



2020

Red Tape Report Card



**CANADIAN FEDERATION
OF INDEPENDENT BUSINESS**

In business for your business™

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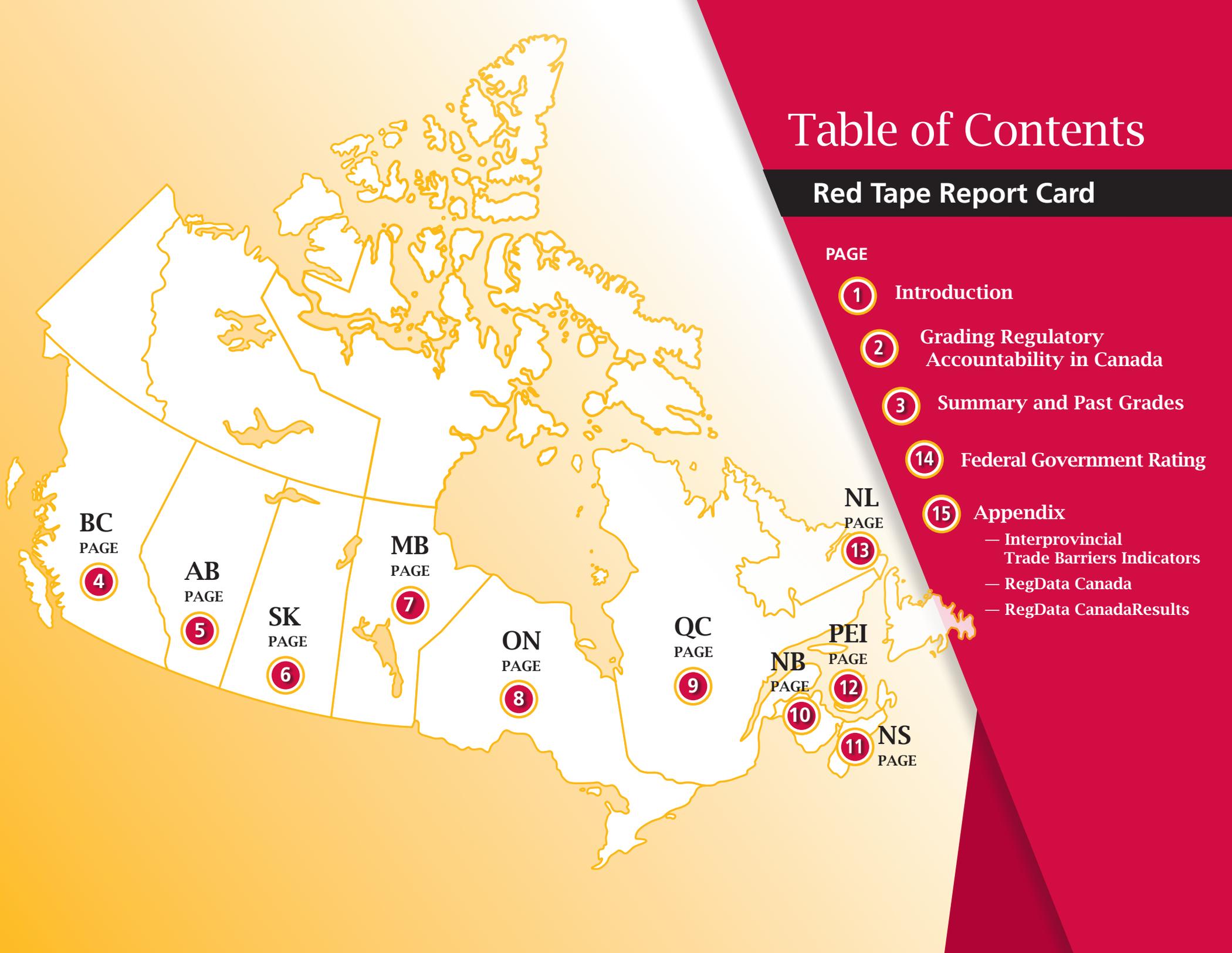
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Introduction



LAURA JONES

Executive Vice President and
Chief Strategic Officer

CFIB issued its first *Red Tape Report Card* ten years ago to examine the efforts of governments to measure the burden of regulation and set limits on its growth. At the time, the idea of governments holding themselves accountable for regulation—in the same way they are accountable for taxes and spending—was novel. Only a few governments were making any effort to tracking and reporting the regulatory burden.

We believe that regulatory measurement is fundamental to good governance. Without measurement it is impossible to control the proliferation of red tape frustrating Canadians.

We continue to base our assessment of regulatory accountability on three simple criteria; political leadership, comprehensive measurement, and regulatory budgets or caps (such as a one-in-one out policy or a reduction target).

The good news is we are seeing progress. Governments of all stripes are now more accountable and grades have been improving. British Columbia was the first province to get an “A” but Saskatchewan, Manitoba, Quebec, Ontario and Nova Scotia have all joined the club. Alberta and New Brunswick are also making good progress.

Improving accountability with measurement sets a strong foundation but there is more work to be done to ensure Canada is modern and competitive with respect to regulation. That’s why in this edition of our report card, we are adding information in two important areas: the overall regulatory burden and openness to interprovincial trade.

This new information is not yet graded. It is provided as additional context around regulatory competitiveness.

Ideally, a competitive province is committed to accountability (the focus of our existing report card), keeping the regulatory burden reasonable and eliminating unnecessary barriers to trade and labour mobility across the country.

To provide context around burden, we have included the regulatory counts provided by the Mercatus Center at George Mason University in Arlington, Virginia as part of its RegData Canada project. These data allow, incredibly for the first time, comparisons between provinces with respect to regulatory burdens. It is available in the appendix and referenced in the write up for each province.

To provide additional context and transparency around interprovincial trade, we have created tables (also available in the appendix). The tables go beyond simply looking at exemptions to the Canada Free Trade Agreement and delve into the status of regulatory reconciliation agreements.

We are considering making these additional indicators part of the grades in the future.

