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2017 Burden Reduction Report

See how Ontario is creating a more innovative, dynamic business environment that fosters prosperity. Ontario is simplifying processes to make it easier for business to comply and creating modern regulations that lower the costs of doing business in Ontario.

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A personal message from the Minister

Ontario is committed to cutting unnecessary red tape and developing a more effective and efficient regulatory system. This innovative approach to burden reduction is building a more competitive and supportive business environment that is helping Ontario firms grow.

The Burden Reduction Report highlights key initiatives from across government that are reducing regulatory burdens. In 2014, the ministry set a target of achieving \$100 million in savings to businesses and government by the end of 2017. We achieved that target last year— two years ahead of schedule. The ministry continues to develop partnerships and initiatives that will improve government services and reduce unclear, outdated or unnecessarily costly regulatory requirements.

Building on this success, our government passed the Burden Reduction Act, 2017, saving businesses both time and money while protecting environmental and health standards. More than 50 different statutes from 11 ministries were amended, with an estimated \$13.6 million to \$31.5 million in savings to businesses. The ministry launched new initiatives such as the Ontario-Toronto Burden Reduction Working Group to streamline processes and harmonize regulations. Through our Open for Business Roundtable with the Ontario Road Builders' Association, the Ministry of Economic Development and Growth identified opportunities to remove barriers in the road building industry. And thanks to online engagement through the Red Tape Challenge, regulatory issues have been addressed in both the auto parts manufacturing sector and the food processing sector.

Working with our public and private sector partners, the ministry is continuing to cut unnecessary red tape to attract investment, grow the economy and create jobs throughout the province. Together, we are making Ontario one of the best places in the world to do business.

Sincerely,

Brad Duguid

Minister of Economic Development and Growth

Continuing to craft a regulatory system that aligns with today's business climate

Simply put, we need regulations. They ensure people across the province have access to high-quality health care, they protect consumers in their purchases and they keep our roads safe.

But while regulations protect workers, consumers and the environment, they can be a burden to Ontario businesses if they are unclear, outdated, overly costly or complicated. The challenge is in finding the right balance between protecting people and the environment while ensuring we have a globally competitive business environment.

Over the past few years, we have made significant strides toward achieving this balance. In 2016, we continued to build on our accomplishments to reduce red tape.

As the initiatives in this report show, it isn't just a matter of reducing paperwork. It is also about creating a more innovative, dynamic business environment that fosters prosperity. To do this, we are simplifying processes to make it easier for businesses to comply, and we are creating modern, flexible regulations that are in keeping with the times and drive down the cost of doing business in Ontario.

Creating the excellent, modern regulatory system we envision requires teamwork and a province-wide approach. That is why we have also been reaching out to partners across the province—such as the City of Toronto and the Ontario Road Builders' Association—to shape a regulatory environment that allows businesses to thrive.

Through our [Business Growth Initiative](#), we have also put in place concrete modernization tools—such as the Red Tape Challenge, Regulatory Centre of Excellence and Regulatory Burden Reduction Team—that make it easier to do business in Ontario. By passing the [Burden Reduction Act, 2017](#), we have gone a step further and made legislative changes that will save business up to \$31 million alone. That's real, measureable progress.

When it comes to modernizing Ontario's regulatory system, we have already come a long way in a short time—and we are committed to doing even more to improve our business climate today and in the future.

Update on the Business Growth Initiative

Red Tape Challenge

Launched in March 2016, the Red Tape Challenge was designed to reduce red tape and make provincial rules easier to follow by streamlining regulations that hamper Ontario's businesses and economy.

Through the easy-to-use online platform, businesses and the public can identify and improve provincial regulations that are unclear, outdated, redundant or costly. The government reviews all submissions—and publishes Ontario's plan to address them—within six months of the close of each consultation round. This effort has already uncovered 120 actions that the government will take to reduce red tape.

We released our first Red Tape Challenge report in November 2016. Focusing on the [auto parts manufacturing sector](#) identifies 63 concrete actions the province could take to make it easier and less expensive for businesses to operate in Ontario. A second report on the [food processing sector](#) was released in March 2017. It identifies 57 actions to cut unnecessary red tape—and save Ontario businesses time and money.

But we're not stopping there. Over a two-year period, we are consulting with Ontarians on a broad range of regulations that affect sectors such as financial services, mining, chemical manufacturing, forestry and

tourism. We also want to hear from—and about—businesses outside these sectors, since many of the regulations up for discussion have a broader impact on our economy.

For more information, or to see the consultation schedule, visit the [Red Tape Challenge](#).

Regulatory Centre of Excellence

Ontario's Regulatory Centre of Excellence is a new modernization tool that aims to build capacity, networks and knowledge to help Ontario ministries achieve their public policy goals without unduly burdening businesses. The Centre will help ministries champion best practices on:

- regulatory quality
- simplicity
- cost-benefit analysis
- alternatives to regulation (including voluntary approaches, communication, behavioural insights and self-regulation)

These can be more efficient than prescriptive regulation, and have the potential to ease the administrative burden for businesses, improve compliance, support innovation and reduce government costs.

Regulatory Modernization Committee

The Regulatory Modernization Committee chaired by the Secretary of the Cabinet and the Premier's Advisor on Business continues its strong mandate to challenge ministries to reduce the cost and complexity to regulations and compliance frameworks while ensuring worker, environmental and other protections remain strong. The committee oversees and supports the Ministry of Economic Development and Growth's Regulatory Modernization Branch in its regulatory challenge role.

