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The State of Internal Trade:

Canada's Interprovincial Cooperation Report Card

2023 Edition



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The Canadian Federation of Independent Business (CFIB) is Canada’s largest association of small and medium-sized businesses with 97,000 members across every industry and region. CFIB is dedicated to increasing business owners’ chances of success by driving policy change at all levels of government, providing expert advice and tools, and negotiating exclusive savings.

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Highlights

Small business perspective on internal trade

- Nearly 90% of small businesses believe it is crucial for Canadian governments to prioritize the removal of barriers that impede the flow of goods, services, and labour across provinces and territories.
- 90% of business owners are in favour of the automatic recognition of professional licenses or certifications obtained in one jurisdiction across all jurisdictions.
- 77% of small businesses in Canada agree that registering for workers' compensation in one province/territory should permit workers to work in all provinces/territories.
- The top interprovincial labour challenges most small businesses experience include registering with worker compensation boards (42%), licensing (40%), employee regulatory training (30%), and certification recognition (25%).

Canada's Interprovincial Cooperation Report Card 2023

- Manitoba leads with score of 8.9 (A- grade) while Alberta follows closely with a score of 8.6 (B+ grade). Quebec trails in last place with a score of 4.4 (D grade). One factor that contributes to higher scores for Western provinces is the New West Partnership Trade Agreement (NWPTA).
- No jurisdiction received an A grade in the overall score, indicating that much work remains to be done to reduce internal trade barriers.
- On areas of Interprovincial Cooperation:
 - A total of 12 CFTA exceptions were lifted between 2021 and 2023 out of a total of 303 (4% reduction), with Manitoba, Newfoundland and Labrador, Yukon, and the Northwest Territories being the only jurisdictions to lift exceptions.
 - No tangible improvements have been made on removing alcohol trade barriers and reducing barriers to doing business, except for the introduction of professional certification timelines in Manitoba and Saskatchewan.
 - Regarding regulatory reconciliation efforts, Manitoba, Nova Scotia, British Columbia, and the federal government score the highest as these jurisdictions have implemented a significant majority, if not all, of the items from the ratified agreements they are participating in at the Regulatory Reconciliation and Cooperation Table.
- CFIB recommends governments across Canada move quickly to adopt a mutual recognition agreement encompassing all federal, provincial, and territorial regulatory measures that impose requirements on the sale or use of all goods and services.

Introduction

CFIB's 2022 edition of *Canada's Interprovincial Cooperation Report Card* assessed progress made by federal, provincial, and territorial governments in reducing interprovincial trade barriers five years after the signing of the Canada Free Trade Agreement (CFTA). While some progress had been made, the report card revealed much work remains to be done by governments to remove unnecessary barriers that hinder free trade and labour mobility across Canada.

The urgency to eliminate domestic trade barriers has increased due to rising business costs, inflationary pressures, high interest rates, and a worsening labour shortage. By removing these barriers, businesses and consumers can benefit from increased choices in goods and services, improved security of supply, and affordability. Additionally, it can create new employment opportunities and encourage innovation.

A recent CFIB survey revealed that small business owners overwhelmingly support the removal of internal trade barriers, with 88% of respondents indicating that Canada's governments should prioritize the removal of as many barriers as possible to the flow of goods, services, and workers between provinces and territories.¹

The 2023 edition of the report card grades federal, provincial, and territorial governments' interprovincial cooperation efforts and provides an overview of the work done to reduce the barriers to internal trade. It offers a snapshot of the progress made and highlights the challenges faced by governments in achieving a more prosperous and integrated union.

Nearly 90% of small businesses believe it is crucial for Canadian governments to prioritize the removal of barriers that impede the flow of goods, services, and labour across provinces and territories.

Current Context

Internal trade: 2022-23 in review



Federal leadership

New Federal Action Plan to Strengthen Internal Trade: The Action Plan aims to accelerate efforts to remove barriers to trade and labour mobility.² Key elements include the launch of the first Internal Trade Data and Information Hub; funding work to identify top trade barriers and develop solutions to address them; stakeholder engagement to better understand how to support internal trade; and a review of the CFTA to reduce federal exemptions, with a focus on government procurement.

Creation of a Federal Framework on Mutual Recognition: The federal government committed itself to lead federal, provincial, and territorial efforts to explore mutual recognition of regulatory standards to ensure goods and services can move more freely, including the development of a Federal Framework on Mutual Recognition.



Regulatory Reconciliation and Cooperation Table (RCT) successes

In 2022, the RCT released its fourth annual work plan and completed a five-year review of its mandate and effectiveness.³ In particular, five work plan items were completed (three regulatory reconciliation items and two regulatory cooperation items were completed). Regarding its five-year review, four key themes emerged: developing an impactful and practical Work Plan; improving how the work gets done; follow through on implementation; and stakeholder communications and engagement.



Launch of Lloydminster Food Trade Pilot Project

The Canadian Food Inspection Agency (CFIA) is working with the Alberta and Saskatchewan governments on a two-year pilot project to alleviate the challenges of interprovincial food trade in Lloydminster, a city that straddles Saskatchewan and Alberta's border. Under the pilot program, the movement of safe food into and within Lloydminster is treated as if it were located within a single province. Further, the program provides the opportunity to collect information to further inform regulatory changes to safe food regulations in Canada.⁴



New report on liberalizing internal trade via mutual recognition

A report, commissioned by Alberta's government, explored the benefits of mutual recognition as a solution to breaking internal trade barriers.^{5,6} The report finds mutual recognition could increase Canada's economy between 4.4% and 7.9% over the long-term — between \$110 and \$200 billion per year.⁷



Multi-jurisdictional Licensure

Some jurisdictions have introduced pan-Canadian/regional portable registration models for health care professionals in Canada. The Ontario government introduced and passed legislation in 2023 to set the framework for allowing health care professionals from outside the province to work in Ontario immediately.⁸ The Atlantic provinces introduced the innovative Atlantic Physician Registry which offers a streamlined approach for physicians seeking to practice in multiple provinces within the region.



Work to reduce CFTA exceptions by jurisdictions

Four jurisdictions reduced the number of exceptions they list under the CFTA:

- Manitoba reduced exceptions to 7 from 10.⁹
- Newfoundland and Labrador reduced exceptions to 18 from 21.
- Yukon reduced its exceptions to 28 from 33.¹⁰
- Northwest Territories reduced exceptions to 18 from 19.



Premiers emphasize removing internal trade barriers

At the most recent Council of the Federation meeting, Canada's premiers reiterated their commitment to removing labour mobility and internal trade barriers, pushing the federal government to remove constraints related to procurement.¹¹ Their statement also directs the RCT to "accelerate work underway on developing a potential model for mutual recognition of regulations with a negative option list."

Small Business Perspective on Internal Trade

CFIB surveyed business owners to gain further insight into the internal trade challenges they face as they relate to goods, services, and labour.¹² Below is a summary of the findings, including comments shared:

Goods and Services

Despite the existence of the CFTA, barriers to the free flow of goods and services still exist. Small business owners report the following challenges:

- Costs (time and money) associated with ensuring compliance with licensing standards in certain industries, such as dairy.
- Restrictions on selling certain food products, such as meat and cheese, across provincial borders.
- Complexity of sales tax structures when selling out of province, including the need to register for PST numbers.
- Restrictions on selling alcohol products across provincial lines.

Labour

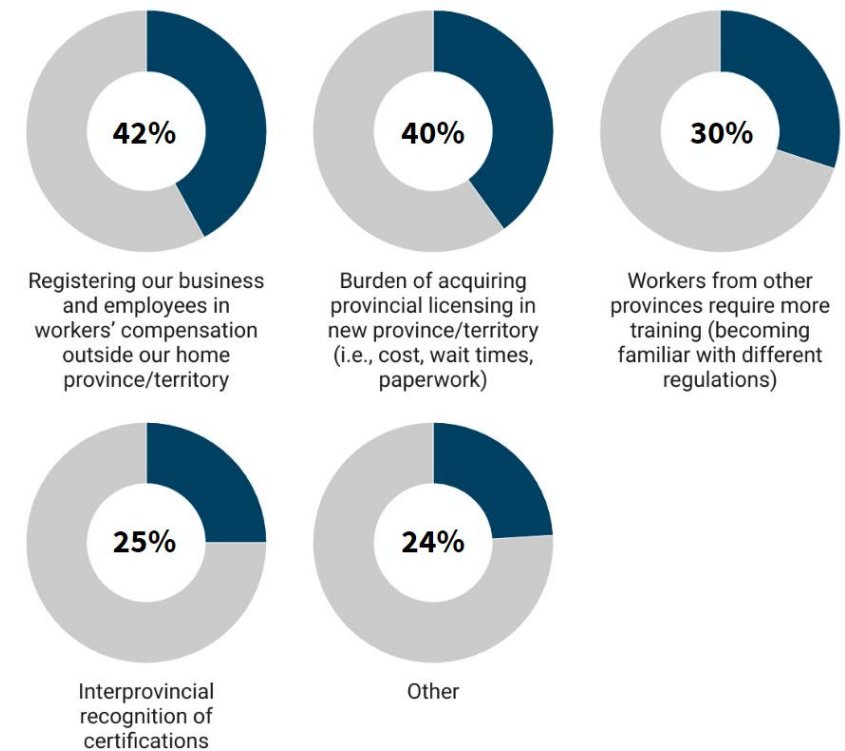
Of businesses that *have hired/attempted to hire workers from or have employees working outside of their home province*, two in five experienced labour challenges.¹³ The top challenges outlined in Figure 1 include:

- Registering for workers’ compensation boards (WCB) outside their home province/territory (42%).
- Cost, wait times, and paperwork involved in acquiring provincial licensing in a new jurisdiction (40%).
- Recognition of certification in a new jurisdiction (25%).
- Other irritants listed under the "other" category included complying with differing Occupational Health and Safety standards across jurisdictions.

