



BUSINESS PLAN 2018-2020



Real Estate
Council of Ontario

Mandate

The Real Estate Council of Ontario (“RECO”) is a not-for-profit corporation established in 1997, responsible for administering the *Real Estate and Business Brokers Act, 2002* (“REBBA”) and associated regulations on behalf of the provincial government. Key to its mandate is protection of the public interest through a fair, safe and informed marketplace.

Protecting the public interest is achieved through:

- Enforcing the standards required to obtain and maintain registration as a brokerage, broker or salesperson and delivering the duties of the Registrar
- Establishing minimum requirements for pre-registration, articling, broker and continuing education
- Conducting routine inspections of brokerage offices to ensure compliance with REBBA and to educate brokers
- Addressing inquiries, concerns and complaints about the conduct of registrants received from all sources and taking appropriate action to protect the public interest
- Establishing and administering insurance requirements, including protection for consumer deposits
- Promoting ongoing education and competent, knowledgeable and professional service

RECO has an exclusive contract (the “Administrative Agreement”) with the Government of Ontario to administer and enforce REBBA. It must meet its responsibilities in a manner consistent with government’s expectations and the terms of the Administrative Agreement.

For more information about RECO, and the sector it regulates, please visit www.reco.on.ca

RECO’s Core Commitments

As part of the process by which this 2018-2020 business plan was developed, RECO reflected carefully on its stated mission, vision and values, and focused on aligning its short-term business planning to those core commitments.

MISSION

Excellence in the delivery of regulatory services that protect the public interest and enhance consumer confidence in the real estate profession

VISION

Public trust and confidence in Ontario’s real estate profession

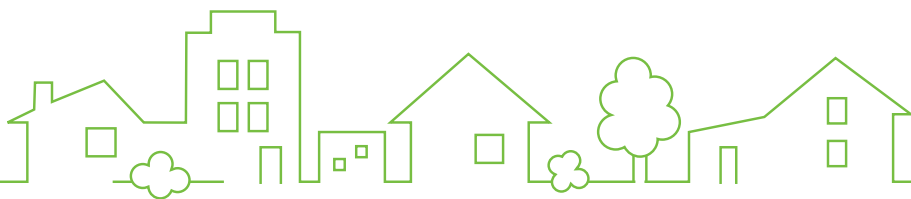
OUR VALUES

Fairness: Acting impartially and equitably

Accountability: Administering REBBA completely in accordance with the law

Integrity: Truthfulness and trustworthiness

Respect: Treating everyone with courtesy



Context for the Business Plan 2018-2020

RECO's last comprehensive strategic planning took place in 2012. The outcome was implemented through a series of business plans, beginning in 2013. Due to significant changes in leadership at RECO over 2017 and into 2018, strategic planning scheduled to take place in 2017 was delayed. RECO management developed a short-term business plan for the balance of 2017 and 2018 that was presented to the Board of Directors for approval. The short-term business plan aimed to re-establish RECO's goals and objectives, and generally re-confirm an organization-wide focus on excellence in regulation.

Strategic planning was undertaken in earnest in early 2018 under the direction of new leadership. It is anticipated that a new five-year strategic plan will be in place before the end of 2018, covering the period 2019-2023. Annual business plans will be derived of that strategic plan over the life of that plan.

Because of the likelihood of a new, comprehensive strategic plan for RECO, the current business plan focuses on 2018 objectives established in the short-term 2017-2018 Business Plan. It must be understood to be a plan in transition. As required, however, the present plan does include a three-year budget forecast.

Each year, in its Annual Report, RECO reports on its progress against the objectives established in its business plan. The reader is referred to RECO's 2017 Annual Report, posted on RECO's website at <http://www.reco.on.ca/about/resources/annual-reports> for additional detail on 2017, for example. The 2018 Annual Report to be compiled and presented to RECO's Annual General Meeting in 2019 will report on progress against the objectives established in this business plan for 2018.

2018 Business Plan: Objectives and Activities

The objectives and activities described in the following table are derived of the short-term Business Plan for the 2017-2018 period. As RECO's strategic plan for 2019-2023 emerges over the balance of 2018, there will be adjustments in priorities and objectives beginning in 2019. Those adjustments will be reflected in RECO's business plan for 2019-2021.

To follow the table is information on RECO's financial resources, budget for 2018 and financial forecasts for 2019 and 2020, including an assessment of the adequacy of those resources to achieve RECO's 2018 strategic objectives.