The committee developed a set of principles to help ministries make regulations smarter by:

- focusing on user needs
- moving to a risk-based approach to inspections
- providing more digital services and products
- adopting national or international standards
- streamlining processes to save businesses time
- understanding the unique needs of small businesses

Regulatory Burden Reduction Team

With its mandate for change and focus on high-priority initiatives, the Regulatory Burden Reduction Team will address the regulatory bottlenecks that most significantly impede Ontario businesses' growth and competitiveness. Key work to date includes partnerships with the City of Toronto and with the Ontario Road Builders' Association.

Burden reduction project in the City of Toronto

In November 2015, the [Ontario-Toronto Burden Reduction Project](#) was launched to identify opportunities to reduce the regulatory burden on businesses. Working groups comprising of provincial and city staff as well as industry association representatives explored eight areas where the two jurisdictions might be able to work together to streamline processes to save Toronto businesses time and money.

The working groups had three months to develop solutions they could all agree on. If they could not achieve a solution within that time, they were expected to provide an action plan setting out how the issue could be resolved.

The projects were grouped under three key themes:

Improving program and service delivery

- **Coordinating business information lines** – Business information provided by the Toronto 311 and ServiceOntario contact centres was reviewed to ensure the information is consistent, and that when needed, transfers are made to the right business program area the first time.
- **Improving licensing for mobile businesses** – Since 2016, the groups have made noteworthy progress. For example, the province and the city have made strides to support mobile business licence issuance and renewals. This includes enabling the electronic transfer of driver abstract information from the Ministry of Transportation to expedite licensing for mobile businesses, including food trucks.
- **Improving information sharing between the City of Toronto and Ministry of Labour** – The Ministry of Labour has provided the City of Toronto with information on employment standards and health and safety requirements, which the City hands out when issuing business licences, eliminating an extra step in the process for the licensee.
- **Aligning noise laws for businesses and industry** – By-laws to eliminate the need for two levels of approval were drafted and brought to the Licensing and Standards Committee in May 2016. Toronto Public Health has also engaged the construction and entertainment industries.

Improving the business experience

- **Simplifying child care licensing** – Ontario's Ministry of Education and the City of Toronto's child

care licensing approvals have also been consolidated into one clear, succinct process. This has enhanced access and provided clarity on municipal and provincial approvals for child care operators (e.g., step-by-step instructions); it has also clarified the licensing process, improved accuracy, lessened delays and sped up approvals.

- **Making it easier to open restaurants** – To reduce regulatory burden for new restaurants, the City and the Province, along with stakeholders have been working together to provide more information to those interested in starting a restaurant.
- **Reviewing the land approvals process** – Improvements were made to site plan approvals, which have subsequently been reduced by up to four weeks.

Enhancing business opportunities

- **Facilitating export and trade development** – The Export Development and Investment Attraction initiative has also made progress. Its goal is to support export and trade development as well as foreign direct investment activities by increasing alignment between Ontario ministries, the City of Toronto and stakeholders engaged in “going global” efforts.
- **Capitalizing on the sharing economy** – Finally, initiatives have been launched to research and develop coordinated solutions for the sharing economy and identify opportunities to reduce regulatory burden.

The Ontario-Toronto Burden Reduction Project created a strong foundation to tackle bigger regulatory issues as well as a template for future projects with other Ontario municipalities. Work is now underway with the Association of Municipalities of Ontario to identify burden reduction opportunities in other Ontario municipalities.

Partnership with the Ontario Road Builders’ Association

The 2015 Open for Business Roundtable, held in partnership with the Ontario Road Builders’ Association, provided the opportunity to identify concrete steps that would help remove barriers and burdens to businesses in the road building industry. The roundtable identified the following opportunities:

- Streamlining processes for water-takings associated with road construction and for removing groundwater or surface water from a construction site. This initiative is highlighted as one of the 2017 burden reduction initiatives in this report.
- Encouraging municipalities and other public sector entities to allow the use of recycled aggregates in road construction.
- Providing better information to road builders and clarifying their responsibilities related to protecting species at risk near construction projects.

- Addressing wait times for Superload permits, which was included in the *Burden Reduction Act, 2017*.

Burden Reduction Act, 2017

Modernizing Ontario's regulations is a priority for the provincial government—and the province is changing legislation to make sure it happens.

The [Burden Reduction Act, 2017](#), which received Royal Assent on March 22, 2017, takes the province's commitment to reduce red tape a step further by committing to an annual legislative process to support modernizing and streamlining laws that affect Ontario's business climate. This act amended more than 50 different statutes from 11 ministries.

The changes cover a broad range of actions, from reducing the number of face-to-face meetings needed for low-risk compliance checks to incorporating international standards into Ontario law to modernizing rules for commercial arbitration.

The Act also delivered on three key burden reduction priorities outlined in the 2015 Ontario Economic Outlook and Fiscal Review:

Improving the environmental approvals process

The province aims to streamline the environmental approvals process by cutting air environmental compliance approvals by at least 50%, implementing a one-year service standard for higher-risk requests (received after 2017), and establishing standards by which to monitor performance. Allowing more low-risk business activities to use the Environmental Activity and Sector Registry is intended to help streamline approvals. This project is highlighted as one of the 2017 burden reduction initiatives in this report – details and savings can be found below.

