

# AGILE BUSINESS

## Ensuring Regulatory Competitiveness

*Annual Report 2019–2020*



New Brunswick  
Nouveau Brunswick



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**Agile Business  
Ensuring Regulatory Competitiveness  
Annual Report 2019-2020**

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# Message from the Minister Responsible for Economic Development and Small Business

It takes a lot of courage, determination, and hard work to launch a successful business and countless more hours to run it. Excessive regulatory burden shouldn't get in the way.

A smart regulatory environment reduces the time it takes a business owner to comply with regulation, legislation, policy, procedures and practices. Every government decision and every new policy considers what the impact will be on the private sector. It also means reducing time spent on compliance, finding information, applying for and receiving necessary permits, licences and certifications.

A smart regulatory environment is the foundation of a thriving private sector. Progress can't happen until every government department, Crown Corporation and agency understands the urgency and acts accordingly. In 2019-20, we set an ambitious goal to achieve a \$14-million reduction in the regulatory burden experienced by businesses by March 31, 2021.

We are committed to being accountable for how well we are doing. I am pleased to present this Annual Report summarizing our progress to date. While there is more work to do, there is

much to be proud of. In the fall of 2019, the Business Navigator Service was launched – putting in place a team with a mission to help entrepreneurs succeed. Business Navigators help companies find and interpret the information they require, when they need it – whether that is to get up and running, access necessary permits and licences, or expand their operations.

In January 2020, New Brunswick received a B+ in the Annual Red Tape Report Card from the Canadian Federation of Independent Business. This marked a tangible improvement from a C- in 2018 and was the highest grade New Brunswick has received in a decade.

All of this happened before COVID-19 arrived. In March 2020, our business community was navigating a new host of challenges created by a global pandemic of unprecedented scale. Remarkably, government didn't do what it typically does in a crisis – over regulate. Instead, regulators focused on clearly articulating to employers what was needed to mitigate risks. Business owners were empowered to translate these requirements into individualized operational plans that worked for their unique physical locations and their operations.

Going forward, we will continue to keep asking: "What is the impact on business" and "Can we do it a smarter way." This lens is foundational to our pro-growth agenda and ensuring the right conditions for the private sector to thrive.

## 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 Arlene Dunn  
Minister responsible for 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 creating a Business Navigator service to reducing the number of times contractors are required to submit a safety plan, these changes touch a variety of industries, large and small.

## Business Impact Assessment Tool

On October 25, 2019 Government launched an initiative to measure and reduce the regulatory burden experienced by New Brunswick businesses, with a target to reduce it by \$14 million by March 31, 2021. To enable this initiative, a means to quantify the cost of regulatory burden to business was required. New Brunswick quickly worked with their counterparts in Nova Scotia and leveraged their successful regulatory burden measurement tool to create a made-in-New Brunswick Business Impact Assessment tool.

The Business Impact Assessment tool provides a standardized approach to estimating the increase or decrease in regulatory burden when departments and agencies make changes that impact the business sector. This tool is based on the Standard Cost Model, which is a global standard used to quantify administrative burden. Additionally, the Business Impact Assessment tool quantifies the costs of complying with regulation, including expenditures such as one-time and recurring purchases; and fees paid for licenses, registration, and permits.

## Business Navigator Service

**Estimated Savings: \$368 000**

Working closely with the Province of Nova Scotia, through the Joint Office of Regulatory Affairs and Service Effectiveness, a Business Navigator service was launched. The service provides front-line support for business owners and entrepreneurs as they navigate the regulatory landscape. This service began operations in October of 2019 and, from inception to March 2020, the Business Navigator team assisted with over a thousand inquiries.

In March 2020, a series of extraordinary measures were set in motion within New Brunswick to contain the spread of

COVID-19. On March 16, schools and non-essential government services were closed. A State of Emergency declaration on March 19 shuttered non-essential in-person retail sales, limited food and beverage businesses to take out and delivery only, ordered workplaces reduced to critical functions and closed most public and private institutions to public visitors. The Business Navigator service was critical during this time to help business owners understand how the new rules impacted them specifically. The Business Navigators began taking COVID-19 related calls March 19 and, by March 31, they had resolved more than 800 calls from the business community.

## Amendments to the *Credit Unions Act*

**Estimated Savings: \$358 000**

The *Credit Unions Act* sets out the regulatory framework for the operation of credit unions in New Brunswick. The credit union regulatory structure was originally designed to meet the needs of the two separate systems operating in the province: the credit union system and the *caisses populaires* system.

