



# MANITOBA REGULATORY ACCOUNTABILITY REPORT

Manitoba government  
Regulatory Accountability Secretariat

SEPTEMBER 2019



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# Foreword by Minister of Finance



As Minister of Finance, I am pleased to release the second Regulatory Accountability report, which presents the progress made in advancing regulatory accountability across the Manitoba government. Manitoba promotes regulatory accountability to strengthen the provincial economy and improve social services for all Manitobans.

The principles of regulatory accountability put in place checks and balances to ensure a transparent, efficient and effective regulatory environment. Our red tape reduction initiatives eliminate regulatory requirements that are not achieving their intended public policy outcomes.

The goal of our initiative is to make Manitoba the most improved province for regulatory accountability by 2020. As described in this report, we have made significant progress since we launched the initiative, including:

- ▶ Establishment of a comprehensive regulatory accountability legislative framework;
- ▶ Modernization of policy development and approval processes from an outdated paper-based system to a more efficient central database and workflow management system;
- ▶ Establishment of the baseline measurement and tracking system for regulatory requirements;
- ▶ Development of innovative tools and techniques, such as the Administrative Burden Estimator and Direct Internal Cost

Estimator, to help public sector workers determine the actual impacts of proposed policy changes;

- ▶ Establishment of the annual Reducing Red Tape and Improving Services Act to enable departments and government agencies to remove red tape on an expedited basis.

Manitobans are continuing to benefit from our regulatory accountability initiative which makes it easier and faster to access programs and services and to carry out business. Moving forward, 2019/20 and future years will see a more extensive and efficient performance monitoring and reporting enabled by the new central database system.

**Honourable Scott Fielding**  
Minister of Finance

# *Executive Summary*

This report is a government-wide progress report on regulatory accountability in Manitoba.

The report outlines the progress made in 2018/19 and covers the regulatory accountability activities and results of all departments and government agencies (DGAs).

Manitoba's approach to regulatory accountability is comprehensive in terms of identifying and measuring regulatory requirements in all regulatory instruments, including Acts, regulations, policies and forms.

The regulatory accountability initiative established a baseline measurement of regulatory requirements across the Manitoba

government as of April 1, 2016, which stood at 962,586. By March 31, 2019, the total number of regulatory requirements stood at 880,048, which is an 8.6% reduction from the baseline measurement. Changes to regulatory instruments and reductions to regulatory requirements will continue to be monitored and tracked on an ongoing basis.

The Regulatory Accountability Database was deployed to assist in tracking regulatory requirements and to provide a powerful set of tools for managing the development and analysis of regulatory requirements and instruments.



# Sommaire



Le présent rapport est un rapport d'étape à l'échelle du gouvernement sur la responsabilisation en matière de réglementation au Manitoba.

Le rapport décrit les progrès réalisés en 2018-2019 et couvre les activités et les résultats de tous les ministères et organismes gouvernementaux relativement à la responsabilisation en matière de réglementation.

L'approche du Manitoba relativement à la responsabilisation en matière de réglementation est complète en ce qui concerne l'identification et la mesure des obligations administratives dans tous les instruments de réglementation, y

compris les lois, les règlements, les politiques et les formules.

L'initiative de responsabilisation en matière de réglementation a permis d'établir une mesure de référence des obligations administratives dans l'ensemble du gouvernement du Manitoba au 1er avril 2016, qui s'élevait à 962 586. Au 31 mars 2019, le nombre total d'obligations administratives s'élevait à 880 048, ce qui représente une réduction de 8,6 % par rapport à la mesure de référence. Les changements apportés aux instruments de réglementation et les réductions des obligations administratives continueront d'être surveillés et suivis sur une base continue.

La base de données sur la responsabilisation en matière de réglementation a été déployée pour faciliter le suivi des obligations administratives et pour fournir un ensemble puissant d'outils permettant de gérer l'élaboration et l'analyse des instruments et des obligations administratives.

# 1. Introduction

## ABOUT THIS REPORT

This report presents government-wide progress on the regulatory accountability activities and achievements of departments and government agencies as well as those that span across government over the fiscal year 2018/19.

Manitoba's approach to regulatory accountability is comprehensive in terms of identifying and counting regulatory requirements in all regulatory instruments, including Acts, regulations, policies and forms. Regulatory instruments were assembled and a baseline measurement of regulatory requirements was established in 2016/17.

Updates were subsequently made to improve the accuracy of these measurements.

Deployment of the new central information and workflow management system (the Regulatory Accountability Database) began in 2018/19 with the transfer of data on regulatory instruments and regulatory requirements manually stored on spreadsheets to the database.

In 2018/19, the number of regulatory requirements across government showed an overall reduction of 8.6% from the baseline and 6.3% from the 2017/18 level. This report presents details of such changes overall and by departments and government agencies.

## REGULATORY ACCOUNTABILITY: A KEY GOVERNMENT PRIORITY

Regulatory accountability establishes checks and balances to ensure a transparent, efficient and effective regulatory environment. The Manitoba government is committed to making Manitoba the most improved province in regulatory accountability by 2020 with the goal to reduce administrative burden on Manitobans associated with regulatory compliance.



**Regulatory Requirement (RR)** is a step, action or piece of information that is required to access programs or services, conduct business, or participate in regulated activities. **Red tape** is RRs that are not achieving their intended outcome or not doing so efficiently. Not all RRs are red tape.



**PRINCIPLES OF REGULATORY ACCOUNTABILITY**

- ▶ Achieving balance
- ▶ Identifying the best option to achieve the desired public policy outcomes
- ▶ Assessing the impact of proposed regulatory requirements on stakeholders
- ▶ Consulting and communicating with stakeholders before a regulatory requirement is implemented in a transparent, predictable manner
- ▶ Evaluating effectiveness and efficiency
- ▶ Monitoring and minimizing the number of regulatory requirements
- ▶ Streamlining design

<https://web2.gov.mb.ca/laws/statutes/ccsm/r065e.php>

**ACRONYMS FOR DEPARTMENTS AND GOVERNMENT AGENCIES:**

AGR	Manitoba Agriculture	MCCC	Manitoba Centennial Centre Corporation
FAM	Manitoba Families	MET	Manitoba Education and Training
FIN	Manitoba Finance	MI	Manitoba Infrastructure
GET	Manitoba Growth, Enterprise and Trade	MPI	Manitoba Public Insurance Corporation
HSAL	Manitoba Health, Seniors and Active Living	MR	Manitoba Municipal Relations
INR	Manitoba Indigenous and Northern Relations	SCH	Manitoba Sport, Culture and Heritage
JUS	Manitoba Justice	SD	Manitoba Sustainable Development
MB Hydro	Manitoba Hydro	WCB	Workers Compensation Board of Manitoba
MBLLC	Manitoba Liquor and Lotteries Corporation		