Streamlining the Superload permit approval process

The government will save businesses money by providing more options for non-police escorts of overweight or oversize vehicles. It also plans to coordinate the permitting service and create Superload corridors.

Making the industrial exception in the *Professional Engineers Act* permanent

Retaining the "industrial exception" in the *Professional Engineers Act* allows businesses the flexibility to have work performed on their own equipment by skilled employees rather than specifically by professional engineers. The proposed "industrial exception" would continue to protect worker health and safety, provide

greater certainty and avoid unnecessary costs to the manufacturing sector, resulting in an estimated savings of between \$118 million and \$196 million per year.

By streamlining and modernizing approvals—and updating references or dates and eliminating errors—the amendments in the *Burden Reduction Act, 2017* will provide Ontario businesses up to \$31 million in savings every year. For example, an amendment to the *Public Lands Act*—to permit the building, placement or use of low-risk structures such as docks—will provide savings of between \$1 million and \$3 million each year.

2017 burden reduction initiatives

Surpassing expectations

When Ontario first embarked on its burden reduction initiative, the goal was to save businesses and stakeholders \$100 million by the end of 2017.

By 2015, we were already halfway there, with \$50 million in savings. By 2016, we had surpassed the \$100 million target by more than \$22 million—two years ahead of schedule.

Ontario’s ministries remain committed to creating more efficient, modern regulations that improve services both within and outside of government. This year, we identified **\$29.3** million in additional cost savings—bringing the total hours and money saved by businesses and stakeholders to **6.5 million hours** and **\$151.6 million since 2011**.

And we can do more. Ontario plans to build on these successes, becoming an ever more innovative and dynamic place to do business.

Savings initiatives summary

	2014	2015	2016	2017
Costs Saved	\$6.6 million	\$44.7 million	\$71 million	\$29.3 million
Hours Saved	181,000 hours	2.3 million hours	2.9 million hours	1.1 million hours
Number of Initiatives	5	17	26	14

Total cumulative savings since 2011 ^[1]

$$\$6.6 \text{ million} + \$44.7 \text{ million} + \$71 \text{ million} + \$29.3 \text{ million} = \$151.6 \text{ million}$$

181,000 hours + 2.3 million hours + 2.9 million hours + 1.1 million hours = 6.5 million hours

Note: Numbers may not add up due to rounding.

Going digital—taking the paper out of paperwork

In business, time is money—and when services move online, it generally takes much less time for businesses to get something done. Making it possible to complete and submit applications and forms online, rather than on paper, is a high-impact and often straightforward way to make regulatory compliance less burdensome for businesses. Ontario has been moving various services online for a few years now.

Speeding up environmental approvals for routine air emissions

Burden

Any Ontario business engaging in air-emitting activities must apply to the Ministry of the Environment and Climate Change for an Environmental Compliance Approval (ECA). This requires businesses to complete a 45-page form—usually with the help of consultants and engineers—and mail it to the ministry with the applicable fee. The review and approval can take 500 days to complete.

Solution

The Environmental Activity Sector Registry (EASR) speeds up this process for certain routine applications by providing a modern, risk-based approach. It is a public, online registration system intended for activities that are well understood and have minimal environmental impacts.

Since January 2017, eligible businesses engaging in air emissions must register their activities on the EASR instead of applying for an ECA. This involves completing a condensed 20-page registration form (down from 45 pages) which takes about two hours to complete (down from 10 hours). Compared with the ECA process, using the registry reduces administrative and paper costs, speeds up approvals and lets businesses begin their activities sooner. This saves businesses money and makes it easier to plan for investments.

Results

- Eliminates thousands of pages of paperwork and reduces paper and postage costs – equivalent to \$1,423 over a three-month period.
- Shortens the time businesses spend working on forms — equivalent to approximately \$441,600 in value of time and \$4.65 million in indirect costs, such as the costs of delayed/missed profits or investment opportunities, over a three-month period.
- Reduces wait times for approvals from up to 244 days to 1 hour per application.

- Helps businesses save time and money when implementing low-carbon technologies under Ontario's cap and trade program.

Savings Over 3 Months

\$5.10 million

450,600 hours

Speeding up water-taking permits for low-impact construction and road building projects

Burden

In Ontario, construction and road building companies that take or divert more than 50,000 litres of water per day in the course of their work must obtain approval to do so from the Ministry of Environment and Climate Change before they can begin a project.

Until recently, all approvals were in the form of a Permit to Take Water (PTTW). The application process for a PTTW required companies to conduct lengthy technical assessments, manually complete an application form, mail in the application package and pay fees. Once the ministry had received the application, the review and approval period could take three months or longer.

Solution

Since March 2016, eligible businesses engaged in select water-taking activities have been able to obtain approvals much more quickly using the new Environmental Activity Sector Registry (EASR). This public, web-based registry is intended for activities that are routine, well understood and have minimal environmental impacts when complying with regulatory requirements.

The streamlined, risk-based process clarifies activities that do not require permits, exempts certain activities, and enables self-registration. It also reduces administrative, paper and interest costs, speeds up approvals, and lets businesses begin their activities sooner. As well, businesses now have greater certainty about when they can begin projects.

