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CANADA

# **Standing Committee on Government Operations and Estimates**

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**EVIDENCE**

**Tuesday, December 2, 2014**

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**Chair**

**Mr. Pierre-Luc Dusseault**



## Standing Committee on Government Operations and Estimates

Tuesday, December 2, 2014

•(0845)

[Translation]

**The Chair (Mr. Pierre-Luc Dusseault (Sherbrooke, NDP)):**  
Good morning.

As it is 8:45, we will begin the 38<sup>th</sup> meeting of the Standing Committee on Government Operations and Estimates immediately.

Today, we will hear from several witnesses who will speak about Bill C-21.

During our last meeting, we heard from the President of Treasury Board. Today, we will hear from experts who will provide some clarification on the issue of administrative red tape that burdens businesses. Each witness will have 10 minutes to present.

We will begin with Ms. Jones and Ms. Moreau, who are here on behalf of the Canadian Federation of Independent Business. We will then move on to Ms. Coombs, from the Canadian Consumer Specialty Products Association, then to Mr. Aylward and Mr. West, for the Public Service Alliance of Canada. Following the three presentations, committee members will ask questions of the witnesses, until 9:45.

Without further ado, I give the floor to Ms. Jones and Ms. Moreau.

Thank you so much for being with us this morning.

[English]

**Ms. Laura Jones (Executive Vice-President, Canadian Federation of Independent Business):** Thank you very much. It's a real pleasure to be in Ottawa this morning, despite the cold weather.

My name is Laura Jones. I am the executive vice-president of the Canadian Federation of Independent Business. I am based in Vancouver.

Before I start, here are a couple of notes about CFIB. We are a group that represents small and mid-sized companies in Canada. We have 109,000 independently owned and operated businesses that are our members from coast to coast, across a number of different sectors of the economy. We are completely funded by those members, so we don't take any government funding. We are a non-profit organization. We take our policy direction from our small business members, so the positions that I present to you here today are reflective of those members.

If you turn to slide 3 on the deck, there is a little cartoon. We put this in because I think it captures beautifully the way small business owners often feel about red tape. They can certainly feel that they have more regulators than employees. Remember that most

businesses in Canada have fewer than five employees. I think that sometimes, with the tough economy in some parts of the country, small businesses are feeling as if they have more regulators than customers.

This is really important, and it is a pleasure to be here to represent their perspective on red tape. I want to be clear about one thing, though, and that is that small businesses absolutely support necessary and important regulations, those regulations that protect human health, safety, and the environment. In fact, it might surprise some people to know that when we ask small businesses how much of the regulatory burden they think could be cut without sacrificing those important goals, they are saying between 25% and one third. It depends on whom you ask and how you ask the question, but it's roughly in that range. That means they're telling us that between two-thirds and three-quarters of the rules in the system are legitimate, necessary rules that they support.

However, red tape is extremely challenging for small business. That's where regulation becomes overly complicated or difficult to understand, or there is poor government customer service. This can come from legislation; it can come from regulation; it can come from related policies; it can come from the service around those policies.

We've done a number of studies looking at the cost of regulation. The next slide shows you that this is the second-highest priority for small business owners, right behind the total tax burden. We think of red tape as a kind of hidden, regressive tax. If you look at the next slide, you'll see that we've done an estimate of the total cost, which is \$30 billion annually in Canada. I will tell you that this is a very, very conservative estimate of the cost.

We have broken that down by business size. Those businesses with the fewest employees pay the highest cost per employee. That makes sense because bigger businesses have more employees over whom they spread the burden. Big businesses often have whole departments, in fact, dedicated to regulatory compliance, whereas if you are a small business, you are doing a lot of that compliance yourself.

There are just a couple of other survey results to show you that excessive regulations add significant stress and take time away from family. I could show you a whole bevy of other results which show that they reduce productivity and cause people to think twice about starting businesses and about staying in business.

I do want to get to the next slide, because this is the one that shows that business owners are in general very, very supportive of the government's red tape action plan. In fact, as the action plan was developed, there were 15 consultations across Canada with small business owners. Many of our members participated in those consultations and made recommendations to the commission.

I think one of the great things about that commission was that, when you look at the reports it produced, it was in the words of small business owners. There was a "what was heard" report that was in their own words. There were a number of commitments made in that action plan; one of them was moving on the one-for-one rule and making it legislation. That's something that 83% of small businesses support. As you can see, many of them are very supportive of that initiative.

One of the things that CFIB often talks about with respect to regulatory reform when we are giving advice to governments in Canada, and we've also been asked for our advice outside of Canada, based on some of the work that's been done in jurisdictions such as British Columbia.... We see three key ingredients to effective reform: political leadership; accountability, which means measuring and reporting regularly; and constraints on regulators. One of the reasons we're very supportive of this bill is that we see it does touch on all three of those essential ingredients.

• (0850)

Before I open it up to questions, there are basically three messages that I want to leave you with today.

The first is that small businesses support necessary regulation and are very, very challenged by red tape. This is a very serious hidden regressive tax on small businesses.

The second message I want to leave you with today is that small businesses are strongly supportive of the one-for-one rule. Making it permanent or more permanent through legislation is something for which heads nod around small business tables.

The third thing I want to leave you with is this last cartoon. I think really the most important thing about regulatory reforms is the ultimate test as to whether they make a difference on the ground. It's way too early to tell whether some of the reforms that had been initiated are going to—we're very optimistic—have an impact on the ground. That's what we need to keep our eye on, and I think for the reforms to have a real impact on the ground, this is really the beginning of the beginning. We do need to continue to push. We need to continue to make progress and that will be something that small business owners will be cheerleading.

With that, I'll open it up to any questions you might have for me on the small business perspective of the bill, or red tape more generally.

[Translation]

**The Chair:** Thank you for your presentation.

Since our question period will take place after the three presentations, I will yield the floor immediately to Ms. Coombs, who represents the Canadian Consumer Specialty Products Association.

[English]

**Ms. Shannon Coombs (President, Canadian Consumer Specialty Products Association):** Good morning, Mr. Chair and honourable members of the committee.

It's a pleasure to be here today to provide CCSPA's perspective on your review of the proposed legislation, Bill C-21.

My name is Shannon Coombs and I'm the president of the Canadian Consumer Specialty Products Association. I have proudly represented the industry for the last 16 years and our many accomplishments as a proactive and responsible industry.

CCSPA is a national trade association that represents 35 member companies across Canada. We're collectively a \$20 billion industry and employ 12,000 people in over 100 facilities.

Our companies manufacture, process, package, and distribute consumer, industrial, and institutional specialty products such as soaps, detergents, domestic pest control products, aerosols, hard surface disinfectants, deodorizers, and automotive chemicals, or as I call it everything under the kitchen sink. I have provided the clerk with copies of our one-pager, which has a picture of the products, and I'm sure many of you have used them today. Also, you would have received our goody bags in the spring, that is, of course assuming that your staff decided to share them with you.

Why are we here? CCSPA member companies are regulated. The ingredients in our products, the bottle, at times the end use—ant traps and disinfectants, for example—and all the labelling are regulated under the respective regulations and legislation. This is both for consumer and workplace use.

We support Bill C-21 because it adds the necessary checks and balances for regulation development, which in turn adds complexity and costs to doing business in Canada. The bill tackles the issue of administrative burden, which is very important to industry. While it may be very narrow in scope in only addressing regulatory burden brought on by paperwork, it is a positive step in the right direction.

It causes regulators to reflect on the costs to industry prior to the development and implementation of a regulation. Could the scope, the net, be bigger? Yes, we would argue that the scope could have included regulations that modernize labelling laws or ingredient regulations, which are very costly to industry.

We are currently faced with the implementation of the globally harmonized system of classification and labelling of chemicals for workplace chemicals. Industry will be changing all of its safety data sheets and labels to adopt the UN's globally harmonized system, GHS, which the U.S. recently adopted. This will be a significant cost to industry and the one-for-one rule does not apply. However, the spirit of the one-for-one rule was considered in the development of the regulation, and as Health Canada worked with officials from the U.S. Occupational Safety and Health Administration, OSHA, they reduced regulatory barriers so that industry could use one safety data sheet and one label within North America.

As per the RIAS, the Regulatory Impact Analysis Statement for GHS, it is “proposing to revise the classification and hazard communication requirements related to workplace hazardous chemicals in order to align the current system with that of the United States ... it is expected to reduce costs for industry while simultaneously enhancing the health and safety of Canadian workers.”

We support the GHS initiative and the intent to streamline regulations for the classification and labelling of workplace chemicals. We see Bill C-21 as a catalyst for change within regulatory development. It is the first in a stepwise approach to changing Canadian regulatory development processes and the culture that creates it, and it provides a rigorous check and balance function by Treasury Board.

Since the one-for-one rule has been introduced, we've seen officials within government open to ideas of harmonization to reduce regulatory burden with Treasury Board officials providing oversight and guidance to departments to ensure adherence to the policy. Both have been refreshing and effective.

For the proposed legislation to be successful, CCSPA would ask that the committee also undertake a review or accountability function to assess the successes and possible improvements by reviewing the scorecard and the metrics to develop that scorecard; by reviewing the successes not captured in the report, which I'm sure stakeholders could provide to you—I certainly can; by reviewing each of the departments forward regulatory plans; and also by ensuring departments publish and deliver on those plans and that the small business lens is being utilized within the departments.

Mr. Chair, thank you very much for the opportunity to comment on this important piece of legislation and provide our perspective. We support this legislation and will work with you and the officials to ensure the intent of the legislation is fulfilled.

I'd be happy to take any questions.

●(0855)

[*Translation*]

**The Chair:** Thank you for your presentation.

I would now ask Mr. Aylward, who represents the Public Service Alliance of Canada, to present us with what maybe a different point of view.

You have the floor, Mr. Aylward.

[*English*]

**Mr. Chris Aylward (National Executive Vice-President, Public Service Alliance of Canada):** Thank you, Mr. Chair, and members of the committee for allowing representatives of the Public Service Alliance of Canada to appear before you this morning.

