



15 March 2012

**PROVINCE OF ALBERTA
BUSINESS REGULATORY BENCHMARKING REPORT:
QUALITY OF BUSINESS REGULATION**

Table of Contents

Executive summary	1
Assessments of individual regulatory areas.....	1
General conclusions and comments.....	2
Assessment of study approach, implications for future research.....	3
1. Introduction	5
Background.....	5
Study objectives.....	6
Study design issues.....	6
Study conduct.....	9
Report layout.....	10
2. Starting a business	11
Expert ratings.....	11
Expert comments.....	12
Implications for Alberta.....	12
3. Property ownership, transfer and regulation	13
Expert ratings.....	13
Expert comments.....	14
Implications for Alberta.....	14
4. Provincial construction regulations	15
Expert ratings.....	15
Expert comments.....	16
Implications for Alberta.....	16
5. Environmental assessment, permitting and regulation	17
Expert ratings.....	17
Expert comments.....	17
Implications for Alberta.....	18
6. Employment standards: hiring, benefits and firing	19
Expert ratings.....	19
Expert comments.....	19
Implications for Alberta.....	20
7. Occupational health and safety and workers compensation	21
Expert ratings.....	21

Expert comments	22
Implications for Alberta	22
8. Labour relations (union regulations)	23
Expert ratings	23
Expert comments	24
Implications for Alberta	24
9. Dispute resolution and contract enforcement.....	25
Expert ratings	25
Expert comments	25
Implications for Alberta	26
10. Provincially-regulated freight transportation.....	27
Expert ratings	27
Expert comments	28
Implications for Alberta	28
11. Business insolvency, restructuring and wind-up	29
Expert ratings	29
Expert comments	29
Implications for Alberta	30
12. Conclusions	31
Summary of survey results	31
General conclusions and comments	33
Assessment of study approach and methodology	34
Implications for future research.....	35
Appendix A – Sample survey form	36
Appendix B – Review of previous studies	38
New Zealand Survey of Regulatory Impact (2006)	39
Benchmarking of Australian Business Regulation Quantity/Quality (2008)	39
World Bank “Doing Business” Study (2012 edition)	40

Executive summary

This report presents the findings of a benchmark study of the quality of business regulations in Alberta.

The study examines ten aspects of business regulation, from start-up to wind-up, that are commonly encountered by a wide range of companies in Alberta and other jurisdictions. It considers five aspects of regulatory quality – clarity and communication, consistency and coordination, regulatory effectiveness, operational efficiency and timeliness, and regulatory revision.

The study findings are based on the “expert assessment” of legal, economic and industry specialists based in Alberta and three other benchmark jurisdictions – British Columbia, Saskatchewan and Ontario. Survey participants provided quantitative ratings, using a seven-point scale. They also provided qualitative comments about each jurisdiction’s strengths and weaknesses, plus recommended areas for attention.

Assessments of individual regulatory areas

As illustrated in Exhibit ES-1, the expert assessments of the quality of Alberta’s regulatory environment are generally positive, both in absolute terms and in comparison to other jurisdictions. For each of the ten regulatory areas, Alberta’s quality of regulation is assessed as follows:

- **Starting a business** – Alberta is generally comparable to other jurisdictions, and is stronger in some areas (e.g. relative to Ontario’s registry system). The main area identified for Alberta’s attention is in clarifying/communicating the business start-up process – an issue common to all jurisdictions.
- **Property ownership, transfer and regulation** – Alberta is assessed as generally similar to BC and Saskatchewan, but lagging Ontario in some areas. One area identified for attention is the development of a more automated property registration system.
- **Provincial construction regulations** – Alberta is assessed as comparable to other jurisdictions in most aspects of quality, but somewhat weaker with respect to clarity and communication. Areas identified for attention include regulations regarding builders liens, plus addressing building code ambiguities.
- **Environmental assessment, permitting and regulation** – Alberta’s overall rating is similar to other jurisdictions. As in other provinces, the main areas identified for Alberta’s attention are addressing overlaps in provincial and federal regulations, establishing regulatory processes, and adhering to schedules.
- **Employment standards: hiring, benefits and firing** – Alberta’s overall rating is slightly lower than the average of the other provinces. Areas identified for Alberta’s attention include investigative officer qualifications, plus staff customer service levels.
- **Occupational health and safety and workers compensation** – Alberta is assessed as strong in most aspects of quality, with the notable exception of regulatory effectiveness. Areas identified for attention include Alberta’s low rate of prosecutions and convictions relative to other provinces, need for easy to follow guides, plus the complexity of Alberta’s regulations. (Regulatory complexity is also an issue in the other provinces).
- **Labour relations (union regulations)** – The quality of Alberta’s regulatory environment is assessed as similar to other jurisdictions. One area identified for attention is the timeliness of the Alberta Labour Relations Board hearings and decisions, reflecting the Board’s limited resources.


- **Dispute resolution and contract enforcement** – Alberta’s rating is similar to the average of the other provinces. Potential areas for attention include re-establishing clarity surrounding the relatively new Rules of Court and clearing the current backlog of court cases.
- **Provincially-regulated freight transportation** – Alberta’s regulatory environment is assessed favorably compared to the other three jurisdictions. Potential areas for attention include streamlining the permitting process, based on systems currently in place in US states.
- **Business insolvency, restructuring and wind-up** – Alberta’s rating in this regulatory area is strong, and is higher than all of the other provinces. Unlike the assessments of other jurisdictions, the assessments for Alberta did not identify any particular areas for follow-up attention.














































































General conclusions and comments

Based on the interviews with business regulation experts in each jurisdiction, a number of general conclusions and comments have been identified:

- With regard to **clarity and communication**, the most frequently-expressed theme is regarding electronic access to clear, user-friendly information. Significant differences are noted among the various regulatory agencies in each of the four jurisdictions.
- With regard to **consistency and coordination**, overlaps among departments and jurisdictions (municipal, regional, provincial, federal) is a frequently-expressed concern - especially where different agencies have inconsistent and sometimes contradictory regulatory policies and practices.
- With regard to **regulatory effectiveness**, many commentators note inconsistencies in the enforcement of regulatory standards within some jurisdictions. Where a regulation is clearly breached, inconsistent enforcement by government creates business uncertainty.
- With regard to **operational efficiency and timeliness**, many commentators note the value of having experienced and knowledgeable government officials - particularly in dealing with long-running and/or complex regulatory issues.
- With regard to **regulatory revisions**, one frequently voiced concern is a lack of consistency among provincial jurisdictions in reviewing and revising regulations. Several experts also express skepticism about the effectiveness and open-mindedness of certain regulatory review processes, based on prior experiences.

Exhibit ES-1 – Summary results for Alberta

Legend	
	x ≥ 4.65
	3.95 ≤ x < 4.65
	x < 3.95

Regulatory Area	Evaluation Criteria					Overall Average Rating	Relative To Other Provinces				
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions		Overall average rating			Alberta versus other Province average	Alberta's overall ranking
							BC	SK	ON		
Starting a business - Average rating	 4.6	 6.0	 6.0	 5.0	 3.0	 4.9	5.1	4.4	4.6	+0.2 	2nd
Property ownership, transfer and regulation - Average rating	 5.0	 5.0	 4.7	 4.3	 4.0	 4.6	4.4	4.7	5.8	-0.4 	3rd
Provincial construction regulations - Average rating	 3.6	 4.8	 4.3	 4.1	 3.8	 4.1	3.9	4.5	4.5	-0.2 	3rd
Environmental assessment, permitting and regulation - Average rating	 4.5	 3.8	 4.5	 4.2	 4.5	 4.3	4.1	5.2	3.5	+0.0 	2nd
Employment standards: hiring, benefits and firing - Average rating	 4.8	 3.0	 5.0	 4.9	 4.6	 4.5	5.2	4.8	4.2	-0.3 	3rd
Occupational health and safety and workers compensation - Average rating	 5.4	 4.7	 3.9	 5.0	 5.0	 4.8	4.6	3.9	3.7	+0.7 	1st
Labour relations (union regulations) - Average rating	 5.0	 5.0	 4.6	 5.0	 4.6	 4.8	4.9	4.8	3.7	+0.4 	2nd
Dispute resolution and contract enforcement - Average rating	 4.6	 4.9	 4.5	 4.9	 4.5	 4.7	3.9	5.1	5.0	+0.0 	3rd
Provincially-regulated freight transportation - Average rating	 5.6	 4.2	 4.5	 4.5	 5.0	 4.8	3.9	3.8	3.5	+1.1 	1st
Business insolvency, restructuring and wind-up - Average rating	 5.6	 5.6	 6.0	 6.0	 4.0	 5.4	3.8	5.0	4.7	+0.9 	1st
Ten-area average - Average rating	 4.9	 4.7	 4.8	 4.8	 4.3	 4.7	4.4	4.6	4.3	+0.3 	1st

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Assessment of study approach, implications for future research

This study was undertaken partly as an exploratory exercise – not only to benchmark the business regulatory environment in Alberta, but also to evaluate the study approach of assessing the quality of business regulations. With regard to this second objective, we offer the following comments:

- **Feasibility of measuring quality of regulation** – Despite the challenges inherent in defining and measuring quality of regulation, we found that survey participants were generally able to distinguish between the substance of the regulations and the quality of the regulatory environment. The five evaluation criteria/categories proved to be useful in this respect. Our assessment is that the study has successfully passed the “proof of concept” test, and that concerns regarding the feasibility of measuring “quality of regulation” should not be a barrier to undertaking further work.
- **Selecting the expert assessors to be surveyed** – We generally found that the most knowledgeable assessments of quality, from the user perspective, were provided by senior legal practitioners. Accordingly, we recommend that future surveys should focus primarily on this group. Legal practitioners are generally more comfortable assessing the “current state” aspects of quality (clarity, consistency, effectiveness, efficiency) than they are in assessing the quality of regulatory reviews and revisions. In assessing the quality of the regulatory revision process, as well as in addressing sector-specific issues (e.g. construction, freight transportation), it may be valuable to also interview senior industry members and/or association representatives with industry experience.
- **Number of jurisdictions benchmarked** – The number of jurisdictions selected for the initial benchmarking study was intentionally limited, given the exploratory nature of the study and the underlying methodology. For future updates, it would be feasible to expand the study to cover one or more additional Canadian Provinces, with Manitoba being the most obvious candidate.
- **Ability to ask additional topical questions, in specific regulatory areas** – Because this was the first study of its kind, the interview format and the topics discussed were necessarily broad in nature. The results of this study, and the specific areas of interest identified, will make it possible to ask more specific questions in further research – for example, in asking interviewees to specifically comment on the “areas for attention” identified for Alberta in each of the regulatory areas.
- **Breadth and depth of survey program** – This study’s approach was to develop thoughtful inputs from expert resources, based on a direct contact program including personal or telephone interviews. This approach was selected in view of the exploratory nature of the study, and the importance of also developing feedback on the survey approach. The trade-off, of course, is that the number of experts surveyed was limited. Now that the methodology has been established, future research could shift to some extent the nature of the direct contact program, to increase the level of direct on-line participation and number of experts surveyed.

