

AGILE BUSINESS

Ensuring Regulatory Competitiveness

Annual Report 2018–2019

A decorative graphic featuring several interlocking gears of various sizes and colors (dark blue, light blue, and white) set against a blue background. The gears are connected by a network of dashed lines and solid lines, some of which are highlighted in a vibrant pink color. The overall design is modern and technical, symbolizing industry and innovation.

New Brunswick
Nouveau Brunswick

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**Agile Business
Ensuring Regulatory Competitiveness
Annual Report 2018-2019**

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Message from the Minister of Economic Development and Small Business

Ensuring competitive regulation is an important initiative under our government's plan to energize the private sector and create a business climate where New Brunswick companies can succeed.

Significant progress was made in 2018-19 to develop a framework that positioned government to be more responsive to the concerns expressed by business owners.

In the year ahead, we will be undertaking a government-wide initiative in which departments will work towards the lightest touch regulation and reduce, in a tangible way, net regulatory burden by \$14 m by 2021.

An important part of this initiative will include the launch of a Business Navigator Program based on the successful model implemented in Nova Scotia in 2017. This program is designed to help anyone who wants to start or grow their business navigate the regulatory process.

With this program in place, we are optimistic New Brunswick business owners will be spending less time navigating regulations and more time running their businesses and growing the economy.

What is regulatory burden?

The time and monetary costs required for business to comply with regulation, legislation, policy, procedure, or practices. It also includes government services and internal processes that, when changed, have a business impact.

Regulatory burden includes expenditures, fees and time spent on compliance, including finding information, applying for and receiving permission from government to operate (permits, licenses, and certifications). It also includes time spent on paperwork and inspections.

Taxation, minimum wage and government spending are excluded.



Honourable Mary Wilson
Minister of Economic Development and Small Business



Regulatory burden reduction: What was accomplished in New Brunswick

Several regulatory and legislative amendments, as well as process improvement initiatives, were undertaken to facilitate business transactions and ensure regulatory competitiveness. From improvements to the administration of the International

Fuel Tax Agreement program to expanding the use of electronic registrations and license renewals, these changes touch a variety of industries, large and small.

International Fuel Tax Agreement (IFTA)

In April 2018, the Department of Finance implemented a new online remittance process that will provide an opportunity to over 900 IFTA registrants to file their quarterly returns and make their tax payments online. This will reduce the administrative

burden of carriers by simplifying the remittance and reporting processes, allowing automated calculations in the form and eliminating the requirement to submit paper documentation.

Corporate Registry enhancements

- **Emailing of annual return reminders/notices:** Corporate entities are required to file annual returns to conduct business in the province. Previously, when an incorporated entity did not file its annual return, Service New Brunswick (SNB) would send reminders through Canada Post. Enhancements to the IT system now allow SNB to email annual return reminders and compliance notices.
- **Online business name registrations by corporations:** Previously, only sole proprietors could register online. Enhancements to the IT system now allow corporations to register business names online.

Increasing the limits of small claims court

Effective April 1, 2018, the limits of small claims court increased from \$12,500 to \$20,000, enabling businesses to have greater access to the simpler and less costly processes used in that court.

Ozone depleting substance online license renewals

The Department of Environment and Local Government (DELG) launched an ozone depleting substance licence renewals project. This initiative enabled 389 permits and licenses to be issued online. This eliminated the need for customers to spend

time travelling to a Service New Brunswick (SNB) location. It also reduced processing time between the department and SNB, reducing customer wait times.

Infrastructure fund claims processing

The Community Funding Branch processes a variety of claims related to infrastructure programs such as the Clean Water and Wastewater Fund, the Small Communities Fund and the Gas Tax Fund. Each year, between 400 and 500 claims are processed. Internal claims processing cycle time was an average of 26 days and the 22-day target was only being achieved 50% of the time.

processing time for Small Communities Fund and Clean Water and Wastewater Fund projects was reduced to an average of 16 days, with 85 % being processed within 22 days.

A Lean Six Sigma project was done to reduce the cycle time. From September 2018 to March 31, 2019 the average claims

A new guide (*Completing an Infrastructure Claim - A Checklist for Claimants*) and a revised claim form were developed and provided to claimants to help them clearly identify claim requirements for the Small Communities Fund and the Clean Water and Wastewater Fund.



