

Red Tape Report Card

2017



Table of Contents

RED TAPE AWARENESS

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



British Columbia



2017 Grade

A

Context and Commentary

B.C. has strong leadership on the regulatory reform file that is now recognized internationally. To complement its hard cap and count, the province held its first annual Red Tape Reduction Day in 2016 and created a permanent button on its website to solicit red tape irritants for action throughout the year.

Strong Political Leadership

YES | NO



Reducing red tape has been a clear priority of the government since 2001 when the government announced it would reduce the regulatory burden by one-third in three years.

Most recently, Premier Clark emphasized the importance of eliminating red tape in her 2015-16 Mandate Letters to Cabinet Ministers and appointed a standalone

Minister responsible for Small Business and Red Tape Reduction.

A Red Tape Reduction Day Act became law in 2015 and was celebrated for the first time in March 2016, when a number of additional initiatives to cut red tape and improve government customer service were announced.

Comprehensive Public Measure

YES | NO



The government has a fairly comprehensive “regulatory requirements” measure in place that is updated regularly (legislation requiring updates was passed in 2011). In 2001, when BC started its current reforms, it counted 330,812 regulatory requirements. By 2004, the Premier’s initial goal to reduce regulatory requirements by one-third in three years was surpassed with a reduction of 40.4 per cent. The province has since achieved a further 12.1 per cent reduction, for a total reduction of over 47 per cent since 2001.

Regulatory requirements data is available on the province’s website.

Although B.C.’s measure is fairly comprehensive, it excludes certain agencies with delegated authority for regulating that should be included (e.g. some waste management rules).

Clear Cap on government rules

YES | NO



The commitment to no-net increase in regulatory requirements was made in 2004 (once the one-third reduction target had been exceeded) and extended several times, currently to 2019.

B.C.’s cap, in place since 2001, would be stronger if legislated.

Next Steps

The government should legislate its cap and expand its measure to include any body given authority to regulate on behalf of government.

Alberta



2017 Grade

F

Context and Commentary

Red tape reduction is not a priority for the government.

Strong Political Leadership

No comments.

YES | NO



Comprehensive Public Measure

No comments.

YES | NO



Clear Cap on government rules

No comments.

YES | NO



Next Steps

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

Saskatchewan



2017 Grade

B

Context & Commentary

The government is on the right track with respect to its reforms, but its target of completing an overall assessment of the number of rules in place should be sped up.

Strong Political Leadership

YES | NO



Reducing red tape continues to be a priority for the Premier and is led by the Minister of the Economy. The government created the Red Tape Committee to oversee red tape reduction efforts and recently implemented the Red Tape

Reduction Action Plan to review all existing business-related regulations at least every 10 years and to improve the content of new regulatory proposals.

Comprehensive Public Measure

YES | NO



Not yet.

Currently, there is no publicly reported measure of the regulatory burden. However, the government is building a measure using the Regulatory Cost Model (RCM), which aims to estimate compliance costs for businesses. This model is slated to be implemented by 2023.

The RCM looks to be one of the most comprehensive overall measures in the country as it will include the cost to business of government rules found in legislation, regulation, administrative policies and forms from all ministries, as well as crown corporations and third party agencies delegated regulating power. The measure would be even more comprehensive if it

included costs beyond those imposed on business. The government is ahead of schedule on its yearly target of completing 10 per cent of its inventory (over a 10 year window), with 126 regulatory reviews completed in 2016-17.

In 2013, Saskatchewan became the second province to pass legislation requiring an annual public report on red tape reduction initiatives. Each year, the Ministry of the Economy publishes an Annual Regulatory Modernization report which updates progress and savings achieved to date by the RCM, as well as specific examples of red tape reduction measures which have been undertaken by the government.

