



2018 - 2020

BUSINESS PLAN

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Message from the Chair & CEO

We are pleased to present Consumer Protection BC's 2018 - 2020 Business Plan. Each year, our plan is updated through a collaborative process involving our staff, Leadership Team and Board of Directors. Based on our corporate purpose and stakeholder expectations, and guided both by the laws we oversee and our long-term Administrative Agreement with the provincial government, our Business Plan is a roadmap of the future and presents a focus for our operational efforts as we work to maximize our regulatory effectiveness. The Plan is supported and executed through our annual operational plan and the associated operating and capital budgets. We report on the outcomes of our Business Plan through our Annual Report.

As a regulator that operates in a dynamic, constantly-shifting environment, we will continue to assess, recommend and respond to emerging public policy, consumer need and marketplace gaps. Through the course of the Business Plan, we will work with key stakeholders to identify and act on priorities, and ensure we are an effective resource for consumer information and direction. Specifically, in 2018 we will be instrumental in the development of effective legislation and regulations, working with government in four areas: high-cost lending incremental to payday lending, ticket-reselling, ridesharing, and strategic partnerships.

The strategies included in this Business Plan have been specifically designed to improve or enhance our effectiveness as a regulator. Over the next year, we will continue to make process improvements to add value to our licensed businesses; we will work to further strengthen our regulatory work, increasing the number and focus of our compliance inspections and deterring licensed businesses from engaging in non-compliant activities; and we will ensure, through targeted engagement activities, that there is a good level of understanding of our purpose as a regulator and the broad services we offer to our stakeholders.

We rely on both primary and secondary data to function in a priority-based manner in the application of our resources. We are a unique regulator, serving consumers through the provision of timely information, effective referrals and efficient online self-help tools.

Over the next year, the Board of Directors and staff at Consumer Protection BC will deliver the strategies outlined in this Business Plan as we continue efforts to be an effective regulator and excellent resource for consumers.

Respectfully,



Doug Enns
Chair, Board of Directors



Rob Gialloreto
President & CEO

Corporate overview

Who we are

Consumer Protection BC is a team of dedicated and passionate individuals based in Victoria and Burnaby, who are responsible for regulating various industries and consumer transactions in the province of British Columbia (see infographic 1.0).

Our purpose is to license and inspect regulated businesses, respond to consumer inquiries, investigate alleged violations of consumer protection laws, classify motion pictures and provide information and referrals to the public.

In the public interest and through the authority delegated by the Province of British Columbia, Consumer Protection BC is responsible for administering three Acts:

- *Business Practices and Consumer Protection Act* [SBC 2004]
- *Cremation, Interment and Funeral Services Act* [SBC 2004]
- *Motion Picture Act* [RSBC 1996]



Infographic 1.0

Our revenue is generated primarily through licensing fees. This ensures that licensed businesses and occupations fund annual regulatory and general consumer protection costs as required by legislation.

What we do

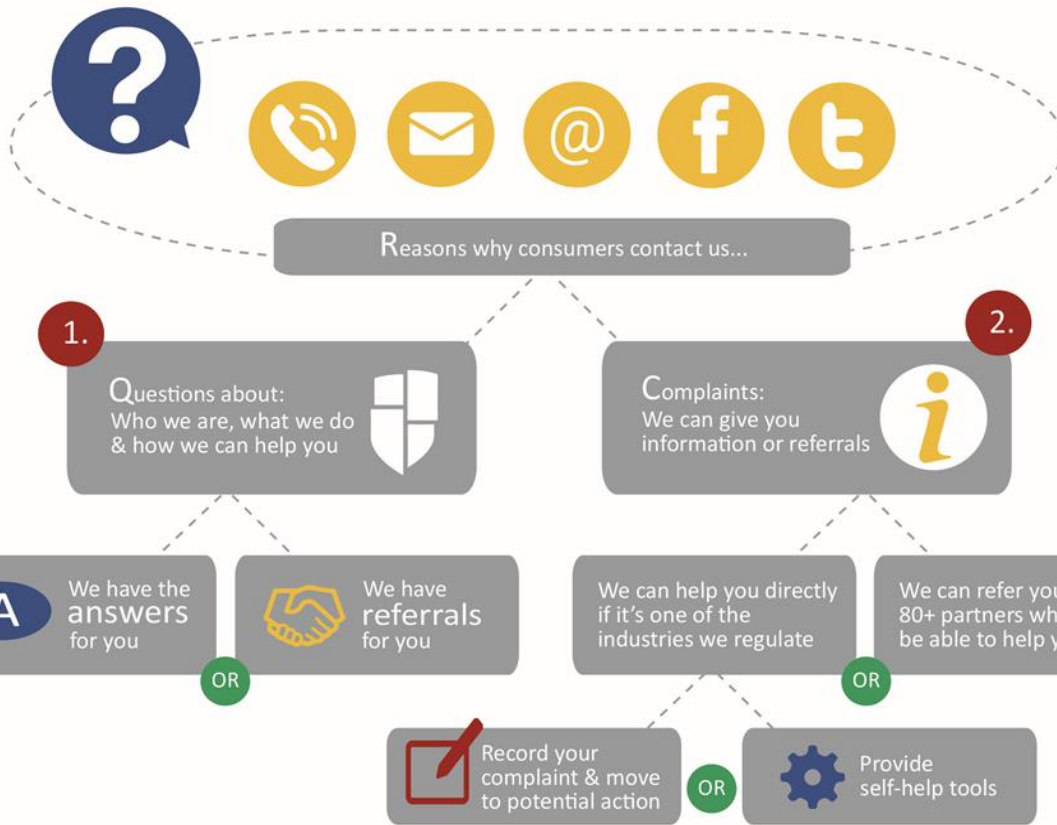
We deliver consumer protection services throughout British Columbia by:

- Educating consumers and businesses about their rights and responsibilities.
- Responding to inquiries and complaints from BC consumers and businesses.
- Licensing specific businesses and occupations.
- Inspecting licensed businesses and occupations to ensure they are following BC's consumer protection laws.
- Investigating alleged violations of consumer protection laws, then resolving through progressive enforcement.
- Classifying all motion pictures exhibited in British Columbia.
- Approving all retail adult video products sold or rented to consumers.
- Providing recommendations to government and supporting government's policymaking process regarding enhancements to consumer protection laws.

For more information about what we do, visit our website at www.consumerprotectionbc.ca, follow us on Twitter or Facebook.

How we protect consumers

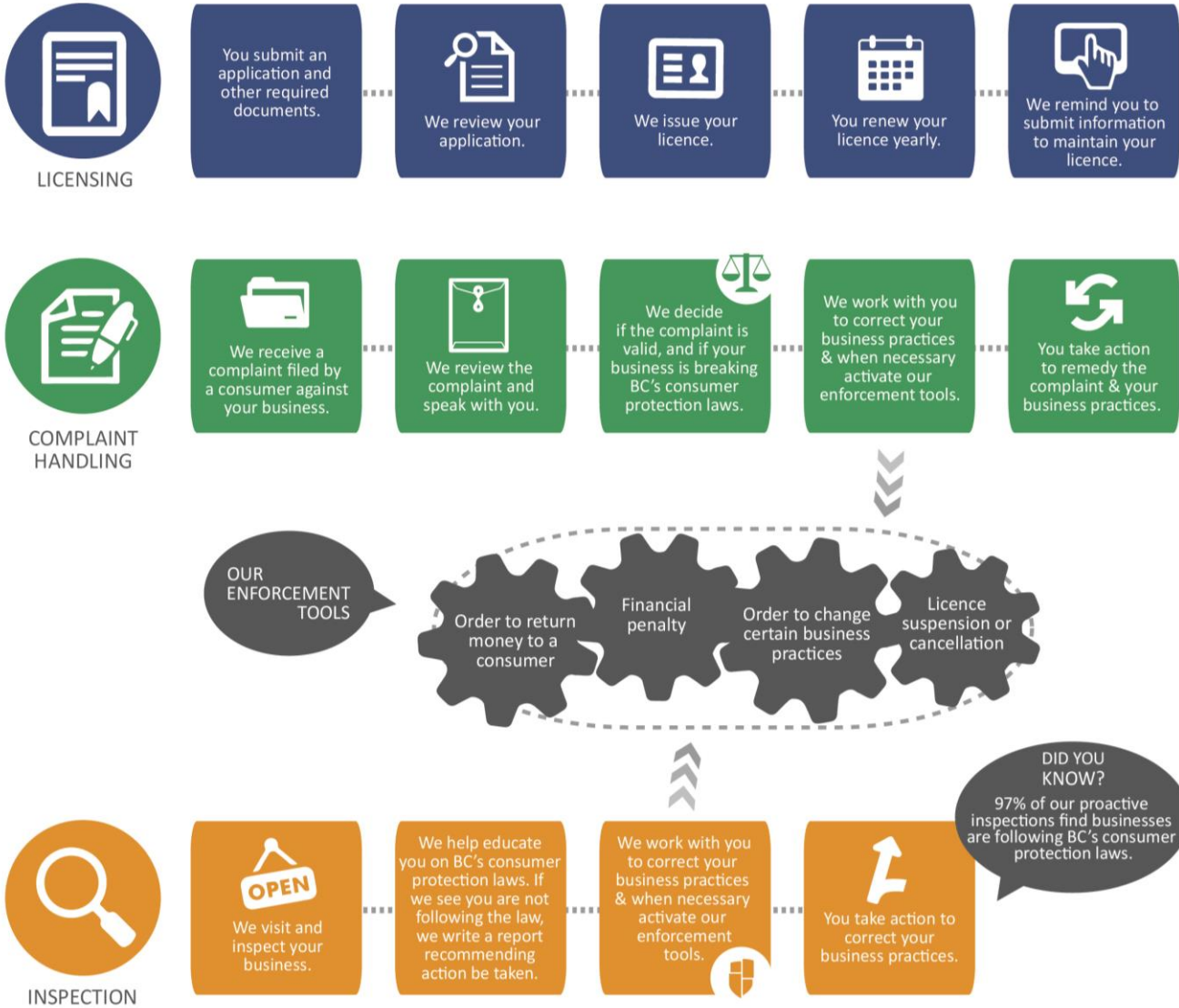
Here's how we help and protect consumers:



