

# Getting Regulation Right

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# What is regulation and why it matters

- Regulation is a primary policy lever of government at all levels; taxation is the other
- Regulations are restrictions, conditions, rules or requirements governments put in place to protect the environment, employees, consumers
  - they can also allow or enable activities and ensure a competitive marketplace
- Municipal council and councilors regulate communities through by-laws and policies
- Getting regulation right is the most practical and powerful instrument of government to influence local business climate
  - A strong and agile regulatory environment supports economic growth, while an unnecessarily burdensome regulatory environment can stifle growth

# Regulatory Reform vs Deregulation

- **Regulatory reform** requires lawmakers be diligent when creating and evaluating rules; **deregulation** seeks to remove rules altogether
- Regulatory reform recognizes that rules serve a purpose, but that rules aren't always the best way to address an issue
- If it is determined that regulating is the **best and only** way to address an issue, regulation (by-laws) should:
  - Be based on evidence (know what you're doing is likely to work)
  - Be proportionate to problem (appropriate to the situation, don't overreach)
  - Consider ease of compliance (this is important)
  - Consider impacts (financial and other)

# Who we are – About the Office

- Created in 2015 with a mandate to reduce regulatory burden, with an initial focus on business
- Independent, stand-alone Office with Chief Regulatory Officer, reports to Premier
- Began work by consulting with business



**“ Starting a business is terrifying.”**

“Nobody's accountable.”

“ The information was vague.”

“There is no service excellence.”

**“ I called and got shuffled around.”**

**“If they are wrong, too bad.”**

“They did not get back to me in time.”

**“They don't care about my business.”**

“I personally think inspectors should be there to help.”

“It's hard to get a hold of inspectors.”

“I was given incorrect information.”

“I called back the second time and got a completely different answer”

**“Websites are so complex.”**

# Areas of Work

|                                   |  |
|-----------------------------------|--|
| <b>Assessment and Measurement</b> | <ul style="list-style-type: none"><li>• Established baseline measure of regulatory burden</li><li>• Assess each regulatory proposal against best practice principles and estimate costs/ savings to business</li><li>• Set targets for reduction: annual provincial regulatory burden to business reduced by \$50 million (net); will reduce by additional \$10 million (net) by year's end.</li></ul>   |
| <b>Service</b>                    | <ul style="list-style-type: none"><li>• Created Canada's first business navigation service to help business navigate regulatory environment; saving business time</li><li>• Service has helped more than 9,000 businesses in Nova Scotia, saving each business on average 10 hours.</li><li>• The success of the navigation service has been noted in the region: both New Brunswick and Prince Edward Island have adopted our navigator model</li></ul> |
| <b>Partnerships</b>               | <ul style="list-style-type: none"><li>• Work across all provinces/territories/federal government, within region and with NS municipalities to align regulatory approaches</li><li>• Work with physician community to reduce physician administrative burden</li><li>• Municipal projects: HRM and Cape Breton</li></ul>  |

# Municipal Partnerships

# Work with Municipalities: HRM

The Office and the Halifax Regional Municipality (HRM) continue to build on their ground-breaking partnership on regulatory reform.

- Partnership began in 2016
- HRM adopted “Charter of Principles” for regulation also adopted by NS
- Lead by advisory panel of business associations

## What’s next?

By the end of 2021 the partnership with HRM will:

- Develop a shared method for measuring burden internal to government
- Complete inspector customer service training that was paused as a result of the pandemic.
- Launch Phase 3 of the partnership to further deepen the relationship; this could include:
  - identifying an issue or area with shared jurisdiction to work on together, from start to finish
  - strengthening information sharing and communication between the two orders of government



# Work with Municipalities: Cape Breton

The Office has partnered with Cape Breton Regional Municipality, the Town of Port Hawkesbury as well as Inverness, Richmond and Victoria Counties to make it easier for Island businesses to start, operate and expand.

- Began by engaging local business owners across the Island
- Worked with the Cape Breton Partnership & local chambers of commerce
- Developed a work plan – grounded in the needs of business

# Bylaw Modernization

- Cape Breton businesses identified difficulty finding municipal by-laws online as an issue and uncertainty if they were updated
- With financial support from the Department of Municipal Affairs and Housing and with the help of the Cape Breton Partnership, a high-level review of all by-laws was completed.
- Customized action plans were provided which municipal councils could implement to modernize their regulatory regime.
- Businesses across Cape Breton can now quickly and easily access the most up-to-date municipal By-laws online.

