



# Regulatory Impact Analysis in Canada: Successes & Challenges

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# Overview

- Canada's context
- Our history with Regulatory Policy and RIA
- Impact
- Benefits of a RIA Approach
- Implementation Lessons
- Challenges and the road forward

# Context

- **Legislation and regulation are instruments to implement government policy**
- **Primary (legislation) and Secondary (regulation) laws follow separate, but analogous processes**
- **Primary law is increasingly taking the form of frameworks with details being left to secondary law**
- **This has given the appropriate use of secondary law (Regulations) greater importance**

# History: Early Approach

- **Initially, growth of the state and regulatory free for all**
- **Sporadic, varying approaches to reform**
  - Stock reviews, early burden reduction attempts, sectoral deregulation, legal framework (SIA), early socio-econ impact statements for some regulations
- **1980s Program Review leads to Regulatory Strategy**
  - Links impact of regulation to significant government macro policy objectives
  - Focus on quality of regulation
  - Greater transparency and involvement: Regulatory Agenda
- **Movement from undisciplined to a focused approach founded on principles of accountability, transparency, and stakeholder involvement**

# History: Regulatory Policy

- **Canada's official Regulatory Policy was adopted in 1986 amidst Government-wide initiative to enhance Canada's international competitiveness & ensure balance between social & economic goals**
- **The Policy provided an overarching approach for government action**
  - enjoyed support at the political level
  - reinforced by central oversight of regulatory proposals
  - made rules relevant, responsive and enforceable
- **Put the focus on accountability**