My name is Chris Aylward. I'm the national executive vice-president for PSAC.

PSAC represents public service workers who provide a broad range of regulatory, inspection, and enforcement services for Canadians. Our members protect Canadian consumers, and work in the fields of health and safety, food safety, transportation safety,

and environmental protection, among others. They are proud of the work they do to protect Canadians.

Our major issue with Bill C-21, an act to control the administrative burden that regulations impose on businesses, is that it is completely unnecessary. If members of Parliament and senators have passed laws and created regulations, we have to assume that they believed those laws and regulations were created in the public interest. The stated purpose of Bill C-21, the so-called red tape reduction act, is to eliminate one regulation for every regulation created, the one-for-one rule. If regulations are no longer deemed to be in the public interest after due consideration and consultation, the regulators have always had the ability to amend or delete them. In fact, they have done so on a regular basis. There is absolutely no need for the one-for-one rule. Everything that it claims to do can already be done.

Bill C-21 is filled with loaded terms like “red tape” and “administrative burden”. Laws and their accompanying regulations are important safeguards to balance rights in a democratic society. We should be proud that they exist and not paint them as red tape.

Administrative burden means anything that is necessary to demonstrate compliance with a regulation, including the collecting, processing, reporting and retaining of information and the completing of forms.

Why should it be a burden to obey the laws of the land? Why should it be a burden to make sure our citizens are protected?

Regulations in Canada have helped make this country one of the safest and best places to live. Canadians depend on regulations to protect our water, food, health, and consumer goods. Regulations ensure the safety of the roads we drive on and the environment we live in. They keep financial institutions, telecom companies, and other businesses in check. In the case of financial regulation, Canada's economy was sheltered from the worst of the 2008 global economic meltdown because our bank regulations were tougher than those in jurisdictions like the United States. Those regulations paid off and protected Canadians from the economic devastation that almost ruined some other countries.

Canadians also rely on their governments to enforce those regulations. Today, that reliance is in jeopardy. Not only are regulations on the chopping block, so are the people who enforce them. Federal inspectors in all sectors have seen their numbers and enforcement power reduced through successive budget cuts and freezes. For the past two years, for example, regulatory positions have been eliminated in beef research, aircraft service and maintenance, food-borne pathogen research, microbiological and viral disease research, civil aviation programs and road safety, cereal analysis, and aquatic ecosystem management and biosphere analysis. We are relying more and more on corporate self-regulation to the detriment of Canadians' health and safety.

Not only is Bill C-21 unnecessary, it will not adequately protect Canadians. While the bill says that the one-for-one rule must not compromise public health, public safety, or the Canadian economy, this is insufficient. It compromises a broader category of issues that concern Canadians, such as consumer protection and environmental protection. It could mean, for example, that our current strong financial regulations won't be there to protect Canadians in the event of future economic crises.

The immunity clause, clause 8, while absolutely essential if this bill becomes law, makes us wonder again why this bill is even necessary in the first place. This clause says that no action will be taken if this legislation isn't applied and that no regulation is invalid by reason only of a failure to comply with the act. As we understand it, the proposed legislation foresees that there will be occasions when the government will decide that the act can't and won't apply. If that's the case, and regulations can already be amended or deleted, what is the point of Bill C-21?

• (0900)

We believe there must be transparency around which current regulations will be traded away for new regulations. This is suggested in clause 9. However, clause 9 doesn't meet the test of transparency. Public or stakeholder consultation must occur openly before regulations are scrapped, not simply contained in a report after the fact. Our members believe that it is more important to the Canadian people that they spend time to actually inspect and enforce non-compliance.

For instance, in February of this year, in the case of *Western Canada Wilderness Committee v. Canada (Fisheries and Oceans)*, the Federal Court declared that the Minister of the Environment and the Minister of Fisheries and Oceans acted unlawfully in delaying, for several years, the production of recovery strategies for four at-risk species. These species were threatened by industrial development, including the proposed northern gateway pipeline and tanker route.

The department's reasons for not meeting their legal obligations were staff shortages and not enough capacity. Yet between 2010 and 2017, Environment Canada will have cut, or plan to cut 21% of their staff, some 338 employees from the climate change division alone. At Fisheries and Oceans, there has been a further 30% cut of the staff who were responsible for the Species at Risk Act and the recovery and protection of all aquatic species in Canada.

In 2014 there will be 60% fewer ground meat inspections than there were in 2013 at CFIA. This means that there will be less checking of fat content, filler, and fraudulent species claims. There will be no inspection of cooking oils. Less than half of the independent food retailers inspected in 2013 will be inspected this year.

Just last week the Transportation Safety Board said that the federal government isn't doing enough to enforce proper safety practices by Canada's railways, airlines, and marine operations. The board also said that there was an imbalance between auditing processes versus traditional inspections.

We agree with the Transportation Safety Board, and we believe that the Canadian public would agree. There needs to be more

emphasis on real inspection and enforcement, not just on safety management systems. We certainly don't believe it's in anyone's interest to have public service regulators spending their time looking for regulations to cut just to meet the terms of this unnecessary bill. That would really be an administrative burden.

Bill C-21 is just one aspect of how regulations to protect Canadians are being undermined. First you eliminate the people who enforce the regulations, and then when you can no longer enforce them, you eliminate the regulations.

In summary, we believe that Bill C-21 is unnecessary. At worst it is a make-work project that will mean regulatory and enforcement officers will have to spend their valuable time within a context of shrinking resources aimlessly looking for regulations to cut.

Thank you for your time.

• (0905)

[*Translation*]

**The Chair:** I'd like to thank all the witnesses for being here today.

So that we may benefit further from your expertise, I give the floor to committee members who will no doubt have some questions for you, beginning with Mr. Ravignat who has five minutes.

**Mr. Mathieu Ravignat (Pontiac, NDP):** Thank you, Mr. Chair.

I would like to thank all the witnesses for being here today.

It's most kind of you to travel in order to appear before the committee.

My first question is for Ms. Jones and Ms. Coombs.

Essentially, when I'm discussing red tape with small and medium-sized business owners in my riding, they mainly mention tax-related red tape. That is the biggest challenge when it comes to paperwork. Obviously, the bill we are currently studying makes no mention of tax-related paperwork.

Could you share with us the frustration experienced by your organization's members when it comes to tax related paperwork? What can we do to make this task easier for them?

[*English*]

**Ms. Laura Jones:** Thank you. It's an excellent question.

You're right in saying that many of the frustrations are tax related. When we survey our members we know that GST is top of the list. Second is payroll taxes, such as CPP and EI—I'm talking about the administration of these taxes now, obviously—and income taxes are number three. They are very important and it is for that reason it is very critical to understand that while the one-for-one rule is an important part of the strategy to address the red tape burden, it is only one piece of the puzzle. There are things about the one-for-one rule that are very good. It does put a cap on the amount of regulatory activity, but there are burdens that come outside of, strictly what I think the government uses, the term regulatory red tape. From a private sector perspective a piece of red tape comes from regulatory red tape, but then there are things that are outside of that and many of them have to do with the Canada Revenue Agency.

It is also important that we get a handle on measuring those things and on setting the targets for reduction and maintenance, preferably reduction from the small business perspective. From a small business perspective even keeping a lid on the growth of regulation and red tape would be a huge step forward.

[Translation]

**Mr. Mathieu Ravnagat:** Thank you.

Ms. Coombs, I will move on to another question, as I have very little time.

You both mentioned the importance of receiving good service from the government. Personally, I have spoken with representatives of small and medium-sized businesses. I must say they are quite frustrated by the services they receive as small and medium-sized businesses from various government officials and various departments.

What can you tell us about the challenges your members face when it comes to obtaining basic services? Unfortunately, there have been massive cutbacks, which has diminished the government's capacity to help you.

• (0910)

[English]

**Ms. Shannon Coombs:** Thank you for the question, Mr. Chair.

With respect to what our members are challenged with, some of it centres around the one window and trying to find a single window for your submissions to be sent to the government with respect to pre-market notification or pre-market assessments of our products. The one-for-one rule policy brought that to light and has allowed the government to be able to move forward with some of those initiatives. We've also seen a willingness to focus on our guidance documents so that the guidance documents provide clear direction on how industry makes submissions, which also ensures we have the criteria that we need to make a complete submission and that it meets the timeline. We're looking for transparency and predictability.

[Translation]

**Mr. Mathieu Ravnagat:** Thank you. That is very helpful and has enlightened me a great deal.

To summarize...

**The Chair:** You have 15 seconds left.

**Mr. Mathieu Ravnagat:** All right, thank you.

The challenges go beyond this bill. Furthermore, the bill before us will not fundamentally change the challenges faced by small and medium-sized businesses, whether those challenges are associated with the government or its services.

[English]

I want to ask Mr. Aylward quickly, why do this through this bill as opposed to studying and relying on the expertise of those offering these services and these regulations, and identifying regulations that might be redundant? Why not simply go about with that natural vision and elimination?

[Translation]

**The Chair:** Your answer will have to be brief, please.

[English]

**Mr. Chris Aylward:** That's what we'd like to see. As I said in my submission, that exists today. There is no need for this bill when the regulators have the right, and government has the right now to deem any regulations inadequate or unnecessary and simply delete them. That's what we believe. The people who are on the ground doing that work and consulting with stakeholders are in a far better position to do that than those sitting at a desk and asking, "Okay which one now? They want to introduce a new regulation, which one should be cut?"

[Translation]

**The Chair:** Thank you.

Thanks to you as well, Mr. Ravnagat.

Mr. Albas, you now have the floor, and you have five minutes.

[English]

**Mr. Dan Albas (Okanagan—Coquihalla, CPC):** I want to thank all of our witnesses for their testimonies today. This is an important subject for me. I was a small business owner for 15 years before being elected as a member of Parliament, and I also worked for the B.C. Chamber of Commerce, so red tape has been an issue that I've heard about for a long time.

