



RED TAPE REDUCTION WORKING GROUP

Progress Report – April 2022

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Red Tape Examples Summary

What	Issue/Investigation	Status/Recommendations
Annual Renewal of Licences and Paper-based Applications	<p>Have to renew Prospectors licence annually even if nothing has changed in a non-fillable form. Requesting a simple on line confirmation that you want to renew, an on line opportunity to update any changes and pay on line and a choice of renewing for 1, 3 or 5 years to avoid the time, energy and costs of doing it five times over five years.</p> <p>The Department of Industry, Tourism and Investment (ITI) advised that the one year timeframe for renewal is used as a trigger for other requirements in the legislation.</p>	<ol style="list-style-type: none"> 1. ITI made the application fillable. 2. ITI application processes are on list for putting online but no timeline established. 3. ITI will assess the feasibility of changing the one year requirement to a three or five year renewal during its <i>Mineral Resources Act</i> regulations development project, which is scheduled to be completed by the end of the 19th Legislative Assembly. 4. The GNWT to put all its services online in the next few years; and as part of this initiative Corporate Communications has issued a directive to all departments to review their website forms to make them fillable.
Name registration with Corporate Registries	Registration of business rejected twice because the name reservation was "Too General" and Corporate Registries would not provide criteria or guidelines for an appropriate name. Each name search cost \$25.	Legal Registries updated their website with details regarding business names. This includes a comprehensive explanation as to naming conventions that are acceptable.

What	Issue/Investigation	Status/Recommendations
<p>Boiler Inspections/registration when you have a business license</p>	<p>Required to pay an annual \$97 boiler inspection fee but the GNWT does not inspect the boiler annually. Wonders if a compliance certificate process with local businesses that inspect service and maintain local businesses boilers is possible since boilers have to be serviced annually.</p> <p>The Department of Infrastructure Boiler Inspection Branch states that the fee is a boiler registration fee and not an inspection fee and that an annual registration fee is necessary.</p>	<p>Response unsatisfactory –the Department of Infrastructure is reviewing its boiler fees as part of an all-department fee review that occurs every five years.</p>
<p>Electronic Signatures</p>	<p>Corporate Registries does not accept electronic signatures.</p> <p>The Legal Registries Division, Department of Justice, has already identified that its paper-based systems for Corporate Registries and the Land Titles Registry are an issue and modernizing these systems is a priority for them. (The Legal Registries Division has already put Personal Property Registry and the Securities Registry online with electronic submissions.)</p>	<p>While the Working Group recognizes that there are competing priorities for the GNWT’s overall budget, its focus is to reduce regulatory red tape for small business and recommends that modernizing the Corporate and Land Titles Registries systems becomes a greater priority.</p> <p>The Red Tape support staff has asked the Department of Finance Information Shared Services Branch to develop a GNWT-wide policy and appropriate technology to allow electronic signatures government-wide while still respecting the requirements of various pieces of legislation.</p>
<p>Response time for Notary Public Certification</p>	<p>Newly hired individuals who must apply for conferral of notary certification could wait</p>	<p>Red Tape deliberations always start from the perspective of the end-user. Corporate</p>

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Applications	<p>as much as three months before being able to fully do their jobs.</p> <p>The Legal Registries Division service standards for Notary Public applications are up to 6 to 8 weeks from the submission date and applications are processed in batches, usually on a monthly basis to allow the limited staff to focus on the same type of application, which improves the efficiency of processing.</p>	<p>Registries was asked to consider if efficiency would be compromised if batches were increased to twice a month.</p>
Conflict between Office of the Fire Marshal and City of Yellowknife Approvals	<p>Some contractors perceive “a lack of steady communication between the Office of the Fire Marshal and the municipal governments that issue building permits. Sometimes the municipality gives a contractor approval to start work on a project, only to find out later that the work must be paused due to issues raised by the Office of the Fire Marshal.</p>	<p>In February 2022, the Department of Municipal and Community Affairs (MACA) established a Fire Prevention Act Working Group with the purpose to modernize the legislation. Stakeholder discussions have started with construction processes and requirements as a top priority.</p>
Registering a New Business	<p>Started process in April 2021; took 6 months and \$3,500 to file at corporate registries, 3 months for the WSCC letter of clearance, 3 weeks for the Drivers Motor Vehicles and one month for the City of Yellowknife licence.</p>	<p>Part of the individual’s process problems were related to his own circumstances and also the disruptions caused by work from home orders during COVID outbreaks. However, the Working Group recommends that all departments develop service standards and include adhering to these standards in performance appraisals.</p>
Approved Northern Business 20 Day Payment	<p>Two approved northern businesses under the Business Incentive Policy (BIP) were</p>	<p>The payment terms were changed immediately with the Minister’s intervention,</p>

