Report on Plans and Priorities 2003–2004

A. Anne McLellan Minister of Health

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NOTICE TO THE READER

In keeping with the government on-line initiative, we have inserted electronic links at appropriate points in the Report to enable the reader to consult other sites for more detailed information on topics that may be of interest. For those who are reading the Report from a paper copy, we have listed all the links in Annex 4.

I President's Message and Management Representations Statement

President's Message

I am pleased to submit to Parliament, and to Canadians, the Hazardous Materials Information Review Commission's report on its strategic plans and priorities for 2003–2004.

The objective of the Commission during the planning period 2003–2006 will be to further strengthen our ability to follow through on our commitment to workplace health and safety. To that end, we will pursue eliminating the backlog created by the continued and unprecedented increase in new claims received by the Commission in recent years. At the same time, we will continue our efforts to create new efficiencies in our organization.

In addition, we will complete program renewal initiatives, bringing closure to the reshaping of this organization and firmly establishing our new way of doing business for the years to come. The renewal initiatives are on schedule: only a few of the 29 action items listed in the Commission's *Blueprint* still await statutory approval.

This represents the culmination of five years of concentrated effort. Our renewal process began in 1997. Our intent was to transform the Commission into a client-and results-based organization dedicated to meeting our clients' changing needs more efficiently and cost-effectively. In cooperation with our clients and our partners in the Workplace Hazardous Materials Information System (WHMIS), we drafted the report *Commission Renewal: Blueprint for Change*, which charts the broad outlines of change, and a companion document, the *Workplan*, which details the actions needed to realize the *Blueprint's* vision.

During 2002, the Commission realized many successes. For example, amendments to the *Hazardous Materials Information Review Regulations* came into force on June 13, 2002. Major changes consisted of a new simplified fee structure, a reduction in the information required to support a claim for trade secret protection and the removal of Form 1 from the Regulations.

In March 2000, the Government of Canada tabled in Parliament its plan for improving and modernizing management practices in the public service. The report, entitled *Results for Canadians*, puts citizens' needs at the centre of all federal activities, programs and services; highlights the importance of sound public service values; focuses on achieving results; and promotes discipline, accountability and value-for-money in the use of public funds. I believe that the Commission is well advanced in realizing the government's vision.

To consolidate the work already accomplished and to address the full scope of modern comptrollership, including risk management and integrated performance measurement, we embarked on the modernizing comptrollership initiative during fiscal 2002–2003 with the establishment of a project management office.

Our new structure of three business lines puts the needs of our clients first and promotes timely, cost-effective service delivery. Our Web site helps speed service delivery while enhancing transparency and accountability. Our revamped cost recovery structure stresses fairness, consistency and predictability. And our redesigned screening and dispute resolution processes will bring greater openness and efficiency to these procedures while helping to build relationships of trust, mutual respect and understanding with our clients.

Today, the Commission is a well-performing modern organization and we look forward to a vibrant and prosperous future. I feel very positive about the work this Commission has completed during renewal and know that we can continue to make an important contribution in the occupational health and safety community.

Weldon Newton
President and Chief Executive Officer

Management Representation Statement

Report on Plans and Priorities 2003–2004

I submit, for tabling in Parliament, the 2003–2004 Report on Plans and Priorities (RPP) for the Hazardous Materials Information Review Commission.

To the best of my knowledge the information in this document:

- Accurately portrays the organization's plans and priorities.
- ➤ Is consistent with the reporting principles contained in the *Guide to the Preparation of the 2003–2004 Report on Plans and Priorities*.
- Is comprehensive and accurate.
- ➤ Is based on sound underlying departmental information and management systems.

I am satisfied as to the quality assurance and procedures used for the RPP production.

The Planning, Reporting and Accountability Structure (PRAS) on which this document is based has been approved by Treasury Board (TB) Ministers and is the basis for accountability for the results achieved with the resources and authorities provided.

	February 24, 2003
Weldon Newton	Date
President & CEO	

II Raison d'être

Agency Context

In Canada, the handling and storage of hazardous chemicals in the workplace is controlled by the Workplace Hazardous Materials Information System (WHMIS), a wide array of legislation, regulations and procedures at various levels of jurisdiction that binds suppliers and employers alike. Established in 1987 through a consensus of labour, industry and government, the goal of WHMIS is to reduce illnesses and injuries resulting from the presence of hazardous materials in the workplace.

WHMIS requires suppliers (including manufacturers, importers and distributors) to provide information on the hazards of chemicals produced or used in Canadian workplaces. It prescribes cautionary labelling for containers of controlled products, as defined in the *Controlled Products Regulations* (CPR), as a condition of sale and importation, and requires suppliers of those products to provide material safety data sheets (MSDSs). Information required to be shown on a product's MSDS includes the disclosure of all hazardous ingredients in the product, its toxicological properties, any safety precautions workers need to take when using the product, and first-aid treatment required in the case of exposure. Employers must make this information available to employees and put in place worker training and education programs.

The Hazardous Materials Information Review Commission (HMIRC) was created as an independent agency in 1987 by proclamation of the *Hazardous Materials Information Review Act* (HMIRA). The Commission is accountable to Parliament through the Minister of Health. It is a small but important public sector institution charged with administering the trade secret mechanism within the WHMIS.

HMIRC plays a pivotal role, enabling industry to maintain trade secret formulations, while ensuring that workers can be afforded full hazard disclosure. The Commission's efforts must result in a fair balance between the right of workers to be informed about the hazards of the chemicals to which they are exposed in the workplace and the right of suppliers and employers to protect their bonafide trade secret information. Success in this dual-role framework requires that the Commission balance the tension inherent in providing a service of commercial value to industry on the one hand, and acting as an advocate for worker health and safety on the other. This dual challenge continues to define HMIRC's essential role in Canadian society.

