



**2019**

# Red Tape Report Card

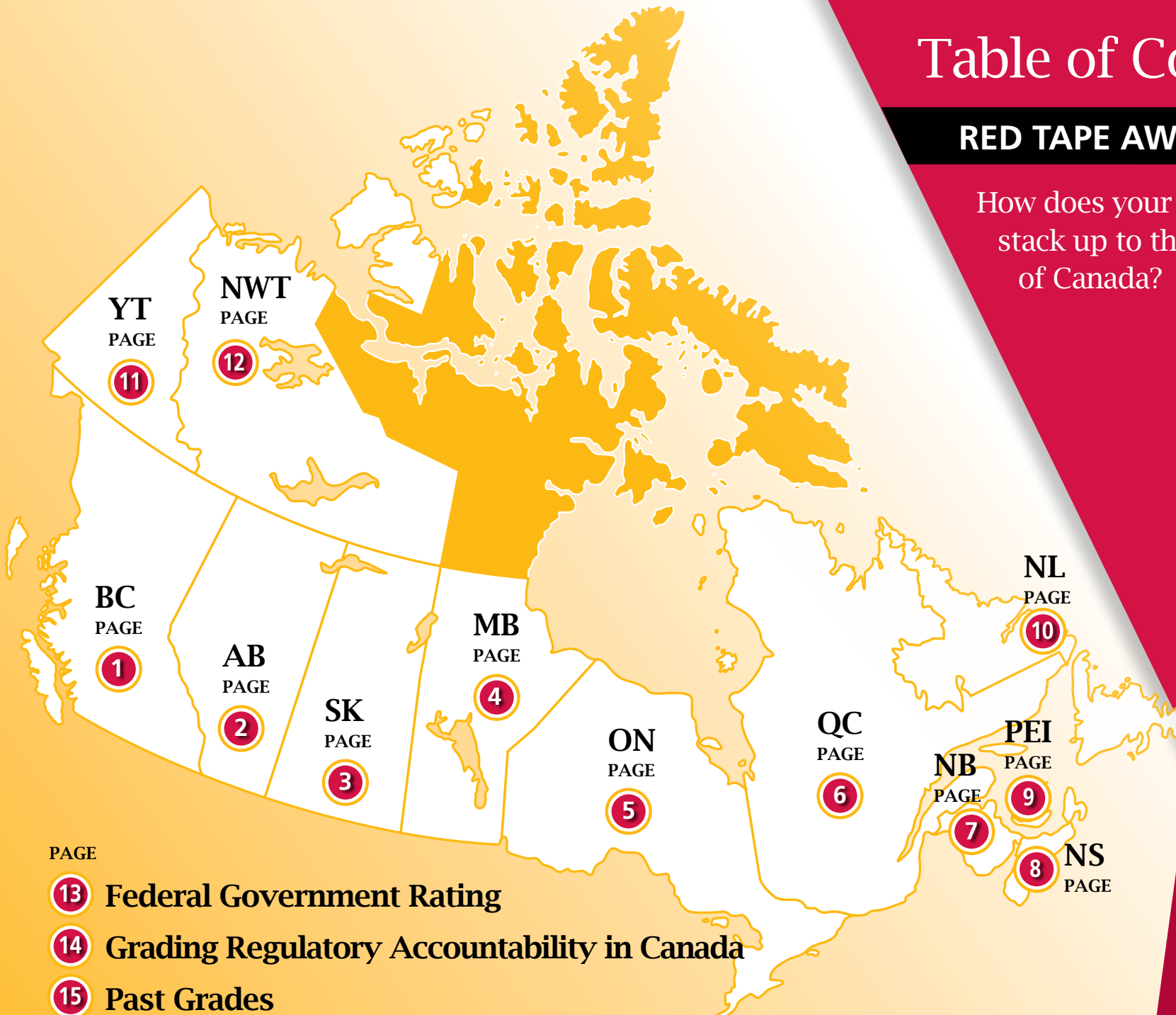


**CANADIAN FEDERATION  
OF INDEPENDENT BUSINESS™**

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## RED TAPE AWARENESS

How does your government stack up to the rest of Canada?



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# British Columbia



2019 Grade

A-

## Context and commentary

British Columbia has been a leader in Canada and elsewhere as its reforms stand out for their longevity and effectiveness. Many U.S. states, such as Kentucky, explicitly cite BC as their model. The current government has maintained key components of BC's regulatory reforms and has extended the "one-for-one" rule. However, it is not clear it is a priority for the premier.