Infographic 2.0

How we regulate businesses

Here's how we help ensure regulated business operate within the law:



Infographic 3.0

Meeting our mandate

Our mandate is the collection of corporate obligations described in the *Business Practices and Consumer Protection Authority Act*, and our Administrative Agreement with the Ministry of Public Safety and Solicitor General (PSSG). These documents outline our general purpose as a delegated authority, and chart specific actions and outcomes necessary for us to effectively meet our mandate and fulfill the trust given to us by the provincial government. The primary areas of focus for these mandate-driven actions and outcomes are listed in the following chart:

Mandate	Actions/outcomes
Issue licences to the businesses captured in the Acts we administer (<i>Business Practices and Consumer Protection Act, Cremation, Interment and Funeral Services Act and Motion Picture Act</i>)	Average number of licences issued over the past three years = 8,920 per year.
Inspect and investigate businesses to determine compliance with the Acts we administer	Average number of inspections completed over the past three years = 386 per year.
Take progressive enforcement action to ensure businesses and occupations comply with the Acts we administer	Average number of enforcement files completed over the past three years = 274 per year.
Provide information and referrals to consumers inquiring about the Acts we administer and general BC consumer protection issues	Average number of consumer inquiries responded to over the past three years = 9,913 per year.
Provide general consumer education and information through various communication channels	Over the past three years, the average number of unique web visits = 302,749 ; the average number of blog posts published = 45 per year; the current number of Twitter followers = 7,087 ; the current number of Facebook fans = 45,041 .
Administer the Consumer Advancement Fund (CAF) to educate consumers and increase business compliance	Expenditures from the CAF over the past three years have totaled \$103,701 . These expenditures were audited to ensure they met the purpose of this fund and included: investment in consumer marketing campaigns, administration of the fund and recovery of costs related to the issuance of administrative penalties.
Provide refunds from the Travel Assurance Fund (TAF) to qualified consumers	Average amount of TAF refunds issued over the past three years = \$103,554 per year.
Classify general release motion pictures	Average number of general release motion pictures classified over the past three years = 1,775 per year.
Provide advice to government regarding changes to legislation or regulations	Over the past three years advice has been provided to government on <i>Motion Picture Act</i> changes; <i>Business Practices and Consumer Protection Act</i> changes related to home inspectors and debt settlement; <i>Cremation, Interment and Funeral Services Act</i> legislative and regulatory changes related to apprenticeship supervision and funeral services in remote communities.

Long-term strategic direction

Our Business Plan is a roadmap of the future for our stakeholders and presents a focus for our operational efforts as we work to maximize our regulatory effectiveness.

The Board of Directors approves the Business Plan and maintains an eye to the future. They, along with the Leadership Team, regularly assess emerging internal and external organizational factors to explore longer-term ideas and direction to improve our regulatory work and ensure organizational sustainability.

Within this longer-term focus, the Board of Directors collaborates with the Leadership Team to explore opportunities for expanded growth in our regulatory scope, partnerships or alliances with other regulatory bodies, manage ongoing cost pressures and determine the most effective regulatory approach to sectors facing significant disruption or change.

When a direction or area of focus is ready to implement, it is operationalized through various channels such as the Business Plan, workplans, corporate policies or procedures and the effective allocation of resources. With the 2018 - 2020 Business Plan we are introducing three strategies that will deliver operational excellence to our current stakeholders and build capacity which positions the organization to respond to emerging strategic opportunities.

Emerging public policy, consumer need and marketplace gaps

Consumer Protection BC is a catalyst for constant improvement to the BC regulatory framework through the assessment, recommendation and response to emerging public policy, consumer need and marketplace gaps. We operate in a constantly-shifting environment. Public policy is established or updated to address marketplace risks and harms, and meet current marketplace demands as consumers shift their behaviour. As a regulator in this dynamic environment, we must remain vigilant around market forces and adjust our operational efforts to ensure we maximize our effectiveness. Through the course of this plan we will work with key stakeholders to identify priorities and then act to remedy consumer protection gaps, and support the strengthening or creation of effective legislation and regulations by government in four key areas:

1. High-cost lending incremental to payday lending

As the payday and high-cost lending sectors continue to evolve, we will work with our government stakeholders to ensure the existing regulatory scheme for payday lenders remains relevant and effective and that similar protections for borrowers of other high-cost loans are created in changes to the law.

