

Better Regulation 2005–10 Summary Report
Costs Less. Accomplishes More.



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Our government is committed to creating an environment in which Nova Scotia businesses can grow and thrive. We are making it easier to do business with government and getting out of the way when it makes sense.

So, we're happy to report on the progress the Better Regulation Initiative made from 2005-10. Through Better Regulation, government employees worked to help business be more competitive by creating simpler, more effective regulation, and reducing administrative burden without compromising protection for the public.

One of the first Better Regulation targets was to reduce the administrative burden on businesses by 20%, or 125,000 hours. After calculating the time it takes businesspeople to do routine transactions with all provincial departments, employees found ways to cut that time significantly. Thanks to their efforts, we reached this target at the end of 2010, freeing up time for business to improve productivity.

Now, we're looking ahead – considering how to build on the successes of the Better Regulation Initiative. We will continue to focus on improving the competitive position of Nova Scotia business, protecting the public and the environment. We'll also work on making a big impact as we go forward and encouraging improvements in how government works with business. The next phase will maintain the gains from Better Regulation, while changing the approach to tie more closely with our top priorities, particularly our economic strategy for Nova Scotia, jobsHere.

The three pillars of jobsHere – learning, innovation and competitiveness – are underpinned by a common theme: improved productivity. We can contribute to that by focusing on industry sectors and high impact opportunities for improvements. When regulation is required, we'll work with those affected to design something that works for everyone. We will catch red tape before it happens.

I'd like to take this opportunity to thank both government employees and business leaders. Their commitment and ongoing support made real progress possible. We are now well positioned for the next phase, which will contribute to a prosperous business climate while ensuring citizens, communities and the environment are well protected.

Yours truly,

John MacDonell
Minister, Service Nova Scotia and Municipal Relations

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Introduction

The Better Regulation Initiative (BRI) came about as a response to businesses' desire to see a decrease in the administrative burden caused by government regulation. After five years, BRI has accomplished a lot and reached a turning point.

The first target—a 20% reduction in the paperwork burden—was met in December 2010 with a final result of business spending 20.4% less time on paperwork annually. Over time, the targets expanded in scope, ambition and potential for long-term impact, including

- service standards
- improved compliance
- better regulation

The benefits also went beyond business, making regulation easier and more effective for

- other regulated organizations
- citizens
- government employees

Essentially, BRI became about changing from a culture of “regulation is necessary” to one of “if necessary, effective regulation.” That means government employees involved in the regulatory cycle—from understanding issues to helping ensure compliance—ask important questions to help ensure that government

- effectively maintains or improves protection for the public
- doesn't unnecessarily add to the burden of business and other regulated entities

This summary report outlines progress made in the past five years and the next steps for the Government of Nova Scotia.

BRI accomplishments from 2005–10 are the collective result of government employees who took on this work as an added responsibility. They looked for ways to do their jobs even better and often worked in consultation with business groups. The involvement and input of those business organizations was invaluable as well, and it's reflected in the way this report is organized.*

Looking forward

Better Regulation is valuable only if the benefits live on. That's why we're planning to embed the approach into the day-to-day work of government and make further improvements by

- reducing pain points for business
- maximizing benefits sector by sector
- keeping a handle on regulation so it doesn't grow without need

We'll accomplish that by focusing on service, compliance, and regulatory excellence.

The Better Regulation Initiative was launched in 2005 as a five-year initiative focused on helping Nova Scotia businesses to be more competitive while maintaining—and even increasing—the quality of protection.

*For more information on BRI research and consultation, see the Resources section.

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Accomplishments at a Glance

The Better Regulation Initiative set real and ambitious targets that expanded over the five years. Those targets provided motivation and goals to work toward, as well as an element of risk. The Government of Nova Scotia is proud of its employees for the work and accomplishments of Better Regulation. Almost all targets were met and plans are in place to build on the results.

Here's where things stood at the end of December 2010, our stated end date for the initiative.

Target:

Reduce the paperwork burden by 20% by 2010, as measured by the Better Regulation Index

Results:

- The paperwork burden was reduced by 20.4% by the end of December 2010.

Target:

Ensure applications for most licences and permits are turned around within 10 business days by 2010

Results:

Fiscal year	Met stated standard (%)	Need improvement (%)
2007–08	64% (10 day standard)	15% (21% requested alternative standard)
2008–09	80% (10 day & alternative standards)	20%
2009–10	80% (10 day & alternative standards)	16% (4% not tracked)

Note: For each licence and permit to meet the service standard, 90% of applications for it had to be processed within the allotted number of business days. The clock started when a completed application was received and ended when a response was sent.

