

# **HANSARD**

**NOVA SCOTIA HOUSE OF ASSEMBLY**

**COMMITTEE**

**ON**

**PUBLIC ACCOUNTS**

**Wednesday, April 19, 2017**

**Legislative Chamber**

**Office of Regulatory Affairs and Service Effectiveness**  
Regulatory Review

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## **Public Accounts Committee**

Mr. Allan MacMaster, Chairman

Mr. Iain Rankin, Vice-Chairman

Mr. Chuck Porter

Ms. Suzanne Lohnes-Croft

Mr. Brendan Maguire

Mr. Joachim Stroink

Mr. Tim Houston

Hon. David Wilson

Ms. Lenore Zann

[Mr. Ben Jessome replaced Mr. Chuck Porter]

[Mr. Bill Horne replaced Mr. Brendan Maguire]

In Attendance:

Ms. Kim Langille

Legislative Committee Clerk

Mr. Gordon Hebb

Chief Legislative Counsel

Ms. Nicole Arsenault

Assistant Clerk, Office of the Speaker

Mr. Michael Pickup

Auditor General

### **WITNESSES**

#### **Office of Regulatory Affairs and Service Effectiveness**

Mr. Fred Crooks, Chief Regulatory Officer

Ms. Leanne Hachey, Executive Director,  
Stakeholder Relations and Intergovernmental Initiatives



House of Assembly  
*Nova Scotia*

**HALIFAX, WEDNESDAY, APRIL 19, 2017**

**STANDING COMMITTEE ON PUBLIC ACCOUNTS**

9:00 A.M.

CHAIRMAN  
Mr. Allan MacMaster

VICE-CHAIRMAN  
Mr. Iain Rankin

MR. CHAIRMAN: Good morning everyone. I call this meeting of the Public Accounts Committee to order. We have with us this morning the Office of Regulatory Affairs and Service Effectiveness. Let's start with introductions, beginning with Mr. Horne.

[The committee members introduced themselves.]

MR. CHAIRMAN: We also have with us this morning our Auditor General, Mr. Pickup.

Our guests can introduce themselves, and we will give you some time for some opening comments.

MR. FRED CROOKS: Mr. Chairman, my name is Fred Crooks. I am Chief Regulatory Officer for the province and I lead the Office of Regulatory Affairs and Service Effectiveness. With me is Leanne Hachey, who is an Executive Director in our office and who has a significant leadership capacity in the regulatory initiatives that our office is overseeing.

With your permission, Mr. Chairman, I do have a few opening remarks which I will try and keep brief.

We are obviously delighted to have the opportunity to be here to provide you with an overview of the work of our office. We're just under two years into our mandate and simply put, our job is - with the help of both business and our colleagues in government - to find practical, workable ways to cut red tape and to reduce the cost of doing business in our province and our region, to make our region stronger economically and a more competitive marketplace. That is a good objective for any jurisdiction, but given the fiscal and demographic challenges that the Atlantic Region faces, we believe our mandate has more urgency than might otherwise be the case.

The joint office was established initially by the Governments of Nova Scotia and New Brunswick in March 2015. Prince Edward Island joined the fold in November of 2015, so we were then fully Maritime. Newfoundland and Labrador has joined in the office. We had been working with them informally and they liked what they saw, and then decided they would like to have full membership in the office; they joined in December of this past year.

It is now truly an initiative that is Atlantic in scope. I think all four provinces see the potential and the benefit of a shared approach to regulatory reform and modernization, both for the individual provinces and collectively.

Again, in general terms, recognizing that this is an overview and may be a bit of an introduction to the office for some members of the committee, I'll keep my brief remarks fairly basic at the outset and then let the questions that you have define the agenda.

The first sort of major aspect of our office's role is leadership in this space. In that regard, we've led the adoption of principles to guide our regulators and to act as lead agency in ensuring culture and practice within governmental institutions and in the relationship between government and business that are consistent with regulatory goals. Those principles are reflected in the Charter of Governing Principles for Regulation, a copy of which I think is available in the package circulated to the committee. Without going through that in detail, the core themes really are as follows.

First, in developing regulation, to make sure there's a clearly articulated policy need at the outset - know the problem you're trying to solve. It sounds like common sense and it is common sense but not always common in practice.

A second principle is that regulation should not be a first resort. It should be something that - there are circumstances obviously where regulation mandating a course of conduct or a course of behaviour or a requirement is appropriate but it should not be when there's a policy problem identified. It should not proceed in a regulatory form, kind of on a knee-jerk or a "let's write something and enact it" basis.

Regulation, once you've concluded, once a regulatory body has concluded that mandatory regulation is required, the principles suggest - and these principles, by the way, have been adopted by the Premiers of all four Atlantic Provinces, as we'll mention - as a kind of framework for the offices' work and for the regulatory work of government.

Regulation, if it's enacted, should be the lightest possible touch, should be based on a solid cost-benefit analysis, to be based on a transparent and consultative process, so meaningful consultation early and at periods during the development process. The other principle which is important to the Atlantic nature of the initiative is that government should proceed with the mindset across the Atlantic Region that new regulation, where possible, should be aligned across the Atlantic so that we don't continue to contribute to the patchwork of regulation that exists in the various provinces. The office also facilitates burden reduction initiatives with departments and agencies in priority areas, both within the province and across Atlantic governments.

The second main role that the office has is advisory - advisory to departments of government on proposals for new regulation or changes to regulation. In that capacity, policy-wise we're really neutral. We're agnostic on the policy direction, the fundamental purpose if it's clearly articulated, or the policy direction. Our role really is to provide advice as to whether the means that have been proposed of dealing with the policy initiative are consistent with the charter of principles that I've just mentioned and, in addition, that there's an understanding, a fairly robust understanding, estimate though it will be, of cost that the proposal will incur for businesses that are subject, particularly businesses that are subject to the regulation. That's a piece of information, it's one of the significant drivers of an office like ours.

That's information that hasn't always been available, at least not in a systematic way in the past. Government has fairly consistently understood the cost of proposals to government itself but not have a sense of the cost to the regulated community.

The third sort of role of our office has been to develop and implement an approach to measurement, which is critical to the credibility of the initiative and the accountability ultimately of our office and of government for making progress in terms of achieving a reduction in regulatory burden. To do that we've spent a fair amount of time in our first year developing a tool for estimating the costs of regulatory proposals.

If there's interest, we can chat more about that. Fundamentally, it's based on what's called the standard cost model, which is a model widely used among OECD countries, particularly in Europe and in Australia and, to some extent, in Canada. It's a tried and true methodology. It's not perfect but it's well-respected.

Finally, our office, if you look at our name, it's Regulatory Affairs and Service Effectiveness. We've got a service component to our mandate. Frankly one of the things, after the two years that we've discovered in-depth - more in-depth than I think I would have expected coming into the role - is that when businesses talk about red tape - businesses

large and small but it particularly bears on small business - they're talking sometimes about service and getting access to government and getting support in terms of really good quality customer service. That's one of the most significant areas, we believe, for attacking and reducing regulatory burden.

Interestingly enough, very, very few other jurisdictions internationally have made service a priority as a part of administrative simplification. In that regard, we recently launched a service called the Business Navigation Service, which is a one-year pilot run from our office. The sole purpose of that, particularly focused on small and medium businesses, is to help them navigate the regulatory maze that has to be navigated in starting a business or trying to cope with regulatory requirements on an ongoing basis, particularly if you're a small business. Again, we can chat further about that.

Our office reports on an annual basis. Our second annual report will be published in June of this year. I think you have a copy of the report that we published last year. We're getting on in our mandate. Our Act expires automatically after five years, unless it's renewed by the House and it's determined that we continue. We've got a fairly finite time to make a difference, and we're very conscious of that. We're also a small group, so we're trying to make a difference in a short time.

I'll just summarize some of our results to date or some of the areas where we've worked, which may be helpful - there may be questions on some of these - in the Business Navigation Service pilot, which I've mentioned. The regional thing is really important in the sense that - I see I'm over my five minutes so, Mr. Chairman, you can shut me down wherever. I'm happy to take your direction on that. I've got another few minutes.

One of the things that we think is significant is the fact that right across the Atlantic Region, and we've spent some time on this, we've got one charter of principles for regulation that all provinces have adopted. This is important in the sense of trying to get over the patchwork of regulatory programs, often programs that are not intentionally or deliberately different, but just as time goes on, provinces don't necessarily look to each other as models, and the same policy purposes are served by significantly different administrative requirements.

We're very pleased and proud of the provinces for having said they're serious about this to the point that they're going to adopt the same principles, that they're going to adopt the same Act basically - there's mirror legislation in the four Atlantic Provinces - and beyond that they're going to commit to using the same model for measuring actual reductions to regulatory burden. On the regional front, we're pleased about that.

The thing about this job is it's not one fell swoop. It's a lot of incremental changes that are raised, many of them, by small businesses themselves. People are saying, this is crazy, this is intolerable, this is asphyxiating. We want to have an ear for that. We have ideas about a more comprehensive approach in the longer term, which we can talk about. For example, the timing of minimum wage changes - there was a strong feeling that if we

weren't going to standardize minimum wages across Atlantic Canada, then at least we should standardize the timing so that businesses that operate across the jurisdiction are doing this at the same time.

