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A stylized map of Canada is shown in the background, rendered in shades of yellow and orange. The map outlines the provinces and territories. A horizontal bar at the bottom of the map area is divided into three segments: blue, green, and red.

Provincial Red Tape Report Card

2022

2022 Provincial Red Tape Report Card

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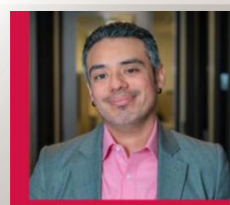
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Foreword



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CFIB started issuing its Red Tape Report Card over a decade ago to encourage more government accountability. At the time only a few governments were tracking and reporting the regulatory burden they impose on citizens. Such poor public accountability would be unthinkable when it comes to taxes and government spending but was accepted practice for regulation, the other main area where governments have a significant impact.

Our report card continues to challenge governments across Canada to measure and report regulatory activity annually. This is fundamental to good governance and the foundation of a modern regulatory system.

We have now added a section to the report card that goes beyond basic accountability to look at the regulatory burden—a section that we look forward to expanding in future years. Burden is what citizens care about. Are regulations reasonable for the benefit they deliver? Are rules administered well so that people are not wasting time? Are governments continually trying to improve their service delivery?

Good data to evaluate and compare provinces in the newer “burden” category remains limited—a challenge we continue to work with. This year we include data from the Mercatus Center and some common-sense indicators to help capture how serious governments are about keeping the burden of regulation manageable. For example, we look at whether governments have a straightforward way for citizens to make suggestions or lodge complaints about regulatory processes and government customer service. If yes, is it easy to find, is it publicly promoted, and championed by the minister responsible?

The pandemic has changed our thinking on so many things including government regulation. It underscored how outdated certain processes had become (e.g. requiring in-person signatures or visits). It showed how quickly things can get done when needed—fast tracking vaccines; allowing doctors to bill for online appointments; and turning around patio applications for restaurants in 48 hours. At the same time, health concerns added a substantial new regulatory burden for small businesses.

As governments turn their attention to recovery, red tape reduction is high on the list of small business priorities. However, confidence that governments are committed to better regulation is lower than ever (see Table 1). How can we change this picture for the better?

Table 1:

Business owner confidence in federal/provincial commitment to red tape reduction – Net confidence %¹

Jurisdiction	2021	2020	Percentage Point Difference in Net Confidence From 2020
British Columbia	7%	12%	↓ 5
Alberta	25%	39%	↓ 14
Saskatchewan	26%	35%	↓ 9
Manitoba	20%	25%	↓ 5
Ontario	18%	26%	↓ 8
Quebec	9%	12%	↓ 3
New Brunswick	11%	20%	↓ 9
Nova Scotia	20%	23%	↓ 3
Prince Edward Island ²	21%	38%	↓ 17
Newfoundland and Labrador	14%	24%	↓ 10
Federal	8%	15%	↓ 7

Sources: CFIB, *Regulation and Paperburden Survey 2020*, total responses = 5,851; and *Your Voice: November Survey, 2021*, total responses = 4,514.


Notes: 1) The Net confidence is the combined share of “very confident” or “somewhat confident” responses to the following question: How confident are you that the following levels of government are committed to reducing red tape, including unnecessary rules and regulations on your business? — Federal government, My provincial government. 2) Fewer than 40 responses.

We are pleased to present the 12th edition of our annual Provincial Red Tape Report Card. We want to thank the staff from governments across Canada for taking the time to talk to us about their regulatory reform efforts. We appreciate that many are making a sincere effort to improve accountability and reduce red tape to benefit all Canadians.

Sincerely,



Laura Jones
Executive Vice-President and
Chief Strategic Officer



Marvin Cruz
Director of Research

Introduction

The Canadian Federation of Independent Business's (CFIB) *2022 Provincial Red Tape Report Card* grades two major areas of regulatory performance: regulatory accountability, and regulatory burden. Within this framework, governments with the highest overall scores are those that have a comprehensive measure of their regulatory burden, maintain some form or regulatory budget, and are making efforts to minimize red tape. **For details on how scores were calculated, and the changes applied to the methodology since the 2021 edition of the Report Card, refer to the Methodology section in Appendix D.**

Grades are highest for the accountability section of the report card. Most provinces now have some form of measurement, reporting and budgeting, generating a lot of “A” grades where a decade ago there were none. This part of the report card represents 60 per cent of the overall grade.

Burden remains the more challenging section of the report card as it is difficult to find data with which to compare provinces. We currently use seven indicators that include some broader ones such as the data showing regulatory restrictions from legislation and regulation as well as some more specific indicators such as whether the province allows wine to be shipped from another province. Shipping wine is symbolic of provincial will to work together to reduce irritants and has been an outstanding irritant for decades. The burden section represents 40 percent of the grade. See Table 2 for an overview of the grades.

Table 2

2022 Provincial Red Tape Report Card — Areas of Regulatory Performance, Score and Grade^{1,2,3}

Jurisdiction	Regulatory Accountability (60%)		Regulatory Burden (40%)		Overall Score and Grade	
	Score	Grade	Score	Grade	Score	Grade
Manitoba	10.0	A	8.4	B+	9.4	A
Alberta	10.0	A	7.0	C	8.8	A-
British Columbia	9.3	A	7.6	B-	8.6	B+
Nova Scotia	10.0	A	6.3	C-	8.5	B+
Saskatchewan	9.7	A	6.7	C	8.5	B+
Ontario	10.0	A	5.6	D	8.3	B+
Quebec	9.3	A	5.5	D	7.8	B
Prince Edward Island	8.0	B	5.0	D-	6.8	C
New Brunswick	4.7	F	4.7	F	4.7	F
Newfoundland and Labrador	2.3	F	3.8	F	2.9	F
Federal³	7.3	C+				

- Score:** 10 is best, 0 is worst. Using a weighting scheme, the three subindex scores are combined into a single score that allows for a ranking of provincial governments from best (highest score) to worst (lowest score). In order of importance, the different areas are assigned the following weights: regulatory accountability—60%, regulatory burden—40%.
- Grade:** A, A-: 8.7-10 (Excellent performance); B+, B, B-: 7.5-8.6 (Good performance); C+, C, C-: 6.3-7.4 (Satisfactory performance); D+, D, D-: 5-6.2 (Less than satisfactory performance); F: 0-4.9 (Unsatisfactory performance).
- The federal government is scored only for regulatory accountability and does not enter the overall analysis to determine provincial rankings.

Regulatory Accountability

For the regulatory accountability section, we applied a scoring system to three key indicators. These indicators are:

- (i) The existence of a comprehensive measure of the regulatory burden;
- (ii) Public reporting of the regulatory burden;
- (iii) The use of a regulatory budget.

Based on these indicators, provinces with more accountable regulatory systems receive higher scores.

Table 3 summarizes scores in this section. **Detailed jurisdictional findings are available in Appendix A. For more details on how scores were calculated refer to the Methodology section in Appendix D.**

On the first report card, twelve years ago, no province received an “A” in this section. Today most provinces have some type of measurement, reporting and regulatory budget in place and seven provinces get A grades. The federal government also gets a grade in this section though not in the overall report card.

Table 3

Regulatory Accountability, Score and Grade (10 is best, 0 is worst)

Jurisdiction	Comprehensive Measure of the Regulatory Burden	Public Reporting of the Regulatory Burden	Regulatory Budget	Regulatory Accountability Score and Grade	
MB	10	10	10	10.0	A
NS	10	10	10	10.0	A
AB	10	10	10	10.0	A
ON	10	10	10	10.0	A
SK	10	10	9	9.7	A
BC	9	10	9	9.3	A
QC	8	10	10	9.3	A
PEI	10	7	7	8.0	B
NB	0	4	10	4.7	F
NL	0	2	5	2.3	F
Federal ¹	5	7	10	7.3	C+

Notes:

1. Federal government is scored only for regulatory accountability and does not enter the overall analysis to determine provincial rankings.

Comprehensive Measure of the Regulatory Burden

Table 4

Accountability indicator 1 — measuring the regulatory burden (10 is best, 0 is worst)

Indicator	FED	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Comprehensive measure of the regulatory burden	5	9	10	10	10	10	8	0	10	10	0

Criteria considered:

1. Commitment to measure the regulatory burden on business and citizens.
2. Regulatory requirement count (for business and/or citizens) includes all sources from: (i) legislation, (ii) regulations, and (iii) associated policies and forms.
3. Regulatory requirement count (for business and/or citizens) includes all government departments, agencies, and delegated authorities.

For this indicator we focus on the existence of an aggregate regulatory measure, often in the form of a regulatory requirement count. The overall measure could also be in the form of costs, although this is far more challenging. For full marks the measure should be comprehensive including businesses and citizens and capturing burden from rules present in (i) legislation, (ii) regulations, and (iii) associated policies and forms across all government departments, agencies, and delegated authorities.

Alberta, Saskatchewan, Manitoba, Ontario, Nova Scotia, and Prince Edward Island achieve top scores for this indicator (See Table 4).¹ British Columbia scores a 9—as they do not include regulatory requirements from delegated authorities. Quebec and the federal government receive partial scores as their measures only capture the regulatory burden imposed on businesses. Further, the federal government’s count only considers the burden from regulation not the burden generated through legislation or policies. New Brunswick and Newfoundland and Labrador score zero as they do not have publicly reported counts.

