



TOBA • REDUCE RED TAPE IN MANITOBA • REDU

REPORT OF THE  
**RED TAPE REDUCTION**  
TASK FORCE

MAY 2018

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## MESSAGE FROM THE MINISTER



As Minister of Finance, I am pleased to receive the Report of the Manitoba Red Tape Reduction Task Force. Reducing red tape is about helping Manitobans by improving access to government services and rebuilding the provincial economy. It is about eliminating unnecessary barriers and promoting economic development. Removing excess paperwork, reducing overlap with other governments and moving more services online are some examples of red tape reduction.

Thanks to the dedicated work of the Manitoba Red Tape Reduction Task Force co-chairs, committee members and residents who shared their views on the subject, we are making life easier for thousands of families, as well as helping small businesses to invest, create jobs and strengthen their contributions to local communities.

Our goal is to become the most improved province for regulatory accountability by 2020. Indeed, we have already made significant progress, including:

- introducing the Regulatory Accountability Act to create North America's most comprehensive regulatory accountability framework
- conducting the first-ever count of Manitoba government regulatory requirements – uncovering 906,000 required actions by nonprofits, local governments, businesses and private citizens
- becoming the first Canadian province to legislate a one-for-one rule to cap the growth of regulatory requirements to avoid future red tape
- establishing the annual Red Tape Reduction and Government Efficiency Bill to allow government departments to tweak legislation to remove red tape

We believe Manitobans can better access important services and accomplish so much more without the burden of red tape, so our work continues. These initiatives will create new opportunities in Manitoba by ensuring an easy-to-understand and transparent regulatory system that provides efficient, effective services and encourages growth and investment in the province.

Honourable Cameron Friesen  
Minister of Finance

## A MESSAGE FROM THE CO-CHAIRS

As co-chairs of the Red Tape Reduction Task Force, we are honoured to present this report to the Minister of Finance. The Task Force was assigned to identify regulatory requirements that can have a detrimental impact on the competitiveness of business or that degrade the quality and availability of public services.

The committee worked together focusing our work on four specific industries; agriculture and food processing, transportation, non-profit organizations and land development in order to identify regulatory requirements that stifle growth. Through consultations with impacted stakeholders this report identifies barriers and provides suggested solutions to remove and eliminate unnecessary red tape in Manitoba.

Our hope is the report will provide the Manitoba Government with helpful recommendations to remove red tape and make Manitoba more prosperous.

We would like to thank all of our committee members and stakeholders for their dedicated work throughout this process.

Shannon Martin  
MLA for Morris  
Committee Co-Chair

Carmelee Peter  
President, Exchange Income Corporation  
Committee Co-Chair

# INTRODUCTION



In its 2006 report entitled Guiding Principles for Regulatory Quality and Performance, the Organization for Economic Cooperation and Development (OECD) concluded that:

*The goal of regulatory reform is to improve national economies and enhance their ability to change. Continual and far reaching social, economic and technological changes require governments to consider the cumulative and inter-related impacts of regulatory regimes, to ensure that their regulatory structures and processes are relevant, robust, transparent, accountable and forward looking. Regulatory reform is not an one-off effort but a dynamic, long-term multidisciplinary process.*

On December 6, 2016, Manitoba's Red Tape Reduction Task Force was launched to address red tape in Manitoba. The 14-member task force, made up of government MLAs and external stakeholders, is co-chaired by Carmele Peter, president of Winnipeg-based Exchange Income Corporation and Shannon Martin, MLA for Morris.

Reporting to the Minister of Finance, the mission of the task force is to identify unnecessary regulatory requirements that have detrimental effects on the competitiveness of business or degrade the quality and availability of community services. For example, this would include requirements that do not result in identifiable outcomes in terms of environmental health or public safety.

As part of its work, the committee reached out to Manitobans, receiving hundreds of ideas through in-person meetings and online submissions.

To fulfill its mandate, the task force focused its efforts on four key sectors of the Manitoba economy – agriculture and food processing, land development, non-profit organizations, and transportation. See Appendix B for each sector's economic profile.

For each industry, a sub-committee of government MLAs and external stakeholders with expertise in the specific area was established. These sub-committees identified the top five industry-specific red tape concerns they felt government must address in the short term to reduce unnecessary administrative burdens and encourage investment in Manitoba.

# THE REGULATORY ENVIRONMENT

In Manitoba, small- and medium-sized businesses spend an estimated \$1.2 billion annually to comply with federal, provincial and municipal regulations. The Canadian Federation of Independent Business estimates a full 30 per cent of this sum, or \$360 million, is spent on red tape, which are regulatory requirements that create unnecessary burdens. Even worse, a 2016 survey by the Institute for Citizen-Centred Service found 53 per cent of entrepreneurs believe the regulatory burden increased in the past three years.

These burdens are not faced by businesses alone. Non-profits, local governments and private citizens face unnecessary delays and costly additional expenses due to inefficient and ineffective provincial rules and regulations.

The Red Tape Reduction Task Force's work focused on identifying which regulatory requirements create red tape. Regulatory requirements are the actions or steps required of businesses, not-for-profits, local governments and private citizens to access government programs or services, conduct business, or participate in regulated activities.

Regulatory requirements are found everywhere in government – statutes, regulations, forms, policies and processes. In some cases, requirements can be overly complicated, contradictory, out-of-date or simply incomprehensible. These types of regulatory requirements are considered red tape.

Throughout the process, the Red Tape Reduction Task Force's goal was not simply to eliminate requirements. Rather, the mandate was to identify requirements that are poorly written, duplicative or do not achieve their stated public policy goal.



