



# BUSINESS PLAN

## 2023-2025



Safety  
Codes  
Council



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**The Safety Codes Council (the Council) is a provincial statutory corporation established by the Safety Codes Act. The Council is accountable to the Minister of Municipal Affairs to deliver on our legislated mandate.**

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## GUIDING PRINCIPLES

### VISION

To be an outcomes and data driven, risk-based regulatory organization that helps keep Albertans safe in the built environment.

### MISSION

Provide leadership by guiding, educating, supporting, and collaborating with all stakeholders in Alberta's safety codes system.

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### VALUES

#### **Foster public confidence**

Public confidence is established through transparency, accountability, and enhancement of public service.

#### **Fuel innovation in the safety codes system**

The Council responds to industry needs and system innovations by finding efficient and effective ways to drive meaningful change and invests in technologies to help meet the evolving needs of the safety codes system.

#### **Utilize expertise**

The Council's members and staff have deep and diverse expertise. Their talent and dedication to excellence strengthen the safety codes system.

#### **Act with integrity**

The Council demonstrates responsibility by upholding the highest ethical standards, acting with integrity, and generating trust.

# MESSAGE TO STAKEHOLDERS

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Although the recent economic challenges are not entirely behind us, Alberta is expected to lead Canada in economic and population growth. To support this growth in a safe and sustainable way, the Safety Codes Council remains focused on our vision of being an outcomes and data driven, risk-based regulatory organization that keeps Albertans, newcomers, and visitors safe in the built environment.

A significant step forward to achieve this vision has been taken in this business plan. It is the first business plan to outline the outcomes we want to achieve and include data-driven performance targets. While not all outcomes have performance targets yet, we are committed to transparency and accountability and look forward to sharing results and additional performance targets in this and future years.

In 2023, we will continue to make meaningful strides to achieve our vision. Our strategic initiatives will lead to improvements to regulatory effectiveness and efficiency, educational programming, and consistent application of codes and standards, while strengthening our relationships with our stakeholders. These initiatives are only possible through the dedication of our Council members, employees, and support of our partners in the safety codes system.

As we pass the mid-point of our 2021-2025 Strategic Plan, we are proud of the achievements we have accomplished together to keep Albertans safe in the built environment. I want to thank each and every person in the safety codes system whose enthusiasm, expertise, hard work, and collaboration made these successes possible. The success of the system depends on our collaborative relationships and partnerships that enable us to overcome challenges and innovate together.

I welcome you to continue reading through our outcomes, performance measures, and strategic initiatives to see how we will improve the safety codes system this year. I am confident that together we can face the challenges that this year will bring and help the safety codes system emerge even stronger.



**Katie Rowe**  
Acting President and CEO

# WHAT THE COUNCIL IS WORKING TO ACHIEVE

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The Council is an independent, self-funded regulatory organization mandated to provide oversight of the safety codes system. The Safety Codes Act delegates authority and defines the Council's core roles and responsibilities.

Our execution of these legislated functions and delivery of services is focused on advancing three outcomes. This year the Council is establishing, and starting to publicly report on, performance measures related to these outcomes. Reporting keeps the Council accountable, and performance measurement supports the Council in operating as an outcomes- and data-driven organization.

## OUTCOME 1

Delivery, oversight, and regulatory decision-making of the Safety Codes Act is accessible, transparent and efficient.

### CORE MANDATE RELATED TO THIS OUTCOME

- Performing regulatory functions through issuing decisions and holding quasi-judicial hearings on appealable decisions. The Administrator of Certification certifies safety codes officers and master electricians. The Administrator of Accreditation accredits organizations.
- Oversight of accredited municipalities, regional commissions, corporations, agencies, and Métis settlements to deliver safety codes services under the *Safety Codes Act* (permitting, inspections, and compliance).
- Delivering safety codes services in the province's unaccredited municipalities through the Alberta Safety Code Authority's (ASCA's) contracted inspection agencies; providing a permitting platform and technology support to all unaccredited municipalities; conducting permitting, inspection, and compliance activities for storage tank systems.
- Conducting audits of accredited organizations to ensure the administration and delivery of permitting and inspection services are compliant with the *Safety Codes Act*.

### MEASURING PERFORMANCE

#### Performance Measure 1a

This measure demonstrates the Council's oversight of the organizations that it accredits to provide safety codes services to Albertans, in terms of the organization's Quality Management Plan (QMP) adhering to Council's policy, and annually self-reporting on their compliance. The QMP is the terms and conditions of accreditation for an organization, and describes the scope, operational requirements, and service delivery standards that are to be met. Accredited organizations must submit a review of the previous year's activities regarding the organization's compliance with their QMP.