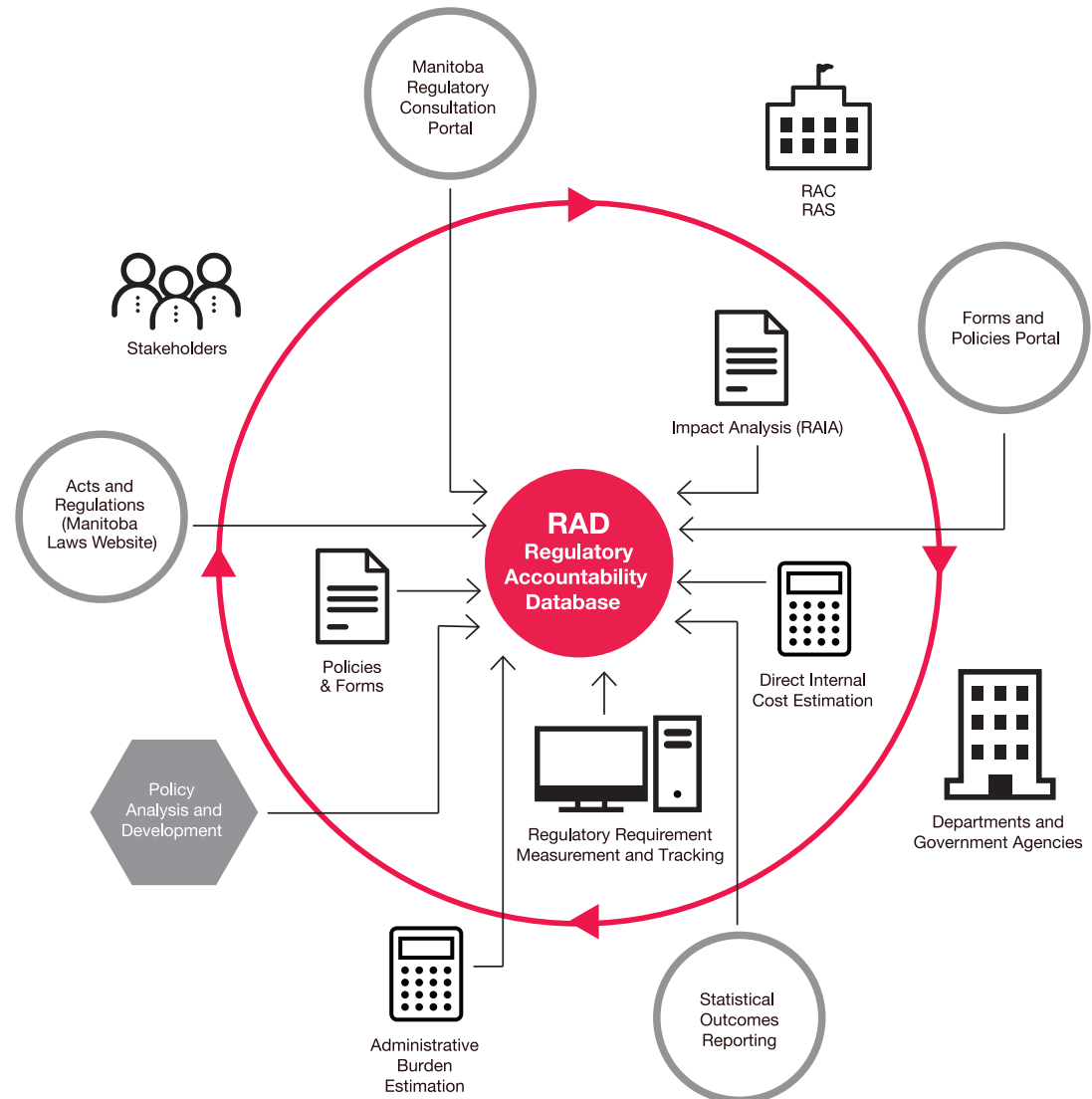
## 2. Regulatory Accountability in Manitoba

### REGULATORY ACCOUNTABILITY DATABASE

One of the key accomplishments in 2018/19 was the upload of records comprising regulatory instruments managed by 17 departments and government agencies into a central information and workflow management system referred to as the Regulatory Accountability Database.

This change facilitated the introduction of a standardized approach to the management of a regulatory instrument's lifecycle from creation, to amendment and repeal. The database is the single authoritative source for all policies and forms. It delivers a set of workflows, which facilitate and support the regulatory process from drafting to final signoff across all mandated levels of authority, enabling all to be done electronically, replacing the existing outdated paper-based processes.

The Regulatory Accountability Database puts the control and responsibility of tracking and reporting of regulatory accountability performance more firmly under the purview of departments and government agencies.





## REGULATORY ACCOUNTABILITY IMPACT ANALYSIS (RAIA)

Manitoba's RAIA replaced the existing paper-based Regulatory Impact Analysis (RIA) process. Manitoba's approach is a comprehensive analysis of public policy rationale integrating various implications of proposed regulatory projects, including assessment of short-term and long-term costs and benefits, consultations, implementation and communication aspects.

RAIA has been fully integrated in the Regulatory Accountability Database allowing departments and government agencies (DGAs) to develop and amend regulatory instruments using standardized analytical workflow processes. The database workflow processes were put in place during the reporting period, enabling the Regulatory Accountability Committee of Cabinet (RAC) to begin reviewing RAIAs as part of their review of proposed regulatory projects.

## MANDATORY PUBLIC CONSULTATIONS ON PROPOSED REGULATIONS

During the reporting period, an online public consultation portal was developed and integrated with the Regulatory Accountability Database system to facilitate the publication of proposed regulations for the mandatory 45-day public consultation period, as specified under The Statutes and Regulations Act. The initial rounds of public consultations on proposed regulations were completed with the departments of Manitoba Infrastructure and Manitoba Sustainable Development between December 2018 and January 2019.

Starting October 1, 2019, all proposed regulations containing regulatory requirements must be published on the Manitoba Regulatory Consultation Portal for the 45-day consultation period and must include a Regulatory Accountability Impact Analysis (RAIA). The publication of proposed regulations along with RAIAs will promote better regulation-making while enhancing transparency and stakeholder engagement by providing Manitobans with an avenue to provide comments.