## AGRICULTURE AND FOOD PROCESSING SUB-COMMITTEE

*Members: Blair Yakimoski, Marilyn Braun-Pollon, Dan Sierens*

### 1. CONDITIONAL USE HEARINGS FOR NEW LIVESTOCK FACILITIES

*Department: Municipal Relations, Sustainable Development, Agriculture*

**STAKEHOLDER CONCERN:** Conditional use hearings are currently required for all new livestock operations, even for a small expansion to an existing operation. One stakeholder referred to the municipal approval process as “expensive, time consuming, stressful and intimidating”. It provides an opportunity for people without a local and vested interest to interfere with projects. Months are often wasted on hearings only to have a project not even begin.

**TASK FORCE RECOMMENDATION:** A number of possible solutions were recommended, particularly around permits and tying evaluations to already strong legislation. Some of the recommendations include:

- A new type of permit, with a simplified but robust application process, could be established for expanding existing operations.
- The requirement for a conditional use permit for expansion of existing operations could be removed if the proposed expansion meets all of the regulations and standards under The Planning Act and The Environment Act.
- The requirement for a conditional use permit to establish or expand an operation could be eliminated if the land is zoned agricultural and if the proposed development meets all of the regulations and standards under The Planning Act and The Environment Act.

**GOVERNMENT RESPONSE:** The Manitoba government has tabled Bill 19, The Planning Amendment Act (Improving Efficiency in Planning) to streamline the planning review and approval process for large-scale livestock production operations, without lowering environmental standards. The Department of Municipal Relations will also identify and implement non-legislative changes to the Livestock Technical Review process to result in additional time savings to applicants.

### 2. WATER RIGHTS APPLICATIONS

*Department: Sustainable Development*

**STAKEHOLDER CONCERN:** Water rights applications (ex: drainage permits) are not processed in a timely manner. Projects can be delayed by an entire season due to delays in receiving drainage licenses. License requirements for very small projects cause an unreasonable administrative burden for both project proponents and for government.

**TASK FORCE RECOMMENDATION:** Removing the requirement for a water rights application for small projects such as culvert replacement and ditch maintenance would allow Manitoba Sustainable Development to focus on processing important applications more quickly.

**GOVERNMENT RESPONSE:** The Manitoba government is taking steps to improve the process. On November 30, 2017 the Sustainable Watersheds Bill was introduced as part of Manitoba's groundbreaking Green Plan. The legislation includes enabling amendments to The Water Rights Act to streamline the registration process for low risk/low impact projects, such as culvert replacements and maintenance. Manitoba Sustainable Development will work with stakeholders to develop a regulation to determine which projects would be eligible for registration.

### 3. FOOD DEVELOPMENT CENTRE

*Department: Agriculture*

**STAKEHOLDER CONCERN:** Manitoba's Food Development Centre (FDC) was the subject of numerous comments. The centre is intended to be a source for businesses but many businesses that currently use FDC services find themselves paying uncompetitive prices and receiving potentially erroneous or incomplete advice. As a result, some Manitoba food processors are switching to private laboratories or equivalent facilities in Saskatchewan and Alberta.

**TASK FORCE RECOMMENDATION:** Review the operations and mandate of the Food Development Center to ensure it provides effective and efficient services to Manitoba's agri-food processors.

**GOVERNMENT RESPONSE:** The Food Development Centre (FDC) conducts exit surveys with all clients to measure satisfaction and identify opportunities to improve service. In 2017, FDC received complaints from less than five per cent of its clients. Most complaints were related to timeliness and fees. Manitoba Agriculture, in consultation with FDC, will continue to consult with facility users and Food and Beverage Manitoba to improve customer service and business competitiveness.

### 4. MANITOBA FARM BUILDING CODE

*Department: Growth, Enterprise and Trade*

**STAKEHOLDER CONCERN:** It is impractical and needlessly costly to comply with the Manitoba building code. Stakeholders expressed the opinion that it is not necessary to subject agricultural buildings to the same building codes as light industrial, as these buildings are infrequently used by humans. They stated that it is far less complicated to build new barns in Saskatchewan and Alberta. That puts Manitoba producers at a disadvantage and reduces construction opportunities in Manitoba.

**TASK FORCE RECOMMENDATION:** Create a separate building class for farm buildings that addresses concerns relating specifically to the housing of animals, and is consistent with requirements currently in place in other jurisdictions.

**GOVERNMENT RESPONSE:** The Manitoba government has responded to these concerns. On January 25, 2017, the Manitoba Farm Building Code was repealed and several farm building specific amendments were added to the Manitoba Building Code. The amendments reflect the unique nature of agricultural production and specifically, the low human occupancy nature of many farm buildings. The new requirements reduce construction costs for farm buildings, while maintaining fire and life safety features appropriate for the specific building use and occupancy.

## 5. LIVESTOCK MANURE STORAGE

*Department: Sustainable Development*

**STAKEHOLDER CONCERN:** Areas without proper clay content for earthen manure storage need to build in-barn concrete manure storage. Stakeholders feel Manitoba's standards for these storage facilities are unnecessarily strict.

**TASK FORCE RECOMMENDATION:** Manitoba should conduct a review of technical standards for concrete livestock manure storage to ensure that the standards are practical and safe. As well, it should consider allowing under-barn concrete pit storage, which stakeholders feel is comparable to in-barn storage in terms of environmental protection.

**GOVERNMENT RESPONSE:** The Manitoba government has good reasons for the standards already in place. Livestock producers have several manure storage facility design options available for use, depending on ground conditions. Current regulations require all facilities to be designed by professional engineers and meet all provincial Design Objectives for Livestock Liquid Manure Storage Facilities or provide equivalent environmental protection. These criteria do not prohibit the design and use of under-barn pit storage. But, due to concerns about flash fires, explosions and in-barn air quality associated with under-barn pits, there are additional requirements for this construction type.