STRATEGIC PRIORITY #1:

Consumer Protection Excellence

- We will protect the public interest through a risk-based approach to regulation and consumer education.

STRATEGIC PRIORITY #2:

Organizational Excellence

- We will focus on regulatory excellence and ensure we have the right people, processes and resources to achieve our goals effectively and efficiently.

STRATEGIC PRIORITY #3:

Engagement Excellence

- We will engage effectively with stakeholders and be a leader in enhancing professional standards.

STRATEGIC PRIORITY #4:

Governance Excellence

- The public will have confidence in RECO and its regulation of real estate brokerages, brokers and salespersons in Ontario.

STRATEGIC PRIORITY #1: Consumer Protection Excellence

Objectives	2018 Activities
<p>We will educate and inform consumers about their rights and responsibilities in a real estate transaction and the value of a regulated industry.</p>	<ul style="list-style-type: none"> • Participate in consumer trade-shows across Ontario, continue to seek opportunities to deliver consumer education presentations. • Enhance and promote RECO's website as a go-to source of trusted information about real estate transactions. • Engage consumers through earned, paid and social media. • Provide consumer information through the Toronto Star's <i>Ask Joe</i> column and engage local media as part of consumer campaigns.
<p>We will rigorously enforce entry-to-practice standards and deliver ongoing education so consumers can be assured they are represented by knowledgeable and competent individuals.</p>	<ul style="list-style-type: none"> • Ensure our registration practices and processes are fair and the standards required to obtain and maintain registration are applied consistently. • Work with the Designate for the new Registration Education to develop a leading program that ensures individuals entering the profession are practice-ready from the outset; the program will incorporate leading adult learning methodologies and simulations. • Develop new MCE elective courses; courses will feature case studies highlighting current topics and challenges facing the industry.
<p>Those we regulate are accountable for their actions; effective disciplinary mechanisms will incent compliance and address misconduct; we will have a best-in-class complaints handling process.</p>	<ul style="list-style-type: none"> • Implement structures, processes and people to eliminate complaint backlogs no later than December 2018, targeting complaint turnaround times of 90 days beyond 2018. • Increase the use of dispute resolution, encouraging the parties to be part of the solution rather than having a decision imposed on them. • Focus on a progressive discipline approach, embracing an educational approach for initial minor infractions. • Use registrant complaint profiles to generate a registrant compliance profile as part of a risk-based harm reduction strategy.
<p>Registrants will understand their obligations and the level of professionalism expected of them.</p>	<ul style="list-style-type: none"> • Continue to educate registrants about compliance issues and consumer protection through bulletins, articles, newsletters and videos. • Create new professionalism videos and conduct webinars for Brokers of Record and Executive Officers.
<p>Consumers and registrants will be protected by a comprehensive and sustainable insurance program that provides coverage for errors and omissions, loss of deposits and loss of commissions.</p>	<ul style="list-style-type: none"> • Negotiate and secure the most comprehensive coverage to protect consumers and registrants. • Monitor changes in the real estate environment to: assess potential impacts on the insurance program, develop a risk management strategy for RECO registrants, and coordinate education initiatives focusing on loss prevention. • Monitor changes in the insurance marketplace and the insurance regulatory environment for potential impact on the insurance program.
<p>We will ensure that an appropriate level of information about our disciplinary activities is publicly available in a manner that is easily understood.</p>	<ul style="list-style-type: none"> • Conduct a review of our Public Notice Policy; identify, assess and employ leading practices in disclosure and transparency. • Provide information about disciplinary activities and processes clearly to help educate stakeholders. • Enhance the registrant search function such that consumers can easily access pertinent information about the individual or brokerage with whom they are considering working.
<p>Measuring our success</p>	<ul style="list-style-type: none"> • Conduct an annual consumer survey to gauge awareness level of RECO; maintain or improve on past awareness level of 35 per cent. • Increase exposure of RECO messages on social media, news stories and paid ads. • Approval and publication of new Public Information Policy; more transparent and accessible regulatory activity reporting on RECO's website. • Achieve target complaint turnaround times by end of 2018. • Disseminate at least 15,000 copies of <i>Reconnect</i> and 2,500 copies of the home buying and selling brochure. • Conduct at least 950 brokerage inspections.

STRATEGIC PRIORITY #2: **Organizational Excellence**

Objectives

2018 Activities

We will have the right structures, tools and processes in place to support our people.

