



Ensuring Regulatory Competitiveness

Annual Report
Fiscal 2021–2022



TABLE OF CONTENTS

- 03 A Message from Our Minister
- 04 A Message from Our CEO
- 05 The WorkSafe Story
 - 05 An Opportunity for Change
 - 06 Partnership in Motion
- 07 ONB's Business Navigator Team
- 08 Regulatory Reductions: Year in Review
- 09 The Premier's Charter of Governing Principles for Regulation
- 10 Regulatory Increases: Year in Review
- 11 Looking Ahead at Years to Come
- 12 Connect With Us

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: It takes a lot of courage, determination, and hard work to launch a successful business and countless more hours to run it. Excessive regulatory burdens should not get in the way. 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.

Together we can work to remove these challenges.



A MESSAGE FROM OUR MINISTER

Business owners in New Brunswick are some of the strongest, most courageous, and resilient workers in the world. This government knows how many hours are spent making businesses run smoothly. We also believe excessive regulatory burden should not get in their way.

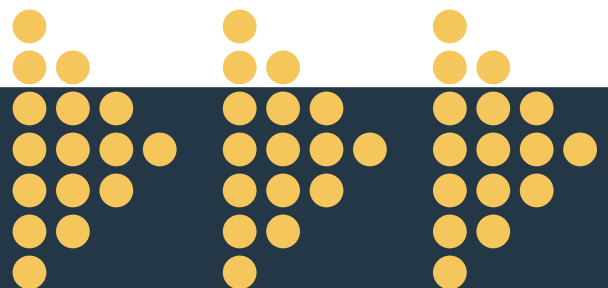
A flexible and responsive regulatory environment is the foundation for a thriving private sector. I am committed to working with stakeholders in both the private and public sector with a view toward improving the overall competitiveness of New Brunswick as a place where businesses can grow and prosper.

I am pleased to present this Annual Report, summarizing the progress made in reducing regulatory burden over the past year. In March 2021, we set a new goal of achieving a net reduction in regulatory burden of \$16.5 million to be achieved by March 31, 2024. I am delighted to share that, through a whole of government approach, an estimated \$34 million has already been achieved, more than doubling the target.

I am proud of the team behind this report and the many departments, Crown Corporations and Agencies that are working diligently on behalf of New Brunswick business owners.

Honourable Arlene Dunn

Minister responsible for Opportunities New Brunswick, Economic Development and Small Business, and Immigration





A MESSAGE FROM OUR CEO

At ONB, we are committed to making New Brunswick a great place to do business and we know that a whole-of-government approach to removing or reducing the hindrances to business is an effective way to do that. We are working hard on creating meaningful partnerships across all sectors in New Brunswick and have learned many lessons over the past seven years – the most important being that this work cannot happen in silos.

While much progress has been made, as evidenced in the following pages, I am confident that we have only just begun. The dedicated team behind our Competitive Regulation Initiative is already busy connecting with stakeholders and listening to businesses, to uncover the next big opportunity.

Sadie Perron

Chief Executive Officer

**Opportunities New Brunswick and Deputy Minister Responsible for
Economic Development and Small Business and Immigration**



THE WORKSAFE STORY

New Brunswick introduced its first Workmen's Compensation Act in 1918. More than 100 years later, so much has changed in our economy – an evolved workforce, new industries have emerged, and our workplace environment has transformed. But for WorkSafeNB, so much has stayed the same. They continue to ask how they can best serve New Brunswick businesses and they persist in their commitment to making New Brunswick the safest place to work and do business.

"Maintaining a strong and secure workers' compensation system in New Brunswick requires a delicate balance between adequate compensation for injured workers and employers' fiscal interests," said Tim Petersen, WorkSafeNB's Acting President and CEO. "The key to sustaining this balance is prevention," he said.

"We work with employers and the safety community to prevent injuries because we know the best way to reduce or control claim costs is to keep workers from getting hurt in the first place. This is also the best outcome for New Brunswick workers and their families," he continued. "However, other factors frequently come into play and affect our funding position and, in turn, employer assessment rates, such as changes to legislation or policy, or the investment market."

An Opportunity for Change

In 2017, WorkSafeNB saw claim costs begin to rise significantly. These changes resulted in rapidly increasing premiums for employers – from an average assessment rate of \$1.11 in 2016 to \$1.48 in 2017, \$1.69 in 2018 to the highest assessment rate in the country in 2019 at \$2.65. It was clear that something needed to be done.

WorkSafeNB began by identifying where the high costs were coming from and determined that, for the most part, unintended consequences of legislation were driving costs.

"We knew rate increases were negatively impacting New Brunswick's employers. And this causes a chain reaction – businesses may fail if they cannot absorb the rates, workers may lose jobs and our whole economy suffers," Petersen said. "We partnered with our provincial government to amend the Workers' Compensation Act."