#### Regulatory compliance in accredited areas of the province

2022 Actual: 80%      2023 Target: 85%

#### Performance Measure 1b

This measure demonstrates compliance with permitting controls in terms of key safety and consumer protection factors, including ensuring the correct number of inspections have been done, the permit expiry date and fees collected are as required in the ASCA's Service Reference Manual.

#### Permit compliance in unaccredited areas of the province

2022 Actual: 95%      2023 Target: 96%

## OUTCOME 2

Safety codes officers have the knowledge and skills to fulfill their roles and responsibilities.

### CORE MANDATE RELATED TO THIS OUTCOME

- Administering and delivering training and education for safety codes officers.

### MEASURING PERFORMANCE

**Performance Measure under development.**

## OUTCOME 3

Codes, standards, guidelines, and policies are clear, consistent, and informed by expert advice and industry.

### CORE MANDATE RELATED TO THIS OUTCOME

- Providing expert advice and recommendations to the Minister of Municipal Affairs to help formulate safety codes and standards and address emerging issues in the safety codes system. This is primarily done through 12 sub-councils representing each safety codes' discipline.

### MEASURING PERFORMANCE

**Performance Measure under development.**



# CORE BUSINESS HIGHLIGHTS

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Three core activities, important to both the Council and its stakeholders, are underway in 2023.

## CYBER SECURITY AND TRAINING

Cyber security is critical for the Council because it protects its digital assets, including confidential data, financial information, and personal information of employees and stakeholders. With the increasing frequency and sophistication of cyber attacks, it is essential the Council maintain and implement cyber security measures to ensure the confidentiality, integrity, and availability of its data.

To mitigate cyber or data-related risks, the Council establishes a proactive approach to identify potential threats and vulnerabilities and implements measures to prevent cyber attacks. This includes quarterly cyber security and awareness training for all employees, implementing robust IT protocols, and regularly testing and updating IT systems.

## GOVERNMENT RELATIONS

The Council will continue to support and collaborate with the Government of Alberta on safety codes system's initiatives – providing advice on both changes and opportunities for improvement within the existing system. Through the sub-councils and other stakeholder-engagement approaches, the Council is well-positioned to seek, understand, and represent safety codes system's stakeholders' and end-users' perspectives to government. This helps ensure that policies are informed by all interests in the safety codes system. The Council also works closely with government to ensure the appropriate delegated instruments and governance structures are in place to enable the Council to best advance safety codes system outcomes.

## ALBERTA REVIEW OF NATIONAL MODEL CODES

The Safety Codes Council provides recommendations and advice to Municipal Affairs related to codes and standards. Throughout 2023, there will be reviews by sub-councils of proposed changes to the 2020 editions of the National Model Codes that may be included in the 2025 edition of the building, fire, plumbing, and energy model codes.

The Council takes a holistic and integrated approach to reviewing the proposed changes to the National Model Codes so that Alberta stakeholder and end-users' interests and industry perspectives on the proposed changes to the Codes are reflected in the advice to Municipal Affairs. Alberta's participation in these processes also supports further harmonization of codes between jurisdictions, and greater awareness amongst safety codes system stakeholders of potential future changes – enabling better planning and change management.

# STRATEGIC PLAN 2021-2025

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The Council's Strategic Plan sets out areas of focus and guides how to improve upon our business – in a way that advances the safety codes system's outcomes, and aligns with the Council's vision, mission, and values.

## SIX STRATEGIC PILLARS

The Council established six strategic pillars in the 2021-2025 Strategic Plan.



### IMPROVE REGULATORY EFFECTIVENESS AND EFFICIENCY

Identifying opportunities for improvements within the Council and the system and providing transparent reporting to demonstrate accountability for the Council's regulatory oversight functions.

- Enable risk-based approaches the oversight of the safety codes system.
- Develop regulatory framework.
- Establish public reporting.



### PROMOTE THE CONSISTENT APPLICATION OF CODES AND STANDARDS

Developing tools to enable and increase regulatory consistency in the delivery of safety codes and standards to support Alberta's economic competitiveness and improve public safety.

- Support code harmonization and adoption.
- Develop standard processes and procedures within the Council.
- Evolve safety codes officer training to build competency in the interpretation of codes and standards to improve consistent application and enable innovation.



### EVOLVE EDUCATIONAL PROGRAMMING

Delivering educational programs and initiatives that provide our clients with the knowledge and competencies that the system requires, now and into the future.

- Provide public education.
- Develop performance-based standards.
- Ensure training keeps up with technology.