HMIRC makes decisions on the compliance of MSDSs and labels within WHMIS' regulatory and legislative requirements. As a direct result of its work, national and international chemical companies have been afforded the ability to protect their industrial intellectual property assets. At the same time, the Commission's efforts to review MSDSs and labels and ensure the disclosure of accurate health and safety information about hazardous chemicals, have directly contributed to a reduction in the risk of workplace-related illness and injury.

If a supplier wishes to withhold confidential business information—for example, the identity or concentration of one or more hazardous ingredients in its product—it applies to the Commission for an exemption from the requirement to list those ingredients on the MSDS. We allow suppliers to meet their WHMIS obligations without disclosing critical proprietary information, when the claim for exemption is determined to be valid.

The Commission's clientele consists of a number of WHMIS stakeholders: suppliers and employers in the chemical industry who wish to protect their trade secrets from being disclosed on MSDSs or labels; employers who rely on supplier MSDS information to prepare their own workplace MSDSs and training programs; and labour, representing all workers who are exposed to these products.

Our Mandate

Under the authority of the HMIRA and the provincial and territorial occupational health and safety acts, the Commission is an administrative agency charged with carrying out a multi-faceted mandate:

- to formally register claims for trade secret exemptions, and issue registry numbers;
- to issue decisions, using prescribed regulatory criteria, on the validity of claims for exemption;
- ➤ to make decisions on the compliance of MSDSs and labels within the WHMIS requirements as set out in the *Hazardous Products Act* (HPA) and *Controlled Products Regulations* (CPR) and various provincial and territorial occupational health and safety acts; and
- to convene independent, tripartite boards to hear appeals from claimants or affected parties on decisions and orders issued by the Commission.

Our Mission

As a vital and independent agency, the mission of HMIRC is to:

- ensure a balance between industry's right to protect confidential business information and the right of employers and workers to know about the hazardous materials they deal with in the workplace;
- provide a trade secret mechanism within WHMIS;
- > resolve complaints and disputes impartially, fairly and promptly through statutory or alternative means.

III Planning Overview

Looking ahead, the Commission has some challenges to meet in the planning period. The organization is adapting well to the changes initiated during renewal; however, we will be dealing with constant change for some years to come. Careful change management will continue to be necessary as new procedures and new ways of doing business are implemented. New staff members need to be integrated into the organization, and staff training and orientation have become ongoing priorities.

Our focus, as always, will be the health and safety of workers, education and dispute prevention with claimants, and the client outreach program with our provincial and territorial partners, with respect to the detection of unfiled claims. We will also continue to work with our Workplace Hazardous Materials Information System (WHMIS) partners on the international harmonization of hazard communication requirements.

We continue working towards our goal of reducing and ultimately eliminating the claims backlog. We have added operations staff for this purpose, and a new plan to deal with the backlog is now in development. As this Report is being drafted, the Commission awaits confirmation of additional funding from Treasury Board Secretariat, specifically designated to address the increased numbers of new claims received.

We plan to continue enhancements to our Web site. As an element of our Government On-Line strategy, we are examining options for e-payment and e-filing in the context of certain challenges with respect to security and monetary conversion.

The Commission has embarked on the modernizing comptrollership initiative by establishing a project management office and conducting a capacity assessment. Over the planning period, we expect to identify and put in place the mechanisms and systems that will assure us of continuing improvements in management and reporting.

These and other changes planned for 2003–2006 are all guided by the Commission's core values: timeliness, accessibility, transparency, quality, consistency, competence, respect and fairness.

IV Plans and Priorities by Strategic Outcome

Strategic Outcome 1

Total Planned Spending \$595,000

Provide Canadians with a fair and transparent process for protecting valid confidential business information concerning suppliers' or employers' hazardous products.

To be demonstrated by:

- Client services providing information and assistance to suppliers or employers.
- Screening officers or their delegate issuing registry numbers.
- Screening officers granting/denying the claim for exemption.

Client Services Business Line

Client Services administers the process used by suppliers and employers who wish to protect confidential business information under the WHMIS program. We formally register claims for exemption, issue registry numbers, and ensure the security of all claim-related information. In addition, screening officers decide on claim validity by reviewing claimant information supporting the claim against regulatory criteria, taking into account any representations received from affected parties.

These various activities are based on the Commission's mandate as set out in the HMIRA and associated regulations.

Client Services also provides general advice and guidance to claimants (suppliers, producers, distributors, employers) as well as other stakeholders. This is carried out primarily on an ad hoc basis; however, we are increasingly including proactive outreach strategies in our program so as to communicate our mandate, industry-related regulatory requirements, etc., to as many stakeholders as possible.

Client Services collaborates closely with the MSDS Compliance business line, both in its ongoing work and on special projects.

Once a claim is submitted, Client Services carries out a pre-registration check. The claim is then registered, and a registry number is issued. Claim registration allows the company to import or sell their product while the various decision-making processes are carried out within the Operations Branch. In this way, importing/selling disruptions are minimized, thereby maintaining product availability and access.

To afford an affected party an opportunity to make a representation to us with respect to any claim, a Notice of Filing must be published in Part I of the *Canada Gazette* outlining the basic characteristics of each registered claim.

Based on their assessment of the information submitted by the claimant and any representation received from an affected party, screening officers review the claim for exemption against the regulatory criteria and decide whether the claim is valid.

A claimant may decide to withdraw a claim at various stages of the registration or review process.

Most Frequent Reasons for Withdrawal of Claims

- The product was never sold in Canada.
- > The product is no longer being sold in Canada.
- The confidential business information ingredient(s) has (have) been removed from the product formulation.
- Former confidential business information ingredient(s) is (are) now being disclosed on the MSDS.
- > There has been a change in product ownership.

Plans and Priorities

Client Services will provide up-front assistance to clients and register claims for exemption in accordance with applicable service standards (see Monitoring section).