### Strong political leadership

SOME



British Columbia has been recognized as an international leader in reducing red tape for its successful reforms that date back to 2001. The province was the first in the country to create a comprehensive measure and set a reduction target of one-third in three years between 2001 and 2004. It has continued to measure and reduce through a series of "one-for-one" commitments. The province also passed a law

creating an annual Red Tape Reduction Day in 2015.

The new government has continued to show leadership, particularly through the minister responsible who has extended the "one-for-one" policy until 2022. It is less clear, however, that continued attention to red tape reduction is a priority for the new premier.

### Comprehensive public measure

YES | NO



The government has a "regulatory requirement" measure in place that is updated regularly. The measure is fairly comprehensive, although it does not include certain agencies with delegated delegating authority (e.g. some waste management rules).

When BC started its current reforms in 2001, there were 330,812 regulatory requirements. The initial goal was to reduce regulatory

requirements by one-third in three years, which was surpassed in 2004. The province's current regulatory requirement count is 166,919, which represents a 49.5 per cent reduction since 2001. Regulatory requirement data is available on the province's website and is reported out publicly every year, as per a legislated requirement adopted in 2011.

### Clear cap on government rules

YES | NO



A commitment to no-net increase in regulatory requirements was made in 2004 (once the one-third reduction target had been exceeded) and has been extended several times; most recently, the commitment was extended to 2022. BC's

regulatory requirement cap, in place since 2001, would be stronger if legislated.

### Next steps

The government should legislate its "one-for-one" policy and expand its measure to include any government entity given authority to regulate on behalf of government. It

would be timely for the premier to find ways to champion red tape reduction

# Alberta



2019 Grade

F

## Context and commentary

New rules creating additional compliance issues for small business owners have been added in terms of employment standards, workers' compensation, occupational health and safety, and the labour code. This government has not found any meaningful way to reduce the burden in other areas.

### Strong political leadership

YES | NO

The Minister of Economic Development and Trade or the Parliamentary Secretary have not taken any concrete steps to measure, publicly report, or reduce red tape on small business owners. While the opposition has a critic responsible for red tape reduction, the government is not taking any action to show leadership on this file.

### Comprehensive public measure

YES | NO

The government has refused to recognize the growing regulatory burden as a significant challenge facing entrepreneurs.

### Clear cap on government rules

YES | NO

Alberta policy makers do not believe the number of individual regulations is correlated to the burden imposed by regulation. A private members' bill to put constraints on regulators was defeated by the government.

### Next steps

The Alberta government needs to comprehensively measure all regulatory requirements business owners face. This information must be publicly reported on a

regular basis so legislators may understand the size of the problem and set reduction targets.

# Saskatchewan



2019 Grade

A

## Context and commentary

Saskatchewan has been committed to red tape reduction for a number of years and continues to make progress in its measurement and reporting.

### Strong political leadership

YES | NO



Reducing red tape continues to be a priority for Premier Scott Moe and is led by the Minister of Trade and Export Development. The government created the Red Tape Reduction Committee to oversee red tape reduction efforts.

### Comprehensive public measure

YES | NO



Saskatchewan has both a calculator to cost out individual regulations and a broad measure of regulatory requirements.

For the second consecutive year, Saskatchewan published a comprehensive count. In 2018, there were 654 regulations containing over 230,000 mandatory compliance requirements. The government has also continued its efforts to measure the impact of specific regulations through its Direct Cost Estimator introduced in 2017.

Each year, the Regulatory Modernization Annual Progress Report is tabled in the legislature. In 2017-18, it highlighted 44 initiatives resulting in forecasted annual savings of \$133.8 million over the next 10 years.

### Clear cap on government rules

YES | NO



In 2012, Saskatchewan committed to the review of all business related regulations within 10 years and reducing the cost of regulation by \$50.4 million. So far, the government reviews are on schedule and have reported over \$202 million in cumulative forecasted red tape savings. The government has set a new target for net red tape reduction of \$30 million annually until 2022.

### Next steps

Saskatchewan has a measure of regulatory requirements (230,000), so it should set a reduction target based on that measure (e.g. 20 per cent in three years). It should also give more profile to the overall measures in its annual report.

