

Record of Employment river's Licence Paperburden Registrations X **Red Tape** Occupational Health & Safety **Statistics Canada Surveys** 

Political Leadership	Public Measurement	Constraints on Regulators	2015 Grade	2016 Grade
British Columbia				
Yes. Since 2001, the regulatory reform initiative has had a Minister of State responsible, and in June 2015, the Premier appointed a standalone Minister responsible for Small Business and Red Tape Reduction. The government has also introduced Bill 34 the <i>Red Tape Reduction Day Act</i> , to recognize the importance of red tape reduction. Premier Clark included eliminating red tape in her 2015-16 Mandate Letters to her Cabinet Ministers. She also made red tape reduction a focus in the 2015 Speech from the Throne.	Yes. The government measures and reports regulatory requirements on its website and the measures are updated annually, as per legislation passed in 2011. The number of regulatory requirements in BC has been reduced by 42% since 2001, when the province first started measuring. The province has also augmented public reporting by publishing the BC Regulatory Requirements Count data on the Regulatory Reform Website, and through DataBC, which identifies the number of requirements that exist under a particular ministry, statute or regulation.	Yes. The commitment to no-net increase in regulatory requirements was extended to 2019. In addition, all new regulatory requirements must continue to go through a "Regulatory Reform Criteria checklist" including a "small business lens."	A	Α

Context and commentary: BC has been a leader in regulatory accountability for many years; however, there is still room for improvement. The government has committed to developing red tape evaluation criteria for provincial Crown corporations but BC businesses continue to be concerned about the growth in "off book" regulation from arm's-length authorities such as those that are responsible for creating rules around recycling.

**Next steps:** The government should expand its measure to all government bodies, add supplementary measures to the count (i.e. time spent on regulations, success at meeting government service standards), ensure that all regulatory activity is subject to the Regulatory Reform Criteria Checklist (including the Small Business Lens) and reported publicly in the regulatory counts.

# Quebec

Yes. The Minister of Small and Medium Enterprises, Regulatory, Streamlining and Regional Economic Development is responsible for burden reduction. Also, the 2015-16 Budget announced specific measures to reduce red tape for small businesses.

Yes. The measure was reported publicly in 2005, 2008, 2009, 2010, 2012, 2013 and 2015. While Quebec does not have legislation in place, the *Rules Regarding the Streamlining of Legislative and Regulatory Standards* legally bind the government and its agencies to publish in annual strategic plan, its commitments on regulatory and administrative relief and on its achievements in this area.

Yes. A commitment was made to reduce regulatory burden costs by 20% by 2015. At the end of 2014, they had achieved a cost reduction of 18.4%. Also, all ministries and governmental agencies are required to produce and publish an impact study through a "small business lens" with any policy, regulation or law proposed. The minister responsible for regulatory and administrative relief is also required to report to the Executive Council on the execution of these requirements.

B+ B-

Context and commentary: The government is well on its way to achieving past commitments. For instance, the increase to the threshold for the mandatory training regulation will provide relief for 8,000 businesses and the amendment of a pay equity regulation will mean reduced red tape for over 25,000 SMEs.

While red tape costs for businesses have been decreasing, the number of formalities imposed on businesses of various sectors has increased between 2004 and 2014.

Next steps: The government must continue to apply the Rules Regarding the Streamlining of Legislative and Regulatory Standards and it must table its new red tape action plan.

Political Leadership	Public Measurement	Constraints on Regulators	2015 Grade	2016 Grade
Ontario				
Yes. The Premier committed to reduce red tape in the 2014 Throne Speech, Budget and Mandate Letters to Cabinet Ministers. Red tape reform is led by the Minister of Economic Development, Employment and Infrastructure. The province, through the 2015 Economic Outlook and Fiscal Review, has announced several important regulatory modernization initiatives.	Some. Ontario became the third province to adopt regulatory accountability legislation. The most recent report was released in June 2015 as per the legislation passed in 2014. The report highlights the government's burden reduction initiatives and progress on the burden reduction target. The government has also undertaken a pilot project to quantify compliance costs on a sectoral basis.	Yes. The government committed to \$100 million in savings from red tape burden reduction by 2016-17 and it has saved Ontario businesses \$50 million or the equivalent of 2.3 million hours to-date. Also, any proposed regulations must be posted for public comment and sunset clauses have been put in place for high-impact regulations, requiring regular reviews every 10 years.	B+	B+

