

Saskatchewan Chamber of Commerce Media Release
January 16, 2012

Red Tape Still Damaging Provincial Economy, says Chamber

As Red Tape Awareness Week kicks off in the province, Saskatchewan business leaders are sharing how much time and money unnecessary bureaucracy costs their business. Alarming, approximately 77% of businesses believe they have been negatively impacted by unnecessary regulation or bureaucratic red tape, according to a recent Saskatchewan Chamber of Commerce survey. Red tape was defined to be any redundant regulatory burden or insistence of conformity to rules and processes that do not have any clear benefit.

“A regulatory system that is inefficient and ineffective does not serve our citizens and limits economic growth in our province,” said Saskatchewan Chamber of Commerce CEO, Steve McLellan. “The resources that companies put towards handling red tape are tangible and could easily be put to better use.”

Over 67% of survey respondents indicated that their staff spends over one week each year handling red tape and over 50% believe that provincial regulatory red tape costs their company in excess of \$5000 annually.

“Based on this indication, if 50% of Saskatchewan’s approximately 40,000 active businesses are spending at least \$5000 annually addressing red tape, our province is sinking over \$100 million into inefficient regulation each and every year,” continued McLellan. “We need to clean up this red tape and create a clear and effective way to work together to continue attracting businesses to Saskatchewan.”

The Saskatchewan Chamber of Commerce supports clear, concise and evidence-based regulations for business. As such, the organization is pleased that the provincial government, through Enterprise Saskatchewan’s Regulatory Modernization Council, is working to address this issue. However, as the recent survey results indicate there is a significant opportunity for further improvement.

To read the full report on Regulatory Simplification please visit www.saskchamber.com.

The Saskatchewan Chamber of Commerce represents the interest of our members from throughout the province by advocating for expanded opportunities and regulatory simplification. The Chamber launched a Growth Strategy in October of 2007 to encourage and help facilitate strategic growth and can be found at www.saskchamber.com.

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Issue in Focus

January 2012

Regulatory Simplification Survey

Core Issue: According to a Saskatchewan Chamber of Commerce survey, approximately 77% of members believe their business is negatively impacted by unnecessary regulation or bureaucratic red tape. This unnecessary regulation and red-tape costs businesses time and money, dampening economic growth.

Background

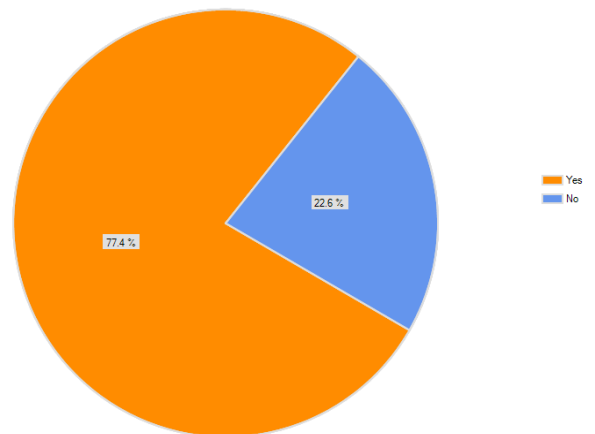
Over the past year the Saskatchewan Chamber of Commerce has surveyed its membership twice on regulatory simplification resulting in approximately 130 responses. The first survey focused on all three levels of government: federal, provincial and municipal. Through this survey the Chamber was able to determine that the majority of businesses who experience regulatory red-tape or complications do so at the federal level. The provincial government was viewed as the second most difficult whereas municipal regulations were seen as much easier to understand and comply with.

While there continues to be the opportunity for significant regulatory simplification at the federal level, the Chamber conducted a second survey at the end of December 2011 specifically focused on identifying issues related to provincial red tape or unnecessary/overly-complicated regulations.

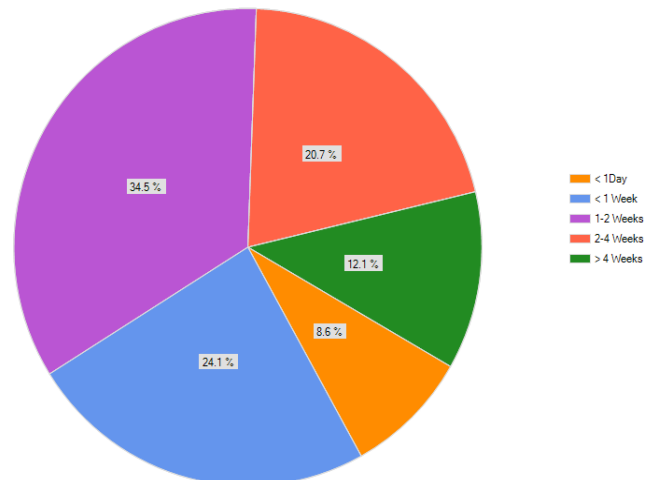
Survey Findings

According to the Saskatchewan Chamber of Commerce's survey, approximately 77% of members believe their business is negatively impacted by unnecessary regulation or bureaucratic red tape.

Has your business been negatively impacted (in terms of delays, wasted staff time, inefficient use of resources, etc.) by red tape or unnecessary/overly-complicated provincial regulations?