# Special Events Task Force

- Community raised complexity of starting or operating a festival or cultural event across Cape Breton as a potential area for improvement
- Office worked with all municipalities to pilot a Special Events Task Force – based on a model in place in HRM since amalgamation
- Task Force brings together regulators from various government departments to consult with special event organizers - provides event organizers with a single point of contact for policies, permits, and other regulations
- Celtic Colours and the Cabot Trail Relay have endorsed the approach

# Regional Land Use Planning

- Local developers identified dealing with different land use requirements across the island was challenging
- With support from Office, participating municipalities, along with the Town and County of Antigonish, awarded \$375,000 to create and harmonize municipal planning strategies and land-use bylaws by the Department of Municipal Affairs
- Funding will position municipalities to align approaches and better serve businesses and residents alike.

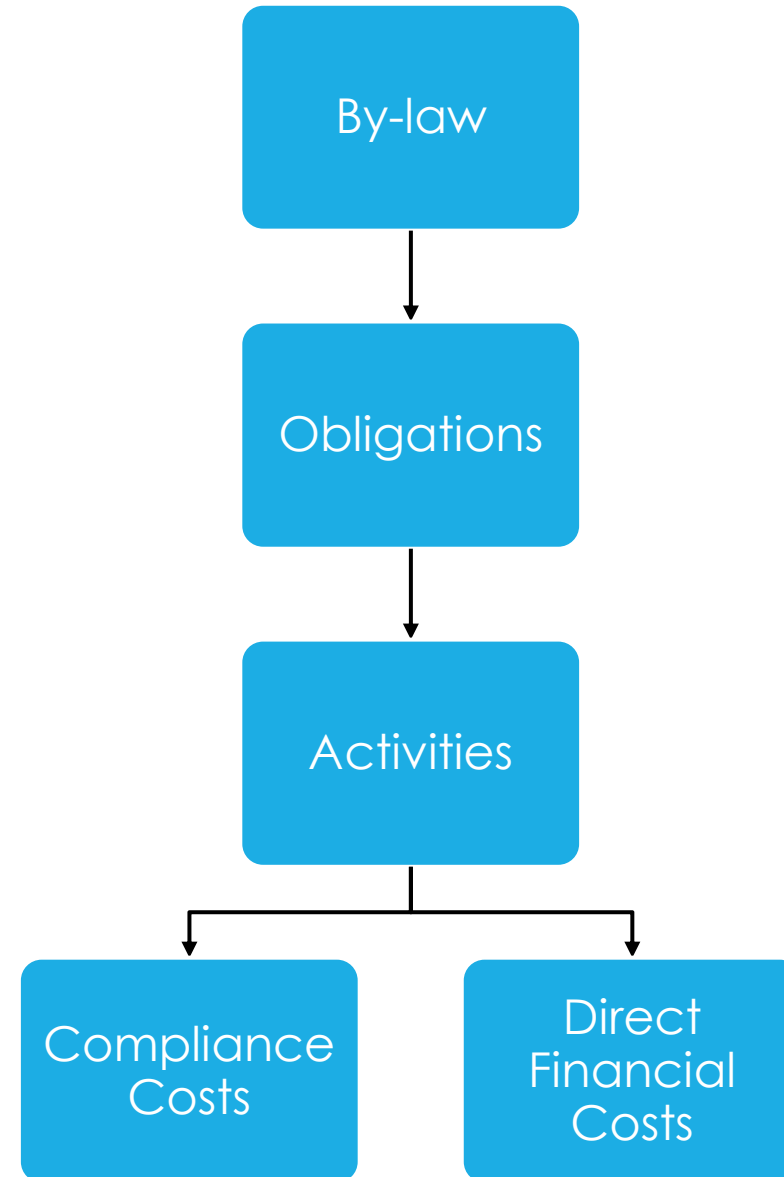
# Assessing and measuring municipal regulatory proposals

- Measuring and assessing regulation is key to regulatory accountability and management
- Adopting right-sized approach to better understand impact of regulations on business is the next phase of the Cape Breton Regulatory Modernization Project
- Currently working together on a practical and simple checklist staff could attach to a regulatory proposal (e.g., a bylaw) so council can consider questions key to regulatory excellence
- When methodology is developed, we would be pleased to share it with interested municipalities

# Questions to consider in your role as regulator

- What is the problem we are trying to solve?
- Who / what groups will be affected by our approach? What are their perspectives?
- Do we have to 'regulate' (pass a by-law) or are there other ways to address the issue?
- Will there be unintended consequences?
- What are the costs and benefits of each approach?
- Are the rules currently in place, serving our community, including our business community?