Figure 1

Registering in workers’ compensation, licensing, employee regulatory training, and certification recognition were the top interprovincial labour challenges.

Top Labour Challenges Experienced by Business Owners Hiring Workers from/or Having Employees Work in Other Province or Territories



Source: CFIB, Your Voice - September 2022 survey. N=244 (only owners that: (i) have hired/attempted to hire staff from other provinces/territories; (ii) have staff working in other provinces/ territories).

Business Owners Sound Off on the Internal Trade Challenges

We operate in 6 different provinces, with each geographical region having different rules and regulations around business licences, permit, WCB. It makes it very difficult to ensure we are compliant on all fronts without engaging in very costly business legal advice.

MB, Retail

It really is getting to be difficult to do business across this country when it comes to food. I realize that health and safety should be adhered to but is a cookie that's made in Ontario not fit for an Albertan to eat?

AB, Retail

We do our best to understand the regulations in other provinces, but we are always uncertain we are complying.

ON, Arts and Recreation

Differences in construction safety regulations across provinces makes our business unnecessary costly to maintain.

NS, Construction

We are a fully licensed (provincial) dairy plant. While the Federal standards are almost identical, there are substantial fees and consulting required to achieve the federal licensing. Something that we do not have the time to do since recovering from the pandemic and labour shortage.

BC, Hospitality

We are a SK based alcohol producer and attract many people to our products when they visit us. For the most part however they cannot purchase from us once they go home due to provincial rules blocking us.

SK, Manufacturing

Driving commercial vehicles across provincial lines means extra licenses, costs and ensuring compliance.

AB, Agriculture

The laws of Quebec prohibit us from selling our wines in other Canadian provinces without going through liquor corporations and this is disastrous.

QC, Agriculture



Canada's Interprovincial Cooperation Report Card 2023

This report card grades three major areas of interprovincial/territorial cooperation - CFTA exceptions, inter-jurisdictional barriers to trade, and the status of items from reconciliation agreements (see Figure 2). Within this framework, governments with the highest overall report card scores are those that have the fewest exceptions and have made the most progress towards reducing specific barriers.

Figure 2



Manitoba receives the highest overall score of 8.9 (A- grade) in the report card, followed by Alberta with a score of 8.6 (B+ grade), (see Figure 3 and Table 1). No jurisdiction received an A grade in the overall score, indicating that much work remains to be done to reduce internal trade barriers. **For details on how scores were calculated refer to the Methodology in Appendix D.**

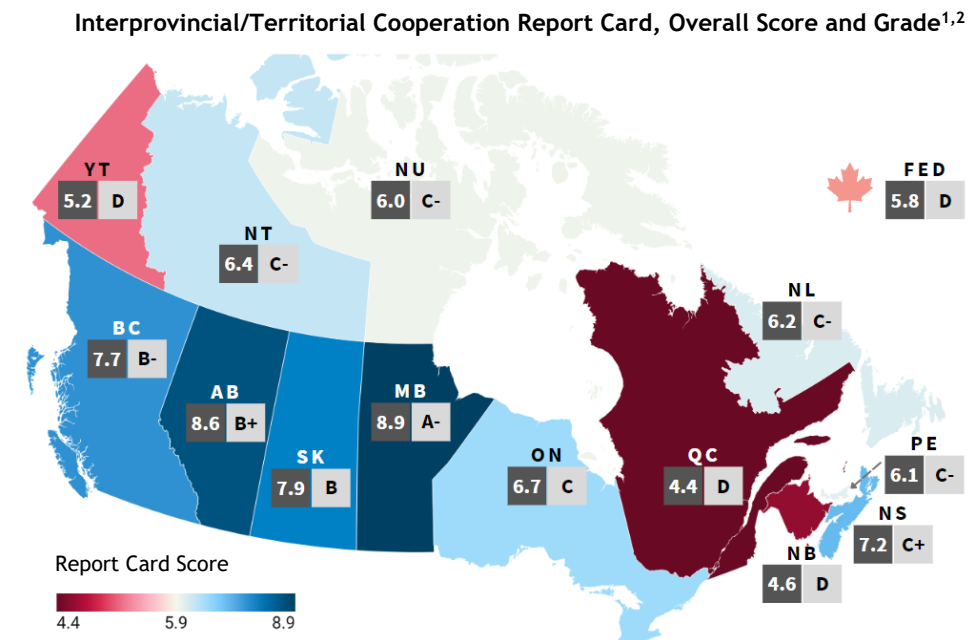
Western provinces score higher than their counterparts in the East. One factor that contributes to higher scores for Western provinces is the New West Partnership Trade Agreement (NWPTA). This regional trade agreement, signed in 2010, aims to reduce barriers to trade, investment, and labour mobility between British Columbia, Alberta, Saskatchewan, and Manitoba.

Under the NWPTA, for example, businesses operating in any of the four provinces can bid on government procurement contracts in the other provinces, which has

helped to increase competition and drive down costs.¹⁴ Additionally, the agreement has streamlined regulations and standards across the four provinces, making it easier for businesses to operate across these provincial borders.¹⁵ This has had a particularly positive impact on small and medium-sized businesses, which may not have had the resources to navigate different regulatory frameworks in each province.

Figure 3

Report Card Grades: Manitoba leads with score of 8.9 (A-) while Alberta follows closely with a score of 8.6 (B+); Quebec trails behind with a score of 4.4 (D).



1. Score: 0 is worst, 10 is best. The scores of the three areas of inter-provincial/territorial cooperation are combined into a single score that allows for a ranking of governments from best (highest score) to worst (lowest score).

2. Grade: A, A-: 8.7-10 (Excellent performance); B+, B, B-: 7.5-8.6 (Good performance); C+, C, C-: 6.0-7.4 (Satisfactory performance); D: 4-5.9 (Less than satisfactory performance); F: 0-3.9 (Unsatisfactory performance).

The State of Internal Trade: Canada's Interprovincial Cooperation Report Card, 2023 Edition

Table 1

Grades are highest for the total exceptions to the CFTA and status of items from reconciliation agreements; the reduction of interjurisdictional barriers remains a challenge

Areas of Interprovincial/Territorial Cooperation, Score and Grade^{1,2}

Jurisdiction	I. Total Exceptions to the CFTA in 2023 (40%)		II. Interjurisdictional Barriers to Internal Trade (20%)		III. Status of Items from Reconciliation Agreements (40%)		Overall Score and Grade	
	Score	Grade	Score	Grade	Score	Grade	Score	Grade
MB	9.7	A	5.4	D	10.0	A	8.9	A-
AB	10.0	A	4.0	D	9.5	A	8.6	B+
SK	8.3	B	4.0	D	9.5	A	7.9	B
BC	7.6	B-	4.1	D	9.6	A	7.7	B-
NS	6.2	C-	4.4	D	9.6	A	7.2	C+
ON	4.8	D	5.6	D	9.2	A	6.7	C
NT	5.9	D	2.0	F	9.1	A	6.4	C-
NL	5.9	D	1.6	F	8.8	A-	6.2	C-
PEI	5.2	D	2.9	F	8.6	B+	6.1	C-
NU	4.8	D	2.0	F	9.1	A	6.0	C-
FED ³	2.1	F			9.6	A	5.8	D
YT	2.4	F	3.0	F	9.1	A	5.2	D
NB	2.1	F	2.9	F	7.9	B	4.6	D
QC	0.0	F	3.6	F	9.2	A	4.4	D

Notes:

1. **Score:** 10 is best, 0 is worst. The scores of the three areas of interprovincial/territorial cooperation are combined into a single score that allows for a ranking of governments from best (highest score) to worst (lowest score).
2. **Grade:** A, A-: 8.7-10 (Excellent performance); B+, B, B-: 7.5-8.6 (Good performance); C+, C, C-: 6.0-7.4 (Satisfactory performance); D: 4-5.9 (Less than satisfactory performance); F: 0-3.9 (Unsatisfactory performance).
3. The federal government is scored on two areas: the *Total Exceptions to the CFTA in 2021* based on the number of procurement exceptions they maintain, and the *Implementation Status of Reconciliation Agreements*. Both areas are weighted equally (50% each) as the select barriers area was not available for this analysis.

CFTA Exceptions

The CFTA allows for exceptions that enable governments to exclude specific sectors, items, or workers from the agreement. This section of the report examines the total number of party-specific exceptions that governments maintain within the CFTA, including exceptions to procurement, existing measures, and future measures.¹⁶ The higher the number of exceptions, the more difficult it can be to conduct business across the country. Therefore, a lower number of exceptions results in a higher score.

Alberta ranks highest in this section as it has the lowest number of total exceptions with six, followed by Manitoba with seven exceptions – see Table 2. Conversely, Quebec ranks the lowest with 35 exceptions; New Brunswick, and the federal government round out the bottom of the table with 29 exceptions. Note for the federal government: only procurement related exceptions are considered.¹⁷

Using the number of exceptions to the CFTA as an indicator to assess the degree of free trade within Canada has limitations, as the issue is more complex than that. For instance, the list of exceptions varies substantially across jurisdictions, and these exceptions are not equal in terms of scope. In addition, the costs associated with their inclusion in the CFTA can vary. For example, exceptions for existing measures pose a current direct cost, while exceptions for future measures pose no current cost, but they impose uncertainty for businesses, thereby limiting investment and trade.¹⁸ Another level of complexity is that the value associated with these costs is largely unknown, making it difficult to not only compare how effective jurisdictions have been at liberalizing trade, but also to understand where efforts could be directed to make the biggest impact. A more mature evidence base is needed, one which allows for a more thorough comparative analysis of the effects that exceptions pose.