## FORMS AND POLICIES PORTAL

Preparatory work was carried out during the reporting period by departments and government agencies to facilitate the integration of the public portal hosting policies and forms with the Regulatory Accountability Database.

The Forms and Policies Portal, which was scheduled to go live on July 1, 2019, creates a single point of access for policies and forms, enhancing client experience by making it easier and faster to find them, similar to Manitoba Laws website for statutes and for regulations. While substantial work was completed during the reporting period, the collection, validation and cross-referencing of thousands of such instruments to departmental and government agency websites will continue.

## 3. Key Accomplishments

### REGULATORY ACCOUNTABILITY APPROACH

Manitoba has established a regulatory accountability approach and a comprehensive framework to create a transparent, efficient, and effective regulatory system.

### REDUCING REGULATORY REQUIREMENTS

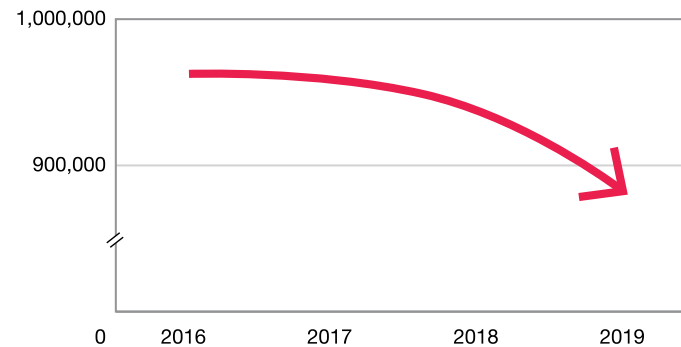
Through a variety of innovative initiatives and techniques employed by departments and government agencies, the total number of regulatory requirements across the Manitoba government, which stood at 962,586 as of the April 1, 2016 baseline was reduced to 939,306 by March 31, 2018, and further reduced to 880,048 by March 31, 2019. The March 31, 2019 count is a 6.3% reduction from that of March 31, 2018 and a 8.6% reduction from that of the baseline.

### ESTIMATION OF ADMINISTRATIVE BURDEN

Manitoba adopted and customized the Standard Regulatory Cost Model (OECD, 2014)<sup>1</sup> to assess the administrative burden of regulatory requirements on external stakeholders. The Administrative Burden Estimator (ABE) tool has been customized by Manitoba to provide cutting-edge functionality

that enables departments and government agencies to set up and document regulatory projects and associated regulatory requirements and estimate the administrative burden down to the granular level of regulatory requirements. This innovative approach enables departments and government agencies to prepare for and implement the two-for-one rule of regulatory accountability legislation.

#### RR Changes Over Time



**Administrative Burden** is the cost to stakeholders of complying with regulatory requirements.

<sup>1</sup> OECD Regulatory Compliance Cost Assessment Guideline. [https://read.oecd-ilibrary.org/governance/oecd-regulatory-compliance-cost-assessment-guidance\\_9789264209657-en#page1](https://read.oecd-ilibrary.org/governance/oecd-regulatory-compliance-cost-assessment-guidance_9789264209657-en#page1)

### ESTIMATION OF DIRECT INTERNAL COST TO GOVERNMENT

Manitoba also designed and began use of the Direct Internal Cost Estimator (DICE) tool to assess the direct cost to government of managing and enforcing regulatory requirements. DICE provides important information for departments and government agencies as well as for Treasury Board Secretariat’s assessment of budgetary implications of the regulatory projects.

### IMPLEMENTATION OF THE TWO-FOR-ONE RULE

Preparatory work was carried out in 2018/19 for the two-for-one rule that was coming into force on July 1, 2019. The rule requires the elimination of at least two regulatory requirements for each introduced regulatory requirement. In addition, the two eliminated regulatory requirements must have at least twice the administrative burden of the one being introduced.

### REDUCING RED TAPE AND IMPROVING SERVICES ACT

The government has established the annual Reducing Red Tape and Improving Services Act to empower departments and government agencies to make changes to regulatory instruments easier on an on-going basis in order to eliminate red tape for stakeholders.

The Reducing Red Tape and Improving Services Act, 2019 included amendments to 30 pieces of legislation across 10 DGAs. The DGAs carried out analysis of the proposed changes in terms of their impacts on regulatory requirements, administrative burden on external stakeholders and internal cost savings to government.

To date, this annual omnibus bill has enabled the elimination of more than 2000 regulatory requirements and \$2,000,000 in annual internal cost savings to government.

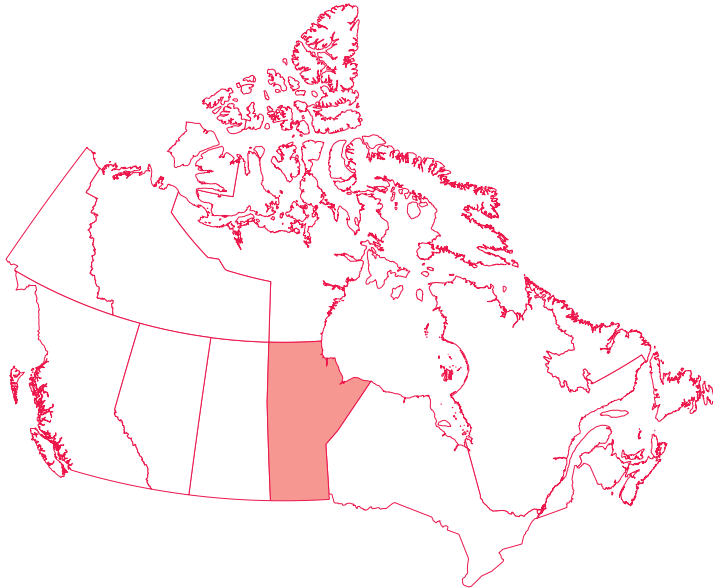
Departments and government agencies have made significant progress in reducing regulatory requirements. For example, since April 1, 2016, Sport, Culture and Heritage was able to reduce 8,229 regulatory requirements (or 36.5%). Key initiatives include:

- The Manitoba Arts Council replaced its paper-based application system with a new online application system, which resulted in the consolidation of 54 programs into 15
- The Arts Branch reviewed and simplified 12 grant program guidelines and application forms, eliminating 1,441 regulatory requirements
- The Historic Resources Branch reduced 96 regulatory requirements

**Direct Internal Cost** is the direct cost to government of managing, administering and enforcing regulatory requirements.