Public Reporting of the Regulatory Burden

Table 5

Accountability indicator 2 — public reporting (10 is best, 0 is worst)

Indicator	FED	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Public reporting of the regulatory burden	7	10	10	10	10	10	10	4	10	7	2

Criteria considered:

1. Accessible annual public updates that include the overall regulatory burden.
2. Legislation in place that requires public reporting of the regulatory burden.

Provinces that score best are those that update their regulatory measure annually and have legislation requiring the burden be reported. The measures should be easy to find.

British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and Nova Scotia all receive a score of 10 for this indicator—all these provinces report the regulatory burden and have legislation requiring them to update and publicize their regulatory count annually (see Table 5). Newfoundland and Labrador receives the lowest score—while legislation exists requiring annual measuring and reporting, the government has

¹ Ontario’s score reflects the commitment to broaden its measure to include citizens and publicly report on it by 2023.

not fulfilled its commitment. Newfoundland and Labrador has not publicized their count since 2014.² According to federal government policy, departments and agencies must update and publicly report a count of requirements annually. However, there is no legislation in place regarding reporting and it is difficult to access the overall count.

Regulatory Budget

Table 6

Accountability indicator 3 — regulatory budgeting (10 is best, 0 is worst)

Indicator	FED	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Regulatory budget	10	9	10	9	10	10	10	10	10	7	5

Criteria considered:

1. Commitment to regulatory budgeting.
2. Constraints in place to manage regulatory costs (e.g. 1 for 1 rule, reduction/maintenance targets).
3. Legislation in place that requires governments to adhere to constraints (e.g. 1 for 1 rule, reduction/maintenance targets).

Regulatory budgeting, works in a similar fashion to a fiscal budget in that it establishes a target for the change in the regulatory burden, imposing some discipline and prioritization of regulatory activities.³

Regulatory budgeting can be in the form of a “one-for-one” rule, which requires regulatory changes that increase administrative burden be counterbalanced with an equal reduction in administrative burden. It can also take the form of a reduction target on the overall burden of regulation. Such measures help to keep the regulatory burden from growing unchecked. For this indicator, provinces with legislated constraints in place to manage or reduce regulatory costs receive higher scores than those doing it as a matter of policy.

Alberta, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, and the federal government score the highest on this indicator as they include legislated limits on regulators (see Table 6). These limits include the use of “one-for-one” rules and requiring the cost of additional regulations be offset by an equal or greater regulatory cost reduction. British Columbia and Saskatchewan have constraints in place; however, these constraints are not legislated. Newfoundland and Labrador and Prince Edward Island score lowest. While both provinces have legislated constraints in place, the lack of consistent reporting makes it unclear whether government is following through on this legislation.

² Government of Newfoundland and Labrador. *Regulatory Reform Annual Report 2013-14*. Retrieved: December 12, 2021. https://www.gov.nl.ca/regulatoryreform/reg_reform_annual_report.html

³ Speer, Sean. *Regulatory Budgeting: Lessons from Canada*. R Street. 2016.

Regulatory Burden

This section of the report card focuses on the overall regulatory burden using seven indicators. Five indicators evaluate efforts to minimize red tape, these include: (i) the existence of a public feedback mechanism for navigating/reporting red tape concerns, (ii) the time spent finding the public feedback mechanism, (iii) public promotion of the feedback mechanism, (iv) a commitment to a regular window for regulatory changes to address red tape, and (v) the removal of interprovincial restrictions on the shipment of Canadian wine. The remaining two indicators focus on data from the Mercatus Center—(vi) the total number of regulatory provincial restrictions in place, which is then (vii) analyzed as a on a per capita basis.

Within this section the indicators are weighted equally. Table 7 summarizes scores for each indicator. **For more details on how scores were calculated refer to the Methodology section in Appendix D.**

Table 7

Regulatory Burden, Score and Grade (10 is best, 0 is worst)

	Minimizing the Regulatory Burden					Provincial Regulatory Restrictions		Regulatory Burden Score and Grade	
	Permanent public feedback mechanism for reporting and navigating red tape concerns	Time spent finding the public feedback mechanism for reporting red tape concerns	Public promotion of public feedback mechanism	A commitment to a regular window for regulatory changes to address red tape	Direct-to-consumer interprovincial shipment of Canadian wine	Total number of provincial regulatory restrictions	Total provincial regulatory restrictions per capita		
MB	10	10	2.5	10	10	7.9	8.4	8.4	B+
BC	10	4	2.5	10	10	6.7	9.8	7.6	B-
AB	10	7	5	10	0	7.0	9.7	7.0	C
SK	10	10	7	0	5	7.1	7.7	6.7	C
NS	5	10 ¹	5 ²	0	10	6.9	7.1	6.3	C-
ON	10	7	2.5	10	0	0.0	10.0	5.6	D
QC	10	0	7	10	0	1.7	9.8	5.5	D
PEI	10	10	5	0	0	10.0	0.0	5.0	D-
NB	5	7 ¹	5 ²	0	0	8.7	7.4	4.7	F
NL	5	NA ³	NA ³	0	0	8.5	5.7	3.8	F

Notes:

1. For NB and NS the amount of time spent finding the business advisor on the provincial website was used.
2. For NB and NS the public promotion of the business advisor area was scored.
3. NA—Not applicable. NL is not scored for this indicator as there is neither a public feedback mechanism nor an advisory service.

Feedback Mechanism

Table 8

Burden indicator 1 — Existence of a permanent feedback mechanism (10 is best, 0 is worst)

Indicator	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Permanent public feedback mechanism for reporting red tape and advisor service for navigating red tape concerns*	10	10	10	10	10	10	5	5	10	5

Source: 2021 data — See Appendix C for links to provincial feedback areas and business advisory sites.

* The following point system was applied to each criterion:

Existence of public feedback mechanism, Yes=5 points, No=0 points;

Existence of advisory service for navigating red tape concerns, Yes=5 points, No=0 points.

This indicator considers whether governments have a permanent place where businesses and citizens can report their red tape irritants and headaches. For instance, several provinces use either an online portal or provide an e-mail contact where citizens and business owners can report their red tape problems and suggest how they could be fixed. Such tools provide an opportunity for governments to connect with the citizens and business owners on their concerns. It is a best practice to close the loop with those providing feedback. For example, Saskatchewan's annual regulatory report provides a summary of concerns submitted through their *Help Cut Red Tape Webpage* during the past year, as well as steps taken to resolve issues.⁴

Further to a feedback mechanism for reporting red tape, provinces should also provide advisory services to help small business owners navigate through the challenges of running their business, including guidance on licenses, permits, registration, and regulations.

Provinces that have a permanent public feedback mechanism and an advisory service for businesses receive a score of 10 for this indicator—5 points for each criterion. Provinces without any of the elements receive a score of 0.

British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, and Prince Edward Island have a dedicated area online where business owners and citizens can report red tape irritants, as well as an advisor services for small business—these provinces score a 10 for this indicator (see Table 8). New Brunswick, Nova Scotia receive partial scores as the provinces have a business advisor, however, no permanent public feedback area exists. Newfoundland and Labrador also receives a partial score as a public feedback area exists, however, there is no advisor service available to businesses.

⁴ Government of Saskatchewan. *Annual Regulatory Modernization Progress Report 2020-21*. Retrieved: August 23, 2021. <https://publications.saskatchewan.ca/#/products/113963>

Feedback Mechanism: Time Spent

Table 9

Burden indicator 2 — Time spent finding feedback area (score below data; 10 is best, 0 is worst)

Indicator	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Time spent finding feedback area for reporting red tape concerns on government site— Average time spent in minutes*	6 (4)	3 (7)	Under 2 (10)	Under 2 (10)	3 (7)	10 (0)	3 min (7)	Under 2 (10)	Under 2 (10)	NA ¹ NA

Source: 2021 data.

*For all provinces except NB and NS the time spent finding the feedback area is scored. NB and NS are scored on the time spent finding the business advisor. The following point system was applied to the average time: Under 2 min—10 points; 2 to 5 minutes—7 points; 6 to 9 minutes—4 points; 10 minutes—0 points.

1. NA—Not applicable. NL has only recently (February 2022) implemented a public feedback area, such that the time spent locating the area could not be assessed in this report. In addition, an advisory service does not exist.

This indicator shows the average time it takes to locate the feedback area on the provincial government website.⁵ As Nova Scotia and New Brunswick do not have a public feedback area, the amount of time spent finding the business advisor site on the provincial website was used. A scoring system is applied to the average time recorded by all the participants in the study—the shorter the time, the better the score.⁶

Saskatchewan, Manitoba, Nova Scotia, and Prince Edward Island earn a score of 10, as on average it took participants under two minutes to find the feedback or advisor area (see Table 9). At the other end of the scale, Quebec fairs the poorest as participants were not able to locate the feedback area within the ten-minute time limit. Newfoundland and Labrador is not scored as it lacks an advisor service, and it has only recently implemented a feedback area—such that the time spent locating the area could not be assessed in this report.

Feedback Mechanism: Promotion

Table 10

Burden indicator 3 — Public promotion of feedback mechanism (score below data; 10 is best, 0 is worst)

Indicator	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Public promotion of feedback mechanism—Yes, Some, No*	Some 2.5	Some 5.0	Some 7.0	Some 2.5	Some 2.5	Some 7.0	Some 5.0	Some 5.0	Some 5.0	NA ¹ NA

Source: 2021 data.