Context and commentary: The government has made significant progress on improving regulatory accountability. Ontario has also undertaken several major initiatives which promise greater savings for small businesses, including the recently announced Red Tape Challenge and the Ontario-Toronto Burden Reduction Working Group with the City of Toronto. The province has also committed to establishing a Regulatory Centre of Excellence that would identify and champion international best practices for regulation; a Regulatory Modernization Committee to oversee and enhance the regulatory challenge function of the renewed government mandate; and a Government Modernization Fund to accelerate the modernization of outdated service delivery and regulatory processes.

**Next steps:** The government must measure the total regulatory burden on business including all legislation, regulation and government policy imposed by all public service entities, government and arm's-length agencies.

## Saskatchewan

Yes. Reducing red tape continues to be a priority for the Premier and is led by the Minister of the Economy. The government created the Red Tape Committee to oversee red tape reduction efforts and recently implemented the Red Tape Reduction Action Plan to review all existing business-related regulations at least every 10 years and to improve the content of new regulatory proposals.

Some. In 2013, Saskatchewan became the second province to pass legislation on publishing annual red tape reduction initiatives. The government is currently building its baseline measure, using the Regulatory Cost Model (RCM), which aims to estimate compliance costs for businesses. This model is slated to be implemented by 2023.

Yes. The Saskatchewan Plan for Growth commits to reducing red tape by 25% by 2020, the equivalent of \$5 million in cost savings per year or \$50.4 million by 2020.

Next steps: In order to provide relief to small businesses sooner, the implementation of the cost model should be completed before 2023.

Political Leadership	Public Measurement	Constraints on Regulators	2015 Grade	2016 Grade
Nova Scotia				
Yes. The Premier has shown political leadership, appointing himself Minister responsible and leading the establishment of the joint Office of Regulatory Affairs and Service Effectiveness (ORASE) with New Brunswick and PEI to cut red tape and align business regulations.	Yes. The government recently passed the <i>Regulatory Accountability and Reporting Act</i> , which will improve regulatory accountability and reduce red tape for the province's small businesses. The legislation includes a public measurement component.	Some. The legislation requires new regulations to be implemented on designated dates.	D-	C+

Context and commentary: The government has made red tape reduction a political priority. The creation of the ORASE has led to a Charter of Governing Principles for Regulation (establishing good regulatory governance), legislation to provide more accountability on red tape reduction and steps to remove interprovincial regulatory irritants through the Atlantic Red Tape Partnership.

Service Nova Scotia has also made many improvements for small businesses using on-line services such as the Restaurant, Accommodations, and Convenience Stores Bundle programs.

**Next Steps:** The government must establish metrics for measurement which will ensure red tape reduction focuses on compliance burden for business. The ORASE must continue to have the authority to promote and implement best practices outlined in the Charter across government.

# **Prince Edward Island**

Yes. The Premier has been actively involved in establishing the Joint Office of Regulatory and Service Effectiveness with New Brunswick and Nova Scotia to make the Maritime region more competitive for businesses. The Minister of Economic Development and Tourism is also leading Project ART (Addressing Red Tape) which aims to reduce red tape for businesses within the province.

No. However, legislation will be introduced in Spring 2016 to bring accountability, measurement and public reporting to the burden of regulation.

No. However, in November 2015, the three Maritime Premiers released the *Premiers' Charter* of Governing Principles for Regulation, which states that regulation will only be used as a last resort. The charter provides guidelines for developing and assessing regulations, including cost measurements and reviews of existing regulations.

D+

C-

Context and commentary: Momentum has been building throughout government and the *Maritime Premiers' Plan of Action for Regional Regulatory Reform* released in November 2015 shows that government is serious about tackling red tape, both provincially and as a region.