2. Ticket-reselling

Government has announced its intention to introduce ticket reselling legislation aimed at curbing unfair practices, including the activities of “ticket bots.” We will undertake research and stakeholder engagement to develop and communicate a position on how to most effectively regulate in this area, as directed by the Minister of Public Safety and Solicitor General. We will also support government’s policy-making process, as appropriate.

3. Ride-sharing

Since 2007, we have provided contracted call centre and referral services to the Ministry of Transportation and Infrastructure related to the Lower Mainland Taxi Bill of Rights. As government reviews options for a regulatory model for ride-sharing in BC, we will engage with key government stakeholders to explore ways we can provide value to government, consumers and industry, depending on the model government chooses to pursue.

4. Strategic partnerships

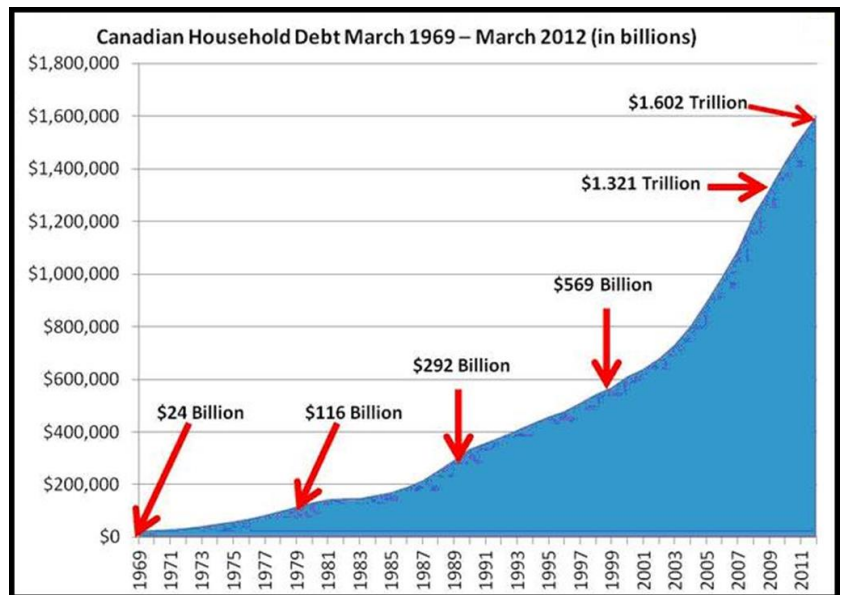
Over time, strategic partnerships with other regulators have not only improved the operational effectiveness of our organization, but have strengthened the BC consumer protection landscape. These strategic partnerships include organizations such as the RCMP, the US Federal Trade Commission, the Vehicle Sales Authority of British Columbia, the Competition Bureau, and the Financial Institutions Commission. Throughout 2018 - 2020, we see opportunities to strategically pursue new partnerships designed specifically to increase our regulatory scope, thereby ensuring new and enhanced protections for all British Columbia consumers.

While we do not have the authority to create legislation or regulations, we are a key expert stakeholder regarding the consumer areas noted above. By working in collaboration with the provincial government and other relevant stakeholders, we will drive positive change, with varying scope, for the ultimate protection of BC consumers. Our assessment of performance will therefore be qualitative in nature. We will report on any proposed actions or advice designed to foster greater levels of consumer protection, and provide an overall performance description of any changes to the regulatory frameworks or consumer protection in each area. Due to the nature of these projects, timelines will be closely tied to those of the provincial government, as well as variable marketplace drivers.

Regulating in a dynamic environment

Our internal environment is defined by embracing positive change as employees develop new skills, knowledge and abilities, and new personnel bring expertise and experience in varied and developing areas. The internal environment also leverages rapid change as we invest in modern technologies to automate previously labour-intensive tasks. This allows for timely and focused allocation of resources to improve or enhance changing areas and scope of work. The external environment is also subject to shifts as government adjusts public policy (legislation and regulation), as industry responds to trends and disruption to develop innovative new methods to deliver service, and as consumer behaviour shifts in subtle ways.

We monitor these environments to adapt our regulatory approach and deploy our internal resources and capabilities to ensure we meet our Business Plan strategies and deliver on our purpose of consumer protection. An example of the type of information we analyze is presented in the Canadian Household Debt chart (see right). This information allows us to understand the changing nature of consumer expenditures and shrinking disposable income. Then, we can project how other external factors, such as recent interest rate hikes by the Bank of Canada, may affect how and when consumers conduct business with our licensed sectors.



Source: Stats Canada

As it relates to the three-year cycle of this Business Plan, the following are the primary dynamic factors present in our internal and external environments:

Internal environment

The internal environment is significantly affected by the completion of recent technology investment in many operational areas, which includes:

1. Rebuilding of our online business platform (MyAccount) to support self-directed licence applications and annual business licence renewals.
2. Relaunch of our corporate website to improve the user experience and increase an understanding of the law using plain language and simple concepts.
3. Implementation of a mobile application to support compliance inspections by reducing the time required to complete inspections, better protect the privacy of data collected and ensure that post-inspection reports are made available to our licensed businesses as soon as possible.