In procurement, we have the Atlantic Procurement Agreement. That was put in place in the 1990s, I think. Those procurement agreements sound good when you do them, and the principles are great. The problem is when you get underneath them and find out what has changed. For example, every jurisdiction has had different terms and conditions and a different format for its procurement documents, one of the things that was identified to us by business. It makes it really difficult and costly to do business in the four provinces. We have tackled that, and in fact, for the goods and services portion of procurement, we have now got aligned documents for construction. That's coming in the middle of this year, I think.

The four provinces are in the process of adopting the Canada Revenue Agency's one business number, to make it easier for businesses to register and work with Workers' Compensation. We're in the process of mutually recognizing head and foot protection across the Atlantic Region so that a hard helmet certified by the Canadian Safety Association can be worn in any Atlantic Province.

We're in the process of standardizing - and we heard this in spades from the trucking industry - the carrier profile for the trucking industry, a kind of report card so that trucking companies don't have one score in one province and a different score in another province, which affects insurance and bidding and all the rest of it. We're moving from four provincial licences for occupations and activities like elevator technicians and amusement ride technicians and others, to one regional licence.

I want to emphasize, these initiatives are not our initiatives. They are initiatives that in some cases we've facilitated but there are technical teams in each of the departments in each of the governments across the Atlantic Provinces that are working together on this.

Let me end with one, I think, core insight. First of all, this is a world of trying to staunch the death of a thousand cuts and it's sometimes hard. It's a long-term exercise and it's sometimes hard to sustain momentum and see progress and for people to feel it but the work is real.

The second thing is that even though it's the accumulation of a whole lot of smaller irritants - including service - that constitutes the real burden to business of red tape, the Atlantic Provinces Economic Council has estimated in a recent report that if, in the Maritime Provinces alone, 10 per cent of the trade barriers that still exist among the Maritime Provinces were eliminated, that would have a value to the Maritime economy of something in the order of 1.2 or 1.3 per cent of GDP, or about \$1 billion. That's 10 per cent of the constraints that are there.

We're approaching this from the point of view that yes, red tape is about simplification, yes, it's about incremental things but there's a significant economic opportunity there for our province and for our region. I look forward to your questions and I apologize for going overtime.

MR. CHAIRMAN: Thank you. We'll start with the PC caucus and Mr. Houston for 20 minutes.

MR. TIM HOUSTON: Thank you for those opening comments. They certainly weren't amongst the briefest we've heard in here but they were interesting, so I do appreciate that because it's an important topic.

When we talk about red tape, a lot of people might not really understand what red tape is to the normal person who is on the street. Some regulation is good, and some is garbage. We need to get rid of the garbage stuff that frustrates businesses and frustrates development. I know that's what you are trying to do, but I'm just not exactly clear on the focus of the office, in terms of the regional co-operation versus the kind of internal Nova Scotia-specific garbage we have, I guess.

Are you more focused as an office on the regional co-operation, or are you more focused on the internal, Nova Scotia-specific stuff? How would you characterize the split of your effort?

MR. CROOKS: Thank you, Mr. Houston. On a percentage basis, I would estimate that the regional focus - there are only eight of us - is probably 40 per cent and the within-the-province focus is 60 per cent. Leanne, who leads our work in terms of regional initiatives, could describe some of them.

Basically we're constantly working with Nova Scotia and other Atlantic teams on an agenda of initiatives. I would say that takes about 40 per cent of our time. Then the balance is spent - it's mostly internal - it could have some Atlantic benefit but, for example, the navigator system in the service initiatives, those are provincial. Other provinces might decide to model them. The targets for reduction of burden - those are internal to Nova Scotia. Again, they might roll out to the other provinces but the primary focus there is internal to Nova Scotia.

MR. HOUSTON: Thank you. It's interesting because there probably hasn't been a government in history that didn't campaign or champion red tape reduction. Probably every single one of them. We'll probably hear very soon Premier McNeil - he will probably be on the campaign trail saying how successful he has been at reducing red tape. He'll be just like every Premier before him; they've all said that.

Yet here we sit in 2017, and the CFIB released a report that asked small business owners how satisfied are you with the current government's efforts to reduce red tape? It was a shockingly high number, I think it was in the order of the high 50s percentage of



businesses that said they are not satisfied, they don't believe in the efforts because they're not feeling it.

What would you say to those people? When would they start to feel it?

MR. CROOKS: Thank you for the question. A couple of thoughts come to mind. One of the biggest single challenges of this area is to get a measure of progress, a quantitative measure of progress like dollars reduced, that demonstrates actual initiatives that translate into savings for business. It has to be a quantification that businesses and representatives of business organizations and the Public Service recognize as real and credible. That's point number one.

Point number two which really goes to the question that you're asking is, if you reduce the burden and you estimate the reduction of burden at \$5 million or \$10 million, how does that get felt? Well the truth is that it might not get felt, certainly in the short term, because the distribution over the number of businesses is broad. They might actually have some savings. It may be bigger in one sector than the other, for a particular year, but they might not really feel it. That's why we think the qualitative part of assessing our performance is really important.

It's important to have an objective measure like dollars, but dollars aside one of the things we did was we went out to businesses and surveyed them about their level of satisfaction . . .

MR. HOUSTON: Were your results similar to the CFIB, where it was a very high level of dissatisfaction?

MR. CROOKS: There's a high level of dissatisfaction with the relationship to government and I think it's consistent. Frankly I think as CFIB would say - I can't speak for CFIB but I think it's consistent in many jurisdictions.

One of the things we're really going to have to focus on is, I say, the qualitative part of that where you not only get the numbers and you get a spreadsheet that says that this is an estimate, it's defensible. It's not perfect but it's defensible. Directionally, we're moving in the right direction.

Ultimately if we're not tracking people, are they feeling it, are we getting at the pain points? Are we getting at the irritants? Are we getting at the things that are real - forget about how you quantify that globally - are we really getting at the stuff that is making life miserable for people who are just trying to run the businesses?

My answer is, I'm not surprised there isn't a strong feeling that it has made a huge difference, what has been done to date. The other thing is, I think in most jurisdictions that have been at this for many years, even on a best practice basis, we're never going to be able to get to the point where, much like in the private sector in the customer service side,

you're never going to get to the point where you can eliminate complaints 100 per cent. What you can do is: one, get the rate of dissatisfaction materially down and then have systems and processes in place that allow you to go at complaints in an aggressive way. What you identify is real. It's a concern. We're still thinking about how you measure that, how you make sure that people are feeling . . .

MR. HOUSTON: The point is, and I think the point is valid, that on the qualitative scale, the feel-good scale, people don't feel good about it. People are dissatisfied. Business owners are dissatisfied. They feel like there's a lot of hurdles in front of them. There hasn't been meaningful progress toward that over successive governments, maybe, going back in time, because they just don't feel satisfied with their relationship with government.

I found it interesting that this government and the Finance Minister took a different approach recently and basically tried to tell people, I know qualitatively, you might not feel movement, but I'm going to tell you that there has been. At the chamber of commerce luncheon, he put a number out there. He put his own quantitative assessment of how successful his government has been or will be at reducing red tape. He said, qualitatively, they know it's not true, so we'll put a number to it and maybe get some interest here. I was very interested in that number. He threw a number out of \$25 million. You're probably familiar with that number.

MR. CROOKS: Yes, I am.

MR. HOUSTON: I was seated in the room. As I looked around the room, there were a lot of smirks and chuckles because people knew it was just a number. Qualitatively, they weren't feeling that. I don't know if it was the messenger that was the source of the smirks and chuckles, because there's a lot of disconnect there too, in many ways, or the message. It was probably both.

The number of \$25 million is very interesting. Is that a number that you were familiar with before you heard the minister say it at the chamber?

MR. CROOKS: Yes.

MR. HOUSTON: Is it a number that is supportable?

MR. CROOKS: Yes.

MR. HOUSTON: Could you table something for this committee to look at that says where the \$25 million comes from?

MR. CROOKS: I guess there's a couple of things. One is that I wouldn't say that there hasn't been progress. I don't want to compare what we've done with programs before, but I think frankly we are building, at least what our stakeholders tell us - and I'm thinking of groups like the Canadian Federation of Independent Business, the Halifax Chamber of

Commerce, the Atlantic Chamber of Commerce, the Greater Halifax Partnership, the Federation of Labour, the broad range of businesses that we work with - we hear a lot of support and expressions of satisfaction . . .

MR. HOUSTON: They want to believe, sure. Of course, they want to believe, right?

MR. CROOKS: Yes, and fundamentally, I agree on where we have to go in terms of this . . .

MR. HOUSTON: But in terms of the specific question, the \$25 million . . .

MR. CROOKS: Oh, yes, absolutely. I'll come to that, but there were just some things in your question. I wouldn't want to leave the impression that I don't believe there's - I think we're doing the things that are necessary to do to build up the infrastructure and process that will enable. We need both. Quantitative, demonstrable, as the chamber and CFIB and other businesses point out, you need those quantitative targets. You also need to go to the qualitative.

On the \$25 million, I believe that's an achievable number. It's an aggressive number. If you're interested in the context for that, I'm happy to provide it.

