

# Regulatory Reform

## ANNUAL REPORT

2013-14



  
Newfoundland  
Labrador



## Message from the Minister



It is my pleasure to present the Government of Newfoundland and Labrador's first Regulatory Reform annual report. Government takes great pride in its achievements in Regulatory Reform and continues to work to improve the regulatory environment by listening to and engaging businesses and residents of the province. In keeping with Government's emphasis on sharing information with the public through our Open Government Initiative, I am pleased to present this report to the public.

This report outlines some of our many achievements made in 2013-14 in the area of regulatory reform. In recent years we have achieved great success in our efforts, including the implementation of the Regulatory Reform Accountability Framework, the first of its kind in Canada. Through this Framework, we can ensure that the Regulatory Reform Initiative is achieving the best results possible. I am also pleased to report that throughout 2013-14, we have not only met our standing commitment to zero growth in the number of regulatory requirements (e.g., legislation, regulation, policies and forms) across government, but we have in fact exceeded this commitment with a further decrease in excess of more than 1,000 requirements.

The Government of Newfoundland and Labrador believes that our regulatory mandate should be delivered in a way that imposes the least possible burden, and that any restrictions or requirements should be proportional to the public good that is intended to be achieved. An effective and open regulatory environment is critical for growth and productivity, and toward that end, Government is continuously working to simplify, clarify and modernize regulation, to improve public protection and to facilitate effective service delivery to citizens, communities, and businesses.

This report does not identify every project or activity undertaken to enhance the quality of our regulation, but rather it highlights a cross section of activities representing regulation in a number of sectors that we have worked hard to improve. Regulatory Reform is a permanent feature of Government and we remain committed to working toward the goals of Regulatory Reform and publishing future reports to demonstrate our achievements.

A handwritten signature in black ink, appearing to read 'Tony Cornect', with a stylized flourish at the end.

Honourable Tony Cornect,  
Minister of Service NL  
Minister Responsible for Regulatory Reform

# Regulatory Reform in the Newfoundland and Labrador Context

## Defining Regulatory Reform

Regulatory reform initiatives vary in scope and interpretation across jurisdictions, in fact the definition of regulatory reform itself can vary depending on the sector or jurisdiction in question. The most generally accepted definition comes from the Organization for Economic Cooperation and Development<sup>1</sup>, which defines regulatory reform as “changes that improve regulatory quality by enhancing the performance, cost-effectiveness, or legal quality of regulations and related government formalities.”

There are a number of ways regulatory reform is applied across jurisdictions. For example, some jurisdictions focus solely on the quality of regulations and regulatory requirements affecting business, and others take a hybrid approach which focuses on both businesses and citizens. Whichever approach is employed, the interpretation of the term “regulation” or the resulting “regulatory requirements” is often the defining variable. Many initiatives use the terms in the most literal sense, to mean requirements that stem from regulations associated with legislation. Others include requirements set out in policy and the operational requirements that result (such as forms and other processes).

### Examples of Regulatory Requirements:

- Fees
- Permits
- Approvals
- Licenses
- Standards
- Paperwork
- Processing time
- Guidelines
- Filing and Certification Requirements
- Reporting
- Investigation
- Inspection and Enforcement Practices and Procedures

1 The OECD is an international organization which aims to promote policies that will improve the economic and social well-being of people around the world and provides a forum in which governments can work together to seek solutions to common problems.

Newfoundland and Labrador's Regulatory Reform Initiative (RRI) broadly defines a regulatory requirement as any legislation, regulation, policy or form that places a burden on citizens or businesses. This definition of a regulatory requirement also includes all types of prohibitions, which are activities that citizens or businesses must not do – such as speeding on the highway, hunting without a license or selling cigarettes to minors. Regulatory requirements are essential to serving and protecting the public interest and the goal of the RRI is to ensure that these requirements are not disproportionate to the public need being served.