1. Introduction

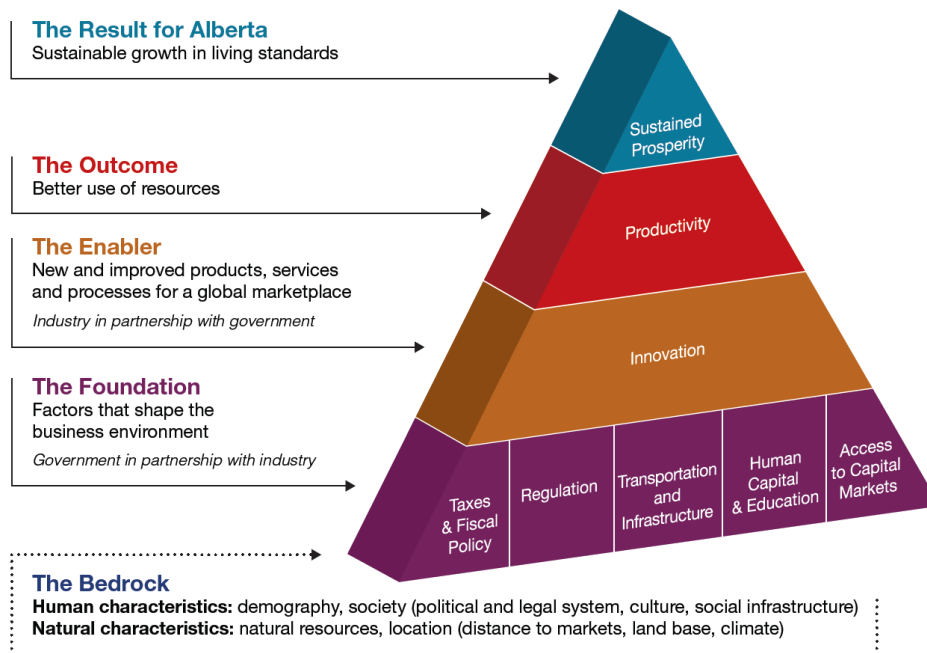
This report presents the findings of a benchmark study focused on the quality of the business regulatory environment in Alberta, including comparisons with the regulatory environments in British Columbia, Saskatchewan and Ontario.

This project has been performed by MMK Consulting Inc. (“MMK”), in association with Blake, Cassels & Graydon LLP (“Blakes”), on behalf of the Government of Alberta. The study has been undertaken under the direction of Alberta Treasury Board & Enterprise, also working with a multi-departmental Project Review Committee. Unless otherwise indicated, all findings and opinions are those of MMK and Blakes.

Background

In 2010, the Government of Alberta passed the *Alberta Competitiveness Act* and established the Alberta Competitiveness Council (ACC), a government-industry council aimed at improving Alberta’s competitiveness and prosperity. The ACC commissioned and oversaw the development of the “Alberta competitiveness pyramid”, as illustrated in Exhibit 1a, that provides the framework for the ACC’s activities and research initiatives.

Exhibit 1a – Alberta competitiveness pyramid



One of the ACC’s early research activities was to commission the inaugural edition of the benchmark study *Report on Competitiveness: Alberta 2010*, prepared with the assistance of MMK. This study reviewed a wide range of secondary data sources, identifying and assessing many aspects of Alberta’s competitive strengths and weaknesses.

The inaugural 2010 *Report on Competitiveness* has been followed by a number of other initiatives, including two that are focussed on the “regulation” foundational component of the Competitiveness Pyramid ¹:

- This study, the *Quality of Business Regulation* report, presents the results of primary research into the quality of the Alberta regulatory environment functions, from the point of view of the end user.
- The *Red Tape Reduction Task Force* released a report “*Focusing on What Matters*” in September 2012. The report contained inputs from small business leaders and associations in Alberta and provided four recommendations to reduce regulatory burden on small business.
- The Alberta Regulatory Review Secretariat has been tasked with identifying and pursuing opportunities to reduce the regulatory burden on Alberta companies, particularly small businesses.

In addition, an update and enhancement of the 2010 *Report on Competitiveness* is planned for the spring of 2013.

Study objectives

As described in the study terms of reference:

The project's main objective is to produce a report that will provide essential information on the regulatory environment for business in Alberta, and benchmarking key aspects of the regulatory environment with other provinces.

The intent is to pursue measures that can be used to assess the quality of regulation. This approach goes beyond the use of simple reduction targets to the number of regulations/requirements, which is not reflective of performance and does not provide an effective measure of actual improvement.

Study design issues

While the study objectives are fairly broad, limitations in the project timing and budget required some clarification and scoping of the study focus at the outset of the project. Through meetings with the client review committee, the project design issues were addressed as follows:

- **Priority regulatory areas to be investigated** - Alberta has an extensive range of business regulations, administered by numerous regulatory authorities. The first study design issue was to identify and focus on a number of high-priority business regulatory areas, those that are most relevant to Alberta from a competitiveness viewpoint.

Working with the project review committee, we selected ten regulatory areas for detailed investigation, based on (1) their relevance across a broad spectrum of industry sectors, (2) their importance to Alberta businesses from a competitiveness viewpoint, and (3) the level to which the relevant regulations are administered at the provincial level, and thus may be the source of potential opportunities for improvement by Alberta regulatory agencies. The resulting ten regulatory areas selected for investigation are:

- Starting a business

¹ This section was updated in January 2013.

- Property ownership, transfer and regulation
 - Provincial construction regulations
 - Environmental assessment, permitting and regulation
 - Employment standards: hiring, benefits and firing
 - Occupational health and safety and workers compensation
 - Labour relations (union regulations)
 - Dispute resolution and contract enforcement
 - Provincially-regulated freight transportation
 - Business insolvency, restructuring and wind-up.
- **Jurisdictions selected for benchmarking** – For this benchmarking review, we selected three jurisdictions that are considered similar to Alberta in terms of the legal environment and regulatory objectives. (It is more difficult to draw meaningful cross-jurisdictional comparisons where the basic legal structure is different, and/or where the regulatory objectives are significantly different.) The jurisdictions selected for comparative benchmarking were British Columbia and Saskatchewan (Alberta’s closest provincial neighbours and partners in the New West Partnership), as well as Ontario, Canada’s largest provincial economy.

Among the other jurisdictions considered, Manitoba and Quebec (albeit with its significantly different legal and regulatory framework) were seen as among the promising candidates for possible addition to future editions of the study.

- **Defining aspects of “quality of business regulations”** – One of the challenges in measuring the quality of the business regulatory environment is in defining what is meant by “quality.” One of the ways in which we defined the term was to define what is excluded from consideration – i.e. any discussion of the policy-related substantive aspects of the legislation. For example, if labour relations regulations are more employer-friendly in one jurisdiction than another, then these policy differences are not to be included in assessing quality of business regulation. What are to be included in assessing quality of business regulation are aspects of quality that are valid regardless of the regulatory intent.

Working with the review committee, we developed five aspects of “quality of business regulation.” As illustrated in Exhibit 1b, they are:

- Clarity and communication
- Consistency and coordination
- Regulatory effectiveness
- Operational efficiency and timeliness
- Regulatory revisions.

Exhibit 1b also illustrates, for each of these five aspects of quality, more specific and detailed evaluation criteria that help to flesh out their meaning.¹

¹ The five aspects of quality of regulation are consistent with the Principles of Regulation adopted by Alberta’s Regulatory Review Committee, with some limited adjustments to accommodate the “quality” focus of this study.