For now, we are excited to present our 10th edition of the *Red Tape Report Card* with our gratitude towards the governments across Canada who continue to make progress on regulatory accountability and competitiveness for the well being of all Canadians.

A handwritten signature in black ink that reads "Laura Jones". The signature is fluid and cursive, with the first name being more prominent.

LAURA JONES

Executive Vice-President and Chief Strategic Officer

In CFIB's tenth annual **Red Tape Report Card**, we assign letter grades to evaluate progress being made by governments in Canada to ensure accountability for the regulatory burden being imposed on individuals and businesses. Specifically, we look at three things: political leadership, measurement, and regulatory caps (or budgets).

In future report cards we may include two additional categories beyond accountability: regulatory burden and openness to interprovincial trade. More information about these indicators can be found in the appendices and at the bottom of each provincial page.

Category	Criteria
Strong political leadership	<p>CFIB is looking for indications that red tape reduction is a high priority for the Premier and cabinet. Initiatives may include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Direction from Premier to Ministers (e.g. mandate letters) <input type="checkbox"/> Commitments in the Throne Speech or Budget <input type="checkbox"/> Addressing the issue through other political venues (e.g. Council of the Federation) <input type="checkbox"/> Credible political commitments during elections <input type="checkbox"/> Minister responsible for regulatory accountability <input type="checkbox"/> Premier and Cabinet Ministers champion red tape reduction <input type="checkbox"/> Efforts across government to improve customer service and ensure that the red tape burden is being reduced
Comprehensive public measure	<p>A comprehensive public measure should be both credible and cover as many government rules as possible. It should include the total regulatory burden tracked over time. Finally, it should be reported publicly at least once a year. In particular, we are looking for the following:</p> <ul style="list-style-type: none"> <input type="checkbox"/> There is a credible measure in place <input type="checkbox"/> The measure is publicly available and easy to find <input type="checkbox"/> The measure is publicly promoted <input type="checkbox"/> There is a measure of the total regulatory burden (a baseline) not just a measure of what is being added and subtracted <input type="checkbox"/> Legislation is in place requiring public reporting
Clear cap on government rules	<p>Examples of a clear cap on government rules include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Targets on red tape control (e.g. '1 for 1' rule) <input type="checkbox"/> Targets on red tape reduction (e.g. reduce by 20% in 3 years)
Momentum and next steps	<p>CFIB may report if a jurisdiction is gaining, maintaining or losing momentum in improving regulatory accountability, and provide recommendations for next steps (e.g. moving from an ad hoc count to annually measuring and publicly reporting on the regulatory burden).</p>

Summary of 2020 Provincial Grades



Past Grades

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
British Columbia	B+	A	A	A	A	A	A	A	A-	A-
Alberta	F	D	D+	D	D	N/A	F	F	F	B-
Saskatchewan	C+	B-	C	B	B	B	B	A-	A	A
Manitoba	F	F	D-	D-	D	F	D+	A	A	A
Ontario	C-	B-	B	B	B+	B+	B-	C+	A-	A-
Quebec	C+	B-	B	B+	B+	B+	A	A	N/A	A
New Brunswick	C-	C+	B-	B	N/A	C-	C+	C-	N/A	B+
Prince Edward Island	D	F	D-	D+	D+	C-	C+	C-	D	N/A
Nova Scotia	B	D	D	C-	D-	C+	B	A-	A	A
Newfoundland and Labrador	B	B	B	C+	C	N/A	C	C-	D	D
Federal government	C+	B-	B+	B+	B+	N/A	B	B-	B+	B+

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

CFIB is not assigning the territories a grade in 2020. Over the following year we will develop a more comparable grading system recognizing the unique nature of the governments in the North.

This will come into effect for the 2021 edition of CFIB's Red Tape Report Card.

British Columbia



2020 Red Tape Accountability Grade

A-

British Columbia's efforts have been recognized as best practice globally. The government has maintained key components of regulatory accountability that make the province an international leader. However, it is not clear whether the government is committed to building on its strong foundation to make future improvements.

Strong political leadership

SOME



Since the formation of the new government in 2017, the Ministry of Small Business and Red Tape Reduction has maintained initiatives which crowned BC as the first jurisdiction to receive an “A” grade in this report card. However, stronger leadership is needed to make more improvements.

Comprehensive public measure

YES | NO



The government has a “regulatory requirements” measure in place that is updated regularly. The measure is fairly comprehensive, although it excludes certain agencies with delegated authority for regulating that should be included (e.g. some waste management rules). Data on regulatory requirements are available on the provincial government website and are reported publically every year, as per legislation.

The government has made significant progress on regulatory reform since 2001, when there were 330,812 regulatory requirements. The initial goal was to reduce regulatory requirements by one-third in three years, which was surpassed in 2004 with a reduction of 40.4 per cent. The total reduction in regulatory requirements is nearly 50 per cent since 2001.

Clear cap on government rules

YES | NO



A commitment to no-net increase in regulatory requirements was made in 2004 once the one-third reduction target had been exceeded and has been extended several times. The government maintains a “one-for-one” policy requiring the government to remove one equivalent regulation for every new one introduced. Most recently, the commitment to maintain the “one-for-one” rule was extended by the minister to 2022. This regulatory cap, in place since 2001, would be stronger if legislated.

Next steps

The government should legislate its “one-for-one” policy and expand its measure to include any government entity given authority to regulate on behalf of government. It should conduct an audit of the current count and be more transparent on the Regulatory Impact Checklist and Regulatory Count form use.

Interprovincial Trade Performance Highlights

- BC has 13 exceptions in the CFTA—including 6 exceptions for current measures, 4 exceptions for future measures, and 3 procurement exceptions.
- Allows unlimited import of alcohol for personal use; allows direct-to-consumer wine shipments; does not waive a fee for extra-jurisdictional business registration.
- Signed all 3 reconciliation agreements negotiated by the *Regulatory Reconciliation and Cooperation Table* at the end of 2018; implementation in all 6 items covered by the agreements is complete.