Manitoba participated in the development and adoption of three provincial-territorial reconciliation agreements to remove identified internal trade barriers

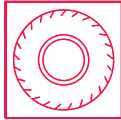



## REGULATORY COOPERATION

The Manitoba government, represented by the Regulatory Accountability Secretariat (RAS), is an active member of the Regulatory Reconciliation and Cooperation Table (RCT), which is a senior-level federal-provincial-territorial body established by the Canadian Free Trade Agreement (CFTA) to oversee the regulatory reconciliation process and promote regulatory cooperation across Canada.

During the reporting period, Manitoba participated in the development and adoption of three provincial-territorial reconciliation agreements to remove identified internal trade barriers, including:

- ▶  **Occupational Health and Safety** – common standards agreed to for first aid kit contents, hearing protection, personal flotation devices, and head-foot-eye protection. When implemented, workers and businesses operating in multiple jurisdictions will no longer incur the time and expense of navigating and complying with different requirements in different provinces and territories.

- ▶  **Transportation** – weights for wide-base single and dual tires will be aligned to make their use more practical for the trucking industry on major trade corridors.
- ▶  **Technical Safety** – mutual recognition of approved pressure vessel equipment designs to remove multiple redundant and costly reviews in each jurisdiction.

Manitoba is also participating in the development of several other reconciliation agreements that are on target for approval in 2019/20, including those regarding upholstered and stuffed articles and corporate registries.

In addition to reconciling existing regulatory measures, the Manitoba government is working with other jurisdictions to ensure that regulatory cooperation continues in emerging areas such as autonomous vehicles and mandatory entry-level training for truck drivers.

# 4. Results

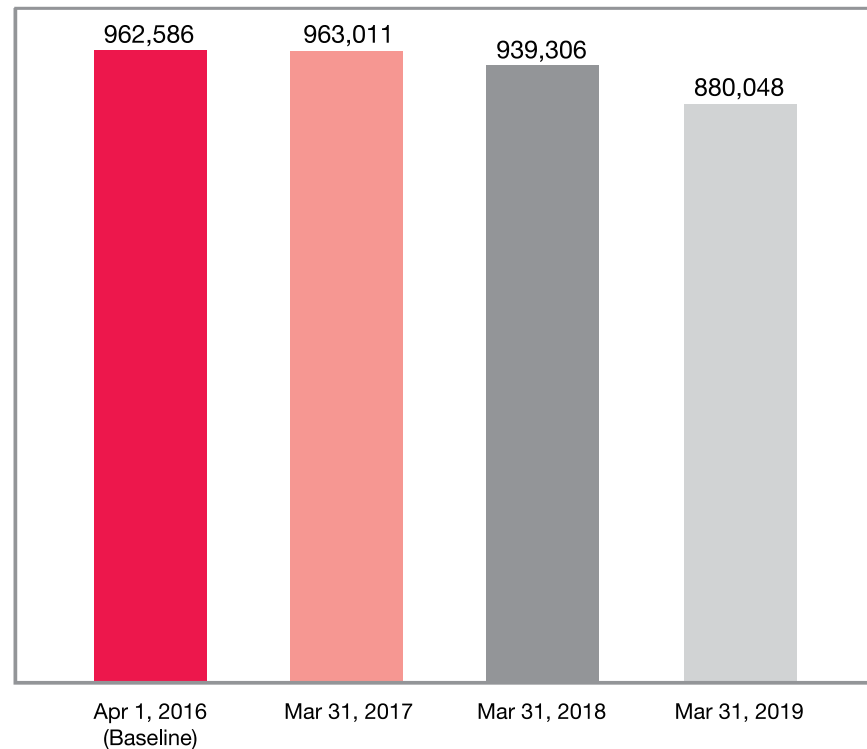
## 4.1: Tracking changes to regulatory requirements

Departments and government agencies continued tracking changes to regulatory requirements in 2018/19. In addition to tracking changes, departments and government agencies identified and corrected errors such as those related to instruments that were inadvertently overlooked by some departments and government agencies in previous fiscal years. Adjustments have also been made to reflect changes related to instruments transferred from one department or government agency to another.

Regulatory requirements were reduced across government by 8.6% from the baseline (April 1, 2016) to March 31, 2019, and by 6.3% from April 1, 2018 to March 31, 2019.

**8.6%** Regulatory Requirements Eliminated

Chart 1: Total Number of Regulatory Requirements across Government by Fiscal Years\*



\*Upward adjustments were made as government organizations were included as part of the initiative's expansion into the Summary government, or revised downwards when regulatory requirements were determined to be out of scope.

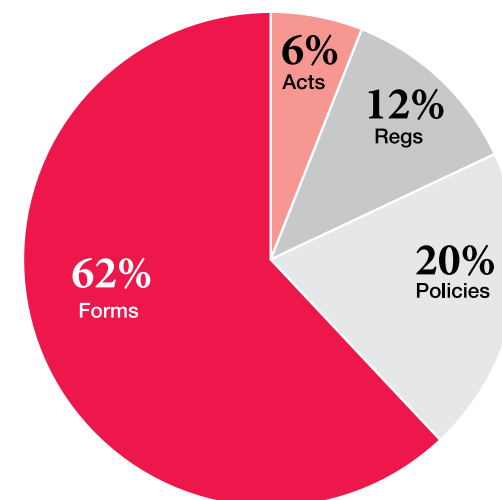
Table 1 shows a comparison of the number of regulatory requirements as of March 31, 2019 with that of the baseline (April 1, 2016). Sport, Culture and Heritage (36%), Municipal Relations (27%), Manitoba Liquor and Lotteries Corporation (26%), Growth, Enterprise and Trade (20%), Indigenous and Northern Relations (15%) and Manitoba Hydro (14%) showed the largest reductions in regulatory requirements.