Exhibit 1b – Evaluation criteria

Evaluation Criteria
<p>Clarity and communication:</p> <ul style="list-style-type: none"> . Regulations, including related policies, are stated in clear, simple language . Regulations are actively communicated to the stakeholders that are most affected by them . The key intentions (objectives) of the regulations are clear . The process for compliance, and compliance enforcement, is actively communicated to stakeholders
<p>Consistency and coordination:</p> <ul style="list-style-type: none"> . Regulatory requirements are consistently applied, providing predictability and certainty for stakeholders . Regulations are coordinated across industry sectors and across levels of government . Duplication is minimized . Co-ordination of regulatory activities is improving over time
<p>Regulatory effectiveness:</p> <ul style="list-style-type: none"> . Regulatory requirements are consistent with the regulatory intent . The regulatory requirements, including enforcement and sanctions, are matched to the size of the issue . Compliance is effectively enforced, without creating unintended consequences . Where compliance is recurring, the ongoing compliance requirements are matched to the size of the issue . There is an effective appeals process
<p>Operational efficiency and timeliness:</p> <ul style="list-style-type: none"> . Regulatory agencies respond promptly and substantively to stakeholders . Stakeholders are able to meet regulatory requirements by working through a helpful primary contact . Stakeholders are able to interact through a preferred mode of communication (online/in person) . There are no unexplained delays in the regulatory approval and monitoring process
<p>Regulatory revisions:</p> <ul style="list-style-type: none"> . Stakeholder feedback is encouraged in reviewing regulations, with multiple feedback streams . Stakeholder feedback may impact the final form of the regulation . Regulatory changes, including their rationale, are actively and clearly communicated to stakeholders . There is a venue for regular stakeholder feedback, outside of formal review periods

- **Assessing actual regulatory practices, from a business perspective** – Even where the policy objectives of certain business regulations are the same among different jurisdictions, and the regulatory language may be similar, the actual enforcement of the regulations may differ significantly in practice. The approach of this study is to look beyond the differences in policy objectives and specific regulatory language in each jurisdiction. Instead the focus of this study is on the quality of the regulatory environment in terms of actual practices, from the point of view of the businesses and individuals that have to deal with them.
- **Assessments based on “expert opinion”** – For each of the ten regulatory areas, there may be a limited number of individuals in the business community with sufficient breadth and depth of experience to be able to offer informed opinions on the overall quality of the regulatory environment in Alberta, as well as in the other provinces, as it impacts businesses in a broad range of industries. Accordingly, rather than mount a broadly-based survey of business owners and operators¹, the study has surveyed the informed

¹ At the global level, both the “executive survey” and “expert assessment” approaches are used by other entities. The World Economic Forum’s *Global Competitiveness Report* and the IMD *World Competitiveness Yearbook* are based on executive surveys, while the World Bank *Doing Business* survey is based on inputs from lawyers, consultants and government officials. For this particular project, the “expert assessment” approach was undertaken as the primary approach.

opinions of expert business advisors in each of the ten study areas. The assessments provided in this report are based on the expert opinions of:

- Senior legal professionals from Blakes and other law firms, based in Alberta and the other jurisdictions of interest, who are actively advising multiple clients in one or more of the ten regulatory areas. These individuals have been selected because of the breadth and depth of their knowledge of specific regulatory areas, gained from extensive experience working with the regulations on behalf of different business clients.
 - Economic development officers based in Alberta and competing jurisdictions, whose mandate is to attract and retain business investment in their communities, and who are familiar with many of the regulatory issues and frustrations of expanding and relocating firms.
 - Senior executives from individual businesses working in industries with significant operations in multiple jurisdictions (e.g. trucking firms), as well as relevant industry associations. This approach was primarily used in assessing regulations relating to provincially-regulated freight transportation.
- **Assessments developed through direct interviews and expert-completed surveys** – To maximize the level of participation from the expert advisors, the study developed a standard survey protocol, for administration through direct interviews by MMK/Blakes professional staff and/or through direct on-line completion. Most of the individual experts provided significant contextual comments and explanations of their ratings, primarily in personal interviews. A sample survey template, used in assessing each of the ten areas, is contained in Appendix A.
- **Assessments based on a common rating scale** – To maximize the consistency of the assessments provided by experts in different business regulatory areas and in different jurisdictions, we defined a standard seven-point rating scale (1=very poor, 2=poor, 3=below average¹, 4=average, 5=above average, 6=good, 7=very good).
- **Weighting of responses based on level of expertise** – We also asked interviewees to indicate their level of knowledge with regard to specific regulatory areas and jurisdictions (1=limited knowledge, 2=somewhat familiar, 3=very familiar), and weighted the individual responses and ratings accordingly.
- **The “traffic lights” presentation format** – For consistency with the presentation format used in the *Report on Competitiveness 2010* study, the findings of this report are also presented using a “traffic lights” format as follows:
- Red – where the weighted average rating is less than 3.95.
 - Yellow – where the weighted average rating is more than or equal to 3.95, but less than 4.65.
 - Green – where the weighted average rating is more than 4.65.

Study conduct

The study has been performed in three stages:

¹ The term “average” is not used here in a statistical sense, but rather as a qualitative term to assist experts in providing ratings on a consistent and comparable basis. The interview team found that interviewees were comfortable using the term “average” to define the mid-point of the seven-point qualitative rating scale – analogous to using a grade of “C” to define the mid-point of the standard report card scale. Based on the actual interview results, the statistical average of the ratings provided by interviewees is somewhat greater than 4.0 but less than 5.0.

- The study design stage (October-November 2011), included in-person and teleconference meetings with the Project Review Committee, design and testing of the survey instrument, and the undertaking of secondary research.
- The research and analysis stage (December 2011-February 2012) included conducting the survey and tabulating the results.
- The reporting and presentation stage (February-March 2012) included the interpretation of results, plus the development of this report and presentation.

Report layout







The balance of this report is laid out as follows:

- Chapter 2 through 11 present the study findings with respect to each of the ten regulatory areas of interest.
- Chapter 12 summarizes the study findings, assesses the study approach and methodology, and discusses the implications for further research.
- Appendix A provides a sample survey template, used both in conducting personal interviews and in tabulating the results on-line.
- Appendix B provides a summary of some of the more relevant prior studies that have examined the issue of quality of regulation.

2. Starting a business

The first regulatory area benchmarked is with respect to starting a business. While the processes involved with starting an industrial or commercial business will vary depending on the industry and complexity of the enterprise, a number of areas are common to different industries and jurisdictions – such as getting a registration number, registering a business name, classifying the type of entity, incorporating, and obtaining a license to operate.

Expert ratings

Starting a business	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	4.6	6.0	6.0	5.0	3.0	4.9
Assessment						
Versus Other Provinces						
British Columbia	5.0	6.0	5.0	6.5	3.0	5.1
Saskatchewan	4.0	5.0	3.0	6.0	4.0	4.4
Ontario	4.8	5.0	4.3	4.7	4.0	4.6
Other Province average	4.6	5.3	4.1	5.7	3.7	4.7
Alberta versus other Province average	+0.0	+0.7	+1.9	-0.7	-0.7	+0.2
Alberta's rank versus other Provinces	3rd	1st	1st	3rd	3rd	2nd

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta's overall expert rating in terms of starting a business is 4.9 – “above average,” ranking second among the four provinces.

Compared to the other jurisdictions, the rating for Alberta is slightly better than the three-jurisdiction average – lower than BC, but higher than Saskatchewan and Ontario. All of the four provinces are assessed fairly positively in terms of starting a business.

With regard to individual evaluation categories:

- Clarity and communication – Alberta receives a mid-range rating here, and is close to the three-province average.
- Consistency and coordination, regulatory effectiveness – Alberta receives very favourable expert ratings in these two areas. In particular, Alberta is seen as significantly stronger than other jurisdictions in terms of regulatory effectiveness.
- Operational efficiency and timeliness – Alberta also receives favourable ratings in this area – although two other jurisdictions (BC and Saskatchewan) receive higher ratings.
- Regulatory revisions – Alberta is rated as below average.

Expert comments

Expert comments include:

- Clarity and communication - Setting up a business in Alberta is assessed as “not simple without legal counsel.” In other jurisdictions, similar issues in setting up a business have also been identified – “active communication is an issue” (BC), “nuances are lost on business people working through the system on their own” (Saskatchewan), and “poor to no communication with stakeholders” (Ontario).

BizPal¹ is noted as useful for [Alberta] entrepreneurs, “when they’re aware of it,” but with specific questions still needing to be answered by third parties. The Ontario versions of Bizpal have also been assessed favorably by interviewees.
- Consistency and coordination – Improvements have been noted in recent years in BC and Saskatchewan. In Ontario, a lack of coordination between provincial and some municipal agencies (e.g. in municipalities not using the provincial business numbers) is noted.
- Regulatory effectiveness - Alberta’s outsourcing of registries to the private sector is assessed as having improved regulatory effectiveness. Ontario’s compliance systems is assessed as “illogical”.
- Operational efficiency and timeliness - Online access in Alberta is assessed as “very good”, and the non-standard form filing is assessed as “above average.” BC’s and Saskatchewan’s systems are also assessed favorably, while Ontario’s system is criticized for its lack of online access and its requirement to apply in person during normal business hours.

Implications for Alberta

In terms of starting a business, Alberta’s system is assessed as generally competitive with the other jurisdictions, and as superior in some regards (for example, Alberta’s registry system relative to Ontario’s).







The main area for attention appears to be in the area of clarity and communication – making the business incorporation and start-up process easier to understand and to implement. This is an issue for all of the four jurisdictions.

¹ BizPal is an on-line tool that provides information about permitting and licensing requirements from the three levels of government. The information is available for municipalities and provinces which have an agreement between each other and the federal government.

3. Property ownership, transfer and regulation

The second regulatory area benchmarked is property ownership, transfer and regulation. This area includes document registration and transfer of titles, whether manually or electronically. While the processes are generally well-defined and straightforward, they can become complex if they involve significant amounts of land, areas protected by legislation, and/or potential foreign ownership.

Expert ratings

Property ownership, transfer and regulation	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	5.0	5.0	4.7	4.3	4.0	4.6
Assessment						
Versus Other Provinces						
British Columbia	5.4	4.3	3.0	5.0	4.4	4.4
Saskatchewan	5.0	4.4	6.0	4.0	4.0	4.7
Ontario	5.1	5.2	6.0	6.0	6.6	5.8
Other Province average	5.2	4.6	5.0	5.0	5.0	5.0
Alberta versus other Province average	-0.2	+0.4	-0.3	-0.7	-1.0	-0.4
Alberta's rank versus other Provinces	3rd	2nd	3rd	3rd	3rd	3rd

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta's overall expert rating in terms of property ownership, transfer and regulation is 4.6 – “average,” ranking 3rd among the four provinces.

Compared to the other jurisdictions, the rating for Alberta is slightly below the three-jurisdiction average – similar to BC and Saskatchewan, but well below Ontario. All of the four provinces are assessed positively in this area, while Ontario receives by far the highest ratings.