MR. HOUSTON: I'm interested in the specifics of it. Can you give us 10 line items that say \$5 million comes from this, \$7 million comes from this, and \$2 million comes from this? Is it something that you can actually put in front of us?

MR. CROOKS: No, at this stage, it's a target. It has been developed on the basis of a number of things, including . . .

MR. HOUSTON: Even a target would have components to it. Can we at least . . .

MR. CROOKS: I can tell you, in terms of kind, there would be initiatives a lot like some of the initiatives that you've heard announced to date. By way of example, take the car dealerships that no longer have to come to the Registry of Motor Vehicles and can do that online to process the permits. Our economist, in consultation with the businesses and Service Nova Scotia, estimated that that would produce something like \$700,000 a year in diminished cost.

There is a range of things like that. Those are the kinds of initiatives that will make up that \$25 million, so it's that kind of thing. At this . . .

MR. HOUSTON: Can we have a summary of those? A succinct summary?

MR. CROOKS: We have a summary of what has been done but in terms of that target, in terms of the content that is going to be the specific items that that's going to be comprised of - there is no list at this stage. There is a strong sense, based on what has

happened in other jurisdictions, of the size of the burden as it has been estimated by Statistics Canada in Nova Scotia, as it has been estimated by CFIB, percentages of burden reduction that appear, administrative burden reductions that appear achievable, based on the experience in other jurisdictions and a sense from departments, a very preliminary sense of what - because we've consulted both inside and out, preliminarily - of what could be done. Beyond that . . .

MR. HOUSTON: I'm having trouble getting context for it. It just feels like a number to me.

MR. CROOKS: Well it's a number in the sense that it's a target number but it's a number that's . . .

MR. HOUSTON: Is there math behind it? A bunch of things add up to this?

MR. CROOKS: There's not a list right now that totals \$25 million. It would be premature to have that, frankly, because our whole approach is to quantify - make an estimate of what's achievable, commit to it and along with our stakeholders, identify the specific things that are going to be done in order to implement that.

MR. HOUSTON: So you could have picked \$125 million, you could have picked \$5 million?

MR. CROOKS: No, we couldn't because we've got a sense - a preliminary sense admittedly - of the size of the burden. So internationally the sort of guidepost for what's achievable in the reduction of burden is probably in the range of 20 per cent to 25 per cent of burden. That's over a period of years.

Our sense - it's preliminary but looking at CFIB data, Stats Can data, our own research - is that the addressable burden in Nova Scotia is somewhere in the vicinity of \$225 million.

MR. HOUSTON: The addressable burden is \$225 million.

MR. CROOKS: Yes, and the portion of that addressable is - actually I shouldn't have used the word "addressable" - the total burden in the provincial, is in the vicinity of \$200 million, \$225 million.

If you take that our businesses believe that up to one-third of the time they spend on compliance-related activities is duplicative or unnecessary, so one-third is interesting. If you look at the international standard, it may be 25 per cent of the burden that is capable of being reduced. What the \$25 million would be over a very short period of time, which is the time that the minister announced, would be what we believe is 10 per cent of the burden.

MR. HOUSTON: But no way to ever measure whether or not it was . . .

MR. CROOKS: Yes, but . . .

MR. HOUSTON: Here's the thing, though, so you understand where I'm coming from. Four years ago the Liberal Party campaigned on a promise of a doctor for every Nova Scotian; everyone knows about that promise. Through Public Accounts - the Department of Health and Wellness has been here numerous times, the new Health Authority has been here numerous times - I've always been trying to understand if anyone thought about that. I don't think they thought about it. I think somebody in the Premier's Office said do you know what, that's an emotional topic for people - let's put something out there. Let's say a doctor for every Nova Scotian.

I've had the Department of Health and Wellness here and asked them, how many doctors would it take to have a doctor for every Nova Scotian? We don't know. How many people would we need? We don't know. There was nothing behind it. It was an emotional, political promise.

Now, flash forward four years, I'm just asking, the minister put a number out there of \$25 million. My sense right now, after this long discussion: an emotional promise, nothing behind it. That's what I feel right now so that's why I'm asking, can you show me where the \$25 million came from? If you can't show me where \$25 million came from, it's like a doctor for every Nova Scotian. It's a magic number, it's something to say, that's what I feel like. There's an opportunity here to make me feel better about the \$25 million, but if there's no math, then it's just a number.

MR. CROOKS: There is math. I've gone through some of the math with you. What you're saying is, if you can't show me a list of the specific programs or things that are going to add up to \$25 million now, then this is not achievable. With respect . . .

MR. HOUSTON: Is the math as simple as, \$25 million is a part of \$225 million, whatever that is - 10 per cent I guess? That's what we've identified we can achieve, 10 per cent of \$225 million. Is that what we're talking about here when \$25 million comes up?

MR. CROOKS: Yes. The preliminary consultations with departments, the work that we've done to date - we know that we have six or seven initiatives we've achieved over the last year or so, \$2.2 million in Nova Scotia alone in reductions. That \$2.2 million is probably 10 per cent to 20 per cent. Again, we don't have the resources to cost everything that has been done, but we believe the number is actually much larger than \$2.2 million.

The experience of the first two years tells us, along with international best practice, what has been achieved in jurisdictions that have done this, and the information we have from CFIB and others and our own research to quantify the size of the burden, we're saying \$25 million is achievable. Additionally, it's not a bald promise - in other words, that \$25 million will be there, trust us. This is something that will need to be measured and will be

measured using the costing tool that our stakeholders and public servants have said they have confidence in to provide numbers that they think are reasonable.

I can't make any comment on the doctors. But I can tell you this: this is based on my advice. This program is based on my advice. I'm going to be happy, and I fully expect to come here or anywhere else, as we carry through this program, to demonstrate the math based on our costing tool of the reductions that have been achieved. I'm not a pulling-a-number-out-of-the-air kind of person. I'm accountable for this number, frankly. That's clear. I have every intention of delivering it, and I believe we can. It's realistic.

MR. CHAIRMAN: The time has expired. We will move to the NDP caucus and Mr. Wilson for 20 minutes.

HON. DAVID WILSON: Thank you. I would assume you would consider your office arm's length from government. Are you able to talk freely, to criticize or speak up, when you see the government bring forward changes to regulation or a policy change that may create more barriers? I know eliminating ". . . barriers on new or existing regulation and service to enhance economic opportunities" is kind of your mandate. Do you have that freedom to criticize, to speak up, if you see something that the government is doing that kind of goes against the mandate that has been established for the office?

MR. CROOKS: We have a kind of dual role. One of the things that was very important to me at the outset was that it was initially thought that we might be part of a department of government, the Department of Business. I felt very strongly that in fact we should be stand-alone because if we're evaluating things that are being initiated in departments, we should stand apart. The other thing is, we're a small group, and we could easily get overwhelmed with the management processes that exist in larger organizations.

So we are stand-alone and as a result of that, I believe we have a very strong relationship and level of candour with our external stakeholders that might be harder for other departments to achieve. In general, yes, I think the expectation is that the office was established by the government, as I understand it, because the government was not satisfied with the state of regulation and the burden that businesses are experiencing. We are completely free to identify, in general terms, the things that we think are standing in the way of ease of commerce, or might stand in the way if proposed.

Now having said that though, I've got to say this, we also are in a position where we provide advice to ministers and the Cabinet on specific proposals. That advice is candid and it's direct and it's based on the Charter of Principles and it's based on cost.

MR. DAVID WILSON: So if you did have some concerns, would you do that in a public manner, or is it just bring it up to the minister? I look at your office similar to the Auditor General's Office, right? The review that's going on, they make recommendations but of course they have a method of reporting that to this committee. So do you do that in any kind of public forum or would you do it in a public forum?

MR. CROOKS: Well, for example, we're in a different place on the continuum of independence and removal from government than the Auditor General's Office. We're not set up nor do we have that measure of independence or the responsibilities to publish our observations in the same way. The reason for that is we are advisors to government, some of our advice would be within the bounds of Cabinet confidentiality.

But, at the same time, we do have an obligation under our Statute to make an annual report. If the annual report says - I can tell you this, that if in a given year the quantity of regulation burden has gone up as opposed to going down, in our estimate and opinion, that's exactly what we'll be saying.

Now it might not be convenient but from the point of view of our office and I think the concept of our office is that if this is going to work in the long term, this has to have some credibility, based on measurement and based on our saying independently that we believe, even though we may not be able to talk about specific programs where we're giving advice to Cabinet or a minister, globally this is going in the wrong direction. So we're removed in that sense, but I wouldn't want to compare ourselves to the Office of the Auditor General.

MR. DAVID WILSON: I don't think anybody can be compared to the Office of the Auditor General. (Laughter) I appreciate that because I think some of the frustrations my colleague has just mentioned are that yes, okay, the current government set up the office but I can't predict the future but they're not going to be in government forever. I hope that the office continues on to make sure that they hold to account whoever is in power, on reducing barriers and red tape. As my colleague said, every government in the past knows that has been a challenge for businesses, especially small businesses, in our community and our province.