Clear Cap on government rules

YES | NO



The Saskatchewan Plan for Growth commits to reducing red tape by 25 per cent of CFIB's estimate of the cost of regulation in Saskatchewan by 2020 (\$50.4 million in cost savings). For the 2014-15 and 2015-16 fiscal years, the Ministry of the Economy achieved a net \$15.5 million in red tape cost savings

using the RCM (exceeding its \$5 million annual savings target). Of this total, \$11 million was achieved through improvements to internal (government) processes. Another \$4.5 million in cost savings resulted from improvements to processes recommended by external (business) stakeholders, like CFIB.

Next Steps

The comprehensive measure should be completed sooner than 2023 and the province should work towards making its regulatory burden public annually.

Manitoba



2017 Grade

D+

Context and Commentary

The government has placed a new emphasis on reducing red tape and has begun taking important steps towards making permanent regulatory reform.

Strong Political Leadership

YES | NO



Regulatory accountability and reducing red tape are high priorities for the new Premier and government. Led by the Minister of Finance, their efforts to date include fulfilling an election commitment to create a Red Tape Reduction Task Force, which will identify red tape in four sectors (agriculture and food processing, transportation, non-profit organizations and land development) and

determine the best ways to reduce these targeted regulatory burdens. The Fall 2016 Throne Speech outlined the government's commitment to be a leader on red tape reduction: *"The Manitoba Government is committed to making Manitoba the most improved province for regulatory accountability by 2020."*

Comprehensive Public Measure

YES | NO



Not yet.
During the Fall 2016 Throne Speech, the government committed to introduce regulatory accountability legislation in 2017. No further details have been made public.

Clear Cap on government rules

YES | NO



No formal targets have been set for red tape reduction across government, nor have regular reviews been promised. However, the Red Tape Reduction Task Force will target significant regulatory burdens in each of four key sectors in Manitoba.

Next Steps

Creating a comprehensive measure of the regulatory burden in Manitoba and putting in place a hard cap on the number (or cost) of rules in the system should be a high priority.

Ontario



2017 Grade

B⁻

Context and Commentary

The province has taken some good steps towards red tape reduction in recent years including enacting regulatory accountability legislation in 2014 (requiring annual reporting on burden reduction) and introducing the *Red Tape Challenge*. However, the province has not evaluated the total regulatory burden recently and has no hard cap on the volume or cost of rules in the system.

Strong Political Leadership

YES | NO



The Premier re-committed to reducing red tape in the 2016 Throne Speech, Budget, and Mandate Letters to Cabinet. Red tape reduction is led by the Minister of Economic Development and Growth. In 2016, the Minister continued to strongly champion reducing the regulatory burden for small business through the introduction of the *Burden Reduction Act 2016* and the creation

of the Red Tape Challenge - a sector-by-sector direct consultation, which identifies specific actionable red tape reduction measures. The province is also committed to establishing a Regulatory Centre of Excellence to champion best practices from around the world in regulation design.

Comprehensive Public Measure

YES | NO



The province used the regulatory requirements approach several years ago as a comprehensive measure, but has not kept it up to date. The province is not currently tracking any measures of the overall regulatory burden.

Clear Cap on government rules

YES | NO



Not yet.

Although the government does not have a cap on the total amount or dollar cost of rules, it has committed to \$100 million in savings from red tape burden reduction by the end of 2017. By mid-2016, the government had exceeded its target and achieved \$122.3 million in savings (the equivalent of 5.4 million hours) on its stock of existing rules. However, the province is

not tracking the cost of additional rules coming into the system so it is impossible to say whether the total cost of complying with rules in Ontario has gone up or down.

Next Steps

The government should consider using its approach to calculating red tape savings to determine the overall cost of its rules and to put in place a hard cap on the cost of rules in the system. In the meantime, it should be

careful not to add additional burdensome rules through initiatives like the Changing Workplaces Review that could undermine its progress on burden reduction in other areas.

Quebec



2017 Grade

A

Context and Commentary

The recently adopted Action Plan on Red Tape is one of the most ambitious ever presented by a government in Quebec. Approximately 50 business associations in Quebec from various sectors were consulted on its development and more than 250 recommendations were presented, a number of which were integrated in the new action plan. The government has achieved many of its commitments and a culture change continues to occur in the government as it relates to thinking about the importance of keeping government rules manageable.