With regard to individual evaluation categories:

- Clarity and communication – Alberta's rating here is above average despite Alberta ranking 3rd out of the four provinces.
- Consistency and coordination – Alberta's rating in this area is the most favourable relative to the three-province average, with Alberta's rating being higher than two provinces and almost as high as the top rated jurisdiction (Ontario).
- Regulatory effectiveness – Alberta's rating in this area is above average, but is not nearly as high as two of the other jurisdictions. Alberta is slightly below the three-province average, but well ahead of BC.
- Operational efficiency and timeliness, regulatory revisions – Alberta's ratings here are average, although well below the other-province average and far below one jurisdiction (Ontario).

Expert comments

Highlights from the expert comments include:

- Clarity and communication - Alberta's regulations and procedures are assessed as "accurately expressed in the statutes, regulations and procedures manuals." In unusual or complex situations, senior examiners are assessed as "generally knowledgeable and helpful." Regulations in BC and Ontario are also assessed as clear and easy to understand.
- Consistency and coordination – Alberta's performance is positively assessed - "generally speaking, the regulations and procedures are consistently applied." In Ontario, regulations are also assessed as being consistently applied. Overlapping regulations are identified as an issue in BC, as is land that is not subject to the BC Land Title Act.
- Regulatory effectiveness – While regulatory consistency in Alberta is generally positively assessed, it is also noted that regulators may sometimes "go beyond what the spirit of the regulations requires." Regulatory effectiveness is positively assessed in Saskatchewan.
- Operational efficiency and timeliness - The operational efficiency of the Alberta Land Titles Office is assessed as "pretty good", although it is also noted that there is room for improving the Alberta property registry system through streamlining and/or greater automation. In BC, land title processing is assessed as having become much more efficient with electronic filing. Lack of timeliness is identified as an issue in Saskatchewan.

Implications for Alberta

For property ownership, transfer and regulation, the quality of Alberta's regulatory system is assessed as generally comparable with the other jurisdictions, albeit with weaker ratings than Ontario's in terms of regulatory effectiveness, efficiency, and revisions.







An area identified for attention is the potential for greater streamlining and/or automation of the Alberta land registry system.

4. Provincial construction regulations

The third regulatory area benchmarked is provincial construction regulations. This area includes permitting, building code determination, and building code compliance. Much of the permitting and building code compliance processes are managed at the municipal rather than provincial level.

Building codes are adapted by each province from the federal government’s National Building Code. Provinces vary in their level of customization – Saskatchewan has adapted the federal code with relatively minor modifications, while the three other provinces have developed their own codes. Ontario’s code is considered to have the most significant variations in content and scope from the federal code. Despite these differences, the broader legislation and regulatory intent is generally similar among the jurisdictions.

Expert ratings

Provincial construction regulations	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	3.6	4.8	4.3	4.1	3.8	4.1
Assessment						
Versus Other Provinces						
British Columbia	4.6	4.4	3.9	3.0	3.6	3.9
Saskatchewan	4.7	5.0	4.7	4.0	4.0	4.5
Ontario	4.8	4.4	4.6	2.8	6.0	4.5
Other Province average	4.7	4.6	4.4	3.3	4.5	4.3
Alberta versus other Province average	-1.1	+0.2	-0.1	+0.9	-0.7	-0.2
Alberta's rank versus other Provinces	4th	2nd	3rd	1st	3rd	3rd

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta’s overall expert rating in terms of provincial construction regulations is 4.1 – “average,” ranking 3rd among the four provinces.

Compared to the three other jurisdictions, the rating for Alberta is marginally below the three-jurisdiction average – closest to BC, and slightly below Saskatchewan and Ontario.

With regard to individual evaluation categories:

- Clarity and communication – Alberta receives its lowest rating in this area, with an average rating from experts that is more than a full point below the average for other provinces. (The assessments of the individual experts vary to some extent.)
- Consistency and coordination – Alberta’s rating here is favourable, as are the ratings for the other three jurisdictions.
- Regulatory effectiveness – Alberta’s rating is close to the three-province average.
- Operational efficiency and timeliness – Alberta’s rating here is average, similar to Saskatchewan’s, but significantly ahead of BC and Ontario.

- Regulatory revisions – Alberta’s rating is below average here, and also below the three-province average.

Expert comments

Expert comments include:

- Clarity and communication – Experts are mixed in their assessments of Alberta construction regulations (“esoteric and vague area of the law”, versus “generally clearly written and communicated”). Some specific areas are assessed as obtuse or ambiguous (e.g. builders’ liens, Building Code).

Other jurisdictions receive similarly mixed assessments. In BC, assessments range from clearly written and communicated to “complex and difficult for lay persons to understand.” Ambiguities and interpretation issues are also identified with the BC code. In Ontario, the building permit process is assessed as fairly straightforward, although with a need for better transparency for those not already familiar with the system.

- Consistency and coordination – Alberta is assessed as being a jurisdiction that “wants to do business with you ... [and is] ... very open to new initiatives”. By contrast, BC is assessed as a jurisdiction that “needs to know why it should do business with you.”

Alberta and other jurisdictions are all assessed as having a wide degree of variation in the application of their construction regulations (including Development Cost Charges), depending on the municipal agencies and individuals involved. With much or the permitting and enforcement responsibilities being undertaken by individual municipalities, enforcement policies and practices vary significantly on a local area basis.

- Regulatory effectiveness - Construction regulations are assessed as “not well enforced in either Alberta or BC.” Alberta is assessed as less “militant” than BC – for example, being less focussed on explicitly assessing potential environmental impacts as a part of the permitting process. Ontario’s construction regulations are noted as being writing primarily with urban applications in mind, making the regulations sometimes inappropriate in rural areas.
- Operational efficiency and timeliness – Alberta is assessed as having a more “practical outlook” than BC, and to have a more expeditious permitting process. In BC, it is relatively easy to file a builders’ lien – but the process for dealing with lien removal and dispute resolution is assessed as needing to be more cost-effective. In Ontario, timeliness of response is frequently an issue, reflecting the risk-averse nature of the regulators and sometimes their lack of knowledge of the system requirements.

Implications for Alberta







In terms of provincial construction regulations, Alberta’s system is assessed as competitive with other jurisdictions, but with opportunities for improvement in some areas.

The main area for attention appears to be in the area of clarity and communication – making the construction permitting process easier to understand and comply with in certain areas (eg. builders’ liens, building code).

5. Environmental assessment, permitting and regulation

The fourth regulatory area benchmarked is environmental assessment, permitting and regulation. Both the federal and provincial governments have significant environmental legislation and regulations, and perform environmental review, assessment, permitting and regulatory activities through a variety of federal and provincial agencies. These regulatory processes are essential to the orderly, appropriate and successful development of natural resources and related projects.

Expert ratings

Environmental assessment, permitting and regulation	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	4.5	3.8	4.5	4.2	4.5	4.3
Assessment						
Versus Other Provinces						
British Columbia	4.6	3.4	4.1	3.9	4.7	4.1
Saskatchewan	4.9	4.4	4.6	6.5	5.5	5.2
Ontario	3.7	3.0	4.0	2.7	4.0	3.5
Other Province average	4.4	3.6	4.2	4.3	4.7	4.3
Alberta versus other Province average	+0.1	+0.1	+0.2	-0.1	-0.3	+0.0
Alberta's rank versus other Provinces	3rd	2nd	2nd	2nd	3rd	2nd

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta's overall expert rating in terms of environmental assessment, permitting and regulation is 4.3 – "average," ranking 2nd among the four provinces.

Compared to other jurisdictions, the rating for Alberta is the same as the other-jurisdiction average – lower than Saskatchewan, similar to BC, and higher than Ontario.

With regard to individual evaluation categories, Alberta's results are also generally lower than Saskatchewan, similar to BC and higher than Ontario. Alberta's low rating with regard to consistency and coordination is similar to the low ratings of other jurisdictions.

Expert comments

Expert comments include:

- Clarity and communication – Environmental regulations in Alberta are assessed as not clear, and not well understood by the business community. At the same time, Alberta regulations are assessed as "more sophisticated" than Saskatchewan, while BC's requirements are seen as clearly laid out but subject to change, and Ontario's regulations are seen as usually well communicated to stakeholders.
- Consistency and coordination – Lack of coordination between federal and provincial environmental assessment (EA) regulations and processes is consistently assessed as a major problem - not only in

Alberta but in all of the provinces. The unpredictability of the processes, and uncertainty regarding the outcome, is seen as a significant “quality of regulation” issue in all four jurisdictions.

In addition to federal/provincial issues, the interpretation of the provincial regulations, by individuals within the responsible agencies, is also assessed as inconsistent in at least one jurisdiction (BC).

- Regulatory effectiveness – Expert assessments of Alberta’s regulatory effectiveness include some criticisms. Regulators in Alberta and the other jurisdictions are assessed as “under-resourced relative to their needs and responsibilities” or “spending resources in the wrong areas”. In BC, the appointment of an Environmental Assessment office, led by Associate Deputy Ministers, is assessed as making it easier to cut across traditional government silos. In Saskatchewan, regulators are assessed as more reasonable than in Alberta.
- Operational efficiency and timeliness – Alberta is assessed as being less efficient than Saskatchewan, partly due to public hearings. Alberta timelines are assessed as being too long, for example in comparison to mandated timelines in BC. BC’s task management processes and mandated timeliness are assessed as having improved processes, although BC is also seen as having “too many consultation loops.” In Ontario, the approvals process is assessed as cumbersome and time consuming, often with unacceptable delays, due at least in part to lack of resources.
- Regulatory revisions – Alberta is assessed as encouraging stakeholder feedback when regulations are revised, although there are mixed views among stakeholders regarding the extent to which feedback is taken into account. BC’s recent modernization of the Water Act is assessed as a “state of the art” consultation process. Ontario is assessed as having a transparent public process, through the Ontario Environmental Registry, for a posting proposed changes and receiving public comments.

Implications for Alberta

In terms of environmental assessment, permitting and regulation, Alberta’s system is assessed as competitive with other jurisdictions, but (as with other provinces) with significant opportunities for improvement.