Regulation exists to protect the public, businesses, and the environment. Effective regulation

- focuses on the outcomes, not how they're achieved
- makes sure the overall benefits outweigh the costs
- is enforced consistently and fairly for better protection

Target:

Improve regulatory management:

1. establish principles and a consistent approach to regulatory management across the government in 2008
2. ensure the principles and approach become part of the culture, changing the way we think and regulate by 2010

Results:

- Regulatory Management Policy and principles developed and rolled out with training and a plain language guide (2008)
- 144 employees trained on Regulatory Management, including 26 who took introductory training (2009)
- 8 departments had a full regulatory management model in place (2010)
- employees from 13 departments were trained on Better Forms and employees from 17 departments were trained on Business Process Mapping (2005–10)

Target:

Provide single-point access to federal, provincial and municipal government requirements for most businesses and citizens through BizPaL

Results:

- 80% of businesses in Nova Scotia have access to BizPaL for requirements from all three levels of government (2010)
- 82% of the population has access to BizPaL (2010)

Target:

Provide consistent training on inspection and investigation skills for all inspectors by 2010

Results:

- The government developed and began offering Enforcement Training for inspectors to increase consistency across departments. (2006)
- The course is offered twice a year, and 230 inspectors have gone through the training. (2011)

In the Canadian Federation of Independent Business fall 2010 *Regulatory Accountability Progress Report*, Nova Scotia was just one of two provinces that received 4 thumbs up (out of 5) for its efforts to measure and reduce unnecessary burden on business.

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You said: There's too much paperwork

“Paperwork takes too long to complete, is needlessly complicated, and sometimes, it’s just plain unnecessary.”

We reduced it to save over \$2.5 million

One of the first things the Better Regulation Initiative did was to get a handle on the paperwork the Nova Scotia government requires of business. Since it’s a cumulative burden and the department or reason doesn’t matter much, the Better Regulation Index totals the time it takes business to complete paperwork for all provincial government departments.

In the 2005–06 fiscal year—the first year it was totalled—the Index found that Nova Scotia businesses spent 615,000 hours on regulatory paperwork. That equates to a cost of over \$14 million dollars based on an average hourly wage of \$22.81.*

By December 31, 2010, that number was decreased by 125,000 hours—a reduction of 20.4% or \$2.85 million dollars.

To make sure the paperwork is kept under control, we also put in place

- Better Forms Guidelines
- Better Forms training
- Business Process Mapping training: to help understand the steps in the process and simplify them to save time
- Regulatory Management Policy and training: to help determine when paperwork is required

For business, Better Regulation means

- a level playing field
- streamlined access to clear information
- fewer, simpler forms
- less time on paperwork
- clarity about how regulations apply to them

We learned

There is always room to improve, and we’ve learned some lessons that will help shape the future of Better Regulation:

- Changes to simplify things can save time for businesses and individuals, but also for government. We can maximize this.
- Consider what measurements to use and how to track them. We want to make the best use of resources for the greatest benefit.

* Source: Statistics Canada’s Survey of Employee Payrolls and Hours, Nova Scotia, March 2006 (average hourly earnings for a salaried employee)

Driving down the cost of goods

In certain industries, the impact of regulation travels further, going well beyond its borders to affect the industries and organizations that use its services. As a critical mover of goods in Canada, trucking may be one of the most obvious examples.

As the recent upward trend in gas prices demonstrates so well, an increase in trucking costs affects everything that isn't next door—from electronics and luxury goods to the necessities of food, clothes, and housing materials.

Over the past five years, Better Regulation has led to many changes to how the trucking industry is regulated. While keeping safety at the forefront, improvements are saving time and money. That's good for businesses and good for consumers.

Two for one

In 2008, Transportation and Infrastructure Renewal began a long-combination vehicle pilot project. It allows twin 53-foot semi-trailers to be hauled by a single tractor trailer between Halifax and the New Brunswick border. Using the long-combination vehicles lowers the cost of transportation and logistics for shippers and consumers, as well as reducing greenhouse gas emissions.

A number of safety requirements apply to the drivers and the vehicles. For example, drivers have to take special training, and the vehicles can only travel on four-lane highways.

The pilot program ran through 2010 and allowed the Department of Transportation and Infrastructure Renewal to study the effects. During that time, it grew to include seven companies and about 1200 trips, with an estimated 30% reduction in greenhouse gases from trucking in Nova Scotia. In 2011, the pilot project became a continuing program.