In regard to the comments made by the member opposite, we heard at committee last week, by Minister Clement, that 19 regulations had been taken away. That's well over \$20 million in savings for business, not to mention the time savings.

Could you expound a little bit on how the one-for-one rule might impact some of your members? I'm speaking particularly to Ms. Coombs and Ms. Jones. Has it had a positive effect? What further things do you think you'll see as this policy becomes law? As the law continues to work would there be a benefit for your members?

**Ms. Shannon Coombs:** With respect to the benefits that we're seeing, the scorecard is a very good first step to reflecting some of the first wave of regulations that the government was looking at to assess. From a metric standpoint, it's a really good review indicator of the potential that we have with respect to the policy.

It's a very transparent paper, and the way that the government has gone about it is very open and helpful to the industry. It sets the tone, and that's what I was talking about in my comments around the culture.

We're seeing a real willingness from the departments to look at the impacts on industry. From where I sit, and the number of companies that make soaps, detergents, and disinfectants, we're heavily regulated. We spend a lot of time with Health Canada and Environment Canada. I think there's a way that you can balance both the health and safety and environmental issues with looking at the cost to industry and keeping things competitive.

From a culture standpoint, we've seen a willingness from the departments to look at reviewing not just regulations but also guidance documents, which are very important to companies that are making free market submissions to the department and are able to have clear, predictable timelines, and information that they need to provide to the government for the review and approval of the products, so that we can bring new and innovative products to Canada.

• (0915)

**Ms. Laura Jones:** I support what Shannon says about culture.

The one-for-one rule in British Columbia really had a huge impact on the culture of government. I've talked to civil servants there who have said they used to think of themselves as regulation makers. Now they think of themselves as regulation managers.

It is important that we all get serious about reducing the regulatory burden, because it continues to grow. This is what we hear from our members. Their capacity to deal with it is not growing.

If we are serious about protecting the environment, human health and safety, we have to encourage businesses to focus on the most important regulations. That culture change is enormous.

It also sends a very positive message to the business community around starting to get real about measuring this hidden tax. We should be serious about it. We should be as serious as we are about measuring the other fiscal taxes.

Those are two critical things that it does and many small businesses feel a bit like regulatory reform can be here today, gone tomorrow. Legislating sends a very different message.

**Mr. Dan Albas:** I appreciate your saying in your presentation that political leadership is important as well as having accountability measures and constraints on regulators.

Both of you mentioned that there is a culture shift happening. Last week, Minister Clement said that he felt the implementation rules are leading to a positive cultural shift within the government. Now, particularly, the departments are more active in seeking solutions, so that again....

There's still compliance, Mr. Chair. I just want to make sure that people at home understand that regulations are going to be there, but it's looking at how we ask businesses to deal with the administrative burden and to report to government.

Ms. Jones, you mentioned earlier that there are other types of red tape, etc. Obviously, the government's action plan on red tape, and

the commission that actually created it, did point out that there were other measures. I know the government is also working on another measure called the administrative baseline or burden baseline.

Do you think that, along with the one-for-one rule, is going to help to really identify and show accountability and report publicly, so that businesses can get an effective handle on how much they are being regulated?

**Ms. Laura Jones:** Measuring the burden of regulation, we should be under no illusion that's an easy thing to do. Red tape, and more broadly regulation, is a hidden tax on business, so it is hard to make that tax visible because most of the cost is compliance. It's not the administrative burden that government faces but it's the compliance of the private sector.

We are making some progress, but I also think there's more to do because right now even the administrative baseline is still more narrowly focused on regulatory red tape and the private sector definition of red tape is broader than that, and it encompasses some other things.

In 2007, the government did a measure that was broader. I'm hopeful that this administrative baseline burden is the first step to getting back to a broader measure. Those two things together, the one-for-one rule and a broadly based administrative baseline count, would be extremely powerful in helping us understand the burden of regulation and then continue to control it.

If you don't measure it, you don't know whether it's growing, whether it's staying the same, or whether you're making progress at reducing it. You need to measure it and you need to have good measures.

[*Translation*]

**The Chair:** I must interrupt you now as your time is up. Thank you.

We will now move to Ms. Day for five minutes.

**Mrs. Anne-Marie Day (Charlesbourg—Haute-Saint-Charles, NDP):** Thank you, Mr. Chair.

I would like to thank the witnesses for being here.

Ms. Jones, my first question is for you.

In your speech, you mentioned certain aspects of this bill, which states that "the one-for-one rule must not compromise public health, public safety or the Canadian economy", but to this you have added the environment.

Approximately 109,000 businesses are members of your federation. During these consultations, these businesses mentioned the environment as being an important aspect. Have I correctly understood you?



• (0920)

[English]

**Ms. Laura Jones:** Yes, it's correct that small businesses would make a distinction between red tape and necessary regulation. Now, different businesses might have a different line for where that distinction falls, but in general when we survey our membership they're supportive of a regulation that is important to protect human health and safety and the environment. What they're not supportive of are rules that either duplicate or are confusing and difficult to understand, or whose benefits are very small relative to their cost.

[Translation]

**Mrs. Anne-Marie Day:** Thank you.

My second question is for Ms. Coombs, Ms. Jones or Ms. Moreau, as the case may be.

Red tape is the hobby horse of all small and medium-sized businesses. Clearly, it's both popular and populist given that any business would like to avoid it as much as possible. It takes time, and time is money. Sometimes, a business grows and has to hire more people to deal with the paperwork.

On the other hand, we know quite well that had we not adopted regulations, for example for car seats for babies, they would not exist or would not be mandatory. Therefore, the regulations can also serve the business that develop the products.

When we will be faced with new products or events like those that took place in Lac-Mégantic, which required new regulations, don't you think the one-for-one rule will pose a problem?

[English]

**Ms. Shannon Coombs:** Thank you for question, Mr. Chair.

As I said earlier, I don't see there's a compromise being made. I think we're able to ensure that the health and safety of Canadians, and our environment are protected, but also keep business competitive. I think that earlier, what Ms. Jones had said with respect to this as one tool, I mean, there's a lot of things that are going on within the government, looking at the Regulatory Cooperation Council, looking at all the different things under the red tape reduction plan, such as the joint forward plan, is all part of a tool kit to help businesses, and I see this legislation as putting that into effect and being able to solidify that so that the policy is now law. I think that we're able to do that quite successfully.

[Translation]

**Mrs. Anne-Marie Day:** My last question is for the Public Service Alliance of Canada.

When Minister Clement appeared before the committee, he spoke about economies of scale with respect to deregulation or the one-for-one project, which was implemented on an experimental basis in 2012.

In your opinion, where were such economies realized? Are they attributable to a reduction in staff or is it truly because there are fewer regulations?

[English]

**Mr. Chris Aylward:** No. I mean, you've certainly seen the cuts in resources. That's where we have certainly seen the cuts, especially in the last two years. The government cut food inspectors, and we've seen the result of that. Canadians have seen the results of that. The world has seen the results of the cuts to food inspection. We're very concerned about that.

In respect to the regulations, as I said, we are of the position that the regulations can be reviewed in a systematic way, so that the right ones can be deleted by the regulators.

[Translation]

**Mrs. Anne-Marie Day:** The bill takes health and safety into account. That was the case, for example, in the tainted meat mini-scandals. How can we ensure we are cutting in the right place? Is there any way to monitor that?

[English]

**Mr. Chris Aylward:** There is, but you need the resources to do that. If you don't have the capacity to do that, then everything gets eroded. That's when we've seen, as you referred to, the many scandals. I can't understand how you can say that there's no compromise between business competitiveness and the health and safety of Canadians, because you are certainly compromising the health and safety of Canadians. Canadians realize, because they said in a focus group report that was produced in 2011, they believe that well over 85% of businesses care more about the bottom line than they do about the health and safety of Canadians, and that is of major concern to all of our citizens.

[Translation]

**The Chair:** Thank you very much, sir.

Thank you, Ms. Day; your time is now up.

We are moving on to Mr. Trottier, who has five minutes.

[English]

**Mr. Bernard Trottier (Etobicoke—Lakeshore, CPC):** I want to pursue this notion of health and safety, and perhaps get a perspective from Ms. Jones and Ms. Coombs.

The preamble of the bill reads, "Whereas the one-for-one rule must not compromise public health, public safety or the Canadian economy".

When you look at the regulations currently in effect around the one-for-one rule and then enshrining this into law, from a small business perspective, how do you separate things that might have to do with health and safety from all of the other things you're doing as small business operators?

• (0925)

**Ms. Laura Jones:** I think it's important to understand, first of all, that the vast majority of small business owners care deeply about health and safety. Their employees are like family. You have fewer than five employees. During the recession, one of the things that really struck us was how many calls we got from small business owners who were doing everything they could to try to save the jobs of their employees, even when the bottom line didn't justify saving those jobs. So they do care deeply about those things.

One of the things we hear from small business owners is that if you load them down with too many complicated rules, or if they have to phone three times to get an answer to a straightforward question, that actually stops them from focusing on the most important rules.

It's always going to be challenging, you know, where that line is drawn, because to get a bit more safety sometimes can be very costly, and different people will draw that line in different places.

I don't think there is an easy answer to your question, other than to say that it is very important to small businesses. That's why, when you ask them how much of the burden of regulation could be cut without harming the legitimate objectives, they're not saying 100% or 50%; they're saying it's more like 25% to 30%, which I think is pretty reasonable.

**Mr. Bernard Trottier:** Ms. Coombs, can you comment on that?

Obviously, we're not trying to do anything that might compromise health and safety. What are some examples from your members who are dealing with chemicals that could be dangerous, making sure that nothing that's being done to reduce administrative burden compromises health and safety?

**Ms. Shannon Coombs:** Mr. Chair, I think one of the best examples we have is the GHS, even though the one-for-one rule doesn't apply to it. That is where we are changing all of the safety data sheets and the labels on our products for chemicals that are used in the workplace.