Table 2

Alberta and Manitoba have the fewest number of CFTA exceptions, while Quebec maintains the most

Total Number of Exceptions to the CFTA in 2023, Score and Grade (10 is best, 0 is worst)

Jurisdiction	Total Number of Exceptions to the CFTA in 2023 ¹	Score and Grade	
AB	6	10.0	A
MB	7	9.7	A
SK	11	8.3	B
BC	13	7.6	B-
NS	17	6.2	C-
NT	18	5.9	D
NL	18	5.9	D
PEI	20	5.2	D
ON	21	4.8	D
NU	21	4.8	D
YT	28	2.4	F
NB	29	2.1	F
FED ²	29	2.1	F
QC	35	0.0	F

Notes:

1. Provinces and territories are scored based on the sum of exceptions for existing measures, future measures, and procurement.
2. The federal government is scored solely on procurement related exceptions.

Lifting CFTA Exceptions 2021 to 2023

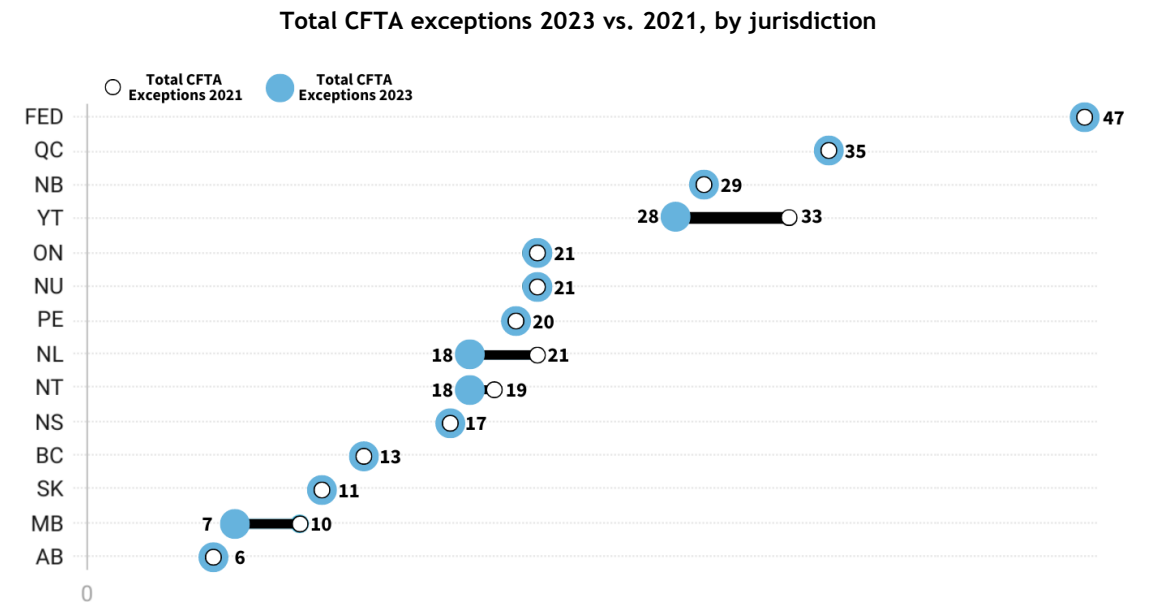
During the latest Council of the Federation meeting, Canada's Premiers reiterated their commitment to facilitating internal trade while the federal government reaffirmed its pledge to removing federal procurement barriers.¹⁹ It’s important that governments follow through on their commitment, where possible, particularly where exceptions can affect the ability to do business across the country.

In the period between September 2021 and January 2023, four jurisdictions made progress towards eliminating interprovincial trade barriers. In total, 12 CFTA exceptions were removed, reducing the overall total of exceptions from 303 to 291, a reduction of 4% as shown in Figure 4. Specifically, Manitoba reduced its count from 10 to 7, Newfoundland and Labrador lowered its count from 21 to 18, Yukon lowered its count from 33 to 28, and the Northwest Territories lowered its count from 19 to 18. A breakdown of the type of exceptions can be found in Appendix A.

Manitoba, Newfoundland and Labrador, Yukon, and the Northwest Territories are the only jurisdictions to remove CFTA exceptions since 2021.

Figure 4

A total of 12 CFTA exceptions were lifted between 2021 and 2023 out of a total of 303 representing a 4% reduction.



Sources:

Canadian Free Trade Agreement, Consolidated Version, January 31, 2023; Canadian Free Trade Agreement, Consolidated Version, September 2021.

Note:

Total CFTA exceptions includes party specific exceptions that governments maintain within the CFTA, including exceptions to procurement, existing measures, and future measures.

Select Barriers to Internal Trade

In this section, we examine several high-visibility internal trade barriers in the areas of alcoholic beverages, doing business, and labour mobility. By examining internal trade barriers in these specific areas, we can identify specific obstacles in Canadian markets and develop targeted solutions to remove them, promoting greater economic integration and growth across all Canadian jurisdictions. Provinces/territories that reduced or eliminated the identified barriers receive higher scores (see Table 3).

Table 3

Ontario and Manitoba made the most progress towards reducing specific barriers; low grades in this area of the report card suggests much work remains to be done.

Select Barriers to Internal Trade, Score and Grade (10 is best, 0 is worst).

Jur.	Barriers to Trade in Alcoholic Beverages Indicators		Ease of Doing Business Indicators			Labour Mobility Indicators		Select Barriers to Internal Trade Score and Grade	
	Unlimited Import of Alcohol for Personal Consumption	Direct-to-Consumer Interjurisdictional Shipment of Canadian Wine/Craft Beer and Spirits	Extra-Jurisdictional Business Corporation Registration Fees Waived Across All Prov./Terr.	Mutual Recognition of Registration for Workers’ Compensation	Mutual Recognition of Occupational Health and Safety Rules	Timeline for Professional Certification Approval of Workers Certified in Other Canadian Jurisdictions	Full Labour Mobility of Licensed Practical Nurses		
ON	10	0	10	0	0	10	9	5.6	D
MB	10	10	5	0	0	10	3	5.4	D
NS	10	3	10	0	0	0	8	4.4	D
BC	10	4	5	0	0	0	10	4.1	D
AB	10	0	5	0	0	10	3	4.0	D
SK	10	2	5	0	0	10	1	4.0	D
QC	10	0	5	0	0	0	10	3.6	F
YT*	N/A	N/A	0	0	0	5	10	3.0	F
NB	0	0	5	0	0	5	10	2.9	F
PEI	10	0	0	0	0	0	10	2.9	F
NT*	N/A	N/A	0	0	0	0	10	2.0	F
NU*	N/A	N/A	0	0	0	0	10	2.0	F
NL	5	0	0	0	0	0	6	1.6	F

Source: 2023 data.

*The Territories are not scored for this indicator due to concerns expressed related to public health and safety. Regulatory frameworks are in place to promote responsible consumption.

Barriers to Trade in Alcoholic Beverages

The inability to transport alcoholic beverages across provincial borders, whether in-person or through direct-to-consumer shipping, continues to be an outstanding irritant that has characterized Canada’s domestic markets for decades. Despite various groups and organizations advocating for a resolution, the lack of progress can be partially attributed to a long history of different jurisdictions pursuing different policy and regulatory objectives. Not surprisingly, 77% of business owners believe Canadians should be allowed to order Canadian alcohol products (wine, beer, and craft spirits) directly from any province/territory. As such, alcohol importation rules serve as a high visibility indicator of provinces/territories working together to reduce irritants. This report finds that there has been little progress in addressing alcoholic beverages trade barriers since its previous edition. Note, the Territories are not scored due to concerns expressed related to public health and safety – regulatory frameworks are in place to promote responsible consumption.

Table 4

Manitoba is the only jurisdiction in Canada that has eliminated all barriers to direct-to-consumer alcohol shipments and personal importation limits.

Barriers to Trade in Alcoholic Beverages, Score (10 is best, 0 is worst)

Jur.	Unlimited Import of Alcohol for Personal Consumption — Yes/No ¹	Score	Direct-to-Consumer Interjurisdictional Shipment of Canadian Wine/Craft Beer and Spirits ⁴						Score ⁴
			Canadian Wine — Yes/No		Canadian Craft Beer — Yes/No		Canadian Craft Spirits — Yes/No		
BC	Yes	10	Yes	3	No	0	Some	1 ^{5,6}	4
AB	Yes	10	No	0	No	0	No	0	0
SK	Yes	10	Some	1 ⁵	No	0	Some	1 ^{5,6}	2
MB	Yes	10	Yes	3	Yes	3	Yes	3	10
ON	Yes	10	No	0	No	0	No	0	0
QC	Yes	10	No	0	No	0	No	0	0
NB	No	0	No	0	No	0	No	0	0
NS	Yes	10	Yes	3	No	0	No	0	3
PE	Yes	10	No	0	No	0	No	0	0
NL ²	Some	5	No	0	No	0	No	0	0
YT ³	N/A	Na	N/A	N/A	N/A	N/A	N/A	N/A	Na
NT ³	N/A	Na	N/A	N/A	N/A	N/A	N/A	N/A	Na
NU ³	N/A	Na	N/A	N/A	N/A	N/A	N/A	N/A	Na

Notes:

- Scoring: Yes=10 points, No=0 points.
- While NL will not receive a full score for unlimited allowances, it will be credited for generous allowances.
- The Territories are not scored for this indicator due to concerns expressed related to public health and safety. Regulatory frameworks are in place to promote responsible consumption.
- Three points are given for each type of alcohol (Canadian Wine, Craft Beer, and Spirits) that is allowed for the direct-to-consumer shipment from all Canadian jurisdictions. If all three types of alcohol are permitted, then a score of 10 is given. When alcohol shipment is only allowed from select jurisdictions a partial score (1 or 2, depending on the number of jurisdictions) is given for each type of alcohol.
- Saskatchewan receives a partial score as only British Columbia produced wines can be shipped directly to residents, albeit paperwork does have to be completed, and approved prior to ordering.
- British Columbia and Saskatchewan have a deal where consumers can order craft spirits directly from producers in the other province and have them delivered - both provinces receive partial scores.