**Table 1: Comparison of Regulatory Requirements (Baseline to March 31, 2019)**

DGA	Baseline April 1, 2016	March 31, 2019	Change (Value)	Change (%)
MET	123,528	115,889	-7,639	-6.2%
GET	138,667	111,123	-27,544	-19.9%
HSAL	115,467	108,901	-6,566	-5.7%
FAM	86,696	93,566	6,870	7.9%
MI	93,713	86,059	-7,654	-8.2%
FIN	84,726	84,396	-330	-0.4%
SD	95,596	84,036	-11,560	-12.1%
JUS	47,389	45,775	-1,614	-3.4%
MPI	38,038	36,556	-1,482	-3.9%
MB Hydro	33,966	29,104	-4,862	-14.3%
AGR	27,748	28,895	1,147	4.1%
MR	33,835	24,700	-9,135	-27.0%
SCH	22,536	14,307	-8,229	-36.5%
MBLLC	10,440	7,712	-2,728	-26.1%
INR	7,699	6,548	-1,151	-14.9%
WCB	1,953	1,892	-61	-3.1%
MCCC	589	589	0	0.0%
<b>Total</b>	<b>962,586</b>	<b>880,048</b>	<b>-82,538</b>	<b>-8.6%</b>

As of March 31, 2019, 82% of regulatory requirements resided in policies and forms, whereas 18% were in the Acts and regulations. Compared to March 31, 2018, the share of policies and forms in total regulatory requirements as of March 31, 2019 decreased by 2%, whereas the share of Acts and regulations increased by 2% over the same period.

**Chart 2: Share of regulatory requirements by type of regulatory instruments as of March 31, 2019**



**Table 2: Comparison of Regulatory Requirements (March 31, 2018 to March 31, 2019)**

DGA	March 31, 2018	March 31, 2019	Change (Value)	Change (%)
MET	123,039	115,889	-7,150	-5.8%
GET	139,026	111,123	-27,903	-20.1%
HSAL	117,886	108,901	-8,985	-7.6%
FAM	74,778	93,566	18,788	25.1%
MI	93,856	86,059	-7,797	-8.3%
FIN	85,077	84,396	-681	-0.8%
SD	94,531	84,036	-10,495	-11.1%
JUS	47,657	45,775	-1,882	-3.9%
MPI	36,316	36,556	240	0.7%
MB Hydro	32,472	29,104	-3,368	-10.4%
AGR	27,324	28,895	1,571	5.7%
MR	24,708	24,700	-8	0.0%
SCH	22,428	14,307	-8,121	-36.2%
MBLLC	10,060	7,712	-2,348	-23.3%
INR	7,667	6,548	-1,119	-14.6%
WCB	1,892	1,892	0	0.0%
MCCC	589	589	0	0.0%
<b>Total</b>	<b>939,306</b>	<b>880,048</b>	<b>-59,258</b>	<b>-6.3%</b>

Table 2 shows variations among departments and government agencies in regulatory requirement reductions between March 31, 2018 and March 31, 2019. Sport, Culture and Heritage (36%), Manitoba Liquor and Lotteries Corporation (23%), Growth, Enterprise and Trade (20%) and Indigenous and Northern Relations (15%) showed the largest reductions in regulatory requirements, whereas the department of Families had increased its regulatory requirement footprint by 25%.

In the year-over-year change, as of March 31, 2019, the departments of Education and Training, Growth, Enterprise and Trade, and Health, Seniors and Active Living have the largest footprint in the number of regulatory requirements. These three departments account for nearly 38% of the total number of regulatory requirements across departments and government agencies.

## 4.2: Tracking regulatory instruments

As Chart 3 below indicates, as of March 31, 2019, Acts and regulations together account for 12% of the total number of regulatory instruments whereas policies and forms together account for 88% of the total number of regulatory instruments.

**Chart 3: Share of regulatory instrument types as of March 31, 2019**

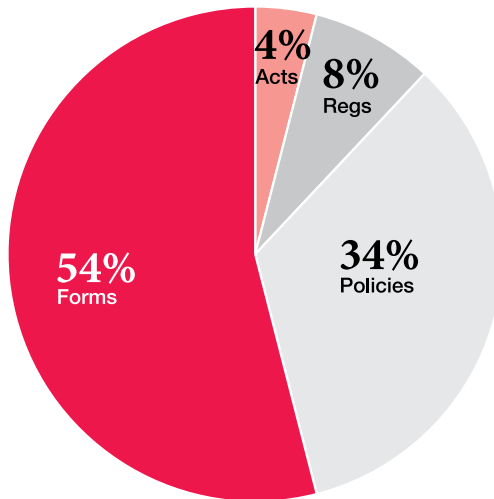
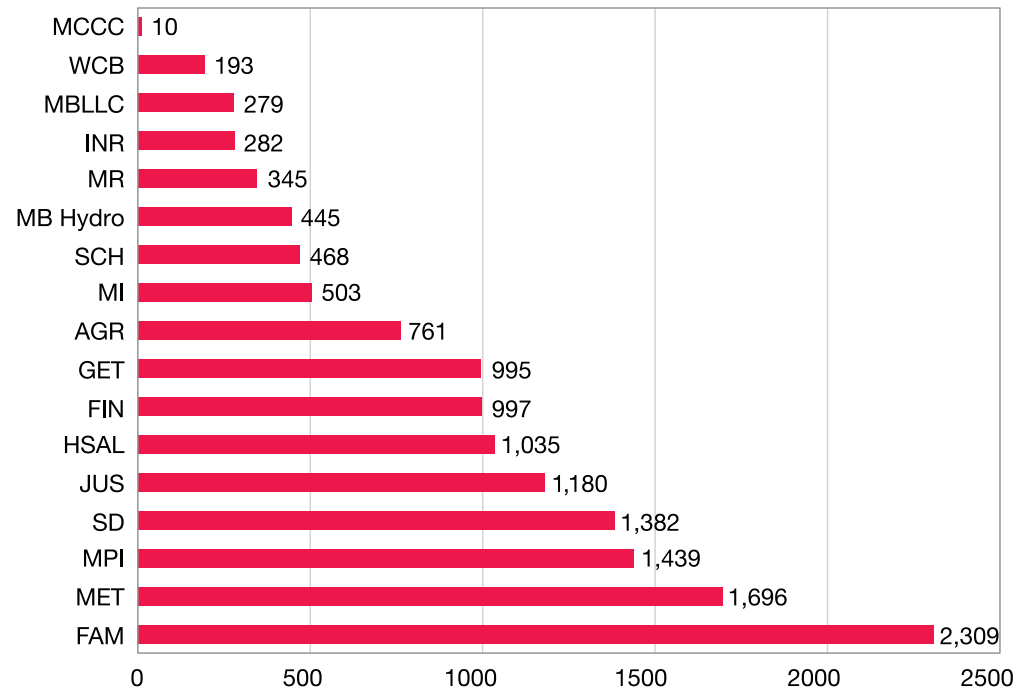


Chart 4 below shows the number of regulatory instruments as of March 31, 2019 by departments and government agencies. Families, Education and Training, Manitoba Public Insurance, and Sustainable Development have the highest number of regulatory instruments.