Strong Political Leadership

YES | NO



Red tape reduction has been a priority for governments in Quebec for some years.

The current premier made red tape reduction a key priority in his inaugural speech in 2014. He has reinforced this commitment with a number of actions including appointing a Minister of Small and Medium Enterprises, Regulatory and Administrative Streamlining and Regional Economic Development. This position is now

held by the Deputy Premier. Since 2014, each budget has had specific measures announced to reduce red tape. Finally, the 2015-16 Budget created a permanent committee for red tape reduction, Comité-conseil sur l'allègement réglementaire et administrative, that CFIB is co-chairing with the Deputy Premier. The committee includes both business representatives and senior officials.

Comprehensive Public Measure

YES | NO



In 2004, the government determined the overall cost of regulations to be \$1.4 billion (in 2004 dollars) and has used this as the baseline measurement. The measure was updated in 2005, 2008, 2009, 2010, 2012, 2013 and 2014. The latest public measure was \$1.1 billion in 2014.

In addition to the cost, the government is tracking the number of forms sent to government annually. Currently the number of forms is 35,417,198 (compared to 38,624,019 in 2004). The number of regulations that are

imposed on businesses are also tracked and currently stands at 682, compared to 638 in 2004 (note each regulation can have many requirements). These measures are monitored regularly at red tape reduction committee meetings.

The *Governmental Policy and Rules Regarding the Streamlining of Legislative and Regulatory Standards* (Policy) legally binds the government to measure the regulatory burden annually and make these measures public.

Clear Cap on government rules

YES | NO



The government achieved its previous goal to reduce regulatory costs for businesses by 20 per cent between 2004 and 2014. It recently adopted a new action plan that includes a goal to reduce regulatory costs for SMEs by 10 per cent between 2016 and 2018. The action plan also contains specific measures to reduce red tape in various specific

areas like agriculture, alcohol sales and production, environment, transportation, etc. All departments and government agencies are required to produce individual plans including actions like: abolishing forms, reducing delays of treatment, and extending the time permits are valid.

Next Steps

Once the 2018 reduction target is met, the government should consider a further reduction target or at least a zero-increase goal to cap the amount of regulatory

requirement costs. Continuing to measure and meet the goals identified in the action plan for 2016-2018 should be a priority.

New Brunswick



2017 Grade

C+

Context and Commentary

The government has begun to act on its publicly stated intentions to identify and eliminate red tape with the project undertaken by Service New Brunswick to benchmark and review internal processes that hamper business productivity.

Strong Political Leadership

YES | NO



The Premier is committed to reducing red tape and is working with other provinces through the Maritime Premiers' Action Plan and the Council of Atlantic Premier's Atlantic Red Tape Reduction Partnership. New Brunswick is a partner of the Joint Office of Regulatory Affairs and Service Effectiveness (Office) in Nova

Scotia, which is focused on reducing internal trade barriers through harmonization or mutual recognition in specific areas. Government further committed to red tape reduction in its Economic Growth Plan vision statement for 2020.

Comprehensive Public Measure

YES | NO



Not yet.

The *Regulatory Accountability and Reporting Act*, passed and proclaimed in June 2016, requires New Brunswick to publicly report on its work to reduce red tape. In 2016, the Office developed a new measurement and costing tool, but has yet to determine a baseline by which to set red tape targets.

Clear Cap on government rules

YES | NO



New Brunswick has a "cost for cost" policy contained within the Premiers' Charter of Principles for Governing Regulations. It is enshrined in legislation (*Regulatory Accountability and Reporting Act*) and ensures that the cost of any new regulation imposed is at least offset by a reduction in the cost or burden of an existing regulation.

Next Steps

Government must adopt a baseline measurement, set clear targets for red tape reduction, and publicly report on its efforts.

