance Measures

MCS has two key performance indicators to track the impact of its work in helping consumers and working with regulatory authorities:

- the level of consumer satisfaction with services from the ministry's Consumer Services Bureau: in 2010-11 the Bureau achieved a 94% customer satisfaction rating
- the level of regulatory authority satisfaction with the ministry's performance in relationship management and policy development: a survey was distributed in January 2011 to the regulatory authorities to formally gather information which identified an over 80% weighted average satisfaction rate.

Highlights of Achievements

A summary of the key results for 2010-11 follows.

Programs

- Part VII of the *Payday Loans Act, 2008* was proclaimed in force March 1, 2011 establishing the Ontario Payday Lending Education Fund and permitting the minister to designate a corporation to be known as the Ontario Payday Lending Education Fund Corporation to administer the fund. The act provides that licensees under the act will make payments to the fund at an amount established by Minister's Order. There are presently more than 900 licensees under the act.
- Negotiated the transfer of Alcohol and Gaming Commission of Ontario (AGCO) adjudication functions to the Licence Appeal Tribunal (LAT) and pursued related legislative changes.
- Completed work with the Ministries of Economic Development and Trade (MEDT) and the Attorney General on a Treasury Board submission to address the AGCO's budget deficit.
- Strengthened accountability measures for regulatory authorities, including a revised accountability agreement with Tarion in November 2010.
- Consultations with the wine industry and stakeholders and the development of new VQA programs with MEDT and the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA) to support the wine and grape sector to achieve a more prosperous and sustainable industry; as well as completing the repeal of the regulation of wine content and related clarity and trade objectives.

In 2010-11, the ministry achieved its goals for modern and effective consumer protection, public safety and business laws:

- Effective preparation to implement professional Mixed Martial Arts (MMA) events in Ontario, including new regulations under the Athletics Control Act.
- Regulatory amendments to modernize professional boxing regulations of the Athletics Control Act completed.
- Introduction through to Royal Assent of the Not-for-Profit Corporations Act, 2010 (Bill 65).
- Approval of the Funeral, Burial and Cremation Services Act, 2002 and regulations.
- Regulatory amendments to enhance consumer protection under the Travel Industry Act were completed.
- Launch and completion of the condominium owners' survey with approximately 3,100 completed surveys received.
- Consultation on and reform to new propane safety requirements to scale Risk and Safety Management Plan requirements according to facility size under the Propane Storage and Handling regulation completed
- the Technical Standards and Safety Statute Law Amendment Act, 2009 was proclaimed and a new memorandum of understanding with the Technical Standards and Safety Authority was completed.

In 2010-11, MCS developed and launched a new consumer awareness strategy to educate people about their consumer rights and responsibilities and to increase public awareness of MCS as a source of consumer information and protection. The strategy succeeded in broadening the appeal, increasing the frequency and expanding the reach of the ministry's communications and marketing.

