

Regulatory Governance Briefs



RGI BRIEFS

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Regulatory Governance Briefs present analyses, case studies, opinions, and current issues pertinent to regulatory governance. They are written by scholars and practitioners within the Regulatory Governance Initiative (RGI) network, as well as RGI staff. They are designed to be accessible to a broad readership as well as in workshop and classroom settings. RGI Briefs are peer reviewed.

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Cutting red tape, streamlining regulation, better regulation...

Provincial regulatory reform in Canada compared

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Government regulation has shifted overtime from hierarchal command and control structures (a classical view of public administration) towards less hierarchal constructions and in some cases, a devolution of power. These regulatory transformations have been part of broader shifts in public administration and public policy over the past century—from neobureaucratic models focused on rational decision making to institutional models rooted in the behavioral sciences, public choice models, and the New Public Management. If there is a common thread spanning regulation across OECD countries over the past decade it is one of reform, with aims to create better and more streamlined regulation that can add transparency and predictability to regulatory processes. Such reforms come by many names, each entailing a different approach... 'responsive', 'smart', 'performance-based', 'management-based regulation' are but to name a few. For the 'better' regulation approach, deregulation is seen as the critical issue with cost/risk benefit analysis and self-regulation as the primary strategies (Virbert 2011: 13). It is this approach, and specifically a focus on 'red tape' reduction, that has swept across Canada in recent years. This RGI Brief takes a look at some of the current approaches to regulatory reform being adopted by federal and provincial governments in Canada.

The term 'red tape' takes its roots from 16th century practices of public administration that bound important official documents in red ribbon or tape, a practice that persists to this day in some places. The colour red denotes a higher level of importance—a signal to senior administrators of how to treat the file. Red tape today refers to the sequence of approvals and processes required for a 'governed' activity. While 'red tape' reduction activities can be understood as a positive term—with the aim to streamline processes and reduce administrative burdens—it is also a negative term with connotations of 'traditional' bureaucratic practices as slow, inefficient, wasteful and irrational. It is a term that cannot be separated from

broader aims for administrative reform. The term 'red tape' is not new, nor are efforts in Canada to cut 'red tape'—regulatory reforms of this ilk were undertaken in the 1980s and 1990s across Canada. However, in the early 2000s such initiatives proliferated. The OECD's 2001 report [Businesses' Views on Red Tape](#) provided the first cross country analysis of how small and medium-sized enterprises perceive national administrative and regulatory costs. The report raised the profile of the 'costs' of regulation for the business sector and led to an uptake of regulatory reform initiatives aimed to reduce the administrative burden faced by firms. In Canada, the federal government made a commitment to 'Smart Regulations' in

its 2002 Speech from the Throne. The following year an External Advisory Committee on Smart Regulation was established to provide expert advice to the Government of Canada on a broad range of regulatory issues from economic to social policy. A federal-provincial-territorial working group was also established at this time to consider areas of joint action. Spurred by federal commitments and involvements, a number of provinces increased their attentions to regulatory reform in the early 2000s. What was adopted under the Liberal government was continued as a priority under the Conservative government, though with a different name and a slightly different focus. The

[Cabinet Directive on Streamlining Regulation](#) was adopted in 2007, replacing the 1999 Government of Canada Regulatory Policy. As part of this initiative, the [Red Tape Reduction Commission](#) was launched in 2010. After undertaking a two-year consultative process with various federal government departments and agencies as well as a range of stakeholders, the Commission has just released its final report that makes thirteen recommendations on the future of regulatory reform (Government of Canada 2012b). Of further note is the Industry Canada-led [Paperwork Burden Reduction Initiative](#) (PBRI, est. 2004)—a national public-private sector partnership aimed at reducing the costs of paperwork

and regulatory compliance for small businesses. The PBRI includes the creation of the Advisory Committee on Small Business and Entrepreneurship (ACSBE) and a one-time Survey of Regulatory Compliance Costs (survey released in 2010).

While the federal government has been instrumental in tackling regulatory reform, many provinces have equally adopted initiatives in their own turn. The chart below outlines recent initiatives by province, including a short description of each initiative and an assessment of whether regulatory reform measures are publicly reported (from CFIB 2012: 1).