**Chart 4: Number of Regulatory Instruments as of March 31, 2019 by Departments and Government Agencies**





## Largest Reductions in Regulatory Requirements

**36%** Sport, Culture and Heritage

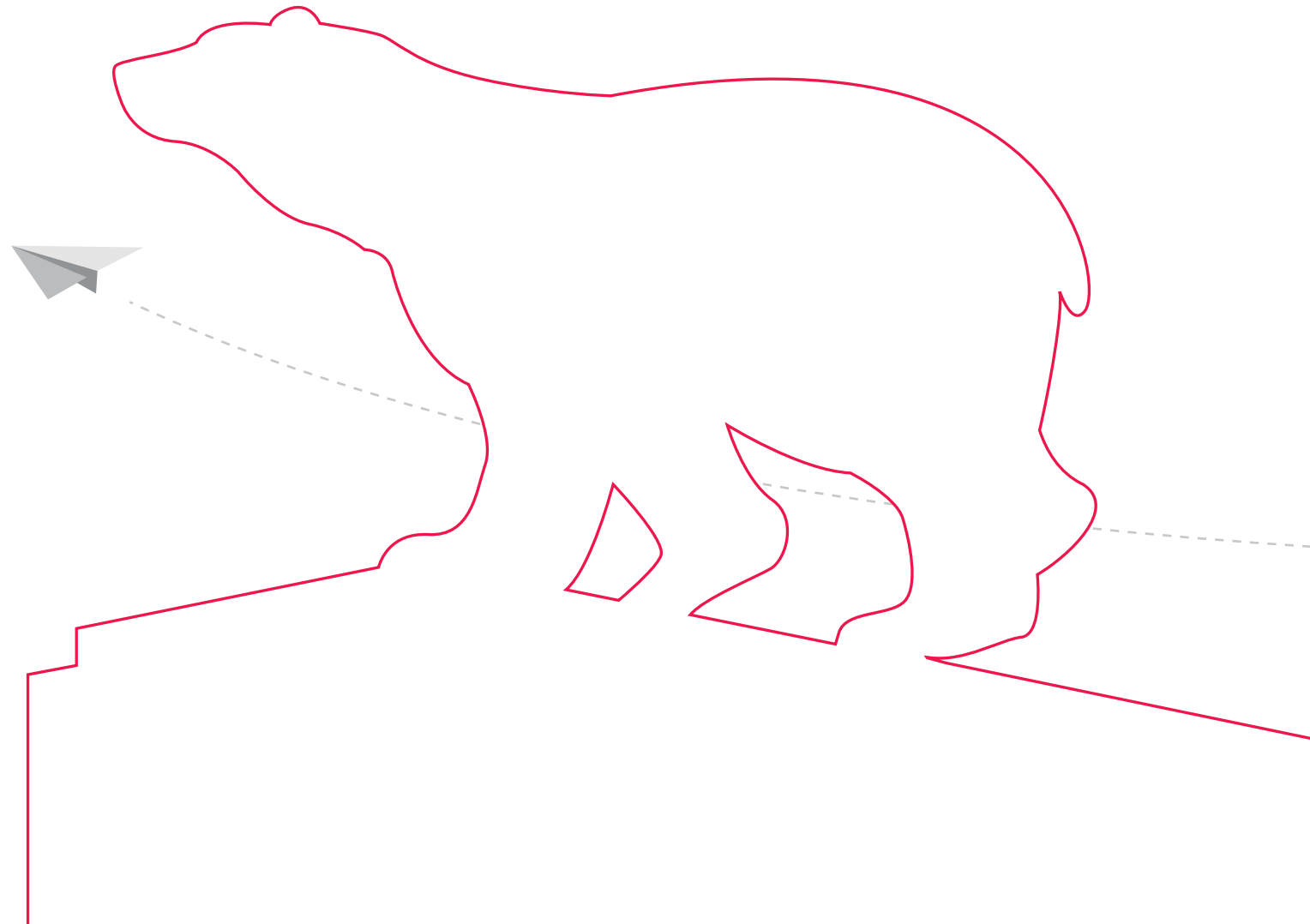
**27%** Municipal Relations

**26%** Manitoba Liquor and Lotteries Corporation

**20%** Growth, Enterprise and Trade

**15%** Indigenous and Northern Relations

**14%** Manitoba Hydro



## 5. *Moving Forward*

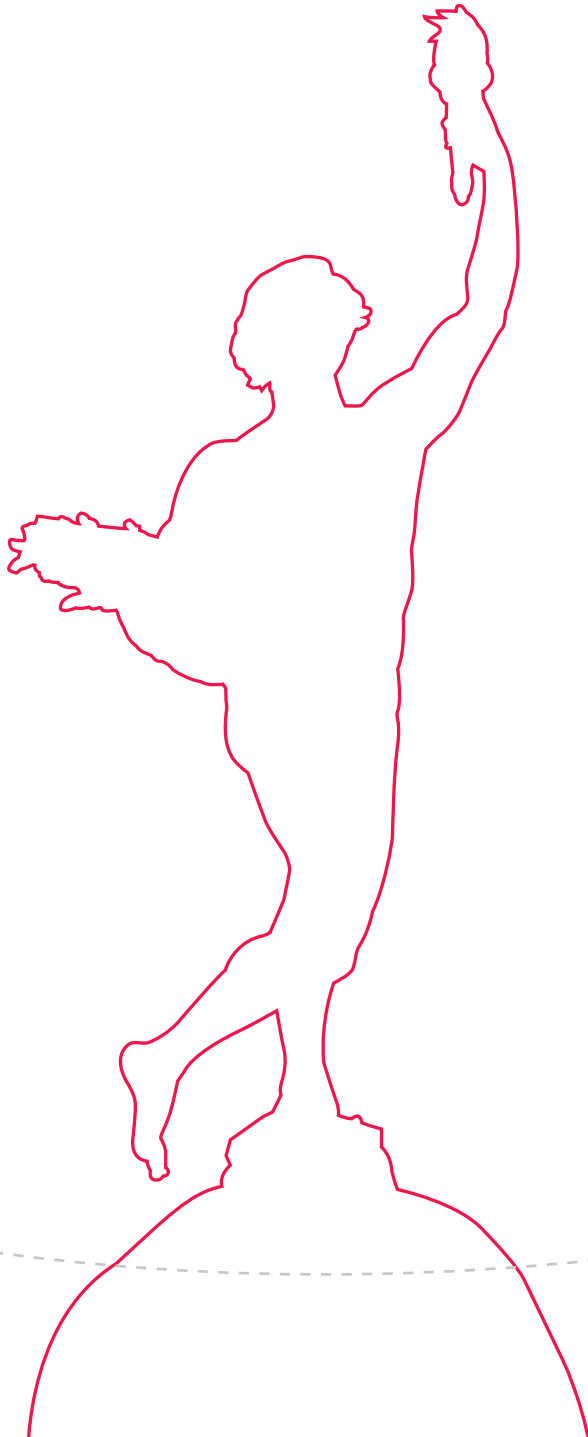
Moving forward, 2019/20 and future years will see a more extensive and efficient performance monitoring and reporting enabled by the new Regulatory Accountability Database.

