

Annual Report  
Fiscal 2022–2023

# ENSURING REGULATORY COMPETITIVENESS

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## What is Regulatory Burden?

A regulatory burden refers to the time and monetary costs required for businesses to comply with regulation, legislation, policy, procedure, or practices. It can also include the time spent on paperwork and inspections, or government services and internal processes that, when changed, have a business impact. Regulatory burdens include expenditures, fees, and time spent on compliance, including finding information, applying for, and receiving permission from government to operate (permits, licences, and certifications). Taxation, minimum wage, and government spending are excluded.

## What is Red Tape?

Red tape refers to the excessive burden imposed by regulations and processes which have the potential to impact the cost of doing business. These challenges can make it difficult for businesses to comply with requirements or to access programs and services.

**The challenge:** Government and businesses understand that regulation in some form will always be necessary to achieve specific policy outcomes and allow society to function. However, there are many examples around the globe that demonstrate the unintended consequences of unnecessary regulation and together we can work to remove these challenges.

## A MESSAGE FROM OUR MINISTER

Launching a successful business takes a lot of courage, determination, hard work, and countless more hours to run. Excessive regulatory burden should not get in the way. I am pleased to present 2022-2023's Ensuring Regulatory Competitiveness Annual Report, highlighting our progress in reducing regulatory burden across government.

New Brunswick business owners are some of the hardest working and most inspiring individuals imaginable. As a government, we understand how difficult it can be for our entrepreneurs to navigate complex regulations which may burden their businesses. Our commitment lies in forging a more flexible regulatory environment for our private sector partners, one that fosters strong economic growth and prosperity throughout New Brunswick.

This Annual Report celebrates what we have achieved toward this goal - reducing regulatory burdens by an estimated \$36M over the last year! I am proud of our progress and the many departments, Crown corporations, and agencies working diligently for New Brunswick business owners. Seeing tangible results from collective efforts across public and private stakeholders is rewarding, paving a brighter path for sustainable success within New Brunswick's economy.

I look forward to future opportunities for reducing regulatory burden as we continue to work toward improving the overall competitiveness of New Brunswick as a place where businesses thrive.



**Honourable Greg Turner**

*Minister responsible for Opportunities New Brunswick*

*Minister responsible for Economic Development and Small Business*





## A MESSAGE FROM OUR CEO

ONB is committed to breaking down barriers for businesses operating in New Brunswick by fostering even stronger partnerships with the business community and across government. Over the past eight years, we have made remarkable progress, as showcased in this report. Yet, we know that there remains work to be done on the regulatory front.

Our team is hard at work spearheading the Competitive Regulation Initiative. They are engaging with stakeholders, and attentively listening to the needs and aspirations of private entities across the province, including the not-for-profit sector.

New Brunswick is known for its agility. Our work on this file continues to build New Brunswick as a vibrant place where growth and success is possible without excessive burden and regulation.