Atlantic Regional Regulatory Alignment: Joint Office of Regulatory Affairs and Service Effectiveness

The Joint Office of Regulatory Affairs and Service Effectiveness was established in 2015 as a partnership between New Brunswick and Nova Scotia. Prince Edward Island and Newfoundland and Labrador joined later in 2015 and in 2016, respectively.

The purpose of the Joint Office is to achieve greater economic growth through improved, aligned, and reduced regulation across Atlantic Canada to provide business with easier and less costly access to a larger market.

The Joint Office began its work by developing a shared foundation including the adoption of the Premiers' Charter of Governing Principles for Regulation across the region and the passage of mirror legislation in all four provinces. Next year the minister will undertake a comprehensive review of the Joint Office and the provisions and operation of the Act to ensure that goals are being met.

A Shared Foundation for Regulatory Excellence

Adoption of Charter of Governing Principles for Regulation: All four Atlantic provinces have adopted the Charter of Governing Principles for Regulation which provides a shared framework for regulatory excellence.

The *Regulatory Accountability and Reporting Act*: Legislation has been passed and proclaimed in all four Atlantic provinces.

A Common Approach to Assessing and Measuring the Impact of Regulation on Business: Nova Scotia developed and implemented a Business Impact Assessment application which measures the impact, including in dollars, of individual

regulatory proposals. New Brunswick, Prince Edward Island and Newfoundland and Labrador are in various stages of considering or implementing this tool. New Brunswick plans to implement the application in the coming year to quantify regulatory burden and track its reduction.

Shared Approach to Service: Since the launch of its Business Navigation service in 2017, Nova Scotia has helped start-ups and existing businesses navigate what can be a complex regulatory environment. New Brunswick will establish a Business Navigator service in 2019-20. Other Atlantic provinces are at various stages of considering the implementation of such a program.

Regional alignment initiatives

The Joint Office of Regulatory Affairs and Service Effectiveness continues to collaborate on the advancement of a regional regulatory harmonization agenda. Some of the highlights from this work are as follows:

Occupational Health and Safety

Mutual Recognition in specific areas of Occupational Health and Safety - Training and Equipment:

A draft Memorandum of Understanding (MOU) to formalize mutual recognition in the areas outlined below is being considered by the four provinces and its adoption is expected early next year:

- Safety equipment: protective headwear, protective footwear, eye and face protection, high visibility clothing, hearing protection, personal floatation devices and respiratory protection;

- Safety training: Joint Occupational Health and Safety Committees, First Aid kits, fall protection, temporary workplace traffic control and confined spaces.

Workers Compensation

The Joint Office has been working with the four Atlantic worker's compensation organizations to identify opportunities to harmonize their systems to reduce duplication for employers who work in more than one province.

Procurement

Common solicitation procurement documents for Construction (Maritimes only): Work is continuing on harmonizing construction tender documents and processes among the three Maritime Provinces. It is expected that this will be finalized in the fall of 2019 and in use for the 2020 construction season.



National Regulatory Alignment: Regulatory Reconciliation and Cooperation Table

The Canadian Free Trade Agreement (CFTA) was ratified in July 2017. The objective of the CFTA is to reduce and eliminate, to the extent possible, barriers to the free movement of persons, goods, services, and investments within Canada and to establish an open, efficient, and stable domestic market.

The Regulatory Reconciliation and Cooperation Table (RCT) was established under the CFTA with a two-fold mandate: 1) to lead the reconciliation of regulatory measures that act as a barrier to trade, investment or labour mobility within Canada; and 2) to cooperate in the development of future regulatory measures.

The RCT made good progress in 2018, its first full year in operation, putting in place the administrative and governance elements required for it to function productively.

More substantially, the RCT developed its first annual workplan which contained 23 items for regulatory reconciliation. For each workplan item, the RCT identified or established a working group to develop reconciliation agreements.

The RCT workplan and reconciliation agreements can be found at <https://www.cfta-alec.ca/regulatory-reconciliation-cooperation/>.