*For all provinces except NB and NS the public promotion of the feedback area is scored. NB and NS are scored on public promotion of the business advisor. The following point system was applied: Yes=10, Some=1-9, No=0.

1. NA—Not applicable. NL has only recently (February 2022) implemented a public feedback mechanism, such that its public promotion could not be assessed in this report. In addition, an advisory service does not exist.

A feedback area for red tape issues is only valuable if people are aware it exists. For this indicator we focus on government's effort to make sure the community of business owners and citizens are aware of government's outreach effort to reduce red tape. For example, having the Minister responsible for regulatory reform publicly promote the feedback area (or advisor area in the case of New Brunswick and Nova Scotia) goes a long way to bringing both attention and credibility to red tape reduction efforts.

⁵ Five participants took part in the test study. The participants were tasked with finding the feedback area on the provincial government website. The time limit for the search period was set at 10 minutes. Participants were limited to using only the links and search function available on the provincial government site. The study was conducted between November 29, 2021, and December 8, 2021.

⁶ To calculate the score, the following point system was applied to the average time: Under 2 min—10 points; 2 to 5 minutes—7 points; 6 to 9 minutes—4 points; 10 minutes—0 points.

Further, promotion of these efforts should extend beyond the Minister responsible to Ministers of other departments and the Premier. Promotion should be conducted regularly via social media, publications, government announcements, through other associations, and promotional pieces. Higher scores highlight provinces that show political leadership in setting red tape reduction as a priority area.

Governments that appeared to make regular efforts to promote their feedback/advisor area—Alberta, Saskatchewan, Quebec, New Brunswick, Nova Scotia, and Prince Edward Island—received the highest partial scores (see Table 10). In the case of Nova Scotia for instance, the advisor service is advertised at all Access Nova Scotia centres, and on websites of other business organizations. Quebec’s score reflects the adequate promotion of their recently created feedback area; however, it remains to be seen whether this will continue in the future. Despite such efforts, no province received a score of 10 as everyone could do a better job of promotion. Newfoundland and Labrador is not scored as it lacks an advisor service, and it has only recently implemented a feedback area—such that the public promotion of the area could not be assessed in this report.

Regular Window for Regulatory Changes

Table 11

Burden indicator 4 – A commitment to a regular window for regulatory changes to address red tape Scorecard (score below data; 10 is best, 0 is worst)

Indicator	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
A commitment to a regular window for regulatory changes to address red tape —Yes/No*	Yes 10	Yes 10	No 0	No 10	Yes 10	Yes 10	No 0	No 0	No 0	No 0

Source: 2021 data.

*The following point system was applied: Yes=10 points, No=0 points.

BC – [Better Regulations for British Columbians](#) annual amendment process is conducted each March.

AB – [Red Tape Reduction Implementation Acts](#) have been conducted semi-annually since 2019.

MB – [The Reducing Red Tape and Improving Services Act](#) is an annual Omnibus bill established in 2019.

ON – [Red Tape Reduction Packages](#) have been conducted in Spring and Fall of each year since 2018.

QC – The Quebec government has committed [to annual amendment process](#); Bill 103 was the first of such legislative initiatives.

Having a periodical (e.g. annual or semi-annual) process to deal with housekeeping changes to government legislation, regulation, and policies provides an opportunity to clarify, repeal or update rules. Such actions help to streamline governance processes to deliver changes to serve public interests and improve the predictability for stakeholders seeking to provide regulatory changes. Provinces that have such structures in place, whether legislated or not, receive higher scores.

British Columbia, Alberta, Manitoba, Ontario, and Quebec receive a score of 10 as these provinces have a regular window to address regulatory changes (see Table 11). For example, since 2018 Ontario has solicited and bundled regulatory changes semi-annually through their Spring and Fall Red Tape Reduction packages—over 300 actions to reduce red tape burdens have been taken since inception.^{7,8} British Columbia, has an annual amendment process where the government issues a call for items to all ministries, and small regulatory changes are grouped together and updated each March.⁹

⁷ Government of Ontario. *2021 Burden Reduction Report: Fueling Future Growth by Modernizing Ontario's Regulatory System*. Retrieved: December 20, 2021. <https://www.ontario.ca/page/2021-burden-reduction-report-fueling-future-growth-modernizing-ontarios-regulatory-system>

⁸ Government of Ontario. *Ontario Supporting People and Businesses*. Retrieved: December 21, 2021. <https://news.ontario.ca/en/release/1000939/ontario-supporting-people-and-businesses>

⁹ Government of British Columbia. *Modernization Initiatives*. Retrieved: December 20, 2021. <https://www2.gov.bc.ca/gov/content/governments/about-the-bc-government/regulatory-reform/modernization-initiatives>

Interprovincial Shipment of Canadian Wine

Table 12

Burden indicator 5 – Direct-to-consumer interprovincial shipment of Canadian wine (score below data; 10 is best, 0 is worst)

Indicator	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Direct-to-consumer interprovincial shipment of Canadian wine—Yes/No*	Yes (10)	No (0)	Yes ¹ (5)	Yes (10)	No (0)	No (0)	No (0)	Yes (10)	No (0)	No (0)

Source: 2021 data.

* The following point system was applied: Yes=10 points, Some=5, No=0 points.

1. SK: only BC produced alcohol products (wine and craft spirits) can be shipped directly to Saskatchewan residents.

Provincial wine importation rules are a high-visibility indicator of the regulatory burden with different groups advocating for a fix over then past number of decades. While this is a very specific indicator, whether direct-to-consumer sales of locally produced wine from Canadian wineries are allowed is symbolic of a broader commitment to reduce regulatory barriers between provinces. Provinces that have removed this barrier receive higher scores (see Table 12).

Only three provinces—Nova Scotia, Manitoba, and British Columbia—allow direct-to-consumer shipments. These provinces receive a score of 10 under this area. Saskatchewan receives a partial score as BC produced wines can be shipped directly to residents, the rest of the provinces receive a score of 0.

Provincial Regulatory Restrictions

Table 13

Burden indicator 6 – Total number of provincial regulatory restrictions (score below data; 10 is best, 0 is worst)

Indicator	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Total provincial regulatory restrictions—restrictions in regulations and statutes*	71,776 (6.7)	67,721 (7.0)	66,479 (7.1)	57,889 (7.9)	143,997 (0.0)	125,426 (1.7)	49,972 (8.7)	69,048 (6.9)	35,433 (10)	51,572 (8.5)

Source: RegData Canada (dataset). QuantGov, Mercatus Center at George Mason University, Arlington, VA, 2021.

*Total number of provincial regulatory restrictions is the sum of restrictions in regulations and restrictions in statutes. The province with the best performance (i.e. the lowest number of restrictions in regulations and statutes) receives the maximum score of 10, while the province with the worst performance receives a score of 0. All other scores are based on the scale formed by these two values.

To incorporate the overall regulatory burden on citizens and businesses into our report card we use data presented by the Mercatus Center at George Mason University. This dataset provides the number of restrictions found in the regulations and statutes that exist in each province.^{10,11} In using the restriction count as a surrogate measure for the regulatory burden, we assume that a higher number of restrictions in a province means a greater regulatory load and more opportunity to reduce red tape.

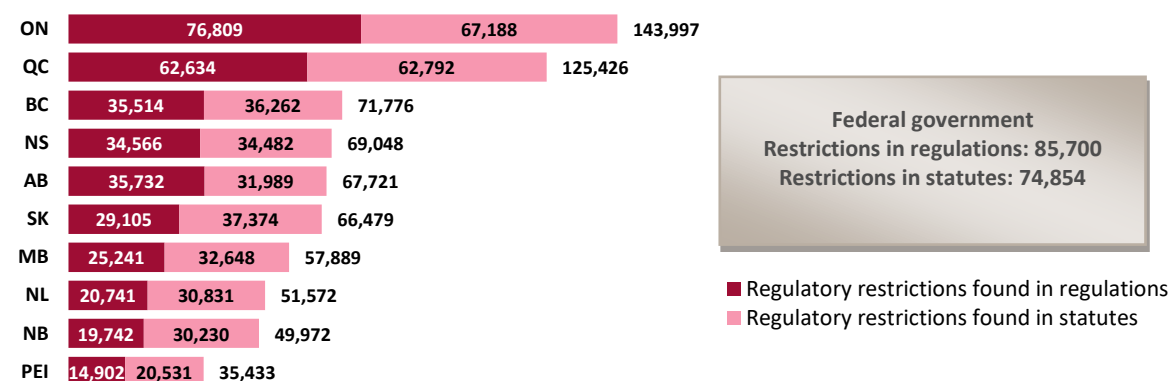
¹⁰ McLaughlin, Patrick A., Jonathan Nelson, and Stephen Strosko. RegData Canada (dataset). QuantGov, Mercatus Center at George Mason University, Arlington, VA, 2020. <https://quantgov.org/regdata-canada/>.

¹¹ The Mercatus Center quantifies regulations based on the content of regulatory text using text analysis program that counts the number of binding constraints or "restrictions", words that indicate an obligation to comply—including "shall", "must", "may not", "required" and "prohibited".