# Manitoba



2019 Grade

A

## Context and commentary

After being the most improved province for regulatory accountability in 2017, Manitoba has furthered its efforts. The findings of the Premier's Red Tape Reduction Task Force were released and several of the recommendations have already been acted upon; however, no new iteration of the Task Force has been established.

### Strong political leadership

YES | NO



The Premier of Manitoba continues to be a vocal advocate for red tape reduction and this remains one of the government's top priorities.

The Government of Manitoba continues to bring forward legislative changes to reduce red tape for businesses, residents, non-profits and governments. The province passed Bill 12: *The Red Tape Reduction and Government Efficiency Act*, 2018, which is a new iteration of its annual red tape reduction legislation. Two other department-specific red tape reduction bills were passed as well (Bill 14: *The Traffic*

and *Transportation Modernization Act*, and Bill 19: *The Planning Amendment Act*). Bill 19 makes it easier for planning districts outside of Winnipeg to issue permits and variances.

### Comprehensive public measure

YES | NO



The province also released its first annual Regulatory Accountability Report, which studied the 2016 and 2017 fiscal years. Results show there was a 2.6 per cent reduction in the regulatory burden over this period (948,599 to 924,180). The province now has a detailed calculation tool in place to measure the benefits of red tape reduction and to accurately ensure it is meeting the "two-for-one" reduction targets.

### Clear cap on government rules

YES | NO



*The Regulatory Accountability Act* requires "two-for-one" red tape reduction until March 31, 2021, and "one-for-one" reduction thereafter.

### Next steps

The province should continue meeting its red tape reduction goals and place an emphasis on removing red tape headaches for businesses. More outreach could take place

to ensure that problem areas are identified and concrete steps can be taken to reduce the regulatory requirements businesses are facing.

# Ontario



2019 Grade

A-

## Context and commentary

The province's approach to red tape took a major step forward this year. The new government is committed to broad, structural red tape reduction as a pillar of its "Open for Business" vision for Ontario.

The government also decided to expand the previous government's popular online Red Tape Challenge to include a consultation and report dedicated specifically to Ontario's small businesses and plans to introduce one high-impact burden reduction bill each spring and fall throughout its mandate.

## Strong political leadership

YES | NO



Red tape reduction is a top priority for the Ontario government and is being led by the Premier. A deputy minister of red tape and regulatory burden reduction reports directly to the Premier.

The Minister of Economic Development, Job Creation and Trade has a clear mandate to ensure that the government's red tape

reduction efforts are being realized. This focus on red tape has spread throughout Caucus; CFIB members have reported that their government MPPs' constituency offices have reached out to their communities for red tape examples.

## Comprehensive public measure

SOME



In the 2018 Ontario fall economic update, the government announced that Ontario has approximately 331 statutes and over 380,000 regulatory requirements – a number that covers legislation, regulations, and policies. This count was conducted in 2012 and is being used as placeholder as government determines the most effective measure.

## Clear cap on government rules

YES | NO



In the 2018 Ontario fall economic update, the government announced its "Open for Business Action Plan" that sets a red tape reduction target of 25 per cent by 2022, supported by an ongoing review of provincial laws and regulations.

## Next steps

The government should update its regulatory count from 2012 and introduce "one-for-one" legislation once it has hit its 25 per cent reduction target.

# Quebec



2019 Grade

N/A

## Context and commentary

It is too early to tell whether red tape reduction will be a priority as the current government was only elected in October 2018. However, there are positive indications that the new government intends to make red tape reduction a top priority.

### Strong political leadership

SOME



The Coalition Avenir Québec won the election in October 2018. Its electoral platform stated that one of the party's priorities was to “reduce red tape for entrepreneurs and self-employed workers who do not have the luxury of wasting

time on endless paperwork”. Following the leadership of the previous government, there are indications this government sees red tape reduction as a priority; however, to date no specific actions have been taken.

### Comprehensive public measure

SOME



The Governmental Policy and Rules Regarding the *Streamlining of Legislative and Regulatory Standards – for intelligent regulations*) is in force and legally binds the government to publicly measure and report on the regulatory burden annually. The overall cost of provincial regulation to businesses in 2004 was \$1.4 billion and was

reduced to \$1.1 billion by 2017. The number of business regulations and administrative requests have been also tracked and stand at 682 regulations, according to the 2017 report; however, there has been no new report published for 2018.

