

A man and a woman are working on a mannequin in a workshop. The man is wearing a dark jacket and a yellow measuring tape around his neck. The woman is wearing a grey jacket and blue glasses. They are both smiling and looking at the mannequin. The background shows various tools and materials on a table.

The Better Regulation Index: Measuring Progress

The Better Regulation Index is a first in Nova Scotia and a priority of the province's Better Regulation Initiative. This is the first time the province has created an inventory that quantifies the combined impact of administrative paperwork from provincial department regulations.

In support of Better Regulation, the Index provides a much-needed yardstick to:

- understand the impact of the paperwork burden, and
- track progress toward the government's goal of reducing that impact by 20% by 2010.

Regulation serves a necessary function in our society: protecting the public, business and the environment. It can also be a source of frustration for business. Better Regulation will improve the benefits while minimizing the impact on business.

Paperwork reduction is a starting point – one of several priorities of the Better Regulation Initiative. Other work underway will reduce the effort required to comply with regulations and improve government's approach to regulation.

A baseline cost of 615,000 hours

The initial Better Regulation Index found that Nova Scotia businesses spent 615,000 hours on regulatory paperwork required by provincial departments in the 2005-06 fiscal year. Since businesses tend to feel the effects of regulation as a whole rather than one rule or one department at a time, the Index estimates the combined impact of all departments. It doesn't include the paperwork requirements of provincial agencies, boards and commissions, or of municipal and federal governments.

The Index encompasses data from every department of the provincial government, and the results have been shared with the business community for feedback. In addition to its measurement function, the Index helps government employees understand the impact of regulation on business and will assist in their work to reduce administrative requirements.

The Index will be an important indicator as Better Regulation progresses. Using the same process and criteria, and adjusting for business growth, the Index will be updated annually to measure progress toward the Government's commitment to reduce the paperwork burden by 20% by 2010.



Ensuring meaningful and consistent measurement

The Better Regulation Index was developed to be:

- meaningful,
- relatively easy to understand, and
- realistic to complete and repeat.

The Government of Nova Scotia chose to measure the time spent on regulatory paperwork since it has a real impact on business and is often singled out as being excessive. The Index includes the time it takes business to report information, find the right forms, fill them out and submit them to provincial departments.

The challenge was estimating the time without causing further work for business or delaying the effort to find solutions. Representatives of every government department were tasked with:

- identifying each administrative or information requirement from their department – for example, permits, licenses, applications, reports, registrations and renewals;
- determining the number of businesses affected and the number of times that requirement would be completed in a year; and
- estimating the time for each administrative requirement based on the information gathered.

For example, to reserve a business name, it takes approximately 45 minutes, including finding the form, completing it, writing out the cheque and mailing the entire package.

To make the process as consistent as possible, the departmental representatives were provided with:

- templates for collecting the information,
- a detailed guide on how to complete the templates, and
- training on the Index and templates.

The process included further steps to ensure quality, ranging from consulting with the program people who work most closely with business to having senior management sign off on the information.

There were several options to estimate how long a requirement took. They could:

- talk to businesses affected,
- estimate the time based on front line staff experience with the requirement and clients, or
- use the list of standards provided for relatively simple transactions.

The standards covered things such as the time to access an online form (four minutes) and the time to mail a form (10 minutes).

The Better Regulation Index – both the approach and the results for the baseline year – were shared with business organizations throughout the process to seek their feedback and validate the approach.

The Index: One of a suite of measures

After much research, the cross-departmental team that developed the Better Regulation Index discovered there was no one perfect measurement tool. So, the Index is one indicator from a suite of measures to assess the impact of regulatory paperwork and track progress.

To supplement the Index, the government will also consider other measures that indicate the level of impact on business, perceptions about the regulatory system, and how Nova Scotia compares to Canada and other parts of the country. That includes:

- the Survey of Regulatory Compliance Costs, which gathers information on the combined administrative cost for business to comply with municipal, provincial and federal regulation (through a partnership with Statistics Canada);
- membership surveys by business organizations like the Canadian Federation of Independent Business (CFIB) and their 2005 report on red tape.

To learn more about the Better Regulation Initiative and the Index, visit the website at www.gov.ns.ca/betterregulation.



Better Regulation Initiative