

Joint Office of Regulatory Affairs and Service Effectiveness

Annual Report 2016–2017



New Brunswick
Nouveau Brunswick

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Message from the trade policy minister and chair of the Jobs Board

As minister responsible for trade policy, and chair of the Jobs Board, as well as with my former experience in the private sector, I understand the impact that duplicative, unnecessary and overly complex regulation places on business. With the benefit of both perspectives, I know we can reduce undue burden without compromising the protections we all value as part of a strong regulatory system. And that is just what we have done.

Among other things, we have surveyed our business community to find top challenges and we are actively working to simplify those identified. We have made a number of regulatory and legislative amendments to facilitate business transactions, and we continue to work with federal, provincial and territorial partners to help address trade barriers and labour mobility issues.

As such, the Joint Office of Regulatory Affairs and Service Effectiveness was established in 2015 to lead a transformational effort across the Atlantic region to reduce undue burden and improve the service governments provide to business. And in its first two years, the office has achieved real results in meeting this objective.

In the past year, the office has expanded to include Newfoundland and Labrador, making our work truly regional in scope to mine the economic opportunities associated with regional regulatory efficiency. We have already aligned rules in such areas as occupational health and safety, transportation, employment standards and procurement, to name only a few.

We are committed to creating conditions that will lead to more jobs across our province.

I am grateful for the support, cooperation and leadership of my fellow Atlantic colleagues in taking a common approach on this important issue.

We share the belief that we are stronger together.



Hon. Roger Melanson
Minister responsible for trade policy
Jobs Board - Chair



Seizing an Atlantic opportunity: **Regional regulatory efficiency**

The premiers of the four Atlantic provinces created and signed onto the Joint Office of Regulatory Affairs and Service Effectiveness to spearhead and accelerate the reduction of trade and regulatory barriers that slow down commerce and unnecessarily burden businesses across the region.

The opportunity the premiers saw back in 2015 was that the imperative of cutting red tape within each province, while important, understates the magnitude of the economic opportunity that can be realized by taking a regional approach - across our four provinces.

Our governments see the potential and the benefit of eliminating unintended barriers, mostly the buildup of small distinctions, developed over many years.

Many of these variations are just distinctions without a difference. But together, their cumulative impact is enormous. They drive huge costs for regional businesses and deny small businesses the opportunity to expand into other provinces. They have formed invisible walls, walls we simply cannot afford anymore.



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.



Regional trade barriers: Cost and opportunity

The Joint Office of Regulatory Affairs and Service Effectiveness spearheads and accelerates the reduction of regional trade and regulatory barriers that slow down commerce and unnecessarily burden businesses across the region, constraining business growth. This work began through the creation of a shared and strong foundation for greater regional regulatory efficiency. While this foundation work was underway, all provinces participated in interprovincial teams to identify and implement early opportunities to bring greater alignment to our systems by taking swift action.

To better understand the size and scope of opportunity, the office commissioned the Atlantic Provinces Economic Council (APEC) to undertake research to quantify the impact of regional trade and regulatory barriers and identify priority areas for the office's work. APEC concluded:

For its size, Atlantic Canada is over-regulated, harming the competitiveness of its firms relative to those in other provinces.

- To reach all of Atlantic Canada, a business based in Atlantic Canada must comply with four different sets of provincial standards and regulations to tap into a market that is only 15 per cent of the size of Ontario.
- Access to much smaller provincial markets reduce Atlantic firms' ability to benefit from economies of scale.

“Interprovincial trade barriers can increase costs, reduce efficiency, lower revenue, impede client service and deter investment. APEC’s research and business interviews validate the need for an organization such as the Joint Office of Regulatory Affairs and Service Effectiveness to help lead regulatory reform in Atlantic Canada.”

David Chaundy
APEC Director of Research

APEC identified the following areas of strategic and economic importance for Joint Office action: procurement, employment standards, safety standards, and transportation. Working with the other Atlantic provinces, progress has been made in all areas.

Regional regulatory efficiency and the Canada Free Trade Agreement (CFTA), which has a significant focus on *national* regulatory efficiency, are mutually reinforcing. APEC urged both a regional and national approach on regulatory efficiency as the region's dense regulatory burden is, in part, the product of

Interprovincial trade is more important to Atlantic Canada's economy than Canada as a whole...

- Interprovincial trade accounts for 59 per cent of Atlantic Canada's GDP, compared with 39 per cent nationally.
- Atlantic Canada's total interprovincial trade (i.e., exports plus imports) amounts to \$65 billion, supporting about one in six jobs.

... yet it's more costly for Atlantic Canadian businesses to trade interprovincially than for businesses in other parts of the country.

Atlantic Canada has more to gain from eliminating trade barriers than the rest of Canada.