I'm going to go into an area where I don't think too many people kind of connect the dots on what goes on and how they contribute to the economy of our province, and I want to ask a few questions on if you've had any engagement on this issue. That's around family physicians who many years ago set up the system to really control their overhead, control where and how they practise. Really ultimately they are a small business. They hire clerical staff, they hire professional staff, they hire cleaners, they rent spaces in communities, they own buildings, they rent out buildings and on and on. They contribute to the economy.

In the last few years, in my opinion, there have been some barriers put in place that limit the ability for a physician to set up a practice wherever they want in this province. Of course I'm talking about the ability to get privileges and a licence to do what family physicians do. Have you had any discussion, have you been involved at all in the changes recently in policy that require additional approval from the Nova Scotia Health Authority for physicians to set up practices? We've seen now, especially more recently, pharmacists who want to expand or are willing to go and get that physician and they've been denied,

long-term care facilities, other physicians who want to expand their practice. That contributes to our economy, especially in rural communities.

Have you had any discussion on those barriers that are being placed on physicians currently? If you have, could you elaborate a little bit on that?

MR. CROOKS: I can say straight up that no, we have not been involved in that. This is the first time I'm thinking about this as a regulatory issue and it's an interesting one. I'm going to have to take that away but take it away with note - thank you.

MR. DAVID WILSON: I appreciate the answer. I mean if you look at the impact, there is an impact, so I'll have discussions on the other and maybe the physicians haven't thought about it and they have another tool to hopefully tear down some of the barriers. I appreciate the answer.

Of course, the current government early on in their mandate ordered a tax and regulatory review a few years back. That review was headed up by a former Liberal Cabinet Minister who is now appointed to the head of Nova Scotia Business Inc. That report made a number of recommendations around regulations. I'm just wondering, has anything been done with that report? Has your office gone over it? Have there been any changes coming out of that report? I wonder if you could have a response to that.

MR. CROOKS: Sure, absolutely. Mr. Chairman, we knew that the report provided a lot of the context and rationale for the creation of the office so we've been keeping a very close eye on it and on the recommendations. Again, it's hard to quantify it but I would say that at this stage we have accomplished about 80 per cent of the recommendations in the report. The balance is things that are either on our agenda for the coming year or things that are sort of outside the mandate of our office. For example, some of the recommendations have to do with digitized service arrangements and dealing with forms that are being worked on. It's not that the points aren't being worked on but they're being worked on in places like Service Nova Scotia, Internal Services, and Communications Nova Scotia.

We track this pretty closely. We'd be happy to share and we've prepared a bit of a format comparing the recommendations that were made in the Broten report with what we've done and where they lead. If that's something that we could furnish to the committee . . .

MR. DAVID WILSON: I don't know if you've watched Public Accounts Committee but normally that's - you've just answered my second question which would be, could you provide the committee with that kind of flow chart?

MR. CROOKS: Sure, absolutely, happy to do that.



MR. DAVID WILSON: Do you recall the cost of that report? It was significant, I think it was about \$150,000.

MR. CROOKS: I don't, to be honest.

MR. DAVID WILSON: Have you been instructed not to move in changing some of the recommendations by the deputy, the minister, the government at all? Or have you been just looking at the report and moving forward with it?

MR. CROOKS: I'm a deputy in my area, despite the odd title, and I report to the Premier. One thing I can say is I've had no instructions about Broten or anything else, in terms of delimiting what I can look at or what I should look at.

MR. DAVID WILSON: Okay, thank you. Another area that is going to be upon us quite quickly is the legalization of cannabis. We had a federal government that campaigned heavily on moving forward with legalizing it. What I see happening now is legislative change federally and pretty much the Prime Minister and the government kind of wiping their hands and saying provinces, territories, now it's your go. I see this as a nightmare around regulatory requirements.

What work has been done in the province and have you been engaged in that work? I think we're just over a year away from potentially having to have this up and running in our province. Has there been any work and can you give us some details on what that work entails?

MR. CROOKS: We have been engaged. It's early days and the driver on this is the Department of Justice but there's a cross-departmental group that we're pleased to be part of. Again, our main focus is, is the regulatory regime the most streamlined that we can have and does it impose the least cost to business? We're engaged and really that's as much as I can tell you at this stage.

MR. DAVID WILSON: Would distribution of cannabis through the Nova Scotia Liquor Corporation make the most sense? They're pretty much doing that with another substance right now so there are many rules in place, there's regulations in place, there's a system of distribution in place. Do you have a comment on if that would be potentially the easiest way for us to ensure that there is control?

I think some of the concerns we hear out there are how this is going to be controlled to make sure that it doesn't get into the hands of young people. I think there's a huge marketing campaign on the negative effects on young people using cannabis. Could you comment on that? Would that be, I think, the most appropriate way to get us to the point where in a year and two months from now we, as a province, are going to have to allow or have cannabis available to the citizens of our province?

MR. CROOKS: Thank you for the question. As I mentioned, we stay away from the policy content of this and it's a mixed policy in process, but the main thing I would say is that I'm not well-informed enough on that issue to be able to give you a meaningful or even maybe a sensible answer so I'm going to pass on that. I expect that will be among the questions that will be considered, given that the provinces have responsibility for distribution and sale.

One thing I will say, which could bear on what structure is adopted, is that there is some sign that the Atlantic Provinces are interested, as much as possible, in aligning an approach. Now whether that will happen, how far that will go, it remains to be seen but that's a principle that we feel very strongly about. I'm sorry I can't be more responsive to your question.

MR. DAVID WILSON: I appreciate the openness and being clear on that. I do hope that is an area the government will look at. I would think it's relevant to have your office involved in this because I do see the need for very strong regulations, and it's not like you're taking it away from businesses now, it's going to be a new type of thing. Anyway, I appreciate that.

Another area that I know more recently we heard from some business owners was in the Law Amendments Committee around the Accessibility Act. We know that some business owners talked about the regulations required to achieve accessibility as potentially burdensome - that's their definition, not mine. Yet those in the community who have been working hard to bring forward legislation want to ensure that human rights are affordable to all people, no matter what their disability is and that we shouldn't be looking at this as a barrier or red tape for businesses.

How do you define the balance here? Have you been involved in the discussion? Are you supportive of the government and the move towards ensuring that basic human rights of people with disabilities are met and that the legislation should be strong, and this is not an area where we should be saying we shouldn't have these barriers in place - I guess "barriers" would be the wrong term. We shouldn't be looking upon this as red tape when it comes to businesses surely just because of the human rights of people with disabilities.

MR. CROOKS: I want to be responsive to your question, but a couple of things. Yes, our office was consulted and provided advice which would be within the bounds of Cabinet confidentiality, so I really can't get into the nature of that advice.

It's safe to say that our focus - again, I don't want to whip a dead horse here - is really the charter principles and process and potential cost to business as opposed to a policy point of view - is this a good thing, are these admirable objectives, and that sort of thing. We really are neutral on the policy objective. That's about as much as I can respond. I'm sorry. We're not having much luck in terms of me responding to some of your questions, but that's consistent with our role here.

MR. DAVID WILSON: Thank you.

MR. CHAIRMAN: We'll now move to the Liberal caucus. Ms. Lohnes-Croft.

MS. SUZANNE LOHNES-CROFT: Good morning. Thank you for being here. I'm learning more about your office. I was interested to see that you are using the Broten report, so it's not one of these government reports that are sitting on a shelf getting dusty, and you are going to submit how you are balancing out. Can you give me a little bit more detail about how you are using the Broten report?

MR. CROOKS: Absolutely. I'm going to ask my colleague Leanne, who has been tracking this very closely to respond to that - if you don't mind, Leanne.

MR. CHAIRMAN: Ms. Hachey.

MS. LEANNE HACHEY: I'll preface my response by saying that we did follow the Broten report very closely. What's interesting about the report itself is that it highlights a path forward to try and avoid the failure or lack of sustainability of past initiatives. As one of the members had stated, past initiatives haven't always had the staying power for lots of different reasons.

What the Broten report outlined was those things that could be a difference-maker to ensure that this particular effort is sustained over time and does have the impact and the results and the feelability of the business community that past efforts may not have. Some of the recommendations that were made in that report include things like having a stand-alone office where previous efforts have not had a stand-alone office. They talked about leadership from the very top. The office does have leadership from the very top, and that's across all departments as well.

It talked about the importance of focusing on measurement. As my colleague Mr. Crooks has mentioned, we've developed a business impact assessment tool so we can measure the cost and savings of regulatory proposals. It talked about ensuring that initiative on regulatory reform had a focus on service, understanding that lack of service effectiveness does place a burden on businesses of all sizes. It talked about taking a regional approach to regulatory reform, so it not just being Nova Scotia doing it on its own but getting the benefits of economies of scale across the region. It talked about setting targets. We have a \$25 million target which we have every intention of accomplishing.

It talked about outlining principles, having some vision for what a good regulatory environment looks like for Nova Scotia. As Mr. Crooks has mentioned, those principles have been adopted not just in Nova Scotia but across the four Atlantic Provinces, and that's unique across the country when it comes to regulatory reform. As well, the Broten report talked about the importance of enshrining some of those principles in legislation. As you may know, Nova Scotia has its first ever regulatory accountability reporting Act. Again,

that's not just a piece of legislation here in Nova Scotia; there is mirror legislation across the four Atlantic Provinces.