It is important to acknowledge the limitations of this approach. The dataset does not include certain government rules, such as those in guidance documents, policies, or forms. Further, differences in provincial industrial landscapes can contribute to differences in regulatory counts.¹² For example, larger provinces are home to more industries, and thus more regulations, than a smaller province. Nevertheless, the dataset is used as it is the only measure presently available that compares regulatory counts across the country, as not all governments provide a regulatory count and those that do tend to use different counting methods. For this indicator, the fewer regulatory restrictions in place, the lower the burden and the higher the score achieved. As such, provinces with the highest scores include Prince Edward Island, New Brunswick and Newfoundland and Labrador—see Figure 1 and Table 13. Conversely, Ontario, Quebec and British Columbia score the lowest for this indicator.

Figure 1

Total Regulatory Restrictions in Canadian provinces, Regulations and Statutes (2021)



Source: RegData Canada (dataset). QuantGov, Mercatus Center at George Mason University, Arlington, VA, 2021.

Provincial Regulatory Restrictions Per Capita

Table 14

Burden indicator 7 - Provincial regulatory restrictions per capita (score below data; 10 is best, 0 is worst)

Indicator	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Provincial regulatory restrictions per capita	138	152	563	418	97	146	633	696	2,156	991
—per 10,000 population*	(9.8)	(9.7)	(7.7)	(8.4)	(10)	(9.8)	(7.4)	(7.1)	(0)	(5.7)

Sources:

1. RegData Canada (dataset). QuantGov, Mercatus Center at George Mason University, Arlington, VA, 2021.

2. Statistics Canada. Table 17-10-0009-01 Population estimates.

* Total provincial regulatory restrictions is the sum of restrictions in regulations and restrictions in statutes. The province with the best performance (i.e. the lowest number of restrictions in regulations and statutes per 10,000 population) receives the maximum score of 10, while the province with the worst performance receives a score of 0. All other scores are based on the scale formed by these two values.

To compare the magnitude of the regulatory burden across provinces, the total number of provincial regulatory restrictions is divided by population.¹³ This approach is used to counterbalance the natural bias in regulatory counts that occurs due to the industrial landscapes in larger provinces, which are home to more industries and thus more regulations. To this end we employed a per capita count as a basis for scaling, such a calculation shows – in relative terms – whether regulations pose a larger or smaller burden.

¹² Laura Jones et al. *RegData Canada: A Snapshot of Regulatory Restrictions in Canada's Provinces*. Mercatus Center at George Mason University, 2020.

¹³ Statistics Canada. Table 17-10-0005-01 Population estimates on July 1st, by age and sex. 2020.

Using this approach, Ontario scores highest as it has the lowest number of provincial regulatory restrictions per capita (97 per 10,000 people), followed by British Columbia, Quebec, and Alberta (see Table 14). On the other end of the scale, Prince Edward Island fairs the poorest as it has the most regulatory restrictions per capita (2,156 per 10,000 people).

Appendix A: Regulatory Accountability — Subindex Scorecards and Summary of Jurisdictional Findings

Jurisdictional Scorecards

Comprehensive measure of the regulatory burden

Indicator and Scoring Criteria	FED	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Comprehensive measure of the regulatory burden	5	9	10	10	10	10	8	0	10	10	0
Commitment to measure the regulatory burden on business and citizens Yes (5 points) / Some (3 points) / No (0 points)	Some (3)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Some (3)	No (0)	Yes (5)	Yes (5)	No (0)
Regulatory requirement count (for business and/or citizens) includes all sources from (i) legislation, (ii) regulations, and (iii) associated policies and forms Yes (3 points) / Some (1 point) / No (0 points)	Some (1)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	No (0)	Yes (3)	Yes (3)	No (0)
Regulatory requirement count (for business and/or citizens) includes all government departments, agencies, and delegated authorities Yes (2 points) / Some (1 point) / No (0 points)	Some (1)	Some (1)	Yes (2)	Yes (2)	Yes (2)	Yes (2)	Yes (2)	No (0)	Yes (2)	Yes (2)	No (0)

Source: 2021 data.

Public reporting of the regulatory burden

Indicator and Scoring Criteria	FED	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Public reporting of the regulatory burden	7	10	10	10	10	10	10	4	10	7	2
Accessible annual public updates that include the overall regulatory burden Yes (5 points) / Some (2 point) / No (0 points)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Some (2)	Yes (5)	Some (2)	No (0)
Legislation in place that requires public reporting of the regulatory burden Yes (5 points) / Some (2 point) / No (0 points)	Some (2)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Some (2)	Yes (5)	Yes (5)	Some (2)

Source: 2021 data.

Regulatory budget

Indicator and Scoring Criteria	FED	BC	AB	SK	MB	ON	QC	NB	NS	PEI	NL
Regulatory budget	10	9	10	9	10	10	10	10	10	7	5
Commitment to regulatory budgeting Yes (5 points) / Some (2 points) / No (0 points)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Yes (5)	Some (2)	No (0)
Constraints in place to manage regulatory costs (e.g. 1 for 1 rule, reduction/maintenance targets) Yes (3 points) / Some (1) / No (0 points)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)	Yes (3)
Legislation in place that requires governments to adhere to constraints (e.g. 1 for 1 rule, reduction/maintenance targets) Yes (2 points) / Some (1) / No (0 points)	Yes (2)	Some (1)	Yes (2)	Some (1)	Yes (2)	Yes (2)	Yes (2)	Yes (2)	Yes (2)	Yes (2)	Yes (2)

Source: 2021 data.

Summary of jurisdictional findings on accountability

British Columbia**Overall Grade: 9.3/10**

In 2001, the province began to measure and report the total number of regulatory requirements imposed on businesses and citizens. The baseline count was initially 382,129 requirements which was later revised to 330,812 to eliminate some double counting.¹ The government committed to reduce the regulatory requirements by one-third in three years (by 2004)—to achieve this goal the province introduced a regulatory reform policy requiring two regulatory requirements be eliminated for each one introduced. By 2004 the province had surpassed its reduction target achieving close to a 40% reduction in regulatory requirements. Its “two-for-one” policy was then replaced with a “one-for-one” policy. A commitment was made to maintain the total number of regulatory requirements (i.e. net zero increase commitment) beyond the baseline count of 197,242. The Net Zero Increase commitment (NZI) has been extended several times and is currently in place until 2022.²

<p>Comprehensive measure of the regulatory burden</p> <p>Score: 9/10</p>	<p>The BC government regulatory requirement count reflects the overall number of requirements for people, business, and government included in the province’s statutes, regulations and associated policies and forms.²</p> <p>As of March 31, 2021, the regulatory requirements count remained stable at 15% below the established 2004 baseline (197,242) with a total of 168,475.²</p> <p>The count excludes certain agencies and delegated authorities (e.g. waste management rules) and the province loses one point on this indicator.</p>
<p>Public reporting of the regulatory burden</p> <p>Score: 10/10</p>	<p>Data on regulatory requirements are available on the provincial government website and are reported publicly every year, as per legislation.^{3,4}</p>
<p>Regulatory budget</p> <p>Score: 9/10</p>	<p>In terms of a regulatory budget, the province’s commitment to keep regulations at or below the 2004 baseline is in place until 2022.² The BC government maintains a “one-for-one” policy requiring government to remove one equivalent regulation for every new one introduced.⁵ There is no indication as to whether these policies will be in place beyond 2022. The province loses a point as the regulatory budget is not legislated.</p>

Sources:

1. Jones, Laura. *Lessons from the British Columbia Model of Regulatory Reform*. Mercatus Research, Mercatus Center at George Mason University. 2018. Retrieved, February 4, 2022. <https://www.mercatus.org/publications/regulation/lessons-british-columbia-model-regulatory-reform>
2. Government of British Columbia. *Better Regulations for British Columbians: 2020/21 Annual Report*. Retrieved: August 22, 2021. https://www2.gov.bc.ca/assets/gov/government/about-the-bc-government/regulatory-reform/pdfs/better_regulations_2021_annual_report.pdf
3. Government of British Columbia website. *Regulatory Reform*. Retrieved: August 22, 2021. <https://www2.gov.bc.ca/gov/content/governments/about-the-bc-government/regulatory-reform/resources>
4. Government of British Columbia. *Regulatory Reporting Act*. BC Laws. Retrieved: August 22, 2021. https://www.bclaws.ca/civix/document/id/lc/statreg/11028_01
5. Government of British Columbia. *Regulatory Reform Policy*. Retrieved: August 22, 2021. https://www2.gov.bc.ca/assets/gov/government/about-the-bc-government/regulatory-reform/pdfs/regulatory_reform_policy.pdf