### OTHER ISSUES:

A number of other issues were raised that in the committee's view require further review by government:

- Interpretation of Regulations and Policies by Government Officials – different inspectors rely on different interpretations of the same regulation and/or policy, causing confusion and additional costs for businesses.
- Restrictive apprenticeship ratios – 1:1 ratios regardless of apprenticeship level, trade, or job are delaying projects, adding costs, and providing minimal, if any, educational value to the apprentice. The review and adjustment of apprenticeship ratios is needed.
- Dyed Fuel Use – Regulations are unclear as to use of dyed fuel when farmers assist each other during the growing season (ex: cooperative work, not custom work). Clarity is needed.
- Highway Traffic Act – the statute is convoluted and not written in plain English due to decades of amendments.
- Grain Dryers Regulations – Office of the Fire Commissioner processes make it a challenge to have used dryers approved for use in a timely manner. Manitoba should adopt rules similar to Saskatchewan.
- Nutrient Application Timing – The use of set calendar dates rather than weather and science based variables creates a cumbersome system. Using a science-based system similar to the spring road restrictions is proposed by some.
- Farm Equipment Electrical Code – Manitoba's electrical code for farm equipment is more stringent than other provinces and in some cases requires alternative custom-built machinery. Manitoba should adopt electrical regulations that are similar to those in Saskatchewan and Alberta.

## NON-PROFIT ORGANIZATIONS SUB-COMMITTEE

*Members: Janice Morley-Lecomte, Vera Goussaert, Alan Goodz*

### 1. COMMUNICATION WITH GOVERNMENT

*Department: All*

**STAKEHOLDER CONCERN:** Organizations are often forced to spend considerable time navigating multiple government departments and individuals to gather accurate information on government programs, rules and regulations. Due to this maze, an organizations' communication with government often tends to be dependent on individual relationships, which is disrupted when staffing changes occur. Inconsistent interpretation and application of policies exacerbate this system and can lead to miscommunication.

Additionally, information often travels up to departmental senior management, but decisions and rationales are not clearly communicated back to frontline staff and to organizations. This process contributes to the lack of clear communication from the public service to non-profits.

**TASK FORCE RECOMMENDATION:** Clear, consistent and easily accessible communication on government programs, expectations and upcoming changes thereto would save time and costs for non- profits. For example, developing a single-stop online grants portal would ensure all relevant information is available in a consolidated area. Having a designated primary government contact person to assist organizations in navigating the system, and to liaise with other departments on their behalf, is an alternative method.

**GOVERNMENT RESPONSE:** The Manitoba government is working to improve this situation by developing a grants management solution that would provide:

- online applications
- application tracking
- a government-to-applicant communication systems
- less duplication of recordkeeping for organizations with multiple grant applications

### 2 & 3. FUNDING HORIZONS AND BUDGETING PROCESS

*Department: All*

**STAKEHOLDER CONCERN:** Yearly grant applications often fail to represent a program accurately as projects can have "lumpy" costs (ex: significant start-up costs, but minimal operational costs in future years) or take several years to realize results due to the nature of the program. Furthermore, providing annual grants makes it difficult for organizations to create long term business plans and budgets when funding sources are short term in nature.

Devoting significant time and resources to compile annual applications reduces resources available to provide services to the organization's clients. Additionally, lack of long-term funding limits the ability of an organization to provide long-term commitments to employees and other partner organizations.

**SOLUTION:** Multi-year funding models represent a more efficient use of time and resources for both organizations and government when an organization has a sustained track record of performance and results. Creating a standardized policy across government for use of multi-year agreements with non-profits is needed.

**GOVERNMENT RESPONSE:** The Manitoba government is addressing the need for a longer-term grant process. Long-term agreements allow for organizational stability, continuity of service to clients of grant recipients, and a shared focus on identified outcomes. A long-term funding agreement policy will be explored after a cross-government grants management solution is in place.

## 4 & 5. DATA MANAGEMENT STREAMLINING

*Department: All*

**STAKEHOLDER CONCERN:** Organizations are required to compile and submit many forms, reports and supporting documentation on an annual basis. In many cases, the same information must be provided several times to various programs and departments because of the lack of a central repository of information. Compounding the problem, when government staff change positions, non-profits are asked to resubmit documentation as the organization's files are not transitioned effectively between staff.

There is also a lack of consultation with non-profits from government over the development of program data collection. Many organizations are unsure why they are required to collect and submit information in a prescriptive way and how it is being used. With additional communication it could be easier for non-profits to provide useful information to government at a lower compliance cost.

In both cases, this reporting is often done by senior organizational staff. This compounds the financial cost and resources required to complete the tasks, removing valuable time and money from service delivery.

**TASK FORCE RECOMMENDATION:** Better data management reduces red tape faced by non-profits and allows for more effective decision making and monitoring of results by government. Developing a central hub online for non-profits to submit grants, report results and communicate with departmental staff would reduce the administrative burden of interacting with government. Ensuring all departments use and access the portal is essential to its success.

Developing a 'best practices' approach to communicate desired program outcomes and consultation on how to collect information to determine outcomes will minimize inefficiency. Establishing consistent updates from government program officers with non-profits participating in the programs should be included. There must be a clear flow of information, ensuring all parties understand why the information is needed, and what it is being used for.

**GOVERNMENT RESPONSE:** The Manitoba government is working to improve this situation by developing a grants management solution that would provide:

- online applications
- application tracking
- a government-to-applicant communication systems
- less duplication of recordkeeping for organizations with multiple grant applications

### OTHER ISSUES:

A number of other issues were raised that in the committee's view require further review by government:

- Complementary government services used by citizens are often dispersed geographically from each other and from related services provided by community service organizations. Co-locating services would create greater accessibility.
- Government does not have a start-up roadmap for non-profits. By comparison, government puts extensive effort into creating roadmaps for starting a business (ex: BIZPAL). Guidance documents to navigate the start-up process would be valuable.
- Program policies from different government departments sometime contradict each other.
- Inconsistent standards are applied by government to community service workplaces depending on the status of the workforce (ex: unionized or non-unionized).