### Clear cap on government rules

YES | NO



The current red tape reduction framework in the province includes a legally binding “one-for-one” rule and an action plan to reduce the regulatory burden.

### Next steps

The new government should maintain the current red tape reduction framework and adopt future improvements.



# New Brunswick



2019 Grade

N/A

## Context and commentary

It is too early to tell whether the new government is serious about making red tape reduction a priority, but the early signs are promising.

### Strong political leadership

YES | NO



A new government, under the Progressive Conservative Party, was recently sworn in and the responsibility of leading a red tape reduction initiative has been assigned to the Minister of Economic Development and Small Business. Government has also committed to consult with businesses in order to eliminate/reduce regulation and red tape.

### Comprehensive public measure

YES | NO



Government has not determined a baseline by which to set red tape targets.

### Clear cap on government rules

YES | NO



New Brunswick has a “cost-for-cost” policy contained within the Premiers’ Charter of Principles for Governing Regulation enshrined in legislation by the *Regulatory Accountability and Reporting Act* in 2016; however, no example can be found of government applying this policy.

### Next steps

Government must adopt baseline measurement, set clear targets for red tape reduction, and publicly report on its efforts. Government must continue to participate in the Joint Office of Regulatory Affairs

and Service Effectiveness by contributing meaningfully to the reduction and harmonization of regulation across the four Atlantic Canadian provinces.

# Nova Scotia



2019 Grade

**A**

## Context and commentary

Nova Scotia is a leader in Atlantic Canada on red tape reduction and has a very committed team in the Office of Regulatory Affairs and Service Effectiveness. Given the unilateral action taken on internal trade, red tape reduction is clearly a priority for the Premier.

### Strong political leadership

YES | NO



The Premier continues to demonstrate leadership on red tape reduction in Nova Scotia. A concrete example is ongoing leadership on internal trade. Nova Scotia is also leading the way on municipal cooperation to remove red tape overlap with the Regional Municipality of Halifax.

### Comprehensive public measure

YES | NO



In 2018, the Nova Scotia government has completed its first comprehensive count of the total number of regulations, policies, guidelines and forms in the province (157,000). The count gives greater understanding of the overall red tape burden and will allow reduction targets to

be set and measured. There is also a baseline measurement of the total estimated cost of regulation on businesses of \$560 million, \$200 million of which is considered to be red tape.

### Clear cap on government rules

YES | NO



The 2017–18 budget commits to reduce red tape burden on businesses by \$25 million dollars within the 2017–18 fiscal year. Nova Scotia’s “cost-for-cost” (“one-for-one”) policy and other constraints are contained in the Premiers’ Charter of Principles for

Governing Regulations and legislated through the *Regulatory Accountability and Reporting Act*. It is intended to ensure the cost to business of any new regulation is offset by a commensurate reduction in the cost or burden of another regulatory requirement.

### Next steps

Commit to a measurable, multi-year red tape reduction target using the new baseline count and make the “one-for-one” policy legally binding.

# Prince Edward Island



2019 Grade

D

## Context and commentary

PEI has been active in working with regional partners to remove red tape that impedes the flow of goods and services in Atlantic Canada.

There have been some good examples of improvements made to reduce red tape or streamline and speed up services; however, because measurement has not yet taken place, it is difficult to judge the cumulative effect of those changes.

## Strong political leadership

SOME



The Premier has been committed to reducing red tape. This includes work with other Atlantic provinces through the Joint Office of Regulatory Affairs and Service Effectiveness (RSE) in Nova Scotia and the Council of Atlantic Premiers.

In addition to regional work, Prince Edward Island has had a number of initiatives through its own Project ART (Addressing Red Tape), which have seen irritants removed, processes streamlined, improved communication and Lean Six Sigma training for staff across government.

## Comprehensive public measure

YES | NO



The *Regulatory Accountability and Reporting Act*, passed and proclaimed in December 2015, requires the RSE to publicly report on its work to reduce red tape. However, to date, there is no comprehensive measure of the regulatory burden in the province.

## Clear cap on government rules

YES | NO



A “cost-for-cost” policy contained within the Premiers’ Charter of Principles for Governing Regulations which is enshrined in legislation (*Regulatory Accountability and Reporting Act*). However, government has yet to implement a measurement model that would capture regulatory containment or reduction.

## Next steps

In order to capture the effect of its red tape reduction efforts, government must adopt a baseline measurement and set clear targets for red tape reduction.