Alberta Overall Grade: 10/10	
<p>Alberta completed its first baseline count in 2020 and found 666,513 regulatory requirements as of May 2019.¹ The province has an overall reduction target of 33 per cent in 2022-23.¹ Between May 2020 and June 2021, the Alberta government achieved a net reduction of 17.8% against its baseline indicating the province is on its way to achieving its one-third reduction target by 2023.¹</p>	
<p>Comprehensive measure of the regulatory burden</p> <p>Score: 10/10</p>	<p>As of June 30, 2021, Alberta’s count of regulatory requirements stands at 547,837—a reduction of 17.8% from its baseline count of 666,513 regulatory requirements.¹ The government’s count includes the regulatory burden on both citizens and businesses found in legislation, regulation, policy, and forms. Additionally, the count includes all government departments, agencies, and delegated authorities. Alberta scores full points for this indicator.</p>
<p>Public reporting of the regulatory burden</p> <p>Score: 10/10</p>	<p>The Alberta government legislates the requirement to publicly and annually report on the regulatory and red tape burden in the province.² The report tracks and reports on regulatory burden measures and can be easily found on the Government of Alberta’s <i>Cutting Red Tape</i> webpage.³</p>
<p>Regulatory budget</p> <p>Score: 10/10</p>	<p>The Alberta government made a commitment to reduce its regulatory burden by one-third by its 2022-23 fiscal year.¹ Further, once this goal is achieved, the province is committed to moving ahead with a “one-in/one-out” rule requiring legislators to identify at least one offsetting regulatory requirement for every new requirement created.⁴</p>
<p>Sources:</p> <ol style="list-style-type: none"> 1. Government of Alberta. <i>Red Tape Reduction annual report 2020-2021</i>. Retrieved: November 11, 2021. https://open.alberta.ca/publications/red-tape-reduction-annual-report 2. Government of Alberta. <i>Red Tape Reduction Act</i>. Retrieved: August 23, 2021. https://open.alberta.ca/publications/r08p2 3. Government of Alberta website. <i>Cutting Red Tape</i>. Retrieved: December 7, 2021. https://www.alberta.ca/cut-red-tape.aspx 4. Government of Alberta. <i>Annual report Red tape reduction 2019–2020</i>. Retrieved: December 6, 2021. https://open.alberta.ca/publications/red-tape-reduction-annual-report 	

Saskatchewan

Overall Grade: 9.7/10

In 2017-18 Saskatchewan began measuring the regulatory burden on businesses and citizens—this baseline measure stood at 654 regulations containing over 230,000 regulatory requirements.¹ In 2017-18, Saskatchewan became the first province to implement the mandatory use of the Direct Cost Estimator (DCE) for all regulatory decision items for ministries, agencies, and Crown corporations. This tool provides the ability to measure the net impact that changes to regulations have on impacted stakeholders, and government. The net savings for regulatory and policy changes made during 2020-21 totalled \$16.1 million.²

Comprehensive measure of the regulatory burden

Score: 10/10

Saskatchewan's regulatory count includes the overall regulatory requirements on people and business, including related programs, policies, guidelines, and forms from the regulatory framework of its ministries, agencies, and Crown corporations.¹ In 2020-21, the province estimated it had 230,647 mandatory compliance requirements.³

Public reporting of the regulatory burden

Score: 10/10

As required by legislation, each year the *Regulatory Modernization Annual Progress Report* is tabled and publicly reported.⁴ Province earns full points for this indicator.

Regulatory budget

Score: 9/10

The province is committed to save businesses \$10 to \$20 million annually.⁵ To achieve this goal all ministries, agencies, and Crown Corporations must use the Direct Cost Estimator. However, as there is no legislation in place to ensure government adheres to their constraints (for example, the use of the estimator), the government loses one mark for this indicator.

Sources:

1. Government of Saskatchewan. *Annual Regulatory Modernization Progress Report 2017-18*. Retrieved: August 23, 2021. <https://publications.saskatchewan.ca/#/products/90767>
2. Government of Saskatchewan. *Annual Regulatory Modernization Progress Report 2020-21*. Retrieved: August 23, 2021. <https://publications.saskatchewan.ca/#/products/113963>
3. Government of Saskatchewan. *Help Cut Red Tape*. Retrieved: February 6, 2022. <https://www.saskatchewan.ca/government/public-consultations/help-cut-red-tape>
4. Government of Saskatchewan. *The Regulatory Modernization and Accountability Act*. Retrieved: August 23, 2021. <https://publications.saskatchewan.ca/#/products/68641>
5. Government of Saskatchewan. *Saskatchewan's Growth Plan the Next Decade of Growth 2020-2030*. Retrieved: August 23, 2021. <https://www.saskatchewan.ca/government/budget-planning-and-reporting/plan-for-growth>

Manitoba**Overall Grade: 10/10**

Starting in 2016, the Manitoba government embarked upon a program to promote regulatory accountability by tracking regulatory requirements and the costs they impose on businesses and citizens. At that time, the province's baseline count stood at 961,997.¹ Manitoba had reduced its regulatory requirements by 10.3% (or 98,890 regulatory requirements) as of March 31, 2021. Manitoba's measure is the most comprehensive in North America.

Comprehensive measure of the regulatory burden**Score: 10/10**

The Manitoba government has established a comprehensive regulatory measure by counting all regulatory requirements on citizens and business and costing the relative burden of new regulatory requirements across every government entity (i.e. relative burden includes administrative burden and other costs such as financial, economic, environmental, and social costs).² Manitoba earns full points for this indicator. In 2020-2021, the total number of regulatory requirements across departments and government agencies was 863,107.²

Public reporting of the regulatory burden**Score: 10/10**

Each year the Manitoba government counts and publicly reports the regulatory requirements, as required by legislation.^{2,3} The province earns full points for this indicator.

Regulatory budget**Score: 10/10**

On July 1, 2019, Manitoba became the first province to legislate a "2-for-1" rule requiring government to remove two regulations for every one new regulation introduced. Beginning April 1, 2021, the "2-for-1" rule became a "one for one" rule.³ The Manitoba government earns full points for this indicator.

Sources:

1. Government of Manitoba. *Manitoba Measuring Progress*. Retrieved: December 19, 2021. <https://mbmeasuringprogress.ca/working-smarter/reduce-number-of-regulatory-requirements/>
2. Government of Manitoba. *2020-2021 Regulatory Accountability Report*. Retrieved: October 4, 2021. <https://www.gov.mb.ca/reduceredtape/index.html>
3. The Legislative Assembly of Manitoba. *The Regulatory Accountability Act and Amendments to The Statutes and Regulations Act*. Retrieved: October 4, 2021. <https://web2.gov.mb.ca/bills/41-2/b022e.php>

Ontario**Overall Grade: 10/10**

Ontario's current approach to measuring the regulatory burden on businesses began in 2019, with a baseline count of 250,809.¹ Initiatives to reduce the regulatory burden have led to a 6.5% decrease and the count currently stands at 234,428 impacting businesses (between June 29, 2018 and June 30, 2021).¹ The province's actions have resulted in \$373 million in net annual regulatory compliance cost savings to businesses, not-for-profits, municipalities, universities and colleges, school boards and hospitals since June 29, 2018.¹ Through the creation of a new tracking system, the government aims to make it easier for ministries to accurately report and maintain an ongoing regulatory count.

Comprehensive measure of the regulatory burden**Score: 10/10**

Ontario's regulatory count includes requirements on business from all government ministries, agencies, boards, commissions and delegated administrative authorities found in all legislation, regulations, policies, and forms.² This count stands at 234,428 in 2021.¹

Further to the count of requirements on businesses, in 2021 the Ontario government committed to start tracking and to publicly report its progress on reducing the regulatory burden on citizens by no later than September 30, 2023.¹

Public reporting of the regulatory burden**Score: 10/10**

As prescribed by legislation, the Associate Minister of Small Business and Red Tape Reduction is required to publicly make available an annual report on actions taken to reduce the regulatory burden and future reduction plans.³ The report is published on the Government of Ontario's website. Given these actions, the government receives a score of 10 for this indicator.

Regulatory budget**Score: 10/10**

The Ontario government is required by legislation to offset 125% of direct compliance costs (e.g., for every dollar of new or existing increasing direct compliance costs on business, \$1.25 of old and unnecessary direct compliance costs must be removed) within 24 months.² Direct compliance costs include administrative costs, fees, upfront capital costs, upfront operating costs, and ongoing operating costs. As such, the Ontario government earns full marks for this indicator.

Sources:

1. Government of Ontario. *2021 Burden Reduction Report: Fueling Future Growth by Modernizing Ontario's Regulatory System*. Retrieved January 26, 2022. <https://www.ontario.ca/page/2021-burden-reduction-report-fueling-future-growth-modernizing-ontarios-regulatory-system>.
2. Government of Ontario. *Modernizing Ontario for People and Businesses Act, 2020*. Retrieved November 26, 2021. <https://www.ontario.ca/laws/regulation/200555>.
3. Legislative Assembly of Ontario. *Bill 197, COVID-19 Economic Recovery Act, 2020. (Schedule 11, Modernizing Ontario for People and Businesses Act, 2020)*. Retrieved November 7, 2020. <https://www.ola.org/en/legislative-business/bills/parliament-42/session-1/bill-197>.