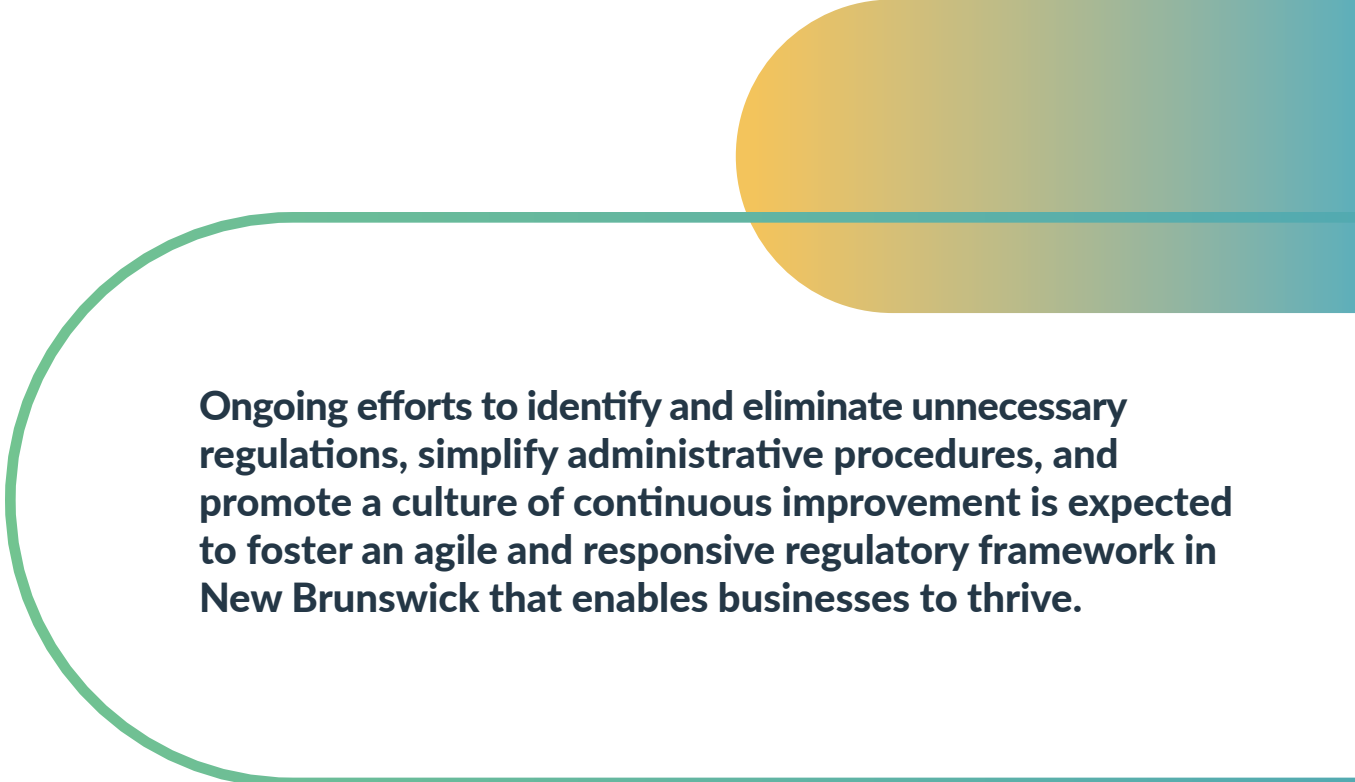
**Traci Simmons**  
*Acting Chief Executive Officer  
Opportunities New Brunswick*

# FOCUSING ON IMPROVEMENT

The Government of New Brunswick is continuously working toward eliminating unnecessary regulations and creating an environment that supports economic growth and innovation. This dedication to reducing red tape has resulted in a remarkable **\$36M** reduction in regulatory burdens since the beginning of the 2022-2023 fiscal year, benefiting businesses across various sectors.

This report showcases projects that exemplify the positive impact of regulatory reforms, highlighting instances where streamlined processes have facilitated faster and more efficient business operations, enabling companies to focus on growth and investment. Additionally, the projects illustrate how regulatory modernization can enhance New Brunswick as a place to do business.

Contributing to New Brunswick's regulatory competitiveness is the close collaboration between multiple government departments and the business community. Regular engagement, feedback mechanisms, and consultation processes have allowed for effective identification of regulatory hurdles and the implementation of targeted solutions. This collaborative approach ensures that regulations align with the needs of businesses while maintaining necessary protections for the public interest.



**Ongoing efforts to identify and eliminate unnecessary regulations, simplify administrative procedures, and promote a culture of continuous improvement is expected to foster an agile and responsive regulatory framework in New Brunswick that enables businesses to thrive.**

# MODERNIZATION OF THE BUSINESS CORPORATIONS ACT

The Business Corporations Act introduced in 1981 is the province's primary corporate law statute governing the operations **of more than 38,000 businesses in New Brunswick**. Service New Brunswick's journey to modernize the Act in 2022 and 2023 came as a commitment to fostering a business-friendly environment and ensuring legislative frameworks align contemporary needs and those of other provinces.

Improving the competitiveness of New Brunswick businesses via modernized corporate statutes and good legislation will ultimately lead to the province becoming an easier place in which to do business.