The outstanding provisions of The Regulatory Accountability Act and Part 6.1 of The Statutes and Regulations Act are scheduled to come into force in 2019/20. This includes the mandatory 45-day public consultation for proposed regulations, which will strengthen stakeholder input in the regulation-making process.

In 2019/20, the Regulatory Accountability Database is anticipated to be fully developed and deployed in order to manage the development, streamlining and elimination of regulatory requirements and instruments on a life cycle basis.

The Regulatory Accountability Database will also establish the single authoritative source of all government policies and forms (to mirror the Manitoba Laws database for statutes and regulations). By integrating the database with the Manitoba Forms and Policies Portal that will be launched in 2019/20, departments and government agencies will be able to meet the legislated obligation that Manitoba government policies and forms be accessible to the public.

Manitoba will also remain active in regulatory cooperation efforts with other provincial, territorial and federal governments under the Regulatory Reconciliation and Cooperation Table, and the New West Partnership Trade Agreement.



# Appendices

## APPENDIX 1: METHODOLOGY

Manitoba's method of identifying and counting regulatory requirements and instruments was developed in 2016/17 and was based upon an array of good regulatory practices drawn from Canadian and international jurisdictions.

The Regulatory Requirement serves as the key performance indicator in reducing red tape as well as in promoting regulatory accountability. Regulatory requirement is defined as an action or step that must be taken, or information that must be provided to access services, carry on business, or meet legal responsibilities under provincial legislation, regulation, policy, or forms. The frequency of the actions or steps required of stakeholders is taken into account when determining the burden of regulatory requirements on stakeholders.

Any regulatory requirement imposed on stakeholders that is out of the direct control of the Manitoba government is out-of-scope. Also, regulatory requirements that are internal to the Manitoba government are not included in the regulatory requirements count as they are not imposed on external stakeholders.

Establishing the baseline number of regulatory requirements in a regulatory instrument is a necessary step to monitor and measure changes made over time. This measurement helps in identifying the administrative burden experienced by Manitobans, including businesses, nonprofits, and local governments in complying with provincial regulatory requirements.

The first comprehensive inventory of regulatory instruments, including Acts, regulations, policies, and forms in force as of April 1, 2016 was created by all departments and government agencies. After receiving the necessary training and technical support, departments and government agencies identified and counted regulatory requirements contained in the identified regulatory instruments.

In order to identify and count regulatory requirements, a thorough understanding of the wording used in the requirement is needed, including an appreciation for both the intent and effect of a requirement on stakeholders. All departments and government agencies were required to thoroughly review each provision of regulatory instruments line-by-line to determine whether the clause or the section includes regulatory requirements. This detailed review also assisted departments and government agencies in identifying regulatory requirements that could be streamlined or eliminated to reduce red tape for stakeholders.

Departments and government agencies tracked changes to regulatory requirements since the baseline utilizing tools developed and supported by the Regulatory Accountability Secretariat. Adjustments to regulatory requirement measurements were addressed by departments and government agencies as required, including to rectify identified errors. Regulatory requirement measurements were also adjusted to account for program transfers, including those shown in Table A1.

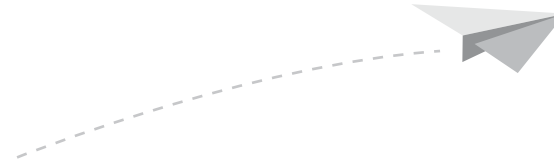


Table A1: Major Program Transfers

Program	Origin DGA	Destination DGA	RR Impact
Horse Racing Commission Program	Agriculture	Justice	1,776
Family Violence Prevention Program	Families	Sustainable Development	5,207
MarketAbilities Program	Families	Education and Training	1,147
<b>Total</b>			<b>8,130</b>