Keep it rolling

Other changes have also improved the efficiency of the trucking industry.

The use of weigh-in-motion systems to screen the weight and dimensions of commercial vehicles as they drive by means those that appear to be over regulated limits are flagged to stop at a weigh station. Combined with random checks on additional vehicles, this eliminates the need for every truck to stop:

- Since 2007, four systems have been put in place, with a fifth one being installed during 2011.
- Industry likes the systems because they ensure compliance without costing unnecessary time for drivers who are following the rules.

In 2009, regulations were changed to create a new class of roads with a weight limit of 47,500 kilograms for specific tractor trailers with six axles. The change allows truckers to carry larger, more efficient loads. Since the vehicles will require fewer trips to deliver the same amount of goods, the change also reduces the wear and tear on roads.

In 2007, new rules took effect that allowed provincial truckers to use wide-based tires. These tires replaced dual tires with a more fuel-efficient option, and wide-based tires are produced right here in Nova Scotia.

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You said: Just make it easier

“I don’t know or care which level of government is responsible, just make it easier.”

Two frustrations came through loud and clear in research and consultations:

1. not knowing where to find information
2. not knowing (or caring) what level of government was responsible

We did, with help

The Government of Nova Scotia has taken several measures through Better Regulation to address these concerns.

BizPaL is one of the key tools to make information more easily available. What really sets it apart is that business can access information from all levels of government—municipal, provincial and federal. *BizPal is a free, online tool that provides users with a customized list of permits and licences required by government to operate a business.*

By the end of 2010, over half the municipalities in Nova Scotia had joined, covering over 80% of our businesses and population. We work with municipalities to set up their information. While they hold the information to keep BizPaL complete and accurate for their municipality, we are available to help them with that task.

Another example of improved information access is the Construction Industry Compliance Information Portal. It was created through a close working relationship between the Construction Association of Nova Scotia and government employees, resulting in a product the industry is still pleased with.

We learned

We’ve learned some things as we worked to make it easier, and they apply internally as well as for businesses:

- Meaningful changes occur when business and other stakeholders are involved. The Construction Industry Information Portal is an example, and in some ways the process added as much value as the final product.
- Working with industry groups, and through existing groups and projects in government, makes the process more efficient and effective.

58% of Nova Scotia businesses surveyed agreed with the statement: “I can easily access the information I need to comply with government regulations.” Canada-wide, 58% agreed.

Taking Care of Business 3, Institute for Citizen-Centred Service, 2010

Lightening the load

An interesting thing happened in the course of working on Better Regulation: changes that made it easier for business also lightened the load in the court system.

You might say the examples that follow improved protection in two ways:

- made it easier for businesses to comply, maintaining protection
- freed up time in the court system for other protection matters

Taking stock of changes

A series of changes to the Companies Act in 2008 simplified a number of basic corporate procedures, such as incorporation, amalgamation, and converting to an unlimited company. The changes reduced the need to go before a judge. Instead, protection for creditors and minority shareholders is maintained through submissions to the Registrar of Joint Stock Companies. The results

- The collective paperwork burden for small business was reduced by an estimated 30,000 hours per year.
- The number of cases before the court was reduced by 200 per year.

Clearing the land

Any big change comes with a period of adjustment and discovery. Just like buying a new house, the province went through this process when the new Land Registry system was implemented.

From 2005–08 improvements were made to save more time and increase online filing of documents.

- In the end, paperwork to convert properties was reduced by more than half, saving lawyers' time and making buying, selling, and refinancing easier and faster for all Nova Scotians.
- At the end of 2010, 76% of all documents were being submitted electronically compared to only 27% in 2007.

The system also decreased the potential for title fraud and removed the need to go to the Supreme Court for title disputes, instead allowing the Registrar General to resolve them. One unexpected consequence was that it brought to light 28,000 parcels of land with outstanding Crown ownership issues.

Amendments to the Land Titles Clarification Act of 2007 created a way for the province to clear up title to “unacknowledged ungranted” Crown land. Further amendments in 2010 streamlined the process considerably. Now it's quicker for all concerned and less costly for government to release its ownership claim.

- The 28,000 parcels of land identified by the province cover 250,000 acres—much of it occupied or in use for years without a Crown grant.
- The changes save time for those with claims on the land, lawyers, and government employees, reducing the costs for government, individuals, and companies in Nova Scotia.