What	Issue/Investigation	Status/Recommendations
	<p>awarded to a road construction contract under a Joint Venture and were required to reapply jointly to qualify for the 20 day payment terms. The Minister of Finance intervened with the Department of Finance and the department changed the payment terms to 20 days as both companies were registered under BIP.</p>	<p>demonstrating that flexibility is possible. Working Group recommends that service policies and procedures are updated to permit staff to follow this flexibility should a similar situation occur in the future.</p>
<p>Corporate Registries – Application return process</p>	<p>Corporate Registries returned a business registration application because two sections were left blank when it is necessary to include a “not applicable” and the mailing address was incorrect. Because the mailing address was incomplete, Canada Post returned the package to Corporate Registries, further delaying the application process.</p> <p>As a regulator, Corporate Registries responsibilities are to determine the acceptability of submissions and personnel are prohibited from assisting anyone from filling out forms to ensure that Corporate Registries personnel are not in a conflict by being a party in the preparation of legal documents, including amending forms. Therefore if there is an error, there is a legislated requirement that it always must be returned to the submitter with written reasons for the rejection.</p>	<p>Recommend that Corporate Registries implement an electronic-based application system that would be able to reject applications as they are being filled out so that the applicant can make corrections immediately before submitting.</p>

Introduction

The Red Tape Reduction Working Group was created in November 2020 in response to the Government of the Northwest Territories (GNWT) Mandate priority to encourage entrepreneurship by reducing red tape and regulatory burdens on small business.

Comprised of representatives from the business community, the departments of Finance, Industry Tourism and Investment, and Infrastructure and the NWT Association of Communities, the aim of the Red Tape Reduction Working Group is to serve as leadership to foster collaboration and develop expertise related to regulatory reform and good regulatory practices and also drive progress to reduce regulatory burdens for small businesses where practical.

Red Tape Reduction Working Group deliberations start from the principle that regulations are necessary for public health and safety, social wellbeing, education/training, and environmental protection. However, regulations become red tape when they are:

- trying to solve a problem that is better addressed by the private sector or through education;
- unclear or overly complex and take stakeholders too long to comply with;
- inflexible;
- unfair or inequitable; or
- mismatched to the appropriate legislative jurisdiction.

This report outlines how the Red Tape Reduction Working Group operates and reports on the regulatory irritants identified by businesses and the Working Group's investigations and recommendations.

How the Red Tape Reduction Working Group Operates

The Red Tape Reduction Working Group has defined its objective for the first year of operation as making recommendations to reduce regulatory costs for business in terms of time or money, which can then be re-allocated to more productive business uses. Regulatory costs are direct (fees, licences) and compliance costs (process costs in time or money). This objective reflects the Working Group's perspective that reducing regulatory red tape comes from:

- modernizing legislation and regulation, which takes time; and, or,
- improving processes such as moving things online, shortening the time spent on a process, eliminating unnecessary requirements, removing duplication of effort. This may also take time or can be quick fixes to remove irritants for business.

The Working Group asks the following questions borrowed from the Ontario's *Regulator's Code of Practice*:¹

- Is there a problem with the current approach that needs fixing?

¹ Adapted from the Government of Ontario *Open for Business Initiative*

- Are regulators strictly enforcing the rules or requiring compliance that meets the desired outcome of the rules?
- What are the objectives of regulatory law and policy and what is the best method of achieving compliance?
- Can the compliance be based on prevention, such as compliance assistance, guidance and education, rather than solely investigating compliance failures?
- Can compliance be risk-based where regulators identify potential hazards and undesirable events and their likelihood and consequences and take steps to reduce their risk?
- What is the minimum economic burden to achieve the objective of protecting the public interest?

