

# Regulatory Reform Policy

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Ministry of Jobs,  
Economic  
Development and  
Competitiveness

## Objective

The objective of the Regulatory Reform Policy is to ensure that all new or amendments to statutes, regulations, and associated policies and forms are developed in a manner that is not overly burdensome for people, businesses and government, while protecting public health, safety and the environment.

### What is in scope of this policy?

B.C. statutes, regulations, and associated policies and forms are in scope of the regulatory reform initiative. To clarify, this includes all policies and forms that require people or businesses to complete an action to comply with statutes and regulations, or access government services.

There are also some exemptions that apply, see the [Regulatory Impact Checklist Exemption Form](#).

### What is out of scope for this policy:

International or Canadian federal statutes and regulations are out of scope for the regulatory reform initiative. In addition, government-to-government agreements are out of scope, such as the New West Partnership Agreement and agreements with First Nations.

## Track and Report

Continually measuring and monitoring progress is an important element of how the goals of regulatory reform are met in British Columbia. In 2001, an inventory of all regulatory requirements was created. To ensure the regulatory burden on people, businesses and government did not increase, a regulatory cap (net zero increase commitment) was introduced, to not exceed the overall number of regulatory requirements as measured by the 2004 baseline count. When a new regulatory requirement is introduced, an existing requirement needs to be eliminated.

To achieve this commitment, ministries support public reporting by:

1. **Counting** – Maintaining a count of the number of regulatory requirements in all statutes, regulations, and associated policies and forms for which they are responsible and,
2. **Reporting** – Updating the Regulatory Requirements Count database to ensure it contains an accurate representation of their count, at any given time.

## **Apply the Regulatory Reform Principles**

To minimize regulatory impacts on people and businesses, five regulatory reform principles must be considered early in the process of developing or amending statutes, regulations, and associated policies and forms.

### **PRINCIPLE 1: Identify the Best Option**

To determine the scope of the problem being addressed by the regulatory change, regulators should consider the problem they want to solve, ensuring this is the best approach to achieve the desired outcomes.

A full range of options, including non-regulatory options, should be explored before identifying the best possible option for achieving desired outcomes.

When applying this principle, the questions that should be considered are: what is the problem, how could the problem be resolved, and what are the advantages and disadvantages of each option. See the [Policy Approaches Playbook](#).

### **PRINCIPLE 2: Assess the Impact on People, Business and Government**

When developing new or amending statutes, regulations and associated policies and forms, one must consider how to achieve the greatest benefit and lowest cost to affected groups. The direct and indirect costs and benefits of the proposed change must be evaluated to minimize the compliance burden. This involves identifying affected groups as well as the nature, magnitude and duration of the impacts.

Small businesses account for 98% of all businesses in British Columbia and can be disproportionately affected by regulations and red tape because these businesses generally have fewer resources for researching, understanding, and complying with regulatory requirements. To help minimize this impact, the Small Business Lens is included in the [Regulatory Impact Checklist](#).

### **PRINCIPLE 3: Consult and Communicate**

Consultation with impacted people, businesses, and other relevant stakeholders is a best practice before regulatory changes are made. Parties affected by the change should be consulted and have an opportunity to provide feedback. The ministry leading the legislative and regulatory change should have a plan to clearly and openly communicate the change, its impact and compliance requirements, in a way that is accessible to all target audiences.

Measures should be in place to review the approach and incorporate any feedback into any regulatory change that is developed. Communication with impacted people, businesses and other relevant stakeholders is essential throughout the regulation development process, particularly if changes are made after the consultation process.

### **PRINCIPLE 4: Streamline Design**

When developing regulatory changes, options for streamlining must be considered to avoid duplication, overlap, inconsistencies and contradictions with other agencies or levels of government. Look for opportunities to minimize the number of steps, decrease processing

times, improve access, or develop user-friendly online services to reduce the required time and costs. Determine how the proposed change streamlines the regulatory process.