## Regulatory Reform in Newfoundland and Labrador

Regulatory Reform has been an initiative of the Government of Newfoundland and Labrador since 2005 when a Red Tape Reduction Task Force was first appointed to identify unnecessary red tape and recommend improvements to the regulatory environment for business and citizens.

The Task Force conducted public hearings throughout the province and consulted with industry and business associations.

As a result, in August 2005, the Provincial Government committed to a three-year Red Tape Reduction Initiative from April 2006 to March 2009, with a target of reducing the number of regulatory requirements (the regulatory count) by 25 per cent. At the end of the three-year mandate, a total reduction of 27 per cent was achieved.

Following the successful completion of the three-year mandate in 2009, Government chose to build on this success by making Regulatory Reform a permanent function and expanding its mandate. In addition to maintaining zero per cent growth (the zero per cent commitment) in the number of regulatory requirements, Government directed departments and agencies to continue using a Regulatory Impact Analysis (RIA) tool,

### Qualitative regulatory improvements

are service improvements that do not necessarily impact the regulatory count. This can include:

- Streamlining administrative processes
- Modernizing regulatory requirements
- Enhancing access to services

which guides the consideration of the effects resulting from regulatory changes, and to work toward qualitative regulatory improvements. Qualitative improvements to regulation can include activities such as enhancing access to services, modernizing regulation and streamlining administrative processes. At that time, Government also directed the development of an accountability framework for the initiative. The purpose of the Regulatory Reform Accountability Framework is to effectively plan, measure and evaluate the success of Regulatory Reform activities across departments and agencies, which supports Government's commitment to evidence-based decision-making. The Framework is precedent setting in Canada and defines the expectations of Regulatory Reform and the roles and responsibilities of individual departments, agencies, boards and commissions and outlines the oversight activities for the initiative. While many other Canadian jurisdictions have implemented regulatory reform activities and initiatives, none have adopted a formalized, objective framework to assess the progress and achievements of regulatory reform.

The Regulatory Reform Initiative is overseen by the Minister of Service NL who is supported by the Policy Innovation and Accountability Office (PIAO) of Executive Council in carrying out responsibilities with regard to Regulatory Reform. The PIAO also supports government departments and agencies in carrying out the Regulatory Reform mandate, and is responsible for monitoring and reporting on the zero per cent commitment, as well as any other changes and achievements in relation to Regulatory Reform.

### **Regulations that are consistent with the principles of Regulatory Reform:**

- Consider costs and benefits
- Support a fair and competitive market economy
- Harmonize with existing provincial, national or international standards
- Are drafted using plain language
- Have sufficient resources in place
- Are developed in consultation with stakeholders
- Are results-based
- Are necessary
- Set timelines for expiry or review when necessary

## Goals of Regulatory Reform

The Regulatory Reform Initiative has three primary goals:

- To modernize Government's regulatory processes,
- To enhance the quality of services to the public, and,
- To maintain zero per cent growth in the number of regulatory requirements.

The Provincial Government is responsible for developing legislation, which provides the regulatory framework for individual departments to develop policies, programs and procedures for the implementation of legislative and policy directions. While citizens and businesses expect governments to protect them through the use of regulation, without a continual focus on regulatory improvement, it is possible for the scope and complexity of regulation to become overly burdensome. When that happens, people and businesses can be subject to red tape, or overlapping regulatory requirements and excessive paperwork, resulting in costs in both time and money. The Regulatory Reform Initiative promotes the development, implementation and review of requirements in a way that reduces the complexity and the time it takes to comply with requirements or to receive a service.

## Tools of Regulatory Reform

To help guide departments and agencies in achieving the goals of regulatory reform, the Government of Newfoundland and Labrador uses three primary tools:

- Regulatory Impact Analysis
- Regulatory Count
- Regulatory Improvement Plans

### Regulatory Impact Analysis

Regulations which are poorly designed or weakly applied can negatively impact business responsiveness, investment, entry into markets, job creation and the promotion of entrepreneurship. In order to maximize the effectiveness of new regulations, the RRI utilizes Regulatory Reform principles in the analysis of new regulation.