The day the bill was introduced on the New Brunswick Legislature floor, rates fell from an announced rate of \$2.92 to \$2.65. Today, the average assessment rate for employers is \$1.69 per \$100 payroll. Next year's premium will be announced in the fall of 2022.

As a result of these legislative changes, employers paid \$83 million less in premiums for 2019–2021 and are expected to pay \$49 million less in premiums for 2022, compared to 2019 rate levels anticipated before the legislative change occurred. While other factors may have contributed to the decrease, most of the reduction is due to changes in policy and processes enabled by the legislative amendments.

Today, the average assessment rate for employers is **\$1.69** per **\$100** payroll.

Employers paid **\$83 million** less in premiums for 2019–2021.

Employers are expected to pay **\$49 million** less in premiums for 2022.

WorkSafeNB is committed to continuous improvements for its stakeholders, and pursuing legislative change is just one of many levers they rely upon. The organization is also committed to a long-term modernization exercise to ensure that they can better meet the needs of New Brunswickers today and into the future – one that offers optimal care for injured workers to help them recover and return to work as soon and as safely as possible, and one that meets the needs of employers, both small and large.

“Our modernization is all about building a strong foundation to support WorkSafeNB, and our province, into the future. Through investments in our people and in our technology, it will result in more self-serve options for stakeholders, streamlined processes, and a more seamless experience.”

WorkSafeNB’s modernization journey includes 18 significant initiatives over the next five years, which began in 2018. This includes introducing five new core technology systems, online forms, new service delivery models to better serve clients, a comprehensive data strategy, and several people-first initiatives.

“For our stakeholders, it is all about removing the burden of red tape and making it easier to do business with us. It is about providing our stakeholders with self-serve options, providing the data they need to help themselves, and it is about efficiency,” Petersen said.

Partnership in Motion

ONB is proud to work closely with our partners at WorkSafeNB.

“We share the same stakeholders and are both committed to making the working environment in this province the best it can be,” said Sadie Perron, Interim CEO of ONB and Deputy Minister Responsible for Economic Development and Small Business and Immigration.

“A big thanks to the WorkSafeNB team for their commitment to supporting businesses and employees alike.”

ONB’S BUSINESS NAVIGATOR TEAM




ONB launched its Business Navigators service in October of 2019, and it has proven to be a great asset to New Brunswick’s business community. This service was put in motion to provide one-on-one support to help entrepreneurs navigate the various regulatory challenges associated with starting, owning, and operating a business.

ONB’s Business Navigators use their established network of public and private sector partners to get business owners the answers they need. Their assistance ranges from topics like business registration, inspection requirements, permits, licences, and more. A case management approach is taken, and the Business Navigators do regular check-ins if/when required.




Fiscal 2021–2022 brought immense challenges for businesses across the province. With COVID-19 still a reality, there came a high degree of uncertainty and unpredictability. Business Navigators were on the front line, and ONB quickly expanded the team to answer the increased volume of inquiries about new pandemic guidelines, provincial and federal relief measures, and other necessary resources.

Despite the challenges, the service yielded an impressive return on investment. The total dollar value in terms of regulatory burden savings resulting from Business Navigators support was \$889,197 for the fiscal year. The Navigator Team received 6,331 total inquiries of which, 860 were full cases, 2,055 were quick hits, and 3,416 were COVID-related inquiries, with a reported 97.5% satisfaction rate on full cases.

The top three sectors served were:

-  Accommodation and food services
-  Professional, scientific, and technical services
-  Retail and trade

The top three topics of inquiry were:

-  Funding/loans/wage subsidies
-  Business registration
-  Licences

ONB's responsive, friendly, and helpful Business Navigators operate during regular ONB hours; 8:15 a.m. to 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.

Over **\$889K** of regulatory burden savings.

6,331 total inquiries (860 full cases, 2,055 quick hits, 3,416 COVID-related).

97.5% satisfaction rate on full cases.

REGULATORY REDUCTIONS: YEAR IN REVIEW

Over the course of fiscal 2021–2022, 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: Education and Early Childhood Development (EECD)

Description: EECD created a mandatory online registry that is interactive and displays the availability of daycare spaces and the length of current wait lists. Parents can also now register online.



Estimated Savings:
\$88,511

Crown Agency: Service New Brunswick

Description: SNB is in the process of implementing the Multi-Jurisdictional Registry Access System (MRAS) as an action item from the Regulatory Reconciliation and Cooperation Table under the Canada Free Trade Agreement. This has reduced the time that businesses spend searching and retrieving basic business information. These savings are related to a first phase of a much larger project that will continue to deliver results for businesses.



Estimated Savings:
\$18,830

Crown Agency: Service New Brunswick

Description: Service New Brunswick built and launched a new Business Structure Wizard that asks entrepreneurs to answer a few very basic questions to guide them to the structure most closely aligned to their business endeavour. This online tool is available 24/7 and allows businesses to get advice whenever they need it.