Nova Scotia



2017 Grade

B

Context and Commentary

In addition to red tape reduction, part of the Office's mandate includes improving service to business by helping businesses navigate government regulations and programs.

Strong Political Leadership

YES | NO



Premier McNeil continues to demonstrate leadership within Nova Scotia and the Atlantic region. Under his leadership, the Office of Regulatory Affairs and Service Effectiveness (Office) was created. The Office has been leading initiatives to bring greater harmony to regional regulation through the Maritime Premiers' Action Plan and the Council of Atlantic Premiers (CAP). Initiatives are focused

on reducing internal trade barriers through harmonization or mutual recognition in specific areas.

Premier McNeil issued Mandate letters to his Cabinet Ministers emphasizing red tape reduction as a priority and it was an area of focus in the 2016/17 budget address. Several Cabinet Ministers are championing red tape reform within their portfolios.

Comprehensive Public Measure

YES | NO



Not yet.

The *Regulatory Accountability and Reporting Act*, passed and proclaimed in December 2015, requires the Office to publicly report on its work to reduce red tape. In June 2016, the Office released an annual report to provide an update on the progress made to reduce the regulatory burden. In 2016, the Office developed a new measurement and costing tool, but has yet to determine the overall burden of government rules in the province.

Clear Cap on government rules

YES | NO



Nova Scotia has a "cost for cost" policy contained within the Premiers' Charter of Principles for Governing Regulations. It is enshrined in legislation (*Regulatory Accountability and Reporting Act*) and ensures that the cost of any new regulation imposed is at least offset by a reduction in the cost or burden of an existing regulation.

Next Steps

Red tape reduction is a priority for this government and progress has been made. Government must establish a baseline measurement, set clear targets, and publicly report on red tape efforts at least annually.

Prince Edward Island



2017 Grade

C+

Context and Commentary

The government has made some progress in reducing red tape in various departments. CFIB worked alongside the Department of Economic Development and Tourism on red tape reduction initiatives and looks forward to future collaboration.

Strong Political Leadership

YES | NO



The Premier is committed to reducing red tape and continues to work with other provinces through the Maritime Premiers' Action Plan and the Council of Atlantic Premiers (CAP). The Minister of Economic Development and Tourism established Project Addressing Red Tape (Project ART), a government-wide initiative aimed at reducing red tape irritants. Project ART holds sector roundtables that bring together industry and government to

recognize and understand unnecessary burdens imposed on businesses by government. Prince Edward Island is a partner of the Joint Office of Regulatory Affairs and Service Effectiveness (Office) in Nova Scotia, which is focused on reducing internal trade barriers through harmonization or mutual recognition in specific areas.

Comprehensive Public Measure

YES | NO



Not yet.
The Regulatory Accountability and Reporting Act, passed and proclaimed in December 2015, requires the Office to publicly report on its work to reduce red tape. The Government released an annual report in July 2016 detailing its efforts to reduce red tape through

Project ART, the Atlantic Red Tape Reduction Partnership, and the Office. In 2016, the Office developed a new measurement and costing tool, but has yet to determine a baseline by which to set red tape targets.

Clear Cap on government rules

YES | NO



Prince Edward Island has a "cost for cost" policy contained within the Premiers' Charter of Principles for Governing Regulations. It is enshrined in legislation (*Regulatory Accountability and Reporting Act*) and ensures that the cost of any new regulation imposed is at least offset by a reduction in the cost or burden of an existing regulation.

Next Steps

Government has made progress on red tape accountability this year, but must adopt a baseline measurement and set clear targets for red tape reduction.

Newfoundland and Labrador



2017 Grade

C

Context and Commentary

Since assuming power in December 2015, the government has been largely focused on addressing the province's fiscal situation. However, the government has recently expanded its economic focus to include red tape reduction.