The Red Tape Reduction Working Group determined the fastest method of finding the most annoying red tape examples for business was to ask business to tell them what the problems are. To do this the Working Group established a presence on the GNWT Department of Finance webpage for business to provide examples of red tape at <https://www.fin.gov.nt.ca/en/services/red-tape-reduction>. Residents can provide examples by

- sending email an email: redtape@gov.nt.ca
- completing a survey: <https://www.fin.gov.nt.ca/en/red-tape-reduction-survey>

The red tape examples from the email and survey are addressed by the Working Group support staff by sending the issues to relevant departments to respond within 5 business days with a time commitment of when the department will fix the issue or why it cannot be fixed. Once sorted with the department, the Working Group support staff follows up with the individual to explain what is going to be done and when, and keeps track to ensure that the department honours its commitments.

The Working Group is updated periodically on issues and actions and uses the updates to direct the actions of the support staff.

Red Tape Concerns and Investigations

The following are the complaints edited to protect the privacy of the complainant and a brief summary of the Red Tape Reduction Working Group's deliberations to date. Complaints that were too vague or too specific are not included in the report. Complaints about GNWT procurement and the Business Incentive Plan (BIP) were considered part of on-going GNWT-stakeholder discussions and not in the purview of the Working Group.

ISSUE: Annual Renewal of Licences and Paper-based Applications

The first complaint received was about the annual renewal of the Prospectors licence as follows:

- *I just filled out annual renewal of our Prospectors licence ONCE again.*
- *You have to fill it out even if nothing has changed.*
- *Each year you have to fill out the entire form.*
- *It does not seem to be a fillable form, so you have to print, then scan, then e-mail.*
- *You do not seem to be able to pay on line but must in your card information.*

- *Why not a simple on line confirmation that you want to renew, an on line opportunity to update any changes and pay on line?*
- *Also give me the choice of renewing for 1, 3 or 5 years? I would rather pay 3 or 5 years in advance to avoid the time, energy and costs of doing it five times over five years.*

Investigation and resolution

Red Tape support staff discussed the prospector licence with the Department of Industry Tourism and Investment. As a first step, the Department immediately turned the application into a fillable form and noted that department programs are on the list for putting application processes completely online, but could not commit to a timeline. The Department advised that the one year timeframe for renewal is used as a trigger for other requirements in the legislation but the Department has committed to assess the feasibility of changing the one year requirement to a three or five year renewal during its *Mineral Resources Act* regulations development project, which is scheduled to be completed by the end of the 19th Legislative Assembly.

A review of department websites showed that fillable applications forms are not available in a number of departments. Although lack of fillable forms is identified as a source of irritation for businesses and residents, some departments indicated that fillable forms are not a priority because of an understanding that the GNWT is working on getting all its services online in the next few years. However, fillable forms are a quick fix and since form improvement is part of the online process, Corporate Communications has issued a directive to all departments to review their website forms to make them fillable.

ISSUE: Name registration with Corporate Registries

Context: I submitted to form a new sole proprietorship this year. The first name I submitted was rejected. Staff noted an unacceptable name reservation, as per subsection 14(a) of the Partnership and Business Name Regulations Act and stated it was "Too General". When I spoke to them they informed me they had no criteria and it was at the discretion of the paralegal working the file. I inquired as to what names were not allowed in order to avoid the mistake again, but they could not provide me with any answers or recommendations. I asked how often names were rejected and they said it was "quite often".

I filed with a new name, which again, was rejected for being "Too General" at the discretion of the paralegal. I finally filed the most absurdly long descriptive name out of spite and this was accepted. The ordeal was annoying, a waste of time, and it cost me \$25 for every name search.

Recommendation: Provide the public (and guide staff) with a transparent name registration criteria because the link to the regulation does not provide enough guidance for what is an appropriate name and what is considered too general.

Investigation and resolution

Legal Registries was notified and their response was to update their website with details regarding business names. This includes a comprehensive explanation as to naming conventions that are acceptable.

ISSUE: Boiler Inspections/registration when you have a business license

Context: Each year my business receives an invoice for 97 dollars, originally referred to as payment for the boiler inspection. However the government does not inspect our boiler annually (every year, it was hit and miss) and when questioned about the lack of inspection, especially as that we already paid annually for a local company to service and inspect our inspection each year, the government told us it was a registration fee.