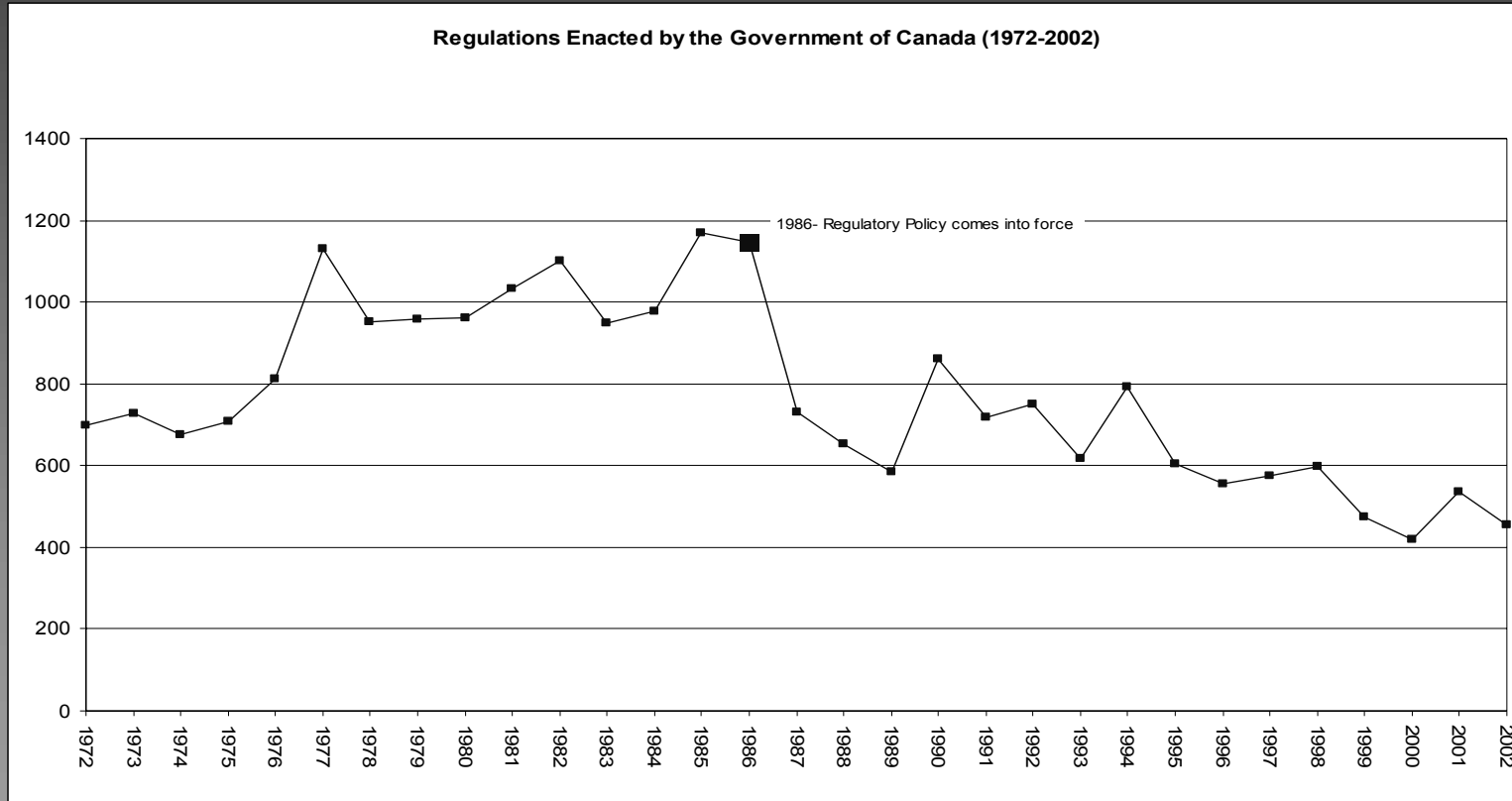
# History: RIA

- **Canada's first foray into RIA was the 1978 requirement to conduct Socio-Economic Impact Analyses for major health & safety regulations**
- **In 1979, the Economic Council of Canada proposed a public Regulatory Impact Analysis Statement (RIAS) that would apply to all regulations**
- **The House of Commons Special Committee on Regulatory Reform also called for the expansion of RIAS application and its institutionalisation**
- **1986 Regulatory Policy institutionalized RIA requirements**

# Regulatory Policy and RIA

- **The RIAS serves to illustrate how a proposal satisfies the Regulatory Policy**
- **Policy requires regulators to demonstrate that:**
  - Canadians are consulted & given opportunity to participate
  - Risk/problems must be real & best addressed through the use of regulation
  - Societal Benefits > Societal Costs
  - Adverse economic effects are minimized
  - International & intergovernmental agreements are respected
  - Systems are put in place to effectively manage resources
  - All other Government directives/decisions/policies are respected
- **Emphasis was initially placed on economic analysis but now reflect a balance of social and economic analysis**

# Impact



# Benefits of a RIAS

- **RIAS serves as a dual-purpose document**
  - Basis of decision for Ministers
  - Basis of information to the public, stakeholders, trading partners - consultation, communication & transparency
- **Using the RIAS as a consultation/communication tool provides real benefits**
  - Reinforces & enhances the benefits of consultation by subjecting the analysis & basis for Ministerial decision-making to public scrutiny
  - Results in transparency
  - higher quality information for decision-making
  - creation of sense of ownership
  - trust & credibility between government, industry & citizens

# Lessons Learned

- **At the political/ministerial level**
  - Value of a “champion”
  - Cabinet committee mandate and direction
- **At the officials level**
  - Central agency with a challenge function
    - Check consistency with government policy
    - Check consistency with the regulatory policy
  - Training and capacity building strategy
  - Guides and tools, especially web-based
  - Senior management guidance
- **What is needed from the public**
  - An audience that can comment , challenge, and react
    - Business leaders, associations
    - Advocacy Groups
    - An external advisory committee for an outside perspective

# Challenges / Road Forward

- **Developing a life-cycle, dynamic approach**
- **Quality across departments and proposals**
- **Finding the right level of engagement with stakeholders**
- **Capacity in a greying public service**
- **Maintaining effective central agency oversight**

# For More Information

- The Regulatory Policy, the Guide to the Policy and the RIAS Writer's Guide are available online
  - [www.pco-bcp.gc.ca](http://www.pco-bcp.gc.ca)
- Pre-publication in *Canada Gazette* (Official journal of the Government of Canada)
  - [www.canadagazette.gc.ca](http://www.canadagazette.gc.ca)
- Department of Justice Website for final version of all federal laws and regulations
  - [www.justice.gc.ca](http://www.justice.gc.ca)