In July 2016, the *caisses populaires* system transferred to federal jurisdiction, representing \$3.6 billion in assets, or 78 per cent of assets of the provincial credit union/*caisses populaires* system. The transfer left behind a regulatory structure disproportionate to the size of the remaining 10 credit unions.

Following consultation with key stakeholders, the *Credit Unions Act* was amended to:

- Consolidate the regulatory functions of the Risk Management Agency (RMA) with those of the Financial and Consumer Services Commission (FCNB);
- Consolidate the stabilization fund and the deposit insurance fund into a combined fund administered by the New Brunswick Credit Union Deposit Insurance Corporation (NBCUDIC); and



- Update the responsibilities of FCNB and NBCUDIC under the streamlined regulatory framework to remove duplication.

The amendments to the *Credit Unions Act* streamline responsibilities, eliminate duplication, and reduce the regulatory burden and costs to the credit unions.

## Amendments to the Food Premises Regulation

**Estimated Savings: \$17 000**

Previously, restaurant owners could only purchase a full year's license when opening a new establishment. The practice led to situations where owners starting first-time businesses between January and March were required to pay a full-year license fee and then purchase a second license in April for the next fiscal year.

Amendments to the regulation now enable business owners to purchase a license that pro-rates the annual fee by four quarters. The new pro-rated license is valid for the remainder of the fiscal year.

## Amendments to the *Pre-Arranged Funeral Services Act*

**Estimated Savings: \$26 000**

Changes to the standard contract for pre-arranged funeral services have simplified the process for both the businesses and their clients. There is an increase in the legislated fee for transfers, enabling funeral homes to charge clients fairly for that service and ensuring they are compensated for their work.

Additionally, the removal of the requirement to retain a copy of each death certificate ensures there is no regulatory burden associated with filing and storage of redundant documents.

## Atlantic Pressure Welder Mobility Project

**Estimated Savings: \$472 000**

The four Atlantic Provinces worked together to create an online certification management system to enable pressure welders to work across jurisdictions. Under the previous process, welders were required to certify annually and to certify separately in each of the provinces in which they worked.

Using the new online portal, pressure welders are no longer required to recertify when working in another Atlantic Province. Additionally, the results of routine welding inspections are entered in the database, enabling pressure welders to maintain their certification without additional testing.

## Convalescent Equipment Program and Policy Review

**Estimated Savings: \$99 000**

The Convalescent Equipment Program and Policy Review was completed by engaging with key stakeholders and partners across the province, developing a new program guide including eligibility criteria and policies, and revising all forms related to the program. This project resulted in the launch of the Mobility and Adaptive Equipment Loan Program in February 2020.

streamlined process for providing low cost, low maintenance equipment. The new forms now require less time for businesses to complete administrative work; moving from paper forms to Excel-based forms, resulting in fewer errors and less time to complete them. These changes also allow for faster processing time for authorized suppliers to complete sales transactions and receive payments.

Authorized suppliers of the program now have re-designed forms and clearer guidelines to work from, as well as a new

## Health Services Claim Form Changes

**Estimated Savings: \$492 000**

The goal of this project was to create an electronic form to reduce the amount of time required to complete it. Companies were previously required to submit claims using a paper-based form and fax machines (approx. 60,000 forms per year from 500 companies), which caused undue burden in administrative time spent completing it. The new form was implemented on

October 1, 2019 and resulted in a reduced time to complete the form by 67%. The claim form is now Excel-based, allowing for information to be entered much more quickly, while auto-calculating to reduce errors and rework as well.



## Health Services Foot & Nail Care

**Estimated Savings: \$99 000**

A Lean Six Sigma project identified improvements required to standardize the Health Services Foot and Nail Care approval process, and re-design a form to reduce cycle time for approval of service and payment for authorized service providers. Action was required to improve this process as it was resulting in lack of clarity and leading to a high amount of re-work by businesses in order to receive approvals. Multiple modifications to forms were implemented throughout the project to address these issues.

This project was completed in May 2019, resulting in reduced cycle time from 20 days to 2.7 days, and errors reduced from 71% to 9%. Authorized service providers now have greater awareness of the eligibility process to be approved, and there is a control plan in place to monitor the process through daily management.

## Mandatory Contractor Safety Plans

**Estimated Savings: \$1 000**

Previously, businesses were required to submit a written copy of their safety program each time they were awarded a GNB highway construction contract. This initiative reduced the number of times per year companies must make these

submissions. They now have the option to submit their safety programs once at the beginning of each fiscal year, provided it does not require a change. Any updates to their program would require an additional submission.