Screening officers will decide on the validity of claims for exemption, at a time concurrent with their determination of the compliance of the material safety data sheet associated with the claim (see also Strategic Outcome 2).

In addition to the ongoing tasks outlined above, we will continue our program of renewal in Client Services by implementing the measures set out in the *Blueprint* for Change and the *Workplan*, as follows:

- ➤ Determine the level of interest among our tripartite stakeholders (government, industry and labour) in a workshop as a means of promoting full communication about topics such as claim processing in general and changes to the cost recovery fee structure. If sufficient interest is found, a workshop will be held in the latter half of the 2003–2004 fiscal year.
- ➤ Develop opportunities for joint initiatives with our WHMIS partners, both in Canada and abroad, who have similar interests and objectives.

- Administer a voluntary MSDS compliance program for claimants, which will afford them an opportunity to remedy obvious technical shortcomings in their MSDSs prior to the formal review by the screening officer.
- > Participate actively in trade shows or conferences where the target audience reflects the Commission's stakeholder profiles.
- Propose amendments to the Hazardous Materials Information Review Act (HMIRA) to allow claimants to demonstrate by way of an attestation that certain information pertaining to their products is, in fact, a legitimate trade secret that should remain confidential.
- Maximize our impact on workplace health and safety by conducting market studies on unfiled claims, continue with our outreach efforts directed at the chemical industry, and maintain currency with international trends.
- ➤ Develop and enact policies and procedures designed to prevent misunderstandings and disputes between HMIRC and its clients.
- Work to inform other regulatory and/or registry agencies of government about our services and expertise.
- Increase our investment in the training and development of our employees to improve their awareness of—and ability to respond to—the needs of our clients.

Major adjustments

Work is underway to bring in a new approach to determining claim validity. This is a stakeholder-endorsed renewal initiative that involves an amendment to the HMIRA. Not being within the Commission's control, the timing of the change cannot be specified at this time; however, the implementation phase will present challenges in terms of staff training and stakeholder communications.

Key partners and relationships

HMIRC collaborates with Human Resources Development Canada (<u>HRDC</u>), which has responsibility for the administration of occupational safety and health (OSH) programs mandated by the *Canada Labour Code* (CLC); and with Justice Canada, on which the Commission relies for legal advice on various issues.

The Commission endeavours to build partnerships with provincial OSH agencies (namely, Departments of Labour and Worker Compensation Boards). OSH coordinators in the provinces and territories work on the front lines of both the WHMIS and HMIRC programs, and their knowledge and expertise are invaluable to the Commission. For its part, HMIRC is looking for ways to help its OSH partners increase chemical companies' compliance with WHMIS and identify unfiled claims that should be referred to the Commission, unless the supplier chooses to disclose the information.

Major factors: challenges and risks

In cases where trade secret hazard ingredient information is withheld from a material safety data sheet for a workplace controlled product, yet the supplier or employer has not filed a claim for exemption with the Commission, workers' right to know about various chemical hazard information is being compromised. The identification of unfiled claims, and the initiation of necessary corrective action, is not within the mandate of the Commission; rather, this responsibility rests with provincial/territorial OSH agencies.

Screening officers work within the Client Services business line to review claims for exemption and decide on claim validity. Over the past few years, a backlog of claims to be processed has accumulated at the Commission. For a full discussion of this backlog and the remedial measures that have been taken, please refer to page 13.

Rationale

Client Services activities are related to statutory obligations set out in the *Hazardous Materials Information Review Act* (HMIRA) and the *Hazardous Materials Information Review Regulations* (HMIRR). In terms of the work being carried out under the Commission's renewal and re-engineering initiative, commitments outlined in the *Blueprint for Change* and associated *Workplan* documents are being met.

Net Planned Spending (\$ thousands) and Full Time Equivalents (FTE)

	cast Spending Planned Spending Planned Spending 2002–2003 2003–2004 2004–2005		Planned Spending 2005–2006				
\$	FTE	\$	FTE	\$	FTE	\$	FTE
587	8	595	8	595	8	595	8

Monitoring

The Commission has developed the following service standards as a means of measuring its performance in various areas of its work:

- Client Services will strive to respond to telephone enquiries within 48 hours and to written enquiries within a week. We expect to deal with approximately 150 enquiries annually during the planning period.
- ➤ Following a pre-registration check, claims will be registered within seven days after receipt of the completed claim, provided all the needed information has been included. At the request of a claimant, Client Services will register a claim in as little as 48 hours if the submission is in order. We expect to register approximately 300 claims annually during the planning period.

Claim registration activity is monitored through the application of service standards, while progress against the claim backlog, including the determination of claim validity, will be tracked on a quarterly basis, with regular reports to Treasury Board.

Client Services Survey Questionnaires are mailed out regularly to chemical companies who file claims for exemption, giving them an opportunity to rate their degree of satisfaction with the service they've received from the Commission, and to offer any suggestions for improvement. The Commission's Council of Governors also plays a role in monitoring various Client Services activities, including the backlog, and maintains a particular interest in matters related to the organization's *Blueprint for Change* and the associated *Workplan*.

Strategic Outcome 2 Total Planned Spending \$2,005,000

Provide Canadian workers with a fair and transparent process that ensures they will have information about the health and safety hazards of exposure to chemicals found in products associated with claims for exemption.

To be demonstrated by:

Evaluators providing advice to screening officers, who ensure compliance of MSDSs and labels, and where non-compliance is found, issue formal orders to bring about corrections.

MSDS Compliance Business Line

MSDS Compliance is the Commission's "scientific arm". It helps ensure that workers know about the hazards of exposure to chemicals found in products associated with claims for exemption. The Commission reviews the related MSDSs and, in some cases, labels, to make certain that they provide appropriate health and safety information and guidance to comply with WHMIS requirements, based on the HPA, the CLC, and provincial and territorial occupational health and safety legislation. In each case, scientific evaluators review the most recent scientific information relevant to each of the products and/or its ingredients, and their known health and safety hazards. They provide advice to screening officers, who decide whether the MSDS complies with regulations.