“

**“Uniformity in legislation across provinces is of great value to businesses operating in multiple jurisdictions,” says Alan Roy, CEO of SNB. “By aligning our legislation with other provinces, we ensure that businesses can expect consistent operational guidelines regardless of their location. This fosters an environment of ease and familiarity for businesses expanding their operations across provincial boundaries.”**



## Reducing Burden for Businesses

While regulations are crucial to maintaining transparency and accountability, SNB understands the burden that regulation can impose on businesses.

*“Throughout the reform process, we were committed to minimizing unnecessary burden, streamlining processes, and leveraging technology to facilitate compliance. It was crucial to make compliance with the Act as simple as possible,” notes Roy.*

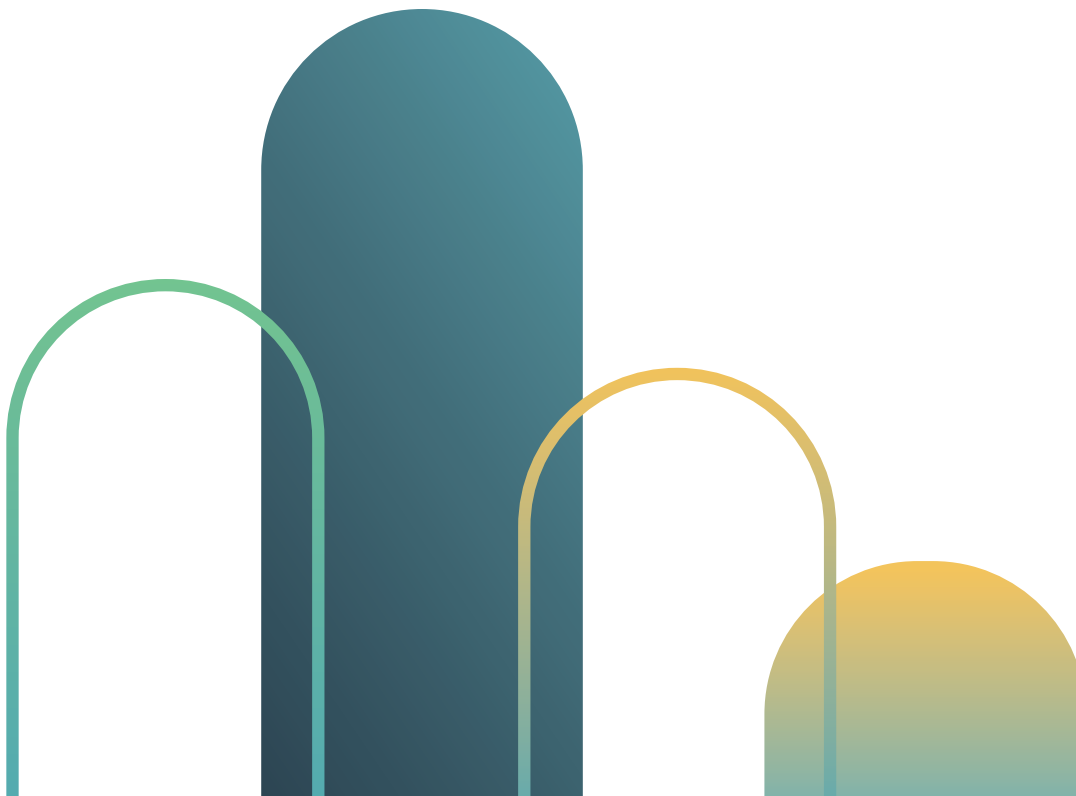
Based on the Business Impact Assessment conducted in partnership with SNB, the Modernization Project is estimated to result in a **\$17M** net regulatory burden savings.

## A Collaborative Approach

The ONB and SNB teams continue to work closely, contributing ideas and finding solutions to reduce the burden on New Brunswick’s businesses.

*“Our advice to other departments looking at reducing regulatory burden is to partner with ONB,” says Roy. “Partnering with Opportunities New Brunswick makes what may be a daunting process much easier.”*

**More than ten individual business impact assessments were completed covering a review of every single section of the legislative proposal.**





LaRouère fabrique de chocolat

## ONB'S BUSINESS NAVIGATOR TEAM

ONB's Business Navigators provide one-on-one support for entrepreneurs navigating the various regulatory challenges associated with starting, owning, and operating a business.

