

ONTARIO
OPEN for Business

Ontario “Open for Business” and Regulatory changes

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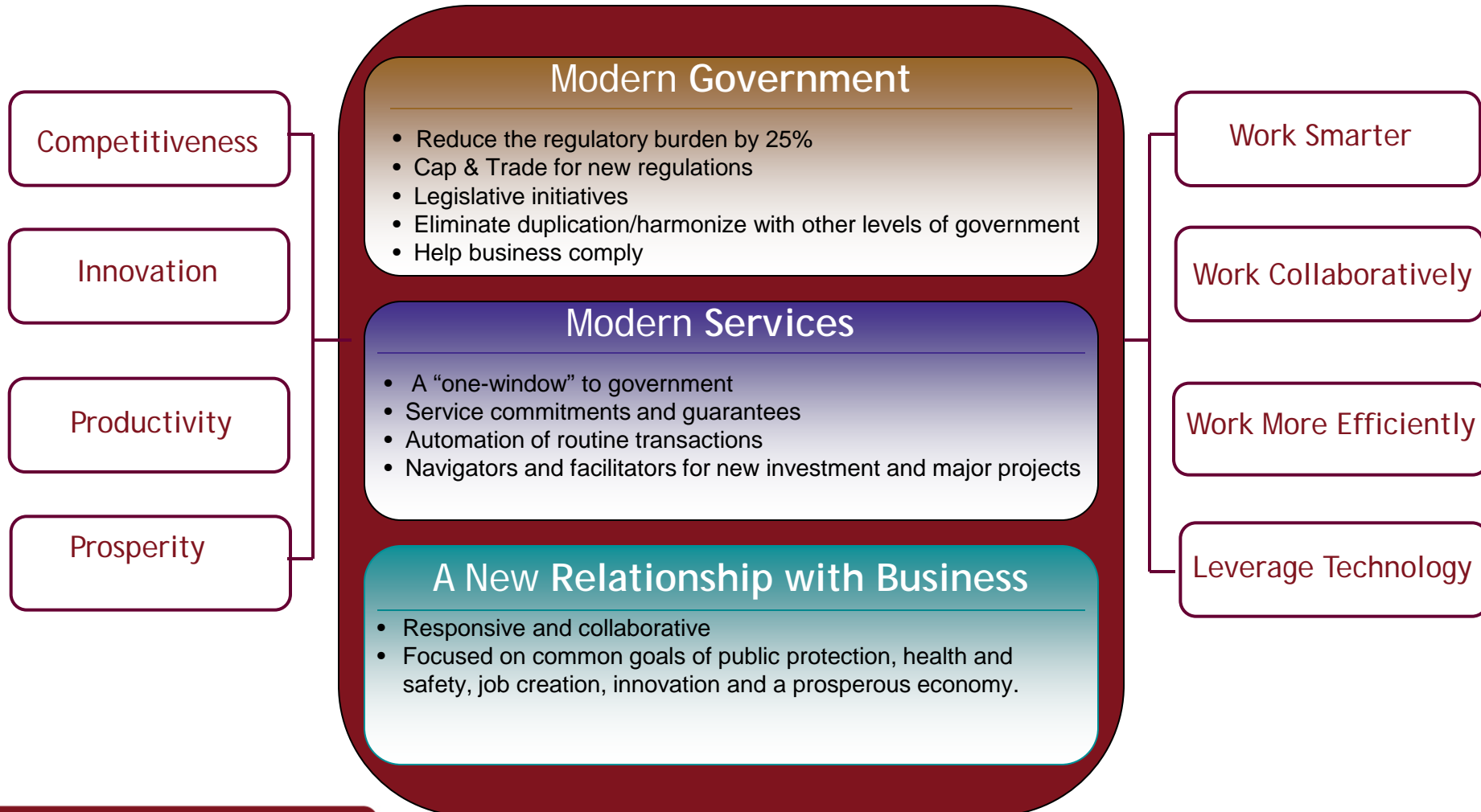
Open for Business - Overview

- Open for Business (OFB) was created to deliver faster, smarter and streamlined government-to-business services and to establish a modern system of government by 2011.
- OFB is a key part of the Government's commitment to make Ontario more attractive to business while protecting the public interest.
- Working with all ministries, OFB has three key areas of focus:
 - 1. Modern Government** - a streamlined and focused regulatory environment that welcomes business to the province while continuing to provide strong social and environmental protection.
 - 2. Modern Services** - better products and services, including service standards that support the needs of business.
 - 3. New Relationship with Business** - an open and responsive working relationship between business and government.

The OFB Vision

A competitive economic climate...

...faster, smarter government.



Context

- Governments around the world are facing **significant fiscal challenges** as a result of the 2008-09 economic downturn.
 - Ontario faces a budget deficit of \$18.6B in 2010-11 and the budget is not forecast to return to balance until 2017.
 - Overall debt is currently at \$220B and this figure will rise to \$267B by 2013.
 - **Interest payments on debt are nearly \$10B** in the current year, and are sensitive to the risk of higher interest rates in the coming years.
 - Ontario also faces **significant challenges with its productivity rate** – GDP per capita is 13.5% lower than competitor jurisdictions in North America and this gap has been widening in recent years.