Alcohol Importation Limits

Eight provinces — British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, Nova Scotia, and Prince Edward Island — allow their residents to transport alcohol across provincial/territorial boundaries for personal consumption, without any restrictions. Consequently, these provinces earn a score of 10 (see Table 4). While Newfoundland and Labrador maintains limits, the province is credited with partial scoring for generous allowances. New Brunswick scores 0 as it maintains limited allowances.

Interjurisdictional Shipment of Canadian Wine/Craft Beer and Spirits

Jurisdictions that allow the direct-to-consumer shipment of Canadian wine, craft beer, and craft spirits from any Canadian jurisdictions earn a score of 10 (see Table 4).

Manitoba is the only province that is fully open to interjurisdictional alcohol shipments (earning a score of 10) while Nova Scotia and British Columbia allow direct-to-consumer shipments of wine from any jurisdiction. British Columbia and Saskatchewan have a deal allowing consumers to order craft spirits and wine directly from producers in the other province and have them delivered.^{20,21}

No jurisdiction, other than Manitoba, allows the direct-to-consumer interjurisdictional shipping of craft beer. Some provinces and territories and the federal government are working together to assess the feasibility of implementing a direct-to-consumer sales model.²² We look forward to developments that push this important item ahead.

77% of small businesses think Canadians should have the freedom to order Canadian wine, beer, and craft spirits directly from any province or territory without restrictions.

Non-Medical Cannabis and Internal Trade

Like alcoholic beverages, the recreational (non-medical) cannabis industry which emerged after legalization in 2018 also faces challenges in shipping from one province to another. While there are no federal restrictions on the movement of cannabis within Canada, there are provincial/territorial rules that restrict the interjurisdictional distribution and sale of cannabis.

Governments have noted that the inclusion of non-medical cannabis in the CFTA remains a priority item. In fact, the Minister of Intergovernmental Affairs, Infrastructure and Communities highlighted the federal government's leadership on this matter during the unveiling of the Federal Action Plan to Strengthen Internal Trade.²³

CFIB looks forward to further news on these developments to remove barriers to the interjurisdictional trade of non-medical cannabis. Further, CFIB is exploring ways to incorporate this item in future iterations of this report card.

Ease of Doing Business

As noted earlier, businesses seeking to expand operations across jurisdictional borders within Canada experience several challenges. This portion of the select barriers section examines the existence of policies aimed at minimizing barriers to doing business, such as the existence of interjurisdictional business registration fees, the mutual recognition of workers’ compensation registration and occupational health and safety rules.

Table 5

Since the previous edition of this report, there has been little progress to remove barriers pertaining to the ease of doing business

Ease of Doing Business Indicators (10 is best, 0 is worst)

Jur.	Extra-Jurisdictional Business Corporation Registration Fees Waived Across All Prov./Terr. Yes/Some/No ¹	Score	Mutual Recognition of Registration for Workers’ Compensation Yes/Some/No ²	Score	Mutual Recognition of Occupational Health and Safety Rules Yes/Some/No ³	Score
BC	Some	5	No	0	No	0
AB	Some	5	No	0	No	0
SK	Some	5	No	0	No	0
MB	Some	5	No	0	No	0
ON	All	10	No	0	No	0
QC	Some	5	No	0	No	0
NB	Some	5	No	0	No	0
NS	All	10	No	0	No	0
PE	No	0	No	0	No	0
NL	No	0	No	0	No	0
YT	No	0	No	0	No	0
NT	No	0	No	0	No	0
NU	No	0	No	0	No	0

Notes:

- The following point system was applied: Yes=10 points, Some=5, No=0 points. Nova Scotia and Ontario stopped the practice of charging extra-provincial business corporation registration fees. Some provinces have agreements between them which waive extra-jurisdictional registration requirements: (i) BC, AB, SK, MB, (New West Partnership Agreement), (ii) ON and QC (iii), NS and NB.
- The following point system was applied: Yes=10 points, Some=1-9, No=0 points.
- The following point system was applied: Yes=10 points, Some=1-9, No=0 points.

Extra-Jurisdictional Business Registration Fees

Corporations seeking expansion into other Canadian provinces/territories are typically required to pay business registration fees in each jurisdiction, despite already paying those fees in their home jurisdiction. Only two provinces, Ontario and Nova Scotia, eliminated this practice and thus receive a score of 10 (see Table 5). Some provinces streamlined their extra-provincial registration processes through agreements, resulting in no additional registration fees, earning them a score of 5. The remaining jurisdictions do not waive fees at all and receive a score of 0.

Mutual Recognition of Workers' Compensation Registration

Every worker's compensation board across the country has different rules which govern when a business needs to register for coverage. For businesses that perform in multiple jurisdictions, the variance in rules presents a barrier to doing business by creating an additional administrative burden and potentially higher costs.²⁴ In fact, 42% of businesses that operate in other Canadian jurisdictions identify registering their business and employees in workers' compensation outside their home/territory as a major challenge.²⁵ Further, nearly three in four business owners agree that registering for workers' compensation in one province/territory should permit workers to work in all provinces/territories.²⁶

One approach that would help to reduce costs and red tape for those trying to run their business across provincial boundaries is for provinces/territories to mutually recognize each other's workers' compensation registration practices (with the opportunity for exceptions). If a business and its workers meet workers' compensation registration standards in one jurisdiction, this would be sufficient for other jurisdictions in which the business operates.

Presently, no jurisdiction in Canada recognizes registration requirements for workers' compensation across other jurisdictions, and as such all jurisdictions receive a score of 0 (see Table 5).

Mutual Recognition of Occupational Health and Safety Rules

Like workers' compensation registration requirements, occupational health and safety (OHS) requirements and standards vary from one province/territory to another, making it challenging for businesses to ensure they comply when operating in multiple jurisdictions. For instance, a business with workers in more than one jurisdiction may find that their employees' equipment, training, education, or credentials are not transportable.

Progress across the country to adopt common standards (or harmonize) for items such as first aid kits, head protection, and hearing protection, among others, serve as an important step for reducing barriers. Harmonizing one item at a time, however, has proven to be a slow process. As such, mutually recognizing OHS rules from other jurisdictions (with the opportunity for exceptions) serves as a more effective way to simplify regulatory requirements — allowing businesses to work more seamlessly across provincial borders, while still protecting the health and safety of workers.

No province/territory presently recognizes all OHS rules from other jurisdictions, and as such all provinces/territories score 0 (see Table 5).

Promising Developments with the Ease of Doing Business

Ontario has recently (2021) recognized fall protection training certificates from Newfoundland and Labrador workers, permitting them to work in Ontario.²⁷ While this is not full mutual recognition of OHS rules from all jurisdictions, moving unilaterally to recognize standards from other jurisdictions is a good first step in

the right direction. Building on this action these provinces should strive to recognize fall protection training certificates from other jurisdictions in Canada.

In Atlantic Canada, Premiers have recently signed the *Atlantic Technical Safety Agreement* which focuses on standardizing training, certification, and licensing requirements for tradespeople, including fuel technicians, power engineers, and elevator mechanics, among others.²⁸ Additionally, it seeks to foster the harmonization or mutual recognition of safety standards, when applicable, and to expedite the registration process. We applaud the collaborative agreement as a positive and proactive approach to improving conditions for tradespeople in Atlantic Canada, and we eagerly anticipate its implementation and the positive outcomes it will bring.

Barriers to Labour Mobility

Generally, the CFTA allows for certified workers to work anywhere in Canada without undergoing further training, testing, or assessments. However, governments can post exceptions to the movement of certified workers across jurisdictions when certification requirements or occupational standards are distinct from one jurisdiction to another, and the exception must be justified by a legitimate objective (e.g., public safety and security, consumer protection, protection of the health, safety, and well-being of workers).²⁹ For example, in some jurisdictions dental hygienists give injections for dental freezing, while in other jurisdictions this task is not part of their job. As such, a dental hygienist who wants to practice in a jurisdiction where dental freezing is part of the job may need to take additional training.

Limiting the ability of skilled professionals with relevant experience in one province/territory from working in another can have a detrimental effect on a worker's ability to seek employment opportunities across different jurisdictions. Moreover, this restriction also poses challenges for jurisdictions facing labour

shortages. As noted earlier, re-certification of skills is a major challenge and barrier for businesses looking to employ workers from outside their home province. Therefore, it is not surprising that nine in ten businesses agree a professional license or certification obtained in one jurisdiction should be automatically recognized in all other jurisdictions.³⁰

Alberta currently has the highest number of labour mobility exceptions, standing at nine, while Manitoba has the fewest with only one exception. Recognizing the potential impact of these exceptions, it is crucial for governments to actively strive towards reducing or narrowing them whenever feasible. Exceptions by jurisdiction and occupation are listed in Appendix B.

The complexity and variability of labour mobility exceptions across different jurisdictions and occupations make it challenging to establish a standardized grading system that accurately reflects the overall landscape. Consequently, our report card does not yet grade the overall number of exceptions. Instead we have focused on two labour mobility indicators: the existence of timeframes for personal certification approval, and full labour mobility of licensed practical nurses (see Table 6). This targeted approach allows us to effectively highlight and advocate for improvements in high-visibility areas, which are crucial for facilitating smooth labour mobility across jurisdictions.

Table 6

Manitoba and Saskatchewan recently established timelines for regulatory bodies to respond to registration applications, and seven jurisdictions allow for full labour mobility of licensed practical nurses.