A brief guide was also created to help people looking for information on Crown land, and Natural Resources improved its internal processes to make Crown land transactions simpler and information on them easier to access.

Government employees consulted with the Nova Scotia Barristers' Society on changes to both the Companies Act and the Land Titles Clarification Act to make sure the solutions were realistic and effective.

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You said: Applications go into a black hole

“It’s frustrating and inefficient that once an application is made, it goes into a black hole.”

We heard two top concerns from business about permits and licences:

- Everyone wants to spend less time on government requirements.
- Everyone wants to know when they’ll get answers.

We set service standards

The Government of Nova Scotia broke ground in Canada when it set a service standard of 10 days for most provincial licences and permits. Where a longer turn-around time is necessary for safety or consultation purposes, a consistent set of criteria was put in place to determine a reasonable alternative service standard.

This approach speaks to the two main concerns about licences and permits—the amount of time they take and the lack of predictability. Through the service standards, departments were asked to

- reduce and standardize the amount of time to process applications
- ensure clients are aware of the timing

As a result, business can plan timelines with confidence.

In the case of alternative service standards, departments have to go through an approval process and make sure clients know from the outset how long it will take.

We made great progress, but there is room to improve, both in the results and the process for tracking them, which varies widely. That’s partly because issuing licences and permits is a core part of the business for a limited number of departments. The differences among departments and the cost and benefit of tracking need to be considered as we plan for the next phase.

54% of Nova Scotia businesses surveyed agreed that they could “easily access any government service needed for their business.”

Canada-wide, it’s 55%. *Taking Care of Business 3,*

Institute for Citizen-Centred Service, 2010

We learned

Many of the lessons are applicable across the Better Regulation experience:

- Check the cost-benefit balance of initiatives to improve regulation, just as you would for regulation itself. We’ll focus where the biggest gains can be made in the next phase, building on what we’ve learned.
- Just three departments hold most of the regulatory responsibility. Focus with them, on their clients, to improve things.

Regulating for outcomes, not process

Changes as a result of Better Regulation are often about making sure the focus is on the outcome of a regulation. That includes outcomes like protection for the public, shareholders, and companies. So, if a simpler process produces the same benefit, it's an easy choice.

A good example of changes that helped both businesses and individuals is within the Registry of Motor Vehicles. In the past five years, it's become easier and less time consuming to register vehicles:

- Multiple passenger vehicles can be renewed online at the same time—especially helpful for businesses that have a fleet of cars.
- Commercial vehicle registration can be renewed online.

Further changes within the Department of Finance also improved things for the insurance business, without affecting the protection of citizens:

- The requirement for licence renewals for insurers was changed from annual to every three years, affecting 300 companies.
- Insurance agencies no longer have to file proof of their errors, omissions, and fidelity insurance coverage after initial licensing, as long as there are no changes to it. This affects over 150 companies.

When employees and owners of businesses selling lottery tickets appeared to be luckier than most people, it was recommended the government licence all vendors. However, the Atlantic Lottery Corporation moved quickly to put new rules in place regarding the sale, validation, and payout of lottery tickets.

After reviewing those rules and consulting with the industry, government

- recognized the increased administration created by licensing a group that is already heavily regulated (for example, convenience stores) would add no further protection
- mirrored the Lottery Corporation rules in its regulations, giving the rules added weight, rather than add to the workload

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You said: Do it right the first time

“Make sure regulation is done right in the first place, rather than fixing it every 5 years.”

We’re making progress

One of the things we heard at the outset of the Better Regulation Initiative was born of cynicism regarding the projects that come and go at all levels of government on red tape and regulation. In fact, it was an issue internally as well as externally.

That’s why the Better Regulation Initiative set out to change the way government thinks about—and does—regulation. It’s not easy. It requires a strong commitment from people of all levels within government. It also takes a lot of effort from employees: sharing knowledge, educating themselves, and pushing for improvements.

Improving quality is the essence of Better Regulation:

- regulating for the right reason
- focussing on the outcome
- taking the best approach to solve the issue
- considering the impact—on business, the public, and the environment

To make progress, we looked at the process for regulation—from start to finish—and opportunities to improve every step, make them consistent, and provide better training.

Those efforts included

- a new Regulatory Management Policy and principles, with a plain language guide
- a Regulatory Management training program, which covers everything from defining the problem through choosing the right solution to implementing it effectively
- conferences to share and learn about best practices—within our government and from external experts

Inspectors are the face of government regulation to many businesses, who often see multiple inspectors from different departments. Training was developed to increase consistency in their approach, and it continues to be offered regularly.