All of those pieces outlined in the recommendations of the Broten report have been implemented by our office.

MS. LOHNES-CROFT: Great, so have you been a difference maker?

MS. HACHEY: I would like to think that we're making a difference. I certainly wouldn't be in my role, nor would any of my colleagues in our very small office be in our role, if we didn't think that we were making a difference.

We do understand that the burden of regulation is felt in many places. I should say, too, it's not just the province that owns that burden. There are different levels of government that own the burden and there are self-regulating bodies that own the burden, but for our piece that we own, as Fred mentioned, I think many in the business community would say as well, we are making a difference.

Is it fast enough? Is it enough? Does it satisfy us? Absolutely not. We very much see the regulatory system and its improvement as a significant economic lever. APEC outlined in spades how big that lever is. So yes, we are making a difference, there is much more difference to be made.

MS. LOHNES-CROFT: You're a stand-alone office. Why not just be part of the Department of Business? Why are you a separate office, a separate deputy minister? Why has that happened?

MR. CROOKS: I guess for a number of reasons I felt that was important. Best practice - whether in the U.K., in other parts of Europe, and elsewhere - for an office like ours, which is really cutting against the grain of much of government and I don't think there's any better way to describe it, for an office like ours to be effective on a sustained basis it really needs leadership from the top. I was convinced that this was an office that really needed to report to the Premier. That's one thing.

Secondly, by definition, we wanted a small office. We're few in number and frankly, in a larger organization, private sector or public sector, it's very easy to get swept up in the job of day-to-day management of a department or an agency.

We knew, again from best practice and our own instincts, that we're operating across a pretty broad field here to try to make a difference and if we were going to make a difference, we were going to have to really be intensely focused on a narrow set of objectives, especially given how short a time we have to achieve them.

Our judgment was, taking all that into consideration, we really did need to be a separate and stand-alone office. It is, I think, what commissioner Broten recommended.

Based on experience, I think it has been borne out to have been the right call, not only by us but by the departments that we're working with because it hasn't gotten in the way of having a good dialogue and good relationship with the departments, but there is a distance there. They know we've got a job to do, which is cross-governmental, and I think they understand a little better than if we had been an add-on somewhere else, how central this mandate is, or our mandate, to the government's business and economic priorities.

MS. LOHNES-CROFT: You report to the Premier - is that weekly? Does he call you up and ask you for a report? How much reporting to the Premier do you actually do?

MR. CROOKS: I would start by saying that the Premier, frankly when he appointed me - and this was of interest to me and his approach - was that if we're going to do this we have to have latitude and we've got to have the ability to do and say some things to identify our priorities, based on the advice of external stakeholders, not simply based on what internal analysis might suggest. That's why we look to people like APEC and others to help set our priorities, and to do and say some things that may not - how can I put it - things that might typically come out of an operational department, so lots of latitude. I am in touch with the Premier and the Deputy Minister to the Premier probably once a month.

MS. LOHNES-CROFT: Okay, good. So you have a five-year mandate.

MR. CROOKS: Yes. Actually we have a five-year mandate, at the three-year point we've got to do a review of the office.

MS. LOHNES-CROFT: When would that be?

MR. CROOKS: That will be in 2018.

MS. LOHNES-CROFT: And the \$25 million target?

MR. CROOKS: Right.

MS. LOHNES-CROFT: Okay, so do you have a draft timeline?

MR. CROOKS: A timeline for?

MS. LOHNES-CROFT: For getting your work done. I mean if it ceases at five years, what do you hope to have accomplished within those five years? You may get an extension, you may not.

MR. CROOKS: Right. If there's no extension, so you're looking at what has been accomplished in five years and what we would aspire to accomplish in five years. First of all, getting a charter of principles adopted across the region, a common approach to regulatory principles is an important thing. That would be enduring, we would hope.

We would hope that the process that we've embedded for the business impact assessment in Nova Scotia and the costing tool would be embedded and utilized by departments as a matter of practice on an ongoing basis without us. That we made sure to do this, to add that process onto what departments do in a way that they'll be able to deal with it and won't need us necessarily to be involved.

We would like to see even more progress on regional initiatives and perhaps by that time maybe some sort of more formal regional body to drive regulatory reform across the Atlantic Region because with the adoption or the pending adoption of the Agreement on Internal Trade nationally, the opportunity for Atlantic Canada is significant to drive that agenda, that bring-the-barriers-down agenda very hard because Atlantic Canada benefits from internal trade liberalization at twice the rate as the rest of the country, because of the significance of trade.

We'd like to make sure that we've got our strong place at the table for the national agenda and hopefully our Business Navigator service - that pilot ends this year. If it produces results and demonstrates that in fact this is a material help to businesses, then that's something we would hope might continue.

If we really bear down on it, if the five-year term is it, we'd love to leave a more rigorous process focused on costs to business in the regulatory review process provincially, we'd like to have a robust program regionally that we could leave, and we'd like to have enhanced service to regulated business programs. In the broadest possible terms that would be our hope.

MS. LOHNES-CROFT: A couple of times you've mentioned stakeholders, who are your stakeholders?

MR. CROOKS: Leanne is the Executive Director of Stakeholder Engagement. Leanne works closely with them.

MS. HACHEY: The business community essentially is a primary stakeholder; however we also engage semi-regularly with the labour community as well. So stakeholders would be: business associations, business owners, industry associations, and in all parts of the province as well, so chambers of commerce, which include regional bodies such as the Atlantic Chamber of Commerce and then local chambers of commerce - the Halifax Chamber of Commerce, the Pictou County Chamber of Commerce, the Truro and Colchester Chamber of Commerce, Strait Area Chamber of Commerce, all of those groups.

We are in regular contact with our stakeholders because what we know from past initiatives is that you really do need the ongoing input and support of the business community if we are going to make a difference and if they are going to feel the difference.

We feel extremely fortunate for the stakeholder group that we've built. In fact in our annual report, our first annual report in June 2016, one of the things we made a point of mentioning is that the annual report wasn't ours alone - it is everyone's. That's how much the business community has been involved in our work.

MS. LOHNES-CROFT: One of the questions I get as an MLA, and a lot of it surrounds the National Building Code of Canada and how it affects businesses especially. I come from and I represent two communities that are very much heritage communities and there's a lot of regulations around maintaining your heritage status. We have businesses wanting to open up but they call the red tape - the accessible washrooms, sometimes they can't put a ramp in because of defacing a building or just not having the room. Some of these buildings don't even have a driveway.

Are you part of that, trying to resolve this so that we do have accessibility for our citizens? This is federal legislation. I find it very complicated. Municipalities are left to deal with - I call it the fallout - because they are the ones that have to issue the permits to the business owners, yet it's a federal regulation. Do you have anything to do with this?

MR. CROOKS: Not a whole lot, in the sense that the National Building Code, as you indicated, is a technical document. There's a huge sort of national process for developing those standards, which includes a lot of consultation with the development community and others and to an extent it has regional variations that are usually based on climate differences and things like that.

I think what you're getting at, when Nova Scotia looks to adopt its version of the National Building Code or updated it recently, we were certainly asked because it was regulatory to have a look at it. Our main focus was look, are there things in there that add to what may be necessary, in terms of the general principles that are a national standard. We were satisfied they weren't. It's really important to have a national standard for this purpose. There's a fairly limited latitude for altering the National Building Code itself. There's a defined process for doing it, it's a national process, and so on.

I think a lot of the things you're getting at are things that arise out of not necessarily just the Building Code but municipal regulation. That's an area that even though it's not directly within our mandate and area of responsibility at this stage, it's an area where we've been working because we understand - businesses kind of generally understand that there's federal, provincial and municipal regulation but they're just trying to deal with regulation. So the primary issue for them is not who it is. The primary issue for them is, how am I constrained?

What we've been doing, we realize that to be at all successful in our office, we can't focus exclusively on provincial regulation. We've got to be working with our federal and municipal partners to make the experience seamless - particularly for people who are looking for help through our navigation service, for example - so we don't end up just

saying oh, that's federal, you've got to go talk to the feds, or that's municipal, you've got to go talk to the local council. We're trying to sort of make the experience more seamless.

As you may know, we've also got a partnership that we've entered into with HRM which includes an advisory group that is intended to address issues of red tape at the municipal level and to do that together, recognizing that again there are areas of overlap and conflict between provincial and municipal regulation. We want to minimize that as much as we can.

MS. LOHNES-CROFT: Do you think you could expand that program to rural Nova Scotia? Is that a possibility?

MR. CROOKS: Yes, we've started with Halifax. Halifax had a particular interest in this and we wanted to respond to that. For example, we've recently had a conversation with the Union of Nova Scotia Municipalities about exactly that. So yes, again we've got to be mindful that there's only so many of us and we don't want to be going out and saying look, if we had only 15 or 20 more people we could probably do this and that but we want to keep to . . .

MS. LOHNES-CROFT: I want to move on; I have only two minutes left. I want to talk about your regional initiatives because I see the Premier make announcements. He goes and meets with the regional Premiers and they've made announcements regarding regulatory issues.