Quebec**Overall Grade: 9.3/10**

In 2004 the Quebec government started measuring the administrative burden costs on businesses by using a formula derived from the *Standard Cost Model*—an accounting method used in many European countries to calculate the cost of administrative burden on business. Administrative burden is limited to estimating compliance from paperwork and does not include other aspects of regulatory compliance. The first estimate of the administrative cost on businesses in Quebec was \$1.4 billion annually in 2004.² At the time the province also determined that a total of 672 administrative obligations existed for businesses, and that the volume of obligations totalled 35.5 million. The government’s regulatory reduction efforts have led to a reduction in this cost by 31% by 2020, or \$432 million annually.²

<p>Comprehensive measure of the regulatory burden</p> <p>Score: 8/10</p>	<p>The government focuses on administrative procedures for business. These include: obligations imposed by laws, regulations, or a directive to obtain a permit or other authorization, register, produce a report or keep a record. All government departments, agencies, and delegated authorities are included.¹ In 2020, the total number of administrative procedures on businesses was 764, the volume of procedures (i.e. number of times administrative procedures must be submitted in a given period by businesses in Quebec) was 32 million, and the administrative cost on business was \$962 million.² The government loses points for this indicator as its regulatory measure does not include the burden on citizens.</p>
<p>Public reporting of the regulatory burden</p> <p>Score: 10/10</p>	<p>Quebec’s regulatory policy (The Governmental Policy and Rules Regarding the Streamlining of Legislative and Regulatory Standards – for smart regulations), makes it mandatory for government to publicly measure and report on the regulatory burden annually.³ The regulatory policy related to tracking and reporting is not legislated, however, it does serve as a strong enough requirement that full marks are earned.</p>
<p>Regulatory budget</p> <p>Score: 10/10</p>	<p>The government’s action plan for 2020-2025 aims to reduce the number of administrative procedures by 10%, the total volume of procedures by 15%, and the overall cost by 20%, resulting in annual savings of approximately \$200 million.³</p> <p>Further to these targets, the Quebec government also includes a one-for-one rule policy requiring ministries and agencies proposing a new administrative regulation to remove an equivalent regulation.^{4,5} While the one-for-one policy is not legislated, government does earn full marks as the policy does serve as a strong enough requirement.</p>

Sources:

1. Ministère de l'Économie et de l'Innovation Québec. *Simplifier la vie des entreprises. Rapport sur la mise en œuvre des mesures gouvernementales d'allègement réglementaire et administratif*. 2008.
2. Ministère de l'Économie et de l'Innovation Québec. *Évolution du fardeau administratif (2004-2020)*. Retrieved: January 28, 2022. <https://www.economie.gouv.qc.ca/bibliotheques/rapports/allègement-reglementaire/evolution-du-fardeau-administratif-2004-2020/>
3. Gouvernement du Québec. *Moins De Paperasse Pour une relance innovante et efficace : Plan d'action gouvernemental en matière d'allègement réglementaire et administratif 2020-2025*. Retrieved: January 28, 2022. <https://cdn-contenu.quebec.ca/cdn-contenu/adm/min/economie/publications-adm/plans-action/PL-plan-action-allègement-2020-2025.pdf>
4. Gouvernement du Québec. *Mieux réglementer - Rapport sur la réglementation intelligente et les mesures gouvernementales d'allègement réglementaire et administratif*. Retrieved: February 14, 2022. https://www.economie.gouv.qc.ca/fileadmin/contenu/publications/administratives/allègement/rapport_allègement_2019.pdf
5. Gouvernement du Québec. *Politique gouvernementale sur l'allègement réglementaire et administratif : Pour une réglementation intelligente*. Retrieved: February 14, 2022. https://www.economie.gouv.qc.ca/fileadmin/contenu/publications/administratives/allègement/politique_gouv_allègement.pdf

New Brunswick**Overall Grade: 4.7/10**

The New Brunswick government has yet to develop a comprehensive measure of the regulatory burden and report on progress made to reduce it. Steps, however, have been taken to address the regulatory burden imposed on business in the province. For example, the province has implemented a Business Impact Assessment tool to help reduce unnecessary costs and improve the effectiveness of new regulations, as well as a business navigation service that provides support and guidance to existing businesses struggling with start-up and red tape issues.

Comprehensive measure of the regulatory burden**Score: 0/10**

To earn full marks, the government must develop a comprehensive measure of the regulatory burden for both citizens and businesses and keep it updated.

Public reporting of the regulatory burden**Score: 4/10**

The New Brunswick *Regulatory Accountability and Reporting Act* legislates that a public report be made available annually. It must include the progress made to improve regulation and reduce burden, as well as the goals and objectives for the coming year.¹ The latest annual report, however, does not include a comprehensive baseline measure or track the regulatory burden annually³—as such, points are deducted for this indicator.

Regulatory budget**Score: 10/10**

Based on the Premiers' Charter of Governing Principles for Regulation, New Brunswick uses a "cost-for-cost" rule which requires the cost of additional regulations be offset by an equal regulatory cost reduction. Further to this rule, the government launched an initiative to reduce the regulatory burden experienced by businesses by \$14 million by March 2021.² Using a Business Impact Assessment Tool for estimating the costs of regulatory proposals, the government reported that its efforts have resulted in a \$34 Million net reduction being realized over the course of 2020-21.³ New Brunswick earns full marks for this indicator.

Sources:

1. Government of New Brunswick. *Regulatory Accountability and Reporting Act*. Retrieved: December 2, 2021. <https://www.canlii.org/en/nb/laws/astat/snb-2016-c-11/latest/snb-2016-c-11.html>
2. Government of New Brunswick. *Agile Business Ensuring Regulatory Competitiveness Annual Report 2018–2019*. Retrieved: December 6, 2021. <https://www2.gnb.ca/content/dam/gnb/Departments/eco-bce/pdf/en/AgileBusiness-RRI-AR2018-2019.pdf>
3. Government of New Brunswick. *Agile Business Ensuring Regulatory Competitiveness Annual Report 2020–2021*. Retrieved: December 6, 2021. <https://onbcanada.ca/wp-content/uploads/2021/12/Reducing-Regulatory-Burden-2020-2021-EN.pdf>

Nova Scotia**Overall Grade: 10/10**

In 2015, the Office of Regulatory Affairs and Service Effectiveness was established to, among other things, quantify and reduce the avoidable burden of regulation on Nova Scotia businesses.¹ In 2017 government began to set regulatory reduction targets, which have resulted in \$50 million annual savings in regulatory costs to businesses.¹ In 2019, the government completed a baseline count of regulatory compliance requirements imposed on citizens, business, non-profits, and other organizations—the baseline count was estimated at 157,000.¹

Comprehensive measure of the regulatory burden**Score: 10/10**

The government provides a count of regulatory compliance requirements in all Nova Scotia Government Acts, Regulations, and related administrative policy and forms.¹ In its 2019-20 annual report, the government estimated that there are 170,854 compliance requirements imposed on citizens, business, non-profits, and other organizations.²

Public reporting of the regulatory burden**Score: 10/10**

As required by legislation, government publishes an annual report detailing the progress made to improve regulation and reduce regulatory burden.³ An annual report can be easily found on the website for the Office of Regulatory Affairs and Service Effectiveness.⁴

Regulatory budget**Score: 10/10**

Based on The Charter of Governing Principles on Regulation, Nova Scotia uses a “cost-for-cost” rule which requires the cost of additional regulations be offset by an equal regulatory cost reduction. Such legislated policy earns Nova Scotia full points for this indicator.⁵

While not part of the grading, it should be noted that the government has implemented a Business Impact Assessment tool to estimate the dollar costs or savings of individual legislative or regulatory proposals affecting business.⁶

Sources:

1. Government of Nova Scotia. *Three Year Review*. The Office of Regulatory Affairs and Service Effectiveness. Retrieved January 26, 2022. https://novascotia.ca/regulatoryopportunity/documents/Three_Year_Review_and_Appendix_B.pdf
2. Government of Nova Scotia. *Regulating for Recovery. Office of Regulatory Affairs and Service Effectiveness, 2019-20 Annual Report*. Retrieved: December 15, 2021. <https://novascotia.ca/regulatoryopportunity/report.asp>
3. Nova Scotia Legislature. *Bill No. 143, Regulatory Accountability and Reporting Act*. Retrieved: August 23, 2021. https://nslegislature.ca/legc/bills/62nd_2nd/1st_read/b143.htm
4. Government of Nova Scotia. *Office of Regulatory Affairs and Service Effectiveness*. Retrieved: January 28, 2022. <https://novascotia.ca/regulatoryopportunity/report.asp>
5. Office of Regulatory Affairs and Service Effectiveness. *Premiers’ Charter of Governing Principles for Regulation*. Retrieved: August 23, 2021. <https://novascotia.ca/regulatoryopportunity/premiers-%20charter.asp>
6. Office of Regulatory Affairs and Service Effectiveness. *Regulating for Recovery: Regulatory Burden Reduction Target Report (Achievement as of December 31, 2020)*. Retrieved: January 28, 2022. <https://novascotia.ca/regulatoryopportunity/documents/Annual-Report-2020-2021.pdf>

Prince Edward Island**Overall Grade: 8/10**

In 2020, the Prince Edward Island (PEI) government completed its first count of the regulatory obligations on businesses and citizens as part of Project ART (Addressing Red Tape). The baseline count of regulatory requirements was estimated at 30,023.

Comprehensive measure of the regulatory burden**Score: 10/10**

The regulatory count includes requirements on business and citizens from all government ministries, boards, commissions and delegated administrative authorities found in all legislation, regulations, policies, and forms.¹ The overall count of regulatory requirements, imposed upon citizens, business and government is estimated at 30,023 in 2020.¹

Public reporting of the regulatory burden**Score: 7/10**

The province's *Regulatory Accountability and Reporting Act* requires government to publicly report on the progress made to improve regulation and reduce regulatory burden.² However, there has not been a report since 2016-17.³ Points are lost for the absence of annual reporting.

Regulatory budget**Score: 7/10**

The government has legislated a "one-for-one" policy as part of the Premiers' Charter of Governing Principles for Regulation in Atlantic Canada.⁴ This policy requires the cost of additional regulations be offset by a regulatory reduction of equal cost. The lack of annual reporting makes it difficult to assess whether government is following through on this legislation. As such, the government earns partial points for its commitment to regulatory budgeting.