When a department drafts a policy proposal for Government consideration and approval, officials must determine whether there are regulatory impacts associated with the recommendations. In this regard, the PIAO is consulted during the drafting phase to ensure all regulatory impacts are considered (e.g., impacts on businesses, citizens and government).

## **Regulatory Count**

An inventory of the overall regulatory count for Government was first developed in 2005 as a means of establishing a baseline to meet the 25 per cent reduction commitment. All regulatory requirements contained in statutes, regulations, policies and forms were counted by departmental officials and entered into a central database. Since 2009, the inventory has been used as a tool to track changes in the number of requirements and to ensure compliance with the zero per cent commitment.

While the initial 25 per cent reduction commitment was a success, with a total reduction of 27 per cent achieved in 2009, the current focus of the RRI is to maintain the government-wide commitment to zero net growth in the number of regulatory requirements, and to ensure that the regulatory inventory remains at a level that enables effective service delivery while providing protection to the public. To effectively monitor changes to the regulatory inventory, each quarter, departments and agencies are required to report any count changes in their legislation, policies and forms to the PIAO. Changes are then entered into a regulatory tracking database to ensure that the regulatory count is current. Changes to the regulatory count are discussed further in the next section of this report.

## **Regulatory Improvement Plans and Reports**

In accordance with the Accountability Framework for Regulatory Reform, Provincial Government departments, and certain agencies, boards and commissions are required to develop Regulatory Improvement Plans (RI Plans) which outline how departments propose to achieve the goals of Regulatory Reform over a three-year period. In April 2013, RI Plans were submitted to the Minister Responsible for Regulatory Reform, which included numerous activities that entities plan to undertake, as well as performance monitoring plans to effectively monitor progress toward achieving the desired outcomes. The first year of the three-year plans concluded in March 2014 and during the first year, significant progress was made. Some of these improvements are detailed in the next section of this report.

## Year in Review

The remainder of this report highlights some of the regulatory improvements made in 2013-14 as they relate to modernizing regulation, streamlining processes and enhancing access to services, as well as maintaining the zero per cent commitment. It is important to note, however, that the activities referenced in this year in review do not represent an exhaustive list, but rather are a sample of some activities which have been completed to date. Many more activities have either been completed or are underway across departments.

### Regulatory Count 2013-14

In the 2013-14 year, over 1,300 regulatory requirements were eliminated from the overall regulatory count which represents a reduction of 0.6 per cent of the total regulatory inventory. Since 2009, more than 2,600 requirements have been reduced, representing a total reduction of 1.13 per cent. Some of the reductions achieved in the last year can be attributed to an extensive forms review within the Department of Advanced Education and Skills (AES), which streamlined, updated and simplified a number of forms; the new *Food Premises Act*, within HCS, which updated and replaced older legislation and resulted in a considerable decrease in the regulatory burden; and changes to the *Adoption Act* within the Department of Child, Youth and Family Services (CYFS), which updated and streamlined many of the legislative requirements.

### Modernizing Regulation

#### ***New Adoption Act, 2013***

The *new Adoption Act, 2013* received Royal Assent in December 2013 and focuses on streamlining and expediting the adoption process while ensuring the safety and well-being of children. The new Act expands the definition of relative which will enable more families to proceed directly to court to finalize an adoption. The revisions also remove the six-month residency requirement for prospective adoptive parents, while still requiring that an adoptive parent be a resident of the province and the child must have lived with them for at least six months before the adoption order is granted. Further, post adoption services are enhanced by improving search and reunion services and the legislation now provides for adult adoptions. Overall, the new Act ensures that the adoption program is progressive and clarifies and modernizes the law respecting adoptions.