## Modernization of the *Cooperatives Act*

**Estimated Savings: \$6 000**

The *Cooperatives Act* provides for the incorporation, inspection, examination and supervision of associations operated on a co-operative basis in New Brunswick.

The old *Co-operatives Associations Act* had been in force since 1978 and had not undergone any substantial update since that time. The new, more modern *Cooperatives Act* includes changes which:

- allow co-operatives to function in a more global and competitive environment;

- accommodate the emergence of new types of co-operatives;
- provide for investment shares;
- correct inconsistencies with other legislation;
- and; reduce red tape.

The new *Cooperatives Act* modernizes the current New Brunswick cooperative regime and makes the cooperative model more attractive. Encouraging cooperative development will strengthen communities since cooperatives are set up by community residents to provide services to their communities.

## New Brunswick Provincial Nominee Program

**Estimated Savings: \$113 000**

An online application was created for immigration, enabling employers to submit relevant documents and information electronically. The online application is designed to reduce errors and to ensure relevant information is included in the system. This error-proofing reduced the red tape associated with back-and-forth conversations between government and business.

Additionally, the simplified process makes it easier for employers to complete the applications on behalf of potential new Canadians, reducing their effort and enabling them to spend more time on growing their businesses.





## Online Portal for Auction Houses

**Estimated Savings: \$4 000**

An online automobile registration portal was created for New Brunswick's large auction houses. The portal is a unique tool that enables the large auction houses to register vehicles on behalf of New Brunswick purchasers, in much the same manner as an individual. Previously, auction houses collected paperwork after each auction and physically delivered that paperwork to a Service New Brunswick centre, where the registration was

completed. Once registration was complete, buyers were then permitted to take possession of their vehicles.

The online portal reduces the regulatory burden for auction houses. In addition, it also increases their clients' satisfaction and reduces red tape for buyers.

## Overweight Haulage Permits for Quarry Products

**Estimated Savings: \$1 516 000**

Under the previous process, once awarded a contract for road work, each sub-contractor could apply for an analysis of the transportation infrastructure between the quarry and the jobsite. The purpose of the analysis is to determine the maximum weight and configuration of heavy trucks.

- Each application was individually assessed, and permits were issued for each of the sub-contractor's vehicles.
- Applications generally required 10 days to assess and, during the application and assessment period, higher cost vehicles had to be used. This limited the maximum cargo per truck and resulted in a heavy burden on sub-contractors with regard to wages, fuel, and limitations of fleet use.

Under the new process, the Department of Transportation and Infrastructure (DTI) will complete the infrastructure analysis of the routes and will provide the general contractor with information on both the largest acceptable vehicle and any required permits, within 10 days of tender award.

- The new process eliminates the requirement for sub-contractors to apply for individual assessments.
- In addition, required permits will be available as fleet permits, reducing the burden to apply for individual vehicles.

## Plumbing and Gas Permit Process

**Estimated Savings: \$142 000**

An online portal was created so that plumbing, boiler, and gas contractors may now complete their permit applications and payments online, even with a mobile device. Contractors receive a confirmation number, after which they receive their e-permit within 2 business days.

The regulation changes allow contractors to commence work immediately with proof of payment for their permit, rather than waiting for the paper permit. The new process enables plumbing, boiler and gas contractors to apply, pay for, and receive their permits electronically.



# 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 Memorandum of Understanding that created the Joint Office expired on November 6, 2018; however, the four provinces have continued to collaborate on regulatory reform matters of common interest since that time.

The purpose of the Joint Office was 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.

## 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. New Brunswick has done extensive internal communications to ensure broad awareness amongst regulators.

**The Regulatory Accountability and Reporting Act:** Mirror 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. In 2019-2020 New Brunswick implemented a modified version of the Nova Scotia tool and began using

it to estimate the financial impacts on business of regulatory changes as well as to encourage adherence to the Premier's Charter of Governing Principles for Regulation.

**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 established a Business Navigator service in 2019-2020 with very positive reactions from the business sector.



# 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's second annual (2019-2020) work plan was released publicly on June 4, 2019. This work plan included the original 24 items from the 2018-2019 work plan and added five new items which seek to address ways in which the RCT can contribute to the reduction in barriers to interprovincial trade, investment, and labour mobility. 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/>.