At the conclusion of the MSDS review process, a formal Statement of Decision is forwarded to the claimant. If the MSDS does not meet requirements, the screening officer also issues a formal order for its revision and follows up to ensure compliance. All orders specify the period during which various changes must be made if the product is to continue to be sold in Canada. Since the Commission first began this activity in 1990–1991, some 95% of the MSDSs reviewed have been found non-compliant with the WHMIS requirements.

A Notice is published in the *Canada Gazette* to make public the decisions and orders issued by the screening officer, and to initiate the time during which the claimant and affected parties may appeal the decisions or orders. If no appeal is filed, the claimant must provide a copy of the amended MSDS to the screening officer, who reviews it to ensure compliance with the order.

Plans and Priorities

Evaluators will review MSDSs and, if applicable, labels associated with claim-related hazardous products and provide compliance advice consistent with WHMIS requirements to screening officers. When they find MSDSs or labels to be non-compliant, screening officers will issue formal orders to the claimants to have them corrected.

In addition to the ongoing tasks outlined above, HMIRC will continue its program of renewal by implementing the measures set out in the *Blueprint for Change* and the accompanying *Workplan*. During the current planning period we will focus on the following initiatives relative to its MSDS Compliance business line:

- We will identify and develop opportunities for joint initiatives with WHMIS partners, both in Canada and abroad, who have similar interests and objectives.
- ➤ We will increase our investment in the training and development of our staff to ensure that they remain current in scientific and toxicological developments in the field of workplace chemical health and safety and are able to provide a high standard of service.
- ➤ We will propose amendments to the HMIRA to allow screening officers to enter into a Compliance Measures Agreement with claimants, whereby claimants undertake to voluntarily bring MSDSs into compliance rather than being compelled by an order of the screening officer to do so.
- ➤ We will continue to be proactive in WHMIS tripartite policy/interpretation analysis and development, and communicate the results, as required, to claimants and the chemical industry as a whole.

Major adjustments

Depending on the timing of the promulgation of proposed statutory amendments to enable the implementation of the Compliance Measures Agreement program, staff training and claimant communication initiatives will be necessary to implement this new voluntary approach to MSDS compliance.

Key partners and relationships

Because WHMIS is an integrated activity that spans many jurisdictions, the Commission works closely with its many partners in government, industry and labour.

We maintain close ties with Health Canada (HC), which bears ultimate responsibility for administering the HPA. Our relationship with HC's WHMIS Division, which coordinates the development of WHMIS policy and strives to ensure that the program is applied consistently in all jurisdictions, is particularly important. We also liaise with the WHMIS Division on matters related to the international harmonization of hazard communication requirements.

In the past, HMIRC contracted out some aspects of its work related to chemical hazard assessment to the Canadian Centre for Occupational Health and Safety (CCOHS). Located in Hamilton, Ontario, CCOHS is a federal agency under HRDC. Our relationship with the Centre is important because of the potential for CCOHS to provide us with much-needed assistance at a time when workloads have significantly increased. We intend to continue pursuing such contractual arrangements during this planning period.

Some members of our staff represent the Commission on two important WHMIS-related stakeholder groups. The Current Issues Committee is tripartite, consisting of representatives from industry, labour, as well as federal, provincial and territorial governments. It meets to consider ad hoc WHMIS policy and interpretation matters. The Intergovernmental WHMIS Coordinating Committee consists of federal, provincial and territorial representatives from occupational safety and health regulatory agencies, and its primary objective is to enhance the uniformity of WHMIS inspection, enforcement and policy interpretation across the country.

Major factors: challenges and risks

Historically, HMIRC has received on average 200 new claims for exemption each year. In 1999–2000, however, the Commission received almost twice that number of claims (394), and this trend to higher volumes continued in 2000–2001 with 306 claims and in 2001–2002 with 369 claims registered. The unprecedented increase in workload has created a backlog of approximately 900 claims.

In the fall of 2000, the Commission applied for and received additional financial support to help it address the backlog. HMIRC applied the funds to hire additional staff to handle the increase in its workload and to reduce the size of the backlog over a 5-year period, which began April 1, 2001. HMIRC's plan for dealing with the backlog called for increasing the number of claims processed annually during the 5-year planning period from 200 to a high of 400 in year 3.

In the past two years, efforts continued to fill a number of vacant positions in the Operations Branch; however, due to a country-wide shortage of scientific/toxicological personnel, coupled with intense competition within government for such resources, achieving a full complement of staff took significantly longer than anticipated. This created a variance in terms of the targets set out in the 5-Year Backlog Reduction Plan, to the extent that a review of the Plan was initiated in the fall of 2002.

Rationale

Activities in the MSDS Compliance business line are based on statutory obligations set out in the HMIRA and the HMIRR. The determination of MSDS compliance per se involves the application of the HPA and the CPR for supplier claims for exemption, as well as provincial and territorial OSH legislation when claims originate from an employer.

In terms of the work being carried out under the Commission's renewal and reengineering initiative, commitments are being met that are outlined in the *Blueprint* for Change and associated Workplan documents.

Net Planned Spending (\$ thousands) and Full Time Equivalents (FTE)

	Spending -2003		Planned Spending Planned Spending 2003-2004 Planned Spending 2004-2005 Planned Spending 2005-2006		1 0		
\$	FTE	\$	FTE	\$	FTE	\$	FTE
1,979	24	2,005	24	1,803	22	1,601	20

Monitoring

Progress against the claims backlog, i.e. the preparation of advice documents and issuance of decisions on MSDS compliance, will be tracked on a quarterly basis, with regular reports to Treasury Board. The reports will include variance analysis of time utilization against operational workplan output objectives.