Estimated Savings:
\$107,102

Crown Agency: Financial and Consumer Services Commission

Description: FCNB undertook a modernization of the legislation and regulations pertaining to consumer affairs. As a result of a thorough review, some functions were consolidated and the requirement to apply for certain permits was removed. Subsequently, some of the fees were reduced and technological improvements resulted in a more streamlined process for some licensees. While there were increases to some fees, the overall results were positive.



Estimated Savings:
\$66,667

Crown Agency: Service New Brunswick

Description: SNB undertook a modernization of legislation that prescribed specific liability insurance for limited liability partnerships operating in the Province. This modernization removed the heavily prescriptive elements and now allows for greater flexibility for new businesses without sacrificing the necessary protections.



Estimated Savings:
\$34,132

Department: Finance and Treasury Board

Description: The Finance and Treasury Board in conjunction with the New Brunswick Lotteries and Gaming Corporation has made several changes that will benefit businesses that operate video lottery terminals. Changes include increased commissions to site holders, increased maximum payouts to players, and increased flexibility that will allow for growth within individual video lottery sites.



Estimated Savings:
\$1.04 M

Crown Agency: WorkSafeNB

Description: As an organization, WorkSafeNB has embarked on an ambitious journey of continuous improvements. Due to legislative and policy changes, it has been determined that direct savings to businesses in this fiscal year amount to \$32.95 M.



Estimated Savings:
\$32.95 M

Department: Education and Early Childhood Development (EECD)

Description: EECD undertook significant consultation with childcare providers in non-designated facilities. As part of a much larger strategy to address the retention and recruitment issues that the sector is facing, EECD targeted investments that would attempt to level the playing field between designated and non-designated facilities in an effort to increase retention and reduce some of the costs associated with having to recruit and train new employees.



Estimated Savings:
\$241,185

THE PREMIERS' CHARTER OF GOVERNING PRINCIPLES FOR REGULATION

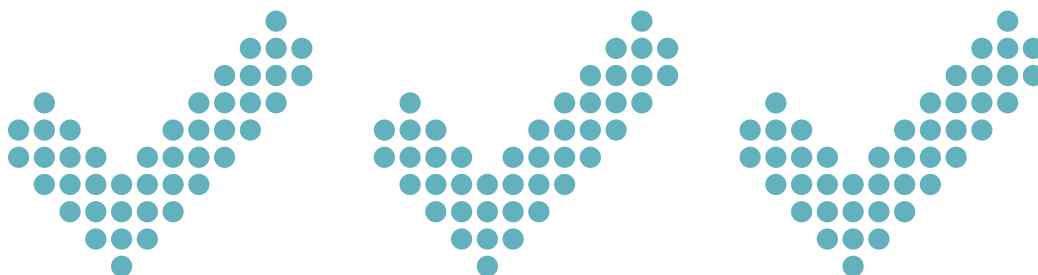
Leading jurisdictions on regulatory reform and modernization adopt principles that guide regulators. New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador have jointly adopted an Atlantic Premiers' vision for regulation. The Charter takes into account national and international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

Regulation is a powerful and sometimes necessary instrument of public policy that can support efficient and effective markets and protect consumers, workers, and the health, safety and environment of citizens and communities. But it has limits, and there are often better instruments of public policy than regulation.

Experience shows that unnecessary or outmoded regulation can distort markets, unduly burden citizens, businesses, and governments, and impede economic growth. Given this, regulation should never be an instrument of first resort and should be deployed only when necessary and where there is clearly no better policy alternative.

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. 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.

Regulating is a necessary function of government. Several departments brought forward policy proposals in the past year that resulted in increased regulatory burden being imposed on businesses. 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.



REGULATORY INCREASES: YEAR IN REVIEW

Department: Environment and Local Government

Description: Prior to legislative and regulatory amendments, consumers of packaging and paper products were ultimately responsible for the costs and efforts of disposing of waste materials. Following an extensive consultation process and a focus on using the “lightest touch” principles for developing regulations, the Extended Producer Responsibility Program was brought into effect. This resulted in a shift of responsibility from consumers to producers which was a government commitment. The policy objective is to encourage innovation in waste reduction towards the goal of reducing environmental impacts. Regulation was necessary to ensure a level playing field for all producers.



Estimated Net
Burden Imposed:
\$943,200

Crown Agency: Environment and Local Government

Description: The Government of New Brunswick has committed to better protecting cats and dogs by ensuring that they are checked by a veterinarian prior to being sold by breeders. The Department enacted regulations that would require breeders to obtain Certificates of Health for every cat and dog sold. To reduce costs, time, and effort for breeders and for veterinarians, the Department adopted the existing format in use in Nova Scotia. The Charter encouraged the department to minimize the regulatory burden imposed by ensuring consistency with neighbouring jurisdictions, maintaining low costs, avoiding excess paper submissions, and choosing the lightest touch tools available to accomplish the desired policy outcome.