Barriers to Labour Mobility Indicators (10 is best, 0 is worst)

Jur.	Timeline for Professional Certification Approval of Workers Certified in Other Canadian Jurisdictions Yes/Some/No ¹	Score	Full Labour Mobility of Licensed Practical Nurses Yes/Some/No ²	Score
BC	No	0	Yes	10
AB	Yes	10	Some	3
SK	Yes	10	Some	1
MB	Yes	10	Some	3
ON	Yes	10	Some	9
QC	No	0	Yes	10
NB	Some	5	Yes	10
NS	No	0	Some	8
PE	No	0	Yes	10
NL	No	0	Some	6
YT	Some	5	Yes	10
NT	No	0	Yes	10
NU	No	0	Yes	10

Note:

1. The following point system was applied: Yes=10 points, Some=1-9, No=0 points. AB — within 20 business days; SK — examining timeframes for registration; MB — within 30 days of receiving application from the domestic labour mobility applicant; ON — within 30 business days applies to 14 regulated professions; NB — examining timeframes for registration; YT — The department responsible for professional licensing has a service standard in place to process applications within ten business days, even though there are no specific laws or rules regarding the processing time.

2. The following point system was applied: Yes=10 points, Some=1-9, No=0 points. The higher the score the fewer the number of jurisdictions whose workers are affected, for a listing of affected jurisdictions see Appendix B.

Professional Certification Approval

Certain occupations in Canada are subject to provincial/territorial legislation that mandates workers to hold certification/licensing in the province/territory they practice in. This can create barriers for workers seeking to practice their profession in a different jurisdiction, resulting in lengthy administrative registration requirements, additional testing, and processing fees. In fact, interprovincial certification recognition is a significant challenge for 40% of businesses operating in other Canadian jurisdictions, primarily due to the associated costs, wait times, and paperwork.³¹

This indicator examines the existence of timelines for registration decisions in different provinces and territories. Some jurisdictions have legislation and/or regulations in place that provide clarity and transparency regarding registration decisions ensuring that decisions are made in a timely manner. Manitoba³² and Saskatchewan³³ are the most recent provinces to establish timelines for regulatory bodies to respond to registration applications. As a result, Alberta, Manitoba, Saskatchewan, and Ontario receive the highest score as these provinces have timelines for registration decisions — 20 business days in Alberta and Saskatchewan, and 30 business days in Manitoba and Ontario (see Table 6). New Brunswick and the Yukon receive partial scores for their efforts. New Brunswick is commended for their commitment to work with regulatory bodies to examine timeframes for registration decisions. Similarly, the Yukon has taken a commendable step by setting a service standard within its department for processing applications, ensuring a timeframe of ten business days, even though this standard is not mandated by legislation or regulation.

Labour Mobility Exceptions in Healthcare

The shortage of healthcare professionals, specifically nurses, across provinces and territories continues to be a significant concern impacting the delivery of healthcare services in many regions of the country. Indeed, in the fourth quarter of 2022, most vacancies in healthcare were concentrated in three nursing occupations. These included registered nurses and registered psychiatric nurses, with a year-over-year increase of 4,800 vacancies, marking a significant rise of 21%. Licensed practical nurses (LPNs) and nurse aides, orderlies, and patient service associates also experienced a surge in vacancies, with an increase of 2,300 vacancies each, representing a rise of 22% and 11%, respectively. Collectively, these three occupations accounted for over two-thirds (68.8%) of all health occupation vacancies during the period.³⁴

Ensuring access to quality healthcare services is a fundamental right for all Canadians. However, a shortage of essential healthcare workers, including nurses, can significantly impact patient outcomes. To address this issue, we aim to build on our previous work³⁵ of assessing bottlenecks in the healthcare sector by identifying and evaluating labour mobility barriers for nurses. Through this effort, we hope to contribute to the ongoing debate on healthcare reform by finding ways to enhance access to healthcare services, alleviate the burden on the healthcare system, and ensure that patients receive the care they need.

This indicator aims to shed light on the extent to which LPNs can move between jurisdictions. Although LPNs may share the same title nationwide, their roles and responsibilities can vary, and they may require further training to accommodate expanded scopes of practice. The higher the score for this indicator, the fewer the number of jurisdictions whose workers are affected.

Presently, seven jurisdictions allow for full labour mobility of licensed practical nurses and earn 10 points — British Columbia, Quebec, New Brunswick, Prince Edward Island, Yukon, Northwest Territories and Nunavut (see Table 6). The remaining jurisdictions receive partial scores; for instance, Ontario receives the highest partial score, as presently only LPNs from Quebec must meet additional requirements before working in the province — see Appendix B for details.

A striking 90% of business owners are in favour of the automatic recognition of professional licenses or certifications obtained in one jurisdiction across all jurisdictions.

Innovative Initiatives in Multi-Jurisdictional Licensing

One approach that can be taken, rather than preventing health-care professionals from practicing in a province/territory if they do not meet all the necessary requirements, is for jurisdictions to allow health care workers to practice, with task-specific restrictions (i.e. restricted license). Building upon the previous example, the dental hygienist would then be allowed to work in any province. However, if they lacked training in certain procedures, such as administering local anesthesia, they would be restricted from performing that part of the job until trained in that area.

To foster increased labour mobility across Canadian jurisdictions, some provinces have taken innovative steps towards the automatic recognition of licenses and certifications. The Ontario government, for example, introduced and passed legislation that will allow Canadian healthcare workers who are already registered or licensed in a different Canadian jurisdiction to practice in Ontario immediately, without having to first register with one of Ontario's health regulatory colleges.³⁶ This work is a critical first step towards a pan-Canadian portable registration model for health care professionals.

In addition, the Atlantic provinces have introduced the innovative Atlantic Physician Registry.³⁷ This registry offers a streamlined approach for physicians seeking to practice in multiple provinces within the region. Instead of having to navigate the process of obtaining individual licenses from each provincial college, physicians can now choose to opt into the registry and gain the flexibility to work in any of the four provinces for a single annual fee, without additional licensing requirements. Such an approach not only reduces the administrative burden of physicians looking to work in multiple provinces, but also facilitates greater mobility and collaboration among healthcare professionals throughout the Atlantic provinces.

Reconciliation Agreements

This section centres on the work of the Regulatory Reconciliation and Cooperation Table (RCT). The RCT is a federal-provincial-territorial body that provides a forum for governments to resolve internal trade barriers to business operations created by existing rules and processes.

The RCT released its fifth annual work plan in 2023, and to date, 17 of the 30 items on the RCT work plan have been completed since 2017.³⁸ Of these items, 16 were completed by way of a reconciliation agreement, and nine items from reconciliation agreements have been fully implemented by all jurisdictions — representing about 30% of the RCT’s workplan. This suggests a bolder and faster approach is needed to help address existing barriers.

This section presents the progress made by each jurisdiction to implement their respective RCT items from endorsed agreements only. A score of 10 is given for each item that is implemented, while a score of 5 is given if implementation is underway.³⁹ Overall, Manitoba, Nova Scotia, and BC score the highest as the provinces have implemented most items from ratified agreements they are participating in (see Table 7, and Appendix C for jurisdictional breakdown by items from ratified agreements). The federal government is also graded in this section, as it is presently participating in and has implemented 11 of the 12 items from the ratified agreements.

RCT Reporting and Transparency

While the RCT is doing meaningful work to address barriers to trade, its reporting requires significant improvement. To foster a culture of transparency and accountability regarding reconciliation agreements, it is essential to provide regular, detailed, and transparent public reports on the progress made by each level of government. These reports should encompass the endorsement of

reconciliation agreements as well as the status of their implementation. Additionally, it is crucial that these progress reports are easily accessible in a readily identifiable location.

Table 7

Manitoba scores the highest as the province has implemented all 13 items from the ratified agreements they are participating in

Status of Items from Reconciliation Agreements, Score and Grade (10 is best, 0 is worst)^{1,2}

Jur.	Number of Items from Ratified Agreements	Total Items Implemented	Total Items Underway	Score	Grade
MB	13	13	0	10.0	A
NS	13	12	1	9.6	A
BC	12	11	1	9.6	A
Fed	12	11	1	9.6	A
AB	11	10	1	9.5	A
SK	11	10	1	9.5	A
ON	13	11	2	9.2	A
QC	13	11	2	9.2	A
YT	11	9	2	9.1	A
NT	11	9	2	9.1	A
NU	11	9	2	9.1	A
NL	12	9	3	8.8	A-
PEI	11	8	3	8.6	B+
NB	12	7	5	7.9	B

Notes:

1. The implementation status of completed agreements is defined as: Implemented (IM) — government has met the requirements of the agreement; Underway (UW) — government is either in the process of signing the agreement or has signed the agreement but the requirements of the agreement have yet to be met.
2. The following point system was applied: Implemented=10 points, Underway=5 points.

Internal Trade and the Federal Government

In this report card, the federal government is only graded on their CFTA exceptions for procurement and for their work at the RCT. However, given that internal trade barriers present a collective problem to the country, the federal government plays a critical role not only by advancing internal trade in the areas it governs, but by prioritizing its commitment to reduce trade barriers by collaborating with provinces/territories to accelerate meaningful progress.

Recently, the federal government introduced a new strategy to take a leadership role in reducing trade barriers – the *Federal Action Plan to Strengthen Internal Trade*.⁴⁰ The Plan outlines five key elements including reviewing CFTA exceptions, identifying barriers to internal trade, and providing data on internal trade (see Figure 5). Further, in its 2023 Budget the federal government committed itself to

lead federal, provincial, and territorial efforts to explore mutual recognition of regulatory standards to ensure that goods and services can move more freely, including the development of a *Federal Framework on Mutual Recognition*.⁴¹ With such action, the federal government intends to establish a clear roadmap to reach an agreement in a timely way that has quantifiable and verifiable targets.