### STRENGTHEN PARTNERSHIPS WITH OUR STAKEHOLDERS

Building relationships and collaborating with all stakeholders to ensure Council's programming continues to add value to those the Council serves, finding synergies, and working together to achieve common goals.

- Build strategic partnerships.
- Engage with stakeholders.
- Build on common objectives with Alberta system partners.



## HARNESS DATA AND ANALYTICS

Building capacity to collect and analyze data to drive decision-making and enable risk-based approaches to safety services' delivery.

- Build internal data-management and analytical capacity.
- Develop corporate key performance indicators and data collection requirements.
- Enable evidence-based decisions.



## ENHANCE TECHNOLOGY TO DRIVE INNOVATION

Ensuring the administration of Alberta's safety codes system is conducted efficiently and effectively, enabling the advancement of new technologies within the Council and Alberta's safety codes system.

- Reduce red tape through automation of administrative processes.
- Accelerate the adoption of technology within the safety codes system.
- Enable risk-based approaches to compliance monitoring.

## FOUNDATIONAL ENABLERS

The Council's operational success is a result of its strong organizational foundation of people, processes, and technology. Building on two enablers will further strengthen the Council's foundation.



### SUPPORT OUR PEOPLE

Our people are our strength and are fundamental to everything we do. As systems evolve and the regulatory environment becomes more complex, we are continuing to build a strong organizational foundation by developing our people and culture to support our strategic priorities.



### CREATE SERVICE EXCELLENCE THROUGH INNOVATION

The Council is uniquely positioned to improve the efficiency and effectiveness of service delivery in the safety codes system. The Council is committed to reviewing its processes to ensure that it is a responsible steward of resources. A focus on innovation in all programs will ensure continued operational sustainability.

# 2023 STRATEGIC INITIATIVES

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The Council's 2023 strategic initiatives are its near-term change initiatives intended to achieve the goals and objectives of our 2021-2025 Strategic Plan.

## IMPROVE REGULATORY EFFECTIVENESS AND EFFICIENCY

### ADOPT RISK-INFORMED OVERSIGHT APPROACHES

The Council is committed to implementing risk-informed approaches in all of its regulatory oversight and decision-making activities. We will prioritize the opportunities to adopt risk-informed approaches based on a number of factors including system readiness and data availability. In 2023, the Council will develop and publish a progressive enforcement ladder to guide compliance oversight of master electricians, and adopt a risk-informed approach to inspecting storage tanks within the Alberta Safety Codes Authority's jurisdiction.

Adopting risk-informed approaches to oversight and compliance enforcement, with the requisite data, supports Council in efficiently allocating its resources towards managing the highest-risk activities.

### ENGAGE ON ACCREDITATION PROGRAM ENHANCEMENTS

The Council will continue reviewing our regulatory oversight of the Accreditation Program – in line with policy direction from Municipal Affairs and informed by stakeholder feedback from our province-wide engagement in 2022. In 2023, we will engage targeted stakeholders on specific enhancements to the Accreditation Program that will support flexibility, efficiency, adoption of data-driven and risk-based approaches, and greater accountability from accredited organizations.

## PROMOTE THE CONSISTENT APPLICATION OF CODES AND STANDARDS

### CREATE A HARMONIZED STANDARD FOR POWER ENGINEERING PLANT STAFFING AND PLANT RATING

On behalf of eight signatories representing provinces and provincial regulatory bodies, the Council is coordinating the development of a single national standard governing the classification and supervision requirements for the safe management and operation of pressure equipment. In 2023, the Council will support the selection and contracting of a standards development organization to develop a national standard for power engineering plant staffing and plant rating.

If adopted by provinces and territories, a single standard for power engineering plant staffing and plant rating will create consistency in plant ratings, operators' scopes of practice, and certification processes across Canada. Having a consistent standard helps increase regulators' confidence in the quality of work performed when power engineers move from one jurisdiction to another and supports greater labour mobility and economic activity.

## EVOLVE EDUCATIONAL PROGRAMMING

### CONTINUE TO MODERNIZE THE SAFETY CODES OFFICER CURRICULUM

Council is undertaking an ongoing transformational initiative to modernize its educational programming to focus on safety codes system participants' roles and responsibilities and developing core competencies. We are designing our programming to align with adult learning best practices – including integrating practical and scenario-based learning components into the curriculum. In 2023, the Council will engage stakeholders to co-develop learning objectives and course content for safety codes officer core competency training, and to develop guidance documents for how code-related training will be provided in the future.

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Council's efforts to evolve its educational programming will better equip safety codes officers to fulfill their responsibilities and effectively interpret and apply the code in a complex and evolving regulatory and technological context.