**APPENDIX 2: FURTHER DETAILS ON REGULATORY REQUIREMENT MEASUREMENT**

**Chart A2.1: Regulatory Requirements (Baseline to March 31, 2019) Shown by Departments and Government Agencies**

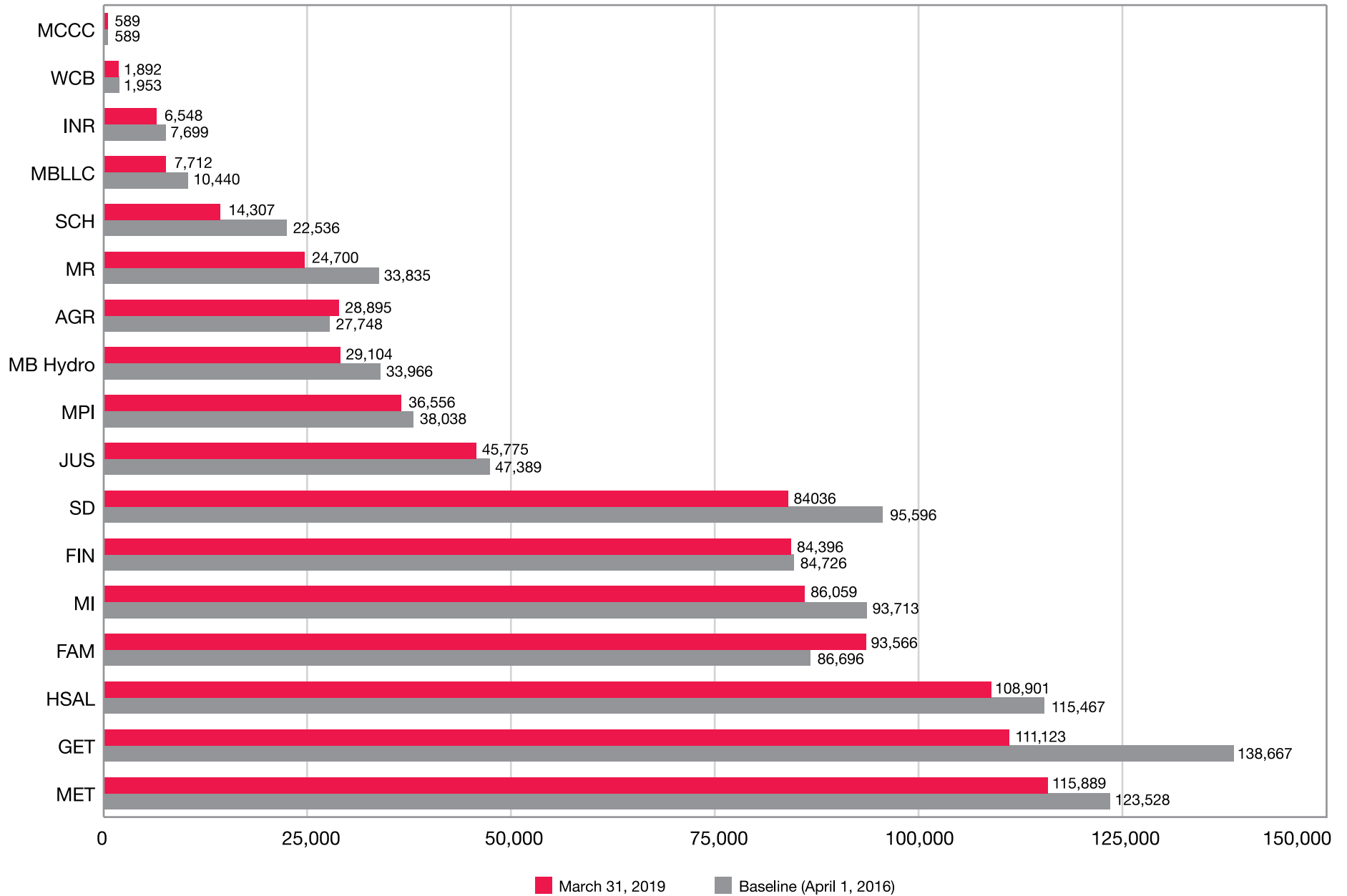


Chart A2.2: Comparison of Initial Baseline and Updated Baseline

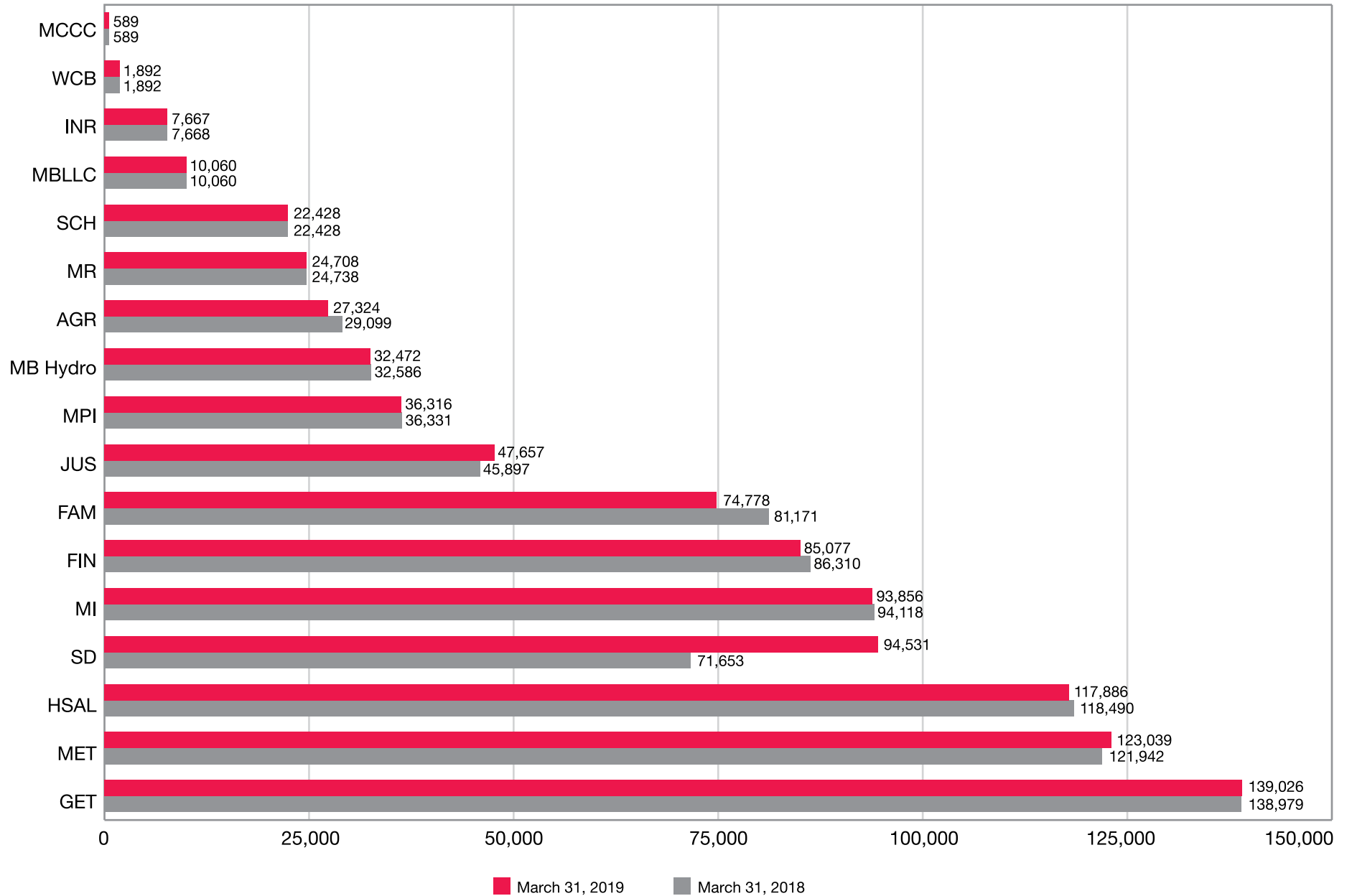


Chart A2.3: Number of Regulatory Requirements in 2017/18 (updated March 31, 2019)