- Gains from removing all trade barriers in Canada are estimated to be as high as 3.3 per cent of GDP (\$65 billion). For the Atlantic provinces, the gains are proportionately larger at 7.6 per cent of GDP (\$8.5 billion).
- A 10 per cent reduction in trade costs among the three Maritime provinces alone is estimated to boost their GDP by a combined 1.4 per cent.

small jurisdictions and the division of powers between federal and provincial governments.

Having a regional infrastructure with results in areas such as transportation, workers' compensation, occupational health and safety and procurement means the region will be in a much stronger position to advance its work at the national table. It also means that regulatory cooperation will not come to a standstill when items reconciled regionally are not national priorities.



Seizing the Atlantic opportunity: The Joint Office's work to better align our regulatory systems

Trucking

- Standardizing carrier profile for trucking industry.
- Broadening shared training for enforcement officials.
- Joint over-dimension permitting (Nova Scotia (NS) and New Brunswick (NB)).
- Harmonizing requirements for long-combination vehicles.

Labour standards

- NS, NB and Prince Edward Island (PEI) aligned timing of minimum wage changes to April 1.
- Employer record-keeping requirements were harmonized with legislative amendments passed in NB, NS and PEI.

Safety standards / Workers' compensation

- Mutual recognition of head and foot protection, training for Occupational Health & Safety (OH&S) committees, first aid training.
- Workers' compensation systems in NB, Newfoundland and Labrador (NL) and PEI are adopting Revenue Canada's One Business Number.

- Atlantic working group of workers' compensation systems identifying additional areas for alignment in workers' compensation systems.

Procurement

- Common format and content for RFPs across NB, NS and PEI for goods and services.
- Common solicitation documents for construction to be completed in 2019.
- Joint Atlantic consultation of vendor community to identify additional barriers to bidding on government work across region.

Labour mobility

- Aligning application process and duration of permits for insurance adjusters to respond to severe weather events.
- Moving from four provincial to one regional licence for activities and occupations in technical safety, taking a phased-in approach.

Before and after: Regional regulatory alignment

The four provinces have many administrative differences, developed over many years. Some differences are necessary; many are not. Unnecessary differences add complexity and costs for businesses with employees or operations in more than one province. They also are a barrier for businesses that want to expand operations. The following examples are Maritime only as they were initiated before Newfoundland and Labrador became a partner in the Joint Office in December 2016. Here are some examples of what before and after looks like:

Aligning date of minimum wage change

Before Nova Scotia, New Brunswick and Prince Edward Island aligned the date for minimum wage changes, the date changed 18 times from 2010 to 2015.

This meant a business with employees in the three provinces had to keep track of 18 dates. Changing the minimum wage on the same date means that same business only needs to keep track of one date. Plus, it just makes sense.

Year	Date of minimum wage change			
	PEI	NB	NS	
2010	June 1 & October 1	April 1 & September 1	April 1	Before: 18 different dates
2011	June 1 & October 1	April 1	October 1	
2012	April 1	April 1	April 1	
2013	n/a	n/a	April 1	
2014	April 1 & October 1	December 31	April 1	
2015	July 1	n/a	April 1	
2016	October 1	April 1	April 1	
2017	April 1	April 1	April 1	

This small change saves affected Maritime businesses \$21,000 every year.



Common solicitation documents: Goods and services

Government is a significant purchaser of goods and services and there are many businesses that want to do business with more than one government.

Differences in the kinds of forms each province requires business to respond to or complete can make it unnecessarily difficult for businesses to bid on work. To make it easier, the three Maritime provinces made changes so that their Request for Proposals (RFPs) have the same look, feel and content.

	Before regional alignment	After regional alignment
PEI	Structure of template <ul style="list-style-type: none"> – Unique to PEI – No negotiated RFP (concurrent) – No negotiated RFP (consecutive) 	RFPs have the following structure: <ul style="list-style-type: none"> – Part 1 – Invitations and Submission Instructions – Part 2 – Evaluation – Part 3 – Terms and Conditions – Appendix A – Form of Agreement – Appendix B – Submission Form – Appendix C – Submission Pricing Form – Appendix D – RFP Particulars All have: <ul style="list-style-type: none"> – Negotiated RFP (concurrent) – Negotiated RFP (consecutive)
NS	Structure of template <ul style="list-style-type: none"> – Unique to NS – Negotiated RFP (concurrent) – Negotiated RFP (consecutive) 	
NB	Structure of template <ul style="list-style-type: none"> – Unique NB – No negotiated RFP (concurrent) – No negotiated RFP (consecutive) 	

Aligning our rules and requirements make it easier for businesses to do business across the region.