CFIB applauds the announcement of a new Federal Action Plan to Strengthen Internal Trade and the Federal Framework on Mutual Recognition. These new strategies include elements that should help identify critical information on internal trade, and understand where efforts could be directed to make the biggest impact to liberalize trade. However, while these plans present steps in the right direction on the part of the federal government, many barriers still exist, and much work remains to be done to ensure actions are felt on the ground.

Figure 5

Key Elements of the Federal Action Plan to Strengthen Internal Trade



Review CFTA Exceptions

- 1 Review of the Federal exceptions within the CFTA to eliminate unnecessary barriers



Open and Accessible Data

- 2 Creation of an Internal Trade Information Hub aimed at providing data on internal trade .



Stakeholder Engagement

- 3 Working with experts/stakeholders to identify obstacles; and creating an online platform for feedback



Barrier Identification

- 4 Conduct solution driven research to identify barriers in key sectors



Enhance Internal Trade Secretariat(ITS)

- 5 Enhance the ITS and RCT to advance regulatory and internal trade cooperative efforts

The Federal Action Plan to Strengthen Internal Trade and the Federal Framework on Mutual Recognition are positive steps towards liberalizing trade within Canada.

Federal Government and Regulatory Reconciliation

Meat Inspection

Meat processed in provincially licensed plants can only be sold within provincial borders; only federally registered plants can sell meat products across provincial borders. For small and medium-sized processors, achieving federal standards can prove to be expensive and challenging, creating a disincentive to expand their operations.⁴² In fact, 77% of businesses believe provincially licensed/inspected meat producers should be able to sell their products across provincial/territorial borders.⁴³

Recently, the federal government has taken steps to explore solutions to this ongoing challenge. In January 2023, the Canadian Food Inspection Agency (CFIA), working with the Alberta and Saskatchewan governments, launched a two-year pilot project to alleviate the challenges of interprovincial food trade in Lloydminster, a city that straddles the Saskatchewan and Alberta border. Under the **Lloydminster Food Trade Pilot Project**, routinely inspected businesses licensed at the provincial level may trade within the city limits of Lloydminster as if there was no provincial border.⁴⁴ To be included in the pilot meat must meet the requirements to be legally sold in the province in which it was produced.

The pilot project provides an opportunity to not only address the unique situation of border towns, but to set a precedent and inspire further changes that facilitate internal trade. To this end, **CFIB recommends the federal government mutually recognize provincial standards of meat inspection** (with the opportunity for exceptions). By recognizing provincial standards as a valid form of inspection, meat processors would be able to access new markets and sell their product across provincial borders.

Most businesses, specifically 8 out of 10, support the notion that meat producers who are licensed and inspected at the provincial level should have the ability to sell their products across Canada.

Recommendations

Mutual Recognition

CFIB recommends governments across Canada move quickly to adopt a mutual recognition agreement encompassing all federal, provincial, and territorial regulatory measures that impose requirements on the sale or use of all goods and services — such that any good or service that may be sold or used in one province may be readily sold or used in all other provinces and territories without having to meet any additional requirements.

Canada’s premiers reiterated their commitment to removing internal trade and labour mobility barriers at the last meeting of the Council of the Federation. In their statement, we particularly note their direction to the RCT to “accelerate work underway on developing a potential model for mutual recognition of regulations with a negative option list.”⁴⁵ We hope the RCT takes this direction seriously as it continues through its Work Plan with support from trade ministers from across the country.

The Alberta government recently commissioned a research study of the benefits of mutual recognition in Canada — the report found mutual recognition could increase Canada’s economy by between 4.4 and 7.9 per cent, or an additional \$110 to \$200 billion in economic output per year over the long term.⁴⁶

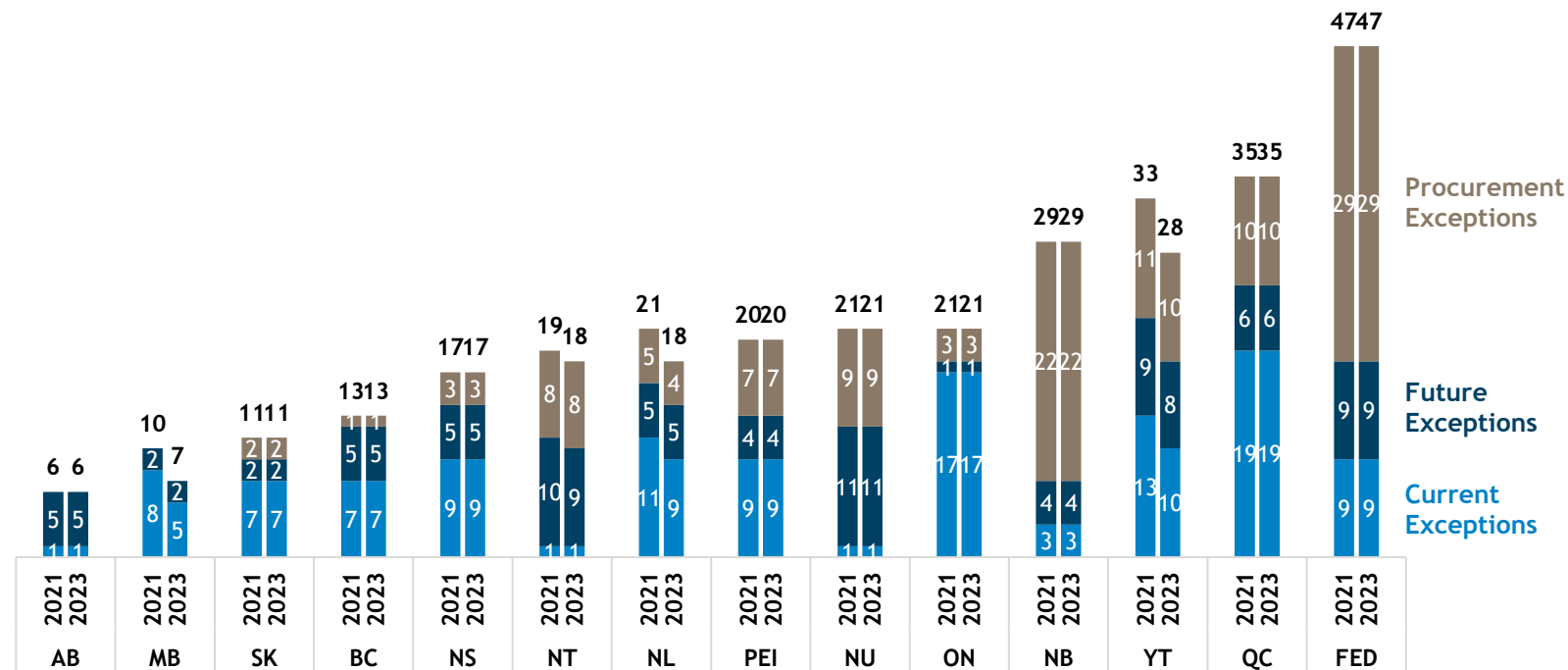
Without a bold, clear signal, uncertainties over whether any good or service may be sold across the country will continue to negatively impact business and investment decisions.

Other recommendations

- 1. Move unilaterally:** A significant issue with internal trade is that governments hesitate to remove barriers until other governments agree to do so also. This protectionist attitude slows progress. Some governments fear others will not follow their lead, but this is simply not the case. CFIB encourages governments to be leaders in removing barriers unilaterally.
- 2. Provide better data and more transparency:**
 - Regarding the implementation of RCT items, there is a real need for better and more transparent data — not just on the process by which governments plan to remove barriers, but on status and outcomes. CFIB recommends governments and the RCT provide more public facing data to help progress on interprovincial/territorial cooperation.
 - With regards to exceptions to the CFTA, a more mature evidence base is needed, one which allows for more thorough comparative analysis of the effects that exceptions pose — including the costs associated with their inclusion in the CFTA.
- 3. Develop a better structure for stakeholder engagement:** While we recognize COVID-19 has been the focus of governments over the last two years, it is now time to shift priority to the economy, including reducing internal trade barriers. There is currently no formal method for stakeholders to submit feedback to government on their progress or on barrier headaches that arise. CFIB recommends governments develop a better structure for regular stakeholder engagement.

Appendix A: CFTA Exceptions by Jurisdiction

Total Number of Exceptions to the CFTA 2021 and 2023, By Jurisdiction — Ascending Order by Total Number of Exceptions in 2021



Sources: Canadian Free Trade Agreement, Consolidated Version, January 31, 2023; Canadian Free Trade Agreement, Consolidated Version, September 2021.

Note: Exceptions eliminated: YT — Current exceptions: authorizations relating to agriculture, grazing and forestry (e.g., limiting ownership based on residence); future exceptions: recycling services; NT — Future exceptions: rules on electricity transmission service providers and trade in electricity transmission services; MB — Current exceptions: for naming and business activity restrictions for corporations providing land-surveying services; office and practice location requirements for inter-jurisdictional law firms; and residency requirements for individuals applying for wild rice harvesting and export licences; NL — Current exceptions: only permanent residents of NL are eligible to receive residential cottage licences for Crown Land, Measure allowing the Government of NL to issue Special Project Orders. Removed a procurement exception for representation purposes.