If I had no business license and this was a private home then the invoice/inspection/ registration as far as I know would not be needed. If the government is concerned for the safety why not just ask for a compliance certificate instead of charging for a service they say they do not have the personnel to accomplish the service so now call it a registration fee? The compliance certificate process could be set up with local businesses that inspect service and maintain local businesses boilers. Why do we have to pay this when we have an annual inspection annually? As far as a registration fee it should be a one-time fee in my opinion, not a yearly one. It is not like you can move a boiler in a home around or anywhere else for that matter without permits to do so.

Investigation ongoing

The boiler inspection and registration process issues were brought to the attention of the Department of Infrastructure Boiler Inspection Branch. The summary of the Branch's response was to confirm that the fee is a boiler registration fee and not an inspection fee. Registration of boilers is required as a first step to protect public safety. The frequency of inspections (annual or periodic) is a risk based approach which considers several factors, including, but not limited to, the size of the vessel, maintenance records, and type of occupancy. The Department of Infrastructure recognizes improvements and efficiencies may be possible with inspection requirements and is revisiting the regulations to determine if a risk-based approach could be considered and/or if there is an increased role for the private sector in supporting the work done by the Inspections Branch. The Branch committed to a deadline of 110 days to review, which was extended.

The response from the Inspection Branch is as follows:

Boilers and Pressure Vessels are registered by the GNWT to maintain an accurate inventory of the size and location of all commercial (non-residential) boilers and pressure vessels in the NWT.

Boilers and pressure vessels are vessels that have been designed to operate at pressures and thus subject to internal or external pressure. If not installed or operated correctly, they can cause considerable damage to life and property. Cracked and damaged vessels can result in leakage or rupture failures. Potential health and safety hazards of leaking vessels include poisonings, suffocations, fires, and explosion hazards. Rupture failures can be much more catastrophic. Assessing the risks and putting proper precautions in place will minimize the chances of any accidents occurring. Having an accurate and complete inventory that is confirmed annually by a registration process is the first step to minimizing the chances of any accidents occurring and provides the GNWT with a base from which it can assess safe design, construction, maintenance, use, operation and repair and thus a schedule for inspection (which is currently not charged for except under negotiated agreements such as those with Canada). The regulations address public safety and wellness and set out the legislation which provides the Government of Northwest Territories

(GNWT) with an up-to-date and accurate record of all commercial boilers/pressure vessels in the Northwest Territories.

When a boiler is put into service, it is provided with a unique identifier number for its lifecycle which is inscribed into a blue tag (see attached image) and provided with an initial certificate of inspection. This tag is placed on the boiler/pressure vessel by the inspector, the certificate is provided to the owner to affix to the boiler room wall where it shall remain for its entire lifecycle. Boilers and Pressure Vessels used in Canada meet certain Canadian certifications prior to their use in any Canadian application. ACI Central undertakes design reviews for smaller jurisdictions like the NWT of all products used and the cost of these reviews is incorporated into the purchase price of the product. While the fee payable for the initial survey, registration of design of a boiler is lower than the annual registration, it is something that will be reviewed as part of our next biennial fee review.

Based on a jurisdictional scan, all provinces/territories register commercial boilers and pressure vessels to some degree. The NWT is currently in lower than the average minimum KW requiring registration but in the median range (note: this is due to some larger minimums by Ontario and British Columbia, which we think are driven by volume and Nova Scotia who have recently generally undergone a review of a lot of their legislation). The NWT is in the lower end of the registration rates, noting that the GNWT would typically review rates every 2 years. Given that we have been under COVID since early 2020, which has greatly impacted commercial businesses, no changes were considered in 2020/21 (note: with all the programs established to assist businesses, this would have been counter-intuitive). Similarly, no fee increases are being planned in 2021/22. The NWT does also not charge for inspections which is consistent with a number of other jurisdictions. To do so in the NWT, would result in inequitable application to certain owners given the distribution of equipment throughout the NWT and travel requirements.

There are in excess of 3,700 boilers and pressure vessels registered in 38 locations in the NWT. The revenue associated with this program is in excess of \$410,000. The expenses associated with the inspection branch, which also includes electrical, elevators and associated equipment is approximately \$1.695 million.