Results

- Eliminates thousands of pages of paperwork and reduces paper and postage costs.
- Shortens the time businesses spend working on forms and reduces indirect costs, such as the costs of delayed/missed profits or investment opportunities, over a one year period.
- Reduces wait times for approvals per application.
- Enables greater certainty for businesses about the standards that will be applied to activities

involved in water taking.

Bringing consistency and efficiency to the funding application process

Burden

Before Treasury Board Secretariat's Common Registration System was launched, organizations that deal with multiple Ontario ministries had to submit profile information and key documents—including their addresses, contacts and financial statements—multiple times for funding applications and reports. In addition, to make changes to their registration profiles, they had to contact each ministry program that provided them with funding.

Solution

In November 2016, Ontario launched the Common Registration System, a one-window portal where organizations can enter, update and manage their profile information and key documents. Organizations can now change their information online, greatly reducing the time it takes to update their profiles. The system uses the organizations' Canada Revenue Agency business numbers to ensure complete, consistent and accurate information. This simplifies business practices and gives organizations more time to deliver services to Ontarians.

Results

- Reduces the time spent completing, providing and updating information to comply with funding and reporting requirements.
- Reduces the number of registrations required every year.
- Promotes more consistent and efficient recordkeeping for both organizations and government ministries.
- Allows organizations to spend more time focusing on key activities.

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A single registration platform for all non-profits that receive provincial transfer payments will reduce the administration burden and ensure more efficient use of our resources. Simpler and more transparent for all of us!

— Cathy Taylor, Executive Director, Ontario Nonprofit Network

Modernizing regulations—flexible measures for changing times

To minimize compliance burdens for businesses, it's essential to re-examine rules and regulations

periodically to make sure they are relevant and in step with the current business climate. Changes, if any, are usually made with a view to streamlining regulations and adding flexibility. With these principles in mind, over the past year, Ontario has made it easier to obtain a commercial driver's licence, apply for permits for routine work on shore lands, bid on government contracts and offer a variety of municipal services.

Waiving driver's testing requirements for active and retired Department of National Defence military personnel

Burden

Canadian civilian and military personnel are issued Department of National Defence (DND) 404 drivers' permits to drive cars, trucks and other large commercial or military vehicles. But until July 2015, these individuals' military driving experience was not recognized. Any current or former member of the military with a DND 404 permit who wanted to obtain an Ontario commercial driver's licence had to wait up to 42 days to take the necessary provincial road test.

Despite their years of driving experience in the military, some individuals who did not have Ontario Class G licences had to obtain one—which took at least 24 months—before they could take the road test for a commercial licence.

Solution

In July 2015, Ontario's *Highway Traffic Act* was amended to allow active and retired DND members with DND 404 permits that have been valid for at least two years and the driver has held it within the last three years, to have the Class A, C, D, F, G and Z testing requirements waived when applying for the equivalent Ontario licence.

Drivers still need to meet the province's identification, vision and medical standards, and pay applicable licensing fees, but they no longer have to take any written or road tests. This reduces the time it takes members of the military to obtain a commercial licence, enabling them to start working sooner and easing their transition back into civilian life.

Results

- Saves DND 404 permit holders money—\$33,000 in testing fees in 2016.
- Reduces the time it takes retired and active military personnel to obtain Ontario G2 and G licences by about 522 workdays.
- Reduces the time DND 404 permit holders must wait to take a road test for a commercial licence by up to 42 days.
- Streamlines written and road test requirements and reduces the need to travel to testing locations.

- Makes it easier for military personnel and veterans to get jobs in sectors such as the trades.

Savings Over 1 Year

\$1.56 million

79,100 hours

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We applaud the provincial government’s recognition of military driver qualifications for civilian commercial driving. Canada’s servicemen and women give so much in the service of our country, standing on guard to defend the values we cherish and the freedoms we covet, willingly putting themselves in harm’s way when called upon. They deserve every advantage that we can accord them. This will go a long way toward helping them transition to civilian careers.

— Hugh Laird, Vice-Chair, Board of Directors, *Helmets to Hardhats*

Modernizing the permit process for shoreline work

Burden

Prior to 2014, under Ontario’s *Public Lands Act*, individuals and businesses working on shore lands needed to apply for work permits and comply with regulatory requirements to carry out certain low-risk activities. For example, property owners who wanted to dredge shore lands previously dredged, relocate rocks on shore lands, or remove invasive or native aquatic vegetation from shore lands (off the Canadian Shield) had to wait for Ministry of Natural Resources and Forestry (MNRF) approval to start, which drove up costs. Owners also had to spend a significant amount of time completing an application form, submitting supporting documentation and responding to MNRF verification requests.

Solution

In 2014, MNRF eliminated work permit requirements for certain low-risk activities regulated under the *Public Lands Act*. Shoreline property owners are now exempt from these requirements if they follow certain rules outlined in the regulation. Simplifying the requirements has allowed businesses and individuals to plan their activities without incurring costs from delays, such as equipment holding costs. The new process also reduces the administrative costs associated with preparing and submitting work permit applications.

Results

- Reduces approval wait times by 28 days, saving shoreline property owners a total of 16,000 days in wait time over three years.
- Reduces administrative costs for shoreline property owners, since they no longer need to prepare

and submit work permit applications.

- Saves shoreline property owners business costs for equipment holding, since work can now begin much sooner.