Strong Political Leadership

YES | NO



The Premier identified the objective to “cut red tape by conducting a thorough regulatory review to ensure the burden to business is minimized” in his mandate letter in 2015. This confirmed a 2015 provincial election commitment to small businesses. The Premier is also engaging in red tape reduction at the regional level through the Council of Atlantic Premiers. Newfoundland and Labrador

is a partner in the Joint Office of Regulatory Affairs and Service Effectiveness (Office) in Nova Scotia.

Comprehensive Public Measure

YES | NO



The *Regulatory Accountability and Reporting Act*, passed in December 2016, requires Newfoundland and Labrador to publicly report on its work to reduce red tape. However, it is not clear yet whether this will include a comprehensive measure of the total regulatory burden.

In 2016, the Office developed a new measurement and costing tool, which the government could employ. However, a comprehensive baseline has yet to be determined in order to set red tape targets.

Clear Cap on government rules

YES | NO



Not yet. The government is promoting a zero net growth policy for regulatory requirements compared to 2009 levels. It has committed to sign the Premiers’ Charter of Principles for Governing Regulations in 2017, which commits signatories in Atlantic Canada to adopt “a cost for cost” policy where the cost of any

new regulation imposed is at least offset by a reduction in the cost or burden of an existing regulation. The commitment to the principles of the Charter is enshrined in legislation (*Regulatory Accountability and Reporting Act*).

Next Steps

Government should execute on its commitments including adopting a baseline measurement, setting clear targets for red tape reduction, and publicly report on

its efforts. Government should also meet its commitment to conduct a provincial regulatory review to identify specific initiatives for early action.

Yukon



2017 Grade

N/A*

Context and Commentary

Red tape was discussed during the recent territorial general election.

Strong Political Leadership



It is too early to tell whether this will be a priority of the new government.

Comprehensive Public Measure

No comments.

YES | NO



Clear Cap on government rules

No comments.

YES | NO



Next Steps

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

Northwest Territories



2017 Grade

F

Context and Commentary

Red tape reduction is not an immediate priority for the government.

Strong Political Leadership

No comments.

YES | NO



Comprehensive Public Measure

No comments.

YES | NO



Clear Cap on government rules

No comments.

YES | NO



Next Steps

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

Federal



2017 Grade

B

Context and Commentary

The federal government has not focused on red tape reduction as a clear priority. However, in specific areas such as trade there has been notable progress and there is a recognition that ease of doing business should be a priority. Important policies such as the “one-for-one” rule continue to be in place and looked at as models for reform by governments outside of Canada.

Strong Political Leadership

YES | NO



Some.

While reducing red tape is not a top priority for government, it continues to support various initiatives and policies to monitor and control the growth of regulations (i.e. small business lens, one-for-one rule). Service improvements at the Canada Revenue Agency continue to

be a priority and reducing both domestic and international red tape related to trade has been a focus. Finally, the government has included the “ease of doing business” as one of the six pillars of its Innovation Agenda, which could present further opportunities to further reduce red tape.

Comprehensive Public Measure

YES | NO



Not yet.

The government has conducted a form of regulatory count called the administrative burden baseline. The current count includes 129,800 requirements. However, the count is limited in its scope and it is not clear the government is committed to maintaining it. Further, it has the clear disadvantage of being disconnected from the one-for-one rule described below.

Clear Cap on government rules

YES | NO



The *Red Tape Reduction Act* requires that one regulation and equivalent burden be removed for every new one introduced. Canada is the first country in the world to have a “one-for-one” law on its books. Since its introduction regulatory costs have been reduced by \$24 million, suggesting regulators are subtracting costs faster than they are adding them.

The only drawback to the existing one-for-one law as a clear cap on the total amount of government rules in the system, is its scope does not include government rules found in legislation or policy. It also has some significant carve-outs for regulations that impose considerable burden, including for regulations found in the *Income Tax Act*.

Next Steps

The one-for-one rule should be made more comprehensive by including tax laws and the burden imposed by legislation and policy in addition to regulation. A baseline using the

same calculator as is used for one-for-one should be considered.