While the GNWT does not currently charge for inspections, the revenue raised from the registration fees would to a degree offset the cost of completing inspections, albeit it goes to general revenues. The GNWT Chief Inspector considers a number of factors in setting the frequency of inspections which in accordance with the regulations could be annually or periodic. One of the factors in setting frequency is size with larger boilers and pressure vessels seeing a higher frequency of inspection thus helping to explain why fees increase with the size of the boiler or pressure vessel. Another may be location, for example if an inspector was going to Paulatuk, they would likely complete an inspection of all boilers in Paulatuk, time permitting. Recognizing the number of boilers and pressure vessels and distribution of this equipment across the NWT, the GNWT inspectors would generally see all boilers and pressure vessels a minimum of once every 3 years (not accounting for COVID times and its restrictions). Some entities such as Canada have entered into a MOU with the GNWT Inspections Branch whereby they pay additional fees and cover travel expenses (or arrange travel) to increase the frequency of with new installations and new product types and seasonal restrictions (boilers need to be operating). Other factors considered for frequency of inspections include but are not limited to location on the property, what it is supplying and if there have been any infractions that have caused concern with its

operation. The inspection branch undertakes approx. 3,000 boiler/pressure vessel inspections per year (notwithstanding COVID times) and this is increasing annually with new installations and new equipment types (ie. increasing use of Pellet boilers).

While the Department considers this Red Tape review to be completed and has no plans to stop charging registration fees for boilers and pressure vessels, the review has highlighted a number of next steps which it plans to consider in its ongoing work plan. They are:

1. Developing an internal process document which outlines minimum frequency and schedule of boiler and pressure vessel inspections by GNWT inspectors. This process will explain factors and lead to a risk based approach that will help determine frequency of inspections by GNWT inspectors but does not reduce an owners need to continue to have their boiler or pressure vessel serviced and inspected by a registered inspection company.
2. Review act and regulations for clarifications, definitions and generally a jurisdictional scan; currently planned for Fall 2022 subject to capacity.
3. Review fee schedule for cyclical review for adjustment, consistency with industry standards and if our fees are in line with the service provided.
4. Review if additional information should be obtained from a commercial owner during the annual registration process which would be helpful in our registration process and for frequency of inspection.
5. Review if the AMANDA system can be improved to provide better reporting for both the GNWT and owners of commercial boilers and pressure vessel.

Next Steps:

1. The Red Tape Working Group will follow up on the Inspection Branch commitments and also ask the Branch's response to consider whether boiler safety could be better assured by letting businesses provide a compliance certificate from an accredited boiler mechanic in lieu of the annual boiler inspection fee. Since businesses typically have boiler mechanics inspect their boilers annually, it would seem that a compliance certificate would ensure that all boilers are inspected annually and reduce the cost of the annual registration fee, at least for businesses with smaller boilers.
2. The boiler inspection issue made the Red Tape Working Group wonder if this might be a larger issue where other regulatory fees are being charged for inspections that are not occurring and if there may be a need for departments to review why they have certain regulations and to better substantiate the fee amounts. In order to determine if the revenues collected for each fee line up with work that is performed the Red Tape Reduction Working Group received agreement from the Department of Finance to request the following information in the upcoming five year review of GNWT fees and charges:
 - Purpose/rationale for the fees and substantiation of the amounts; and
 - Inspection type fees - provide the annual number of inspections and annual revenues for 2018-19, 2019-20 and 2020-21.

The results will be used by the Red Tape Reduction Working Group to identify where regulatory processes may be broken.

ISSUE: Electronic Signatures

Corporate Registries does not accept electronic signatures. The business owners in remote areas with no printers need to travel 2 hours to Fort Smith, find a printer, and get to the post office. The alternative is to use electronic signatures and send them over the cellular network, which represents a fraction of the time, and comes at no cost.

Can we please work with the Corporate Registries for them to accept electronic signatures? This would lift an important barrier and would remove a lot of frustrations for business owners who I am sure right now have a lot of extra paperwork to handle in these unprecedented times.

Investigation and recommendation

The Legal Registries Division, Department of Justice, has already identified that its paper-based systems for Corporate Registries and the Land Titles Registry are an issue and modernizing these systems is a priority for them. (The Legal Registries Division has already put Personal Property Registry and the Securities Registry online with electronic submissions.) The GNWT has allocated resources to create an electronic online system for Corporate Registries and Land Titles by mid-2023 that would allow:

- electronic submission,
- use of the Canada Revenue Agency business numbers,
- Extra-Provincial Corporate Registration Harmonization, and
- linking with Multi-jurisdictional Registry Access Service.