Savings Over 3 Years

\$1.93 million

130,500 hours

Simplifying the approval process for work on unpatented mining claims and maintaining, repairing or replacing erosion control structures on shore lands

Burden

Prior to 2014, any individuals or businesses that planned to construct or place a building within an unpatented mining claim needed a permit from the MNR before beginning work. A permit was also needed to maintain, repair or replace existing erosion control structures on shore lands.

Completing the application form, submitting supporting documentation and responding to MNR verification requests required a significant amount of time and effort on the part of individuals and businesses, and created unnecessary costs for them.

Solution

In January 2014, MNR eliminated the need for a work permit and created an online registration system for certain low-risk activities. Individuals and businesses that want to construct or place buildings within unpatented mining claims—or maintain, repair or replace existing erosion control structures on shore lands, no longer need a permit if they register online and follow certain rules outlined in the regulation.

This change means individuals and businesses no longer need to spend time and resources to prepare and submit work permit applications. It also eliminates the waiting time for approvals, so they can get working sooner. This helps individuals and businesses to better plan operational expenses and eliminates unnecessary costs caused by delays.

Results

- Reduces approval wait times by 14 days, saving shoreline property owners a total of 5,300 days over three years.
- Saves shoreline property owners approximately \$75,800 in administrative costs.
- Saves shoreline property owners about \$858,300 in equipment holding costs.

Savings Over 3 Years

\$0.93 million

44,000 hours

Making the transfer of assets faster and easier for municipalities

Burden

Municipalities in Ontario use Municipal Services Corporations to offer services such as transit, to provide recreation and sports centres, and to redevelop under-utilized real estate. (Toronto uses City Services Corporations for similar purposes.) But to do this, they must sometimes transfer certain assets to these corporations.

In the past, when a municipality wanted to transfer an asset to a corporation, and a provincial contribution was made to purchase or improve the asset, the municipality had to first notify each relevant provincial minister. This took considerable time and required municipal staff to identify the properties that had received provincial contributions in the past, even if it was decades earlier.

Solution

In February 2015, both the *Municipal Act, 2001* and the *City of Toronto Act, 2006* were changed to streamline this process. Municipalities no longer need to notify provincial ministers before transferring these assets to either Municipal or City Services Corporations. Repayment provisions in grant agreements are now used to determine if municipalities need to repay any provincial contributions when transferring assets.

Results

- Saves time and resources involved in processing documents when transferring municipal properties and assets.
- Allows programs and redevelopment projects to start sooner by speeding up the transfer process.

Reducing business barriers for low-risk travel businesses

Burden

The *Travel Industry Act, 2002* and its regulation requires all Ontario travel agents and wholesalers to register with the Travel Industry Council of Ontario and meet certain requirements to operate. For example, they must hire an accountant to complete a review engagement or audit, maintain a certain amount of working capital and contribute to the Travel Industry Compensation Fund. There are also mandatory registration fees, including an upfront fee plus a security deposit (for new registrants) and a renewal fee (for renewing businesses).

Businesses that exclusively sell one-day tours, as well as certain not-for-profit organizations, viewed these requirements as burdensome.

Solution

In July 2016, the regulation was amended to reduce the burden on lower-risk businesses that only sell one-day tours. Anyone selling one-day tours is now exempt from all fees and operating requirements under the act. As well, certain not-for-profit corporations that promote tourism in Ontario no longer need to maintain a certain amount of working capital or provide a security deposit at the time of registration. (In some cases, alternative forms of financial guarantee are still needed.)

Results

- Reduces start-up and operating costs for certain businesses.
- Enables not-for-profit corporations that promote tourism in Ontario to focus more resources on their core activities.

Simplifying processes by making it easier for business to comply

Making compliance simpler is often a matter of eliminating duplication or unnecessary steps, adding consistency, and updating regulations. This year, Ontario identified numerous ways to make compliance easier and more efficient in areas ranging from procurement to franchising to farming and more.

Making the procurement process more efficient

Burden

Bidding on government contracts for construction projects, goods and services is a time-consuming and cumbersome process for businesses. Before July 2016, successful vendors received selection letters and final procurement agreements by mail. Before they could begin any work, they had to sign and mail their agreements back to Supply Chain Ontario (SCO). SCO then sent the agreements to the client ministry to sign and execute. This meant it took a long time before vendors could begin delivering goods and services and ultimately, receive payment.

Solution

SCO has streamlined the award phase of the procurement process by eliminating three steps. For simple procurements, vendors now receive electronic copies of the notice of selection and agreement via email, which they then must print, sign and mail to the client ministry.

This streamlined process reduces the wait time to execute a contract and saves businesses both time and money by reducing inventory holding costs. It also speeds up the time it takes for them to be paid. While there is a small cost of about \$2,500 to businesses for printing the signed agreements, it is minimal

compared with what they save from reduced delays in the procurement process.

Results

- Reduces the time it takes to execute contracts by an average of six to eight days.
- Saves vendors more than \$48,700 in reduced interest costs, as they now receive payments an average of seven days earlier.
- Saves vendors an estimated \$185,800 in indirect costs from delayed profits and \$177,100 in inventory holding costs.