Next steps: In order to improve its regulatory environment, PEI must execute the initiatives announced through Project ART, the Joint Office and the Atlantic Partnership.

## **New Brunswick**

Yes. The government is committed to reducing red tape, which was emphasized by the establishment of the joint office with Nova Scotia and PEI to cut red tape and harmonize business regulations. In addition, the Premier signed the *Atlantic Memorandum of Understanding Concerning Apprenticeship Mobility* to make it easier for apprentices to get on the job training throughout the Atlantic region.

No. However, in November 2015, New Brunswick, Nova Scotia and PEI announced that they will adopt legislation on regulatory accountability and reporting, which will require the provinces to adhere to the Premiers' Charter of Principles, as well as publish an annual public report of measurable progress in reducing the burden of regulation.

No.

N/A\*

C-

**Context and commentary:** The new government has publicly stated its intention to identify and eliminate red tape. Next year will be a pivotal year for the province and its neighbours as the Premiers have made some very significant commitments under the *Joint Charter of Principles to Guide Regulators Toward Less and Better Regulation*.

**Next steps:** The government must measure and report on all regulatory burdens that businesses face including those from agencies, boards, commissions and other government bodies. The government must also set a clear red tape reduction goal (i.e. 20% by 2018) to maintain or reduce the level of burden.

<sup>\*</sup>Too soon to evaluate the new government's performance on regulatory accountability.

Political Leadership	Public Measurement	Constraints on Regulators	2015 Grade	2016 Grade
Yukon				
Some. In the mandate letter to the Minister of Economic Development, the Premier set the goal of improving Yukon's regulatory regime. The government is implementing recommendations that came from the small business red tape review conducted in 2014, which included streamlining procurement, establishing a central point of contact for businesses and using a small business lens.	No.	No.	D+	D

**Next steps:** The government must commit to legislation to publicly report the burden and place constraints on regulators. With four levels of government small businesses may interact with, the territorial government must do more to curtail the red tape burden placed on entrepreneurs.

#### Manitoba

Commitments were made in the 2014 Throne Speech to increase regulatory transparency, but no action has been taken.

No

No.

D

F

Context and commentary: Despite industry-led work and recommendations to reduce red tape (such as the Advisory Council on Regulatory Reform's report on convenience stores) little government-wide progress has occurred. The Advisory Council developed a Best Practices guide for government regulation-making. Formal adoption of the guide and its recommendations would ensure better consultation on regulations.

Next steps: The government must commit to passing regulatory accountability legislation which requires it to measure, publicly report and constrain the growth of red tape on small businesses.

## **Federal Government**

It is too early to tell whether this will be a priority of the new government. However, there is positive early indication that the government will commit to further action. For example, red tape reduction was mentioned in the mandate letter to the Minister of Small Business. In addition, while in opposition, the Liberals supported strengthening the federal "one-for-one" legislation, which they also reinforced in the CFIB leader survey during the recent election.

Some. There is no comprehensive measure of regulatory requirements currently in existence at the federal level. There is a limited measure that includes certain aspects of the regulatory burden and not others. It is called the Administrative Burden Baseline (ABB) and as of June 2014, the Government of Canada estimated a total of 129,860 requirements. Some accounting around the "one-for-one" rule is also required; it too does not constitute the comprehensive measure needed to track the regulatory burden over time.

Some. Bill C-21, which was given royal assent in April 2015, introduced a "one-for-one" rule, which requires the government to eliminate a regulation and equivalent burden for every new regulation introduced. This rule helps to constrain part of the regulatory burden, but there is little control around the government rules that can come from other places such as legislation, policies and guidelines.

+ N/A\*

Context and commentary: A focus on red tape reform has been present in Ottawa since 2005, when the Advisory Committee on Paperwork Burden Reduction was formed. More recently, reforms were made under the Red Tape Action Plan, which included the "one-for-one" rule.

Next steps: The government must measure the total regulatory burden on business including all legislation, regulation and government policy imposed by all government entities.