#### **PRINCIPLE 5: Evaluate Regulation Effectiveness**

Statutes, regulations, and associated policies and forms should be reviewed regularly to ensure they are achieving desired outcomes. Quantitative and qualitative measurements should be used to determine how effective the legislation has been in achieving its goal and whether it should be amended or repealed.

#### **How to Comply**

This policy provides guidance on how to minimize the regulatory impacts of changes to statutes, regulations, and associated policies and forms. It sets out the principles that must be considered early in the regulatory development process and establishes how and when the regulatory requirements should be counted once the legislative drafting process is complete.

**Request for Legislation (RFL) Process** – Ministries must carry out the following processes for all legislation submitted as a draft for Executive Council review:

1. Include a signed Regulatory Impact Checklist and Regulatory Count Form or the Regulatory Impact Checklist Exemption Form in all legislative Review Committee packages submitted to Cabinet Operations.
2. For changes expected to increase the number of regulatory requirements, include a statement within the RFL template indicating that the Regulatory and Service Improvement Branch has been consulted and that offsets have been or will be found.

See the [Cabinet Operations](#) website for the RFL instructions and templates.

**Order in Council (OIC) Process** – Ministries must include the following in the OIC templates:

1. Indicate in the OIC Cabinet Summary Information Template that the Regulatory Reform Policy has been adhered to and the regulatory reform principles applied.
2. Include a signed Regulatory Impact Checklist and Regulatory Count document or the Regulatory Impact Checklist Exemption Form in all OIC packages.
3. For changes expected to increase the number of regulatory requirements, include a statement indicating that the Regulatory and Service Improvement Branch has been consulted and that offsets have been or will be identified.

See the [Cabinet Operations](#) website for OIC instructions and templates.

**Policy and Forms Process** – The minister (or equivalent) responsible for authorizing the statute or regulation is responsible for ensuring the regulatory reform principles have been applied to the planning, development, and drafting of all policies or forms that are associated with statutes and regulations.

When policies or forms are drafted or amended, a Regulatory Impact Checklist and Regulatory Count Form or the Regulatory Impact Checklist Exemption Form must be signed by the minister responsible.

**Regulatory Requirements Count** – When regulatory requirements have changed because of new, revised or repealed statutes, regulations or associated policies and forms, ministries must do the following:

1. Update the Regulatory Requirements Count database to reflect the change.
2. Upload a copy of all Regulatory Impact Checklist and Regulatory Count Forms and Regulatory Impact Checklist Exemption Forms to the Regulatory Reform BC site. Note that changes, including a net-zero change to the regulatory count, still need to be recorded.

## Definitions

**Impact:** A measurable change, whether negative or positive, affecting people, business or government. Impacts are often measured (in time, costs or benefits) by the magnitude of the change and the number of people affected by the change.

**Net Zero Increase Commitment:** The Government of B.C.'s commitment not to exceed the number of regulatory requirements as of June 2004 baseline.

**Red Tape:** Burdensome and often unnecessary government administrative processes and regulatory requirements.

**Regulation:** Subordinate legislation or a law of general application made under the authority of a statute/Act.

**Regulatory Burden:** Government imposed obligation, licenses and laws with which people, businesses and government must comply.

**Regulatory Requirements Count:** The regulatory requirements count is an indicator of the overall regulatory burden on people and businesses in B.C. The count allows monitoring progress in simplifying legislation, regulations, policies and forms.

**Regulatory Reform:** Changes that improve regulatory quality, enhance the performance, cost-effectiveness or legal quality of regulations, or facilitate interaction with government for people or businesses.

**Regulatory Requirement:** Any action or step that people, business, or government must take to access government services or programs, carry out business or pursue legislated privileges.

**Small Business:** In B.C., a business with fewer than 50 employees.

**Statute/Act:** A law made directly by Parliament or a Legislative Assembly, whether referred to as a statute, act, code or by any other name.