Through that process, we are ensuring that we can facilitate trade on a North American basis, but we are also enhancing worker safety. The U.S. has adopted this UN model, and I see that as being a really good example of where we've been able to reconcile the two. We can trade with our major trading partner, but we also protect workers and ensure their safety in the workplace.

As I said before, I don't see it as being something that we're compromising. I see it as being something where we can work together with the government to ensure we are bringing safe chemicals into the workplace.

**Mr. Bernard Trottier:** Thank you.

One of the examples that was given in one of the submissions was about pharmacists, drugstores all across Canada. There was a regulation that only the pharmacist himself or herself could actually transfer prescription information from one pharmacy to another. It was an administrative burden. Most of the time a pharmacist is a small business owner, and it was illegal for a pharmacy technician, for example, to do some of that work. Pharmacists got behind at times, just by having to transfer prescription information. This was something that relieved some administrative burden on the neighbourhood pharmacy.

Are there other examples like that? The pharmacy technician is fully capable of transmitting that information safely and just had to be given the green light to do this in a more efficient manner for that business. Are there examples like that, where it's who can actually do it, just a tweaking of the rule to relieve some of the administrative burden?

**Ms. Shannon Coombs:** I'm more on the up end, and I can't speak to an example of someone who interacts with a pharmacist. I could give you an example on the pre-end.

**Ms. Laura Jones:** I think there has been a lot of good work to reduce red tape, and it doesn't all fit neatly into the one-for-one bucket.

A couple of the recent things that have been very meaningful for our members have come from the Canada Revenue Agency. One important change that was made is that the CRA will respect written advice through the My Business Account, even if it's wrong. That's huge for small business owners. It gives them the comfort that if they have taken the time to get the advice in writing from the CRA, an auditor can't come in and say that the advice was wrong. This was happening before. Auditors were coming in and saying, "Well, you got that advice from CRA, but it's wrong, so too bad, and you owe us \$80,000 or \$20,000", or whatever it was.

There are a lot of changes going through the system as a result of the red tape action plan and the focus on red tape that are important. It doesn't all fall neatly into the one-for-one bucket. It's probably CRA where I can give you most of the good examples right now.

● (0930)

[Translation]

**The Chair:** Thank you.

Mr. Trottier, your time is up.

I now give the floor to Mr. Byrne, who has five minutes.

[English]

**Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):** Thank you to our witnesses for some excellent presentations, a little polarized, but I think that's to be expected. It allows the committee to get to the heart of the matter.

One of the things that I think we all support—I know that we in the Liberal Party of Canada do—are initiatives to reduce unnecessary red tape. We also feel that this exercise is incredibly important, because if we get this wrong, if there's an error in how this is administered, we lose momentum on the initiative. That's why I think we really want to dig down into whether or not the law of unforeseen consequences may come into play here. It sounds pretty simple and straightforward—reduce red tape; if you want to introduce a regulation, you've got to eliminate a regulation—but it can indeed potentially invoke the law of unintended consequences.

Let me ask a question of our witness from the Canadian Federation of Independent Business.

Have you identified any regulations that impose an administrative burden on a business—potentially a large corporation or a small corporation—which you like, and which you feel are necessary, valuable, and help in the administration of a fair and even playing field in the free market?

**Ms. Laura Jones:** I think in general, our members are not saying that you should cut all of the regulations. We haven't specifically surveyed and said, "which regulations do you like?" but when we talk to our members, they're generally quite supportive of rules that are fairly straightforward on the tax side. For example, they support the idea of paying their taxes. They support the idea of protecting their employees. They support the common sense environmental rules and regulations.

Really, what they don't support is when it's difficult to understand, when there's poor government customer service around it. For example, when you're trying to do your best to comply with tax rules, and you have to phone CRA five times, and you get three different answers on those five calls, and you're deciding to take the one that you hear the most, those are the things that really do frustrate small business.

We do appreciate that the Liberals, going back to the advisory committee on paper burden reduction which was a Liberal initiative, have supported red tape reduction.

In response to your comment about risks, I think the biggest risk of this is that we see the one-for-one rule as somehow accomplishing everything. It's a very powerful and important tool in the tool kit, but in order to make a difference on the ground, we have to complement that with the other initiatives that address some of the things that are outside of the one-for-one rule. That's really critical, that we not mistake the one-for-one rule....

Businesses get very nervous when governments think, "Okay, we've done that." That's been the history of red tape reform in other jurisdictions in some provinces. I think that's the biggest risk here.

**Hon. Gerry Byrne:** Thanks very much. That's a very thoughtful answer.

One of the things that I think I'm hearing from you is that while the initiative is generally good, there needs to be some oversight into how it's implemented, so that you are aware of what's being taken away versus what's added. Are you aware of any measures to allow that kind of oversight?

**Ms. Laura Jones:** Well, there is a report card. One of one of the recommendations that was made through the red tape advisory commission was to do a scorecard.

**Hon. Gerry Byrne:** I haven't got a lot of time, so I'll just interrupt you and say, yes, I appreciate that, but that's after the fact.

What I'd like to know is, would you and your organization appreciate being advised of a change in regulation before it happens so that you can give input? I'm not aware that it's current.

Maybe, Ms. Coombs, you may want to answer.

**Ms. Laura Jones:** Of course.

**Ms. Shannon Coombs:** One of the outcomes of the action plan has been the forward regulatory plans, and from a business perspective we find them very helpful.

It's a very clear, transparent, public notice; here are the regulations that are coming in the next two years from the department.

It also provides us with a perspective that we are not the only ones, that there are others, and so there are going to be a lot of

constraints on the department for the development of those regulations.

We've found that particular piece of the action plan to be quite productive.

• (0935)

**Hon. Gerry Byrne:** Okay.

Is that it, Mr. Chair?

[*Translation*]

**The Chair:** You have 20 seconds left.

[*English*]

**Hon. Gerry Byrne:** Very good. Thank you.

**The Chair:** Now on to Mr. O'Connor. You have five minutes.

**Hon. Gordon O'Connor (Carleton—Mississippi Mills, CPC):** Mr. Aylward, last week I was commenting with members about finding somebody that supported red tape. I was having problems trying to think of anyone, because everybody seems to hate red tape, but I've listened to your briefing and you seem to like red tape. You tie in regulations with jobs, and you say that government agencies can adjust the regulations when they want to.

The problem with that, at least in my opinion, is that unless somebody somewhere says, "review your regulations", departments don't. You know, they just don't review them. They just carry on with the old regulations and nothing changes. Anyway, may I have your comment?

**Mr. Chris Aylward:** That is doable today, though, and you can't refute that. When regulators and administrators today have the right to delete unnecessary regulations, why isn't that done? That's the question that should be asked. Don't simply say that for every regulation we're going to create, you must figure out and find one that we're going to delete. There's nowhere in the legislation where it says exactly how that's going to be done, except it points out that it's going to be done through a report at the end of the year: no consultation whatsoever with anybody. How is that going to be done?

Minister Raitt just last week introduced a new regulation around certification of railways. Who, then, is going to determine which regulation we should delete? How is that going to be done? There is nothing in the legislation around consultation, and that should be of grave concern to Canadians.

It's not the fact that we like red tape. We are very concerned, though, that when you try to reduce red tape, you reduce greatly the health and safety of Canadians and of our environment we live in. That's what we're concerned about.

**Hon. Gordon O'Connor:** Okay.

Ms. Jones, red tape is a fluffy term that everyone has opinions on. When you're dealing with red tape, how do you know you have red tape or not?

**Ms. Laura Jones:** That's a great question. There are two challenging things when talking about regulation and red tape: one is measuring it, the other is accurately defining it.

I will say that from a private sector perspective, you certainly know it when you see it. But it really boils down to a few different things. One is unnecessary or duplicative rules. Poor government customer service is clearly red tape. One of the ways we quantify it is we ask our members how much time they spend on regulation compliance, hours spent on all the regulatory activities they do. Then we ask how much of that time, in their view, could be reduced without harming the important human health and safety and environmental reasons for having regulation in place.

We take a very small business view on red tape. The rules that are necessary are regulation. Those that aren't or poor government customer service are red tape.

**Hon. Gordon O'Connor:** Ms. Coombs, I heard in your briefing something about applying American-type regulations in the future and that you wouldn't have to use the one-for-one rule. Does that mean you can just toss this aside?

**Ms. Shannon Coombs:** I'm sorry if it was unclear in my presentation, Mr. Chair.

No, what we were talking about is the GHS, and that the one-for-one rule doesn't apply to this new classification on labelling because it's a regulation that's changing all of the labelling and safety data sheets. It's not an administrative burden, so it doesn't fall within the scope of the legislation. However, the GHS will be a new, modern regulatory system that will be applicable in the United States and Canada and able to facilitate trade and protect worker safety.

**Hon. Gordon O'Connor:** But it is an administrative burden, isn't it? Your people have to do this. You actually had to change labels and everything else.

**Ms. Shannon Coombs:** It is the cost of business. We would like the scope of the bill increased, but it's one step at a time. We're quite happy with the way it's written now so that we can start to change the systems.

[*Translation*]

**The Chair:** Thank you, Mr. O'Connor.

Mr. Ravignat now has the floor. He has the last five minutes.

**Mr. Mathieu Ravignat:** Thank you, Mr. Chair.

[*English*]

I haven't heard anything that's convincing about why the one-for-one rule is somehow better than just having a government study about those regulations that cause red tape, that might be redundant, and then simply eliminating or deleting them. It seems like that could have been the approach.

At least in my sense of small and medium-sized businesses in my riding, I don't think they care how the red tape is got rid of but that it is gotten rid of.

Can either of you, Madame Jones or Madame Coombs, speak to the one-for-one rule as opposed to another way of going about reducing red tape?