### ***Human Rights Act amendments***

In December 2013, changes to the *Human Rights Act* were enacted to explicitly state gender identity and gender expression as specific prohibited grounds of discrimination. Until that time, claims of discrimination based upon gender identity and gender expression were accepted by the Human Rights Commission under the prohibited grounds of sex. This amendment clarifies, strengthens and modernizes the Act and is consistent with the language in legislation in five other jurisdictions.

### ***Personal Services Act***

The *Personal Services Act* came into effect on January 31, 2014 and focuses on protecting people who undergo high-risk personal service procedures or activities such as receipt of tattoos, piercings, body modifications and tanning. Regulations under the Act will be phased in, however initial regulations require owners of personal services establishments and tanning facilities to register their businesses with Service NL and comply with the new age restrictions outlined in the Act. During the second phase of the *Personal Services Act* implementation, standards and regulations will focus on infection control practices for tattooing and body piercing establishments. Though this new legislation imposes additional requirements on businesses and individuals, from a regulatory perspective, it enhances public health and safety and responds to requests from industry and community stakeholders for increased safety standards.

### ***Food Premises Act***

On December 10, 2013, the new *Food Premises Act* replaced the *Food and Drug Act*, enhancing the standards around food safety for food premises, including restaurants, grocery stores, convenience stores and mobile food vendors. The new Act does not impose any additional requirements on owners or operators but rather serves as the foundation for policies aimed at maintaining and enhancing food safety and preventing food-borne illness in Newfoundland and Labrador.

### ***Safe and Caring Schools Policy***

The revised Safe and Caring Schools Policy was launched on December 2, 2013. It provides greater direction to districts and schools for the development of a safe, caring and inclusive learning environment. The policy includes a definition of bullying, a bullying intervention protocol, and the requirement for schools to develop a code of conduct to foster a safe and supportive learning environment for all students. The revised policy is the result of an independent review of the original policy, followed by

extensive consultations with students, parents, teachers, administrators, school district personnel and community partners. Though this initiative imposes new requirements on schools and school districts, the regulatory environment has been improved by addressing an identified need and creating a consistent approach for ensuring a safe and caring learning environment across the province.

## **Streamlining Processes**

### **Consolidation of Business and Regional Development Programs:**

In April 2013, the Provincial Government announced the consolidation of over 20 regional and economic development funds into two umbrella funds. Since then, the Department of Business, Tourism, Culture and Rural Development (BTCRD) has significantly redesigned its economic development programs with the objective of making the programs more efficient and more effective and to strategically expand the Department's client base. The review also included the modernization of BTCRD's client service delivery model and transformation of its business processes. The new structure is comprised of the Business Investment Fund, which provides support for growth and innovation in the business community; and the Regional Development Fund, which provides funding to support community and regional development. The funds have been streamlined to ensure they are properly focused and flexible in order to better meet the needs of local enterprises and industry stakeholders.

### **One Wage Subsidy Application**

Advanced Education and Skills (AES) has undertaken streamlining activities for some of its wage subsidy programs. Previously, wage subsidy programs were designed based on funding source and eligibility; and whether or not an individual was eligible for EI. This left employers and job seekers trying to assess themselves against eligibility criteria to determine which program would best meet their needs. Four separate wage subsidy programs have now been combined into one new program entitled JobsNL. The streamlined program is focused on creating employment opportunities for anyone who received income support benefits, has a disability, is unemployed, eligible for Employment Insurance or is a recent postsecondary graduate. Wage subsidies meet the needs of both employees and employers, by providing funding to employers to subsidize the salaries of potential employees, and subsidies that give employees work experience. Under the new model of one program and one application form, AES staff assess clients and match job seekers and employers.

### **The Municipal Support Information System**

The Municipal Support Information System (MSIS) portal was launched on October 18, 2013 to streamline the application and project management process for municipal infrastructure projects. The system reduces both the internal and external regulatory burden associated with the application and project administration processes. MSIS is currently being used by the department, local governments and consultants to assess and manage municipal infrastructure projects from the application stage through to project completion, including the submission of monthly progress claims.