Achieving the OFB vision

- The Government's five year **Open Ontario plan** lays the foundation for the province to seize new global opportunities and turn them into jobs for Ontarians. The plan positions Ontario to emerge from the global economic recession and return to a solid financial footing.
- An important part of the Open Ontario plan is to form **Key Partnerships** that would attract investment, foster innovation and growth. Forming Key Partnerships is a bedrock of OFB's vision which is being achieved by:
 - focusing on opportunities for a broad range of stakeholders and working collaboratively to overcome challenges
 - considering the effects of public expectations and global competition on the design of initiatives.
 - adopting a coordinated approach between government and business
- OFB's **Business Sector Strategy** is a key initiative that underscores this vision

Key OFB Initiative: Ontario's Business Sector Strategy

- The Business Sector Strategy allows business to identify their concerns to government who, in return, provide **faster, smarter, and easier** solutions.
- Business representatives identify their top five priorities that would make a difference to businesses in their sector.
- Ministries have a two-month period to address the sector's priorities, or explain why they cannot be addressed and deliver alternative solutions.
- Each sector must sign-off on the solutions presented.
- To date, OFB and ministries have implemented the strategy with six sectors; four have been completed (*) resulting in reduced administrative burden, more efficient and timely processes and improved client service.
 - Building and Land Development *
 - Manufacturing *
 - Medical Technology *
 - Information and Communications Technology*
 - Agriculture and Agri-Food
 - Hospitality

Business Sector Strategy: Manufacturing

- **Priority 1** – Regulatory Impact on Manufacturers
- **Priority 2** – Total Bill Impact Assessment in Determining Rate Increases and Planning for the Energy Sector
- **Priority 3** – More Effective Implementation of the *Toxics Reduction Act*
- **Priority 4** – Air Standards (Reg. 419/05)
- **Priority 5** – Ministry of Labour Inspectorate Challenges

Other Key Initiatives

- Ontario has implemented a **Regulatory Policy**, per the Ontario-Quebec Trade and Cooperation Agreement, that gives business and stakeholders increased predictability and transparency in the regulatory development process:
 - As of November 1, 2009, all proposed regulations that affect business must be posted on the Regulatory Registry website <http://www.ontariocanada.com/registry/>
 - Since April 1, 2010, regulatory proposals that affect business must be posted for a minimum of 45 days.
- **Twice Annual Effective Dates** is a new initiative which means that regulations affecting business now come into effect twice a year, on January 1st and July 1st. Introducing regulations on two routine dates per year gives business greater predictability and helps business plan ahead. Ontario is the first jurisdiction in Canada to implement this type of initiative.

Other Key Initiatives (Cont'd)

- The Ministry of Environment is moving to a risk-based approvals approach that maintains environmental protection while making the process more effective and user-friendly for business. As a first step, the Ministry of the Environment eliminated, in September 2009, a backlog of about 1,700 environmental approval applications.
- The approvals system will affect owners and operators of facilities that require a ministry approval to operate lawfully in Ontario. Changes to the approvals process include:
 - improving and simplifying the application process.
 - introducing a new electronic environmental registry.
 - focusing resources on higher environmental risk activities.
 - introducing new compliance tools and bringing facilities with outdated approvals in line with current standards.
- "Pollution Probe supports Ontario's commitment to build a streamlined modern approval system that is good for business while protecting the environment. The proposed risk-based approach could help achieve this balance." - Bob Oliver, Executive Director of Pollution Probe

Lean Government: An OFB Agenda

- OFB supports a culture of continuous improvement that:
 - reduces duplication and removes inefficiency in government systems and processes
 - values a customer-oriented approach by ensuring active participation and collaboration from key stakeholders
 - works to achieve real change through sustained and cohesive effort by all parties to act as one enterprise
 - promotes transparency and accountability by encouraging public consultation processes. The 'Public is 'King'
- Lean Government Example:
 - The Cap and Trade initiative is intended to slow the pace of regulatory growth by requiring ministries to revoke two regulations for every new or amended regulation brought forward.

The Bottom Line: Measuring the Bottom Line



We measure our bottom line by:

- Return on investment in **Making it Easier** for Ontario companies to do business e.g. less regulatory burden, improving business service standards
- Return on investment in promoting **Corporate and Civic Responsibility** e.g. alignment of business needs with environmental and social protection
- Return on investment in encouraging **Innovation and Growth** of Ontario Businesses e.g. through risk-based compliance models that do not stifle innovation and creativity

Closing Remarks: Why keep being ‘Open for Business’?

- “If Canada is to achieve its full prosperity potential, we need to embrace the current changes in the global environment – moving from policies aimed at maintaining the comfortable status quo toward encouraging innovation and risk taking.” – Roger Martin and James Milway, Institute for Competitiveness and Prosperity
- “Like all Ontarians, business desires proposed regulations that are not capricious but fully justified. And, like all interest groups, they seek to have meaningful input into the regulation-making process” (Creating a World Class Regulatory System in Ontario, 2010).
- 82% of businesses agree that good service from government is essential to a healthy business climate (Taking Care of Business 3, 2010)
- “In the old economy it was ‘if it ain’t broke, don’t fix it’; well, in the new economy, ‘if it ain’t broke, you need to break it before your competition does.’ So innovation drives everything.” – Donald Tapscott, Author and Consultant
- “But we can’t do it alone. In these difficult times it is very important for government and industry to partner in making Canada a stronger, more competitive country” - Juergen Schachler, President of ArcelorMittal Dofasco

Questions?

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http://www.ontariocanada.com/ontcan/1medt/en/ofb_main_en.jsp