● (0940)

**Ms. Laura Jones:** Yes, I can speak to that.

I think the big difference between doing a review and getting rid of unnecessary regulation—and that has been done from time to time

over the course of Canadian history—is it's a one-time event. The one-for-one rule makes this an ongoing process, something that needs to be focused on all the time. It also starts to quantify in a way that we haven't quantified before. Those would be the two big things.

I think that businesses get very frustrated with governments when red tape reform is a flavour of the month, that it is the focus for a little while. They want it to be like fiscal accountability, a permanent feature on the menu. I think the one-for-one rule starts to do that.

**Mr. Mathieu Ravignat:** Presumably you could do that. You could build in a review process that isn't direct and one-for-one, right? What you're saying doesn't necessarily mean a one-for-one rule; it could be an ongoing process. We have continuous improvement processes across the public service, so it could be a yearly review of red tape and red tape elimination. It doesn't have to be a one-for-one process.

**Ms. Laura Jones:** If you're suggesting that there might be other ways of doing it on a regular, permanent basis, of course there are other ways of doing it. But we're very excited that there is a way of doing it that is being legislated so that it is going to happen. For too long there hasn't been that important step, and governments haven't really been willing to hold themselves accountable when it comes to

**Mr. Mathieu Ravignat:** So it really isn't about the one-for-one principle as much as about the idea that the government be continuously reviewing red tape.

**Ms. Laura Jones:** Yes, if they are continuously reviewing red tape and holding themselves to a high standard of accountability with respect to it, which, in our view, legislation does.

**Mr. Mathieu Ravignat:** That's interesting.

I'm not sure that this would be your responsibility, but I guess the other issue here is that small and medium-sized.... I actually agree with you that the vast majority of small and medium-sized businesses want to protect our environment and our health. The problem is that you don't regulate for them; you regulate for those who don't, for the people who are a problem and the corporations and companies that are problems. Unfortunately, there is a history of health and safety and environmental issues with medium, small, and large businesses in this country, so there needs to be robust regulation in place. That doesn't mean that a red tape review can't happen.

One thing also that I'm somewhat worried about is trying to get this understood by the business community. What does this mean for the restaurant owner in my riding who has 10 employees? How is this piece of legislation going to radically change their business and help them get ahead?

**Ms. Laura Jones:** Well, in dealing with the problem of red tape, as I said before, I don't think there is one magic bullet. This is a giant problem that has evolved over time. It's been hugely frustrating for business owners. There are some very real and legitimate challenges for governments on the other side of this as we advocate for change. There are some very real and legitimate challenges to doing it, in how to measure, how to track, how to know you're making a difference. I don't think there is any one thing that is going to be the magic bullet here. What is important is putting together a series of actions that are going to put a lid on the regulatory activity to start bringing more transparency and accountability to the hidden tax of regulation.

It would be a mistake to say that this is going to make a huge impact all by itself, but does that negate the fact that it is an important step forward? No, it doesn't. You can see from our survey results that it has the heads of business owners nodding; they support it.

• (0945)

[Translation]

**The Chair:** Thank you, Ms. Jones. You had the last word. This brings our first hour of testimony to an end.

Thank you so much for having shared your expertise with us. This will no doubt help us to further study Bill C-21.

I will now suspend the meeting for a few moments so we can see you off and welcome our next panel of witnesses who are already in the room.

• (0945)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (0945)

**The Chair:** Order, please.

We will now begin the second hour of this meeting on Bill C-21.

We have the opportunity to welcome a few people from two major federal departments. First of all, we will hear from Ms. Weber, who represents the Department of Health. We are also joined by Mr. Beale and Mr. Lindale, who represent the Department of the Environment.

The witnesses have 10 minutes for their presentations, after which we will move on to questions by committee members.

Before we go further, I see that Mr. Byrne has a point of order, so I will give him the floor.

[English]

**Hon. Gerry Byrne:** Mr. Chair, the committee in its business planning session took an affirmative decision to invite the Department of Fisheries and Oceans. They are not on our list. Would you or the clerk be able to give us an explanation for why someone from the Department of Fisheries and Oceans was not able to be here before the committee?

[Translation]

**The Chair:** That is a good question. I will ask the clerk, who looks after inviting witnesses to appear.

After consultation, I am told that these witnesses were indeed invited to appear by the committee, but that they could not be here as

they had to appear before the Standing Committee on Fisheries and Oceans to speak to supplementary estimates (B) at the same time as we were meeting this morning.

• (0950)

[English]

**Hon. Gerry Byrne:** On that same point of order, the information we received from the Department of Fisheries and Oceans was that the only individuals who could speak with authority from the Department of Fisheries and Oceans on this issue were appearing before another committee on the budget implementation act. Is that correct?

**The Chair:** They were appearing on the supplementary estimates.

**Hon. Gerry Byrne:** On the supplementary estimates. Nobody else from the Department of Fisheries and Oceans was confident enough to present to this committee on this initiative.

[Translation]

**The Chair:** That is the information provided to us by Fisheries and Oceans Canada.

[English]

**Mr. Dan Albas:** I have a point of order, Mr. Chair.

[Translation]

**The Chair:** There is a point of order.

Mr. Ravnat was to speak first, but...

[English]

**Mr. Dan Albas:** Mr. Chair, on a point of order, I'm a guest on this committee. This to me is sounding more like a back-and-forth debate. If the member has a point of order, perhaps he could clarify that because right now it's taking time away from the officials we do have. I think out of respect for the people who are here, we should try to make the most of our experience.

[Translation]

**The Chair:** Thank you. That was a point of information. At the very least, I felt the need for clarification as to why we were missing a witness given everything we had asked for during our preparatory meeting.

I hope you have a different point of order, Mr. Ravnat, because I think the issue has already been resolved.

**Mr. Mathieu Ravnat:** No, everything is fine.

**The Chair:** I will therefore move straight to Ms. Weber, as planned, who has a maximum of 10 minutes. I thank her for being with us this morning.

[English]

**Ms. Kendal Weber (Director General, Policy, Planning and International Affairs Directorate, Health Products and Food Branch, Department of Health):** Thank you, Mr. Chair, and members of the Committee.

My name is Kendal Weber and I am the director general of policy, planning and international affairs in the health products and food branch at Health Canada.

Thank you for the opportunity to present Health Canada's perspective on Bill C-21, the red tape reduction act.

As you know, Health Canada's primary mandate is to protect the health and safety of Canadians. We support the government's red tape reduction action plan, including enshrining the one-for-one rule in law to target and control administrative burden on business. Cutting red tape to business fosters growth, competitiveness, job creation, and innovation.

As one of the government's major regulators, Health Canada is committed to reducing regulatory administrative burden to industry, while ensuring that the health and safety of Canadians is not compromised.

Health Canada has an ambitious regulatory modernization agenda and follows good regulatory design principles, including the reduction of unnecessary administrative burden to industry. The good practices required by the one-for-one rule are consistent with departmental approaches to regulatory design.

With respect to reducing administrative burden, it is now a matter of practice within Health Canada that the development of regulations includes an assessment of the cost, alternatives, and consideration of ways to reduce the imposition of administrative burden on regulated parties, particularly small business.

This practice is embedded in the design of our regulations. Stakeholders are consulted throughout the regulatory development process, including on the assessment and costing of administrative burden, as well as identifying alternatives to minimize the burden without compromising on health and safety requirements.

Stakeholder consultations begin early and include publishing regulations in the *Canada Gazette*, part I. This pre-publication of regulations gives all Canadians a chance to submit their comments about a proposed regulation well before it is made. Bill C-21 would allow for a 24-month reconciliation of administrative burden. This flexibility over two years respects the realities of the timelines involved in introducing new or amended regulations through the *Canada Gazette* process.

In implementing the requirements of the one-for-one rule over the past two years, we have recognized that there are opportunities within the 95 regulations which we administer to cut red tape and minimize burden on businesses while continuing to meet our mandate of protecting the health and safety of Canadians. These two objectives of health and safety and administrative burden reduction are not incompatible.

Here is an example of how Health Canada has been able to do just that: reduce administrative burden on business without compromising the health and safety of Canadians.

Pharmacists and their regulatory associations told us that certain requirements under the food and drug regulations were out of step with more modern provincial legislation and were unnecessarily prescriptive, requiring pharmacists to perform functions which could be safely performed by pharmacy technicians. We listened and amended the provisions that regulate prescription drugs. The regulations now allow the transfer of prescriptions by pharmacy technicians, an administrative task that was previously administered solely by pharmacists. This means that community pharmacies and retailers that dispense prescriptions may better utilize the skills of

lower-salaried pharmacy technicians, thereby reducing the overall operating and administrative costs of business.

This change alone represents a net annual reduction of almost \$15 million in unnecessary administrative burden and does not compromise the health and safety of Canadians. It was of benefit to everyone, was practical, and made good sense.

As of June 2014, the department has contributed to approximately 70% of government-wide administrative cost reductions.

Health Canada will continue to seek opportunities to reduce unnecessary regulatory burden to industry implementing the one-for-one rule while protecting the health and safety of Canadians.

Furthermore, the department has embedded in its regulatory design a small business lens assessment to consider flexible regulatory options that reduce costs to small businesses.

Thank you for the opportunity to appear before you today on this important issue. I'm happy to answer your questions.

● (0955)

[Translation]

**The Chair:** Thank you for your presentation and for being here today.

Without further ado, I give the floor to Mr. Beale and Mr. Lindale, for a maximum of 10 minutes.

Please go ahead.

[English]

**Mr. Mike Beale (Assistant Deputy Minister, Environmental Stewardship Branch, Department of the Environment):** Mr. Chair, members of the committee, thank you for the opportunity to speak to you on behalf of Environment Canada about Bill C-21, the red tape reduction act.

My name is Mike Beale. I'm the assistant deputy minister for environmental stewardship at Environment Canada. I'm here today with Stewart Lindale, who is the director of regulatory innovation and management systems at Environment Canada. Stewart oversees implementation of the one-for-one rule for the department.