The Red Tape Reduction Working Group notes that an online electronic system for Corporate Registries would benefit about 4,570 corporations, 500 NWT not-for-profit corporations and societies, and 3,000 NWT sole-proprietorships and partnerships with faster, simpler and more convenient service.

Concerning the narrower complaint about electronic signatures, the Red Tape support staff has asked the Department of Finance Information Shared Services Branch to provide details as to what it would take to have a GNWT-wide policy and appropriate technology to allow electronic signatures government-wide while still respecting the requirements of various pieces of legislation. This work is on-going.

Recommendation: While the Working Group recognizes that there are competing priorities for the GNWT's overall budget, its focus is to reduce regulatory red tape for small business and **recommends that modernizing the Corporate and Land Titles Registries systems becomes a greater priority.**

ISSUE: Response time for Notary Public Certification Applications

Apart from NWT-practicing lawyers and RCMP officers, individuals must apply for conferral of notary certification. For practitioners such as paralegals, finance officers and registry clerks, the lack of a notary public certification can prevent full performance of core duties. According to my timeframe for application and notification of approval, newly hired employees could wait for as much as three months before being able to fully do their jobs.

It's my understanding that delays may result because applications are batched for approval. I am suggesting that applications be processed for approval at least monthly, and that notification of approval be conveyed promptly.

The five instances defined as red tape on the Red Tape Reduction web page do not include cases where the length of time required for government approval is protracted to a harmful extent, and could reasonably be shortened. This example of a lengthy application process suggests the need for service standards including timeframes to be applied as part of the project outputs.

Investigation

The Department of Justice, Legal Registries Division informed the Red Tape Reduction Working Group that service standards for Notary Public applications are up to 6 to 8 weeks from the submission date and applications are processed in batches, usually on a monthly basis. The current process exists to allow the limited staff to focus on the same type of application, which improves the efficiency of processing the different types of registrations. Given that about 70 Notary Public applications are received annually, the monthly batching process allows for concentrated effort from the assigned staff instead of one-offs. To process Notaries Public applications as they arrive or in shorter, weekly batches wouldn't be efficient and risks having significant negative implications on the other types of registrations that staff would have to be taken away from addressing.

Recommendations:

The Working Group has requested that Corporate Registries consider that from the end user perspective its' service standard of up to two months is a long time, especially if certification is part of a person's job requirements. While the Working Group understood the monthly batch process, **it has recommended to Corporate Registries that it consider if efficiency would be compromised if batches were increased to twice a month.** Corporate Registries is considering the suggestion.

The Working Group took to heart the observation that the length of time required for government approval is not included in the definition of red tape on the Red Tape Reduction web page.

Although internal processes and customer service are not included in the red tape definition, the Red Tape Reduction Working Group deliberations always start from the perspective of the end-user in the definition of red tape.

ISSUE: Conflict between Office of the Fire Marshal and City of Yellowknife Approvals

The Red Tape Reduction Working Group received a survey response noting communication issues relating to enforcing the Fire Protection Act and Regulations, specifically issues relating to Office of the Fire Marshal (OFM) plan reviews that require changes after the municipality has issued building permits.

The complaint may be summarized as follows: some contractors perceive “a lack of steady communication between the Office of the Fire Marshal and the municipal governments that issue building permits. Sometimes the municipality gives a contractor approval to start work on a project, only to find out later that the work must be paused due to issues raised by the Office of the Fire Marshal. This has forced some companies to halt work and lose money on projects, and has created uncertainty for developers in the NWT - it is unclear what timelines exist for the OFM to start and finish their plan review, which makes planning a new project riskier than it needs to be. The OFM's annual report notes there has been an increase in projects proceeding without their required plan review, which may mean that more businesses are simply ignoring the OFM due to the current issues.”

Investigation on-going

The investigation is on-going given the complexity. There are three regulatory authorities involved in the issue:

- Office of the Fire Marshal responsible for the enforcement of the *Fire Prevention Act and Regulations*;
- Community governments are given authority under *The Cities, Towns, and Villages Act* to create by-laws. The City of Yellowknife has used this power to create Building By-law 4469, as amended, which allows the City to issue building permits. The intent of the building permit is to ensure the proposed construction or alteration meets the minimum standards laid out in By-law 4469. The City of Yellowknife also has created by-laws for water and sewer; and
- GNWT Safety Division, Department of Infrastructure that is responsible for inspections under the *Electrical Protection Regulations*, the *Gas Protection Regulations*, and the *Boilers and Pressure Vessels Regulations*.