The main area for attention appears to be in the area of consistency and coordination – making the process and schedule more predictable, minimizing and dealing effectively with overlaps between provincial and federal regulations.

6. Employment standards: hiring, benefits and firing

The fifth regulatory area benchmarked is employment standards, including hiring, benefits and firing in the non-unionized environment. This area of regulation establishes the standards of employment and regulations which employers must follow. While the actual rules in each province’s legislation differ (for example, with regard to minimum wage levels), the regulatory intent and structure is generally comparable among jurisdictions.

Expert ratings

Employment standards: hiring, benefits and firing	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	4.8	3.0	5.0	4.9	4.6	4.5
Assessment						
Versus Other Provinces						
British Columbia	5.0	4.5	6.0	5.5	5.0	5.2
Saskatchewan	4.0	6.0	6.0	3.0	5.0	4.8
Ontario	4.2	4.0	4.0	4.2	4.4	4.2
Other Province average	4.4	4.8	5.3	4.2	4.8	4.7
Alberta versus other Province average	+0.4	-1.8	-0.3	+0.6	-0.2	-0.3
Alberta's rank versus other Provinces	2nd	4th	3rd	2nd	3rd	3rd

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta’s overall expert rating in terms of employment standards (hiring, benefits and firing) is 4.5 – “average,” ranking 3rd among the four provinces.

Compared to the other jurisdictions, the rating for Alberta is slightly lower than the three-jurisdiction average – lower than BC and Saskatchewan, and slightly higher than Ontario.

With regard to individual evaluation categories:

- Clarity and communication, regulatory effectiveness, operational efficiency and timelines, regulatory revisions – Alberta’s ratings are reasonably strong in these areas – consistently higher than Ontario but slightly lower than BC.
- Consistency and coordination – Alberta’s average rating here is lower than for the other provinces, reflected in some of the expert comments as summarized below.

Expert comments

Highlights from the expert comments include:

- Clarity and communication – The website of Alberta’s Employment Standards office is assessed as “very good.” BC’s interpretation guidelines are also assessed as “very user-friendly,” although a few regulatory areas in BC (e.g. vacations) are assessed as “not clear.”

For Ontario, expert assessments are mixed. While one expert assesses Ontario's website and public access to employment standards regulations as "poor," another expert notes that the Ontario Ministry of Labour provides significant information on its website and has issued an interpretation manual. In Saskatchewan, a recently published guideline to interpreting the relevant legislation and regulations is assessed as having increased the clarity of the Saskatchewan regulations.

- Consistency and coordination – The information provided by the Employment Standards office in Alberta is assessed as inconsistent, with the answers to specific questions sometimes varying depending on the individual. The assessment of BC's Employment Standards Branch is that it "tries to be very helpful," and that it has experienced and knowledgeable long-time staff. Ontario is assessed as lacking coordination between its labour ministry and other provincial agencies. The recently-published Saskatchewan guideline is assessed as helping to ensure consistency in application.
- Regulatory effectiveness – Alberta's investigation officers are assessed as "not sophisticated." By contrast, the BC Employment Standards Branch is assessed as "effective", with a clear and well-defined appeal process. In Saskatchewan, the details and parameters of the regulations are assessed as consistent with the legislative principles on which they are based.
- Operational efficiency and timeliness – In Alberta, Employment Standards office administration is assessed as being generally efficient in dealing with public inquiries (albeit with concerns about consistency and coordination of treatment, as noted previously). BC is criticized for being backlogged in resolving complaints, with some cases in BC taking more than a year to resolve. Similarly, in Ontario, employment standards complaints are assessed as being processed slowly due to backlogs. In Saskatchewan, Ministry staff are assessed as not providing timely responses to requests, questions and complaints.
- Regulatory revisions – Alberta is assessed positively, with legislative and regulatory revisions being explained through updated employer fact sheets. (In BC, the current regulations are assessed as not having been substantially revised for many years.)

Implications for Alberta







In terms of employment standards, the quality of Alberta's system is assessed as generally comparable with other jurisdictions.

Areas identified for potential attention include the consistency of information provided by Employment Standards, as well as the training and expertise of investigation officers.

7. Occupational health and safety and workers compensation

The sixth regulatory area benchmarked is occupational health and safety and workers compensation. These regulations focus on ensuring a safe workplace environment, preventing workplace injuries, helping injured workers return to the workforce, and compensating workers for workplace injuries.

Expert ratings

Occupational health and safety and workers compensation	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	5.4	4.7	3.9	5.0	5.0	4.8
Assessment						
Versus Other Provinces						
British Columbia	4.5	5.0	4.5	4.5	4.3	4.6
Saskatchewan	3.5	5.0	3.0	3.0	5.0	3.9
Ontario	3.9	3.9	3.3	3.8	3.7	3.7
Other Province average	4.0	4.6	3.6	3.8	4.3	4.1
Alberta versus other Province average	+1.5	+0.1	+0.2	+1.2	+0.7	+0.7
Alberta's rank versus other Provinces	1st	3rd	2nd	1st	1st	1st

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta's overall expert rating in terms of occupational health and safety and workers compensation is 4.8 – “above average,” ranking 1st among the four provinces.

Compared to the other jurisdictions, the rating for Alberta is significantly better than the three-jurisdiction average – slightly higher than BC, and significantly higher than Saskatchewan and Ontario.

With regard to individual evaluation categories:

- Clarity and communication – Alberta receives its highest rating in this area, both in absolute terms and in relation to the other provinces.
- Consistency and coordination – Alberta's rating is positive here, and is similar to the other-province average, with Alberta rating somewhat behind BC and Saskatchewan, but well ahead of Ontario.
- Regulatory effectiveness – Alberta's rating here is weak in absolute terms – but is still higher than the other-province average, and is higher than Saskatchewan and Ontario.
- Operational efficiency and timeliness, regulatory revisions – Alberta receives favourable ratings in these two areas, and a much higher rating than two of the jurisdictions (Saskatchewan and Ontario) in operational efficiency and timeliness.

Expert comments

Expert comments tended to be somewhat critical, for all jurisdictions. Highlights from the expert comments include:

- **Clarity and communication** – The Alberta regulatory environment is assessed as having “too many regulations to understand,” and there is a need for “easy to follow guides.” Alberta and the other jurisdictions are all assessed as having regulations that are “too dense.” Ontario is assessed as having a comprehensive website, but lacking in active communication to stakeholders. The website for BC is assessed as having a lot of information, but being difficult to navigate.
- **Consistency and coordination** – In Alberta, the involvement of different government agencies on a given issue is assessed as creating confusion and complications – e.g. having to deal with both WCB and Occupational Health and Safety representatives on the same issue. In BC, WorkSafe BC staff is assessed as “not helpful.” In Ontario, WCB decisions are assessed as having low predictability, often not following precedent.
- **Regulatory effectiveness** – Alberta is assessed as being “ineffective at policing,” with low rates of prosecution and convictions relative to other provinces. WorkSafe BC is assessed as being generally effective. Ontario is assessed as lacking an effective appeals process for Workers Compensation matters, with one case taking 10 years, and the Workplace Safety and Insurance Board “has the reputation of being very difficult to work with.”
- **Operational efficiency and timeliness** – Accessing information from Alberta regulatory staff is assessed as “difficult at times Representatives do not freely give out [non-file-specific] information regarding workers’ compensation legislation...”. On the other hand, other jurisdictions are assessed as being “excessively complicated” (BC) and “highly inefficient and bureaucratic” (Ontario).

Implications for Alberta







In terms of occupational health and safety and workers compensation, the quality of Alberta’s regulatory system is assessed as generally comparable with those of other jurisdictions.

Areas identified for consideration include (1) in the area of regulatory effectiveness (policing), where Alberta is assessed as having a relatively low rate of prosecutions and convictions for regulatory violations; and (2) the introduction of user-friendly user guides.

8. Labour relations (union regulations)

The seventh regulatory area benchmarked is with respect to labour relations, or more specifically, union regulations. This area establishes rules between employers and workers in unionized environments, including processes for collective bargaining and resolving disputes between the two parties. In general, BC, Saskatchewan and Ontario are comparable in terms of regulatory intent. However, with Alberta having “back to work legislation” within its union regulations, it is considered to be the most employer-friendly jurisdiction among the provinces.

Expert ratings

Labour relations (union regulations)	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	5.0	5.0	4.6	5.0	4.6	4.8
Assessment						
Versus Other Provinces						
British Columbia	4.8	4.6	4.6	5.4	5.1	4.9
Saskatchewan	4.0	5.0	4.0	6.0	5.0	4.8
Ontario	3.2	3.5	3.5	4.5	3.8	3.7
Other Province average	4.0	4.4	4.0	5.3	4.6	4.5
Alberta versus other Province average	+ 1.0	+0.6	+0.5	-0.3	-0.0	+0.4
Alberta's rank versus other Provinces	1st	1st	2nd	3rd	3rd	2nd

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta’s overall expert rating in terms of labour relations (union regulations) is 4.8 – “above average,” ranking 2nd among the four provinces.

Compared to the other jurisdictions, the rating for Alberta is moderately higher than the three-jurisdiction average – similar to BC and Saskatchewan, but significantly higher than Ontario.

With regard to the individual evaluation categories:

- Clarity and communication, consistency and coordination – Alberta receives favourable ratings in both areas, both overall and relative to other jurisdictions.
- Regulatory effectiveness – Alberta also receives a favourable rating here, similar to BC and higher than in Saskatchewan and Ontario.
- Operational efficiency and timeliness – Alberta receives a strong rating in this area – although two other jurisdictions (BC and Saskatchewan) also receive high ratings.
- Regulatory revisions – Alberta’s rating here is favourable, similar to the other-province average.

Expert comments

Expert comments include:

- Clarity and communication, consistency and coordination – In Alberta, the legislation is assessed as being “generally clear,” with details relating to requirements and compliance processes available in on-line information bulletins, guides, and policy/procedures manuals. Alberta’s Labour Relations Board staff is assessed as helpful.