[Translation]

Environment Canada administers over a dozen acts and more than 70 regulations that support the department's goal to provide Canadians with a clean, safe and sustainable environment.

[English]

The department has an active regulatory agenda. Our forward regulatory plan contains 42 initiatives that we anticipate advancing over the next two years. Since the one-for-one rule was introduced in April 2012, we have completed approximately 33 regulations or regulatory amendments.

[Translation]

As one of the government's most active regulatory departments, Environment Canada has, for many years, emphasized the importance of continual improvement in pursuit of regulatory excellence, and places high importance on strengthening the capacity of its people and its regulatory systems.

[English]

Before amending an existing regulation or designing a new one, we seek to ensure that it will be the right tool to achieve the risk management objective. When designing a regulation, we strive to ask only for information that is needed and only as often as required, maximize the use of online reporting, and actively engage regulatees in discussing ways to reduce administrative burden without compromising the attainment of environmental objectives.

To date, the one-for-one rule has been triggered for eleven Environment Canada regulatory initiatives, three of which added burden, and eight of which were regulatory amendments that reduced administrative burden without compromising environmental protection. In total, we have attained a net reduction in administrative burden of approximately \$1.6 million over the past two years.

[Translation]

Environment Canada has actively engaged with the Treasury Board Secretariat in the implementation of the government's regulatory reform agenda, and going forward, we will continue to strive to minimize burden on Canadian business while fulfilling our environmental protection mandate.

• (1000)

[English]

Thank you.

I would be pleased to answer any questions.

[Translation]

**The Chair:** Thank you for your presentation, Mr. Beale.

I now give the floor to Mr. Ravnat, for five minutes.

**Mr. Mathieu Ravnat:** First of all, I would like to thank you for being here.

In your opinion, who will perform an assessment to determine whether or not a regulation will be eliminated, and whether that would have an impact on Canadians' health or the environment?

[English]

**Ms. Kendal Weber:** Sure, I can start.

We take an approach where we outline in our forward plan the regulations that we will be advancing, and under this legislation, we are required to remove or repeal a regulation only if administrative burden has been added with a new regulation. It's not for every regulation amendment that we actually have to reduce a regulation. That is very clear.

Where there is a requirement to reduce a regulation, it doesn't have to be exactly in the area where a new regulation has been added. The legislation and the guidance that comes with it allows the flexibility

for the minister to remove a regulation within his or her portfolio. It also allows for a two-year period for that to take place.

[Translation]

**Mr. Mathieu Ravnat:** So, the Minister of Health or the Minister of the Environment, for example, would have the last word.

[English]

**Ms. Kendal Weber:** In the department, there is planning for the regulations that will be put in place. We also consult on which regulations will be repealed. It is a very open and transparent process. We do engage stakeholders throughout that process, through our pre-consultation phase, and then also through the *Canada Gazette*. At the end of that, it does advance to the Treasury Board, and then there is the point where it is repealed.

[Translation]

**Mr. Mathieu Ravnat:** Mr. Beale, do you think the environment should have been mentioned in this bill's preamble?

[English]

**Mr. Mike Beale:** I do not have an opinion on the exact wording of the act.

[Translation]

**Mr. Mathieu Ravnat:** It seems strange that subjects such as health and safety are mentioned, but not the environment. Indeed, there is a clear link between the environment and Canadians' health as well as their safety. Here on the opposition side, we would have appreciated that the environment be taken into account.

I would like to ask you a more specific question.

Under the one-for-one rule, regulatory entities must compensate for new burdens within two years of the final approval of regulatory amendments.

Is that two-year deadline difficult to meet?

[English]

**Mr. Mike Beale:** The estimation of the administrative burden that we can reduce from existing regulations in order to balance any additional administrative burden from new regulations is an ongoing exercise. Our experience with the one-for-one rule is that it has encouraged us to focus very carefully on our existing stock of regulations, review them, and see what opportunities there may be to reduce administrative burden where it exists. That's an ongoing exercise, and we continue to do that to ensure we have that balance of administrative costs we can reduce in order to offset any additional administrative cost.

[Translation]

**Mr. Mathieu Ravnat:** Ms. Weber, is the two-year deadline difficult to meet?

[English]

**Ms. Kendal Weber:** Along the same lines, with forward planning, with the two-year forward plan, and a regular review of the regulations that we have in place, there is that flexibility also with the two years. There's the flexibility of carrying a balance forward. I've mentioned we do have a balance in Health Canada already of \$15 million for administrative burden reduction. Then it's also taking a portfolio approach, so it can be across the entire portfolio, across a stock of 95 regulations. So there is significant flexibility in that.

• (1005)

[Translation]

**Mr. Mathieu Ravignat:** As to the regulations...

**The Chair:** You have 10 seconds left.

**Mr. Mathieu Ravignat:** Ms. Weber, Mr. Beale, you briefly described the regulatory process that aims to protect Canadian health and the environment. However, I get the impression that the public believes these decisions are to some degree beyond their control.

**The Chair:** You must wrap up, Mr. Ravignat.

**Mr. Mathieu Ravignat:** It is up to the ministers of Health and the Environment to decide what is good, what is not, and what should be eliminated.

What can you tell us to reassure the public?

[English]

**Mr. Mike Beale:** I guess I would repeat what my colleague Ms. Weber said. There are consultations around the forward regulatory plan. Any repeal goes to *Canada Gazette*, part I, and there's opportunity for public comment. So there are opportunities for Canadians to express their views on proposed repeals.

[Translation]

**The Chair:** Thank you.

I now give the floor to Mr. Albas.

[English]

**Mr. Dan Albas:** Thank you to our witnesses for their testimony here today.

I am going to follow up with what Mr. Ravignat was discussing, particularly around the discussion about costing and transparency.

We had a witness in the previous session—I'm not sure if you were able to hear them—who made allusions that there is only an after-the-fact scorecard evaluation of regulations. My understanding is that Treasury Board Secretariat assesses all final Governor-in-Council approved regulatory changes with administrative burden cost increases or decreases, and those are then published in the *Canada Gazette*. I think it's prepublication is in part I. Then any stakeholder, any Canadian, can comment on it. In those regulatory impact assessment statements, they actually not only say how the one-for-one rule applies, but they also give the burden in plain language that anyone can understand. They can then make sense of the regulation and then comment.

Is that something your departments do on a regular basis?

**Ms. Kendal Weber:** Yes, for sure. Advancing any new regulation doesn't happen overnight. I think what's important is that we start the policy analysis process.

We do international comparisons. Sometimes, and we've done this most recently on nutrition labelling, we undertake an online consultation with the public at large, a Canadian public consultation. We then do a cost-benefit analysis. We use a cost calculator provided by the Treasury Board Secretariat.

That becomes a part of our regulatory package that is advanced to the *Canada Gazette* for consultation. In that RIAS, the regulatory impact assessment statement, we outline the costs and the benefits of the particular regulation that is going forward. It is put in the *Canada Gazette* for 30 or 75 days for consultation. We collect the comments, bring them back, advance to Treasury Board again, and then we publish in the *Canada Gazette*, part II.

In the instance I just mentioned, about the pharmacy technicians, we also engaged the pharmacists' association to conduct a survey to determine the costs to the industry. We actually engaged the pharmacists in the determination of that cost calculation.

**Mr. Dan Albas:** Mr. Beale, is that the same experience...? Do you consult with Canadians in very much the same way?

**Mr. Mike Beale:** Exactly.

**Mr. Dan Albas:** Excellent.

This is a further question for Environment Canada. I have with me, Mr. Chair, "The 2012-2013 Scorecard Report". It mentions the specific amendment that was made:

Through amendments to Environment Canada's On-Road Vehicle and Engine Emission Regulations, \$1.5 million of administrative burden on vehicle importers was reduced by eliminating the need for them to submit vehicle or engine identification numbers... and the dates they imported the vehicles as part of their declarations. Importers are now only required to submit one importation declaration to the Minister of Environment per year.

You mentioned earlier, Mr. Beale, that when you look to amend an old regulation or put in place a new one, you try to make sure that you only ask for information as it is pertinent and only when necessary. Is that in line with this example of the on-road vehicle and engine emission regulations and with the one-for-one rule in general?

**Mr. Mike Beale:** Yes, absolutely. We obtained approximately \$1.5 million in savings just from this one initiative of reducing the burden around these vehicle regulations. We found that we were able to get the information we needed without this additional burden.

**Mr. Dan Albas:** Were you able to do so with no compromising of health and safety for Canadians?

**Mr. Mike Beale:** Absolutely.

**Mr. Dan Albas:** That's great, and I'm very happy to hear it.



Mr. Ravignat asked the previous witnesses about the importance of the cap and whether it was necessary or could be achieved with ongoing constant reviews. My question for you is, does having a cap on the administrative burden force you to go back to look at old regulations and then refresh them as necessary so that Canadians still get the best regulations, but in such a way that we are constantly keeping an eye on the costs of administrative burden on our entrepreneurs and on Canadians in general?

• (1010)

**Mr. Mike Beale:** Yes, absolutely. It encourages us to go back to look at our existing regulation bank, including how the regulations are structured and whether they could be better structured, as well as at the exact administrative costs that we impose on industry and Canadians in those regulations and whether there are ways that we can get the same information in a more efficient way.

[Translation]

**The Chair:** Thank you, Mr. Albas. Your time is up.

I now give the floor to Ms. Day, who has five minutes.

**Mrs. Anne-Marie Day:** Thank you, Mr. Chair.

I would like to thank the witnesses for being here today.

A bit earlier, a representative of the Canadian Federation of Independent Business told us about a consultation undertaken with its 109,000 members. She told us that health, safety, the economy and the environment were important for those members.

I would therefore like to repeat the question asked earlier by Mr. Ravignat. I am not asking you for a personal opinion, I am asking you about what consultations undertaken by the federation and others reflect. Do you not believe the environment should be a part of this bill?

[English]

**Mr. Mike Beale:** As I said, I don't have a personal opinion, and the department supports the bill as put forward by the President of the Treasury Board.