- Complete the rollout of RECOserv and continue to develop the tool to enhance our service levels – delivering a faster and more efficient tool to support the work of the organization.
- Ensure the organizational structure is flexible and responsive to changes in the external environment.
- Replace key aging internal infrastructure and conduct a third-party assessment of IT policies, procedures and security in place across the technology infrastructure.

We will continuously seek more efficient and effective ways of achieving outcomes.

- Leverage technology to deliver and automate more online services, increase the efficiency of internal processes and measure our performance.
- Seek out and adopt leading regulatory practices/processes.

French Language Services

- Continue to broaden French-language offerings, including ongoing translation of newsletters and brochures; translation of essential website pages to provide more accessible services.
- RECO will respond in French to all inquiries and communications received in French.

Measuring our success

- Assess results of third-party engagement survey; target areas for improvement.
- Maintain or improve employee turnover rate.
- Increase investment in professional development and focused job training.
- Performance target for business continuity: less than three failures and less than four hours to full resolution of any outages.
- Performance target for safeguarding data: zero incidents resulting in lost or destroyed data.



STRATEGIC PRIORITY #3: Engagement Excellence

Objectives	2018 Activities
<p>We will engage registrants and industry organizations in the process of enhancing professional standards.</p>	<ul style="list-style-type: none"> • Work with OREA and other industry stakeholders to achieve REBBA reforms that will enhance consumer protection, raise professional standards and increase consumer confidence. • Challenge brokerages to employ knowledgeable, competent registrants who are dedicated to providing professional service to consumers. • Work with industry organizations and encourage them to take on a more active role in changing behaviour and incenting compliance.
<p>We will be proactive in supporting government and enhancing consumer protection in Ontario.</p>	<ul style="list-style-type: none"> • Work with the Ministry of Government and Consumer Services to ensure policy priorities are shared and to achieve meaningful REBBA reforms that will better protect consumers and enhance our ability to implement and enforce rigorous professional standards. • Demonstrate the value of delivering government services through Administrative Authorities by continuing to participate in government-led reviews, studies and participation in the Administrative Authorities Collaboration Council. • We will broaden French-language offerings; translating frequently visited pages, newsletters and brochures.
<p>We will seek out opportunities to participate in and contribute to consumer protection initiatives through partnerships with other organizations.</p>	<ul style="list-style-type: none"> • Continue to participate in and contribute to initiatives and conferences led by the Real Estate Regulators of Canada and the Council on Licensure, Enforcement and Regulation. • Support Consumer Protection Ontario initiatives and co-branding. • Educate law enforcement organizations about mortgage fraud. • Participate in the Financial Consumers Agency of Canada's Financial Literacy Month initiative.
<p>We will continue to engage with and survey stakeholders to monitor perceptions and identify areas for improvement.</p>	<ul style="list-style-type: none"> • Seek input and ideas from established advisory groups and conduct a second registrant Town Hall Tour in 2018. • Listen to stakeholders who take the time to share their ideas, suggestions for change and concerns with us. • Monitor responses to inspection and complaint quality assurance surveys. • Monitor industry publications and media reports to enhance our understanding of the issues in the real estate marketplace.
<p>Measuring our success</p>	<ul style="list-style-type: none"> • Provide best advice to government related to REBBA reforms that will enhance consumer protection in Ontario. • Continue to grow social media community (Twitter, Facebook). • Continue face-to-face interactions with registrants at trade shows and speaking engagements; Town Hall Tour in fall 2018. • Conduct a review of the Mandatory Continuing Education program, seeking input from registrants and other stakeholders. • Participate in collaborative opportunities with other administrative authorities and regulatory organizations. • Continue to support Consumer Protection Ontario. • Client satisfaction survey results are available on RECO's website.

STRATEGIC PRIORITY #4: Governance Excellence

Objectives

2018 Activities

We will be recognized by our stakeholders as fiscally responsible and operationally sound.

- Ensure funding for core business activities remains the priority and will continue to build reserves to an appropriate level to mitigate risks.
- Strategic planning and operational priorities will be informed by environmental scans, stakeholder input and the necessary data.

We will ensure our governance policies and practices are sound and support the goal of regulatory excellence.

- Independent third-party review of RECO's governance structure, policies and practices will be conducted with a summary of findings to be published in early 2019.
- Develop and implement a risk management plan that identifies and assesses risks to the achievement of objectives and documents our risk mitigation strategy.

We will be transparent and accountable to those we serve.