The BC Labour Relations Board is also assessed favourably in terms of personnel, communications, and website. The BC regulations are assessed as clear, with well-defined rules that have not changed in several years, leading to high levels of predictability regarding the likely results of legal action.

- Regulatory effectiveness, operational efficiency and timeliness – The Alberta Labour Relations Board is assessed as “not funded proportionate to its importance,” reducing its ability to meet timelines. By contrast, the BC Labour Relations Board is assessed as having fixed deadlines and very efficient processes.
- Regulatory revisions – Expert assessments of “quality” in this category tend in some cases to reflect the substantive aspects of the regulations – e.g. whether to allow replacement workers during a strike. Among the four provinces, Alberta is assessed as being most employer-friendly, while Saskatchewan is assessed as being the most union-friendly among the four provinces.

Ontario is assessed as giving insufficient consideration of business input on construction industry labour relations provisions, particularly with respect to the residential (non- industrial, commercial and institutional) construction industry.

Implications for Alberta







In terms of labour relations (union regulations), and putting aside the issues relating to the substance of the regulations, the quality of administration of the Alberta system is assessed as being generally comparable to the other three jurisdictions.

The main area for attention appears to be with respect to the timeliness of Labour Relations Board decisions.

9. Dispute resolution and contract enforcement

The eighth regulatory area benchmarked is with respect to dispute resolution and contract enforcement. This area of regulation establishes procedures for the resolution of disputes, including those concerning the contractual rights, obligations and remedies of businesses and investors. Effective and predictable dispute resolution and contract enforcement regulations are key aspects of a stable business environment.

Expert ratings

Dispute resolution and contract enforcement	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	4.6	4.9	4.5	4.9	4.5	4.7
Assessment						
Versus Other Provinces						
British Columbia	4.3	3.3	3.8	3.3	4.5	3.9
Saskatchewan	5.8	5.2	4.8	4.8	5.0	5.1
Ontario	4.8	5.0	5.3	5.0	5.0	5.0
Other Province average	5.0	4.5	4.6	4.4	4.8	4.7
Alberta versus other Province average	-0.3	+0.4	-0.1	+0.5	-0.3	+0.0
Alberta's rank versus other Provinces	3rd	3rd	3rd	2nd	3rd	3rd

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta's overall expert rating in terms of dispute resolution and contract enforcement is 4.7 – “above average,” ranking 3rd among the four provinces.

Compared to the three other jurisdictions, the rating for Alberta is equal to the three-jurisdiction average – lower than Saskatchewan and Ontario, but higher than BC.

With regard to individual evaluation categories, Alberta's ratings are fairly consistent, and Alberta is ranked 3rd in four of the five categories:

- Clarity and communications, regulatory effectiveness, regulatory revisions – Alberta receives slightly less favourable expert ratings than the other-province average in these categories, although the differences are small.
- Consistency and coordination, operational efficiency – Alberta receives slightly more favourable expert assessment ratings in these two areas, relative to the other-province average.

Expert comments

Highlights from the expert comments include:

- Clarity and communication, consistency and coordination – Alberta's dispute resolution regulations, including the Rules of Court and Arbitration Act, are assessed as “reasonably clear,” and the regulations are assessed as “very consistent.” The new Rules of Court, introduced 14 months ago, have

necessarily introduced a lack of clarity that will be addressed as decisions are rendered. With regard to other jurisdictions:

- Ontario's Rules have been stable and are well understood, with incremental changes only over time.
 - Changes to the BC Rules, meant to improve clarity, actually had the opposite effect in the short term (although another expert interviewee has commented that BC's Rules of Court "provide clear guidelines for all stakeholders").
 - Saskatchewan's dispute resolution and contract enforcement regulations are based on implementing the best features from other provinces' legislation and regulations.
- Regulatory effectiveness, operational efficiency and timeliness – Alberta's dispute process is assessed as generally efficient, and to have increased in efficiency as resources and information have migrated online. The introduction of mandatory dispute resolution has freed up some court time, although the judicial dispute resolution process is currently backlogged. The "business friendly" dispute resolution regulations in Alberta are assessed as ineffective.

In BC, the arbitration process for resolving unionized labour contract disputes is assessed as having become overly legal and expensive over the years. Electronic filing in BC is seen as a positive development that has increased the accessibility of court services. In Ontario, trial delays in major centres are assessed as a significant problem.

- Regulatory revisions – The recent revisions to Alberta's Rules of Court were based on a significant consultation program. With regard to other jurisdictions:
- The most recent changes in the BC Rules of Court included wide ranging consultations with affected stakeholders, both in writing and in other public formats.
 - In Ontario, there is no formal ongoing consultation process. However, the Rules of Court are assessed as being kept up to date and working well.

Implications for Alberta

In terms of dispute resolution and contract enforcement, Alberta's system receives similar "quality" ratings to those of the other provinces – despite the significant differences in the approaches of the different jurisdictions (e.g. Alberta's comprehensive overhaul of the Rules, versus Ontario's incremental approach).

The areas of attention, as identified by expert interviewees, include:







- Re-establishing the predictability resulting from the significant case law underlying the previous Rules of Court. (Experts anticipate that predictability will emerge over time, as individual decisions are rendered and the case law is re-established.)
- Clearing the current backlog of cases.

10. Provincially-regulated freight transportation

The ninth regulatory area benchmarked is with respect to provincially-regulated intraprovincial freight (truck) transportation. (While inter-provincial truck transportation falls formally under federal jurisdiction, in practice many of the regulatory activities are undertaken by the provinces on behalf of the federal government.)

This area of regulation includes rules and procedures for transporting goods by truck, and for ensuring that drivers are qualified and are operating in compliance with federal/provincial regulations. Under the New West Partnership, Alberta, BC and Saskatchewan are now in the process of harmonizing their regulatory environments.

Expert ratings

Provincially-regulated freight transportation	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	5.6	4.2	4.5	4.5	5.0	4.8
Assessment						
Versus Other Provinces						
British Columbia	4.1	3.8	3.2	3.7	4.5	3.9
Saskatchewan	4.4	3.6	3.1	3.6	4.3	3.8
Ontario	5.0	2.4	2.8	3.2	4.0	3.5
Other Province average	4.5	3.3	3.0	3.5	4.3	3.7
Alberta versus other Province average	+1.1	+0.9	+1.5	+1.0	+0.7	+1.1
Alberta's rank versus other Provinces	1st	1st	1st	1st	1st	1st

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Alberta's overall expert rating in terms of provincially-regulated freight transportation is 4.8 – “above average,” ranking 1st among the four provinces.

Compared to the other jurisdictions, the rating for Alberta is significantly better than all three provinces. Alberta is the only jurisdiction whose overall rating is higher than the 4.0 midpoint of the rating scale.

Alberta is also first-ranked in all individual evaluation categories:

- Clarity and communication – Alberta receives its strongest rating here, reflecting the “great strides” made in clarifying regulations in recent years.
- Consistency and coordination, regulatory effectiveness, operational efficiency and timeliness – Alberta ranks above average in all these categories, rating higher than BC and Saskatchewan and much higher than Ontario.
- Regulatory revisions – Alberta also receives relatively high ratings in this area – although the other jurisdictions also receive reasonably favourable ratings.

Expert comments

Highlights from the expert comments include:

- **Clarity and communication** – All of the jurisdictions have regulations that are clear and precise, and that use a common format. Because the regulations are complex, they require the user to have good existing knowledge of weights and measures. Alberta has made “great strides” in clarifying its regulations, and regulatory clarity is assessed as higher in Alberta than in other jurisdictions. There is still room for improvement, especially with regard to enhancing industry awareness in some regulatory areas.
- **Consistency and coordination** – Application and enforcement of the regulations in Alberta is sometimes inconsistent in the field (e.g. different regulatory interpretations by individuals working at different weigh scale locations). All Canadian jurisdictions are assessed as inconsistent in their enforcement of regulations, and in applying sanction to firms that flagrantly flout the regulations.
- **Regulatory effectiveness** – Trucking regulations in Alberta are assessed as relatively straightforward and effective, although one expert questioned the effectiveness of privatized commercial driver examination and licensing, in terms of controlling the quality/consistency of testing and preventing abuses of the system.
- **Operational efficiency and timeliness** – Alberta is assessed as comparing favourably with the other three provinces in terms of operational efficiency, and as having stronger working relationships between the industry and the regulators. Alberta is also assessed as more expedient than the other three provinces in terms of handling routine regulatory exemptions (e.g. consideration and issuance of special permits). BC is assessed as lagging in some areas (e.g. developing simple over height permits, allowing use of wide tires), but strong in others (e.g. revising natural gas regulations). Ontario is assessed as more bureaucratic than the three western provinces. Also, the permitting process is assessed as easier in some US states than in any of the Canadian provinces, due to the use of better electronic software and more centralized administration.
- **Regulatory revisions** – While the New West Partnership (an agreement among the provinces of Alberta, BC and Saskatchewan to coordinate certain regulations, including freight transportation regulations) is regarded favourably by industry experts, it is also assessed as having unavoidably slowed Alberta’s regulatory revision process to a certain extent, because of the greater need for tri-jurisdiction consultation and agreement.

Implications for Alberta







Alberta’s provincial freight transportation regulations are assessed as comparing favourably with those of BC, Saskatchewan and Ontario. Potential areas for attention for Alberta are:

- Investigating opportunities to streamline the permit application and approval process, including consideration of systems in place in US jurisdictions.
- Achieving the benefits of the New West Partnership (harmonization of Alberta’s regulations with those of BC and Saskatchewan) without slowing the regulatory review process.
- Balancing the positive aspects of the privatized driver licensing system with the need to ensure that Class 1 license holders are properly qualified.

11. Business insolvency, restructuring and wind-up

The tenth regulatory area benchmarked is with respect to business insolvency, restructuring and wind-up. These areas establish rules and procedures for companies that are experiencing financial difficulties and/or are seeking to wind up their business. While the majority of legislation is under federal jurisdiction, the provinces do have some jurisdiction, especially before the onset of insolvency.

