

ONTARIO  
**OPEN** for Business



**FEWER BURDENS**  
**GREATER GROWTH**



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## Message From The Minister



I am pleased to present *Fewer Burdens, Greater Growth* — which measures benefits of reducing burdens on business in 2013.

Our province enjoys strong economic fundamentals with a business climate that encourages companies of all sizes to grow and create jobs. The work of keeping our business climate competitive never stops, and so our government will continue to reduce unnecessary regulatory requirements, eliminate duplication and improve government services for business. It's an important part of our plan to help Ontario businesses grow, invest, innovate and create jobs. Ontario's burden reduction report, *Fewer Burdens, Greater Growth*, is the next step in fulfilling this commitment.

Ontario has eliminated 80,000 regulatory burdens since 2008 — that's 17 per cent of all regulatory requirements. We asked business leaders what our next step should be. They told us they wanted a reduction in the time and costs spent on unnecessary government paperwork, regulations and processes. They also wanted us to measure the benefit to business and report on our progress.

We listened, and we acted. This report demonstrates that approach. It highlights five examples that showcase how reducing burdens can save Ontario businesses millions of dollars.

We are extending this approach. Our province will identify unnecessary burdens and we will reduce and eliminate them. We will quantify the benefits to businesses and citizens and we will report on our progress. Ministries will focus on initiatives that make a significant and measurable difference.

I am proud that our work with business leaders and other stakeholders will help position our province as a global leader in reducing barriers to business.

**Dr. Eric Hoskins**  
*Minister of Economic Development,  
Trade and Employment*



## Introduction

The Ontario government is committed to growing a strong and vibrant economy by investing in people, building strong infrastructure and supporting a dynamic and innovative business climate. Making this province an easier place to operate a business, by reducing government burdens, is a big part of meeting this commitment.

Open for Business (OFB) leads Ontario's government-wide burden reduction and service modernization efforts. Its role is to help improve Ontario's business climate by reducing burdens, streamlining regulations, and creating smarter and faster government-to-business services.

OFB works in partnership with business and industry, and this report reflects that relationship. The Canadian Federation of Independent Business (CFIB) represented Ontario's small business sector during the 2012 OFB business sector roundtable. The CFIB repeatedly said that while all businesses experience government burdens, the impact on smaller businesses is greater. Industry Canada research on the cost of regulatory compliance confirms this.

Ontario ministries have made significant progress over the past ten years in reducing the time and cost to businesses involved in dealing with government. Approval processes have been streamlined, more online services have been introduced and paperwork has been reduced or eliminated. Through Open for Business, ministries have eliminated 80,000 regulatory burdens — a 17 per cent reduction in regulatory requirements.

The government made a commitment in early 2013 to build on its burden reduction successes by measuring and reporting on the benefits of these reductions for businesses and other stakeholders. OFB worked with ministries, businesses and other partners to develop a way to measure cost and time savings.

*Fewer Burdens, Greater Growth* represents the next phase of OFB's work to modernize government and reduce burdens. Ministries will identify at least one significant burden to reduce. They will then measure the impact of reducing that burden, from the stakeholder perspective, and report on the progress or results of the initiative.

By taking this important step, Ontario has become one of the few places in the world to measure and report on the time and financial savings for businesses when specific government burdens are reduced.

## Open for Business Chronology



## Small Business – The Engine of Ontario's Economy

More than 99 per cent of all businesses in this province are small and medium enterprises (SMEs) – businesses with more than one, but fewer than 500 employees.

About 3.8 million people work for SMEs in Ontario – more than 88 per cent of all private sector employment.

## Different Types of Burden Reduction

Ontario's burden reduction report highlights three ways of reducing government burden on business, including:



### Regulatory Process Streamlining

These are projects that make it easier and simpler for stakeholders to comply with regulations. They either involve fewer requirements, or make it easier to follow application processes or obtain permits or licenses. Many will focus on eliminating any overlapping regulations, paperwork, redundant steps or permits.



### Customer Service Improvements

These initiatives make government more accessible. This is done by reducing the number of required points of contact with government, and by making the contact that is required easier and more user-friendly. This involves developing new criteria, guidelines and/or resources to address client needs.



### Compliance Modernization

These projects support business by having regulatory ministries apply a risk-based approach to enforcement and inspections. Activities also include training, education or online resources that help businesses to understand their regulatory obligations.

## The Cost of the Burden

Industry Canada estimates that regulatory paperwork compliance cost about \$4.76 billion in Canada in 2011. This suggests the figure would be about \$1.77 billion for Ontario.