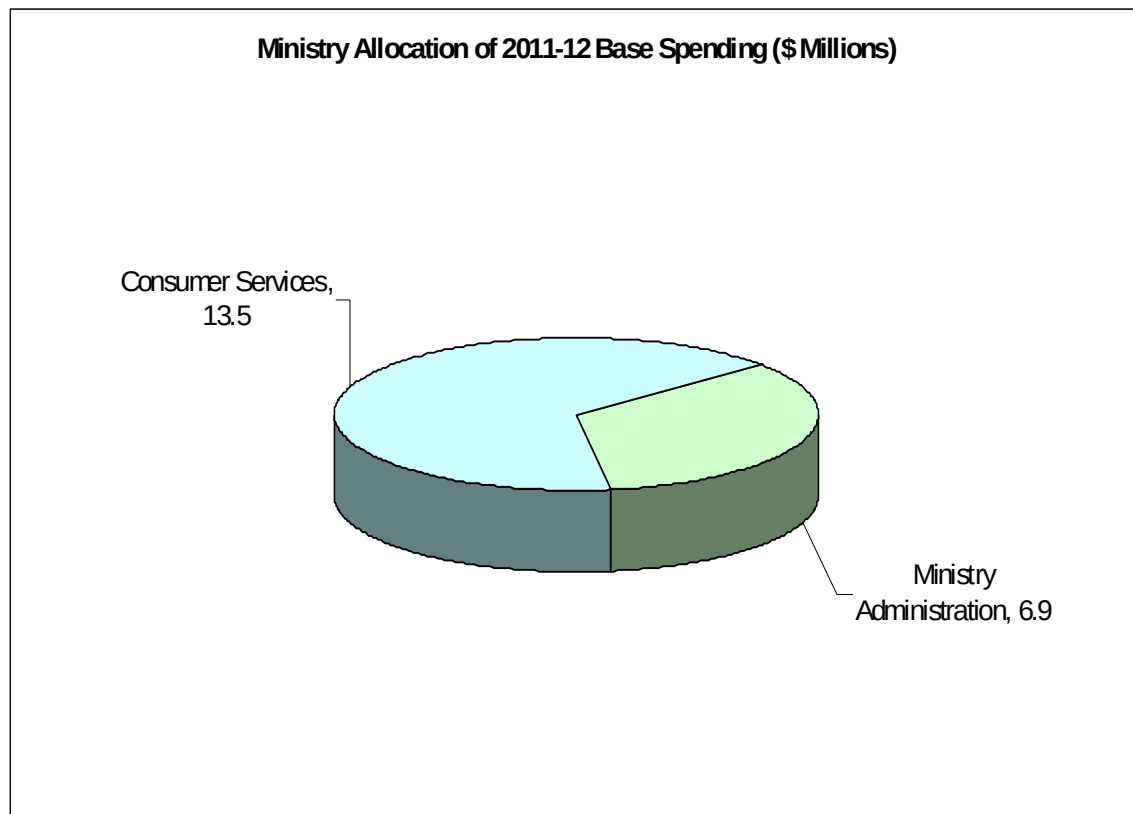
Key tactics included: monthly consumer themes, events and promotions; an ongoing expansion and refresh of the ministry's website; and a proactive media relations campaign.

- The ministry participated at 24 events planned or coordinated by the Communications Branch that showcased the MCS mandate to inform and protect consumers.
- Consumers' recognition and use of the ministry's website increased steadily. Annual visitors to the site exceeded 495,000. Twenty consumer tips videos were produced and added to the site.
- The proactive media relations campaign helped to establish the ministry as a primary and reliable source of consumer and public safety information for electronic, print and online media.

- The ministry produced 324,000 copies of its 2011 Smart Consumer Calendar. In addition to English and French, the calendar was available in simplified and traditional Chinese, Spanish, Punjabi and Tamil.

MINISTRY FINANCIAL INFORMATION
Table 1: Ministry Planned Expenditures 2011-12

	Ministry Planned Expenditures (\$M)
Operating Expense	20.384
Capital Expense	0.002
TOTAL Expense	20.386
Operating Assets	0.001
Capital Assets	0.001



MINISTRY OF CONSUMER SERVICES
Table 2: OPERATING AND CAPITAL SUMMARY BY VOTE

The ministry plays a lead role in strengthening consumer protection and public safety. It is responsible for many of the Province's consumer protection programs, either directly or through oversight of delegated administrative authorities. In the area of public safety, the ministry oversees the Technical Standards and Safety Authority and the Electrical Safety Authority. Ministry staff continually review the regulatory environment businesses face in order to streamline the system and remove unnecessary barriers. The ministry devotes resources to ensuring consumers are well protected and informed about their rights. Ministry staff work in partnership with industry and key stakeholders on government policies and information campaigns to strengthen public safety.