Obviously that doesn't happen in a one-day meeting so your department must go in there and do some groundwork before these meetings take place. What is the process, what happens? What is your role?

MR. CROOKS: I might ask Ms. Hachey to respond.

MS. HACHEY: Thank you for the question. Just coming back to the Broten report and even the One Nova Scotia report, those two reports talked about the importance of four very small provinces working together to get economies of scale and to make it easier for businesses to gain access to new markets.

The report by the Atlantic Provinces Economic Council said very clearly that our four small provinces are more dependent on internal trade than anywhere else in the country. Yet it is more costly for businesses within our four provinces to trade interprovincially because we are very small and fragmented.

To give you an illustration, take a business in Lunenburg. If one of your constituents wanted to access the . . .



MR. CHAIRMAN: Order. I'm sorry, the time has expired for that round but if you wish to add your answer on at the next opportunity you can do that, if the member wishes, at the next round.

We'll move back to Mr. Houston, the PC caucus for 12 minutes.

MR. HOUSTON: Has your office been involved in any labour negotiations? Have you advised the Premier on labour negotiations with teachers or any other party?

MR. CROOKS: No, not our office.

MR. HOUSTON: Have you, in your capacity, personally provided some advice?

MR. CROOKS: Other than run into people in the hall and have conversations, no. I have no formal involvement in the labour file at all.

MR. HOUSTON: Okay, thank you. In October 2015, the Nova Scotia Government amended weight and dimension regulations for commercial vehicles and indicated it was signing a memorandum that would bring Nova Scotia regulations in line with most other jurisdictions. Was that memorandum actually signed? Has there been a memorandum signed?

MR. CROOKS: I'm not 100 per cent sure if I'm clear about the document that you mentioned.

MS. HACHEY: I think what you may be referring to is the memorandum of understanding that was signed between Ontario, Quebec, New Brunswick and Nova Scotia to align their weights and dimensions, to make long-combination vehicles move more freely and less costly - yes.

MR. HOUSTON: Is it done? Or was it a concept of something that we'd be working towards? It sounds like it was signed, was it?

MS. HACHEY: I think it was the Department of Transportation and Infrastructure Renewal that led that so they would really be the ones to answer that question.

MR. HOUSTON: Because it predates your office, I guess.

MS. HACHEY: The one that I'm thinking of was signed, I think, in the Fall of 2016, or it was announced in the Fall of 2016.

MR. CROOKS: We'll follow up on that to make sure we're talking about this. It's just a question of making sure we're clear on which document.

MR. HOUSTON: Okay. In 2014 the Builders' Lien Act was amended. This was an amendment you might be familiar with, it has to do with publishing of the substantial completion dates. There's a lot of frustration in the construction industry of, has it been substantially completed, can I get my pay?

The idea behind the Act was that it would be a central place they could go and look at a website and see okay, that project is substantially complete, I'm due my money. It's a very significant thing to people in that industry.

The Act passed the Legislature. To my knowledge it was never proclaimed. Are you familiar with this situation?

MR. CROOKS: Yes, we are familiar with it and we have given advice on it. But again, on the basis of advice to a minister, I really can't get into it but we are familiar with it.

MR. HOUSTON: Let me ask you, has it been proclaimed? Have the amendments been proclaimed?

MR. CROOKS: To be honest with you, I don't recall whether it was a matter of the amendments being proclaimed or the regulations being adopted. I can't say for sure yes or no. My recollection is that it was more how it was going to be implemented and the regulatory regime.

MR. HOUSTON: Okay, so your office is aware of it, presumably, in an official capacity.

MR. CROOKS: Yes, we are.

MR. HOUSTON: People in the industry are probably pretty upset that it hasn't happened.

MR. CROOKS: We've spoken with people in the industry about it, and yes, we are aware of it.

MR. HOUSTON: I'm just trying to understand. It gets passed through the Legislature, probably in an all-night sitting. Maybe it was a big emergency for this government to pass it at the time. Maybe we had to sit for 24 hours. Now here we are three years later, and it's not proclaimed.

Would that fall under the category of regulatory concerns for your office? That seems bizarre to me, that you pass a piece of legislation and then just sit on it. I don't understand why they would do that.

MR. CROOKS: I don't know, to be honest with you, the answer to that question.

MR. HOUSTON: But you just know that it hasn't been proclaimed, and you know that industry . . .

MR. CROOKS: I know there's an issue.

MR. HOUSTON: . . . and the industry has a lot of angst over it.

MR. CROOKS: Yes, I know that. We've given advice on it, yes. I know those things.

MR. HOUSTON: Okay, but you can't say whether the advice was as simple as, you should really proclaim this. You shouldn't dangle industry along for three years on something.

MR. CROOKS: I think it would go beyond what I can legitimately discuss here.

MR. HOUSTON: I don't know. Presumably, I can ask your opinion on legislation being passed in the Legislature and then three years later not being proclaimed yet. Do you have a general opinion on that?

MR. CROOKS: I would have thought it depends on the circumstances. I'm not talking about this case, but the concept of passing legislation and not proclaiming it is not unheard of, obviously. It may be that there is a second thought. The power to reserve on proclamation is there for a reason, which is the government presumably wants to have the ability to withhold implementation until such time as the circumstances are right, and maybe the circumstances change.

MR. HOUSTON: This would speak to the very high level of dissatisfaction that business owners feel with government. It would speak exactly to a business owner's ability, and Nova Scotians' ability, to trust government. It has been passed in the Legislature. If they don't want to proclaim it - it's terrible to string a whole entire industry along for that amount of time. Maybe we'll leave it at that.

I would say it's Exhibit A, B, or C, but I'll probably be down to Exhibit X, Y, or Z as to this government not thinking things through. That's the only way you would pass a piece of legislation and not proclaim it for three years, because you didn't think it through to begin with. I don't think that would surprise many Nova Scotians. It's probably just what happened again here.

I'm glad to hear that your office is aware of it. I know the industry is anxious for these things to be proclaimed. May you can use some of the power of your office to bring it to a head one way or the other. Either we're going to proclaim it, or we're not. It's completely incompetent, the situation that exists with that.

I will ask if you are familiar with the situation around permits for moving things on the highways, large buildings and stuff like that. I'm going to ask very specifically about the process to get a permit to move a construction crane from point A to point B. That's something that I hear about. It can take weeks to get a permit. Sometimes when you're trying to move something, you don't really have time to wait weeks.

Then it gets even more humorous - it would be humorous if it wasn't so damaging to our economy - because if you get a permit to move it there and move it back, but the job takes a little bit longer, and you can't move it on the same day, you're back into the process of weeks to move your crane. This is the kind of common sense stuff that people would like to see addressed.

MR. CROOKS: Absolutely and thank you for the question. It's something that we're aware of and have been working on, at least in the area of oversized vehicles and permitting and particularly getting coordination between Nova Scotia and New Brunswick in those areas. Ms. Hachey is probably better able to identify where that is at the moment.

MS. HACHEY: Unfortunately I don't have any additional information on that one. Mr. Crooks is right, we have been looking at the over-dimension permitting between New Brunswick and Nova Scotia, in terms of some of the common sense things that the business community has brought to our attention. There would also be areas that we have done work on such as aligning the minimum wage amongst the three Maritime Provinces, aligning recordkeeping amongst the three Maritime Provinces, ensuring that common solicitation documents so that a business that bids to the Nova Scotia Government has the forms with the same look and feel as those in New Brunswick and P.E.I.

MR. HOUSTON: Would it be fair to say that specific issues like this are kind of down in the weeds and you never got down in the weeds yet in your mandate? Would that be fair?

MR. CROOKS: I'd say we're down in the weeds. This is an issue that concerns us. This is a live issue and quite frankly, to be very straight-up with you - when I go back to the office I'm going to make a phone call to find out where that is. We've had several conversations about it. I know there's a recognition in the Department of Transportation and Infrastructure Renewal, that this is something that I know the deputy is very focused on and wants to address.

We've heard it. We've talked to a number of stakeholders about it. Frankly, in terms of my answer this morning, it doesn't do the committee much good.

MR. HOUSTON: Let's see if you can update the committee, that would be fine.

MR. CROOKS: I'd be happy to do that.

MR. HOUSTON: I accept that, I appreciate that.

The Atlantic Provinces Economic Council said if red tape can be reduced by 10 per cent, it could increase the GDP of Atlantic Canada by \$1 billion - that's the Atlantic.

MR. CROOKS: Actually that's only the Maritime. That was before . . .

MR. HOUSTON: Can you fine tune that a little more? What's the Nova Scotia number? Do you have a sense of what the Nova Scotia is? You mentioned the red tape in the province could be \$200 million - that's the cost of red tape but what's the positive impact of that if we can reduce red tape? Now we're talking about the increase in economic activity. It might not be something that's looked at so I'm just curious if it is.

MR. CROOKS: I don't know that they break it down in their report but I'm sure it is. I'm sure that number is available and I'd be happy to - I don't have that off the top of my head, Mr. Houston.

MR. HOUSTON: The \$25 million target for red tape reduction, so you wouldn't have the corresponding side of well if we can achieve this target and reduce red tape by \$25 million, we're probably going to increase GDP by X dollars. It might not be something that was looked at.