For comprehensive report, refer to Appendix, Table 1, Page 17.

 **RegData Canada**
Restriction Count

48,264

For provincial comparison refer to Appendix, Figure 1, Page 21.

Alberta



2020 Red Tape Accountability Grade

B-

The government was newly elected in April 2019 and has begun to make red tape reduction a priority. The public has also been asked for their feedback on red tape, which they are able to submit through an online web submission form, found at cutredtape.ca. Through this portal, over 3,900 submissions have been received. A total of 60 red tape initiatives have been completed since the beginning of the mandate.

 **RegData Canada**
Restriction Count

66,714

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

YES | NO



Red tape reduction is a top priority for the government and is being led by the Premier. An Associate Minister of Red Tape Reduction was appointed and has a clear mandate to ensure the government's red tape reduction objectives are being realized. Red tape reduction has also become a focus for all other members of Cabinet and caucus. Industry panels were created earlier this year to encourage industry feedback on red tape.

Comprehensive public measure

YES | NO



The government is currently in the process of developing a measurement to quantify Alberta's regulatory burden. It has liaised with other provinces and CFIB red tape experts on how best to measure the current regulatory burden in the province.

Clear cap on government rules

YES | NO



The government promised in its election platform to reduce regulations by one-third in four years and implement a "one-for-one" rule.

Next steps

The government should make a comprehensive measure of the regulatory burden public as soon as it is confident that it has the right approach. Once its one-third reduction target is met, it should legislate a "one-for-one" policy. Its red tape reduction efforts should emphasize removing red tape irritants for businesses in the province.

Interprovincial Trade Performance Highlights

For comprehensive report, refer to Appendix, Table 1, Page 16.

- AB has 6 exceptions under the CFTA—including 1 exception for current measures, 5 exceptions for future measures, there are 0 procurement exceptions.
- Allows unlimited import of alcohol for personal use; prohibits direct-to-consumer wine shipments; does not waive a fee for extra-jurisdictional business registration.
- Disclosed information indicates that 2 of 3 reconciliation agreements negotiated by the *Regulatory Reconciliation and Cooperation Table* have been signed; implementation of 5 of 6 items covered by the agreements is complete or near complete.

Saskatchewan



2020 Red Tape Accountability Grade



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

In January 2019, Saskatchewan launched the *Help Cut Red Tape* webpage, offering an “always on” approach to allow all citizens and businesses to submit ideas for red tape reduction as they arise.

 **RegData Canada**
Restriction Count

65,526

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

YES | NO



Reducing red tape continues to be a priority for Premier Scott Moe and is led by the Minister of Trade and Export Development. The government created the Red Tape Reduction Committee to oversee red tape reduction efforts. It increased its focus on red tape reduction in November 2019 when it announced a new Business Advisory Panel to identify red tape cutting priorities, including recognizing the importance of working with municipalities to reduce red tape for businesses.

Comprehensive public measure

YES | NO



Saskatchewan continues to calculate the cost of individual regulatory changes and has a broad measure of regulatory requirements. It has published a comprehensive count, which showed there were 654 regulations containing over 230,000 regulatory requirements in 2018.

Each year, the Regulatory Modernization Annual Progress Report is tabled with the legislature. As of 2018-19, Saskatchewan has publicly reported forecasted savings in excess of \$450 million over the next 10 years.

Clear cap on government rules

YES | NO



In 2012, Saskatchewan committed to reviewing all business related regulations within 10 years and reducing the cost of regulation by \$50 million. This objective has been exceeded as the government has reported over \$450 million in cumulative red tape savings as of 2018-19.

With the ability to quantify and track the change (costs and savings) in compliance burden, the government has established a new forecast target for net red tape reduction savings of \$30 million annually from ongoing efforts and believes an additional \$10-\$20 million in savings can be realized through the work of the Business Advisory Panel.

Next steps

Saskatchewan’s cost reduction initiatives should be complemented with a target to reduce and then cap its overall count.

Interprovincial Trade Performance Highlights

For comprehensive report, refer to Appendix, Table 1, Page 16.

- SK has 13 exceptions under the CFTA—including 9 exceptions for current measures, 2 exceptions for future measures, and 2 procurement exceptions.
- Allows unlimited import of alcohol for personal use; prohibits direct-to-consumer wine shipments; does not waive the fee for extra-jurisdictional business registration.
- All reconciliation agreements negotiated by the *Regulatory Reconciliation and Cooperation Table* have been signed; implementation of all items covered by the agreements is complete or near complete.

Manitoba



2020 Red Tape Accountability Grade



The government has maintained a focus on implementing the regulatory accountability initiatives necessary for culture change within government and improving transparency through public reporting. It continues to bring forward legislative changes to reduce red tape for businesses, residents, non-profits, and governments through annual omnibus legislation.

Strong political leadership

YES | NO



The Premier of Manitoba continues to be a vocal advocate for red tape reduction both in Manitoba and across provincial borders. Several Cabinet Ministers have responsibility to place a priority on red tape reduction as is required in their 2018 mandate letters.

The Regulatory Accountability Committee of Cabinet was established by legislation to oversee and promote regulatory accountability and red tape reduction across government. Under the leadership of the Minister of Finance, the province is moving forward with a new strategy to improve regulatory accountability throughout government, supported by the Regulatory Accountability Secretariat.

Comprehensive public measure

YES | NO



The government has established the most comprehensive regulatory measure in Canada; counting each regulatory requirement and costing the relative burden of new ones across every government entity. The annual *Regulatory Accountability Report* cited 880,048 regulatory requirements in 2019.

Clear cap on government rules

YES | NO



The Regulatory Accountability Act requires a “two-for-one” policy on red tape reduction until March 31, 2021, requiring the government to remove two regulations for every new one introduced, and a “one-for-one” policy on reduction thereafter. The government has reduced the total number of regulatory requirements from 962,586 in 2016 to 880,048 in 2019, representing an 8.6 per cent decrease.