In addition to technology, other internal factors include:

1. Completion of the 2018 - 2020 fee review which resulted in licensing and other fees being set to recover our estimated operating costs for that time frame.
2. Implementation of various desktop and mobile hardware and software tools which have enhanced employee collaboration, access to key documents and data management.
3. A collective agreement that accurately represents the size and scope of our organization and allows for dynamic and proactive action in a quickly-changing marketplace.

External environment

The external environment is most significantly affected by:

1. Potential or pending changes to consumer protection laws and regulations.
2. Business model responses to marketplace disruptions and changes to existing regulatory schemes.
3. Emerging priorities of the provincial government elected in spring 2017.
4. Indicators that provincial economic performance will show resilience in the near term, with some economists suggesting better than forecasted growth rates.
5. Shifting consumer behaviour based on factors, including provincial demographics, debt loads and technology.

Business Plan 2018 - 2020

Purpose of the Business Plan

The Business Plan describes our business strategies for the next three years. We live the plan internally with our employees and Board of Directors, and share it with government, industry and the public as a roadmap of how we will strive to fulfill our purpose in a dynamic regulatory environment and constantly changing marketplace.

Our corporate values are consistently applied to the development and delivery of our Business Plan. They are infused into our daily operating practices and serve as a guide on how we choose to act and behave as we go about our work. The plan also summarizes areas of principal risk, which are identified by the Board and are mitigated on an ongoing basis to ensure that risk exposure is minimized.

Corporate purpose statement

Our purpose is to license and inspect regulated businesses, respond to consumer inquiries, investigate alleged violations of consumer protection laws, classify motion pictures and provide information and referrals to the public.

Corporate values

Our corporate values are developed by our staff and cascade through our operational and governance systems. We have five corporate values:

- Trust:** We consistently come from a belief that we have the best interests of the organization and each other at the heart of everything that we do.
- Accountability:** We hold ourselves in ownership of, and take responsibility for, everything that we do.
- Integrity:** We behave in an honest and transparent way with each other.
- Excellence:** We are passionate, enthusiastic professionals continually seeking to deliver with a high level of quality.
- Impact:** We consistently strive to make a positive difference in the lives of British Columbians.

Our five values culminate in an overarching values statement, as follows:

We believe in accountability to ourselves and to each other, in the investment and maintenance of integrity, and in the pursuit of excellence in the delivery of services that ultimately make a positive difference in the lives of British Columbians.

Business strategies

The strategies presented in the Business Plan are specifically designed to improve or enhance our effectiveness as a regulator. They strive to ensure that we are making the most productive use of our internal resources and capabilities to deliver services and respond to dynamic shifts in the regulatory environment. The business strategies presented below articulate how we are going to be better, including the specific steps (or tactics) we will undertake to pursue this betterment, coupled with clear measures of what success will look like.

Business strategy 1: Add value to licensed businesses by simplifying application and renewal processes

Simplifying the licensing application and renewal process allows licensed business and new applicants to easily navigate our online business platform and submit all licensing requirements quickly and efficiently. This adds direct value by reducing the burden of regulatory compliance as part of their daily operations. It also allows us to reallocate our internal resources to place greater focus on initial compliance checking, auditing of the information that is submitted and more effective management of consumer and business complaints. Recent investments in our online business platform (called MyAccount) coupled with the combination and simplification of forms, has set the stage for this business strategy.

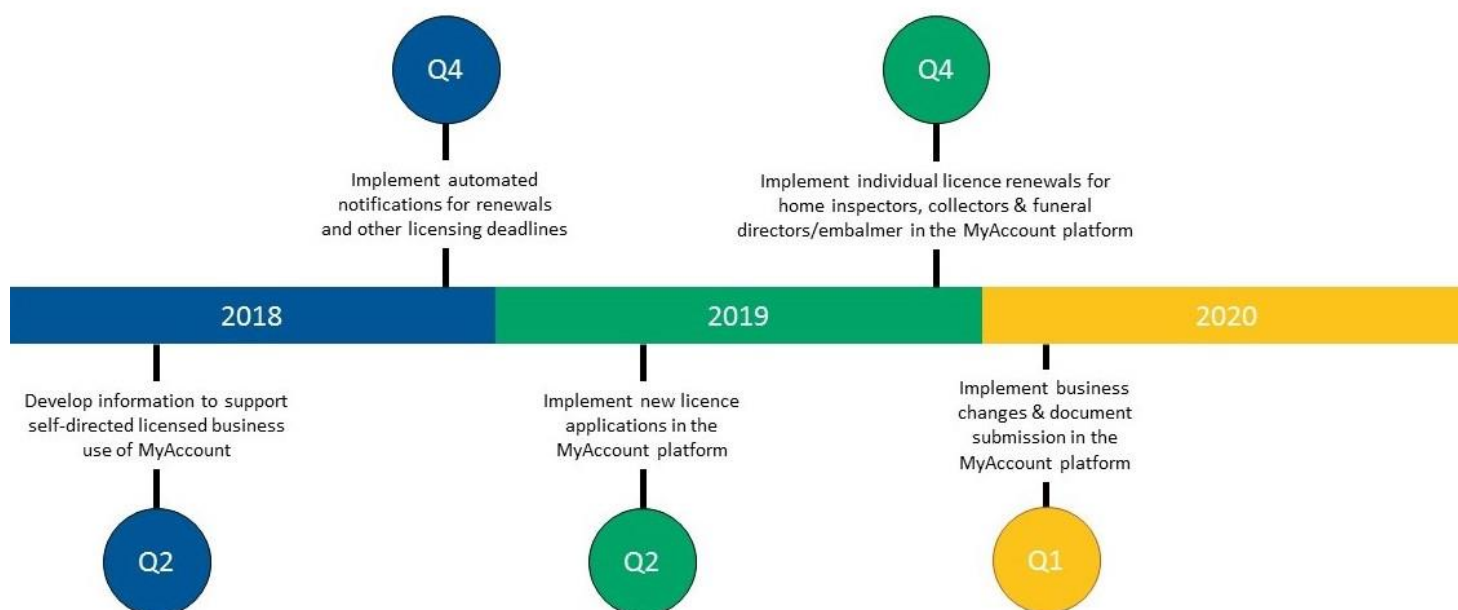
Tactics:

The tactics that will be employed to achieve this strategy are:

1. Develop information to support self-directed licensed business use of MyAccount. (Q2 – 2018)
2. Implement automated notifications for renewals and other licensing deadlines. (Q4 – 2018)
3. Develop and implement new licence applications in the MyAccount platform. (Q2 – 2019)
4. Implement individual licence renewals for home inspectors, collectors and funeral directors/embalmers in the MyAccount platform. (Q4 – 2019)
5. Develop and implement business changes and document submission in the MyAccount platform. (Q1 – 2020)

Timeline:

The timeline below outlines the scheduled completion date for each tactic listed above:



Performance:

This business strategy is focused on consistent improvement over a three-year period. The specific performance target for 2020, and sub-targets for 2018 and 2019, are presented in the following chart:

Performance target	2017*	2018	2019	2020
Average time to complete a licence application or renewal	7.8 Days	7.0 Days	5.0 Days	3.5 Days
Overall quality of licensing processes	80%	82%	84%	85%
Incomplete applications submitted	N/A	Baseline	3%	1%

* Performance baseline set by actual performance in 2017 operational year.

Business strategy 2: Increase the frequency and focus of compliance inspections

Being a highly effective regulator means to detect, and subsequently correct, non-compliance with BC's consumer protection laws through in-person compliance inspections. This business strategy asserts that we can increase our regulatory effectiveness and general consumer protection by increasing the number and focus of compliance inspections each year. Completing more inspections will not only allow us to uncover more cases of non-compliance, but also offers secondary opportunities to:

- Educate our licensed businesses to reduce the likelihood of future non-compliance.
- Deter other licensed businesses from engaging in non-compliant activities.
- Gather intelligence about current or pending shifts in consumer behaviour or the business models of our licensed sectors.
- Raise awareness of the value we provide to our licensed businesses.

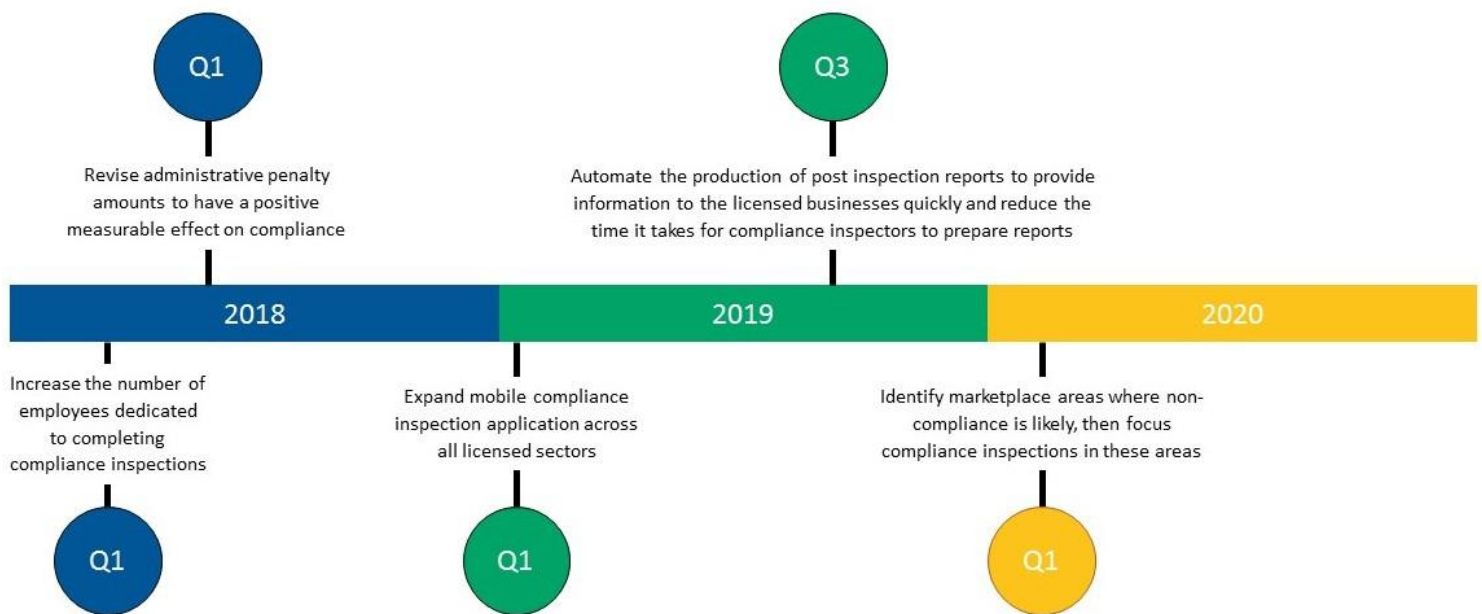
Tactics:

The tactics that will be employed to achieve this strategy are:

1. Increase the number of employees dedicated to completing compliance inspections. (Q1 – 2018)
2. Revise administrative penalty amounts to have a positive measurable effect on compliance. (Q1 – 2018)
3. Expand the use of mobile compliance inspection application across all sectors to reduce the time it takes to conduct and report on each inspection. (Q1 – 2019)
4. Automate the production of post-inspection reports to provide information to licensed businesses quickly and reduce the time it takes for compliance inspectors to prepare reports. (Q3 – 2019)
5. Use general market data and intelligence collected during inspections to identify marketplace areas where non-compliance is likely, then focus compliance inspections in these areas. (Q1 – 2020)

Timeline:

The timeline below outlines the scheduled completion date for each tactic listed above:



Performance:

This business strategy is focused on consistent improvement over a three-year period. The specific performance target for 2020, and sub-targets for 2018 and 2019, are presented in the following chart:

Performance target	2017*	2018	2019	2020
Number of compliance inspections completed annually	480	600	700	775
Percentage of inspections where business compliance is confirmed	88%	90%	91%	92%
Rate of compliance achieved following enforcement action	70%	73%	77%	78%

* Performance baseline are set by estimates of actual performance for the 2017 operational year.

Business strategy 3: Reinforce the understanding of our brand promise through targeted engagement with our licensed businesses and government stakeholders

Awareness of our regulatory purpose by our key stakeholders is vital to ensuring business compliance and providing general consumer protection. Fostering a connection with our stakeholders is key to building brand knowledge. It is vital that we leverage every reasonable opportunity to expose stakeholders to our brand promises and reinforce key

messages around our regulatory purpose. Clear, consistent communications and appropriate engagement with our licensed businesses will enhance the awareness of our role as a regulator, add value, and support a greater understanding of the laws that apply to them.

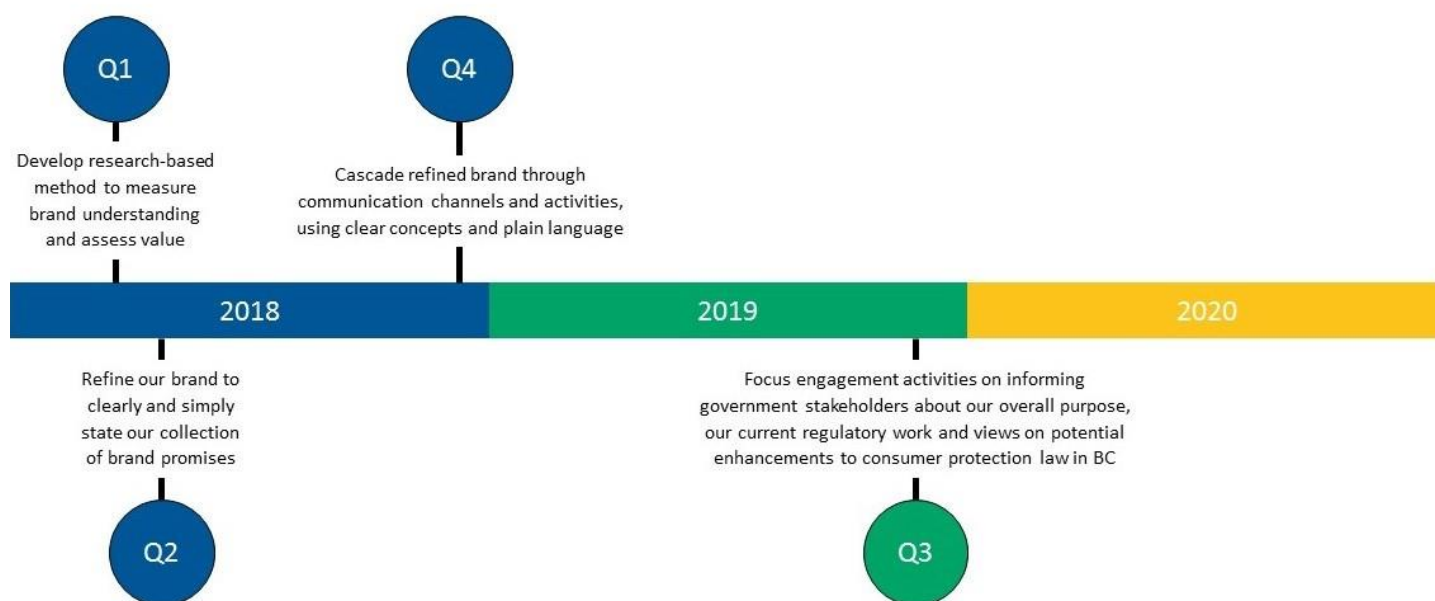
Tactics:

The tactics that will be employed to achieve this strategy are:

1. Develop a research-based methodology to measure the level at which our licensed businesses understand our brand promises and assess the value to their sector. (Q1 – 2018)
2. Refine our brand to clearly and simply state our collection of brand promises. (Q2 – 2018)
3. Cascade the refined brand through all stakeholder communication channels and activities, using clear concepts and plain language. (Q4 – 2018)
4. Focus engagement activities on informing government stakeholders about our overall purpose, our current regulatory work and views on potential enhancements to consumer protection law in BC. (Q3 – 2019)

Timeline:

The timeline below outlines the scheduled completion date for each tactic listed above:



Performance:

This business strategy is focused on consistent improvement over a three-year period. The specific performance target for 2020, and sub-targets for 2018 and 2019, are presented in the following chart:

Performance target	2017	2018*	2019	2020
Level of understanding by licensed businesses about our purpose as a regulator	NA	Baseline	TBD	TBD
Provincial government** understanding of our purpose and services provided	NA	Baseline	TBD	TBD

* Performance baseline and subsequent annual targets will be established through an initial survey of licensees and provincial government.

** Provincial government includes the Ministry of Public Safety and Solicitor General and the relevant government ministries that we interact with in the delivery of our regulatory and consumer protection services.

Areas of principal risk

In each business planning cycle, the areas of principal risk are articulated, a risk appetite for each area is established and risk tolerances are set (which are monitored and mitigated). The current areas of principal risk include:

Financial risk	Specific risk factors include investment, liquidity, capital and business model risk. Mitigation efforts ensure sufficient liquidity and capital to meet our long-term operational obligations.
Legal risk	Specific risk factors include civil litigation, judicial review and tribunal risk. Mitigation efforts focus on consistent and reasonable administration of our delegated authority, supported, where necessary, by sound legal advice and sound legal counsel.
Compliance risk	Specific risk factors include act and regulation, laws and contract (agreement) risk. Mitigation efforts focus on the completion of regular compliance assessment procedures with various stakeholders including the Ministry of Public Safety and Solicitor General, Office of the Information and Privacy Commissioner for BC, legal counsel and our auditors at Grant Thornton.
Technology risk	Specific risk factors include data breach, data loss and system failure risk. Mitigation efforts focus on the readiness of our Business Recovery Action Plan and the evolution of our IT Disaster Recovery Plan, which specifically protects our data and systems from intrusion and creates data redundancy.
Reputation risk	Specific risk factors include licensee, government and public risk. Mitigation efforts focus on clear and concise communication with all stakeholders and providing corporate responses to any regulatory or operational issues in a timely and transparent manner.

Operating & capital budget

The following budgets outline the financial and human resources required to deliver our overall regulatory purpose and achieve the targets articulated in the Business Plan for 2018 - 2020. We have maximized efficiencies through cost savings wherever possible, and assessed the viability of all future revenue streams. This process is a continuation of the balanced financial direction we have taken since our establishment in 2004.

Operating budget				
Resources and outputs	Fiscal year (\$000's)			
	2017	2018	2019	2020
Total revenue	5,925	6,196	6,374	6,559
Total expenditures	6,090	6,104	6,225	6,329
Excess of revenues over expenditures ¹	(165)	92	150	230
Full time employees (FTEs)	45	45	45	45

Capital budget				
Resources and outputs	Fiscal year (\$000's)			
	2017	2018	2019	2020
Base and planned expenditures	301	115	165	215
Program expenditures	0	0	0	0
Total	301	115	165	215

¹ The financial performance for 2017 resulted in a deficit position. The deficit is a result of significant Board-authorized technology investments in both our case management system (IRIS) and our online business platforms (website). These investments are designed to modernize our systems, further reduce risk and enhance our services. The amortization of these capital investment (30% declining balance) has largely been realized which will result in a return to reasonable level of net revenue for the planning cycle.