Savings Over 9 Months

\$409,100

8,300 hours

Taking the red tape out of longer-term consumer leases

Burden

Prior to November 2015, under the *Personal Property Security Act*, businesses offering leases to customers or financing consumer goods were subject to a five-year maximum registration period. Those who made use of longer registration periods had to file renewals near the end of the fifth year to continue protecting their security interests (usually related to expensive items like cars, boats and small planes) from other parties.

To do this, lenders needed to set up systems to track registration expiry dates, file the renewals, and send physical copies of verification statements to consumers to confirm the renewals, creating a significant administrative burden.

Solution

In November 2015, amendments to the act came into force, removing the five-year limit on the registration period for financing statements involving consumer goods. Lenders and lessors no longer need to file renewals and send verification statements to consumers. This saves them administrative time, as well as fees and mailing costs.

Results

- Supports broader harmonization efforts, since other Canadian jurisdictions don't have a five-year renewal requirement.
- Saves lenders and lessors significant administrative work, valued at approximately \$1.51 million over a year and four months in terms of the value of time.

- Eliminates the need to send about 331,900 additional verification statements to consumers, which translates into savings of around \$2.49 million.
- Eliminates disbursement fees paid to third-party agents, saving businesses approximately \$3.65 million.

Savings Over 1 Year and 4 Months

\$7.65 million

55,300 hours

Streamlining claims forms and payments for Ontario farmers

Burden

Agricorp is an Ontario government agency that provides programs and services to help Ontario farm producers manage their business and agricultural risks.

The AgriStability program — which is administered by Agricorp and forms part of the Growing Forward 2 (GF2) program — pays farmers when they lose significant income due to production loss, increased costs or market conditions. GF2 is a five-year, \$1.5 billion federal-provincial-territorial funding program launched in 2013. GF2 supports Ontario's agri-food and agri-products sector by encouraging innovation, competitiveness and market development, and offering business risk management assistance.

The past process for farmers to access AgriStability was paper-based and time consuming. Farmers filled in a 13-page application form that could take up to three hours to complete and then mailed or dropped off their applications to Agricorp for processing. Agricorp would then issue cheques and send them by mail, along with the paper payment notifications farmers needed for their records.

Solution

In January 2015, Agricorp simplified the AgriStability form to seven pages and provided an online submission option. Claims may now be directly deposited into a bank account and an email notification eliminates the need for a printed record.

Results

- Reduces the time it takes to complete the form.
- Eliminates printing and mailing costs and enables faster submissions by allowing the form to be completed online.
- Increases efficiency and timeliness through direct deposit into a farmer's bank account.

Reducing the compliance burden on franchisees and franchisors

Burden

Under Ontario's *Arthur Wishart (Franchise Disclosure) Act, 2000*, all franchisors must provide any prospective purchasers with disclosure documents at least 14 days before any agreement is made or signed, or any payment related to the franchise is made. The goal of the act is to help prospective franchisees make informed decisions when investing in a franchise. It also gives them the right to void an agreement if franchisors do not meet these disclosure obligations.

Although the act permitted franchisees to choose whether to deliver notices of their intention to void the agreement (i.e., "notices of rescission") to franchisors personally, by registered mail or by fax, franchisors could only deliver disclosure documents personally or by registered mail. This was time-consuming for both parties.

Solution

In July 2016, the regulation under the act was amended to create more delivery options and reduce the compliance burden for both franchisors and franchisees. Now, franchisors have the option of delivering disclosure documents electronically (if certain conditions are met) and by prepaid courier, as well as in person or by registered mail. Franchisees can now deliver notices of rescission by prepaid courier, as well as personally, by registered mail or by fax.

Results

- Provides franchisors and franchisees more choices in how they deliver disclosure documents and notices of rescission.
- Saves businesses time by eliminating the need to print documents and/or travel to mail them.
- Eliminates paper and mailing costs for franchisors who deliver documents electronically.
- Reduces the time it takes businesses to receive documents and make business decisions.

Improving customer service

Customer service is improved when red tape is removed from a process that should be easy. Untangling regulations can reduce wait times, make it easier for businesses to plan, and free up more time and energy to focus on customers. In 2016, Ontario's burden reduction efforts led to better customer service for both hospital patients and legal aid clients.

Getting hospital patients home sooner with quicker decisions on drugs

Burden

The Ontario Drug Benefit Formulary covers more than 4,400 drug products for Ontarians. When a resident

needs a drug not listed on the Formulary, the Exceptional Access Program (EAP) assesses whether to cover the costs, and makes decisions on a case-by-case basis.

The EAP Program receives up to 500 requests a day from Ontario doctors and drugs are prioritized into standard queues based on the drug and condition treated, which means funding decisions can sometimes take as long as six weeks. Until recently, there was no standardized process to identify the urgency of an application. As a result, hospitalized patients sometimes experienced delays in being released because they were awaiting medication funding decisions. These delays were not only inconvenient for patients and their families—they were expensive for hospitals, which had to bear the extra costs of patients' hospital stays, including drug costs. The delays also decreased the number of beds available for incoming patients.

Solution

In July 2015, the Ministry of Health and Long-Term Care introduced the Hospital Discharge Initiative. Registered Ontario doctors can now submit new customized EAP forms through a dedicated channel that prioritizes the processing of requests for hospitalized patients. The form also provides contact information for hospital staff, including hospital drug navigators, reimbursement coordinators, pharmacists and physicians. These requests are processed more quickly than regular applications, so hospitalized patients waiting for decisions can now go home sooner.