[Translation]

**Mrs. Anne-Marie Day:** The federation therefore believes the environment should be mentioned.

Ms. Weber, earlier you mentioned the example of pharmacists and certain regulations. In the absence of the one-for-one rule, could we have achieve the same result?

[English]

**Ms. Kendal Weber:** Well, the actual changes that were made for the pharmacy technicians were made last year. It followed the regulatory reform announcement in 2012 and the work of the Red Tape Reduction Commission. A previous witness did mention the culture change. We did start to make those changes. We integrated the small business lens into our regulatory design. We also looked at the administrative burden and how it could be reduced. As we advanced our regulatory packages we looked for opportunities where unnecessary burden could be reduced.

[Translation]

**Mrs. Anne-Marie Day:** Your departments deal with the environment and health. Could you tell us how many regulations that means in all?

[English]

**Ms. Kendal Weber:** At Health Canada we have 95 regulations.

[Translation]

**Mrs. Anne-Marie Day:** And what about the environmental side of things?

[English]

**Mr. Stewart Lindale (Director, Regulatory Innovation and Management Systems, Department of the Environment):** Environment Canada has a stock of 72 regulations.

[Translation]

**Mrs. Anne-Marie Day:** That means 95 plus 72 regulations. Therefore, the one-for-one rule does not affect a large number of regulations. So if this bill is adopted, every time a regulation is added, one will have to be removed.

Under this bill, the President of Treasury Board must provide an annual report on section 5, meaning the application of the one-for-one rule.

Have you any idea what that report would include? What criteria have you been given to draft this report?

[English]

**Mr. Mike Beale:** I would say that as part of the forward regulatory plan we indicate what our proposed regulatory initiatives are going to be for the next two years. In there we also indicate some of the repeals and adjustments that we expect in our existing stock of regulations. As we go forward we will be continuing to make that balance between the new regulations that we introduced and any changes to the existing stock.

• (1015)

[Translation]

**Mrs. Anne-Marie Day:** The bill also stipulates the following: "Five years after the day on which this Act comes into force, the President of the Treasury Board must cause a review of the Act to be conducted".

Have you already been provided with the process and the evaluation criteria that will be implemented during the five first years? I don't imagine you will be given that in the 6<sup>th</sup> year.

[English]

**Ms. Kendal Weber:** I'm not aware of the process.

**Mr. Stewart Lindale:** No, we're not aware of the process at this point.

[Translation]

**Mrs. Anne-Marie Day:** It is under section 11 of the bill.

Earlier, M. Albas mentioned the Gazette, which seems to provide for a consultation process that specifically allows a response.

Do you believe the consultation process should be a part of the bill? Should it be integrated into the bill to find out what business and the population think of it?

**Mr. Mike Beale:** I am not sure I understand your question.

[English]

The bill goes through Parliament, and Parliament will decide on the exact content of the bill. After that, in terms of the regulatory process we will follow the regulatory process as already set out in the law. It indicates, for example, that the Canadian Environmental Protection Act, which is one of our major pieces of legislation, sets out processes for going through *Canada Gazette I* and *Canada Gazette II*.

[Translation]

**The Chair:** I now give the floor to Mr. Maguire, for five minutes.

[English]

**Mr. Larry Maguire (Brandon—Souris, CPC):** I want to offer my thanks to you as presenters for being here today.

There are a number of questions I want to ask and some of them came out of the presentations from the last panellists.

Mr. Aylward indicated that he didn't support this particular bill and he gave a number of examples that I felt were dealing with health inspection issues and health issues in those areas. As you pointed out, Ms. Weber, they are completely exempt from this bill and not to be a part of it. I support the bill because those types of areas are not to be affected by the bill, health and safety in particular. I was pleased to see that the Canadian Federation of Independent Business supports necessary regulations, which is a part of this bill.

I've seen in Manitoba, where I come from, a number of situations where burdensome regulations have almost killed industries in our province. I think that it's important to make sure that this is taken into consideration when any of these changes are made. I noted that they indicated there are \$30 billion in savings in this area if we look at red tape reduction. I'm not indicating that they can all be reduced, but that was their number. I think that's pretty significant given that it's 5% of Canada's debt in that area.

There is a move, I believe, that's needed to make sure that we do everything we can to be responsible about not putting a greater load on areas of small business and industries, particularly with small businesses. I know in Manitoba it's about 82% of the economy of the province.

With these two things I would ask for your comments again in regard to the issues of health and inspections, and in regard to impacts on the environment. I'll ask both Ms. Weber and Mr. Beale if that's part of the reason they support the bill, because of this area of protection of the health and safety issues.

**Ms. Kendal Weber:** I want to clarify one point and perhaps my opening remarks were not clear. It's not that health and safety regulations are exempt from the legislation. What I have conveyed is that there are opportunities to reduce administrative burdens when we do advance regulations or look back, as Mr. Beale has mentioned, at the regulations that we have in place. We look for opportunities where industry or health and safety may have evolved and where we can reduce that burden.

I'll give you an example. Our food and drug regulations have been in place for over 50 years. Some of the components of that require maintaining hard copies of documents for several years. We've been approached by some industry members who asked if they could move to electronic systems, perhaps keeping paper copies for maybe two or three years, rather than 10 to 15, and then putting the remainder on the electronic version. That can be a reduction in the administrative burden in that industry. While it is a health and safety regulation, it is reducing the cost to industry on administration, but in no way compromises health and safety.

• (1020)

**Mr. Mike Beale:** Another example I could give is in our environmental emergency regulations. We had a requirement for all regulators to report annually on their contact information. We looked at that and we felt that some of these regulators are more, in a sense, at risk than others. We kept that annual requirement for what we considered high-risk regulators, but for low-risk regulators we moved that to five years. It's the way we were able to get the same amount of information without endangering the environment.

**Mr. Larry Maguire:** Thanks. I'll take that as a correction on my behalf as well. Protection is the word I should have used, as opposed to exempt.

I just wanted to close by saying that in regard to the Fisheries Act, which my colleague from the Liberal Party brought up, through regulatory amendments Fisheries and Oceans Canada is already part of that environment. It has already provided fisheries with over \$150,000 in administrative burden relief by eliminating rules that require fishers to identify their fishing gear and vessels by using marking devices supplied by the regulators, the department. That's just one area where duplication can certainly be an administrative burden.

I just wanted to see if you have any comments in regard to the comment made by the CFIB in regard to the fact that political leadership was one of the three areas they felt needed to be included in this and to take a lead on it, as opposed to what I heard one of the other presenters say, that regulators should be the ones in charge of the regulations as well. I do know that the people in the departments and that sort of thing are going to have to be the ones who will take a look at some of these issues as well and deal with the regulations.

Could you comment on how important it is to have political leadership in moving these issues forward as well for savings for Canadians?

**Mr. Mike Beale:** Well, our system works as a parliamentary democracy with the role of government and the role of ministers. As public servants, our role is to administer the laws and the regulations as set by government. That's the framework within which we operate.

**The Chair:** Thank you, Mr. Maguire.

Mr. Byrne, for five minutes.

**Hon. Gerry Byrne:** In the deliberations leading up to the drafting of the bill and its tabling before Parliament, would I be able to ask either of the witnesses, those appearing before us from the two departments, if they had an opportunity to participate in an interdepartmental or cross-government exploration of the issue at hand and become familiar with not just their own departmental issues but the regulatory circumstances from across departments?

**Ms. Kendal Weber:** It goes back a couple of years now. It actually goes back to the beginning when the regulatory reform... when the Red Tape Reduction Commission went out and actually talked to our stakeholders. In those early days we were part of that, and we heard back from the stakeholders about, if you will, different irritants that small business, industry, health care professionals, patients, and caregivers said are concerns with the different regulations in place.

With that, the Treasury Board has advanced guidance to departments on how these different measures can be implemented. Then we've also been engaged in interdepartmental discussions.

**Hon. Gerry Byrne:** Thank you very much.

The President of the Treasury Board appeared before committee and said that there were approximately 1,500 regulations on the books that would be subject to intervention by this particular act. I guess that's a funny way to put it, but those would be eligible to be reviewed and eliminated by the act. He did say that there were 19 regulations thus far in the last two and a half years that have been impacted accordingly.

Do each of your departments or agencies have an inventory of redundant regulations that you may look at, that are potentially still targets?

Ms. Weber.

• (1025)

**Ms. Kendal Weber:** First of all, there are two parts of the legislation. I think it's important to look at that.

There's the administrative burden that can be added with a regulatory amendment. It doesn't have to be a new title of a regulation. If a regulation is advanced that's an amendment to an existing regulation, we look at the administrative burden and how that can be reduced. That balance can be carried forward, as I mentioned earlier.

The second component is if a new title is introduced, a new regulatory framework. In Health Canada that doesn't happen often, so we don't actually have new titles that are added. But once a new title is added, it's at that point that a regulatory framework has to be removed within the two-year period. As I mentioned earlier, that has to be across the portfolio.

In the two-year forward plan—and we actually do forward planning that goes beyond that—we look at new regulatory amendments that may increase or reduce burden, and then also new titles, and then from that is the requirement to look for a repeal. It's not that it happens very quickly or overnight.

That's the process that we follow.

**Hon. Gerry Byrne:** Mr. Beale, do you have anything further to add?

**Mr. Mike Beale:** Our forward regulatory plan sets out our proposals with respect to removing existing regulations. There are a couple of repeals that are outlined there and some consolidations that are mentioned.

**Hon. Gerry Byrne:** In essence, this is not something that's going to shake the ground immeasurably, catastrophically, any time soon. This is a very slow, very deliberate, process that's going to result in regulatory improvements over the course of time, but it's not necessarily something that's going to whitewash the regulatory process. Would that be a fair categorization to make?