- Our annual report will provide information about our activities, the rationale for those activities and the impact of our activities on registrant behaviour and consumer protection.
- Develop a strategic business plan for 2019 to 2021 that clearly outlines the activities we plan to undertake to achieve our goals and the funding attributable to pursuing those activities.
- Continue to publish procurement, expense, governance and other policies to promote confidence in the governance and management of the organization.
- Report publicly on the activities of our Board of Directors and its Committees in our annual report.

Measuring our success

- Our audited financials will be made available in our annual report.
- Strategic Plan and Business Plan for 2019 to 2021, including 3-year budget, published in early 2019.
- Annual report provides an update on all RECO activities and progress against plan.
- Governance Review completed; public report published in early 2019.
- Enhanced reporting related to Board and Committee activities and expenses.
- Enterprise Risk Management Plan fully implemented and integrated into RECO strategic and operational planning.



Resources and Budgeting



Government, consumers and registrants expect the highest level of financial stewardship and accountability from RECO. Throughout its history, RECO has been diligent in ensuring that its operational and governance systems and processes related to financial stewardship meet the highest possible standards. In the development of the current business plan, and through development of the 2019-2023 Strategic Plan, RECO has paid consistent attention to this responsibility, focusing on discipline, transparency and the needs and expectations of government in RECO's stewardship of financial resources, finding efficiencies wherever possible.

Through 2018 and into the period to be covered by the new strategic plan, RECO's financial priorities will be:

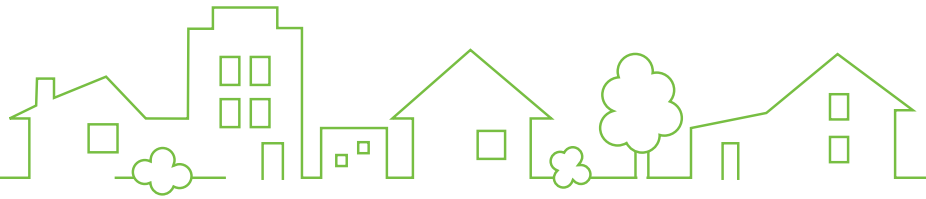
1. The responsible allocation of funds to support strategic and operational objectives to ensure long-term financial stability.

In the spring of each year, RECO's Board of Directors meets to consider strategic and business planning goals and objectives, and the related resource implications. The Board's deliberations inform the ensuing fall budget process and the process for establishing the ensuing year's objectives. In undertaking this planning, care is taken to ensure that RECO's core responsibilities are not adversely affected and that activities for the ensuing year are adequately resourced.

2. A focus on accountability and transparency in the allocation and use of resources.

RECO adheres to expense and procurement policies that meet the spirit and intent of government policies and practices. Audited financial statements are prepared and presented each year as required. Three-year budget information is available in each business plan.

On the following page appears a financial summary, including actual budgeted amounts for 2018 and projections for 2019 and 2020.



SUMMARY FINANCIALS FISCAL 2018-2020

OPERATING FUND			
	2018 Budget	2019 Plan	2020 Plan
	\$000s	\$000s	\$000s
Registration fees	18,430	19,330	19,710
Education revenues	4,570	4,250	4,690
Other revenues	1,630	1,630	1,630
Total revenues	24,630	25,210	26,030
Operating departments and facilities	21,995	21,728	22,499
Board, committees and task forces	353	353	353
Other operating costs	2,253	2,188	2,171
Total expenses/expenditures	24,601	24,269	25,023
Income/(loss)	29	941	1,007
Opening accumulated fund balance	13,966	13,995	14,936
Closing accumulated fund balance	13,995	14,936	15,943
Increase/(reduction) in accumulated fund 2017 to 2020			1,977
INSURANCE FUNDS			
Premium fund fees	30,083	31,778	33,299
Stability fund fees	1,323	1,368	1,414
Insurance administration fund fees	1,424	1,474	1,580
Other revenues	490	513	538
Total revenues	33,320	35,133	36,831
Insurance expenses			
Premium expense	30,083	31,778	33,299
Other expenses	1,319	1,384	1,448
Total expenses/expenditures	31,402	33,162	34,747
Income/(loss)	1,918	1,971	2,084
Opening accumulated fund balance	21,364	23,282	25,253
Closing accumulated fund balance	23,282	25,253	27,337
Increase/(reduction) in accumulated fund 2017 to 2020			5,973