# Newfoundland and Labrador



2019 Grade

D

## Context and commentary

Public reporting dedicated to red tape reduction would allow an opportunity to monitor adherence to service standards. While there is a general recognition that red tape exists throughout government, it is unclear if the government's current focus is on the areas that will have meaningful effect on business and economic growth.

### Strong political leadership

YES | NO



The Premier, in his 2017 Mandate letters to members of Cabinet, has directed them to reduce red tape, adopt LEAN principles, and publish service standards for all major programs by March 31, 2018. The service standards have been published on various departmental websites, like the Departments

of Service NL and Tourism, Culture, Industry and Innovation. The Premier is also engaging in cooperative red tape reduction initiatives at the regional level through the Council of Atlantic Premiers and at the national level through the Council of the Federation.

### Comprehensive public measure

YES | NO



The *Regulatory Accountability and Reporting Act*, proclaimed in January 2018, requires Newfoundland and Labrador to publicly report on its work to reduce red tape. The government outlined progress made on

red tape reduction in the 2017–18 Office of the Executive Council annual report. A comprehensive measure of the total regulatory burden or a comprehensive baseline to help set red tape targets has not been publicized.

### Clear cap on government rules

YES | NO



There is no indication Newfoundland and Labrador has adopted the Premiers' Charter of Principles for Governing Regulations, which commits signatories in Atlantic Canada to adopt a "cost-for-cost" policy where the cost of any new regulation imposed is at least offset by a reduction in the cost or burden of an existing regulation. The adoption of the

principles of the Charter is included in the *Regulatory Accountability and Reporting Act*. The government states it has a policy whereby one regulatory requirement must be eliminated for each new requirement introduced ("one-for-one" policy), but it is unknown how effective this is without a measure of the total regulatory burden.

### Next steps

Government should execute on its commitments; including adopting a baseline measurement, setting clear targets for red tape reduction, and publicly reporting on those efforts.

# Yukon



2019 Grade

F

## Context and commentary

There have been no recent or notable developments.

### Strong political leadership

SOME



The Yukon government is focusing on improving service standards and improving procurement practices for small business owners. It is unclear any progress has been made on the following election commitments to: collaborate with businesses to identify barriers to competitiveness and modernize the existing regulatory environment; reduce red

tape and regulatory burdens for small business operations; reduce red tape for Yukoners accessing services and enhance the availability of services online, and expand opportunities to introduce/provide more eHealth, eJustice, eEducation and e-Commerce services to Yukon's communities.

### Comprehensive public measure

YES | NO



Under the Yukon's General Administrative Manual, departments are required to identify and consult with individuals and organizations that will be impacted by proposed regulations.

They are also required to justify government intervention and consider non-regulatory alternatives, as well as periodically review regulations for continued relevancy.

### Clear cap on government rules

YES | NO



The Government of Yukon does not currently have legislation or policy in place to constrain the growth of regulation.

### Next steps

The government should make it a priority to meaningfully address red tape reduction.

# Northwest Territories



2019 Grade

F

## Context and commentary

The government is focused on industry specific initiatives in natural resource development. A broader approach to improving the regulatory environment for small business owners is missing.

### Strong political leadership

Minister of Industry, Tourism and Investment Wally Schumann is responsible for the regulatory reform file. It seems the only time this issue is discussed is during CFIB's Red Tape Awareness Week.

SOME



### Comprehensive public measure

The territory has not yet recognized the need for public measurement.

YES | NO



### Clear cap on government rules

Putting constraints on regulators is not a priority at this time.

YES | NO



### Next steps

The government should make it a priority to tackle meaningful red tape reduction.

# Federal Government



2019 Grade

**B+**

## Context and commentary

The government is clearly making red tape reduction a higher priority than it had earlier in its mandate.

### Strong political leadership

YES | NO



The government has taken some action on red tape this year and has launched consultations on the effects of regulatory burden in certain sectors. In September 2018, the Treasury Board announced a Cabinet Directive on Regulation that aims to make the regulatory system more agile and enhances the “one-for-one” rule and small business lens. The Fall Economic Statement contained several positive measures aimed at reducing red tape, including an Annual Modernization Bill to remove outdated or redundant regulatory requirements and the

creation of an External Advisory Committee on Regulatory Competitiveness.