Based on an analysis of Industry Canada 2008 data, OFB estimates it costs business in Ontario on average \$25 per hour to deal internally with government paperwork (excluding service provider fees and capital costs).

## Making Progress: Measuring the Impact of Five Burden Reduction Projects

There are five projects that can be highlighted to demonstrate how cost savings to business can be calculated. These projects are excellent examples of initiatives to help small, medium and other businesses that ministries could follow.

-  **Biogas**  
Fewer Restrictions, More Renewable Energy
-  **Small-Scale Solar Facilities**  
A Faster, Less Expensive Approvals Process
-  **Government Procurement Abstracts**  
Getting to What Businesses Need to Know Faster
-  **Ontario's Business Information Line**  
No Wrong Number
-  **WSIB Injury Reporting Requirements**  
Less Paperwork, More Productivity



## Biogas: Fewer Restrictions, More Renewable Energy



### The Burden

Biogas is a renewable energy resource produced by breaking down organic materials (fermentation) in an oxygen-limited facility. Biogas can be used to generate electricity, renewable natural gas or heat. This process also reduces pathogens and odour in the manure that is fed into the digester. The leftover material produced by this process, called digestate, can be used in several ways, including spreading onto land to benefit crop growth, or in livestock barns as animal bedding.

The Ontario experience with biogas indicates that best results are obtained when mixing off-farm and on-farm materials using a 50/50 ratio. But the existing environmental approval process for on-farm anaerobic digestion facilities set a limit of 25 per cent off-farm materials. Operators who wanted to use more off-farm materials had to follow the sometimes cumbersome and costly Renewable Energy Approval (REA) process. This was impeding the growth of bio-energy projects in the province.



An on-farm anaerobic digester in Huron County, Ontario.  
Photo courtesy of Gardiner Farms, Kirkton, Ontario.

### The Cost

The REA process takes on average two years, from starting an application to receiving final approval, and also requires public consultations. There are significant monetary costs associated with the process. The REA application fee is \$1,000 and proof of financial assurance, which is also required, costs about \$10,000. Operators also spend an average of \$75,000 on consultant fees, including costs to complete reports and studies required for an REA assessment.

### The Solution

The Ministry of Agriculture and Food, working with the Ministry of the Environment, amended the regulation under the Nutrient Management Act. This streamlines approvals for on-farm anaerobic digestion facilities with a similar level of environmental protection under the REA process. Up to 50 per cent of off-farm sourced materials are now permitted. When changes took effect in 2013, the REA application was no longer necessary for farm-based biodigesters using less than 50 per cent off-farm materials.

### The Results

**Bio-energy projects in the province can operate more efficiently with the revised regulatory framework and requirements that have:**

- Substantially reduced the preparation, submission and approval process from about two years, with the REA application, to an average of three months, using nutrient management approval.
- Reduced approval time to 50 days (from six months) once a nutrient management strategy is submitted.
- Removed the need for a consultant to complete the process if the farm operator has received proper training. Many will still want to hire consultants, but the cost per farm operator is estimated to fall from \$75,000 to \$3,000 on average.
- Eliminated the \$1,000 application fee.
- Removed the requirement for proof of financial assurance (which cost about \$10,000).

Analysis suggests this reduction initiative will have a potential impact of \$88,700 for the average operator, \$1.77 million when applied to all sector stakeholders over one year.

**Estimated savings of \$1.77 million**

## Small-Scale Solar Facilities: A Faster, Less Expensive Approvals Process



### The Burden

The Renewable Energy Approvals (REA) process was established to encourage growth of renewable sources of energy by streamlining the approvals process for renewable energy developers. The process has been largely successful, but a review of the REA program identified that some small-scale solar facilities were facing costs and time commitments disproportionate to the size and risk of their projects. This was a result of these smaller facilities having to undergo the same one-size-fits-all REA application and approval process as larger, more complex facilities.

### The Cost

Small ground-mounted solar operators took an average of 560 days to gather all the necessary information required to submit an REA application. Once submitted, review and approval took an average of 147 days. And, at least 90 days were required for public consultation notices.

Facilities usually needed consultants to oversee and complete the pre-application process. Such fees can be as high as \$100,000. There was also a \$1,000 REA application fee for applicable solar ground-mount projects.

Finally, in addition to core documents, a small-scale solar facility often had to submit water, natural heritage, cultural heritage and archaeological assessments. Application documents could be more than 500 pages long.

Ontario has overhauled approvals rules for small-scale renewable energy projects. Photo by the Government of Ontario.