How much time do you believe you or your staff wastes in handling red tape or unnecessary/overly-complicated provincial regulations?



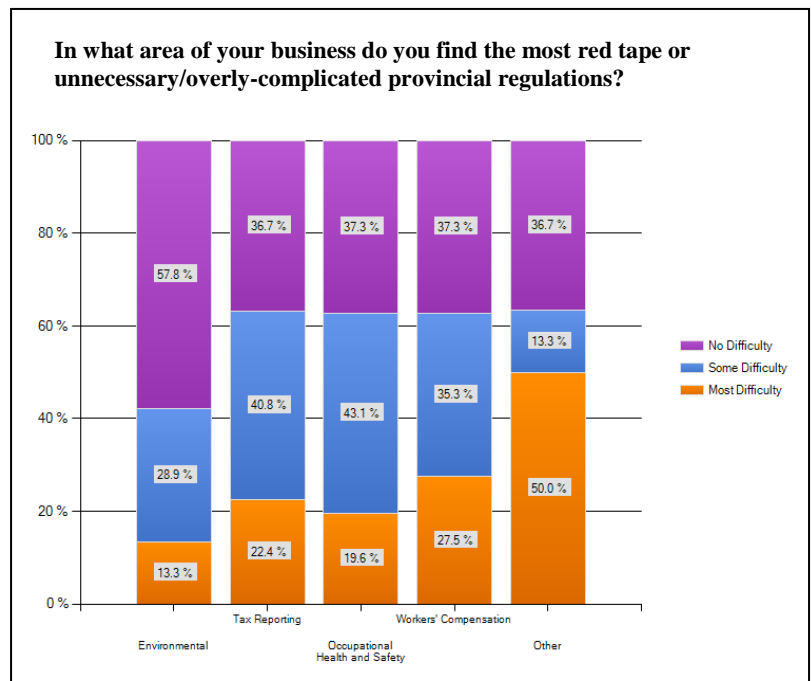
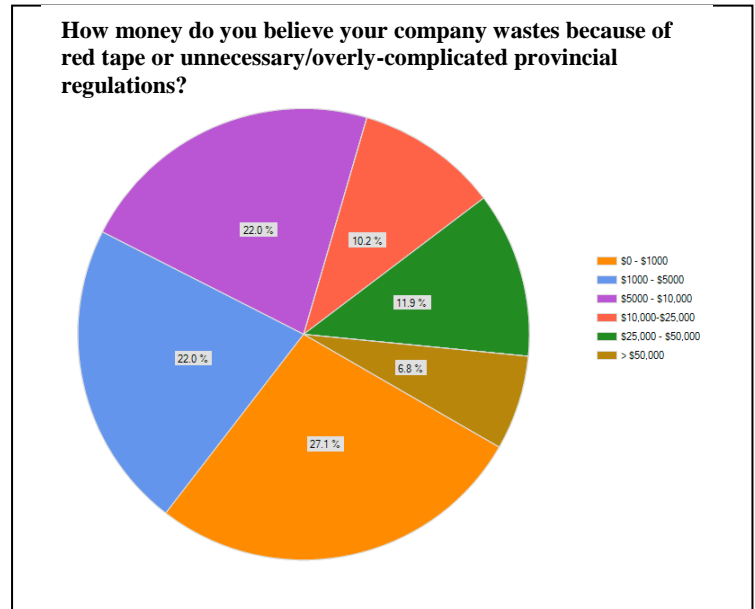
Businesses also indicated that this bureaucratic red tape is having a tangible impact on their company's bottom line. Over 67% indicated that their staff spends over one week each year handling red tape or unnecessary/overly-complicated provincial regulations. Furthermore, over 50% of respondents believe that this costs their company in excess of \$5000 annually.

The scope of the issues surrounding regulatory red tape was clearly evident when businesses were asked to identify their areas of concern. The degree of difficulty varied widely depending upon the respondent's industry. However, in almost all areas over 50% of respondents reported some level of regulatory difficulty. In addition to the categories of environment, tax reporting, occupational health and safety, and workers' compensation, respondents identified difficulties with the following summarized areas (listed in order of frequency): immigration, labour standards (specifically lay off timelines and averaging of hours), transportation, Trade Union Act provisions, regulatory approval timelines, business licensing, procurement, building codes regarding the modification of existing buildings, the Residential Tenancies Office, and oil and gas drilling licensing

When asked to identify the core causes of unnecessary/overly-complicated regulations, Chamber members indicated that the majority of difficulties seem to be linked to a bureaucratic resistance to change coupled with a desire within the bureaucracy for job protection. Members also indicated that red tape can be attributed to an accumulation of regulations without a review of prior regulations to determine relevancy, a disconnect between government Ministries, and a lack of focus on serving the needs of the 'customers'.

The Saskatchewan Chamber of Commerce Position

Regulations which the business community views as ineffective, excessive or inappropriate tend to have an adverse effect on investment and



economic development. To foster an improved business climate, the provincial government needs to evaluate the regulations within the identified sectors to determine their relevancy and, where necessary, make changes or improve the clarity of communication with the business community regarding the necessity of the requirement.

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