## LAND DEVELOPMENT SUB-COMMITTEE

*Members: Jeff Wharton, Henry Borger, Martin Harder*

### 1. CONFLICT BETWEEN THE HIGHWAY TRAFFIC BOARD AND MUNICIPALITIES

*Department: Infrastructure*

**STAKEHOLDER CONCERN:** The Highway Traffic Board (HTB) frequently blocks municipal decisions on speed limits, signage and access. This requires municipalities, businesses and landowners to spend significant time in HTB hearings, and to incur significant costs in relation to those hearings.

**TASK FORCE RECOMMENDATION:** Review the requirement for permission from the HTB when a municipality wishes to lower the speed limit on municipal roads. Adopt a less restrictive policy governing the replacement of signs along highways. The need for more efficient responses to applications was also identified.

**GOVERNMENT RESPONSE:** Government introduced Bill 14, The Traffic and Transportation Modernization Act that dissolves the Highway Traffic Board. Under Bill 14, municipalities, and other local governments, will be authorized to make by-laws setting speed limits on their roadways. The department of Infrastructure, via delegated authority from the Minister, will assume responsibility for setting speeds on roadways under provincial jurisdiction and will issue permits for access roads, signs and structures within highway control areas. This move reduces red tape for industry by streamlining permit processes.

### 2. MANITOBA LAND TITLES SYSTEM

*Department: Justice*

**STAKEHOLDER CONCERN:** A number of stakeholders identified issues relating to the Manitoba land titles system. One stakeholder described the land titles system as a “red tape factory” that issues “directives” with little industry consultation or communication. Others indicated that it can take years to process relatively simple requests. Delays with land titles can stall entire developments, forfeiting an entire construction season. This can have significant economic effects for both developers and communities. Furthermore, it can force developers to incur significant expenses that jeopardize the viability of a project, and ultimately threaten jobs. While some of the problems are caused by delays in municipal subdivision planning and approvals, delays in title transfer were identified by some stakeholders as the source of the problem.

For example, specific issues included changes to regulations regarding concordance of civic address and unit plans in condominiums and staking of bare land condominium units.

**TASK FORCE RECOMMENDATION:** Due to the complexity of the land titles system further consultation with industry, municipal government, realtors, The Property Registry and the Law Society of Manitoba is required to expedite reform of the land titles system.

**GOVERNMENT RESPONSE:** While progress has been made in reducing application processing time, there is room for further improvement. Through the Office of the Registrar-General and Teranet Manitoba, which operate The Property Registry, Manitoba Justice has a Stakeholder Advisory Council, including representatives of the Manitoba Real Estate Association, Association of Manitoba Land Surveyors, Manitoba Home Builders Association, Manitoba Municipal Administrators Association, Manitoba Bar Association, Law Society of Manitoba, credit unions, and Manitoba Hydro. Manitoba Justice will continue to consult with these stakeholders to ensure the necessary improvements.

### 3. MUNICIPAL BOARD HEARINGS

*Department: Municipal Relations*

**STAKEHOLDER CONCERN:** Municipal board hearings are cumbersome and are easily triggered by very small groups of objectors. Developments can be delayed for months or years, leading to substantial cost increases for the developer and the customer.

**TASK FORCE RECOMMENDATION:** Increase the number of objections required to trigger review of a development by the Municipal Board. One stakeholder suggested that this be set at 10 per cent of the population in the affected area or 25 people, whichever is higher.

**GOVERNMENT RESPONSE:** The Manitoba government has tabled Bill 19, The Planning Amendment Act (Improving Efficiency in Planning) to expedite the municipal zoning by-law approval process by introducing thresholds for the number of public objections required to trigger an appeal hearing of 25 individual objections or 50 percent of property owners that received direct notice of a zoning change.

### 4. PITS & QUARRIES PERMIT PROCESS

*Department: Growth, Enterprise and Trade*

**STAKEHOLDER CONCERN:** Stakeholders identified a problem with annual permits and returns. An operator cannot apply for an annual certificate until a return is filed, but a return cannot be submitted until totaling of the previous year's aggregate, payment of the rehab levy and preparation of the return. As a result, formal approval to operate cannot be obtained in early January while returns for the previous year are processed by the Department.

Complicating the process further, the paperwork for all of the operator's properties, which could be dozens, has to be processed before approval for a single property. In some cases, delays of approvals extend into February and prevent moving equipment before the removal of winter roads or spring road restrictions, and delay construction for up to one year.

**TASK FORCE RECOMMENDATION:** Reform the permitting process to recognize and accommodate the operational requirements of aggregate sourcing companies.

**GOVERNMENT RESPONSE:** The Manitoba government is taking steps to improve this process. Through several initiatives, the average casual quarry permit issuance time has been reduced by half since 2015. Recent consultations with industry and municipalities through the Pits and Quarries Task Force have identified further steps to improvement. This will include an overhaul of the permitting process and a review of the provincial aggregate resource development policy and related services.

## 5. AGGREGATE DEVELOPMENT

### *Department: Municipal Relations*

**STAKEHOLDER CONCERN:** Some municipalities have been taking advantage of unclear jurisdiction under The Planning Act and The Municipal Act to attempt to block aggregate development. Gravel and crushed stone are used in residential, commercial, industrial and heavy construction. Artificially constricting the supply through procedural wrangling will lead to increased costs for all purchasers of construction including the government.