The Commission's Council of Governors plays a role in monitoring various MSDS Compliance activities, including the backlog, and maintains a particular interest in matters related to the organization's *Blueprint for Change* and the associated *Workplan*.

Strategic Outcome 3

Total Planned Spending \$378,000

Provide Canadians with a system that resolves claim disputes in a fair, efficient and cost-effective manner.

To be demonstrated by:

- Convening independent tripartite boards to hear appeals from claimants and/or affected parties on decisions and orders of the Commission.
- Providing opportunities throughout the claims process to identify and resolve problems informally and expeditiously, where possible.

Dispute Resolution Business Line

Dispute Resolution (DR) provides all parties involved in a claim with a range of options, including facilitated discussion, for dealing with any issues that may arise from decisions and orders of the Commission. It supplements and works in conjunction with the appeals process by identifying and resolving problems and complaints, where possible, before an appeal becomes necessary. The less formal DR process is frequently more expeditious and effective in satisfying all parties, and

is less costly than an appeal. The Commission ensures an impartial, unbiased decision making process that encourages consensus agreements.

An appeal may relate to the compliance of a MSDS, the rejection of a claim, or to a request that confidential business information be disclosed in confidence to an affected party for occupational safety and health reasons.

Claimants have 45 days to launch an appeal from the date that the Commission's decision on a claim is published in the *Canada Gazette*; the length of the appeal process varies with the complexity of the case.

For each appeal filed, a Notice of Appeal is published in the *Canada Gazette* to provide affected parties with an opportunity to make representations to the appeal board.

The final outcome of the appeals process is a decision by the appeal board to dismiss the appeal and confirm the decisions or orders of the screening officer; or to allow the appeal and either vary or rescind the decisions or orders being appealed. A Notice of Decision, including the purport and reasons, is published in the *Canada Gazette*.

Plans and Priorities

HMIRC will convene independent tripartite boards to hear appeals that arise from any of its orders and decisions. To date, 16 appeals have been filed on the decisions and orders rendered by screening officers. Nine appeals have been completed and seven were withdrawn by the claimant before the appeal board issued its final decision. Historically, less than 1% of claim submissions have resulted in an appeal; based on this figure, the Commission expects to hear three appeals annually during the planning period.

In addition to the ongoing tasks outlined above, HMIRC will continue its program of renewal by implementing the measures set out in the *Blueprint for Change* and the *Workplan*. During the current planning period HMIRC will further develop the DR program by:

- establishing timetables, based on best practices and reasonable expectations, for the delivery of our services;
- establishing a complaint management system to deal with service complaints;
- systematically analysing decisions and orders of the Commission that have been successfully appealed to ensure that we are consistent in our decision making;
- > soliciting feedback from our clients and sharing innovations and best practices related to the adjudicative/hearing process, in order to improve our services:

- further improving and streamlining the screening process by:
 - providing claimants with information about the Commission and its operations, especially the screening and appeal processes;
 - better briefing claimants at the pre-assessment stage on claims-related issues, including procedural changes and the voluntary compliance option;
- > further improving and streamlining the appeal process by:
 - reviewing the appointment of appeal boards;
 - developing guidelines to assist appeal board members during procedural conferences;
 - creating a procedural manual for appeal board members;
 - providing appeal board members with formal training regarding appeals and tribunals:
 - developing guidelines for the content of the screening officer's Record;
 - developing evaluation and monitoring tools to assess the quality of our services and the effectiveness of the changes implemented under the DR program;
 - proposing amendments to the statute to allow the Commission to play a role in appeal hearings (for example, to clarify factual information);
- seeking additional funding from the <u>Justice Canada DR</u> fund to:
 - develop guidelines and a training plan for the implementation of the DR process;
 - design and develop a course outline and course material;
 - train staff, nominees and members to deal with the DR process and related issues.

Major adjustments

When HMIRC set out to redesign its approach to handling disputes between itself and its clients (one of its renewal commitments), it realized that as well as improving the appeal process—the end stage of disagreements—it would also have to examine upstream events, those of the screening process, which is where many problems start.

Throughout the spring and summer of 2000, HMIRC worked with its WHMIS partners and stakeholders to analyze its current practices and to develop ideas for a comprehensive DR process that would include and complement the appeal process. The results of these labours are summarized in a document entitled *Conceptual Framework for Resolving Disputes*. The *Framework* outlines a set of proposed changes to the existing screening and appeal processes aimed at

simplifying them and making them more transparent, cost-effective, fair and participatory—in short, more client-oriented.

HMIRC's Council of Governors approved the *Framework* in October 2000, giving the Commission a green light to finish developing the process. HMIRC is now preparing the administrative and legislative changes, guidelines and training programs needed to put its ideas into practice.

Key partners and relationships

When necessary, the Commission convenes independent tripartite boards to address appeals or disputes from claimants or affected parties as early and effectively as possible. These appeal boards are made up of representatives from the Commission's tripartite clientele of WHMIS stakeholders: industry (suppliers and employers in the chemical industry who wish to protect their trade secrets, and employers who rely on supplier MSDS information to prepare their own workplace MSDSs and training programs); labour, representing the workers who are exposed to these products; and the federal, provincial and territorial governments.

Major factors: challenges and risks

The new DR process, which is the responsibility of HMIRC's DR business line, focusses not only on resolving disputes through an effective appeal process, but on preventing disputes from arising in the first place, and developing ways to resolve them—fairly, quickly and cost-effectively—when they do. The keys to the latter function are openness and communication. Both the remodelled screening and appeal processes feature more frequent contacts with claimants and appellants, through phone calls and conferences—particularly in early stages—to brief them on policies, roles and procedures, to answer questions, and to create opportunities for the kinds of interactions that promote understanding and trust. Both processes emphasize the need to share information, to encourage clients' participation and to identify problems early, before they become serious. For difficult cases, DR works to provide all parties with options for resolving the dispute in a non-adversarial, collaborative and informal atmosphere.