Estimated Net
Burden Imposed:
\$221,875

Crown Agency: Service New Brunswick

Description: The Government of New Brunswick along with other provincial governments and the federal government committed to making legislative amendments that would increase the transparency around the beneficial ownership of corporations. Transparency around the ownership of corporations is vitally important to the policy priorities of preventing tax evasion, money laundering and the funding of terrorist activities. Amendments to the Business Corporations Act ensure corporate transparency by increasing the amount of information collected and stored related to all the beneficial owners of corporations registered in New Brunswick.



Estimated Net
Burden Imposed:
\$508,948

LOOKING AHEAD AT YEARS TO COME

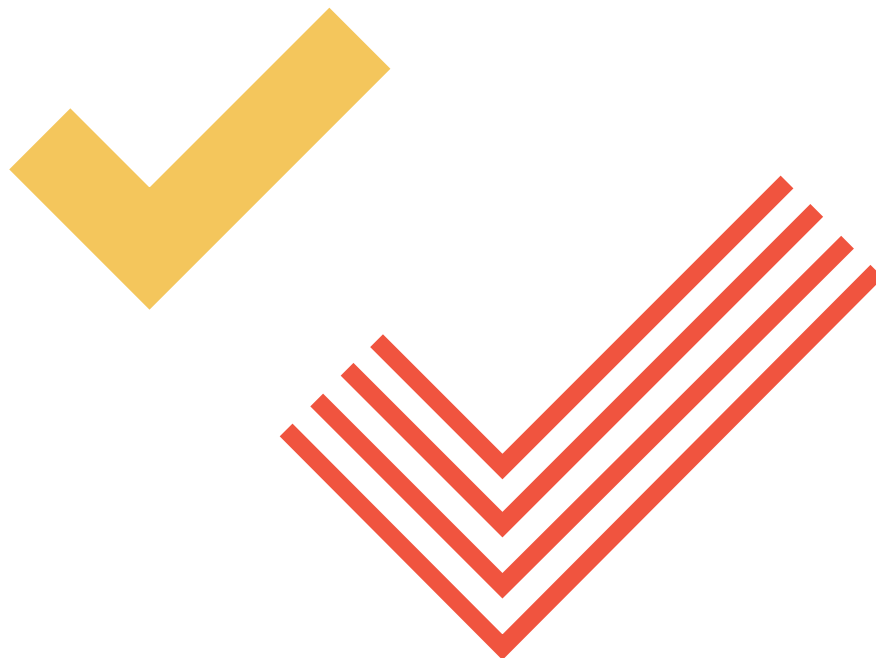


Net reduction in regulatory burden of **\$16.5M** by March 31, 2024

Government has set a multi-year target of a net reduction in regulatory burden of \$16.5 million by March 31, 2024. In the first year of this target, we have achieved a net reduction estimated at \$34.3 million due in large part to the efforts of WorkSafeNB. Significant efforts are underway to continue to build on this momentum.

We are focused on:

- Increasing internal training opportunities for government departments and agencies to enable proactive projects that address burden from front-line processes all the way up to overly restrictive legislation.
- Identifying regulatory burdens present in specific sectors of the economy and working with business growth experts at ONB to assess and address obstacles that may exist.
- Strengthening our partnership with WorkSafeNB to support their efforts to reduce burden. This includes assessing eighteen key priorities over the next three years and measuring their impact on businesses.
- Obtaining feedback from businesses in New Brunswick so we can hear what obstacles they face and work diligently towards removing irritants and creating the conditions for business growth and economic prosperity.
- Identifying and supporting technological improvements that streamline services offered to businesses and wherever possible, measuring their impact through the business impact assessment process.



CONNECT WITH US

As we release this newly redesigned report, we are hopeful that it demonstrates just how seriously we take the issue of unnecessary regulatory burden. We want it to be as front and centre in government decision-making as it is front and centre for every business operating in New Brunswick. It is our sincere hope that you will join us on this journey. We are listening and we are ready to Ensure Competitive Regulation in New Brunswick!

Ensure Competitive Regulation Initiative:

- Phone: 1 (506) 453-5471
- Email: cr-rc@onbcanada.ca

Business Navigators:

- Phone: 1 (833) 799-7966
- Email: nav@navnb.ca

General Inquiries:

- Phone: 1 (506) 453-5471
Toll Free: +1 (855) 746-4662 (North America)
Fax: 1 (506) 444-4277
- Email: info@onbcanada.ca

ONBCanada.ca



 @ONBCanada

 @ONBCanada / @OpportunitiesNB

 Opportunities NB

 OpportunitiesNB / OpportunitésNB