Votes/Programs	Estimates 2011-12 \$	Change from 2010-11 Estimates		2010-11*		Actuals 2009-10 \$
		\$	%	Estimates \$	Interim Actuals \$	
OPERATING AND CAPITAL EXPENSE						
Consumer Services Program	20,319,000	(1,466,900)	-7%	21,785,900	18,303,186	17,302,948
Total Including Special Warrants	20,319,000	(1,466,900)	-7%	21,785,900	18,303,186	17,302,948
Less: Special Warrants	-	-	-	-	-	-
Total To Be Voted	20,319,000	(1,466,900)	-7%	21,785,900	18,303,186	17,302,948
Special Warrants	-	-	-	-	-	-
Statutory Appropriations	67,014	1,000	2%	66,014	65,968	71,869
Ministry Total Operating and Capital	20,386,014	(1,465,900)	-7%	21,851,914	18,369,154	17,374,817
OPERATING AND CAPITAL ASSETS						
Consumer Services Program	2,000	-	0%	2,000	-	-
Total Assets To Be Voted	2,000	-	0%	2,000	-	-

* Estimates for the previous fiscal year are restated to reflect any changes in ministry organization and/or program structure. Interim actuals reflect the numbers presented in the Ontario Budget.

APPENDIX I: ANNUAL REPORT 2010-11

Through its **Consumer Protection Branch**:

The ministry achieved the following results in resolving issues:

- \$322,699 in mediated refunds
 - \$414,103 in restitution
 - \$211,707 in cancelled or rescinded contracts for goods delivered, services started and other remedies in hundreds of cases
 - advice and assistance on over 55,000 calls and complaints
 - 376 closed compliance inspections and field visits
 - 1,103 charges laid with a 95% successful prosecution rate
 - over \$317,800 in fines against violators
 - over 751 months of court ordered probation that effectively gets offenders out of the marketplace
 - 22 months of incarceration.
- The Cemeteries Regulation Unit achieved 92% compliance with regard to annual filings of financial reports by licensees. Nineteen burial sites (mostly Aboriginal) were discovered and are being dealt with according to the *Cemeteries Act (Revised)*.
 - The Office of the Athletics Commissioner supported the oversight of 14 professional boxing and kickboxing events in the province, and completed preparations in order to accept applications for professional mixed martial arts events in 2011.

In support of **consumer education**, the Branch:

- Delivered or participated in 57 public education/community events to advise consumers about their rights, including outreach to various centres for new Canadians, an ESL class at the York Catholic School Board, a presentation to the Renovator & Custom Builder Council, education within the Mandarin and Cantonese communities (Richmond Hill Library and Fairchild TV), participation in a focus group on Debtor-Creditor-Consumer Issues, sponsored by the University of Toronto, Faculty of Law, outreach in support of cemetery regulation compliance, and a booth display at the Quarter Century Club in Toronto.

Through its former **Sector Liaison Branch**¹, the ministry:

- Strengthened accountability measures for regulatory authorities including: modern controllership principles and initiating revisions to accountability agreements. The accountability agreement between the minister and Tarion was signed in November 2010.
- Signed a memorandum of understanding (MOU) with the Technical Standards and Safety Authority. The MOU, which replaces the current administrative agreement, will improve transparency and accountability in the public safety sector by including enhanced governance and oversight mechanisms required by amendments to the Technical Standards and Safety Act and incorporating the recommendations made by the Delegated Administrative Authority Model Review and the Auditor General.
- AGCO: The ministry supported the transfer of the AGCO to MAG, and implemented a plan to improve AGCO governance for MAG prior to its transfer. This included negotiating a transfer of AGCO adjudication functions to LAT and related legislative changes. The ministry also completed work with MEDT and MAG to address its budget deficit.
- Gaming: Received policy approval to reform the regulations under the *Gaming Control Act* and incorporate new internet and charitable gaming programs.
- Wine and Grape Strategy: The ministry worked with MEDT in developing new VQA programs which were introduced in April 2010. The ministry also consulted with wine industry stakeholders on repealing the Wine Content and Labelling Act, transition provisions and related clarity and trade objectives.
- First Nations Gaming: The Minister approved a new extended gaming agreement for the Mississaugas of Scugog Island First Nation.
- Liquor Licence Act: Completed consultation on Special Occasion Permits (SOPs) and developed proposals to streamline the system.