Key changes to the screening process include:

- As a result of the pre-assessment stage, guidance in identifying possible non-compliance items on MSDSs will be provided to claimants, who in turn will be granted opportunity to amend the MSDS, prior to the start of the formal review.
- > HMIRC will propose amendments to the legislation to allow claimants to enter into compliance measures agreements, in order to bring the MSDS into full compliance, as an alternative to a formal order.

Proposed key changes to the appeal process include:

➤ Allowing the Commission to play a role in appeal hearings to provide clarification of factual information.

- Measures designed to simplify the current appointment process for appeal board members: for example, appointing a three-member panel for a longer period, or reducing the number of nominees on lists of potential board members.
- ➤ Providing appeal board members and appellants with a procedural manual that sets out the regulatory context, the screening process, and information on how the appeal process works, has worked and can work.
- Measures to maximize the effectiveness of procedural conferences.

Rationale

Continued support for the implementation of the DR initiative designed to assist the Commission in carrying out its statutory mandate more effectively and efficiently. Involves both dispute prevention and early resolution of disputes through non-litigious means, to reduce formal appeals.

The Commission is aware of the fact that the earlier disputes are resolved, the sooner the MSDSs will meet compliance standards which translates into improved safety in the workplace.

Net Planned Spending (\$ thousands) and Full Time Equivalents (FTE)

Forecast 2002-			ned Spending Planned Spending 2003–2004 2005		Planned Spending 2005-2006		
\$	FTE	\$	FTE	\$	FTE	\$	FTE
374	2	378	2	378	2	378	2

Monitoring

The Commission will develop monitoring tools to assess the quality of the service and the effectiveness of the changes implemented in the appeals process, through the DR initiative. These tools will be aimed at:

- ➤ Assessing client expectations and satisfaction rates, through surveys, direct contact with participants and performance measurement indicators.
- Setting service standards.
- > Communicating service and quality standards to clients.

V Organization

Relationship between Strategic Outcomes and Business Lines

	Strategi			
Business Lines	Protection of valid confidential business information concerning hazardous products	Worker knowledge about the health and safety hazards of exposure to chemicals found in products associated with claims for exemption	Providing a system that resolves disputes in a fair, efficient and costeffective manner	Total
Client Services	595,000	N/A	N/A	595,000
MSDS Compliance	N/A	2,005,000	N/A	2,005,000
Dispute Resolution	N/A	N/A	378,000	378,000

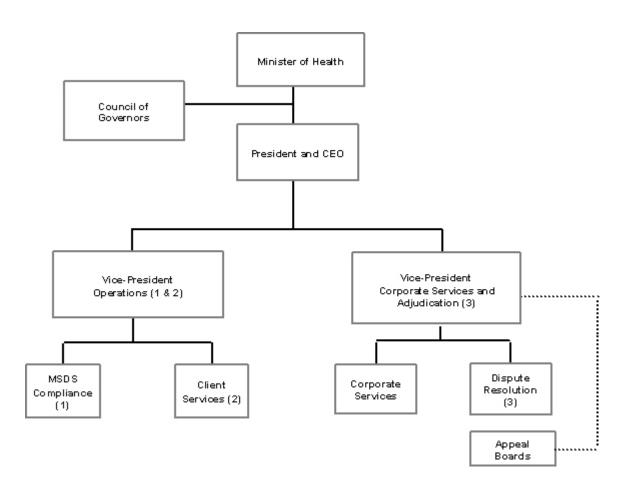
Accountability

The Commission is governed by a Council of Governors, whose members represent workers, suppliers and employers, and the federal, provincial and territorial governments. The Council makes recommendations to the Minister of Health on matters such as changes to the procedures used to review claims for exemption or to hear appeals, and applicable fees.

The President and CEO is appointed by the Governor in Council and, as the Commission's Chief Executive Officer, has the authority and responsibility to supervise and direct the organization's work on a day-to-day basis. The President is accountable to the Council of Governors and the Minister of Health.

The Vice-President of Operations has the authority and responsibility to supervise and direct work within the MSDS Compliance and the Client Services business lines.

The Vice-President of Corporate Services and Adjudication has the authority and responsibility to supervise and direct the work within the DR business line and Corporate Services.



Business Line Titles	2003–2004 Planned Spending (\$ thousands)	FTE
1. MSDS Compliance	2,005	24
2. Client Services	595	8
3. Dispute Resolution	378	2

Departmental Planned Spending

(\$ thousands)	Forecast Spending 2002–2003	Planned Spending 2003–2004	Planned Spending 2004–2005	Planned Spending 2005–2006
Budgetary Main Estimates (gross)	2,940	2,978	2,776	2,574
Non-Budgetary Main Estimates (gross)	0	0	0	0
Less: Respendable revenue	0	0	0	0
Total Main Estimates	2,940	2,978	2,776	2,574
Adjustments*	532	776	738	727
Net Planned Spending	3,472	3,754	3,514	3,301
Less: Non-Respendable revenue	550	550	550	550
Plus: Cost of services received without charge	120	120	120	120
Net Cost of Program	3,042	3,324	3,084	2,871

Full Time Equivalents
 34
 36
 38
 38

The spending curve for the Hazardous Materials Information Review Commission is relatively flat for the planning period. The nature of the Commission's work and the processes involved are regulatory and therefore not subject to much variation. Occasional workload increases are managed within current budgets, while additional funding is sought to manage sustained workload increases. Program integrity resources received in 2000–2001 will begin to sunset in 2004–2005.

^{*} This line includes collective agreement adjustments as well as new funding just approved by TBS at the time this Report was drafted.