The complaint does not question the necessity for the regulations but rather identifies the process where building permits are being issued before the OFM approves the construction plan risks creating circumstances where construction is halted because of deficiencies identified by the OFM. However, the process is frustrated by the different authorities even though all City of Yellowknife application materials make it clear that the contractor is responsible for getting all other approvals before beginning construction. Although it is possible to design a memorandum of understanding that no building permits are issued without the OFM review being included in the application package, it is generally recognized that a better solution may be to direct resources to modernizing the *Fire Prevention Act and Regulations* and work towards a comprehensive territorial building legislation that could clearly delineate the lines of authority.

In February 2022, the Department of Municipal and Community Affairs (MACA) established a Fire Prevention Act Working Group with the purpose to modernize the legislation. Stakeholder

discussions have started with construction processes and requirements as a top priority. **The Red Tape Working Group has stepped aside from this issue to let MACA do the work to update the *Fire Prevention Act*, with the expectation that the changes will remove the main regulatory irritants for builders.**

ISSUE: Registering a New Business

An individual recognized a business opportunity and started the process to register the business In April 2021 with a business start date of November 1, 2021.

The Yellowknife business licence requires the business to be registered with Corporate Registry and WSCC first. The following timeline was edited slightly to shorten.

Corporate Registries – six months to file

April 2021 called Corporate Registries for information because could not understand their web-based advice. Corporate Registries returned the call one week later but the individual was not at a computer at the time and the written information was not sufficient to navigate the application. Therefore the individual ended up hiring two lawyers: the first one from April to July with no results and the second from July to September 15 when the papers were submitted to Corporate Registries. Total lawyer cost about \$3,500. It took until Sept 29 to get everything filed with Corporate Registries, and then it wasn't until Oct 5 that Corporate Registries got everything entered so that I actually had a scanned official paper that I could use to apply for City of Yellowknife licence.

Worker Safety and Compensation Commission (WSCC)- three months for letter of clearance

Called WSCC in June to get information about what was needed to get registered. No answer. I left a message. I didn't get a call back that day. I left another message. No call back the next day. WSCC employee answered on call on third day and was told me that "it was industry standard not to call back for 48 hours". Eventually did get a call back while I was busy at my job and was told to go to ConnectWSCC website and register with an offer to walk me through it if needed but not possible while I was at work so I tried to use CONNECTWSCC at night. This is not a user-friendly website and the register button registered me as a person and I could not figure out how to register my business.

I called back to WSCC the next morning. The very nice receptionist put me through to voicemail. This person didn't call back. After 5 more calls (the receptionist told me to call back if I got voicemail) I finally got a call back and explained that I needed to register with WSCC and get letters of clearance. Was told to go to CONNECTWSCC but when I told him I really tried but could not, WSCC employee took my information over the phone and registered me.

When I went to CONNECTWSCC to get a letter of clearance and CONNECTWSCC tells me that I am not eligible for a letter of clearance but doesn't say why. I email my WSCC contact and asked why this was happening. He sent me an email telling me it's because of the way I got registered. And that's it. No solution. No further course of action just this response. I emailed him back and asked, OK, what can I do to get this letter? He emailed back with, well, I could get the optional insurance. That doesn't sound like optional insurance to me. That sounds like pay more money and you can get your letter. I told him that this optional insurance was no longer optional if it's a requirement to get this letter. I asked how much it costs and what it's worth. He said I can also wait until I have

employees and then I could register differently and get this letter if I paid for the employee insurance.

Keep in mind that the reason I asked to register was so I could get this letter. Every one of these sentences was a brand new email. No answers on insurance and I ended up telling him that I would just pay for an employee whether I found one or not and have a payroll amount that I need to pay. I tried to make the changes as requested on connect WSCC and it still didn't work. Another string of emails ensued to try to figure out why. Apparently, I entered it wrong but there was no explanation on CONNECTWSCC on how to do it correctly.