Business Navigators use their established network of public and private sector partners to help business owners access the information they need. Their assistance touches upon topics like business registration, inspection requirements, permits, licences, and more. A case management approach is taken, and the Business Navigators work with business owners to advance solutions.

ONB's Business Navigators responded to

 **1,042+**

Inquiries from New Brunswick businesses. This includes 693 cases and 380 "quick hits."

 **\$775,673**

Total dollar value in terms of regulatory burden savings resulting from Navigators support.

 **98.5%**

Client satisfaction for the fiscal year, the highest satisfaction rate since inception.

ONB's responsive, friendly, and helpful Business Navigators operate during regular ONB hours; **8:15 a.m.-4:30 p.m.**, Monday to Friday, and can be reached by phone at **1-833-799-7966** or by email at **nav@navnb.ca**.



# REDUCING THE BURDEN

## Lizotte Machine Vision story

Rivière-Verte's **Lizotte Machine Vision** develops and manufactures custom-built quality control, grading, and sorting equipment for the global food processing sector. Its business often requires US-based clients to send meat and/or poultry samples across the border to be tested on Lizotte's equipment in its New Brunswick facility. When the Canadian Food Inspection Agency (CFIA) introduced new regulations on imported meat and poultry products, companies like Lizotte faced a new regulatory hurdle. A zoosanitary certificate was now required, ensuring that food products imported into Canada meet the federal government's animal health requirements.

However, Lizotte is not a food-service company and does not possess a food handler certificate. This makes it difficult for its US clients to ship food to them in Canada with the zoosanitary documents. With ONB's help, Lizotte was able to confirm with federal contacts that they were following all processes correctly and was connected with a great contact within the CFIA to further address their concerns. They were also able to get a copy of the zoosanitary certificate that they send directly to US clients to help expedite the export process.

The ONB Business Growth team is committed to helping New Brunswick companies navigate regulatory issues that are negatively impacting their ability to operate and/or grow. Often this necessitates taking a hands-on approach and working with federal and provincial partners to advance a solution.



# REGULATORY REDUCTIONS: YEAR IN REVIEW

Over the course of fiscal 2022 - 2023, the Government of New Brunswick advanced many important files. Several of them were part of the full Business Impact Assessment process and they yielded positive savings for a variety of business sectors. The files with assessed savings included the following:



## Department: Health

Estimated Savings:

**\$2,634**

**Description:** The department designed and launched an online licensing portal that will allow vendors of vapour products to apply for and renew licences online rather than relying on a paper-based process.



## Department: Education and Early Childhood Development

Estimated Savings:

**\$1.58M**

**Description:** Through ongoing consultation and collaboration with the early childhood sector, the department proposed changes to regulation that would increase flexibility during specific non-peak times of the day. The increased flexibility allows centres to better manage their staff and reduces the risk of having to shorten operating hours to reduce costs associated with the non-peak hours.



## Crown Agency: WorkSafeNB

Estimated Savings:

**\$36.75M**

**Description:** WorkSafeNB has embarked on an ambitious journey of continuous improvements. This was the second year where positive results were achieved. As a result of legislative and policy changes, it has been determined that direct savings to businesses increased from last year's value of \$32.95M.



## Department: Environment and Local Government

Estimated Savings:

**\$1.71M**

**Description:** The department has undertaken project work that will allow it to further explore the potential of supporting New Brunswick's municipalities and local governments in advancing the possibility of implementing a cloud-based permitting system for issuing building and construction-related permits.



## Department: Education and Early Childhood Development

Estimated Savings:

**Qualitative Statement Only**

**Description:** The department identified that a regulatory barrier existed within the regulation that determined eligibility for childcare fee assistance. To expand eligibility for assistance with childcare fees, the requirement to be a citizen has been removed from the eligibility criteria. A business impact assessment was completed but it was difficult to obtain sufficient data to perform a calculation of the estimated dollar value of this change.

# PERFORMANCE METRICS

## Direct Cost Savings

In March 2021, New Brunswick set a goal of achieving a net reduction in regulatory burden of **\$16.5M** to be achieved by March 31, 2024. The Government has continuously met or exceeded each fiscal target with its report of **\$34.2M** in 2021-2022 and **\$36M** in fiscal year 2022-2023. The high cost of complying with government regulations is a significant form of red tape.