Next steps

The government should continue meeting its red tape reduction goals and re-emphasize removing red tape for businesses. To help businesses comply with future regulatory changes, government should also complete its plan to provide email notification of regulatory changes before April 1, 2020.

Interprovincial Trade Performance Highlights

- MB has 11 exceptions under the CFTA—including 8 exceptions for current measures, 3 exceptions for future measures, there are 0 procurement exceptions.
- Allows unlimited import of alcohol for personal use; allows direct-to-consumer wine shipments; does not waive the fee for extra-jurisdictional business registration.
- All reconciliation agreements negotiated by the *Regulatory Reconciliation and Cooperation Table* have been signed; implementation of all items covered by the agreements is complete.

For comprehensive report, refer to Appendix, Table 1, Page 16.



RegData Canada
Restriction Count

58,143

For provincial comparison refer to Appendix, Figure 1, Page 20.

Ontario



2020 Red Tape Accountability Grade

A-

The Ontario government remains committed to broad, structural red tape reduction as a pillar of its “Open for Business” vision for Ontario. Last fall, the Associate Minister of Small Business and Red Tape Reduction launched a new webpage that allows businesses and citizens to submit ideas and proposed solutions to government on reducing red tape and modernizing regulations.

In 2019, the government passed two high-impact burden reduction bills (bills 66 and 132) and released the 2019 Burden Reduction Report.



RegData Canada
Restriction Count

124,077

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

YES | NO



Red tape reduction remains a top priority for the Ontario government led by the Premier. In June 2019, the Premier appointed a new Associate Minister of Small Business and Red Tape Reduction (Honourable Prabmeet Sarkaria) who has a clear mandate to reduce red tape across government. Minister Sarkaria has participated in red tape roundtables since his appointment, including one for small businesses hosted by CFIB. Other Ministers and Parliamentary Assistants have held over 20 industry-specific roundtables on reducing regulatory burden.

Comprehensive public measure

SOME



The government has been using the 2012 count (over 380,000 regulatory requirements) as a placeholder while it determines the most effective measure.

This year, the government commits to publish a new regulatory count in its annual Burden Reduction Report, and to work on legislating improved public reporting.

Clear cap on government rules

YES | NO



The government is committed to a red tape reduction target of 25 per cent by 2022.

Next steps

The government should introduce “one for one” legislation once its 25 per cent reduction target is reached.

Interprovincial Trade Performance Highlights

For comprehensive report, refer to Appendix, Table 1, Page 16.

- ON has 24 exceptions under the CFTA—including 19 exceptions for current measures, 2 exceptions for future measures, and 3 procurement exceptions.
- Prohibits unlimited import of alcohol for personal use; prohibits direct-to-consumer wine shipments; waives fee for extra-jurisdictional business registration.
- Signed all 3 reconciliation agreements negotiated by the Regulatory Reconciliation and Cooperation Table at the end of 2018; implementation of all 6 items covered by the agreements is complete or near complete.

Quebec



2020 Red Tape Accountability Grade

A

The new government intends to make red tape reduction a top priority. It has maintained the red tape reduction framework it inherited upon forming government in 2018 and recently built on the framework with additional reduction targets.

 **RegData Canada**
Restriction Count

137,019

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

YES | NO



In 2018, the Premier committed to reduce the administrative burden on businesses. An advisory committee on regulatory and administrative relief exists under the Minister of Economic Development, Innovation and Export Trade.

Comprehensive public measure

YES | NO



The *Governmental Policy and Rules Regarding the Streamlining of Legislative and Regulatory Standards – for intelligent regulations* is in force and legally binds the government to publically measure and report on the regulatory burden annually. The overall cost of provincial regulation to businesses in 2004 was \$1.4 billion and was reduced to \$1.1 billion by 2017. The number of business regulations and administrative requests (permits, registrations or other formal reporting) have been also tracked and stand at 682 regulations, according to the latest report.

Clear cap on government rules

YES | NO



The current red tape reduction framework in the province includes a “one-for-one” policy requiring the government to remove one equivalent regulation for every new one introduced. The government continues to implement its 2016 action plan to reduce the regulatory burden by streamlining processes and improving service delivery. New targets were announced late in 2019 including a 10% reduction in the number of “administrative formalities” (forms, requests, etc.), a 15% reduction in the total volume, and a reduction of 5.5 million business-produced documents by 2025. The government is also aiming to reduce cost by 20% which would result in annual savings of around \$200 million.

Next steps

To make further progress on regulatory modernization, the government should put in place a long-term action plan targeting specific priority sectors.

Interprovincial Trade Performance Highlights

For comprehensive report, refer to Appendix, Table 1, Page 16.

- QC has 35 exceptions under the CFTA—including 19 exceptions for current measures, 6 exceptions for future measures, and 10 procurement exceptions.
- Prohibits unlimited import of alcohol for personal use; prohibits direct-to-consumer wine shipments; does not waive the fee for extra-jurisdictional business registration.
- Disclosed information indicates that 2 of 3 reconciliation agreements negotiated by the *Regulatory Reconciliation and Cooperation Table* have been signed; implementation of 5 of 6 items covered by the agreements is complete or near complete.

New Brunswick



2020 Red Tape Accountability Grade

B+

New Brunswick has significantly progressed in its approach to red tape reduction this year by beginning to apply the principles contained in the *Regulatory Accountability and Reporting Act* introduced in 2016.

A business navigation service was introduced by government this year. It provides support and guidance to new and existing businesses struggling with startup and red tape issues.

 **RegData Canada**
Restriction Count

49,624

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

YES | NO



Red tape reduction is a priority of the Premier. A new Chief Regulatory Officer has been appointed and reports to the Clerk of the Executive Council. The Minister of Economic Development and Small Business is mandated to ensure the government's red tape reduction efforts are being realized.

Comprehensive public measure

SOME



The government, using 2018 CFIB research, estimates the overall cost of regulations is approximately \$661 million. All government departments are now using a detailed calculation tool to measure the regulatory cost of new proposals to help inform the decision-making process.