**TASK FORCE RECOMMENDATION:** Amend The Planning Act and The Municipal Act to clearly specify what aspects, if any, of the pits and quarries approval process falls into municipal jurisdiction.

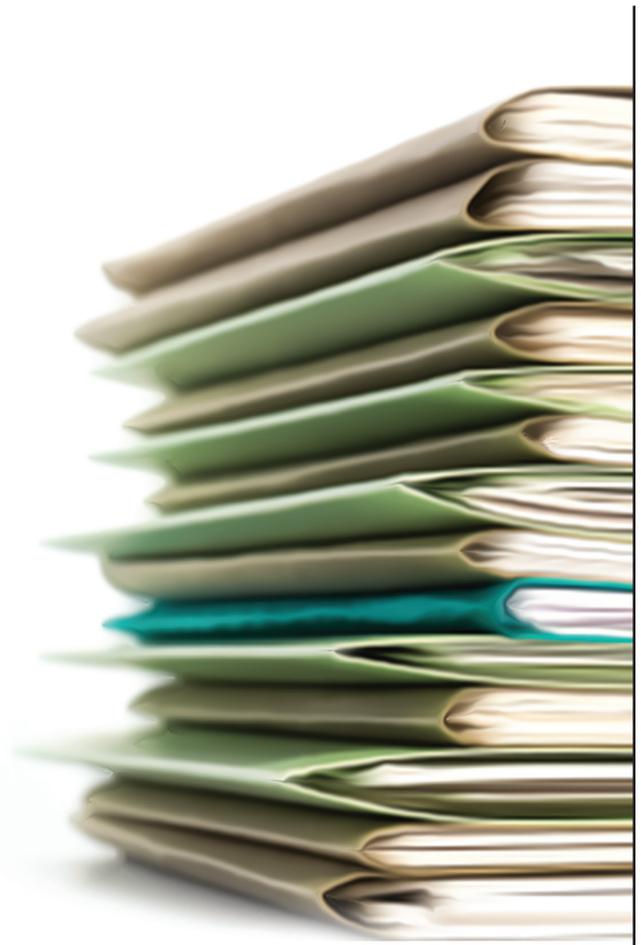
**GOVERNMENT RESPONSE:** In late 2017, provincial staff, industry representatives and municipal officials formed an Advisory Committee to make recommendations to the relevant provincial ministers about ways to modernize and streamline aggregate processes in Manitoba. The Manitoba government has also tabled Bill 19, The Planning Amendment Act (Improving Efficiency in Planning) to improve the aggregate development review process.

### **OTHER ISSUES:**

A number of other issues were raised that in the committee's view require further review by government:

- A lack of published customer service standards and ability to track applications through the permitting process is widespread. Implementation of new systems to allow for real-time updates is needed.
- Consider removing the requirement for a water rights application for small projects such as culvert replacement, thereby allowing Manitoba Sustainable Development to focus on more important applications.
- The Water Services Board only accepts hand-delivered tenders. Modernizing to accept electronic or courier applications is needed.
- Portable oil-fired CSA approved heaters of fewer than 400,000 BTUs are regulated in the same manner as large permanent heaters. Regulatory oversight should be adjusted to reflect risk-based assessment of the use of these machines.
- Current Manitoba regulations do not allow builders to sell their own condominiums. This should be reviewed.
- Eleven government departments are involved in the regulation of the development industry. Designation of a minister as having direct responsibility for land development would possibly assist in removing roadblocks.
- There is overlap between the protected areas and protected species branches of Manitoba Sustainable Development. This creates delay and uncertainty for industry. A possible solution is to amalgamate the two branches into one "protected species and areas branch".
- Manitoba Hydro and other utilities move extremely slowly in servicing new developments. This results in developments being delayed for months, or even years. A possible solution is the establishment of a service standard for servicing new developments.

- Tender documents and practices vary between government departments and crown corporations. Possible solutions include standardization of tender documents across government departments and crown corporations. In particular, the government could adopt consistent standards for circulating bid opportunities, responding to bid opportunities, construction contracts, payment terms, and dispute resolution.
- Prequalification requirements for contractors on government work are overly complicated. A possible solution is having the requirements for contractors simplified and expressed in plain language.
- Restrictive apprenticeship ratios – 1:1 regardless of level or project are delaying projects and adding costs. Review and adjustment of apprenticeship ratios needed.
- Certificate of Recognition (COR), a national standard for general contractors, is currently required for government work over \$100,000 and for subcontractors if their portion of a project is over \$100,000. This has led to work being divided into smaller portions, and puts certified contractors at disadvantage vis-à-vis cheaper, non-certified competitors. Possible solutions are COR should either be required for all subcontractors where the total value of the project is over \$100,000 regardless of the size of the portion, or for none.
- The New Home Warranty Program is cited as valuable in principle, but concerns exist about potentially creating an excessive administration and enforcement bureaucracy.



## TRANSPORTATION SUB-COMMITTEE

*Members: Greg Nesbitt, Wade Linden, Don Streuber*

### 1. THE HEAVY VEHICLE SAFETY INITIATIVE AND THE PERIODIC MANDATORY VEHICLE INSPECTION (PMVI)

*Department: Infrastructure, Crown Services*

**STAKEHOLDER CONCERN:** Amendments made to the Highway Traffic Act to expand Manitoba's Safety Fitness Program to include the majority of heavy vehicles and incorporate the new PMVI, which requires an inspection to be done every second year.

Stakeholders felt these new rules do not reflect the operational nature of some industries. For example, the initiative does not take into consideration the relatively short time frame and distances that farm trucks operate. The amended PMVI has increased costs for farmers - in some cases double or triple previous costs - as a result of a shortage of rural mechanics able to do complete inspections.