### The Solution

An alternative to the environmental approvals process exists for certain types of Ontario businesses. The Environmental Activity and Sector Registry (EASR) is intended for activities that are routine, well understood and have minimal environmental impact when complying with standard regulatory requirements. People or businesses engaging in activities prescribed by the Environmental Protection Act must register these using the online EASR and comply with specified requirements.

In 2012, the Ministry of the Environment determined that small ground-mounted solar facilities should be included in the EASR process. Eligibility and operating requirements were developed through extensive consultation with stakeholders and the public. Through these consultations, a regulation was implemented to allow small ground-mounted solar facilities less than or equal to 500 kW to be removed from the REA process and added to EASR activities.

### The Results

**Small ground-mounted solar facilities can obtain approvals more efficiently with changes that have:**

- Reduced preparation time from an average of 17 months for an REA application to less than 30 days under the EASR.
- Cut the cost of completing the pre-application process from \$100,000 to less than \$5,000.
- Contributed to industry-wide savings of more than \$1.9 million (based on registrations to-date).
- Shortened the time to receive approval from 147 days to less than 10 minutes.
- Cut the paperwork submitted to the ministry by 9,500 pages.

**More than \$1.9 million in savings to  
ground-mounted solar operators**

“By streamlining the approvals process for small solar projects that meet pre-set requirements set out by regulation, the new EASR has ultimately transformed the playing field for small solar business in Ontario.”

— AGRIS Solar Co-operative

# Government Procurement Abstracts: Getting to What Businesses Need to Know Faster



## The Burden

Some vendors that provide government goods and services are concerned Ontario's procurement process can be complex. This costs vendors time and money. The reasons for this vary widely by vendor and are dependent on factors including the size of a business, the industry and whether or not a vendor is familiar with government procurement processes.

Supply Chain Ontario, a division of the Ministry of Government Services, held workshops with vendors of all sizes and vendor associations to gather feedback on the procurement process — including what worked for vendors and what did not.

Some vendors said they need assistance to evaluate whether a procurement opportunity was worth the effort to submit a bid, and to understand the specific requirements of a procurement, prior to committing limited resources to bid preparation.

## The Cost

The government issues hundreds of procurement documents annually and thousands of vendors spend time reading and assessing these opportunities. Even if they choose not to bid, vendors have to commit time and resources to make an informed decision. We estimate this costs more than \$1.5 million each year.

## The Solution

Supply Chain Ontario had previously initiated a program to streamline procurement processes using a Lean Six Sigma methodology. It identified the root causes of process burdens based on vendor feedback, and brainstormed solutions and proposed recommendations to reduce the burden on vendors.

The quality and consistency of procurement abstracts was identified as an issue. Abstracts are supposed to summarize goods or services and conditions required so potential vendors can decide if they will bid on a particular contract. Abstracts may not always provide enough information to help vendors clearly determine whether they should pursue a specific procurement opportunity. Consequently, many vendors spend time downloading and reading procurement documents not relevant to their business.

The solution was to improve the quality of written abstracts. Clear and consistent abstracts should provide vendors with enough information to determine if a particular procurement opportunity may be worth pursuing.

## The Results

Improving the quality of procurement abstracts should save vendors time and effort, allowing them to focus only on opportunities clearly of interest. Clear abstracts, when combined with other initiatives, will contribute to reducing a significant portion of the estimated \$1.5 million burden that vendors experience during the procurement process.

**Improved abstracts can help eliminate a portion of the estimated \$1.5 million burden by helping vendors assess and pursue relevant procurement opportunities**

“Reducing RFP prep time means freeing up several days in a small business owner's packed schedule — time better spent on mission-critical matters of marketing, customer service and innovation.”

— Teresa McGill, Gandy Associates

Better procurement summaries makes doing business with Ontario easier. Photo by the Government of Ontario.

## Ontario's Business Information Line: No Wrong Number



### The Burden

Business owners say it often takes too long to get the necessary forms, approvals and information to register and operate their businesses. An average business in Ontario has relationships with an estimated eight different branches and ministries of the Ontario government. Communicating with different ministries for support to navigate all the forms, applications, compliance documents and service listings is often a complicated, time-consuming and expensive process.

### The Cost

Contacting different ministries and searching around for the correct office and information is estimated to take business owners about 33 minutes to get the information they need.

ServiceOntario provides an array of services to entrepreneurs by phone, online and in-person. Photo by the Government of Ontario.