VI Annexes

Annex 1 – Sources of Non-Respendable Revenue

Non-Respendable Revenue

(\$ thousands)	Forecast Revenue 2002–2003	Planned Revenue 2003–2004	Planned Revenue 2004–2005	Planned Revenue 2005–2006
Material Safety Data Sheet Compliance	0	0	0	0
Client Services: Claim Registration Fees	550	550	550	550
Dispute Resolution	0	0	0	0
Total Non-Respendable Revenue	550	550	550	550

Annex 2 – Net Cost of Program for the Estimates Year

(\$ thousands)	Total
Net Planned Spending (Gross Budgetary and Non-budgetary Main Estimates plus adjustments)	2,565
Plus: Services received without charge	120
Accommodation provided by Public Works and Government Services Canada (PWGSC)	684
Contributions covering employees' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	413
Workers' compensation coverage provided by Human Resources Development Canada	0
Safety and associated expenditures of legal services provided by Justice Canada	0
Less: Non-Respendable Revenue	550
2003–2004 Net cost of Program	3,232

Annex 3 – Government-wide and Horizontal/Collective Initiatives

Renewal

HMIRC has completed its third year of program renewal. The process, begun in January 1999, was designed to transform the Commission into a more client- and results-based organization dedicated to meeting its clients' changing needs efficiently and cost-effectively. It has also responded to the principles outlined in the Treasury Board Secretariat document entitled *Results for Canadians: A Management Framework for the Government of Canada*.

HMIRC laid out its renewal agenda in two key documents: *Commission Renewal: Blueprint for Change*, which established the guiding principles of renewal and mapped the direction of change; and an accompanying *Workplan*, which enumerated the actions needed to realize the *Blueprint's* vision. That vision is best expressed by eight principles that form the cornerstones of renewal and the benchmark against which the Commission's activities are measured: timeliness, accessibility, transparency, quality, consistency, competency, respect and fairness.

The *Blueprint* and the *Workplan* were developed in consultation with the Commission's stakeholders. Both publications were approved by the Commission's Council of Governors and by the Minister of Health, and both have been published and distributed to stakeholders as evidence of the Commission's commitment to change.

Many of the *Blueprint*'s 29 strategic measures have been implemented through administrative and procedural changes; others will require regulatory or statutory changes (see Regulatory and Legislative Initiatives below).

Cost Recovery

One important objective of the Commission's strategic renewal initiative was to update our cost recovery structure to bring it into line with the Treasury Board of Canada's current Cost Recovery and Charging Policy.

Initially, the government intended that the registration fees collected by the Commission would cover the full cost of operating the Commission. HMIRC has been charging fees since 1988. Its cost recovery initiative pre-dates the first cost recovery policy issued by Treasury Board Secretariat in 1989. When Cabinet established HMIRC in 1987 with cost recovery targets set at 100% of program costs, no consideration had been given to distinguishing between the public good and private benefits derived from the Commission's activities. In addition, workload assumptions established at that time did not prove to be realistic, and the Commission has never attained 100% self-funding. The actual cost recovery level has remained between 25-30% of operating costs. This has resulted in chronic revenue shortfalls beyond the Commission's ability to manage. As a consequence, HMIRC has sought, and received from its inception, additional annual funding from Treasury Board to operate its program.

A key feature of the current TB Cost Recovery and Charging Policy is the distinction it draws between public and private good. A private good is one that primarily benefits an identifiable individual or organization, whereas a public good accrues to Canadians in general. Federal departments and agencies may charge for services that confer a private—but not a public—good. In particular, there should not be a charge for services that provide Canadians with information about dangers to health, public safety or protection of the environment. Departments must work with their clients to determine an appropriate division between public and private benefits.

We reviewed our cost recovery policy in line with these principles, examining the records of more than 1,000 claims to determine grouping characteristics, fee profiles and related factors. After conferring with clients, we drafted a new fee schedule which was approved by Treasury Board and came into effect June 13, 2002.

Through application of this new fee schedule, clients pay for services rendered through the Client Services business line, which generally provide a private benefit to industry. The fee schedule changes have eliminated fees for services related to MSDS compliance (services performed in the public interest).

The revised fee schedule protects program integrity, reduces the costs of making a claim for clients, and makes cost recovery practices more consistent, fair, transparent, and simpler to administer.

Government On-Line

Government On-Line (GOL) is the federal government's multi-year project to provide Canadians with electronic Internet access to federal information and services 24 hours a day, 7 days a week. The program's goals are to improve service delivery to Canadians, to increase citizens' participation in government, to make the government more transparent and responsive to Canadians, and to spur Canada's participation in the global e-commerce marketplace.

Many of the strategic initiatives of HMIRC's renewal plan envisioned using the Internet to deliver the Commission's programs and services more efficiently and effectively. HMIRC extended its plan to incorporate the government's GOL vision. HMIRC's "Government On-Line Plan" describes how the Commission will implement, in three stages, the government's GOL strategy. In addition, HMIRC is an element in the Canada Health Portal currently under the developmental lead of HC.

HMIRC proudly launched its Web site on March 1, 2000. The site, which was developed in consultation with HMIRC's clients, provides information about the Commission and its services, and instructions for filing claims and appeals. HMIRC's publications and forms are available for viewing or downloading in a variety of formats. The site also features e-mail access with automatic acknowledgement, basic search capabilities, links to related sites, and a "What's

New" page to keep visitors abreast of recent developments and activities at the Commission.

The site was designed to comply with Treasury Board Secretariat's Common Look and Feel for the Internet guidelines, to facilitate use by the disabled, and to respect both the letter and the spirit of the *Official Languages Act*. Indeed, HMIRC's Web site achieves so much with such limited resources that it has been cited as a model for other departments and agencies to follow and showcased at several government workshops.

HMIRC is further developing the site to increase its functionality and features. Plans are underway to build in capacity for on-line filing of claims (e-filing) and fee payment (e-commerce). Also on the drawing board are advanced security and search capabilities, Internet forums, an electronic databank of toxicity profile summaries, a list of common MSDS errors, and templates and standard wording for MSDSs.