### HOSTING THE FIRST SAFETY CODES COUNCIL SUMMIT

The Council is committed to providing safety codes officers with access to educational programming that addresses evolving technology and code changes. In 2023, we will offer a new educational conference, the Safety Codes Council Summit, with presentations from experts and networking opportunities for safety codes officers and other participants in the safety codes system.

## ENHANCE TECHNOLOGY TO DRIVE INNOVATION

### CREATING A ROADMAP FOR INVESTING IN TECHNOLOGY

Over the next five years, the Council will invest in upgrading its platforms and adopting new technologies and business processes to better meet the current and future needs of the over 30,000 diverse stakeholders who rely on these systems to support service delivery and the oversight of the safety codes system. In 2023, the Council will develop a transformational roadmap which will inform how it prioritizes capital investment over the next five years.

These technology and process enhancements are expected to support the effective and efficient functioning of the safety codes system by improving the availability and quality of data, reducing administrative burden on clients and stakeholders as well as enhancing reporting.



# 2023 FINANCIALS

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## BUDGET CONTEXT

Approximately 80% of the Council's revenue streams derive from municipal levies and permit fees from unaccredited regions operated by the Alberta Safety Codes Authority. The Council's revenues directly correlate to Alberta's construction activity, and fluctuate in line with economic growth or contraction.

Council anticipates an economic resumption similar to pre-pandemic levels and has taken into account the following economic indicators as part of our 2023 budget:

- Real GDP is forecasted to level out in the range of 2.3-3% into 2023 and 2024. While it is widely recognized that Canada will enter into a 'moderate' recession in 2023, Alberta's economy is anticipated to lead the way of economic growth in 2023 amongst the provinces, due to high oil and gas prices.
- West-Texas Intermediate oil price is expected to remain high between US\$80-90 over the next two years.
- Construction activities in Alberta during 2023 are expected to remain at a similar level as in 2022, in particular in Calgary and Edmonton.
- Inflation is expected to remain high through the first half of 2023 before cooling down in the latter half of the year.

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## 2023 BUDGET HIGHLIGHTS

The Council considers economic conditions, municipal housing starts and building permit forecasts, and the Council's historical revenues over a five-year period when developing the budget.

The Council's revenue is budgeted to increase 5.9% (\$866,000) over 2022 budget levels.

- The Council anticipates levy fees to exceed the 2022 budget by 10.5% (\$629,000), which had been budgeted conservatively due to uncertainties around COVID impacts. The total revenue budget in 2023 is at a very similar level to that in 2022.
- Permit fees are budgeted to be 4.2% (\$244,000) higher than in 2022.
- Salaries and benefits are budgeted to increase by 1.5% (\$113,000) due to backfilling positions that remained vacant in 2022, and the addition of new positions to support new functions. Contract salaries have increased by 13.4% (\$73,000).
- Permit service fees are budgeted to increase by 3.4% (\$135,000) based on the forecasted value of permits issued by safety and inspection agencies, and volumes of closed permits anticipated for 2023.
- Travel expenses for inspections, audits, committee meetings, sub-council meetings, and engagement sessions for inspection agencies are planned to exceed the 2022 budget by 12.3% (\$40,000). This is lower relative to historic expenditure levels as the Council will continue to use a hybrid model (including both in-person and virtual) for these activities.

## 2023 BUDGET

	2023 Budget	2024 Forecast	2025 Forecast
<b>Revenue</b>			
Levy Fees	6,596,077	6,708,210	6,821,909
Permit Fees	6,100,137	6,203,839	6,308,989
Accreditation Fees	1,162,600	1,162,600	1,162,600
Safety Codes Officer Program Fee	695,500	707,324	719,312
Master Electricians Program Certification Fee	621,000	631,557	642,261
Other Revenue	122,500	122,500	122,500
Investment Income	275,945	475,761	504,876
<b>Total Revenue</b>	<b>15,573,759</b>	<b>16,011,791</b>	<b>16,282,447</b>
<b>Expenses</b>			
Salaries and Benefits	7,683,312	7,683,312	7,683,312
Permit Service Fees	4,094,583	4,342,688	4,416,292
Course and Seminar Costs	312,000	326,457	331,990
Contract Salaries and Remuneration	619,050	519,050	519,050
Travel	367,613	375,088	382,402
Amortization	507,807	534,207	596,940
Advertising and Publications	95,670	95,670	95,670
General and Administrative	2,185,684	2,120,127	2,161,469
Investment Fees	58,283	60,485	64,187
<b>Total Expenses</b>	<b>15,933,002</b>	<b>16,057,083</b>	<b>16,251,313</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(395,244)</b>	<b>(45,292)</b>	<b>31,135</b>



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