Clear cap on government rules

YES | NO



Government has set a target of \$14 million for red tape burden reduction by March 2021. New Brunswick uses a “cost-for-cost” policy which requires the cost of additional regulation to be offset by an equal regulatory cost reduction. These and other constraints are contained in a *Charter of Governing Principles on Regulation*.

Next steps

Once government meets its March 2021 reduction target, it should commit to a multi-year plan with annual red tape reduction targets. As required by the regulatory accountability legislation, the government should release an annual report in 2020. It must also continue to strengthen efforts on regulatory alignment in the Atlantic region.

Interprovincial Trade Performance Highlights

For comprehensive report, refer to Appendix, Table 1, Page 16.

- NB has 21 exceptions under the CFTA—including 3 exceptions for current measures, 4 exceptions for future measures, and 14 procurement exceptions
- Prohibits unlimited import of alcohol for personal use; prohibits direct-to-consumer wine shipments; does not waive the fee for extra-jurisdictional business registration.
- Disclosed information indicates that 2 of 3 reconciliation agreements negotiated by the Regulatory Reconciliation and Cooperation Table have been signed; implementation of 5 of 6 items covered by the agreements is complete or near complete.

Nova Scotia



2020 Red Tape Accountability Grade

A

The province is now working with several municipalities taking action on provincial/municipal red tape overlap. This has potential to improve service delivery at both the provincial and municipal levels.

The Business Navigation Service introduced by the RSE in 2018 is being expanded to provide guidance through an Inspection Navigation service to align inspection processes for small business.

 **RegData Canada**
Restriction Count

68,001

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

YES | NO



The Premier continues to demonstrate leadership on red tape reduction with support from the Nova Scotia's Office of Regulatory Affairs and Service Effectiveness (RSE) and several key ministries. Red tape reduction remains a priority for the Premier and government.

Comprehensive public measure

YES | NO



The Nova Scotia government maintains a comprehensive count of the total number of regulations, policies, guidelines and forms (157,000 in 2018). All government departments use a detailed calculation tool measuring the regulatory burden cost of new proposals to help inform the decision-making process. Nova Scotia also tracks and publishes dollar costs and savings of all regulatory proposals with a business impact.

Clear cap on government rules

YES | NO



The 2018-19 budget commits to reduce red tape burden on businesses by \$10 million dollars by 2020. Nova Scotia uses a “cost-for-cost” policy which requires the cost of additional regulation to be offset by an equal regulatory cost reduction. These and other constraints are contained in a *Charter of Governing Principles on Regulation*.

Next steps

Maintain a commitment to measurable, multi-year red tape reduction targets and continue to strengthen efforts on regulatory alignment in the Atlantic region through the Council of Atlantic Premiers. The government is encouraged to legislate a “one-for-one” rule (remove one regulation for every new one introduced), which reflects best practice in other provinces.

Interprovincial Trade Performance Highlights

For comprehensive report, refer to Appendix, Table 1, Page 16.

- NS has 17 exceptions under the CFTA—including 9 exceptions for current measures, 5 exceptions for future measures, and 3 procurement exceptions.
- Allows unlimited import of alcohol for personal use; allows direct-to-consumer wine shipments; waives the fee for extra-jurisdictional business registration.
- Signed all 3 reconciliation agreements negotiated by the *Regulatory Reconciliation and Cooperation Table* at the end of 2018; implementation of all 6 items covered by the agreements is complete or near complete.

Prince Edward Island



2020 Red Tape Accountability Grade

N/A

Red tape reduction is a priority of the current government elected in April 2019. The government has begun a series of initiatives to measure regulatory burden and establish a baseline count but it is too early to evaluate results.

 **RegData Canada**
Restriction Count

34,059

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

The Premier has directed all Cabinet Ministers to reduce red tape across all government departments in his 2019 Mandate letters to them.

YES | NO



Comprehensive public measure

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

YES | NO



Clear cap on government rules

Government has begun to implement a measurement model that will capture regulatory containment and reduction.

SOME



Next steps

To capture the effect of its red tape reduction efforts, government should create a baseline measurement and set clear targets for red tape reduction and continue to strengthen efforts on regulatory alignment in the Atlantic region.

Interprovincial Trade Performance Highlights

- PEI has 20 exceptions under the CFTA—including 9 exceptions for current measures, 4 exceptions for future measures, and 7 procurement exceptions.
- Prohibits unlimited import of alcohol for personal use; prohibits direct-to-consumer wine shipments; does not waive the fee for extra-jurisdictional business registration.
- Signed all 3 reconciliation agreements negotiated by the Regulatory Reconciliation and Cooperation Table.

For comprehensive report, refer to Appendix, Table 1, Page 16.

Newfoundland and Labrador



2020 Red Tape Accountability Grade

D

While the government has taken a positive approach to service standards, public reporting should strengthen public confidence in adherence to those service standards.

Strong political leadership

The Premier has made red tape reduction a priority through the government’s *Way Forward* agenda. This has included the adoption of service standards for various departments posted on their individual websites.

SOME



Comprehensive public measure

Legislation proclaimed in 2018 requires Newfoundland and Labrador to publicly report on its work to reduce red tape, but the government has yet to release a report. No comprehensive measure of the total regulatory burden or a comprehensive baseline to help set red tape targets has been made public.

YES | NO



Clear cap on government rules

A “cost-for-cost” policy is enshrined in the government’s regulatory accountability legislation, but there is no indication Newfoundland and Labrador has implemented the policy. The government maintains a “one-for-one” policy, which eliminates one regulation for each new one that is introduced. However, it is unknown how effective this particular policy is without a measure of the total regulatory burden.

YES | NO



Next steps

The government should adopt a baseline measurement, establish clear targets for red tape reduction, and publicly report on its efforts and continue to strengthen efforts on regulatory alignment in the Atlantic region.