Appendix B: Labour Mobility Exceptions

Jurisdiction	No. of Exceptions	Occupation(s)
BC	1	<ul style="list-style-type: none"> Lawyers
AB	9	<ul style="list-style-type: none"> Dental Hygienists - Anesthetic Dental Hygienists - Prescribing Licensed Practical Nurses (affected jurisdictions: SK, ON, QC, NL, NB, PE, NS, YT, NT) Medical Radiation Technologists Nurse Practitioner
SK	4	<ul style="list-style-type: none"> Dental Hygienist Paramedic (EMR/PCP/ACP)
MB	1	<ul style="list-style-type: none"> Licensed Practical Nurses (affected jurisdictions: SK, ON, QC, NS, PE, NB, NL, YT, NT)
ON	5	<ul style="list-style-type: none"> Dental Hygienists Drinking Water System Operators - Class 1 Lawyers
QC	4	<ul style="list-style-type: none"> Denturist Lawyers
NB	2	<ul style="list-style-type: none"> Lawyers
NL	4	<ul style="list-style-type: none"> Dental Hygienist Lawyers
PEI	2	<ul style="list-style-type: none"> Lawyers
NS	5	<ul style="list-style-type: none"> Dental Hygienist Lawyers Licensed Practical Nurses (affected jurisdictions: ON, QC)
YT	1	<ul style="list-style-type: none"> Lawyers
NT	1	<ul style="list-style-type: none"> Lawyers

Source: Labour Mobility Working Group website, workersmobility.ca.

Appendix C: Status of Items from Reconciliation Agreements

	MB	NS	BC	FED	SK	AB	ON	QC	YT	NT	NU	NL	PE	NB
Score and Grade	10	9.6	9.6	9.6	9.5	9.5	9.2	9.2	9.1	9.1	9.1	8.8	8.6	7.9
	A	A	A	A	A	A	A	A	A	A	A	A-	B+	B
1. First Aid Kits	IM (10)	IM (10)	IM (10)	UW (5)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)
2. Hearing Protection*	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)
3. Personal Flotation Devices*	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)
4. Head, Foot, and Eye Protection*	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)
5. First Aid Training	IM (10)	IM (10)	UW (5)	NA -	UW (5)	IM (10)	UW (5)	UW (5)	IM (10)	IM (10)	IM (10)	IM (10)	UW (5)	UW (5)
6. Fall Protection Equipment	IM (10)	IM (10)	IM (10)	NA -	IM (10)	IM (10)	UW (5)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)
7. Wide-base Single Tires*	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)
8. Truck Driver Certification Entry-Level Training	IM (10)	UW (5)	IM (10)	NA -	IM (10)	IM (10)	IM (10)	UW (5)	UW (5)	IM (10)	IM (10)	UW (5)	UW (5)	UW (5)
9. Construction Codes**	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)
10. CRN for Pressure Equipment	IM (10)	IM (10)	IM (10)	NA -	IM (10)	UW (5)	IM (10)	IM (10)	IM (10)	UW (5)	UW (5)	UW (5)	IM (10)	UW (5)
11. Energy Efficiency Standards for Household Appliances	IM (10)	IM (10)	IM (10)	IM (10)	NA -	NA -	IM (10)	IM (10)	NA -	NA -	NA -	NA -	NA -	UW (5)
12. Aquaculture Site Marking*	NA -	IM (10)	NA -	IM (10)	NA -	NA -	NA -	NA -	NA -	NA -	NA -	IM (10)	NA -	NA -
13. Aquaculture Organic Labelling*	NA -	NA -	NA -	IM (10)	NA -	NA -	NA -	NA -	NA -	NA -	NA -	NA -	NA -	NA -
14. Grade Inspection for Produce*	NA -	NA -	NA -	IM (10)	NA -	NA -	NA -	NA -	NA -	NA -	NA -	NA -	NA -	NA -
15. Corporate Registry	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	IM (10)	UW (5)	UW (5)	UW (5)	UW (5)	UW (5)	UW (5)
16. Upholstered and Stuffed Articles*	IM (10)	NA -	NA -	IM (10)	NA -	NA -	IM (10)	IM (10)	NA -	NA -	NA -	NA -	NA -	NA -
Number of items Implemented	13	12	11	11	10	10	11	11	9	9	9	9	8	7
Number of Items Underway	0	1	1	1	1	1	2	2	2	2	2	3	3	5

Sources: Canadian Free Trade Agreement website; Through correspondence with government officials.

Legend/Scoring: Implemented (IM) = 10 points – government has met the requirements of the agreement; Underway (UW) = 5 points – government is either in the process of signing the agreement or has signed the agreement but the requirements of the agreement have yet to be met; Not applicable (NA) – government did not participate in the agreement or government did not have a regulation to reconcile, as such no score is given if there is no regulation to harmonize or acceptable rationale is provided. *Item implemented by all participating jurisdictions. +National construction codes are updated every 5 years; a plan has been implemented to meet obligations for existing codes and for the automatic adoption of future codes.

Appendix D: Methodology

The 2022 *Interprovincial Cooperation Report Card* uses an index approach to measure and rank the performance of Canada's provinces/territories towards addressing barriers to internal trade based on three major areas of interprovincial/territorial cooperation or subindexes. These subindexes represent either a composite of multiple indicator scores, or a stand-alone value.

Areas of Interprovincial/Territorial Cooperation and Indicators

1. CFTA Exceptions - Stand alone score

1 Indicator:

- I. Total Number of Exceptions to the CFTA in 2023

2. Select Barriers to Internal Trade - Composite score

7 Indicators:

Barriers to Trade in Alcoholic Beverages Indicators:

- I. Unlimited Import of Alcohol for Personal Consumption
- II. Direct-to-Consumer Interjurisdictional Shipment of Canadian Wine/Craft Beer and Spirits

Ease of Doing Business Indicators:

- I. Extra-Jurisdictional Business Registration Fees Waived Across All Provinces/Territories
- II. Mutual Recognition of Registration Requirements for Workers' Compensation
- III. Mutual Recognition of Occupational Health and Safety Rules

Labour Mobility Indicators:

- I. Timeline for Professional Certification Approval of Workers Certified in Other Canadian Jurisdictions
- II. Full Labour Mobility of Licensed Practical Nurses

3. Implementation Status of Reconciliation Agreements - Composite score

16 regulatory reconciliation items:

- **Occupational Health and Safety:**
 - i. First Aid Kits
 - ii. Hearing Protection
 - iii. Personal Flotation Devices
 - iv. Head, Foot, and Eye Protection
- **Occupational Health and Safety:**
 - v. First Aid Training
 - vi. Fall Protection
 - vii. **Transport:** Wide-Base Single Tires
 - viii. **Transport:** Truck Driver Certification Entry-Level Training
 - ix. **Standards and Codes:** Construction Codes
 - x. **Technical Safety:** CRN for Pressure Vessels
 - xi. **Standards and Codes:** Energy Efficiency Standards for Household Appliances
 - xii. **Agriculture / Agri-Food / Aquaculture:** Aquaculture Site Marking
 - xiii. **Agriculture / Agri-Food / Aquaculture:** Aquaculture Organic Labelling
 - xiv. **Agriculture / Agri-Food / Aquaculture:** Grade Inspection for Produce
 - xv. **Regulatory Requirements:** Corporate Registry
 - xvi. **Textiles / Upholstery:** Upholstered and Stuffed Articles

Types of Indicators

The Report Card contains both scalar and binary indicators.

On each scalar indicator, the province/territory with the best performance for an indicator (lowest or highest, depending on the indicator) receives the maximum score of 10, while the province/territory with the worst performance receives a score of 0. All other scores are based on the scale formed by these two values.

*When an indicator receives a lower score for a higher value or a higher score for a lower value the formula used is: $10 - ((x - \text{min}) / (\text{max} - \text{min})) * 10$*

*When an indicator receives a lower score for a lower value, or a higher score for a higher value the formula used is: $(x - \text{min}) / (\text{max} - \text{min}) * 10$*

Where x = the score to be calculated; and Min and max are the minimum and maximum of the range of indicators.

Binary indicators typically have a value of either 0 or 10. We acknowledge that combining scalar and binary indicators with equal weight within a subindex may be problematic, because the extreme valuation of the binary indicator can significantly influence the results. However, the several binary indicators used are of such importance to small businesses that they warrant their valuation.

There are instances where the scoring of the indicator is represented by a range of values with extremes 0 or 10, and intermediate values ranging from 1-9 for example.⁴⁷

Report Card Grading Scale and Weighting

Each subindex is scored on a scale of zero (worst) to ten (best), and the numeric value is converted to a letter grade using an academic style grading system with the following ranges:

A	9.0-10 (Excellent performance)	C	6.6-7.0 (Satisfactory performance)
A-	8.7-8.9 (Excellent performance)	C-	6.0-6.5 (Satisfactory performance)
B+	8.4-8.6 (Good performance)	D	4.0-5.9 (Less than satisfactory performance)
B	7.8-8.3 (Good performance)	F	0-3.9 (Unsatisfactory performance)
B-	7.5-7.7 (Good performance)		
C+	7.1-7.4 (Satisfactory performance)		

Using a weighting scheme, the three subindex scores are combined into a single score that allows for a ranking of jurisdictions from best (highest score) to worst (lowest score). The three different areas are assigned the following weights: CFTA Exceptions — 40%; Implementation Status of Reconciliation Agreements — 40%; and Select Barriers to Internal Trade — 20%. A lower relative weight was given to the select barriers area as the relevance of this metric may not have been fully grasped by jurisdictions at the time of this report.

In the case of the federal government the score was based only two areas — CFTA exceptions and the Implementation Status of Reconciliation Agreements, weighted at 50% each. The select barriers area was not available for this analysis.

The data reflected in this report are based on information that was in effect as of June 29, 2023.

2023 Changes in Methodology

The main changes in methodology between the 2023 and 2022 report card are described below.