We learned

Overall, we accomplished a lot, but there is still more to do and things we can do even better:

- Government needs to apply Better Regulation principles internally too—don’t create excessive rules or paperwork within to meet Better Regulation.
- Significant benefit can come from focussing on specific sectors. One recent example is the trucking industry. (See page 5 for more information.)

Conclusion: What's next?

Better Regulation began as an initiative to reduce the administrative burden for business and expanded through its five years to accomplish even more. It

- decreased the time spent by businesses, other regulated organizations and individuals to complete government forms
- increased the knowledge level and capability of government employees to regulate effectively and efficiently
- set the foundation for lasting changes to how the Government of Nova Scotia thinks about – and does – regulation

Now it's time to build on the foundation, with a renewed approach focussed on creating an environment that sets up Nova Scotia businesses for success. In line with increasing the emphasis on a business perspective, the next step is *Better Business*.

Aligned with jobsHere, *Better Business* will continue our work to make it easier to do business in Nova Scotia. Government plays an important role in protecting business, citizens and the environment. We know that is best accomplished by helping business know and understand their responsibilities, as well as making it easier to meet them.

Through the new approach, we will continue some of the great work that has already started, such as

- consulting with the business community, taking that engagement and collaboration even further
- working to improve compliance with regulations through education and training
- reducing the administrative burden for businesses and government, making regulatory management more efficient for all

Better Business is about making the changes that will allow increased productivity and competitiveness. That's why we will focus on

- business sectors – providing considerable improvement by working on lasting changes one industry at a time
- high-value opportunities – choosing those things that will benefit the most businesses in the biggest way
- the right choices – ensuring regulation and paperwork only get added when there's a clear benefit and within limits

With these broad directions and strengthened ties to other government priorities, we are working on more detailed plans for both implementation and consultation. Watch for more details on *Better Business*, which will help us create innovative solutions and improve the competitiveness and productivity of Nova Scotia.

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Resources
Sources of business input

Regular input from business leaders helped the Better Regulation Initiative focus on changes that would have a real impact. It also helped strengthen the business understanding within government. While the protection element of regulation is usually well understood within government, sometimes the impact on regulated organizations is not.

Thanks go out to those who participated and shared their perspectives with us.

Business Organizations Consulted through BRI:

- Canadian Federation of Independent Business
- Canadian Manufacturers and Exporters Association
- Canadian Payroll Association
- Canadian Restaurant and Food Service Association
- Construction Association of Nova Scotia
- Greater Halifax Partnership
- Halifax Chamber of Commerce

Reports—these are just some of the documents referenced through BRI

- *Business Views on Red Tape: Administrative and Regulatory Burdens on Small and Medium-sized Enterprises*, OECD, 2001
- *Red Tape Reduction Final Report*, Red Tape Reduction Task Force, Nova Scotia, September 2004
- *Rate R: Prosperity Restricted by Red Tape*, Canadian Federation of Independent Business, 2005
- *Key Small Business Statistics*, Industry Canada, July 2005
- *2005 Progress Report on the Paperwork Burden Reduction Initiative*, Industry Canada, 2006
- *Survey of Employee Payrolls and Hours*, Statistics Canada, March 2006
- *Competitiveness and Compliance Initiative Annual Report*, Nova Scotia Environment and Labour, 2006
- *Taking Care of Business 2*, Institute for Citizen-Centred Service, 2007
- *Taking Care of Business 3*, Institute for Citizen-Centred Service, 2009
- *Prosperity Restricted by Red Tape 2nd Edition*, Canadian Federation of Independent Business, 2010

Tools for improvement

BizPaL: www.gov.ns.ca/bizpal/

Nova Scotia Permits Directory: www.gov.ns.ca/snsmr/paal/

Construction Portal: www.gov.ns.ca/constructionportal/

Access to Business: www.gov.ns.ca/snsmr/access/business/a2b

Better Regulation: www.gov.ns.ca/betterregulation/

Regulatory Management Policy Guide:
www.gov.ns.ca/betterregulation/pdf/Reg-Mgmt-Policy-Guide-PDF.pdf

Plain Language Guide: www.gov.ns.ca/betterregulation/pdf/Plain-Language-Guide.pdf

Better Forms: www.gov.ns.ca/better-forms/

Better Forms Guidelines: www.gov.ns.ca/better-forms/pubs/forms-guidelines.pdf



