



Ontario Federation of Agriculture

Ontario AgriCentre

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October 30, 2017

Ministry of Economic Development and Growth (MEDG)
250 Yonge Street, 35th Floor
Toronto, Ontario
M5B 2L7

Sent via Ontario's Regulatory Registry email

Re: Regulatory Posting # 17-MEDG004

Dear Sir/Madam,

The Ontario Federation of Agriculture (OFA) is Canada's largest voluntary general farm organization, representing more than 37,000 family farm businesses across Ontario. These farm businesses form the backbone of our robust food system and rural communities with the potential to drive the Ontario economy forward.

OFA is pleased to provide its support and recommendations regarding MEDG's further efforts to reduce regulatory costs for businesses.

OFA has continually raised the need for regulatory reforms over the years. We appreciated the opportunity to be involved in Ontario's Open for Business (OfB) Sector Strategy and lead the Agriculture and Agri-Food Sector Consultations in 2011. In the August 2011 final report on the Business Sector Strategy: Agriculture and Agri-Food, "the OFA recommended that OMAFRA adopt an inclusive consultative model that actively involves the agriculture and agri-food sector in the regulatory development process." In response to that recommendation, OMAFRA established the OfB Agriculture and Agri-Food Sector Consultation Forum, in which OFA is pleased to continue to participate, to improve the way regulations are developed and to look at existing regulations to ensure they are effective and not detrimental to our competitiveness.

OFA is encouraged that five new burden reduction initiatives would be implemented under the proposed *Reducing Regulatory Costs for Business Act, 2017*:

- **Administrative Costs:** Requires that an analysis of regulatory impacts is published and that an offset of new administrative costs imposed on business through regulation is made by reducing existing costs.
- **Small Business Compliance:** Requires the development of less onerous compliance frameworks for small business when creating or amending regulations, if appropriate.

- International and National Standards: Requires the adoption of international or national standards when creating or amending regulations, if appropriate.
- Electronic Transmission of Documents: Requires that Ministries provide business with the option to submit documents required in order to comply with a regulation electronically.
- Recognition of Excellent Compliance: Requires government ministries to develop plans to recognize and reward businesses with excellent compliance records.

To maximize the advantage of these burden reduction efforts, OFA strongly recommends that MEDG champion a regulation which does not unnecessarily restrict or limit their applicability.

Analysis of Regulatory Impact:

Details suggest that MEDG is considering that the Analysis of Regulatory Impact “would be required to be published in a widely accessible format as soon as is practicable after the regulation is made.”

OFA believes this analysis should inform the development of regulations. Therefore, ministries should be required to conduct this analysis earlier in the regulation development process. Furthermore, releasing the analysis to the public when they are invited to comment on the proposed regulation through an Ontario’s Regulatory Registry posting would help inform comments on how best to lower compliance costs.

OFA recommends that a preliminary Analysis of Regulatory Impact be posted on Ontario’s Regulatory Registry when the proposed regulation is posted, followed by a final Analysis of Regulatory Impact report to be published at the same time the regulation is made.

Exemptions from Offset of Administrative Costs:

The proposed regulation would require the government to reduce existing costs for business by \$1.25 for every \$1 of new administrative costs imposed by a regulation. Eligible offsets would include direct compliance costs from both regulatory and non-regulatory sources. It would give the government 24 months from the date the regulation is approved to bring forward an eligible offset.

Details suggest that MEDG is considering providing the following exemptions from the offsetting requirements for provisions within new or amended regulations that:

- Respond to an emergency.
- Implement international, inter-jurisdictional, or legal obligations, including the imposition of international sanctions or court decisions.
- Contain financially sensitive information that could prejudice individuals, businesses, or the government, or

- Contain personal information where disclosure could raise privacy concerns. Details suggest that MEDG is considering providing the following exemptions from the requirement to prepare an analysis of regulatory impacts:
- Amending regulations containing housekeeping and non-contentious amendments (e.g. French translation, correcting errors, clarifying language, etc.)
- New or amending regulations responding to an emergency.

OFA believes the analysis should estimate the new administrative costs imposed by a regulation. Therefore, it would be reasonable that an exemption from the offsetting requirements would mirror the exemptions from the requirement of preparing the analysis of regulatory impacts.

OFA recommends the offsetting requirements should apply to all regulations which required an Analysis of Regulatory Impact to be prepared, whether publication of the analysis was required or not required.

OFA believes the offset of administrative costs should apply to the implementation of international, inter-jurisdictional or legal obligations.

The proposed exemption from the offsetting requirements for provisions within new or amended regulations which contain financially sensitive information or personal information is curious given the *Legislation Act* stipulates that every regulation shall be published¹. Even though it is unlikely a regulation containing such information would be made, filed, and published in the first place, it is not clear why MEDG would suggest such regulations would need to be exempt from the offsetting requirement.

The OFA welcomes this opportunity to provide its comments and recommendations on MEDG's proposed new regulation under the proposed *Reducing Regulatory Costs for Business Act, 2017*.

Sincerely,



Keith Currie
President

cc: OFA Board of Directors

¹ *Legislation Act, 2006, S.O. 2006, c. 21, Sched. F, Subsection 25 (1)*