Sources:

1. Government of Prince Edward Island. *Project ART Regulatory Count*. Retrieved: August 23, 2021. <https://www.princeedwardisland.ca/en/information/economic-growth-tourism-and-culture/project-art-regulatory-count>
2. Government of Prince Edward Island. *Regulatory Accountability and Reporting Act*. Retrieved: August 23, 2021. <https://www.princeedwardisland.ca/sites/default/files/legislation/R-11-1%20-Regulatory%20Accountability%20And%20Reporting%20Act.pdf>
3. Government of Prince Edward Island. *Annual Report Joint Office of Regulatory Affairs and Service Effectiveness*. Retrieved: December 7, 2021. <https://www.princeedwardisland.ca/en/publication/annual-report-joint-office-regulatory-affairs-and-service-effectiveness>
4. Office of Regulatory Affairs and Service Effectiveness. *Premiers' Charter of Governing Principles for Regulation*. Retrieved: December 7, 2021. <https://novascotia.ca/regulatoryopportunity/premiers-%20charter.asp>

Newfoundland and Labrador**Overall Grade: 2.3/10**

In 2005 the province appointed a Red Tape Reduction Task Force to identify unnecessary red tape and recommend improvements to the regulatory environment for business and citizens. It determined a baseline count for regulatory requirements of 312,517.¹ However, the regulatory burden was last publicly reported in 2013-14. At that time, around 1,300 regulatory requirements had been eliminated from the province's overall regulatory count, representing a reduction of 0.6%.² Since then the regulatory burden in Newfoundland and Labrador has not been reported.

Comprehensive measure of the regulatory burden**Score: 0/10**

The regulatory requirement count was last publicly reported in 2014.

Public reporting of the regulatory burden**Score: 2/10**

The *Regulatory Accountability and Reporting Act*, proclaimed in January 2018, requires the government to publicly report on its work to reduce red tape.³ However, as no comprehensive measure of the total regulatory burden has been made public since 2013-14, points are lost for not reporting the overall burden on an annual basis.

Regulatory budget**Score: 5/10**

The government has legislated a “one-for-one” policy as part of the Premiers’ Charter of Governing Principles for Regulation in Atlantic Canada.⁴ This policy requires the cost of additional regulations be offset by a regulatory reduction of equal cost. While it is commendable government includes these constraints in their legislation, it is unclear whether government is following through on this legislation. As such, the government loses points for its commitment to regulatory budgeting based on the lack of transparency.

Sources:

1. Government of Newfoundland and Labrador. *Report of the Red Tape Reduction Task Force to The Minister of the Department of Business*. Retrieved: December 12, 2021. <https://www.gov.nl.ca/regulatoryreform/taskforcereport.pdf>
2. Government of Newfoundland and Labrador. *Regulatory Reform Annual Report 2013-14*. Retrieved: December 7, 2021. https://www.gov.nl.ca/regulatoryreform/reg_reform_annual_report.html
3. House of Assembly Newfoundland and Labrador. *Regulatory Accountability and Reporting Act. Assented to December 14, 2016*. Retrieved: December 7, 2021. <https://www.assembly.nl.ca/Legislation/sr/statutes/r10-02.htm#10>
4. Office of Regulatory Affairs and Service Effectiveness. *Premiers’ Charter of Governing Principles for Regulation*. Retrieved: December 7, 2021. <https://novascotia.ca/regulatoryopportunity/premiers-%20charter.asp>

Federal Government**Overall Grade: 7.3/10**

In 2012-13 the federal government introduced a one-in-one-out policy for business regulations requiring that each increase in administrative burden on businesses must be offset with a corresponding decrease.¹ In 2015 Canada became the first country in the world to legislate its one-in-one-out policy through its *Red Tape Reduction Act*.² Further, in 2014 a baseline count of federal requirements on businesses was developed and totalled 129,860.¹ In 2018, government formed the External Advisory Committee on Regulatory Competitiveness to bring business leaders, academics, and consumer representatives together to help ministers and regulators modernize Canada's regulatory system. The committee recommended that measurement be a focus of the government's modernization plan.

<p>Comprehensive measure of the regulatory burden</p> <p>Score: 5/10</p>	<p>In 2014, the federal government established a baseline count (Administrative Burden Baseline—ABB) of federal requirements in the regulations and related forms from departments and agencies that impose administrative burden on businesses.³ As of June 30, 2020, the total number of administrative requirements from thirty-nine regulators was 137,089—an increase of 4,606 (or 3.48%) from the 2019 count of 132,483.¹</p> <p>Points are lost as the ABB does not capture the burden generated by all federal government departments and agencies, nor does it include the burden from legislation or policies on business. Further, this regulatory measure is not comprehensive as it does not include the regulatory burden on citizens.</p>
<p>Public reporting of the regulatory burden</p> <p>Score: 7/10</p>	<p>As part of the <i>Red Tape Reduction Act</i>, the President of the Treasury Board must prepare and make public a report on the one-for-one requirement.³ The fifth report for 2020/21 was recently published and includes savings from the one-for-one and an assessment of details on the overall count. Although reporting on one-for-one is legislated, reporting on the overall count is not, thus it loses some points on this indicator.</p>
<p>Regulatory budget</p> <p>Score: 10/10</p>	<p>The federal government uses a one-in-one-out rule. When a new or amended regulation increases the administrative costs on business, government must reduce the burden in two ways. First, regulators are required to offset an equal amount of administrative cost. Second, regulators are required to remove at least one existing regulation. Since the implementation of this rule in 2012-13, the annual net burden has been reduced by approximately \$60.5 million.¹ However, it is important to remember that the administrative burden does not include big components of the regulatory burden (e.g. burden imposed on citizens and other costs outside of administration imposed on business). The government plans to review both the <i>Red Tape Reduction Act</i> and the one-for-one rule and consider its continued operation.⁴ The one-for-one is a form of regulatory budget, although it is not as comprehensive as it could be and points are deducted for this in the first category above.</p>

Sources:

1. Government of Canada. *Annual Report for the 2020 to 2021 Fiscal Year: Federal Regulatory Management Initiatives*. Retrieved: December 21, 2021. <https://www.canada.ca/en/treasury-board-secretariat/corporate/reports/annual-report-2020-2021-fiscal-year-federal-regulatory-management-initiatives.html>
2. Government of Canada. *One-for-One Rule*. Retrieved: December 21, 2021. <https://www.canada.ca/en/government/system/laws/developing-improving-federal-regulations/requirements-developing-managing-reviewing-regulations/one-for-one-rule.html>
3. Government of Canada. *Red Tape Reduction Act*. Retrieved: February 7, 2022. <https://laws.justice.gc.ca/eng/acts/R-4.5/page-1.html>
4. Government of Canada. *Regulatory Stock Review Plan: 2020 to 2030: review of the Red Tape Reduction Regulations*. Retrieved: December 6, 2021. <https://www.canada.ca/en/treasury-board-secretariat/corporate/transparency/acts-regulations/forward-regulatory-plan/regulatory-stock-review-plan-2020-2030/review-red-tape-reduction-regulations.html>

Appendix B: Summary of Regulatory Accountability Grades, 2011 to 2022*

Jurisdiction	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
British Columbia	B+	A	A	A	A	A	A	A	A-	A-	A (9.3)	A (9.3)
Alberta	F	D	D+	D	D	N/A	F	F	F	B-	A (10.0)	A (10.0)
Saskatchewan	C+	B-	C	B	B	B	B	A-	A	A	A (9.7)	A (9.7)
Manitoba	F	F	D-	D-	D	F	D+	A	A	A	A (10.0)	A (10.0)
Ontario	C-	B-	B	B	B+	B+	B-	C+	A-	A-	A (9.3)	A (10.0)
Quebec	C+	B-	B	B+	B+	B+	A	A	N/A	A	A (9.0)	A (9.3)
New Brunswick	C-	C+	B-	B	N/A	C-	C+	C-	N/A	B+	C- (6.0)	F (4.7)
Nova Scotia	B	D	D	C-	D-	C+	B	A-	A	A	A (10.0)	A (10.0)
Prince Edward Island	D	F	D-	D+	D+	C-	C+	C-	D	N/A	A (8.3)	B+ (8.0)
Newfoundland and Labrador	B	B	B	C+	C	N/A	C	C-	D	D	F (4.7)	F (2.3)
Federal government	C+	B-	B+	B+	B+	N/A	B	B-	B+	B+	B (7.3)	C+ (7.3)

*While overall report card grades are not comparable as we have added new sections over time, the grades for accountability are comparable. This section has not changed much since report cards were first issued in 2011.