**Reducing this burden allows the private sector to direct more money to investment and job creation, enabling New Brunswick business owners to spend more time on activities that increase productivity and overall competitiveness.**

# THE PREMIERS' CHARTER OF GOVERNING PRINCIPLES FOR REGULATION

Leading jurisdictions on regulatory reform and modernization adopt principles that guide regulators. New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador have jointly adopted an Atlantic Premiers' vision for regulation. The Charter takes into account national and international practices.

The Charter helps to ensure good regulatory governance. Departments that identify a necessary policy outcome have a responsibility to demonstrate that the regulation is justified under the Charter.

Each of the following proposals were developed using the full business impact assessment process and with the Premiers' Charter of Governing Principles for Regulation at the forefront of the policy development proposal. In addition to ensuring adherence with the Charter, the proposals were costed using the Business Impact Assessment Tool. The awareness of the Charter and the familiarity with the use of the tool continues to grow across government as the two become a critical component of the policy development process.

**The Ensure Competitive Regulation Initiative is focused on educating departments and agencies on the use of the Premiers' Charter to assist in the development of public policy proposals to government.**

# REGULATORY INCREASES: YEAR IN REVIEW



**Department:**  
**Transportation and Infrastructure**

Estimated Net Burden Imposed:

**\$403,481**

**Description:** The department had several permit fees that had not been adjusted in almost twenty years despite the fact that the cost of issuing the permits and enforcement costs had risen over the same period. The department undertook a business impact analysis to examine if additional improvements could be made rather than focusing solely on raising fees. Following the analysis, one permit was eliminated, two permits were combined into a single permit and the overall permitting process was simplified.



**Department:**  
**Environment and Local Government**

Estimated Net Burden Imposed:

**\$5,202**

**Description:** A misalignment of responsibility for recycling certain beverage containers at their end of life was addressed through a collaborative consultation process with stakeholders. The department consistently applied the Premiers' Charter and worked diligently towards achieving the public policy objectives with the lightest possible touch.



**Crown Agency:**  
**Financial and Consumer  
Services Commission (FCNB)**

Estimated Net Burden Imposed:

**\$1.82M**

**Description:** The agency identified and analyzed the risks associated with the unregulated use of various titles for financial professionals. Amendments have been brought forward to regulate the use of the titles of "Financial Planner" and "Financial Advisor" and establish minimum educational requirements and standards of conduct. FCNB diligently adhered to the Premiers' Charter and the objective of using the lightest touch mechanism to achieve the desired public policy outcome. The use of existing industry mechanisms, the adoption of national standards, and allowing professional associations to manage training all contributed to minimizing the amount of new burden imposed.



**Department:**  
**Health**

Estimated Net Burden Imposed:

**\$2.44M**

**Description:** To address the risks posed by improperly maintained commercial water circulation systems, new regulatory obligations were introduced related to monitoring, inspection, and reporting. Wherever feasible the lightest touch mechanisms were chosen in the development of the amendments and in the implementation of the changes.