Through the former **Policy Branch**, the ministry:

- Introduced new legislation to modernize and reform the legal framework that applies to the not-for-profit sector after significant consultation with stakeholders and in close cooperation with the Ministry of Government Services. The new Not-for-Profit Corporations Act, 2010 received Royal Assent and upon proclamation will provide a streamlined incorporation process and facilitate not-for-profit social enterprise activities that contribute to the economic growth of Ontario.

¹ Note: In February 2011, the former Sector Liaison Branch and Policy Branch were realigned to form two new branches, the Consumer Policy and Liaison Branch and the Public Safety Branch.

- Brought into effect new regulations under the Athletics Control Act to allow for professional Mixed Martial Arts (MMA) events in Ontario. The new regulatory regime emphasizes the safety of participants and ensures promoters and competitors have the proper licences and that mandatory health and safety standards are in place before any professional MMA event is held in the province.
- Obtained approval of the Funeral, Burial and Cremation Services Act, 2002 regulations to enhance protection of consumers making purchases at a most vulnerable time. Approval of this new regulatory framework for cemeteries, crematoriums and funeral homes allows for a more level playing field for businesses and consistent rules to protect consumers.
- Strengthened consumer protection by amending regulations under the Travel Industry Act to respond to recommendations in the Assessment of Consumer Protection Against Financial Instability in the Travel Industry. The goal of these changes is to ensure the travel industry continues to act in the best interests of the public and that consumers have confidence in Ontario travel companies.
- Worked with industry to promote voluntary participation in a province wide one call to dig system. Awareness about the benefits of participation has increased among underground infrastructure owners such as utilities and municipalities.
- Worked with the Technical Standards and Safety Authority and others to implement the recommendations of the Propane Safety Review panel.
- Worked with the Technical Standards and Safety Authority and the Office of the Fire Marshal (OFM) on the implementation of propane Risk and Safety Management Plan safety requirements for all propane transfer facilities in Ontario.
- Created the Chief Safety and Risk Officer (CSRO) for the Technical Standards and Safety Authority, a position established through amendments to the Technical Standards and Safety Act, 2000. The CSRO will provide independent oversight and review of the Technical Standards and Safety Authority and its activities. The goal of this position is to make further improvements to technical safety in the province as well as increasing accountability and transparency between the Ministry and the Technical Standards and Safety Authority. The new CSRO was publicly announced in February 2011.

Table 1: Ministry Expenditures 2010-11

	Ministry Interim Actual Expenditures (\$M)
Operating	18.4
Capital	-
Staff Strength (as of March 31, 2011)	144

GLOSSARY

AGCO	Alcohol and Gaming Commission of Ontario
BoFS	Board of Funeral Services
CPB	Consumer Protection Branch
CSRO	Chief Safety and Risk Officer
ESA	Electrical Safety Authority
MAG	Ministry of the Attorney General
MCS	Ministry of Consumer Services
MEDT	Ministry of Economic Development and Trade
MGS	Ministry of Government Services
MMA	Mixed Martial Arts
MOU	Memorandum of Understanding
MRI	Ministry of Research and Innovation
MTO	Ministry of Transportation
OFM	Office of the Fire Marshal
OMAFRA	Ontario Ministry of Agriculture, Food and Rural Affairs
OMVIC	Ontario Motor Vehicle Industry Council
OFRB	Ontario Film Review Board
RECO	Real Estate Council of Ontario
SOP	Special Occasion Permit
TICO	Travel Industry Council of Ontario
TSSA	Technical Standards and Safety Authority
VQA	Vintners' Quality Alliance