MR. CROOKS: It wasn't looked at, to be honest with you, but we can ask the question. APEC has done it at a very macro level; trying to link specific measures at the more micro level to changes in GDP is pretty tough science for people. I am open to at least seeing is there, over the long haul, a principle here that will allow us because frankly, we'd love it if we could show . . .

MR. HOUSTON: So you would say, would it just . . .

MR. CHAIRMAN: Order. I'm sorry, time has expired. We'll move to the NDP caucus and Mr. Wilson.

MR. DAVID WILSON: I don't know if I've seen it in some of the information that was provided to us but just for the committee's knowledge, what's the annual cost to taxpayers for the office? What's the annual budget?

MR. CROOKS: It's \$1.6 million.

MR. DAVID WILSON: I know I probably won't get the answer to this, but did you request an increase in the budget that we'll see next Thursday?

MR. CROOKS: I'm a novice to government, but one thing I'm under strict instructions about is not talking about anything to do with the budget, which I guess makes sense.

MR. DAVID WILSON: I'll keep trying. I know that we'll have to wait a week.

MR. CROOKS: I will say this, that \$1.6 million annualized in the year past doesn't include the cost of the navigation pilot, so I think the navigation pilot for that period of time, which came into effect January 1<sup>st</sup>, was something in the order of \$100,000 but I'd have to check that number.

MR. DAVID WILSON: How many FTEs do you have?

MR. CROOKS: We have eight sort of permanent FTEs and while this pilot - this pilot is a one-year pilot, there are four FTEs associated with that pilot. The pilot is one year and if the pilot stops at the pilot, that's it.

MR. DAVID WILSON: Four in the navigation pilot - and that's one year, is that January to January?

MR. CROOKS: Right.

MR. DAVID WILSON: If it was going to be continued, then we may see that in the upcoming budget - you have to address it, right?

MR. CROOKS: If it was going to be continued beyond the end of January, well the only thing and again, I'm getting - I don't know what's in the budget, to be honest with you, but I can say this, we're gathering data on the pilot and we will be until probably September/October. That's the point at which we would be making a decision as to whether the pilot should continue.

MR. DAVID WILSON: That's fair. In your first annual report, I know that reading through the news release from CNS, you indicated that in the year ahead the office will focus on introducing measurements and target settings to reduce regulatory burdens on services and improvements around regulations, wouldn't those measurements and the targets have been something that would have been there at the outset, like at the start of the office? Could you maybe clarify that statement?

MR. CROOKS: It's a good question. When we started, we had no baseline, really. What we decided to do is to say okay, the first thing we need - we know that some form of measurement is key to accountability and there are a variety of measurement tools. Different jurisdictions do it different ways. Some jurisdictions count regulations and say we're going to reduce the count by X per cent; some jurisdictions have the Public Service prepare estimates of what they believe are the hours spent on compliance and then produce an estimate that way.

We thought the most meaningful thing to do was to choose a method which both our stakeholders and the Public Service thought was a reliable model for estimating cost to businesses through the introduction of a new regulation.

We had to spend some time getting that design. That took a fair amount of time to get that design but that was key infrastructure. That was, number one, deciding what the measure should be; in other words, dollars, not numbers of regulations to be counted, not numbers of hours estimated by the Public Service, but dollars actually incurred - or estimated to be incurred rather - by businesses, based in part on business input. That's kind of the measure.

Now the target was something, getting to the target - the target was announced at \$25 million in reduction by the Minister of Finance and Treasury Board - getting to the target took some time. We wanted the benefit of some experience in the job in actually doing reductions. We wanted to see what kind of pace we could reasonably expect to achieve in terms of doing reductions, where are the sort of biggest opportunities, what do our stakeholders identify and consider to be the main pain points.

Putting that all together we got to the point where we were comfortable making a recommendation as to both what an appropriate measurement would be, which is dollars of estimated cost, and a target of \$25 million, which is what has been - so I know what you mean, wouldn't you start with a - but we thought there was some underlying preparatory work and some analytical work that needed to be done in the first year to put us in a position to do something that would be . . .

MR. DAVID WILSON: Will we see more of a list in the update in June to support the \$25 million target?

MR. CROOKS: Yes.

MR. DAVID WILSON: What's the relationship or dialogue with municipalities around the province? They have their own rules, bylaws, permits, permit requirements. I know there is often duplication. What kind of dialogue or relationship do you have with municipalities around Nova Scotia?

MR. CROOKS: I would say strong, but we've got more work to do. Strong and aligned, I would say, in HRM and evolving through UNSM with the other municipalities. We have not had any pushback. I think what we've heard from some municipalities outside Halifax is, how do we sign on because we would like to participate? So we're following up on that. The attitude is not, okay, that's the province doing this, and we want to do our own thing - not at all. There's support in some of those municipalities on the part of the local chambers with their work because we've got strong relationships with the local chambers. I think the perception is good. The feeling is good. We want to strengthen the relationship. We want to expand our reach. It's positive, I would say.

The other part of this we haven't really looked at. I know you didn't ask about this, but there are two aspects of municipal regulation that we can focus on. One is how we can work together with existing provincial and municipal regulations to make them more seamless. The other thing is, does provincial regulation hamstring municipalities in some

areas where, if they were freed up, they could do more in terms of promoting the local businesses? That's something else that we're thinking about.

MR. DAVID WILSON: Are you compiling duplicate regulations? Are you identifying them? If not, why not? If so, how are you dealing with the municipalities? Are you trying to come to an understanding that one of the parties stands down or backs away and allows the other to continue? Have you done that?

MR. CROOKS: No, to be honest with you, we haven't compiled lists of duplicate regulations. In fact, we've got a five-year mandate with a three-year evaluation point. I can safely say, looking at the experience in other jurisdictions, that a body like our office - if the four Atlantic Provinces and the municipalities, if this became sustained and serious - there's 15 or 20 years of work here to get to that level where we're eliminating every area of duplication. I think instead what we're focused on at the start of the relationship is recognizing that service is a big part of regulatory burden, are we handling our business customers in a coordinated way so that we're saving them time, which in turn can be measured in terms of reduction of burden? That's our starting point.

It's the same as the total provincial burden. We haven't costed the total provincial burden. We want to, but it's a major exercise. Britain spent I think £20 billion doing that in the United Kingdom. Europe spent more than that again. Not to apologize for not getting on with some of these things, the other thing we're trying to balance here is getting the right work priorities but not inventing something that's so big in scope in terms of the bureaucracy that it's more expensive than is sensible for a jurisdiction the size of Nova Scotia.

MR. CHAIRMAN: Thank you, Mr. Wilson. We'll move back to the Liberal caucus and Ms. Lohnes-Croft.

MS. LOHNES-CROFT: I would like to go back to Ms. Hachey to talk a little bit more about the regional initiatives. We were sort of cut off there but I'd like to hear more about that. You were about to give us an example. I just want to know, the apprenticeship qualifications for the banking hours and whatnot, is that all part of your work too?

MS. HACHEY: That specific piece was done by the Apprenticeship Agency.

MS. LOHNES-CROFT: Through Labour and Advanced Education, so it had nothing to do with your department, okay. Can you follow through with the example you were about to give earlier?

MS. HACHEY: Absolutely, and my apologies for not watching the time last time. Where I was at was just the challenge some of our businesses face in our province and our region in accessing those new markets which we need our businesses to do if we want them to grow.



What the APEC report outlined was a business in Lunenburg. If they wanted to access the Atlantic market, which in totality is \$2.2 million, they would need to go through four different provincial sets of rules and regulations to access that market.

Place that business now in Kingston, Ontario. That business in Kingston, Ontario, can access a market six times the size of our entire Atlantic market and go through only one provincial standard of rules and regulations. In essence, what APEC said was that our businesses, by our pure size, are at a competitive disadvantage relative to their competitors in other parts of the country. That is the underlying “why” - why are we tapping this at a regional level?

To your question how do we identify what areas we work on, as a region - if you think regulatory reform in one province is tough, try doing it with four jurisdictions. It's very tough - important but very tough work.

In terms of identifying priorities, we're very fortunate that APEC provided a path for the highest priority areas. As we've mentioned, we have a limited mandate, time frame to make a difference. We're very focused on making a difference and achieving results. They said if you could focus on strategic areas like transportation or those parts of the economy that impact all businesses, whether you're a construction company or whether you're a retail operation, those would be workers' compensation, labour standards, labour mobility. Those are the areas that we focused on.

We focused on transportation. How it works is we get input from the business community. So on transportation, coming back to the carrier profile, we had a team of business stakeholders identify transportation as a critical area. Then we said to them, in transportation there are probably 1,000 different areas that we could work on, as a region, name one that we could tackle. So they talked about their carrier profile, that report card, to allow trucking to move more freely within our region.

We developed a team of interprovincial folks in the four Atlantic Provinces who are experts in their area and said, can you develop a plan for how we can standardize that carrier profile? That's essentially how the regional initiatives are developed. So from outside input in the business community - because again, there is no point in us doing our work if it's not informed by the business community and if it doesn't have an impact on the business community.

The experts, to find the way through, live within government, so it's teams of interprovincial folks in areas of transportation, labour standards, workers' compensation, and procurement that identify one or two or three things in those strategic areas that they can work on and move forward.