Regulatory burden reduction: New Brunswick work

Red tape survey

In fall 2016, the Agile Business Services initiative was launched to identify which of the most frequently accessed provincial government business services are working and which require improvement. To that end, Service New Brunswick developed and published, in partnership with the business community, an online red tape survey during Red Tape awareness week in January 2017. In total, 393 surveys were received from 252 respondents. Areas of improvement will be targeted based on the feedback received.

Customer service centre self-serve kiosk pilot

Service New Brunswick has tested and perfected a self-serve option in their Moncton customer service centre. Customers wanting to make simple transactions can now avoid waiting in line and complete their transaction, with assistance if needed, at a self-service kiosk. For example, customers can complete their own vehicle registration renewal and receive their paper registration and vehicle sticker instantaneously.

Initial customer feedback has been extremely positive. Service New Brunswick will continue to improve the self-serve kiosk model before rolling out this option to other customer service centres across the province.

Customer service centre telephone lines

Service New Brunswick customer service centre telephone lines were re-routed from all 32 stores to SNB TeleServices in 2017. Previously, Service New Brunswick staff focused on over-the-counter interactions prior to answering incoming phone calls. Today, calls are answered by trained TeleService professionals and the first call resolution rate for customer requests is above 80 per cent. Teleservice professionals can now complete a customer's vehicle registration request (along with many other Service New Brunswick services) allowing customers to complete their transactions entirely from home.

Residential tenancies

When a tenant rents residential premises, he/she enters into a tenancy agreement with their landlord. This tenancy agreement constitutes a contract (lease) between the landlord and the tenant(s).

The new mobile friendly residential tenancies website is now complete, with easy to use menus to simplify searches for landlords and tenants while providing access to online forms and instructional videos. The videos can be viewed

in seven different languages and the Residential Tenancies Tribunal is working on the videos being available in Maliseet and Mi'kmaq to reflect the two languages spoken by First Nation communities in New Brunswick. Since launching the new site, the Residential Tenancies Tribunal has had a 49 per cent increase in online traffic and an associated 11 per cent decrease in call volume.

The new website also enables landlords and tenants to more easily access the services of the Residential Tenancies Tribunal to address any concerns related to their rights, obligations, lease agreements or the law. As such, the number of cases heard by the Residential Tenancies Tribunal increased 46 per cent over the number of cases heard in 2015.

For more information, go to www.snb.ca/irent.

Regulations under the *Electrical Installation and Inspection Act*

For electrical installations of a certain size and power usage, it is a requirement for electrical contractors to submit plans to the Government of New Brunswick. Under the old process, 78 per cent of the plans submitted to the Department of Justice and Public Safety had already been reviewed by a professional engineer. To avoid redundant reviews and increase efficiencies, changes were made to regulations as follows:

- The need for an approval of plans by the Chief Electrical Inspector from the Government of New Brunswick was removed. Instead, a new requirement for high power usage installations would be to submit a plan that has been stamped by an electrical engineer.
- The power usage requirement of an installation needing a plan to be stamped by an electrical engineer was increased to eliminate the need for a plan review by an electrical engineer for smaller, lower risk installations.

These initiatives are expected to result in reduced overall cost and increased efficiencies for both businesses and government. Also, the changes are expected to result in fewer delays for industry and increase timeliness and productivity in completing a project.

Petroleum storage program: online licence renewal

In the summer/fall of 2016, the Department of Environment and Local Government launched an Online Licence Renewal



Project within the Petroleum Storage Program. This project has enabled approximately 1,000 small- to medium-sized businesses in New Brunswick to apply for, and receive, their annual petroleum storage licenses within a 15 minute time period, as compared to a two week time period under the previous process.

Alternative service delivery

Government receives program and service ideas from external third parties on a regular basis. The Alternative Service Delivery (ASD) Unit can assist departments with assessing miscellaneous proposals on behalf of GNB. The intent is to provide a consistent approach to assessing innovative ideas for service delivery generated by the private sector. The ASD unit can coordinate proposals received by government and will seek input from associated internal stakeholders during the assessment process.

Apprenticeship harmonization project

The Atlantic Workforce Partnership (AWP) was formally established by the Council of Atlantic Premiers in June 2012. The purpose of AWP is to help prepare the region and its workers for significant economic opportunities on the horizon. Under this partnership, harmonization of the existing apprenticeship system within the four Atlantic provinces was identified as a high priority as skill and labour shortages, particularly in technical training and skilled crafts, have been repeatedly identified as a barrier to innovation and development. As of March 31, 2017, 80 per cent of the 21 key activities for action had been completed. Among other things, a shared IT system was approved across all Atlantic provinces. The system features extended functionality to apprentices, training providers and employers (including online forms, payment processing, etc.). This IT program also has the flexibility to effectively respond to current and emerging labour market needs and training requirements.