Interprovincial Trade Performance Highlights

- NL has 20 exceptions under the CFTA—including 11 exceptions for current measures, 5 exceptions for future measures, and 4 procurement exceptions.
- Prohibits unlimited import of alcohol for personal use; prohibits direct-to-consumer wine shipments; does not waive the fee for extra-jurisdictional business registration.
- Disclosed information indicates that 2 of 3 reconciliation agreements negotiated by the *Regulatory Reconciliation and Cooperation Table* have been signed; implementation of 5 of 6 items covered by the agreements is complete or near complete.

For comprehensive report, refer to Appendix, Table 1, Page 16.

 **RegData Canada**
Restriction Count

50,606

For provincial comparison refer to Appendix, Figure 1, Page 20.

Federal Government



2020 Red Tape Accountability Grade

B+

The government has continued its consultations, resulting in regulatory roadmaps to address issues raised by stakeholders. Additional investments have been made to improve government customer service at the Canada Revenue Agency, Service Canada, and Immigration, Refugees and Citizenship Canada. The government continues to promote regulatory alignment within Canada and abroad, including in the new Canada-United States-Mexico trade agreement, which will need to be ratified in the coming months.

 **RegData Canada**
Restriction Count

159,992

For provincial comparison refer to Appendix, Figure 1, Page 20.

Strong political leadership

SOME



The government has done additional work to make red tape reduction a priority, including an entire chapter in Budget 2019 dedicated to regulatory innovation, as well as creating an External Advisory Committee on Regulatory Competitiveness (which CFIB chairs) to ensure small business has a voice at the table in advising government on red tape.

Comprehensive public measure

YES | NO



While each government department conducts a form of regulatory count called the administrative baseline burden, there is no total count available for the whole of government. An Annual Scorecard Report has not been published since 2015-2016. Moreover, the count is limited in scope, not including rules found in guidelines, policies or legislation, and it's unclear there is an ongoing commitment as some departments no longer seem to be participating.

Clear cap on government rules

YES | NO



Legislation has been in place since 2012 with a “one-for-one” rule, requiring the government to remove one equivalent regulation for every new one introduced. Since its introduction, regulatory costs have been reduced by \$30 million, suggesting regulators are subtracting costs faster than they are adding them. Though the current law ensures there is a clear cap, certain government rules found in legislation and policy fall outside the scope of the “one-for-one” rule. For example, regulations found in the Income Tax Act, often the most complex and burdensome for small businesses, are not included in the “one-for-one” rule. The rule also only considers administrative burden, not compliance burden.

Next steps

The government needs to establish a comprehensive measure that counts all government rules in policies, guidelines, regulations and legislation and establish an overall reduction target. The “one-for-one” rule should also be made more comprehensive by including tax laws, as well as the burden imposed by guidelines, legislation and policies. A greater focus should be placed on developing a modern service culture within government, using digital tools to improve service delivery, and information sharing within government. Ongoing federal leadership is needed to ensure the provinces are able to take concrete action on reducing interprovincial trade barriers via the Canadian Free Trade Agreement.

Interprovincial Trade Indicators

For the first time in its annual Red Tape Report Card, CFIB is including an index of progress by the provinces and the federal government on reducing interprovincial trade barriers. Regulatory inconsistencies between jurisdictions add cost, create delays, and in some cases, make it much more difficult or even impossible for businesses to operate across the country.

CFIB collected a list of indicators to compare progress by governments (federal, provincial and territorial) to remove internal trade barriers and reduce the amount of red tape businesses encounter throughout the country. The tables gauge the progress being made on internal trade issues by highlighting three main sections.

THE FIRST SECTION — *Select Barriers to Internal Trade* — looks at items identified as impediments or irritants to doing business. For example, firms looking to expand into other Canadian provinces are typically required to pay extra-provincial registration fees in each jurisdiction. Two provinces, Ontario and Nova Scotia, stopped the practice of charging extra-provincial business registration fees.

THE SECOND SECTION — *Exceptions to the CFTA* — focuses on exceptions excluding professions or sectors from the provisions of the Canada Free Trade Agreement (CFTA). In particular, we examine exceptions for current, future, and procurement measures, and labour mobility. Exceptions undermine the intention of the CFTA making it more difficult to conduct business. The objective of the CFTA is to reduce and eliminate barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open efficient, and stable domestic market.

THE THIRD SECTION — *Implementation Status of Reconciliation (RCT) Agreements* — centres on the work of the Reconciliation and Cooperation Table (RCT). The RCT is a federal-provincial-territorial body established by the CFTA to oversee regulatory reconciliation process and promote regulatory cooperation across Canada. This section provides transparency by presenting the progress made by each jurisdiction to implement reconciliation agreements endorsed by the RCT.

There are three agreements covering six items.

- Occupational Health and Safety:
 - » First Aid Kits
 - » Hearing Protection
 - » Personal Flotation Devices
 - » Head, Foot and Eye Protection
- Transport: Wide-base Single Tires
- Technical Safety: CRN for Pressure Vessels

Table 1: Internal Trade Indicators

Jurisdiction	Section 1: Select Barriers to Internal Trade ¹					Section 2: Exceptions to the CFTA ⁸			
	Unlimited Import of Alcohol for Personal Consumption ²	Direct-to-Consumer Shipment of Wines	Extra-jurisdictional Business Registration Fee Waived ^{4,5}	Extra-jurisdictional Sale of Cannabis for Non-Medical Purposes ⁶	Jurisdictional Regulations on Stuffing and Stuffed Articles	Exceptions to Labour Mobility ⁹	Exceptions for Current Measures	Exceptions for Future Measures ¹¹	Procurement Exceptions
NL	No	No	No	No	No	4	11	5	4
NS	Yes	Yes	Yes	No	No	5	9	5	3
NB	No	No	No	No	No	4	3	4	14
PEI	No	No	No	No	No	2	9	4	7
QC	No	No	No	No	Yes ⁷	4	19	6	10
ON	No	No	Yes	No	No	5	19	2	3
MB	Yes	Yes	No	No	No	3	8	3	0
SK	Yes	No ³	No	No	No	6	9	2	2
AB	Yes	No	No	No	No	10	1	5	0
BC	Yes	Yes	No	No	No	1	6	4	3
NT	No	No	No	No	No	1	1	9	5
YT	No	No	No	No	No	1	13	8	11
NU	No	No	No	No	No	N/A ¹⁰	1	10	4
Federal	N/A	N/A	N/A	N/A	N/A	N/A	8	10	34

