

## 1.0 Purpose

This policy is required to meet legislative, regulatory and administrative requirements for a fee setting process.

## 2.0 Policy Statement

Consumer Protection BC will:

- base fees, charges or other amounts payable on full cost recovery. The fees, charges or other amounts payable for a licence or to a compensation fund will correlate to the actual costs of operation;
- base fees, charges or other amounts on a not-for-profit mandate;
- base fees, charges or other amounts on the principle that there will be no industry cross-subsidization;
- utilize retained earnings to provide for unexpected, uncontrollable increases in expenditures;
- use recoveries to fund services to non-regulated businesses;
- consider various models which may include new fees, charges or other amounts, including fees based on consumer transactions;
- set new fees, charges or other amounts only when related costs can be demonstrated;
- identify new opportunities for achieving economies of scale and reducing the need to increase fees;
- prorate fees for a first licence based on the date of issuance in order to allow for a standard expiry date for each industry;
- identify staggered expiry dates or information requirement dates for each industry to allow for a balanced workload and revenue over the year;
- base administrative fees for late payment on costs incurred to process additional information or payments and on the need to ensure timely compliance. Fees will be at least 50% of the fee or payment that is late, to a maximum of 2 months, after which enforcement will be undertaken.

## 3.0 Fee Setting Process

Consumer Protection BC will:

- undertake an annual review of fees, charges and other amounts which takes into account the BC Consumer Price Index, changes in economies of scale, changes in actual and projected expenditures, increase in demands, costs due to unplanned events, and recognition of sunk costs;
- monitor and report regularly on revenue, expenditures, financial projections, and consumer transactions to ensure that cost recovery and not-for-profit principles are met;

- consult with Industry Advisory Groups, who will provide feedback through the Board to the director on proposed fees, charges or other amounts;
- undertake other consultation with stakeholders as required;
- impose amounts, fees or charges payable upon approval by the director;
- list fee schedules on the Authority website;
- give at least 90 days notice to the affected industry before a fee, charge or other amount has effect.

## **4.0 Authority**

### **4.1 *Business Practices and Consumer Protection Act***

The *Business Practices and Consumer Protection Act* (BPCPA) allows Consumer Protection BC to set fees (s. 179 (1)). In setting amounts, fees and charges, Consumer Protection BC must comply with a fee setting process that is established by Consumer Protection BC and is in accordance with criteria established by regulation (s. 179 (2) (a) and (b)).

### **4.2 *Cremation, Interment and Funeral Services Act***

The *Cremation, Interment and Funeral Services Act* (CIFSA) also allows for Consumer Protection BC to set fees in compliance with a fee setting process and criteria established by regulation (s. 59 (3)).

### **4.3 Administrative Agreement**

Section 13.02 of the Administrative Agreement requires Consumer Protection BC to establish a procedure for the setting of fees in accordance with 179 (2) of the BPCPA and 59 (3) of the CIFSA and the criteria established by regulation enacted pursuant to sub-section 179 (2) of the BPCPA and section 59 (3) of the CIFSA.

### **4.4 The Fee Setting Criteria Regulation**

The Fee Setting Criteria Regulation came in effect on July 4, 2004 by order of the Minister. It requires Consumer Protection BC to consult with affected industry and interested parties before setting fees. It also requires Consumer Protection BC to give at least 90 days notice to the affected industry before a fee, charge or other amount has effect.