

Policy Resolution:

Regulatory Stacking and Duplication

Background

Government regulation plays an important role in ensuring a safe and fair economy for businesses and citizens. Proper regulatory compliance is the aim of every well-run business, however keeping up with a constantly changing regulatory environment can be difficult, particularly for smaller companies. Unfortunately, the current regulatory environment has become a collection of complicated, overlapping and inefficient sets of rules. Change is needed to build regulatory processes that can attract business investment and encourage economic activity while protecting the environment and citizens.

Issue

The ability for companies within Canada, and particularly Saskatchewan, to grow and compete in the global marketplace is being threatened, as is the country's ability to attract global investment and build resiliency. All the regulations, policies, and initiatives introduced by governments have an impact on businesses and none of them operate independently. Instead, they compound together to increase the cost of doing business in Saskatchewan and in Canada. Throughout the last decade, the overall cumulative impact of the growing burden imposed by fees, taxes, and regulations placed upon the private sector in Saskatchewan by governments has been escalating. In fact, in a recent SCC member survey, 74% percent of business respondents reported that in 2022 they did not believe the federal government created a more competitive and attractive environment for business over the past year, while 38% felt the same way about the provincial government.

The SCC appreciates that both levels of government have ongoing efforts to minimize regulatory challenges such as the provincial government's red tape reduction effort and the federal government's Annual Regulatory Modernization Bill and optional Competitive Assessment Tool (CAT). Nevertheless, such efforts have failed to fully address the issue and new concerns are continuing to emerge. Specifically, SCC members point to the Federal Government's recent discussion on *Options to Cap and Cut Oil and Gas Sector Greenhouse Gas Emissions* (regulatory stacking on top of the Greenhouse Gas Pollution Pricing Act) and the provincial government's plan for the Saskatchewan Revenue Agency (duplicating at least some Canada Revenue Agency reporting efforts) as material illustration of regulatory burden moving in a negative direction. Adding layers of regulation present a great risk to investors and consumes resources that could be used to grow businesses, the governments must take further actions to address this concern.

Recommendations

The Saskatchewan Chamber of Commerce recommends the Governments of Canada and Saskatchewan focus on building a unified, streamlined regulatory framework that does not harm the competitiveness of businesses.

Specifically, the SCC recommends:

- 1) Prior to the introduction of regulations, governments must conduct, and make publicly available, a thorough evaluation of the impacts of the current applicable legislation and regulations, as well as the proposed alternations. Focusing on the identification of opportunities for harmonization and streamlining, as well as the ultimate amounts of, and opportunities to reduce, the government-imposed cost to business.
- 2) Prior to the introduction of new regulations, particularly concerning environmental regulation, the Governments should be required to demonstrate that proper time has been afforded to determine the effectiveness of existing regulations before layering on additional regulatory requirements.