Section 3: Implementation Status of Reconciliation Agreements—UNDISCLOSED, NO PARTICIPATION, UNDERWAY, OR IMPLEMENTED¹²

About this section:

- The Regulatory Reconciliation and Cooperation Table (RCT) has endorsed 5 reconciliation agreements covering 8 items. Two agreements have been implemented, i.e. requirements of the agreements have been met—Agriculture Organic Labelling; Grade inspection for Produce. **The section provides the implementation status of the remaining of the remaining 3 endorsed agreements and the 6 items that are covered.**
- The implementation status of the remaining endorsed reconciliation agreements presented in this section is defined as follows:
 - › UNDISCLOSED—Implementation status **has not been released by the RCT or the RCT representative** for the noted jurisdiction.
 - › NO PARTICIPATION—Government **did not participate** in the agreement.
 - › UNDERWAY—Government is either: (a) In the **process of signing** the agreement, **OR** (b) **has signed** the agreement, but the **requirements of the agreement have yet to be met.**
 - › IMPLEMENTED—Government has **met the requirements** of the agreement.

Jurisdiction	Occupational Health and Safety ¹³				Transport	Standards and Codes
	First Aid Kits	Hearing Protection	Personal Flotation Devices	Head, Foot and Eye Protection	Wide-base Single Tires ¹⁴	Canadian Registration Number for Pressure Vessels ¹⁵
NL	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	Undisclosed
NS	UNDERWAY	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	UNDERWAY
NB	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	Undisclosed
PEI	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	UNDERWAY
QC	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	UNDERWAY
ON	UNDERWAY	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED
MB	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED
SK	UNDERWAY	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	UNDERWAY
AB	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	No Participation ¹⁶
BC	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED
NT	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	Undisclosed
YT	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	IMPLEMENTED	Undisclosed
NU	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	Undisclosed
Federal	UNDERWAY	UNDERWAY	UNDERWAY	UNDERWAY	IMPLEMENTED	Undisclosed

Table Notes

- ¹ **Section 1** focuses on items we have identified as impediments or irritants to doing business in Canada.
- ² For personal use and carried on person.
- ³ Saskatchewan allows for only British Columbia produced wine and craft spirits to be shipped directly to its residents.
- ⁴ Ontario and Nova Scotia are the only provinces that have ended the practice of charging domestic corporations extra to operate outside their home province or territory. For example, an extra-provincial domestic corporation without an Ontario Corporation Number wishing to operate in Ontario is not charged a fee to obtain an extra-provincial registration.
- ⁵ Some provinces have agreements between them which waive extra-provincial registration requirements: (i) British Columbia, Alberta, and Saskatchewan (New West Partnership Trade Agreement). Extra-provincial registration processes between Manitoba and the other provinces will go into effect on January 1, 2020; (ii) Ontario and Quebec; (iii) Nova Scotia and New Brunswick.
- ⁶ Legal, non-medical cannabis cannot be shipped out of province/territory.
- ⁷ Quebec has requirements for Upholstered and Stuffed Materials to protect the public from hazards associated with filling materials. All other provinces and territories rely on federal legislation to address consumer safety.
- ⁸ **Section 2** centres on list of jurisdictional exceptions that exclude sectors and professions, for example, from the provisions of the Canada Free Trade Agreement (CFTA). Exceptions undermine the intention of the CFTA. The more exceptions that exist, the more the flow of goods and services within Canada's borders is stifled.
- ⁹ While the CFTA emphasizes the recognition of certified workers across the provinces and territories, exceptions exist. Exceptions may be approved when there is a significant difference in occupational standards and the exception is based on a legitimate objective such as the protection of public security, health and safety. The data was obtained from www.workersmobility.ca.
- ¹⁰ CFTA's labour mobility obligations are the same as the obligations under the former Agreement on Internal Trade, Nunavut did not participate in the AIT.
- ¹¹ Allows for provinces and territories to protect future activity in sectors like energy, fisheries and agriculture.
- ¹² **Section 3** focuses on the work of the RCT, as it seeks to eliminate unnecessary regulatory burden in Canada. In particular, this section provides transparency around reconciliation agreements by presenting the progress made by each jurisdiction to implement endorsed reconciliation agreements.
- ¹³ The agreement was negotiated from August to December 2018 with **all federal, provincial and territorial jurisdictions participating**. The agreement requires some jurisdictions to make regulatory or legislative changes and is expected to be implemented by the end of 2019.
- ¹⁴ Implementation of this item is essentially complete as **all jurisdictions** now have measures in place to allow WBS at weight limit parity with dual tires.
- ¹⁵ Beginning January 1, 2020, the design reviews conducted by provinces and territories will be **mutually recognized by those jurisdictions participating** in the reconciliation agreement.
- ¹⁶ Alberta will not be signing the agreement due to public safety concerns. To ensure businesses benefit from a streamlined inspection process for pressure vessels, a web portal has been designed to provide a single application for design review, and a common process involving joint review and joint approval.

RegData Canada

In September of 2019 the Mercatus Center at George Mason University released an Updated Edition of RegData Canada measuring regulatory and statutory restrictions in Canadian provinces.

The first version was published March of 2019, creating an objective, replicable, and transparent methodology for measuring regulation. It quantifies regulations based on the content of regulatory text using a custom-made text analysis program that counts the number of binding constraints or “restrictions”, words that indicate an obligation to comply. These words are shall, must, may not, required, and prohibited.

In addition to quantifying restrictions found in the regulatory code, the September 2019 edition also includes restrictions found in legislation (also known as “Acts”) at both the federal and provincial levels.