Other stakeholders indicated this change has been detrimental to small business owners in the transportation sector because their trucks are not used as often as large commercial operations, but are still needed to grow the business.

Accessing blank PMVI documents was also identified as an issue for certified facilities. Owners must purchase them from certain MPI facilities, and must do so in person. When accessing those forms, the companies cannot call ahead and must wait in service lines along with all other MPI customers. This often means long wait times and/or multiple trips just to get blank certificates.

**TASK FORCE RECOMMENDATION:** Manitoba Infrastructure/MPI should consider adopting a framework that would require a PMVI at a set number of kilometres, or once every three to five years (whichever comes first), instead of every second year. This framework could apply to heavy vehicles used in farm operations and by small businesses with fewer than 500 employees. Such a framework would balance the valid public safety goals of the system with the practical reality of how heavy vehicles are used in some industries.

It is also recommended that Manitoba Infrastructure/MPI develop a website portal that specifies all applicable inspection requirements, and provides access to PMVI forms and all other paperwork required for all types of heavy vehicles and equipment.

**GOVERNMENT RESPONSE:** The Manitoba government's rules are in line with those of other provinces. No other Canadian jurisdiction links inspection frequency to kilometers travelled and a change would contravene the National Safety Code Standard 11 of the Canadian Council of Motor Transport Administrators, which Manitoba has adopted. Manitoba Public Insurance is also currently considering making PMVI forms and other documents available online.

### 2. DUPLICATION OF INFORMATION COLLECTION AND AUDITING

*Department: Crown Services, Finance, Infrastructure*

**STAKEHOLDER CONCERN:** The Manitoba government maintains many required forms currently in paper-only form. Many government entities collect the same information multiple times in multiple forms, such as Manitoba Public Insurance's divisions of Licensing and Special Risk Insurance, Manitoba Infrastructure's Motor Carrier Division and Manitoba Finance's Taxation Division. The administrative burden of multiple reporting of the same information is extensive.

**SOLUTION:** Creating a single online submission portal to collect basic regulatory information that could be shared between departments would relieve the administrative burden facing transportation firms.

**GOVERNMENT RESPONSE:** The Manitoba government is reviewing the processes involved to determine any information security and confidentiality concerns, as well as any licensing implications of this recommendation.

### 3. COMMERCIAL TRUCK DRIVER RECORD SAFETY VERIFICATION

*Department: Infrastructure, Crown Services*

**STAKEHOLDER CONCERN:** Under The Highway Traffic Act (HTA), it is up to trucking companies to manage the competency and compliance of their employees holding Class 1 licenses. They must review each employee's driving record to determine whether the person is fit to drive the vehicle.

Additionally, employers are required to create a document indicating the company has annually reviewed the driving record of each of their employees and file with Manitoba Infrastructure. This entails each driver signing a declaration indicating they have advised the employer of any violations and accidents over the course of the year. Currently, there is no mechanism to allow employers to verify the accuracy of the information provided by the employee, nor does the applicable regulation identify who the information can or must be shared with.

**TASK FORCE RECOMMENDATION:** Further consultations are required to better understand the legal implications of the issue raised by industry and determine if firms are the appropriate entity to conduct this activity. If so, industry must have access to the proper information and tools to complete their duties under the act.

**GOVERNMENT RESPONSE:** Manitoba Infrastructure is currently considering eliminating the on-hire driver disclosure form to eliminate duplication of information already available in the driver abstract. Further consultations will be conducted to review other aspects of the recommendation. We recommend that MPI/Crown Services provide a response on legal considerations on the access and sharing of driver data.

### 4. TRUCK LICENSE CLASSIFICATION TYPES

*Department: Infrastructure*

**STAKEHOLDER CONCERN:** There are a large number of commercial vehicle licensing classification types. Many of these are in place to meet the requirements under the Highway Traffic Act, rather than any known safety or other fundamental reason. As a result, some companies – depending on the product they are hauling and for whom they are hauling – require three different license classifications over the course of a year.

**TASK FORCE RECOMMENDATION:** The vast number of licensing types and NSC exemptions currently available in Manitoba result in increased government and industry expense and inconvenience. A holistic review of the Highway Traffic Act and the licence classification system is needed to eliminate administrative burden on both government and industry. The safe operation of a heavy vehicle should be the primary consideration for regulation, not the nature of the ownership of the product and the specific commodity being hauled.

**GOVERNMENT RESPONSE:** Bill 14, The Traffic and Transportation Modernization Act eliminates antiquated vehicle classifications, namely the public service vehicle and commercial truck classes. This supports collapsing the two classes into one in the future and enabling carriers to use one-plate.

## 5. RURAL ACCESS TO ROAD TRANSPORTATION ASSOCIATION OF CANADA (RTAC)ROADS

### *Department: Infrastructure*

**STAKEHOLDER CONCERN:** Many agricultural producers are required to load trucks at less-than-full capacity due to the need to traverse weight restricted roads for short distances in order to connect to an RTAC road. This forces farmers to make multiple trips to complete a shipment. Reducing the number of trips that need to be taken would be both financially beneficial for producers and socially responsible as it would reduce vehicle emissions.

**TASK FORCE RECOMMENDATION:** The introduction of an annual no-cost permit would allow producers to haul short distances at RTAC-weights on specific weight-restricted roads to reach an RTAC road when they need to move their product. Government could investigate a cost recovery permitting system for farmers using non-RTAC roads, at RTAC weight limits, for longer distances, potentially up to eight kilometers.

**GOVERNMENT RESPONSE:** Manitoba Infrastructure operates the Trucking Productivity Improvement Fund Program, a voluntary user-pay, cost-recovery program for carriers wishing to haul loads that exceed the weight limits on portions of their desired routes. Approved applicants are allowed increased loading on certain highways. Manitoba Infrastructure will develop opportunities to promote greater awareness of the program among agricultural producers.