Results

- Saves hospitals significant operating expenses and drug costs.
- Provides more seamless care of patients transitioning from hospitals to community-based care.
- Enables hospitalized patients to be released an average of eight days sooner.

Savings Over 1 Year & 7 Months

\$4.84 million

101,400 hours

Streamlining legal aid processes

Burden

Legal Aid Ontario (LAO) provides duty counsel services to clients who face criminal charges at Ontario courts. Duty counsel include private bar lawyers who provide legal help to low-income clients who do not have a lawyer to represent them in court.

Some duty counsels are private lawyers who are paid per diems by LAO. Duty counsel meet with clients, gather background, and offer helpful information before clients' court appearances. Clients sometimes need to return to court on multiple occasions. In these cases, duty counsel would repeat the intake process

and collect clients' information each time.

As well, private lawyers on per diems need to arrange to be paid. They would prepare and submit electronic invoices after their shifts, usually from locations away from the courts.

Solution

To help duty counsel save time, LAO developed an electronic worksheet that allows them to create an electronic record of each client appearance in real time. Lawyers can now retrieve and review records of their previous interactions with clients using an online tool on a laptop. This means they no longer need to ask clients for the same information meeting after meeting, which saves time. As well, lawyers can now submit their invoices electronically as soon as their shifts end.

This new system is at work in eight duty counsel court locations so far, and is expected to be rolled out across Ontario by the end of 2017.

Results

- Saves time and administrative costs for both duty counsel and clients.
- Improves access to justice province-wide through fewer visits with duty counsel and fewer delays.
- Enables continuity from one court date to the next and improves the quality of service for clients.

Savings Over 7 Months

\$86,700

5,800 hours

Our partners

Creating an environment in Ontario where businesses can grow and thrive is a team effort. The Ministry of Economic Development and Growth works collaboratively with partners across the provincial government and business community to simplify and streamline Ontario's regulations—with the goal of lowering costs for Ontario businesses.

The initiatives profiled in this report are the tangible results of this teamwork.

Our business partners are:

- Build Toronto
- Canadian Federation of Independent Business

- Canadian Generic Pharmaceutical Association
- Canadian Manufacturers and Exporters
- Canadian Vehicle Manufacturers' Association
- Helmets to Hardhats
- Institute of Public Administration of Canada
- Ontario Chamber of Commerce
- Ontario Nonprofit Network
- Ontario Road Builders' Association
- Ontario Trucking Association
- Canadian Franchise Association

Our government partners are:

- Agricorp
- Association of Municipalities of Ontario
- Cabinet Office
- City of Toronto
- City Services Corporations
- Department of National Defense
- Legal Aid Ontario
- Ministry of Agriculture, Food and Rural Affairs
- Ministry of the Attorney General
- Ministry of Education
- Ministry of the Environment and Climate Change
- Ministry of Government and Consumer Services
- Ministry of Health and Long-Term Care
- Ministry of Labour
- Ministry of Municipal Affairs
- Ministry of Natural Resources and Forestry
- Ministry of Transportation

- Municipal Services Corporations
- Ontario Federation of Indigenous Friendship Centres
- ServiceOntario
- Supply Chain Ontario
- Treasury Board of Canada Secretariat

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We take full advantage of the online services on Permitting and Registration for International Registration Plan and Oversize/Overweight (PRIO) when processing renewals, plate replacement and sticker replacement. Using this system, it allows us to provide invoices to our customers immediately, rather than waiting for a fee notice from the offices. We would definitely continue to use PRIO and we would welcome the availability of further services on PRIO.

— *Transportation Compliance Services Inc.*

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The Canadian Vehicle Manufacturers’ Association and its member companies support the M-Plate which provides a streamlined and flexible program to further encourage the development, evaluation and demonstration of new and advanced technology vehicles in Ontario.

— *Mark A. Nantais, President*

”

CGPA and its member companies support the Government of Ontario’s move to further streamline the interchangeability of generic pharmaceutical products in Ontario. The proposed amendments will improve patient access and result in savings to patients and the ministry by reducing administrative burden and creating program efficiencies in program delivery, potentially resulting in earlier funding decisions for generic drugs.

— *Canadian Generic Pharmaceutical Association*

Get involved!

Tell us how we can improve regulations to better support Ontario businesses.

Visit ontario.ca/RedTapeChallenge to submit your feedback on existing regulations. Red Tape Challenge consultations launch every four months until March 2018, but you can always send us a private message. See the complete schedule [online](#).

You can also visit [Ontario's Regulatory Registry](#) to find out more about new proposed regulations.

Help us eliminate burdensome regulations and create the right climate to create jobs and grow Ontario's economy!

Appendices

Methodology: adding up the cost savings

The Ontario government uses a measured approach to assess the impacts of burden reduction initiatives on businesses and other key stakeholders.

Specifically, we developed the Regulatory Cost Calculator (RCC) to measure the direct cost of compliance or the impact of business improvements and regulatory changes. The tool is based on the Standard Cost Model—the most widely applied methodology for defining and quantifying compliance costs. The estimates that feed into the RCC are based on input from internal experts, existing records and stakeholders.

Ontario also uses a cost-benefit model to quantify indirect costs, such as borrowing costs, holding costs, costs of delays and other substantive economic and financial costs. This approach includes assumptions from business surveys and association studies, as well as published economic and financial reports by think-tanks and statistical and economic organizations.