Expert ratings

Business insolvency, restructuring and wind-up	Evaluation Criteria					Overall Average
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions	
Alberta						
Average rating	5.6	5.6	6.0	6.0	4.0	5.4
Assessment						
Versus Other Provinces						
British Columbia	4.5	3.4	4.3	4.5	2.3	3.8
Saskatchewan	5.0	6.0	5.0	5.0	4.0	5.0
Ontario	4.5	5.5	4.5	5.0	4.0	4.7
Other Province average	4.7	5.0	4.6	4.8	3.4	4.5
Alberta versus other Province average	+0.9	+0.6	+1.4	+1.2	+0.6	+0.9
Alberta's rank versus other Provinces	1st	2nd	1st	1st	1st	1st

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

In terms of business insolvency, restructuring and windup, Alberta's overall expert rating is 5.4 – "above average," ranking 1st among the four provinces.

Compared to the three other jurisdictions, Alberta's rating is significantly better – higher than Saskatchewan and Ontario, and much higher than BC. The differentials between Alberta and BC are among the highest noted in this survey.

Alberta is also rated highly in each of the individual evaluation categories:

- Clarity and communication, consistency and coordination – Alberta receives favourable ratings in this area, both overall and in comparison to other jurisdictions.
- Regulatory effectiveness, operational efficiency and timeliness – Alberta receives its highest rating in these two categories, which are also the areas of greatest relative advantage over the other provinces.
- Regulatory revisions – Alberta is noted as average – similar to or higher than the expert ratings in other jurisdictions.

Expert comments

Highlights from the expert comments include:

- Clarity and communication, consistency and coordination, regulatory effectiveness - In Alberta, the Courts' commercial list, and related directives, are assessed as clearly articulated and communicated.

By contrast, BC Courts have no commercial list. The BC system is assessed as not having a coordinated regulatory framework defining debtors' and creditors' rights. It is described as "a piecemeal approach that relies on judge-made law to bring it together."

- Operational efficiency, regulatory revisions - The Alberta Courts' Commercial List Users Committee is assessed as "less action oriented" than its Ontario counterpart, which is assessed as effective.

Saskatchewan regulators are also assessed as not seeking input with respect to legislative and regulatory revisions, and needing to be more proactive.

Implications for Alberta

In terms of business insolvency, restructuring and wind-up, Alberta's system is assessed as stronger than in the three other jurisdictions – particularly in comparison with BC.

Our survey did not identify any particular business insolvency areas for attention by Alberta. Comments from expert assessors on this topic were limited somewhat because of the significant federal jurisdiction over bankruptcy, leaving less jurisdictional room for provincial regulations.


12. Conclusions














































































Summary of survey results

As illustrated in Exhibit 12a, the overall quality of Alberta's regulatory environment is assessed as generally positive, in each of the ten regulatory areas:

- **Starting a business** – Alberta is generally comparable to other jurisdictions, and is stronger in some areas (e.g. relative to Ontario's registry system). The main area identified for Alberta's attention is in clarifying/communicating the business start-up process – an issue common to all jurisdictions.
- **Property ownership, transfer and regulation** – Alberta is assessed as generally similar to BC and Saskatchewan, but lagging Ontario in some areas. One area identified for attention is the development of a more automated property registration system.
- **Provincial construction regulations** – Alberta is assessed as comparable to other jurisdictions in most aspects of quality, but somewhat weaker with respect to clarity and communication. Areas identified for attention include regulations regarding builders liens, plus addressing building code ambiguities.
- **Environmental assessment, permitting and regulation** – Alberta's overall rating is similar to other jurisdictions. As in other provinces, the main areas identified for Alberta's attention are addressing overlaps in provincial and federal regulations, establishing regulatory processes, and adhering to schedules.
- **Employment standards: hiring, benefits and firing** – Alberta's overall rating is slightly lower than the average of the other provinces. Areas identified for Alberta's attention include investigative officer qualifications, plus staff customer service levels.
- **Occupational health and safety and workers compensation** – Alberta is assessed as strong in most aspects of quality, with the notable exception of regulatory effectiveness. Areas identified for attention include Alberta's low rate of prosecutions and convictions relative to other provinces, need for easy to follow guides, plus the complexity of Alberta's regulations. (Regulatory complexity is also an issue in the other provinces).
- **Labour relations (union regulations)** – The quality of Alberta's regulatory environment is assessed as similar to other jurisdictions. One area identified for attention is the timeliness of the Alberta Labour Relations Board hearings and decisions, reflecting the Board's limited resources.
- **Dispute resolution and contract enforcement** – Alberta's rating is similar to the average of the other provinces. Potential areas for attention include re-establishing clarity surrounding the relatively new Rules of Court, and clearing the current backlog of court cases.
- **Provincially-regulated freight transportation** – Alberta's regulatory environment is assessed favorably compared to the other three jurisdictions. Potential areas for attention include streamlining the permitting process, based on systems currently in place in US states.
- **Business insolvency, restructuring and wind-up** – Alberta's rating in this regulatory area is strong, and is higher than all of the other provinces. Unlike the assessments of other jurisdictions, the assessments for Alberta did not identify any particular areas for follow-up attention.

Exhibit 12a – Summary results for Alberta

Legend	
	x ≥ 4.65
	3.95 ≤ x < 4.65
	x < 3.95

Regulatory Area	Evaluation Criteria					Overall Average Rating	Relative To Other Provinces				
	Clarity & communication	Consistency & coordination	Regulatory effectiveness	Operational efficiency & timeliness	Regulatory revisions		Overall average rating			Alberta versus other Province average	Alberta's overall ranking
							BC	SK	ON		
Starting a business - Average rating	 4.6	 6.0	 6.0	 5.0	 3.0	 4.9	5.1	4.4	4.6	+0.2 	2nd
Property ownership, transfer and regulation - Average rating	 5.0	 5.0	 4.7	 4.3	 4.0	 4.6	4.4	4.7	5.8	-0.4 	3rd
Provincial construction regulations - Average rating	 3.6	 4.8	 4.3	 4.1	 3.8	 4.1	3.9	4.5	4.5	-0.2 	3rd
Environmental assessment, permitting and regulation - Average rating	 4.5	 3.8	 4.5	 4.2	 4.5	 4.3	4.1	5.2	3.5	+0.0 	2nd
Employment standards: hiring, benefits and firing - Average rating	 4.8	 3.0	 5.0	 4.9	 4.6	 4.5	5.2	4.8	4.2	-0.3 	3rd
Occupational health and safety and workers compensation - Average rating	 5.4	 4.7	 3.9	 5.0	 5.0	 4.8	4.6	3.9	3.7	+0.7 	1st
Labour relations (union regulations) - Average rating	 5.0	 5.0	 4.6	 5.0	 4.6	 4.8	4.9	4.8	3.7	+0.4 	2nd
Dispute resolution and contract enforcement - Average rating	 4.6	 4.9	 4.5	 4.9	 4.5	 4.7	3.9	5.1	5.0	+0.0 	3rd
Provincially-regulated freight transportation - Average rating	 5.6	 4.2	 4.5	 4.5	 5.0	 4.8	3.9	3.8	3.5	+1.1 	1st
Business insolvency, restructuring and wind-up - Average rating	 5.6	 5.6	 6.0	 6.0	 4.0	 5.4	3.8	5.0	4.7	+0.9 	1st
Ten-area average - Average rating	 4.9	 4.7	 4.8	 4.8	 4.3	 4.7	4.4	4.6	4.3	+0.3 	1st

(1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

General conclusions and comments

In the course of our research interviews with business regulation experts in each jurisdiction, we have identified a number of themes, arising across multiple topics and jurisdictions:

- With regard to **clarity and communication**, the most common theme relates to electronic access to clear, user-friendly information. Some departments within some jurisdictions have made considerable strides in this area, establishing helpful websites and other access points, while others have achieved less. The more avenues available to regulated businesses and their advisors in accessing information, the more likely they are to comply. In this sense, regulatory regimes that are more accessible and understandable are also "business-friendly" – regardless of the substance of the regulations themselves.
- With regard to **consistency and coordination**, overlaps among departments and jurisdictions (municipal, regional, provincial, federal) are a frequent concern for business. Where different regulatory agencies have different requirements, businesses must work to understand which regulations apply and which standards are common, and in some cases act as a "go-between" among the various relevant agencies. This is a particular burden for firms that are just starting to do business in a jurisdiction. On the other hand, where businesses operate in multiple provinces, having common standards makes compliance more straightforward. The recent New West Partnership is one notable initiative to address such issues.
- With regard to **regulatory effectiveness**, many commentators note inconsistencies within jurisdictions in enforcing regulatory standards. Where a clear regulation exists and is clearly breached, inconsistency in enforcement by government creates uncertainty for those in the regulated industry. It can be more difficult for businesses to operate within "fuzzy" boundaries - those that are subject to varying interpretation depending on who enforces them. In short, a gulf between the law as written and its actual application can reduce regulatory effectiveness.
- With regard to **operational efficiency and timeliness**, many commentators note that experienced and knowledgeable government officials are very valuable and sometimes in short supply. It is inefficient to deal with a new individual each time one contacts the relevant department, particularly dealing with a long-running and complex file for which considerable background information needs to be provided.

At a broader level, stability and institutional knowledge among government officials, along with experience with multiple scenarios in the same regulatory area, is assessed as valuable. This issue crops up more frequently in regulatory areas in which there is active business-government interaction, and where regulations are subject to fine interpretation as to their practical implementation – areas such as workplace safety, labour law and resource development (environmental permitting).

- With regard to **regulatory revisions**, one theme frequently voiced by experts was a lack of consistency in the approaches taken by different jurisdictions in reviewing and revising the regulations in a given area. This lack of consistency makes sense from one perspective - different jurisdictions may deserve different approaches - but an overly limited consultation program may reduce acceptance and compliance by those subject to regulation, while an overly extensive consultation program may lead to concerns about the efficiency and timeliness of the review process.