# Estimating costs / benefits (\$)



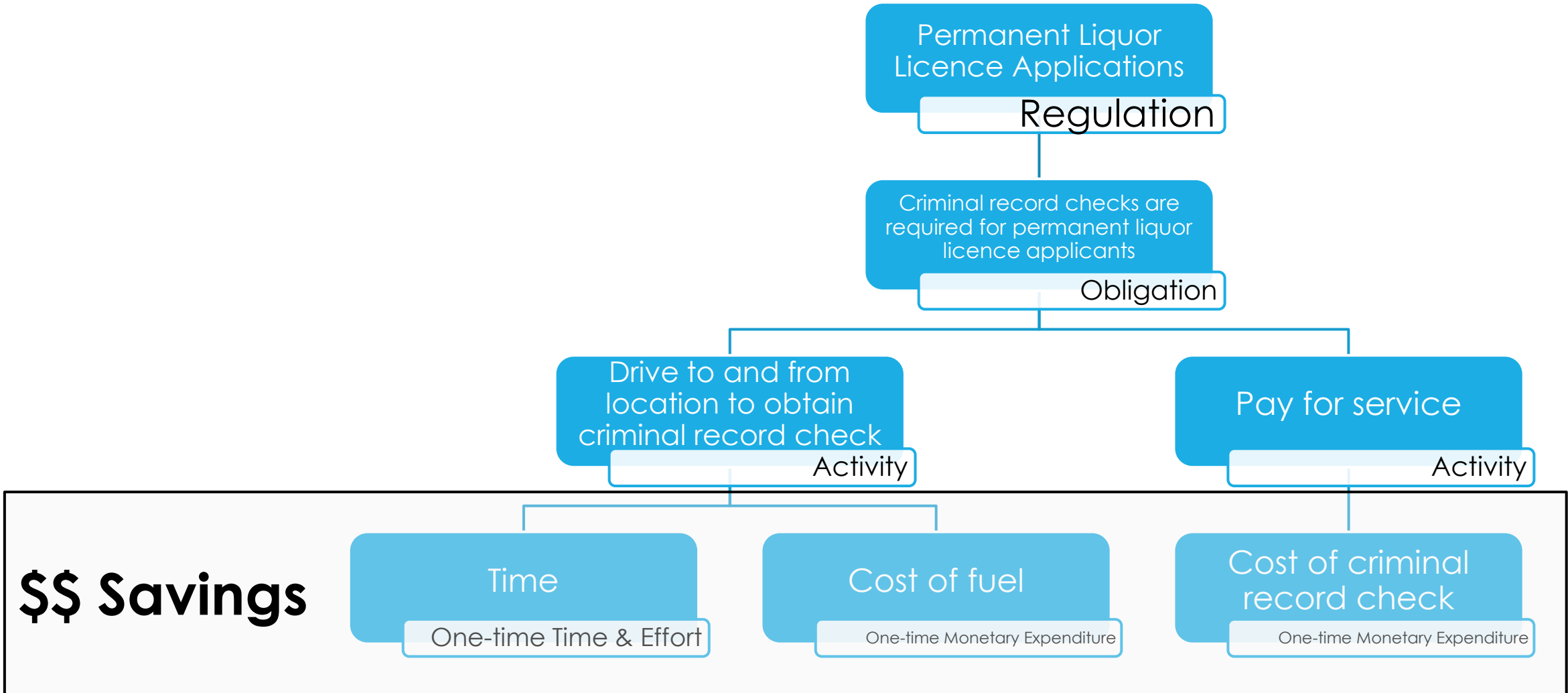
# Example: A change that reduces costs

## Scenario

- Service Nova Scotia's Alcohol, Gaming, Fuel, & Tobacco division is now conducting **criminal record checks** for permanent liquor licensing applicants **in-house, rather than having applicants do this work themselves**
- Applicants will provide consent to get the check done at **no charge** to them.



# Estimating benefits



# Take Aways

1. Municipal councils have an important role as regulator.
2. Regulation plays as important a role in your local environment as taxation.
3. An efficient and effective regulatory environment supports economic growth, while ineffective and inefficient regulation can impede growth.
4. There are some key questions effective regulators ask; including “must we regulate?” and “what are the costs and benefits of what we are proposing?”
5. **Our Office is here to help.**

# Interested in Regulatory Reform and Modernization?

- Our municipal projects may work for your municipality, or a group of neighbouring municipalities.
- If you're interested, connect with your CAO and together reach out to our Office.
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