<sup>\*</sup>Too soon to evaluate the new government's performance on regulatory accountability.

Political Leadership	Public Measurement	Constraints on Regulators	2015 Grade	2016 Grade
Newfoundland and Labrador				
It is too early to tell whether this will be a priority of the new government.	Some. An annual report was released in November 2014, identifying a clear measure, which is applied broadly (i.e. regulations, legislation and policy).	Some. The government continues to maintain a zero net growth policy in regulatory requirements compared to 2009 levels.	С	N/A*

Context and commentary: During the provincial election, the new government committed to small businesses that it would undertake a thorough review to ensure the regulatory burden on business is minimized

Next steps: The government must publicly release the total regulatory count on an annual basis and this requirement should be enshrined in legislation (e.g. an amendment to the Transparency and Accountability Act).

# **Alberta**

It is too early to tell whether this will be a priority of No. the new government.

Some. There is a Mandatory Expiry Date policy on regulations, but regulations are not reviewed in a transparent way.

D

Context and commentary: It is unclear if the government will continue with the approach of the Small Business Strategy.

Next steps: The Premier and Minister responsible need to announce what they plan to do to reduce the regulatory burden. The plan should include publicly reporting on the red tape burden and establishing meaningful constraints on regulators.

# **Northwest Territories**

It is too early to tell whether this will be a priority of No. No. the new government.

Next steps: The government must acknowledge red tape is a barrier for territorial businesses and commit political capital to passing regulatory accountability legislation which requires the government to measure, publicly report and constrain the growth of red tape burden on small businesses.

<sup>\*</sup>Too soon to evaluate the new government's performance on regulatory accountability.

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# **How CFIB Graded Regulatory Accountability in Canada**

This report card evaluates governments based on their willingness to be transparent and accountable with respect to the hidden tax of regulation. In our view, red tape cannot be effectively controlled and reduced over the long-term without the following: political leadership from the top, public measurement, and constraints on regulators.

Criteria*	Government												
	ВС	QC	ON	SK	NS	PEI	NB	YK	MB	Federal	NL	AB	NWT
Political leadership													
The Prime Minister/Premier is championing red tape reform	$\checkmark$	✓	$\checkmark$	✓	$\checkmark$	$\checkmark$	✓	$\checkmark$					
A Cabinet Minister is championing red tape reform	✓	✓	<b>✓</b>	✓	✓	✓	✓	✓					
There were credible political commitments from the party leader during the election campaign (applicable in election years only)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	✓	✓		
Small businesses are confident that their government is committed to regulatory accountability**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Public measurement													
There is a credible measure in place	$\checkmark$	✓	$\checkmark$	✓						$\checkmark$			
The measure is comprehensive and it includes regulatory burden from all government bodies (e.g. ministries, agencies, boards, commissions)		✓											
The measure is reported publicly at least once a year	✓	✓	✓	✓						✓			
There is a legislated requirement to measure and report publicly at least once a year	✓	<b>√</b> ***	✓	✓	✓					✓			
Constraints on regulators													
Targets in place to maintain or reduce level of burden	$\checkmark$	$\checkmark$	$\checkmark$	✓						$\checkmark$	$\checkmark$		
Legislated targets in place to maintain or reduce level of burden										✓			
Impact analysis/Small business lens	$\checkmark$	✓								$\checkmark$	$\checkmark$	$\checkmark$	
Regular reviews of regulations			$\checkmark$									✓	
2016 Grade	Α	B+	В+	В	C+	C-	C-	D	F	N/A	N/A	N/A	N/A

N/A too soon to evaluate the new government's performance on regulatory accountability.

<sup>\*</sup>Please note that regulatory accountability is evaluated according to the following criteria as well as the strength of government action.

<sup>\*\*</sup>This criterion may be incorporated into next year's report card.

<sup>\*\*\*</sup>The Rules Regarding the Streamlining of Legislative and Regulatory Standards (through Executive Council decree 32-2014) legally bind the government and its agencies to report annually on red tape reduction initiatives.