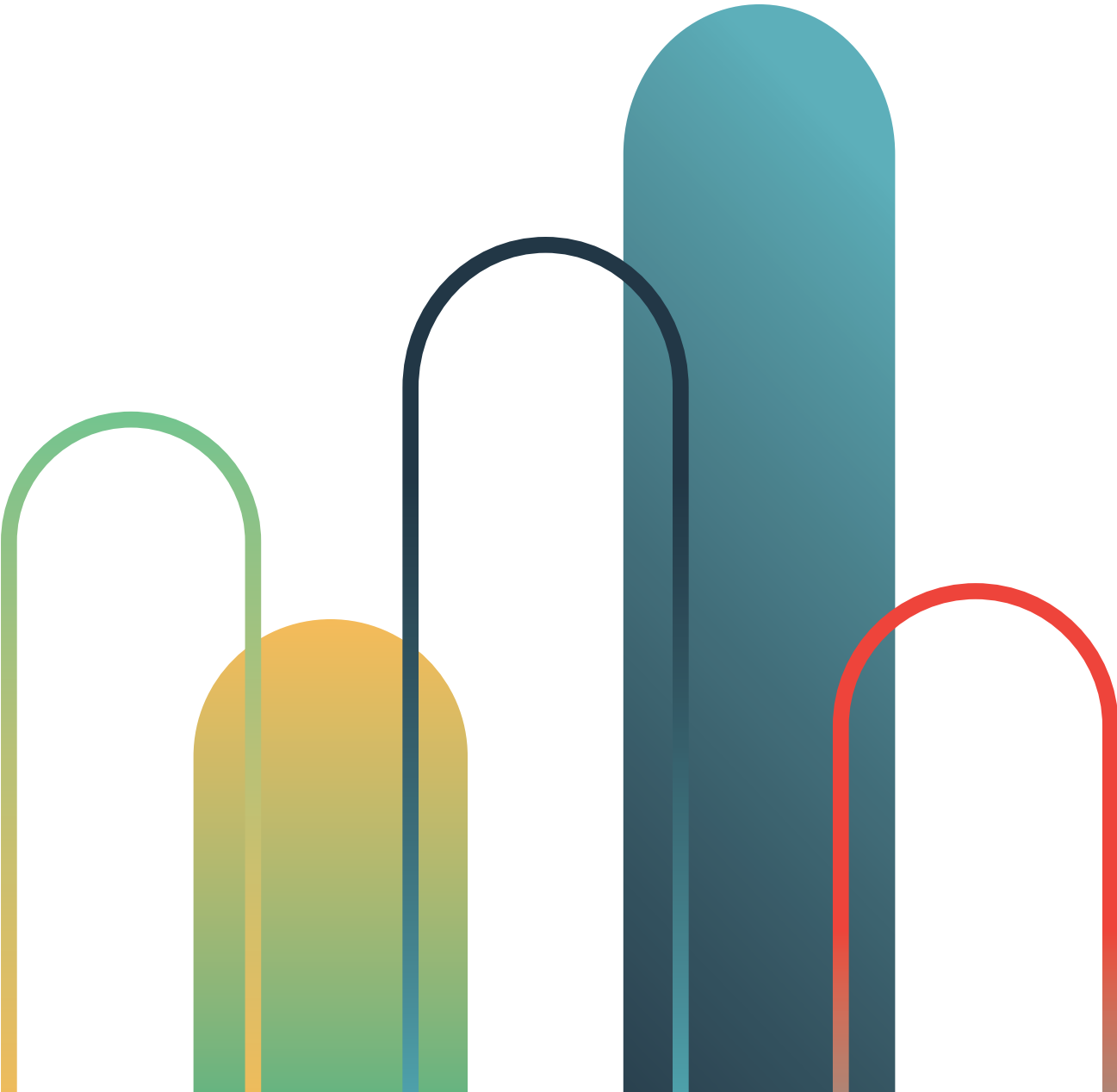
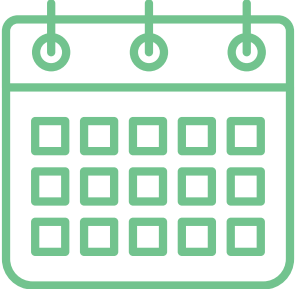
## What is the lightest touch?

It is an approach to assessing a problem and its potential solutions and implementing the solution that imposes the least amount of burden on businesses while still achieving the desired public policy objectives. For example, adopting an awareness campaign rather than introducing new legislation.

# LOOKING AHEAD

This year marks the final year of a three-year commitment by the Government of New Brunswick to reduce the net regulatory burden by **\$16.5M**, and the progress to date is worth celebrating.

After meeting and exceeding the multi-year target set for the March 31, 2021 to March 31, 2024 period in each of the first two years – efforts are underway in this final year to sustain the positive momentum generated to date.





## CONNECT WITH US

The release of this report is intended to demonstrate how seriously government takes the issue of unnecessary regulatory burden. It needs to be as front and centre in government decision-making as it is front and centre for every business operating in New Brunswick. Government is listening and ready to Ensure Competitive Regulation in New Brunswick!

### Ensure Competitive Regulation Initiative:

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