**Ms. Kendal Weber:** There are two sides to it. The regulatory process is an 18- to 24-month period. I had mentioned earlier the consultations, the engagement, the analysis, and the process and that does take time. At the same time, we are seeing an impact, I think, in the early days because we have implemented that small business lens and that administrative burden lens as we develop our regulations. I think we've heard from stakeholders that they are aware that we are more mindful not only of the administrative burden in our regulatory development, but also in the development of our guidance documents and also our operations. Whether that is taking a phone call and not transferring a stakeholder to another part of the department 16 times, there has been a significant culture change but a regulatory process does take 18 to 24 months.

**Hon. Gerry Byrne:** Finally....

[Translation]

**The Chair:** Your time is up.

[English]

**Hon. Gerry Byrne:** Thanks very much for your answers. I appreciate it.

[Translation]

**The Chair:** You will no doubt have another opportunity to ask your question.

Ms. Day, you have the floor for five minutes.

**Mrs. Anne-Marie Day:** Thank you.

My questions pertain to the bill.

In the bill's preamble, it says the following: “whereas the Government of Canada recognizes the importance of being transparent with regard to the implementation of the one-for-one rule”.

Was the notion of transparency defined for you?

[English]

**Ms. Kendal Weber:** The Minister of Health announced earlier this year that we have a regulatory transparency and openness framework. She has outlined in the document, and the department has followed through with, improving the transparency around our regulatory environment. We are improving and being more transparent about the decisions we make with respect to regulatory decisions. The forward regulatory plan is just one component of that. Putting that up with a two-year forward plan gives stakeholders and industry a heads up about which regulations will be coming, allowing for predictability and for planning.

• (1030)

**Mr. Stewart Lindale:** As my colleagues mentioned, certainly the forward regulatory plan does add significant transparency to the process, and as we mentioned earlier, with every regulatory proposal it triggers the one-for-one rule and the small business lens. There is transparency leading up to the publication of that proposal in the *Canada Gazette* as well as publication in the *Canada Gazette*. In that way we are ensuring that there is transparency around these decisions.

[Translation]

**Mrs. Anne-Marie Day:** What is your answer, Mr. Beale?

[English]

**Mr. Mike Beale:** I would just add that one of the initiatives the department has been moving forward over the last couple of years is what we call a world-class regulator initiative where Environment Canada is striving to be world class in everything it does in the regulatory area. We have a number of principles there, and one of the key principles we have is transparency. So the concept of transparency is already something that is very much built into the way we operate.

[Translation]

**Mrs. Anne-Marie Day:** All right.

To supplement your answer, can you tell me who is subject to that transparency? Are small and medium-sized businesses, entrepreneurs, departments or politicians subject to it?

In the case of departments, what difficulties were encountered since the implementation of the one-for-one rule?

[English]

**Mr. Mike Beale:** Sure. I think our transparency is addressed to everybody who has a potential interest in our regulations. That includes regulatees, other sectors that might have an interest in the area, environmental organizations, and academic experts. In our pre-regulatory development we try hard to make sure all interested parties are aware of the initiatives we're bringing forward.

I think that, in terms of some of the challenges that we have experienced to date in implementing the one-for-one rule, some of them are around administrative costs. We go out and consult, in advance of *Canada Gazette*, on administrative costs. Sometimes it's hard to bring that to a fine point, because our regulation has not yet been developed. So, in a sense, the exact substance of the regulatory requirement is not known. Sometimes our regulatees find it difficult to engage with us, because they don't yet know exactly what they're going to be required to do. Sometimes small businesses have their

own pressures, and they don't necessarily have the time to engage with us in advance of the regulation being put forward in *Canada Gazette* part I.

Those are just some of the practical issues that we deal with. They're not showstoppers, but they're things that we deal with as we implement one-for-one.

[Translation]

**The Chair:** Thank you, Ms. Day. Your time is up.

I now give the floor to Mr. Ravignat, for five minutes.

[English]

**Mr. Mathieu Ravignat:** I really appreciate your contribution, but sometimes it's a little hard to get down to the meat of the issue.

For me the meat of the issue is who makes the decision about what a high priority health regulation is, what a low priority one is, which one should be considered for elimination, and which one shouldn't be considered for elimination. If I understand what you're saying, there's an internal decision made, and then that recommendation is brought to the minister and the minister decides whether or not the regulation can be eliminated.

What ensures that the identification is correct? How do you classify certain regulations as being really important and certain ones as not important under the pressure of having to eliminate them?

**Mr. Mike Beale:** I can take a shot at that.

In response to this point, I think we have found that there have been some potential repeals that have quite clearly made sense. For example, in our forward regulatory plan, we're planning to remove the vinyl chloride release regulations. Those are regulations that have been in place for 22 years. The world has changed in those 22 years, and right now there's only one plant in Canada that is covered by those regulations. It's in Ontario. Ontario has a perfectly acceptable regulatory system there, so we decided there's really no value added to that regulation, and we've proposed its removal to the minister.

Similarly, we have a chlor-alkali mercury liquid effluent regulation. At the time that was introduced, it was a different situation. Right now there are no plants currently operating in Canada that are subject to that regulation.

So, we found regulations we could remove without any significant cost, in fact, without any cost at all to the environment.

• (1035)

**Mr. Mathieu Ravignat:** Okay. Fair enough. Those are pretty good examples.

We really haven't spoken about challenges, whether it be resources or human resources. This is a new administrative burden on departments. How have you dealt with the need for expertise in your ministries and in your departments, and where did you get these individuals? In a context in which there are fewer and fewer inspectors, the public can be rightfully critical that maybe we shouldn't be spending additional dollars in this area, instead of spending them on, for example, inspecting and in enforcing regulation that's important to the health and safety of Canadians.

Did this come with additional resources so that you could do these types of evaluations?

**Mr. Mike Beale:** There were no additional resources provided to deal with this. We found that there was a marginal, if any, impact on our existing resources. We already had, under Mr. Lindale, a group whose mandate was to ensure the integrity of our regulatory system.

They provide that overall guidance. We then had sectoral groups who implemented. Their day-to-day job is to ensure that regulations are structured in such a way as to maximize overall benefit. There was no additional task for them to take a hard look at administrative costs.

I would like to mention one issue that we dealt with that came up. As we looked at administrative costs, there was sometimes a relationship between administrative costs and flexibilities in our regulations. We try hard to make sure that our regulations are flexible to industry. Sometimes there can be a trade-off there. If you introduce additional flexibilities, those may incur or impose a reporting burden, for example, so we need to look at a balance for those.

**The Chair:** Madam Weber, do you want to add something?

**Ms. Kendal Weber:** I think those are excellent points that Mr. Beale made.

Over the past two years since the actual Red Tape Reduction Commission did its work, we spent a lot of time internally looking at the way we do regulations and actually ensuring that we had the necessary training.

There was cross-government training through the community and federal regulators. There has been collaboration with the Treasury Board Secretariat in the rollout of the different tools that they've provided for red tape reduction.

We've also organized ourselves within Health Canada. We didn't do this as well before. When we developed our regulations, we also looked at our guidance documents and operations for implementing them.

We streamlined our approach for the actual development of the regulations, guidance and operations, and found that we had more efficiencies internally, so we were not only reducing the administrative burden externally but also internally.

•(1040)

[Translation]

**The Chair:** Thank you.

I now give the floor to Mr. Trottier for five minutes.

[English]

**Mr. Bernard Trottier:** I understand the one-for-one rule has been in effect for about two years now, as some witnesses mentioned, as opposed to the regulatory cleanup being a one-time event. It's now an embedded process within different government departments, to always look at regulations through the lens of what I would call the customer, the customer being stakeholders who have to comply with the regulations.

One of the benefits of enshrining this into law is that it then becomes a permanent fixture of government. Another government couldn't just quietly in the night remove the regulation. It would have to go before Parliament to change this.

Can you tell me, from the perspective of government departments, is there any real impact to you whether it's a regulation or it's enshrined in law?

**Ms. Kendal Weber:** There is definitely a culture change. It started two years ago. There is definite support from Health Canada for this piece of legislation. As described, the administrative burden reduction has been implemented over the past couple of years.

**Mr. Mike Beale:** In your question, you captured the difference between a legislative initiative and a Treasury Board requirement. All government departments follow Treasury Board requirements very carefully, so we implement one just like we implement the other.

**Mr. Bernard Trottier:** Those are all the questions I have.

[Translation]

**The Chair:** Thank you.

Given that only a few minutes remain, I would like to ask you a question myself.

I was wondering whether you thought that adopting this bill would make a significant difference. A directive on this was already drafted in 2012, and it will be enshrined in a statute when that statute goes into effect.

Since you have already been applying the one-for-one rule since 2012, and since section 8 makes it possible to disregard the act once it goes into effect, do you expect to see real change within your departments?

Let us hear from Mr. Beale first.

[English]

**Mr. Mike Beale:** My understanding is that the legislation really codifies the existing one-for-one rule, so we're not expecting any significant change on how we operate. As I indicated, we take Treasury Board requirements very seriously.

[Translation]

**The Chair:** Ms. Weber, do you have anything to add?

[English]

**Ms. Kendal Weber:** It's exactly the same at Health Canada.

[*Translation*]

**The Chair:** As the meeting is drawing to an end, I would like to thank you once again for having appeared this morning and shared your expertise with us.

I remind committee members that clause-by-clause study of the bill will take place next Thursday and that the meeting will begin at 8:30 a.m., 5 minutes earlier than usual. Due to the availability of a department representative, the meeting is scheduled for 8:30 a.m. to 10:30. a.m. I also remind you that you have until this evening at 5 p. m. to table amendments.

**Mr. Mathieu Ravignat:** Did you explain why the meeting will begin at 8:30 a.m., Mr. Chair?

**The Chair:** One of the officials is only available until 10:30 a.m. because of a cabinet meeting.

**Mr. Mathieu Ravignat:** If we are to begin at 8:30 a.m., would it be possible to order some food?

**The Chair:** I will check. It is true that it gives you 15 minutes less to have breakfast.

On that note, I thank you.

The meeting is adjourned.

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