### The Solution

ServiceOntario, a division of the Ministry of Government Services, officially launched a new 1-888 Business Info Line in 2010. It enables one-window, one-stop service, providing information referrals on a wide array of business-related government programs and services, including:

- Starting a business
- Business financing
- Importing and exporting requirements and services
- Paying taxes
- Hiring and staffing
- Publications, approvals or licensing — such as alcohol and gaming

The Business Info Line is just one of several tools being developed to make it easier for businesses to interact with the Ontario government. The same approach is being applied to online services.

### The Results

The 1-888 Business Info Line receives over 1,800 calls per week. In 2012-13, businesses saved an estimated \$1.3 million through reducing the amount of time they previously lost searching for relevant information or the right government official. And about \$900,000 was saved in 2010-11 and \$740,000 in 2011-12.

**Time saved searching for information or connecting with the relevant government official is estimated at \$1.3 million**

## WSIB Injury Reporting Requirements: Less Paperwork, More Productivity



### The Burden

When a worker in Ontario is injured on the job and requires medical attention, their employer must report the injury to the Workplace Safety and Insurance Board (WSIB), an agency of the Ministry of Labour, within three business days using a Form 7 — the Employer's Report of Injury/Disease. Employers are required to complete the form for two types of claims. The first is a no-lost-time (NLT) claim where workers seek medical attention, but do not experience a wage loss. The second is known as a lost-time claim where a wage loss occurs as a result of injury.

The reporting requirements for both claims were the same. However, in most cases, NLT claims are minor in nature and are resolved quickly with little intervention by the WSIB. Businesses wondered why the same form needed to be completed regardless of the type of claim.

### The Cost

The NLT reporting requirement was resulting in up to 20,000 more hours per year than necessary — which cost Ontario businesses hundreds of thousands of dollars.

### The Solution

The WSIB reduced the length of the Form 7 for NLT claims by 60 per cent. A significantly easier-to-complete electronic version of the form (eForm 7) was also made available. Finally, the WSIB introduced a tele-claim service, where representatives collect and input claim details directly into WSIB systems and answer any questions that employers might have.

### The Results

Since November 2012, the WSIB has been saving employers a significant amount of time by requiring 60 per cent less information for NLT claims, and by providing eServices and tele-claim services that allow for the efficient exchange of information at employers' convenience.

The new Form 7 saves employers an average of eight minutes per NLT claim. From January to June 2013, the WSIB received more than 78,000 of these claims. This translated into more than 10,000 hours saved by employers. Using an average industry cost of administrative burden, the WSIB estimates that this burden reduction initiative saves employers more than half a million dollars per year.

**The WSIB estimates the revised Form 7 can save Ontario's employers more than half a million dollars annually**

"What a difference from the previous eForm 7; 100 times better! Faster and so much easier to use. Thank you!"  
— WSIB Client

The WSIB has significantly reduced the amount of time employers spend on paperwork. Photo by the Government of Ontario.

## Conclusion

*Fewer Burdens, Greater Growth* is a snapshot of the types of initiatives that will be measured and reported on in future years.

Burden reduction measures have tremendous potential to save Ontario businesses time and money. The five projects profiled in this report are expected to save citizens and businesses over \$6 million and more than 150,000 hours of valuable time. This is a huge accomplishment from just five initiatives. We're excited about greater future savings when more reduction measures come into effect.

We're sending a clear signal — Ontario is a place where business and government are working together, and where businesses can be competitive and prosper. Ministries will identify, measure and report on how their burden reduction initiatives are saving time and money for Ontarians.

In the years to come, we will continue to streamline government processes. We will eliminate duplication. We will reduce paperwork. We will clarify rules and regulations. Simply put, we will make the business of running a business in Ontario much easier and less expensive.

Ontario is indeed Open for Business and we are determined to do even more to make this province a place where businesses want to continue to invest and grow.

### Where to Find us / Provide Feedback

Burden reduction is a team effort. We want to know what you need, so together we can create a dynamic and competitive business climate.

Businesses and citizens can comment on proposed regulations online. If you have an issue that you think is costing Ontario businesses time and money, please send your comments using the [Regulatory Feedback Form](#).

**Ontario's Regulatory Registry is your one-stop source for information on:**

- New proposed regulatory initiatives that could affect Ontario businesses
- Recently approved regulations that affect business
- [www.ontariocanada.com/registry](http://www.ontariocanada.com/registry)



**For more information about  
Ontario's burden reduction efforts:**  
email: [openforbusiness@ontario.ca](mailto:openforbusiness@ontario.ca)