### **Expanded Web Services-Workplace Health, Safety and Compensation Commission**

In December 2013, an online Early and Safe Return to Work form was implemented to allow employers to submit their forms online at their convenience. This new online form has proven to be more accurate than the paper forms, thus reducing the amount of follow up required.

### **Liquor Express Automation**

Under provincial legislation, all businesses and organizations with liquor licenses must purchase product at Newfoundland Labrador Liquor Corporation (NLC) Liquor stores or Liquor Express stores. Due to varying technological capabilities of over 130 individually owned Liquor Express locations, it was not possible to use the corporate sales system for check-out and tracking sales. As a result, all of these locations were required to complete separate sales order forms for license holders and submit them to NLC where the information was entered into a data warehouse. In 2013-14, an online automated solution was developed for Liquor Express operators. This solution utilizes a web-based interface where operators can enter sales information in real time. This effectively reduced paperwork, costs and downtime for Liquor Express operators and increases data accuracy.

### **Reporting Requirements for the Insurance Industry**

In 2013-14, the Superintendent of Insurance changed the Prescribed Statement of Financial Affairs which is required to be filed under Section 33(1) of the *Insurance Adjusters, Agents and Brokers Act*. This streamlined the annual financial reporting requirements significantly. The previous requirements stipulated that licensed insurance agents and brokers submit a complete set of audited financial statements. The new process requires a single unaudited financial schedule to be filed which greatly reduces the burden required to comply with the Prescribed Statement of Financial Affairs and also eliminates the cost of audited financial statements for agents and brokers.

## **Enhancing Access**

### **Online Birth, Marriage and Death Certificates**

In September 2013, Service NL announced a more accessible option for obtaining birth, marriage and death certificates. Previously, citizens were required to apply for these certificates in person at a Government Service Centre or by fax or mail. With the new Vital Statistics Online Services, individuals can apply and pay for birth, marriage or death certificates through the Service NL website. Certificates are sent through regular mail, or via courier for an additional fee. This represents a significant service improvement through increased access for citizens, particularly those living in rural areas of the province.

### **Electronic Health Record**

On January 17, 2014 the Department of Health and Community Services issued a news release highlighting the release of the HEALTHe NL Viewer, the next milestone in the development of the provincial electronic health record. The viewer is a portal that provides authorized health care professionals with a single point of access to view patient information at the place of care. Today, the Viewer provides health care professionals with access to medication profiles available through the Pharmacy Network. Over time, the Viewer will include other relevant clinical information including laboratory results, diagnostic images and select clinical records. Providing healthcare professionals with improved access to more comprehensive clinical information supports enhanced patient safety and improved quality of care.

### **Online Payments**

In 2013-14, a number of government services were made available for online payments, including payments for crown land leases and licenses, tax administration clearance certificates, labour standards division clearance certificates and income support overpayments. Implementation of increased online payment options provides businesses and the general public with a convenient, alternative, and user-friendly method of payment for services.

### **AgPal**

In 2013, the Department of Natural Resources (NR) announced the launch of AgPal, a collaborative effort with Agriculture and Agri-food Canada which allows farmers, agribusiness and others to link directly to programs and services offered by the Agrifoods Development Branch of NR, Agriculture and Agri-food Canada, and the Farm Credit Canada. AgPal gives clients quicker and easier access to information on agricultural programs and services and includes 95 programs that are applicable to Newfoundland and Labrador residents.

## Going Forward

Under the Regulatory Reform Initiative, the Government of Newfoundland and Labrador is dedicated to engaging the public in order to improve the quality of regulatory requirements and the interactions between government and citizens. In this regard, Government is committed to listening to the perspectives of citizens and business, who are welcome to make suggestions for further improvements by sending an email to the Regulatory Reform mail box at [regulatoryreform@gov.nl.ca](mailto:regulatoryreform@gov.nl.ca). As Government works toward the second year of our regulatory improvement plans and makes further improvements to the quality of the regulatory inventory, details will be made available through news releases and future annual reports.



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