MS. LOHNES-CROFT: So the Premier's role in the regional initiatives is . . .

MS. HACHEY: Yes, I'll start - we've been working this through the Council of Atlantic Premiers. Again, coming back to the Broten report and the Broten report talking about the importance of leadership at the very top, the Council of Atlantic Premiers has been our vehicle to move some of these things forward.

MS. LOHNES-CROFT: Do you see good leadership? Or is that opinion?

MR. CROOKS: One of the things - I think we've mentioned this - that's critically key to an initiative like this having success is leadership at the top. For Nova Scotia and the other provinces that means the Premiers. We think we've seen very strong leadership from the four Premiers in driving this agenda forward. It would not work without that shared commitment.

One of the interesting things about this was, if you put four technical teams together from different provinces, our expectation was that this was just going to be a bit of a nuisance and work for them - not their day job - whether they're in the Department of Labour and Advanced Education or Transportation and Infrastructure Renewal or whatever. The feedback we've gotten from the public servants who are working together with their colleagues in other departments is - we've asked, should we lighten up on you? You probably want a break from this stuff. We know it feels like chipping away at an iceberg. The reaction was, we should be doing more of this. We learn a lot from each other, and this is a really good opportunity. We should be doing more of this kind of work.

This is really encouraging to hear because where you're trying to drive a little bit of change, to get that kind of buy-in from the people who are working around the table is so important.

MS. LOHNES-CROFT: Thank you very much. I'm going to pass it on to my colleague.

MR. CHAIRMAN: Mr. Stroink.

MR. JOACHIM STROINK: Thanks for your time today. I quite enjoyed your presentation. What I kind of wanted to touch base on was that the CFIB has been brought up in the discussion here in a negative context. What I'm trying to get at here is, where do we sit in Canada on the small business barometer that the CFIB put forward?

MR. CROOKS: First of all, I assume you're referring to their report card.

MR. STROINK: Yes.

MR. CROOKS: We're at a B. I believe Quebec and B.C. are at an A. I would have to refresh my memory, but I think that we're in the third rank; we're in the top three.

Just on that grade, none of us would have liked to have a B when we were in school. We would prefer to have an A, but we don't live and die by those scores. Directionally, we've got a very strong relationship with CFIB; we feel a very productive relationship. We started at D-, I think, and then we went to a C (Interruption) C-, Leanne reminds me. Now we're at a B.

One of the major things that CFIB said in terms of continued progress was a target that reflects an appropriate measurement mechanism. We're type-As, so to speak. We would like to have an A fast, but we're pleased both at the direction of the grading and their evaluation - they're an important stakeholder - and at the collaboration between the two.

MR. STROINK: So that \$25 million target - before I ask that question, I guess what I'm trying to say is that CFIB seems to be the national standard of business confidence for small businesses. I was a member for 20 years and they do a phenomenal job of analyzing.

MR. CROOKS: I would agree.

MR. STROINK: Yes, and at identifying the issues that are key within Nova Scotia and straight across Canada.

My question really quickly, because I do want to follow up with another one - will that \$25 million help us get to the A, that hard target that we've created with anecdotal targets?

MR. CROOKS: Again, I can't speak for CFIB. They run their own mechanism. But if you're asking my view, my view is yes. That should contribute to a better overall evaluation.

MR. STROINK: That's what I'm trying to get at too - without the leadership of the Premier, we would not be able to get to that confidence within small businesses. The small business community as a whole - from what I've heard in my time, 12 years as a small business owner - is that the confidence is better within Nova Scotia in the sense of the regulatory review. Having that ability for HRM now to be part of the conversation - because they own 50 per cent of the regulatory problems that are there. My biggest pet peeve is the encroachments of signage within for small businesses.

What I really want to get down to is what your work does and what all MLAs do. I've used your department on numerous occasions with small business regulatory affairs. I think that elected officials need to understand that you are there to help them in their communities to figure out the regulatory issues. If you could just explain how that has worked - and our relationship has been great - and how that can benefit them.

MR. CROOKS: We want to be open to helping people with questions or people who are representing people who have questions. Often MLAs are the first to hear about a

regulatory issue or some constraint. We've tried to be open. We've responded to requests from MLAs. I was about to say we'd love to have more, but that's probably like saying we'd love to have more problems identified.

It's a really important potential channel, especially of communication with our office, especially now that we have our navigation system. To the extent that the question is are we open to working closely with MLAs, we absolutely are, we welcome that. Frankly, it would help us do a better job.

MR. STROINK: Excellent and I think that's kind of what I was trying to lean at. The three or four times that I've used you - I just sent you an email this morning on another issue - those are the things that I think make a better business climate, and identifying them from the experts, so thank you. That's all of my time anyway.

MR. CHAIRMAN: Thank you, Mr. Stroink. Mr. Crooks, we'll allow you a brief moment to provide some closing comments.

MR. CROOKS: Given my negligence in going overtime at the beginning, I won't burden you with anything further at the end, save to say that look, I really appreciated the opportunity to hear from members and interact with members. Frankly, this has been helpful to us. Some of your questions are things that we are going to take away and think about.

This is a very constructive and useful exercise. I am, and I know I speak for Leanne in saying we're pleased and honoured to be part of it. Feel free to be in touch with us on any question touching business, small or large, we would welcome the opportunity, so thank you very much for having us in.

MR. CHAIRMAN: Thank you for being with us.

We do have some committee business. We had some correspondence from the Department of Health and Wellness and the Nova Scotia Health Authority. There was information requested on the March 8<sup>th</sup> meeting, during that meeting. You have that before you - are there any questions?

Hearing none, we have another piece of correspondence also from the Department of Health and Wellness, listing health infrastructure projects. Any questions on that correspondence?

Hearing none, we do have a record of decision, which I believe is before everyone. This was from our Subcommittee on Agenda and Procedures this morning. There are a number of topics that have been approved by the subcommittee. There are a couple at the bottom that I am going to ask the Auditor General for some advice because they are topics related to audits that that office has completed. One is the Atlantic Lottery Corporation, the

joint audit of that. The second is critical infrastructure resiliency, which was Chapter 4 of the November 2016 report.

I'd like to ask Mr. Pickup now if he could recommend witnesses for those for the committee's consideration. Mr. Pickup.

MR. MICHAEL PICKUP: Sure, thank you. For the Atlantic Lottery Corporation I would recommend three individuals and I'll tell you why.

First, I would recommend the Chief Executive Officer, Brent Scrimshaw, because he would handle a lot of the observations and the recommendations that we made concerning operations. Second, I would recommend the Chair of the Board, Sean O'Connor because a number of the observations and recommendations were at that board level. Finally, I would recommend the Deputy Minister of Communities, Culture and Heritage. That is the lead department on behalf of government and a number of the recommendations based on observations related to the government and governance. I would recommend those three parties on the Atlantic Lottery Corporation.

On the critical infrastructure resiliency, I would also recommend three people. It follows, again, out of the observations and recommendations. Firstly, I would recommend the Clerk of the Executive Council. The number one recommendation from that audit went to the Executive Council in terms of recommending somebody being in charge.

Secondly, I would recommend the Deputy Minister of Municipal Affairs, in her capacity as head of EMO; 80 per cent of the recommendations in that audit went to EMO and she would be in charge of that.

Finally, on that one, I would recommend the Deputy Minister of Transportation and Infrastructure Renewal because a number of the operational observations that we had, whether it was things like the Canso Causeway or the Amherst Link, fall under the area of Transportation. Those are the three that I would recommend from that audit.

MR. CHAIRMAN: Thank you, Mr. Pickup. Are members okay with the recommendation? I'm hearing agreement.

To the broader list, are there any questions or comments before we put the record of decision to a vote?

Hearing none, would all those in favour of the topics approved by the subcommittee earlier this morning please say Aye. Contrary minded, Nay.

The motion is carried. Our clerk will take note of that.

Our next meeting is on - Mr. Houston.

MR. HOUSTON: Just with the topics approved, there's quite a range of topics there. I just wonder, we do have an open date on the 26<sup>th</sup> next week. I just wonder, it would be a shame to let that open date go unused, when we have all this committee business to do. I just wonder if maybe we can ask the clerk to see if one of those witnesses could appear before the committee next week.

MR. CHAIRMAN: Thank you, Mr. Houston. You are correct, we don't have a meeting scheduled for next week. We can ask our clerk to proceed, to see if a witness might be available for next week. Is the committee in favour of that?

Would all those in favour of the motion please say Aye. Contrary minded, Nay.

It is agreed. Our clerk will take note of that and attempt to gain a witness for next week. If that is possible, she will notify us by email. If there are any questions, please contact the clerk or myself.

Is there any further business to come before the committee? Hearing none, unless there's a meeting that is scheduled for next week, our next meeting would be May 3<sup>rd</sup>. That would be on school capital planning, which was Chapter 2 of the Auditor General's November 2016 Report. We would have a briefing from 8:30 a.m. to 9:00 a.m. that morning and then the public meeting from 9:00 a.m. to 11:00 a.m.

With that, this meeting is adjourned.

[The committee adjourned at 10:57 a.m.]