RegData Canada creates multiple datasets from the regulatory codes of Canada and the Canadian provinces. These datasets include statistics such as the number of individual restrictions, the industries those restrictions are likely to affect, and the agencies responsible for the restrictions. RegData Canada also maps Canadian federal and provincial regulations to the sectors and industries most likely to be associated with them using the North American Industry Classification System (NAICS).

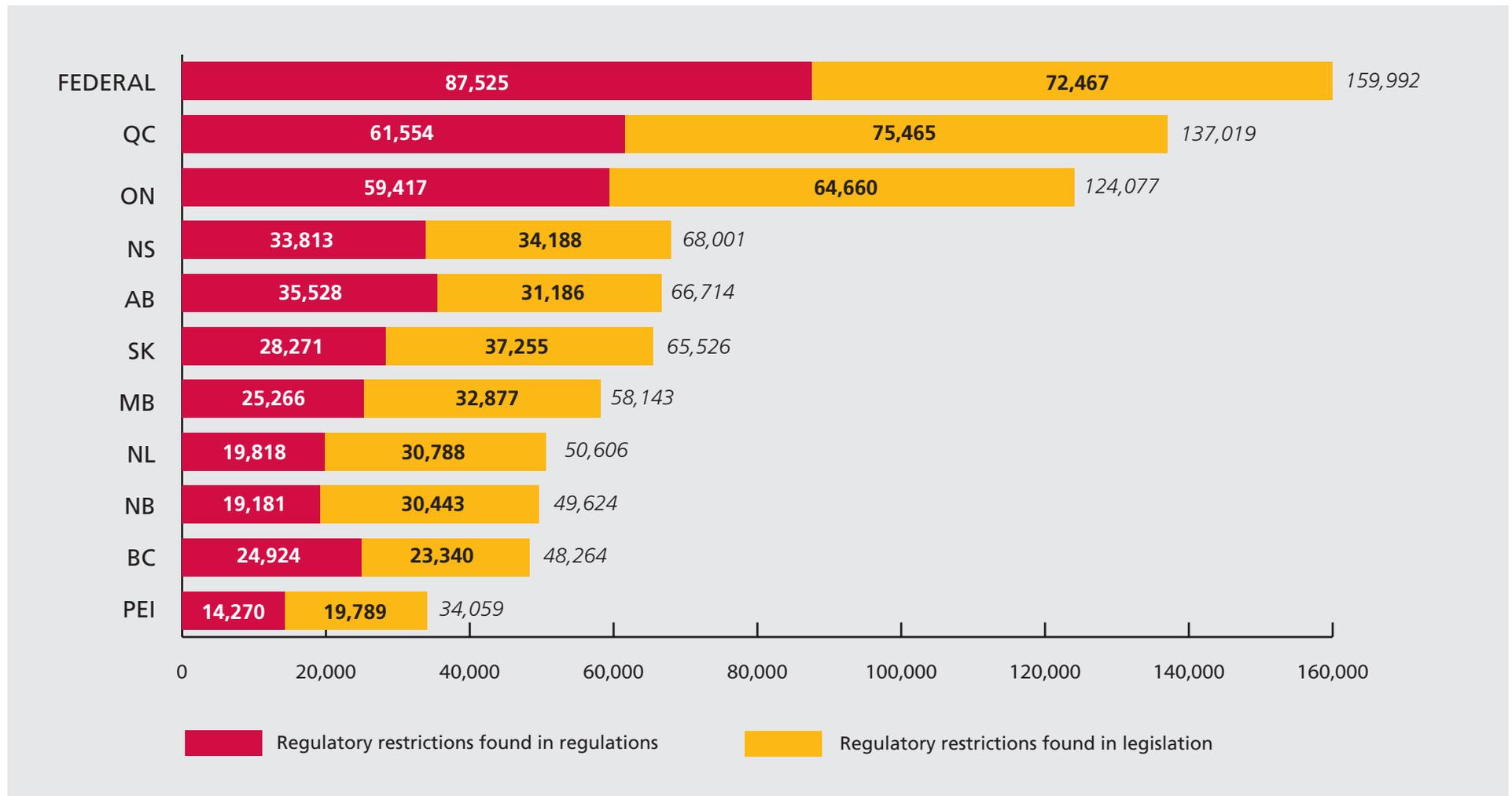
It is a ground-breaking tool in its ability to capture information in minutes that would take hours, weeks, or even years to obtain by reading and counting.

RegData Canada Results

RegData Canada provides consistent measurement of the federal government and the provinces. Figure 1 shows a wide range among the numbers of regulatory and legislative restrictions. The federal government measure was 159,992 and a wide range between provinces with Quebec’s high of 137,019 to Prince Edward Island’s low of 34,059 restrictions.

Figure 1

Total Regulatory Restrictions in Canadian Province, Regulations and Statutes (2019)



Source: Patrick A. McLaughlin, Jonathan Nelson, and Stephen Strosko. RegData Canada (dataset). QuantGov, Mercatus Center at George Mason University, Arlington, VA, 2019. <https://quantgov.org/regdata-canada/>

When comparing provinces, concluding that one province has a heavier regulatory and/or legislative burden than another should be done with caution, as there are government rules in instruments such as guidance documents that are not part of the RegData Canada regulatory restriction count at this point in time, and differences in industrial mix and diversity can contribute to differences in regulatory counts.

It should be noted that previous datasets (including that published March of 2018) are not directly comparable with the Updated Edition of RegData published September of 2019, as the newest edition uses updated methodology for the industry classification algorithm. Discrepancies between data sets cannot therefore be attributed to government action.

This regulatory snapshot was produced in part using QuantGov, a policy analytics platform that facilitates analysis of the causes and effects of various government actions. The QuantGov project treats policy text as data, allowing researchers to quickly and effectively examine broad policies (as articulated in bodies of text) by using some of the latest advances from data science, such as machine learning and other artificial intelligence technology. The Mercatus Center's team of data engineers, analysts, and developers created this platform and continually utilize and update it to produce data that support a variety of research products and to provide policymakers with data that inform positive policy change. More information is available at quantgov.org.



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