Jurisdiction	Initiative(s)	Description	Publicly Reported Measure*
Alberta	Red Tape Reduction Task Force—Regulatory Review Secretariat	Aims to reduce and simplify regulatory burden on Albertans and Alberta businesses. Is an Executive Branch secretariat.	No.
British Columbia	Straight Forward BC	A cross government agency established in 2001. The initiative focuses on “cutting red tape” and since 2008 has committed to maintaining a zero net increase in regulatory requirements. Enacted <i>Regulatory Reporting Act</i> in 2011.	Yes. Measure reported and published since 2001.
Canada	Cabinet Directive On Streamlining Regulation (CDSR), Red Tape Reduction Commission (RTRC), Paperwork Burden Reduction Initiative (PBRI)	CDSR was established 2007 and is led by TBS’s Regulatory Affairs. It focuses on designing, assessing and implementing regulatory responses. The RTRC is composed of parliamentarians and members of the private sector. It has a mandate to identify irritants to the business sector and recommend solutions. The PBRI is a national Industry Canada-led public-private sector partnership established in 2004 to reduce the regulatory burden for small businesses.	No. Measure last reported in 2007; no measurement since then
Manitoba	Red Tape Reduction - Manitoba Business Gateway	Service-oriented. Provides single window access for business information and services.	No.
New Brunswick	Smart Regulation System (SRS) and Public Review of Draft Regulations.	The province in the midst of implementing the SRS which aims to reduce red tape by 20 percent, implement a one in/one out rule for regulation and open draft regulation for open for public input.	No. The Province initiated a benchmarking exercise in 2011 and plans to publicly report this number.

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Nova Scotia	Better Regulation Initiative	Established in 2005. Effort led by Treasury and Policy Board. Aims to reducing the paperwork burden to business by 20% by 2010 and improve the turnaround time for licences and permits with a Service Standard.	No. Measure first reported in 2007 (615,000 hours, through Better Regulation Index); no measure reported since meeting 2010 reduction target.
Ontario	Business Sector Strategy	Business-oriented regulatory reform including reduction of regulatory requirements and introduction of new regulations at bi-annual intervals for increased predictability).	Yes. Measure reported in 2011.
Prince Edward Island	No distinct regulatory reform initiatives	N/A	No.
Quebec	Government Action Plan on Regulatory and Administrative Streamlining	Launch of business services portal (Portail gouvernemental de services aux entreprises). Streamlining regulations and administrative formalities generally and in particular in tax administration, construction and the environment.	Yes. Measures publicly reported in 2005, 2008 and 2009.
Saskatchewan	Regulatory Reform Initiative - Enterprise Saskatchewan	Business-focused initiatives. E.g., BizPaL – an interactive one-stop website that provides a customized list of permits and licences required by business people starting a business in selected sectors.	No. The government has committed to legislate public reporting in 2012.
Source: Compiled from web search of regulatory initiatives. *Information on publicly reported regulatory reform measures from CFIB (2012: 1).			

In this review of the current climate of regulatory reform in Canada, a few trends emerge. First, is that while many regulatory reform initiatives in the early part of the 2000s were structured as consultations aimed to better understanding the need for regulatory change, such initiatives have now been adopted as institutions in their own right, often seated in the executive—e.g., Alberta's executive branch Regulatory Review Secretariat or New Brunswick's Executive Council Smart Regulation System. These bodies aim to increase the consistency and predictability around the creation of new regulations. They also offer best practices and guidelines on the development of new regulation for the whole of government. Second, we see that some governments are creating initiatives to increase transparency around the adoption of new regulations and are opening them up to public input—e.g., Newfoundland and Labrador's Red Tape Reduction Initiative which

includes public consultations. Third, many provinces have incorporated the objective of streamlining regulation and reducing the administrative burden of businesses into service-oriented Gateways or Portals that help businesses obtain the relevant licenses and navigate regulations. These efforts aim to ease and centralize interactions between businesses and government. Examples include Quebec's Portail gouvernemental de services aux entreprises and Saskatchewan's BizPaL. Fourth, we see governments turning their attentions to the measurement and reporting on regulatory reform outcomes. The Canadian Federation of Independent Businesses (CFIB) has been vocal in encouraging this. Their annual Red Tape Reduction Report Card (released for the past three years) evaluates federal and provincial progress on regulatory reform—where the availability of publicly reported measures is one area of consideration. Four provinces presently have such publicly

reported measures (British Columbia, Ontario, Québec, Newfoundland and Labrador). Both Saskatchewan and New Brunswick have indicated that they plan to release such an indicator in the coming year and the federal Cabinet Directive On Streamlining Regulation's recently released final report (2012) recommends that such a measure also be implemented at the federal level. Finally, we increasingly see regulatory reform an area for joint-interprovincial cooperation. For example, the NS-NB Partnership Agreement on Regulation and the Economy (PARE) which aims to remove regulatory burdens and encourages open trade, greater workforce mobility and efficient government service delivery and the New West Partnership Agreement between the provinces of British Columbia, Alberta and Saskatchewan which has created Canada's largest barrier free interprovincial market.

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