Interjurisdictional barriers to internal trade subindex

- Addition of labour mobility category
 - Existing indicator moved into this category: *Timeline for Professional Certification Approval of Workers Certified in Other Canadian Jurisdictions*
 - Addition of the following indicator: *Full Labour Mobility of Licensed Practical Nurses*

Implementation status of reconciliation agreements subindex

- 16 regulatory reconciliation items from RCT ratified agreements have been included.
 - In 2022, this section presented the progress made by each jurisdiction to implement the 11 items from the remaining 8 endorsed agreements that were at separate stages of implementation.

Grading

- Letter grade D (4.0-5.9) replaces D- (4.0-5.0), D (5.1-5.4), and D+ (5.5-6.0).

Endnotes

¹ CFIB, Your Voice - September 2022 survey, September 8-26, 2022, n = 3,679.

² Government of Canada. News release: Minister LeBlanc Releases Federal Action Plan to Strengthen Internal Trade. <https://www.canada.ca/en/intergovernmental-affairs/news/2022/12/minister-leblanc-releases-federal-action-plan-to-strengthen-internal-trade.html/> Accessed: March 11, 2023.

³ Canadian Free Trade Agreement. Regulatory Reconciliation and Cooperation Table, 2022 Annual Report. <https://www.cfta-alec.ca/wp-content/uploads/2023/03/RCT-2022-Annual-Report.pdf>. Accessed: March 29, 2023.

⁴ Lloydminster Chamber of Commerce. Lloydminster Food Trade Pilot. <https://www.lloydminsterchamber.com/lloydminster-food-trade-pilot/>. Accessed: March 10, 2023.

⁵ Mutual recognition is a framework wherein an item of commerce that meets the regulatory requirements of one provincial or territorial government is deemed to automatically satisfy the requirements of another.

⁶ Alberta Government. News release: Alberta to explore mutual recognition of provincial regulations. <https://www.alberta.ca/release.cfm?xID=83249841CDE91-C1F0-787C-F3BAC163E78220F3>. Accessed: March 13, 2023.

⁷ Ryan Manucha and Trevor Tombe. Macdonald Laurier Institute. Liberalizing internal trade through mutual recognition: A legal and economic analysis. https://macdonaldlaurier.ca/wp-content/uploads/2022/09/20220911_Interprovincial_trade_Manuch_Tombe_PAPER_FWeb.pdf Accessed: March 11, 2023.

⁸ Government of Ontario. News Release: New “As of Right” Rules a First in Canada to Attract More Health Care Workers to Ontario. <https://news.ontario.ca/en/release/1002650/new-as-of-right-rules-a-first-in-canada-to-attract-more-health-care-workers-to-ontario>. Accessed: March 30, 2023.

⁹ Manitoba Government. Manitoba Government Reducing More Barriers to Canadian Internal Trade. <https://news.gov.mb.ca/news/index.html?item=57497&posted=2023-01-12>. Accessed March 11, 2023.

¹⁰ Government of Yukon. News release: Minister Pillai chairs annual Committee on Internal Trade meeting in Toronto. <https://yukon.ca/en/news/minister-pillai-chairs-annual-committee-internal-trade-meeting-toronto>. Accessed: March 11, 2023.

¹¹ The Council of the Federation. News release: Canada's Premiers Discuss Affordability and Global Challenges, July 12, 2022. <https://www.canadaspremiers.ca/summer-meeting-july-11-12-2022-victoria-british-columbia/>. Accessed: March 15, 2023.

¹² CFIB, Your Voice - September 2022 survey, September 8-26, 2022, n = 3,679.

¹³ CFIB, Your Voice - September 2022 survey, September 8-26, 2022, n = 244.

¹⁴ New West Partnership Trade Agreement. Part II, Section C, Article 14: Procurement. http://www.newwestpartnershiptrade.ca/pdf/NWPTA_May_26_2022.pdf#PartV Accessed: March 30, 2023

¹⁵ New West Partnership Trade Agreement. Benefits http://www.newwestpartnershiptrade.ca/the_agreement_benefits.asp. Accessed: March 30, 2023

¹⁶ Exceptions to existing measures are general measures applicable to goods or services. Exceptions for future measures allow governments to protect future activity in sectors like energy, fisheries, and agriculture.

¹⁷ Federal government contends that their exceptions account for matters of national security and international market access, and that very few exceptions in the CFTA present a meaningful barrier to internal trade. Regardless, it is important to reduce or narrow these exceptions, particularly in procurement, which can affect doing business across the country.

¹⁸ Sarah Pittman, Carlo Dade and Martha Hall Findlay. Toilet Seats, Trucking and Other Trade Tie-ups. A new solution to the old problem of Canadian internal trade. Canada West Foundation. <https://cwf.ca/research/publications/report-toilet-seats-trucking-and-other-trade-tie-ups-anew-solution-to-the-old-problem-of-canadian-internal-trade>. Accessed: May 24, 2023.

¹⁹ The Council of the Federation. News release: Canada's Premiers Discuss Affordability and Global Challenges, July 12, 2022. <https://www.canadapremiers.ca/summer-meeting-july-11-12-2022-victoria-british-columbia/>. Accessed: March 15, 2023.

²⁰ Saskatchewan Liquor and Gaming Authority. Importing Alcohol from Outside the Province. <https://www.sлга.com/permits-and-licences/liquor-permits/importing-alcohol>. Accessed: May 25, 2022.

²¹ Government of Saskatchewan. B.C. and Saskatchewan Remove Barriers on Canadian Wine and Craft Spirits. <https://www.saskatchewan.ca/government/news-and-media/2014/august/29/bc-and-sask-wine-and-craft-spirits>. Accessed: May 25, 2022.

²² Canada Free Trade Agreement. Federal Provincial Territorial Action Plan Trade in Alcoholic Beverages. <https://www.cfta-alec.ca/trade-in-alcoholic-beverages/>. Accessed : March 18, 2023

²³ Government of Canada. News release: Minister LeBlanc Releases Federal Action Plan to Strengthen Internal Trade. <https://www.canada.ca/en/intergovernmental-affairs/news/2022/12/minister-leblanc-releases-federal-action-plan-to-strengthen-internal-trade.html>/ Accessed: March 11, 2023.

²⁴ As part of the *Interjurisdictional Agreement on Workers Compensation*, businesses only pay assessments in a province or territory where work is performed (no double assessment).

²⁵ CFIB, Your Voice - September 2022 survey, September 8-26, 2022, n = 3,679.

²⁶ Ibid.

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²⁸ Council of Atlantic Premiers. Atlantic Premiers Sign Technical Safety Agreement. <https://cap-cpma.ca/atlantic-premiers-sign-technical-safety-agreement/>. Accessed: June 29, 2023.

²⁹ Labour Mobility Working Group website. Labour Mobility. <https://www.cfta-alec.ca/labour-mobility/>

³⁰ CFIB, Your Voice - September 2022 survey, September 8-26, 2022, n = 3,679.

³¹ CFIB, Your Voice - September 2022 survey, September 8-26, 2022, n = 244.

³² Government of Manitoba. Bill 36 The Fair Registration Practices in Regulated Professions Amendment Act. <https://web2.gov.mb.ca/bills/42-5/b036e.php>. Accessed: April 4, 2023.

³³ Government of Saskatchewan. Labour Mobility and Fair Registration Practices Regulations, SR 88/2022. <https://publications.saskatchewan.ca/#/products/119885>. Accessed: April 5, 2023.

³⁴ Statistics Canada. March 21, 2023. Job vacancies, fourth quarter 2022. The Daily. <https://www150.statcan.gc.ca/n1/daily-quotidien/230321/dq230321b-eng.htm>. Accessed: April 16, 2023.

³⁵ CFIB, 2023. Patients before paperwork. https://20336445.fs1.hubspotusercontent-na1.net/hubfs/20336445/research/reports/2023/Patients_Before_Paperwork_Report_2023.pdf. Accessed: April 16, 2023

³⁶ Government of Ontario. News Release: New “As of Right” Rules a First in Canada to Attract More Health Care Workers to Ontario. <https://news.ontario.ca/en/release/1002650/new-as-of-right-rules-a-first-in-canada-to-attract-more-health-care-workers-to-ontario>. Accessed: March 30, 2023.

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³⁸ Canadian Free Trade Agreement. Regulatory Reconciliation and Cooperation Table, 2023 Annual Report. <https://www.cfta-alec.ca/wp-content/uploads/2023/03/RCT-2022-Annual-Report.pdf>. Accessed: June 23, 2023.

³⁹ Implemented — government has met the requirements of the agreement; Underway — government is either in the process of signing the agreement or has signed the agreement but the requirements of the agreement have yet to be met.

⁴⁰ Government of Canada. Federal Action Plan to Strengthen Internal Trade. <https://www.canada.ca/en/intergovernmental-affairs/services/internal-trade/federal-action-plan-strengthen-internal-trade.html>. Accessed: March 11, 2023.

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⁴² Candace L. Wormsbecker. Moving Towards the Local: The Barriers and Opportunities for Localizing Food Systems in Canada. <https://uwspace.uwaterloo.ca/bitstream/handle/10012/3090>. Accessed: May 24, 2022.

⁴³ CFIB, Your Voice - September 2022 survey, September 8-26, 2022, n = 3,679.

⁴⁴ Lloydminster Chamber of Commerce. Lloydminster Food Trade Pilot. <https://www.lloydminsterchamber.com/lloydminster-food-trade-pilot/>. Accessed: March 10, 2023.

⁴⁵ Canada's Premiers. Canada's Premiers Discuss Affordability and Global Challenges. <https://www.canadaspremiers.ca/canadas-premiers-discuss-affordability-and-global-challenges/>. Accessed: April 18, 2023.

⁴⁶ Ryan Manucha and Trevor Tombe. Macdonald Laurier Institute. Liberalizing internal trade through mutual recognition: A legal and economic analysis. <https://macdonaldlaurier.ca>. Accessed: March 11, 2023.