### **OTHER ISSUES:**

A number of other issues were raised that in the committee's view require further review by government:

- When trucking companies are doing annual renewals on trucks (bi-annual for trailers) they do not have the ability to make any other changes to their account as it is locked. For many companies, this process can take up to a week, during which no new trucks can be brought into the system.
- Manitoba rules for transporting oil and gas machinery are not consistent with Saskatchewan and Alberta. Harmonization of rules across the New West Partnership is recommended.
- Manitoba Hydro permitting processes are lengthy and delay projects. Expediting approval processes should be made a priority.
- Acquiring bridge permit approvals for loads over 70 tons can take up to two days in Manitoba compared to approximately two hours in Saskatchewan and Alberta.
- There is inconsistent designation of truck routes by the City of Winnipeg and RM of Rosser in the Centre Port area. These entities should work to harmonize routing.
- Annual permits are required independently from Manitoba Infrastructure and Manitoba Hydro for over-height permits. Merging the permit process would reduce red tape.
- Different branches of the Manitoba government and MPI audit the same firms based on similar information at various times of the year. Simultaneous audits would streamline resource allocation for firms to comply with the auditing procedures.
- The Manitoba Highway Traffic Board process is convoluted, long and cumbersome. Allowing local government's greater authority over municipal roads is encouraged.

# CONCLUSION



The members of the Red Tape Reduction Task Force wish to express our appreciation to the Honourable Cameron Friesen, Minister of Finance, for the opportunity to participate in this important endeavor. We also thank the many Manitobans and organizations who participated in consultations and provided solutions to the red tape facing their industries.

This report is the beginning of an important and necessary process that will require time, effort and goodwill on the part of Manitobans and their government to achieve results. To that end, we urge the Minister of Finance to continue this effort by identifying additional sectors for examination and consultation.

Feedback provided by Manitobans confirms that reducing red tape should be a top priority for the provincial government. In order for Manitoba to offer a competitive business environment and quality community services, the time and money spent complying with provincial rules and processes that do not add value for Manitobans must be reduced.

Manitobans are clear that they want their provincial government to change their approach to achieving public policy goals. Primarily, Manitobans want clear and consistent rules and processes. They want regulatory requirements to be based on science and economics with a clearly identified goal in mind. Far too often the rationale for a requirement is lost and the requirement itself becomes the reason for its own existence.

Red tape reduction is in the interests of all Manitobans, and is consistent with the obligation of government to not impair the freedoms of its citizens without sufficient justification in terms of benefits to the public, and to not continue to do so when that justification no longer exists. Through this first round of consultations, we are confident it marks the initial step toward protecting Manitobans' freedoms and strengthening our economy.

# APPENDIX A

## RED TAPE REDUCTION TASK FORCE MEMBERS

**SHANNON MARTIN** is the MLA for Morris. Prior to his election, Martin was the executive director of Reaching E-Quality Employment Services, a non-profit agency that helps persons with physical disabilities or other health challenges find meaningful employment. Martin has also worked as the director of provincial affairs for the Canadian Federation of Independent Business, an organization dedicated to advocating for the small- and medium-sized businesses that are the backbone of our economy.

**CARMELE N. PETER** is the president of Exchange Income Corporation. Prior to joining the company in 2012 as its chief administrative officer, Peter practiced law for more than 23 years specializing in the areas of mergers and acquisitions and tax at Aikins, MacAulay & Thorvaldson LLP. Peter was legal counsel and an advisor to Exchange Income Corporation from its inception. During the course of her legal career, she was a valued advisor to clients and was involved in significant transactions including the sale of Craig Media Inc., the acquisition of Allstream Inc., the sale of MTS's yellow pages directory business and the acquisition of the Winnipeg Jets.

**MARILYN BRAUN-POLLON** is the vice-president, prairie and agri-business, with the Canadian Federation of Independent Business (CFIB). In this role, Braun-Pollon serves as the government relations liaison and media spokesperson for CFIB's 5,250 members in Saskatchewan, 4,800 members in Manitoba and 7,200 agri-business members across Canada. She earned a bachelor of administration from Trinity Western University with a minor in communications. SaskBusiness, Saskatchewan's business magazine, has named Braun-Pollon one of Saskatchewan's 10 most influential women.

**HENRY BORGER** is president of Borland Construction Inc., one of Manitoba's largest heavy civil contractors. Borger's career started in aerospace engineering with CAE Aviation Ltd., as well as time spent with Bombardier Aerospace Ltd. He serves on the boards of Ladco, the Manitoba Heavy Construction Association (MHCA) and the Canadian Construction Association (CCA). Borger is a past chair of the MHCA, currently chairs CCA's Civil Infrastructure Council and sits on the executive committees of both organizations. He holds a bachelor of science in mechanical engineering from Worcester Polytechnic Institute, a master in science in aeronautics and astronautics from Stanford University and a master in business administration from the Kellogg School of Management of Northwestern University.

**AL GOODZ** has spent years working in both public and private sectors with experience as a management consultant, project manager, information systems/business analyst and entrepreneur.

**VERA GOUSSAERT** is the executive director of the Manitoba Cooperative Association, an organization created by its members to enhance and support the development of a strong, united and influential co-operative community in Manitoba. Goussaert holds a master of science degree in economy, risk and society from the London School of Economics and Political Science and a bachelor of commerce degree from the Asper School of Business at the University of Manitoba. She is currently the board chair of Assiniboine Credit Union and sits on the boards of SEED Winnipeg and the University of Winnipeg Community Renewal Corporation.