The government also continues to promote the reduction of trade barriers in international trade agreements such as the United States, Mexico and Canada Agreement, and the Canada-European Union Comprehensive Economic and Trade Agreement.

Leadership would be enhanced if red tape reduction were a clear priority for the Prime Minister.

### Comprehensive public measure

YES | NO



While each government department conducts a form of regulatory count called the administrative baseline burden (ABB), there is no total count available for the whole of government and an Annual Scorecard Report has not been published since the 2015–2016

report. Moreover, the count is limited in its scope, as it does not include policies or legislation. It is unclear the government is committed to maintaining it because some departments no longer seem to be participating in the count.

### Clear cap on government rules

YES | NO



In 2012, the government introduced the *Red Tape Reduction Act*, making Canada the first country to legislate a “one-for-one” rule. In order to reduce the administrative burden on businesses, the government is required to remove one equivalent regulation for every new one introduced. Since its introduction, regulatory costs have been reduced by \$30 million, suggesting regulators are subtracting costs faster than they are adding them.

Though the current law ensures that there is a clear cap, many government rules found in legislation and policy fall outside the scope of the “one-for-one” rule. Regulations found in the *Income Tax Act*, which are often the most complex and burdensome for small businesses, are also not included in the “one-for-one” rule. In addition, the “one-for-one” rule only considers the administrative burden, not the compliance burden.

### Next steps

A comprehensive measure that counts as many government rules as possible needs to be established and an overall reduction target set. The “one-for-one” rule should also

be made more comprehensive by including tax laws, as well as the burden imposed by legislation and policy.

# Grading Regulatory Accountability in Canada

In CFIB’s annual Red Tape Report Card, we assign letter grades by evaluating the progress made by governments in Canada to ensure they are accountable for the regulatory burden that they impose on individuals and businesses.

## Category

## Criteria

### Strong political leadership

CFIB is looking for indications that red tape reduction is a high priority for the Premier and cabinet. Initiatives may include:

- Direction from Premier to Ministers (e.g. mandate letters)
- Commitments in the Throne Speech or Budget
- Addressing the issue through other political venues (e.g. Council of the Federation)
- Credible political commitments during elections
- Minister responsible for regulatory accountability
- Premier and Cabinet Ministers champion red tape reduction
- Efforts across government to improve customer service and ensure that the red tape burden is being reduced

### Comprehensive public measure

A comprehensive public measure should be both credible and cover as many government rules as possible. It should include the total regulatory burden tracked over time. Finally, it should be reported publicly at least once a year. In particular, we are looking for the following:

- There is a credible measure in place
- The measure is publicly available and easy to find
- The measure is publicly promoted
- There is a measure of the total regulatory burden (a baseline) not just a measure of what is being added and subtracted
- Legislation is in place requiring public reporting

### Clear cap on government rules

Examples of a clear cap on government rules include:

- Targets on red tape control (e.g. “one-for-one” rule)
- Targets on red tape reduction (e.g. reduce by 20% in 3 years)

### Momentum and next steps

CFIB may report if a jurisdiction is gaining, maintaining or losing momentum in improving regulatory accountability, and provide recommendations for next steps (e.g. moving from an ad hoc count to annually measuring and publicly reporting on the regulatory burden).



# Summary – 2019 Provincial Grades



## Past Grades

	2011	2012	2013	2014	2015	2016	2017	2018	2019
British Columbia	B+	A	A	A	A	A	A	A	A-
Alberta	F	D	D+	D	D	N/A	F	F	F
Saskatchewan	C+	B-	C	B	B	B	B	A-	A
Manitoba	F	F	D-	D-	D	F	D+	A	A
Ontario	C-	B-	B	B	B+	B+	B-	C+	A-
Quebec	C+	B-	B	B+	B+	B+	A	A	N/A
New Brunswick	C-	C+	B-	B	N/A	C-	C+	C-	N/A
Prince Edward Island	D	F	D-	D+	D+	C-	C+	C-	D
Nova Scotia	B	D	D	C-	D-	C+	B	A-	A
Newfoundland and Labrador	B	B	B	C+	C	N/A	C	C-	D
Yukon	F	D	D-	D	D+	D	N/A	D	F
Northwest Territories	F	F	D-	F	F	N/A	F	F	F
Federal government	C+	B-	B+	B+	B+	N/A	B	B-	B+

N/A = Too soon after an election to know the government's regulatory accountability commitments