Appendix C: Permanent Public Feedback Mechanism for Reporting Red Tape Concerns and Advisor Services for Navigating Challenges

BC	<ul style="list-style-type: none"> An e-mail address dedicated to red tape inquiries: BetterRegulations@gov.bc.ca Advisory services: Small Business BC
AB	<ul style="list-style-type: none"> Dedicated portal for red tape submissions: https://www.alberta.ca/cut-red-tape.aspx Advisory services: Business Link Alberta
SK	<ul style="list-style-type: none"> Dedicated portal for red tape submissions: https://www.saskatchewan.ca/government/public-consultations/help-cut-red-tape Advisory services: Square One: Saskatchewan's Centre for Entrepreneurship
MB	<ul style="list-style-type: none"> Dedicated portal for red tape submissions: https://www.gov.mb.ca/reduceredtape/submissions.html Advisory services: AccessManitoba
ON	<ul style="list-style-type: none"> Dedicated portal for red tape submissions: https://www.ontario.ca/page/cutting-red-tape Advisory services: Small Business Enterprise Centres
QC	<ul style="list-style-type: none"> Dedicated portal for red tape submissions (French only): https://www.economie.gouv.qc.ca/objectifs/informer/allegement-reglementaire-et-administratif/boite-a-suggestions-en-matiere-dallegement-reglementaire-et-administratif/ Advisory services: Entreprises Québec
NB	<ul style="list-style-type: none"> The province does not provide permanent public feedback mechanism. Advisory services are provided through a Business Navigator Program.
NS	<ul style="list-style-type: none"> The province does not provide permanent public feedback mechanism. Advisory services are provided through a Business Navigator Program.
PEI	<ul style="list-style-type: none"> Dedicated portal for red tape submissions (for businesses only) – https://www.princeedwardisland.ca/en/service/red-tape-challenge-we-want-hear-island-business Advisory services are provided through a Business Navigator Program.
NL	<ul style="list-style-type: none"> An e-mail address dedicated to red tape submissions: redtapereduction@gov.nl.ca Advisory service is not provided.

Appendix D: Methodology

The 2022 Provincial Red Tape Report Card uses an index approach to measure and rank the regulatory performance of Canada's provinces based on two major priority areas of regulatory activity (or subindexes), which encompass 10 indicators. These indicators represent either a composite of multiple scores, or a stand-alone value. These subindexes and their respective indicators are:

Regulatory Accountability Subindex (3 indicators)

1. Comprehensive measure of the regulatory burden (*composite scores*)
2. Public reporting of the regulatory burden (*composite scores*)
3. Regulatory budget (*composite scores*)

Regulatory Burden Subindex (7 indicators)

Minimizing the regulatory burden

1. Permanent public feedback mechanism for navigating and reporting red tape concerns (*composite score*)
2. Time spent finding the public feedback mechanism for reporting red tape concerns/ (*stand-alone score*)
3. Public promotion of public feedback mechanism (*stand-alone score*)
4. A commitment to a regular window for regulatory changes to address red tape (*stand-alone score*)
5. Direct-to-consumer interprovincial shipment of Canadian wine (*stand-alone score*)

Provincial regulatory restrictions

6. Total provincial regulatory restrictions (*stand-alone score*)
7. Total provincial regulatory restrictions per capita (*stand-alone score*)

Report Card Grading Scale and Weighting

For each subindex, indicator scores are compiled into a single score and corresponding letter grade. 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-	6.3-6.5 (Satisfactory performance)
B+	8.3-8.6 (Good performance)	D+	5.9-6.2 (Less than satisfactory performance)
B	7.8-8.2 (Good performance)	D	5.4-5.8 (Less than satisfactory performance)
B-	7.5-7.7 (Good performance)	D-	5.0-5.3 (Less than satisfactory performance)
C+	7.1-7.4 (Satisfactory performance)	F	0-4.9 (Unsatisfactory performance)

Using a weighting scheme, the two subindex scores are combined into a single score that allows for a ranking of provincial governments from best (highest score) to worst (lowest score). The weighting scheme is based according to how the two areas influence the ability to develop successful regulatory reform. In this regard, larger weighting is placed on regulatory accountability. This approach was taken because to effectively control and reduce red tape over the long-term, it is imperative governments maintain a public measurement of the regulatory burden and implement constraints on regulators. Further, data related to regulatory burden that can be used to compare provinces is very limited. Therefore, the different areas are assigned the following weights: regulatory accountability—60%, regulatory burden—40%.

The data reflected in this report are based on information that was in effect as of February 14, 2022.

Regulatory Accountability Subindex

For the regulatory accountability subindex, we assigned a specific scoring system for each of the three indicators. Both the indicators and their respective scoring criteria were chosen on their relevance to ensure the proper success of regulatory reform initiatives and proper accountability (see Table C1). To achieve an overall score for this subindex, the total number of points earned are divided by the total number of points that could have been earned, using the following calculation: $(A1+A2+A3)/30*10$.

Note, we attributed partial scores for some criteria based on either government's commitment to implement the appropriate approaches, or for approaches that met some aspects of criteria but failed others.

Table C1

Regulatory Accountability Scoring Criteria

A1. Comprehensive measure of the regulatory burden	Total Potential Points = 10
Commitment to measure the regulatory burden on business and citizens*	Yes (5 points); Some (3 points); No (0 points)
Regulatory requirement count (for business and/or citizens) includes all sources from (i) legislation, (ii) regulations, and (iii) associated policies and forms	Yes (3 points); Some (1 point); No (0 points)
Regulatory requirement count (for business and/or citizens) includes all government departments, agencies, and delegated authorities	Yes (2 points); Some (1 point); No (0 points)
A2. Public reporting of the regulatory burden	Total Potential Points = 10
Accessible annual public updates that include the overall regulatory burden	Yes (5 points); Some (2 points); No (0 points)
Legislation in place that requires public reporting of regulatory burden	Yes (5 points); Some (2 points); No (0 points)
A3. Regulatory budget	Total Potential Points = 10
Commitment to regulatory budgeting	Yes (5 points); Some (2 points); No (0 points)
Constraints in place to manage regulatory costs (e.g. 1 for 1 rule, reduction/maintenance targets)	Yes (3 points); Some (1 point); No (0 points)
Legislation in place that requires governments to adhere to constraints (e.g. 1 for 1 rule, reduction/maintenance targets)	Yes (2 points); Some (1 point); No (0 points)
Overall Subindex Score $= (A1+A2+A3)/30*10$	

*Some provinces show commitment to measure of the regulatory burden on business only, these provinces are deducted 2 points for not maintaining a measure for citizens.

Regulatory Burden Subindex

The regulatory burden subindex contains both scalar and binary indicators.

On each scalar indicator, the province with the best performance for an indicator (lowest or highest, depending on the indicator) receives the maximum score of 10, while the province 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: $10 - ((x-min)/(max-min))*10$*

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

Where x = the score to be calculated

Min and max are the minimum and maximum of the range of indicators.

Binary indicators typically have a value of either 0 or 10, and in one instance 0 or 5 which corresponds to elements of the indicator. 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.

2022 Changes in Methodology

Several methodology changes have been introduced into the 2022 Report Card, compared to 2021. The main changes are described below.

Interprovincial Cooperation Subindex

The interprovincial cooperation subindex has been excluded—removed are its three indicators: 1) the total number of provincial exceptions to the Canadian Free Trade Agreement, 2) the existence of select provincial barriers to internal trade, and 3) and the implementation status of reconciliation agreements at the provincial level. We are exploring new metrics to evaluate the progress of provincial governments towards addressing barriers to internal trade.

Regulatory Burden Subindex

Changes implemented for the 2022 report card:

- Removal of the “Business owner confidence in provincial commitment to red tape reduction” indicator. Survey results on the share of business owners who are confident their provincial government is committed to reducing red tape are provided in the foreword of the 2022 report card.
- Inclusion of five indicators meant to evaluate efforts to minimize the red tape burden.
 - i. Permanent public feedback mechanism for navigating and reporting red tape concerns (stand-alone score)
 - ii. Time spent finding the public feedback mechanism for reporting red tape concerns (stand-alone score)
 - iii. Public promotion of public feedback mechanism (stand-alone score)
 - iv. A commitment to a regular window for regulatory changes to address red tape (stand-alone score)
 - v. Direct-to-Consumer interprovincial shipment of Canadian wine (stand-alone score).

Report Card Weighting Changes

With the removal of the interprovincial cooperation subindex, the weighting for the remaining areas was adjusted in the following manner:

- Regulatory accountability weights:
 - 2022: 60%
 - 2021: 70%
- Regulatory burden weights:
 - 2022: 40%
 - 2021: 15%

Report Card Grading Scale Changes

Both the numerical values and corresponding letter grades were adjusted in the 2022 Red Tape Report Card from 2021 in the following manner:

Grading Scale		
	2022	2021
A	9.0-10 (Excellent performance)	9.0-10 (Excellent performance)
A-	8.7-8.9 (Excellent performance)	8.0-8.9 (Excellent performance)
B+	8.3-8.6 (Good performance)	7.7-7.9 (Good performance)
B	7.8-8.2 (Good performance)	7.3-7.6 (Good performance)
B-	7.5-7.7 (Good performance)	7-7.2 (Good performance)
C+	7.1-7.4 (Satisfactory performance)	6.7-6.9 (Satisfactory performance)
C	6.6-7.0 (Satisfactory performance)	6.3-6.6 (Satisfactory performance)
C-	6.3-6.5 (Satisfactory performance)	6.0-6.2 (Satisfactory performance)
D+	5.9-6.2 (Less than satisfactory performance)	5.7-5.9 (Less than satisfactory performance)
D	5.4-5.8 (Less than satisfactory performance)	5.3-5.6 (Less than satisfactory performance)
D-	5.0-5.3 (Less than satisfactory performance)	5.0-5.2 (Less than satisfactory performance)
F	0-4.9 (Unsatisfactory performance)	0-4.9 (Unsatisfactory performance)



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