To further increase its accountability and transparency as a public service organization, and to encourage comments and participation by its WHMIS partners and stakeholders, the Commission has committed to posting all newly developed policies, regulations and procedures on its Web site.

Regulatory and Legislative Initiatives

Legislation and Regulations	Planned Results
Hazardous Materials Information Review Act	HMIRC is proposing legislative changes to the statute to bring it in line with changes resulting from the Commission's strategic renewal initiative. This will include proposing an attestation approach to claim validity, permitting Compliance Measures Agreements with claimants and allowing HMIRC official participation in the appeal process.
	HMIRC is also proposing amendments to the Act that will clarify the intent of the legislation and ensure, among other things, the equivalence of English and French texts.
Hazardous Materials Information Review Act Appeal Board Procedures Regulations	The Act and Regulations will be updated to better reflect the Commission's streamlined appeal process, which includes, among other things, measures aimed at maximizing the effectiveness of procedural conferences.

Collective Initiatives

In its ongoing effort to become more efficient, HMIRC has launched a number of initiatives designed to trim its operating costs. For example, the Commission has entered into a Health Portfolio Partnership Agreement with HC. Under this arrangement HC provides HMIRC with a variety of corporate services, including human resource management, financial services, information technology services and real property management. As well, HMIRC has an arrangement with the Department of Justice for the provision of legal services.

The Commission is an active member of the Small Agency Administrators' Network and the Federal Agencies Forum. These organizations provide members with a forum for discussing, among other things, ways to ensure that federal initiatives are implemented efficiently and effectively. As well, members can collaborate in finding ways to meet their special resource needs and to turn to their advantage the fundamental differences that distinguish them from more conventional departments.

Modern Comptrollership

The President strongly supports the integration of Comptrollership Modernization principles in our management improvement agenda. Inherent in the renewal of HMIRC is the inculcation of a new values-based culture of service delivery, accountability, and modern administration. To consolidate the work already accomplished and to address the full scope of comptrollership, including risk management and integrated performance measurement, we embarked on the modernizing comptrollership initiative during fiscal 2002-2003 with the establishment of a project management office. A capacity assessment has been conducted that establishes a baseline against which progress can be measured and determines areas requiring priority attention. Deriving from the capacity check, an action plan is being developed to address priority areas and to put in place the mechanisms and systems required to ensure ongoing and continuous comptrollership improvement and reporting. An internal communication plan has been established and will be implemented. The Project Management Office will be phased-out once the essential capacity for modern comptrollership is established throughout the organization.

To find out more about the Commission and its work, please click here to reach our Web site or visit us at: www.hmirc-ccrmd.gc.ca.

Annex 4 – Links to Other Sites

Link	URL Address
Canada Gazette	http://canadagazette.gc.ca/index-e.html
Canada Labour Code (CLC)	http://www.laws.justice.gc.ca/en/L-2/index.html
Canadian Centre for Occupational Health and Safety (CCOHS)	http://www.ccohs.ca
Commission Renewal: Blueprint for Change	http://www.hmirc-ccrmd.gc.ca/0007/0001_e.htm
Commission Renewal: Blueprint for Change – Workplan	http://www.hmirc-ccrmd.gc.ca/0007/0001_e.htm
Controlled Products Regulations (CPR)	http://www.laws.justice.gc.ca/en/H-3/SOR-88-66/index.html
Council of Governors	http://www.hmirc-ccrmd.gc.ca/0008/0003/0001_e.htm
Department of Justice Canada	http://www.canada.justice.gc.ca
Department of Justice Canada: Dispute Resolution	http://www.canada.justice.gc.ca/en/ps/drs/reglement.html
Government of Canada – Government On-Line	http://www.gol-ged.gc.ca
Governor in Council	http://www.pco-bcp.gc.ca
Hazardous Materials Information Review Act (HMIRA)	http://www.laws.justice.gc.ca/en/H-2.7/text.html
Hazardous Materials Information Review Act (HMIRA) Appeal Board Procedures Regulations	http://www.laws.justice.gc.ca/en/H-2.7/SOR-91-86/index.html
Hazardous Materials Information Review Regulations (HMIRR)	http://www.laws.justice.gc.ca/en/H-2.7/SOR-88-456/index.html
Hazardous Products Act (HPA)	http://www.laws.justice.gc.ca/en/H-3/index.html
Hazardous Materials Information Review Commission (HMIRC)	http://www.hmirc-ccrmd.gc.ca
Health Canada (HC)	http://www.hc-sc.gc.ca

Link URL Address

Human Resources Development Canada (HRDC) http://www.hrdc-drhc.gc.ca

Material Safety Data Sheet (MSDS)

http://www.hc-sc.gc.ca/hecs-sesc/whmis/msds.htm

Official Languages Act

http://www.ocol-clo.gc.ca

Treasury Board of Canada Secretariat

http://www.tbs-sct.gc.ca

Treasury Board of Canada Secretariat: Common Look and Feel for the Internet

http://www.cio-dpi.gc.ca/clf-upe/index e.asp

Treasury Board of Canada Secretariat: Cost Recovery and Charging Policy http://www.tbs-sct.gc.ca/pubs_pol/opepubs/tb_h/crp_e.html

Treasury Board of Canada Secretariat: Modern Comptrollership http://www.tbs-sct.gc.ca/report/mmpa-emgm/mc-mfc_e.html

Treasury Board of Canada Secretariat: Results for Canadians – A Management Framework for the Government of Canada. http://www.tbs-sct.gc.ca/res_can/rc_bro_e.html

Treasury Board of Canada Secretariat: The Planning, Reporting and Accountability Structure (PRAS) http://www.tbs-sct.gc.ca/rma/dpr/PRAS Guideline.html

WHMIS

http://www.hc-sc.gc.ca/hecs-sesc/whmis/index.htm