To ensure the integrity of the Ontario model, the Ministry of Economic Development and Growth commissioned a third-party provider to undertake an independent review of the results featured in the 2015 Burden Reduction Report. The assessment concluded that the methodology was sound and the cost-savings estimates were reasonable.

In particular, the following types of costs associated with complying with a regulation or administrative requirement are given a dollar value.

Direct financial, administrative and compliance costs

- Fees and payments to the government for services, permits or licences
- Time and cost to learn requirements, prepare and submit applications, maintain records, cooperate

with inspections, as well as other administrative work

- Administrative costs, such as for paper, printing, postage and courier
- The cost of hiring external consultants, accountants or other service providers to support compliance with requirements

Indirect or efficiency costs

- Delayed/missed profits or missed investment opportunities
- Indirect holding costs to keep machinery, land or other capital on standby for when the government approval comes through
- Interest on loans or increased cost of borrowing

Capital costs

- Capital investments and equipment purchased to comply with the regulatory requirements
- Other costs, such as leasing office space or maintaining equipment

The baseline costs—costs that businesses and stakeholders face prior to the regulatory changes or process improvements—are compared with the actual costs after the changes are introduced. The difference is the cost savings to the affected stakeholders.

Baseline Costs – Costs after Implementation = Cost Savings

Other regulatory modernization tools

Several measures under the Ontario Regulatory Policy are designed to ensure new regulations are well developed and reduce the burden on business.

Regulatory impact analysis

When compliance is expected to cost businesses \$2 million or more, regulatory impact analysis ensures the benefits of new regulations are evaluated before they are approved.

Regulatory registry posting

Proposed regulations likely to affect Ontario businesses must be posted at www.ontariocanada.com/registry for 45 days so businesses can provide their feedback.

Twice-annual effective dates

New regulations affecting businesses generally come into effect just twice a year, in January and July. This helps Ontario businesses plan ahead.

Mandatory review policy

Regularly removing redundant regulations keeps Ontario’s regulations lean and relevant. All new or amended high-impact regulations filed since January 1, 2014 will be reviewed every 10 years (or when appropriate).

Summary of 2017 burden reduction initiatives

Ministry or Agency	Initiatives	Date implemented	Cost savings (\$)	Hours saved
Attorney General Legal Aid Ontario	Enabling electronic recording of Legal Aid Ontario clients' interactions and legal information in real time	September 2016	86,743	5,806
Environment and Climate Change	Enabling air-emitting companies to register activities on the Environmental Activity and Sector Registry	January 2017	5,097,218	450,568
Government and Consumer Services	Streamlining the steps in the award phase of the procurement process	July 2016	409,051	8,304
	Eliminating the five-year registration limit on consumer goods as collateral to security agreements	November 2015	7,651,079	55,322
Transportation	Eliminating knowledge and road test requirements for DND 404 military driver permit holders, enabling them to obtain commercial licenses more quickly	July 2015	1,563,880	79,121
Natural Resources and Forestry	Modernizing approvals by eliminating work permit requirements and registration for specific low-risk activities under the <i>Public Lands Act</i>	January 2014	1,927,361	130,540

	Modernizing approvals by eliminating work permit requirements and moving to online registration for specific low-risk activities under the <i>Public Lands Act</i>	January 2014	934,374	43,989
Health and Long-Term Care	Creating a new standardized process and dedicated communications channel to approve patients awaiting discharge from hospitals	July 2015	4,840,107	101,352
Subtotal - 8 New Initiatives			\$22,509,813	875,002

Note: In addition to the eight initiatives shown here, this report features six initiatives for which data were not available to monetize cost savings. See project descriptions in the report for qualitative benefits to stakeholders.

Summary of multi-year impact projects

Ministry/Agency	Description	Date Implemented	Cost Impacts (\$)	Current Hours Saved
Transportation	Moving to online registrations for the International Registration Plan	March 2014	113,717	3,573
	Improving access to pre-production passenger vehicle registrations under the Manufacturer Plate Program	January 2016	53,892	915
Health and Long-Term Care	Streamlining the listing process for certain generic drugs on the Ontario Drug Benefit Formulary	2016	390,000	1,920
	Enabling electronic invoicing for the Assistive Devices Program	2011	4,200,000	135,167
	Enabling new Assistive Devices Program vendors to register online	2015	5,950	229

Enabling existing Assistive Devices Program vendors to receive reports and track claim statuses and payments online	2015	2,000,000	70,180
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Subtotal - 6 Multi-Year Initiatives		\$6,763,559	211,984
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Note: These multi-year impact projects feature additional savings from those reported in the 2016 Burden Reduction Report.

Updated: June 27, 2017
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Related

- [Ontario's burden reduction strategy](#)
- [Red Tape Challenge](#)
- [2016 Burden reduction report](#)
- [Business Growth Initiative](#)

Footnotes

- [1] ^ This includes projects with one-time impacts and projects with ongoing impacts.

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Kathleen Wynne
Premier of Ontario

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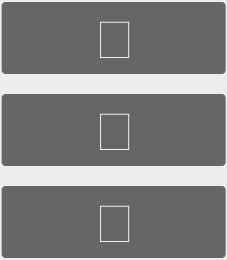
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