**MARTIN HARDER** is currently serving his third term as mayor of the City of Winkler. Harder has a long-standing reputation at the local and municipal levels, where he has served as chamber president and as the Harvest Festival chair. He was also recently elected as the Central District representative on the Association of Manitoba Municipalities board of directors.

**WADE LINDEN** is the director of operations for Southport Aerospace Centre Inc. and is a certified member of the International Association of Airport Executives. As part of his role with Southport Aerospace, Linden has overseen improvements to airport infrastructure and equipment, renovations on 188 residential housing units, the redevelopment of a recreation facility and the construction of a 52-room accommodation building, new hangars and a training facility. Linden is involved with Portage Plains United Way, District Health Advisory Committee RHA, Venture Manitoba Tours Inc., Portage Curling Club, City of Portage la Prairie Community Services Committee, Portage Golf Club and Portage Youth Soccer.

**JANICE MORLEY-LECOMTE** is the MLA for Seine River. Prior to joining the Manitoba Legislature, Morley-Lecomte was a small business owner and advocate for nonprofit organizations raising awareness of domestic violence.

**GREG NESBITT** is the MLA for Riding Mountain. Nesbitt has owned and operated community newspapers for many years and is also a partner in the Russell Inn Hotel and Conference Centre and the Asessippi Ski Area and Resort. He was first elected to the Manitoba Legislature in 2016.

**DAN SIERENS** is founder and president of Sierens Equipment Ltd., established in 1980, a privately held steel-fabricating company operating in the Swan Lake area of southcentral Manitoba.

**DON STREUBER** is the executive chairman of Bison Transport Inc., one of the largest transportation companies in Canada. Streuber is a chartered accountant and has a bachelor of commerce with honours in finance from the University of Manitoba. President of Bison since March 1, 2000, Streuber transitioned to his current role as executive chairman in September of 2015. He is also the director and chair of the Audit Committee of Exchange Income Corporation, a TSX-listed company and is currently the vice-chair of the board of the Assiniboine Park Conservancy, a member of the Business Council of Canada and past chair and director emeritus of the Business Council of Manitoba. In 2004, he was appointed the Honorary Consul General of Austria for Manitoba.

**JEFF WHARTON** is the MLA for Gimli. Previously serving as a municipal councilor and Deputy Mayor of Winnipeg Beach, Wharton is an entrepreneur and community leader.

**BLAIR YAKIMOSKI** is the MLA for Transcona. Prior to his election in 2016 he was the owner of Plessis IGA and an active community volunteer in his neighbourhood.

## INDUSTRY SECTORS ECONOMIC PROFILE

### AGRICULTURE AND FOOD PROCESSING

Even with ever-increasing densification of our urban centres, the importance of agriculture in Manitoba cannot be understated. Primary agriculture production alone represents as much as 4.8 per cent of our province's gross domestic product (GDP) and employs, both directly and indirectly, some 30,000 Manitobans. In addition, the agri-processing industry is Manitoba's largest manufacturing sector, representing 26 per cent of the province's manufacturing sector. In total, it is estimated that one in ten jobs in Manitoba are linked to the agriculture industry in some way.

### LAND DEVELOPMENT

The construction industry in general represents \$4.34 billion and employs 34,000 Manitobans. The development industry is directly responsible for approximately \$1.66 billion dollars of our province's GDP. With such a significant impact on Manitoba's economy, it is imperative that we identify and reduce red tape while protecting the safety of Manitobans and our environment. Whether you are a home buyer, a business that needs a new warehouse or the government itself, red tape in the development industry and construction in general amounts to an increase in price and results in higher costs for Manitobans.

### NON-PROFIT ORGANIZATIONS

Non-profits play an important role in our economy and society. Across Canada, the economic value of nonprofits and charities is estimated at 2.4 per cent of GDP.<sup>1</sup> Over half of Manitobans volunteer with a charity or nonprofit, donating on average 155 hours of their time annually.<sup>2</sup> In 2015, 25 per cent of Manitobans donated to charitable organizations, the highest proportion in Canada. The individuals donated an average of \$420 each to charitable organizations.<sup>3</sup>

Often, non-profit organizations are created because the individuals involved see a need in their communities and seek to provide solutions, doing so in a way that cannot be addressed by a for-profit organization. It is vital that red tape not prevent or impede those organizations from providing their services to Manitobans.

## TRANSPORTATION

Manitoba's central geographic location in North America makes it an important part of a trade and transportation corridor that connects to a market of more than 100 million people. Winnipeg is the closest major Canadian city to Mexico, which has made it the centre of several North American trade routes.

Over 40,000 Manitobans are directly employed in the transportation and logistics industry, consistently making up to seven per cent of the provincial GDP. The industry includes 5,800 independent business establishments active in warehousing and distribution, logistics, air, road, and rail transportation. It is clear that the transportation sector is a main force driving the economy in Manitoba, supporting wholesale and retail trade, manufacturing, construction, and agricultural sectors.

<sup>1</sup> [www.sectorsource.ca/research-and-impact/sector-impact#2](http://www.sectorsource.ca/research-and-impact/sector-impact#2)

<sup>2</sup> [www.statcan.gc.ca/pub/89-652-x/89-652-x2015001-eng.htm](http://www.statcan.gc.ca/pub/89-652-x/89-652-x2015001-eng.htm)

<sup>3</sup> [www5.statcan.gc.ca/cansim/a267?lang=eng&retrLang=eng&id=1110002&pattern=charitable&tabMode=dataTable&srchLan=1&p1=1&p2=-1](http://www5.statcan.gc.ca/cansim/a267?lang=eng&retrLang=eng&id=1110002&pattern=charitable&tabMode=dataTable&srchLan=1&p1=1&p2=-1)



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