Another frequently expressed expert concern is the perceived effectiveness and open-mindedness of some regulatory review processes. Some individuals with knowledge of specific consultation programs indicate a lack of confidence in the degree to which inputs from business are considered. To a certain degree, such perceptions are to be expected in any multi-stakeholder consultation process.

Nevertheless, if those providing feedback do not perceive that it is given fair consideration, they are less likely to invest the time to provide it.

Assessment of study approach and methodology

This project, and its focus on assessing the quality of business regulations, was identified at the outset as being of an exploratory nature – given that the concept of “quality” is by nature somewhat subjective. To assist in assessing the potential value of future iterations of this study, we offer the following comments:

- **Defining the concept of “quality”** - The primary objective of this report, to assess the quality of the business regulatory environment in Alberta, is an ambitious one, requiring a careful and consistent definition of the term “quality of regulation”. The Project Review Committee and consulting team spent significant time at the outset of the assignment to clearly articulate the key aspects of quality of business regulations, and to establish the five evaluation criteria as presented earlier in Exhibit 1b. This up-front development effort proved to be time well spent – during the interview program, the established framework provided a common frame of reference in working with expert interviewees to assess the various aspects of regulatory quality.
- **Cross-jurisdictional comparisons** - We often found that interviewees, particularly those within the legal profession, were reluctant to express an opinion about the quality of regulations in any jurisdictions other than those in which they were most active – often referring us to other lawyers that they felt could provide a more knowledgeable response. As a result, in most of the ten regulatory areas, the ratings of different jurisdictions typically represent the inputs of different individuals. This is a positive aspect in terms of the high levels of knowledge and experience underlying the numerical assessments and the related comments. At the same time, it raises the issue of differing interpretations among interviewees in assigning numerical ratings.
- **Distinguishing “quality” ratings from comments on policies** – We found that some interviewees tended to gravitate towards commenting on the policy intent of the regulations in Alberta and other jurisdictions, rather than focussing on the quality of the regulatory environment. As noted earlier, the evaluation criteria established for assessing the various aspects of quality, as presented in Exhibit 1b, were very useful in bringing interviewees back to the issues relating to the quality of the business regulatory environment.
- **“Quality versus quantity” research trade-offs** – Consistent with the “quality” theme of the study, the research program undertaken by this project was oriented towards developing knowledge-based information from expert assessors in each of the ten regulatory areas, based on personal interviews. Thus, each of the 200 assessments (10 areas, 4 jurisdictions, 5 quality aspects) discussed in this report typically represent the views of between one and six expert assessors. These experts were specifically chosen for this process due to their extensive expertise in the relevant field of regulation, and their practical knowledge developed based on working with many business clients from a variety of different industries.

It is also important to put the results of this type of study in perspective. Quality of business regulation, from the user’s perspective, is one of a number of elements to be considered in evaluating the regulatory performance of government. Other factors, such as regulatory intent, government cost of regulation, business cost of compliances, and other intended/unintended impacts (e.g. on public safety) also need to be given consideration.

Implications for future research

Based on our assessment of the study approach and methodology, we offer the following observations and recommendations for future research:

- **Feasibility of measuring quality of regulation** – Despite the challenges inherent in defining and measuring quality of regulation, we found that survey participants were generally able to distinguish between the substance of the regulations and the quality of the regulatory environment. The five evaluation criteria/categories proved to be very useful in this respect. Our assessment is that the study has successfully passed the “proof of concept” test, and that concerns regarding the feasibility of measuring “quality of regulation” should not be a barrier to undertaking further work.
- **Selecting the expert assessors to be surveyed** – We generally found that the most knowledgeable assessments, from the user perspective, were provided by senior legal practitioners and recommend that future surveys should focus primarily on this group. Other priority interviews would come from senior industry representatives, or from industry association representatives with significant direct industry experience.
- **Ability to ask additional topical questions, in specific regulatory areas** – Because this was the first study of its kind, the interview format and the topics discussed were necessarily broad in nature. The results of this study, and the specific areas of interest identified, will make it possible to ask more specific questions in future research – for example, in asking interviewees to specifically comment on the “areas for attention” identified for Alberta in each of the regulatory areas.
- **Breadth and depth of survey program** – This study’s approach was to develop thoughtful inputs from expert resources, based on a direct contact program including personal or telephone interviews. This approach was selected in view of the exploratory nature of the study, and the importance of also developing feedback on the survey approach. The trade-off of this direct approach was that the number of experts surveyed was limited. Now that the methodology has been established, future research could shift the nature of the direct contact program, to increase the level of direct on-line participation and number of experts surveyed.
- **Integration of this study’s results into a comprehensive regulatory evaluation framework** – While this study has been undertaken as a stand-alone project, its results (and the results of any subsequent updates) need to be considered in combination with other measures of regulatory effectiveness – including those that are focused on the impacts of regulation in terms of the underlying policies and specific regulatory objectives.

Appendix A – Sample survey form

Province of Alberta - Quality of Business Regulations

Name of Expert: _____

Date: _____

Regulatory Area: _____

1. How familiar are you with this regulatory area?

AB	BC	SK	ON	Comments
				-

(0=no knowledge 1=limited knowledge 2=somewhat familiar 3=very familiar)

2. Please rate the relative quality of regulation in terms of:

	AB	BC	SK	ON	Reasons for ratings
▪ Clarity and communication					- - - -
▪ Consistency and coordination					- - - -
▪ Regulatory effectiveness					- - - -
▪ Operational efficiency and timeliness					- - - -
▪ Regulatory revisions					- - - -

(0=no knowledge 1=very poor 2=poor 3=below average 4=average 5=above average 6=good 7=very good)

Appendix B – Review of previous studies

A cost effective and functional business regulatory system is a key factor in competitiveness. Many international surveys in this field do, in part, focus on regulation, and some of these categorize or subcategorize areas of business regulation. Three relevant previous studies in this area are summarized below.

New Zealand Survey of Regulatory Impact (2006)

This study was undertaken by the New Zealand Treasury. The report aimed to provide meaningful comparisons between different studies' approaches and ratings in assessing areas of regulatory impact. The following surveys were analyzed:

- *Index of Economic Freedom* by the Heritage Foundation and the Wall Street Journal.
- *Doing Business Survey* by the World Bank.
- *Economic Freedom of the World* by the Fraser Institute.
- *Global Competitiveness Report* by the World Economic Forum.
- *World Competitiveness Yearbook* by the Institute for Management Development.
- *Regulatory Indicators* by the OECD.

Each survey's goals and methodology were summarized. It was found that many of these surveys were undertaken for unrelated reasons, yet tended to yield similar results. The study concluded that most overall rankings of countries (i.e. using a weighted composite of individual indicators) provided minimal value. However, useful information could be derived from comparisons of individual indicators.

Benchmarking of Australian Business Regulation Quantity/Quality (2008)

This benchmarking report was undertaken by the Australian Productivity Commission. The study considered the feasibility of examining the quantity and quality of business regulation in Australian jurisdictions. With three different questionnaires, the Commission surveyed state and territorial governments, business regulators, and local government authorities.

The following indicators were analyzed:

- Number of acts and other instruments in place before the past year.
- Length in pages of acts and other instruments in place before the past year.
- Number of licenses, permits, or registrations.
- Number of business regulators.
- Consultation requirements.
- Analysis of the impacts of proposals.
- Gatekeeping arrangements.
- Guidelines of the drafting of regulation.
- Ex-post review.

These indicators formed a range of baseline and contextual data. The quantity indicators provided measures of the stock and flow of regulation and regulatory activities, and the quality indicators provided

measures of good regulatory process but not of regulatory outcomes. Neither of these indicators attempted to measure the efficiency or effectiveness of specific regulations, or the substantive value of specific regulations.

World Bank “Doing Business” Study (2012 edition)

This annual publication provides a quantitative measure of regulatory costs of doing business. The 2012 edition of the study measured 183 economies in developed and developing countries by surveying and interviewing over 9,000 local experts. Based on standardized case study scenarios of small and medium-sized companies, evaluations were made in multiple regulatory areas, including:

- Starting a business.
- Dealing with construction permits.
- Registering property.
- Enforcing contracts.
- Resolving insolvency.

In assessing the key indicators, local experts filled out written questionnaires and provided references to the relevant laws, regulations, and fee schedules. Key indicators in the relevant regulatory areas included:

- Number of procedures in a process.
- Number of days to complete a process.
- Total cost and minimal capital requirements to fulfill regulatory requirements.
- Recovery rate.

When interpreting the relevance of the “Canadian” results, it is important to understand the study’s limitations. Among many assumptions in the study’s methodology, three are particularly of note:

- The data collected for each economy is only from the largest business city. For Canada, that means the data originates from Toronto. Therefore, the study’s ranking of Canada is only as relevant to the Western provinces to the extent that Toronto/Ontario’s regulatory environment is similar to Alberta, BC and/or Saskatchewan.
- Businesses are assumed to have full information about the regulatory environment, and that no time is wasted in determining what is required to complete procedures.
- The study is based on standardized case scenarios, which could inherently narrow the scope of the findings. For example, most regulatory impact assessments are based on a domestically owned and operated manufacturer. Thus excluding the impact of regulations in foreign owned and non-manufacturing businesses.

Among the 183 economies and based on all categories, Canada’s overall ranking was 13th. The five relevant category rankings are summarized in Exhibit B-1:

Exhibit B-1 – Canada’s (Toronto/Ontario’s) relevant rankings in World Bank “Doing Business” Study

	Starting a business	Dealing with construction permits	Registering property	Enforcing contracts	Resolving insolvency
Procedures (number)	1	12	6	36	-
Time (days)	5	73	17	570	292
Cost	0.4% of income/capita	57.5% of income/capita	1.8% of property value	22.3% of claim	4% of estate
Recovery rate	-	-	-	-	90.7¢ on the dollar
Rank	3rd	25th	41st	59th	3rd