Business Planning

Additional Elements

As required by the Administrative Agreement, RECO can confirm the following as elements of its business planning:

1. RECO maintains a clear and accessible process for managing complaints about the administration of REBBA, including processes for response and resolution. Elements of the process are available on RECO's website, www.reco.on.ca/about/complaints-against-reco
2. Continuing efforts to provide French language services to registrants, clients and consumers has resulted in RECO responding in French to all inquiries and communications received in French.
3. The following items are available on RECO's website at the following links:
 - i. Membership of and the terms of reference for RECO's Industry Advisory Group can be viewed here, www.reco.on.ca/about/corporate-governance/other-committees-groups/industry-advisory-group. This group reports periodically to RECO's Board of Directors on issues of importance to consumers as required by ss. 8(5) of the Administrative Agreement.
 - ii. RECO publishes detailed data on its performance and service standards for registrants and members of the public more generally. A summary of relevant available data can be viewed here, www.reco.on.ca/about/performance-measures and, here, www.reco.on.ca/about/service-standards

Governance

BOARD OF DIRECTORS

RECO is governed by a twelve-person Board of Directors, comprised of nine elected representatives registered under REBBA and three non-registrants appointed by the Ministry of Government and Consumer Services. Detailed information about RECO's Board of Directors is available here, www.reco.on.ca/about/corporate-governance/board-directors

There is currently one vacancy on the Board.

Members of the Board of Directors, 2018-2019:

Jody Lavoie, Chair

Broker
RE/MAX Hallmark Realty Group
Industry Director, Region 3

Bill Yetman, Vice-Chair

Yetman Consulting
Ministerial Director

Michael Appleton

Salesperson
Royal LePage Real Estate Services Ltd.
Industry Director, Region 1

Ashwani Bhardwaj

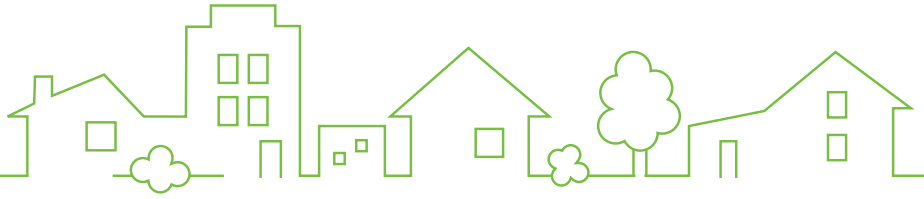
Real Estate Conveyancer
Ministerial Director

Steve Boxma

Broker
Royal LePage Team Realty Inc.
Industry Director, Region 3

Glenda Brindle

Broker
Royal LePage Team Realty Inc.
Industry Director, Region 3



Frank Dattilo

Broker
Dattilo Realty Inc.
Industry Director, Region 2

Bettianne Hedges

Broker
J.M. Edwards Associates Inc.
Industry Director, Region 2

Lucy Impera

Pera-Dia International Inc.
Ministerial Director

Bill Johnston

Broker
Bosley Real Estate Ltd.
Industry Director, Region 1

Tony Ma

Broker
Homelife Landmark Realty Inc.
Industry Director, Region 1

MANAGEMENT

RECO's management team and staff cohort is led by a Chief Executive Officer and divided into three divisions.

CHIEF EXECUTIVE OFFICER

Michael Beard

REGULATORY DIVISION

Joseph Richer

Registrar

Kelvin Kucey

Deputy Registrar, Regulatory Compliance

Lisa Key

Director, Education

Brian Prendergast

Manager, Inspections & Investigations

Glen Thomas

Manager, Complaints, Compliance & Discipline

Angela Volpe

Manager, Registration

Lisa Wall

Manager, Education

SECRETARIAT DIVISION

Logan Atkinson

General Counsel & Corporate Secretary

George Drametu

Director, Litigation

Ruth Garrett

Director, Insurance Programs

Sandra Gibney

Director, Strategy & Policy

Siân Williams

Corporate Counsel

Andria Cordovez Mulet

Manager, Board Operations

Raquel Smith

Manager, Discipline & Appeals Hearings

CORPORATE SERVICES DIVISION

Mike Prime

Vice-President, Corporate Services (Interim)

Gloria Fougere

Director, Finance & Accounting

Adam Freyseng

Director, Client Services

James Geuzebroek

Director, Communications

Sylvia Mauti

Director, Human Resources

Tim Bates

Manager, Accounting

Vasko Markovski

Manager, Application Development



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