Now I was in a position where I must hire an employee as soon as I start working so that my business can be in compliance with WSCC whether I have work for this employee or not. And I've spent a lot of time emailing back and forth. This contract I'm working on also required a rate letter. I couldn't find it on WSCC, which became another string of emails to get questioned, would I like the 2020/2021 rate letter or the 2021/2022 rate letter? Considering it's 2021, I asked for the 2021/2022 rate letter. I got an email back saying couldn't do that because the 2021/2022 rate letter doesn't exist. No solution. No answer. No oh I'm sorry I made a mistake, I'll send this other one. Nothing like that. End of email. I emailed back requesting the 2020/2021 rate letter. This was provided to me but every email that I had to send back and forth wasted a lot of my time and was really unnecessary. I received the letter of clearance around October 16 2021. Three months to get the letter of clearance.

SEED (Support for Entrepreneurs and Economic Development)

I called the ITI North Slave office, as I had heard about a funding program called SEED. The person who answered the phone sounded like I was wasting his time, and I didn't get to finish my conversation before he ended the call. I was later convinced to try again, as this was supposed to be a good program for what I was trying to do. I called back, and this time the person took my contact information and said he would pass it on to the person who would call me back. No names were given at any time, so I had no contact to reach out to. However, that didn't matter because no one ever called me back or contacted me in any other way. If this program exists to help businesses and create more employment through these businesses, there doesn't seem to be a direct person-to-person way to access it to get information or assistance.

Drivers Motor Vehicles (DMV)

Before I purchased any vehicles, I needed to know requirements for vehicle registration. I looked on the website and called the DMV. There is no answer. I left a message and I didn't get a call back. I called back the next day and left another message. I got a call back about 10 days later. I asked about how long it takes to register a vehicle and was told it's usually two days after the email that we respond. I purchased two vehicles because I want to have at least two employees. Then I emailed DMV.

The earliest appointment was more than two weeks away at 10:30am on October 14 with no other options. So emailed again and next appointment offered was October 20 at 10:40am with no other options. On the day of the appointment, I bundled as many corporate proofs of address, licence, absolutely anything I could think of together so that I wouldn't have to make a return trip. I arrived 15 minutes early, very worried that I would be late and therefore miss my appointment. This should not be so stressful. Thankfully, I had all the necessary paperwork, and succeeded in registering the necessary work vehicles. This took a more than an hour, plus a whole bunch of prep time, in order to do what should be an easy, quick, stress free process.

City of Yellowknife – one month after submitted

The business licence process seems to be quite simple: download form, fill it out, pay a fee, and done. However, there isn't any way to find out if your form has been received by anyone. In April 2021 (back where this email started) a week or so after sending in the form, I called. It took a couple phone calls (I would call every couple days), but I finally spoke to someone in the licencing department. This person informed me that due to the fact that there were a bunch of different people with access to this email address, it would take a while for my email to get looked at. This seems incorrect. If numerous people check into this address for emails, shouldn't the emails get read faster?

She also said that the person who needed to deal with this was on holidays and would be back in a week and a half. I waited two weeks and sent a follow up email. It turns out I was missing some information because my corporate registries wasn't complete. This person actually sent me an email a couple of weeks later just to check on my progress, and I had to tell her I was waiting for corporate registries, as City of YK won't process anything until then.

Once corporate registries were complete in late September, I resubmitted my business licence application. Again, there was no way to know if it had been received. I waited a week and did a follow up. No response. Another follow up. This time same person said the City employees had been working from remote and were having trouble catching up. Next problem was the payment process at City of YK didn't work. Could I just bring a cheque? Or cash? Or? It was about two weeks later, after a couple follow up emails that the licence completed.

Highlights

In all of this frustration, there have been moments of great service. Any dealings I have had with ECE, their employees have been quick to respond to emails, phone calls, and answer any questions I have had. They have a pleasant workplace and give a lot of confidence to me that they will be able to help with apprentices and apprentice training when I am ready to take that step. ECE has offered a connection to Akaitcho BDIC which offers some business-based training and programs that will be very helpful as I build my business and hire employees.

Investigation on-going

This lengthy and expensive process to register a new business occurred during the public health restrictions and work from home policies and the poor service may partially be a result of the disruption in the government offices during this time.

There are government services available to support businesses. The Department of Industry Tourism and Investments (ITI) provides pathfinding, guidance and support throughout the process if a business or entrepreneur contacts them. ITI provides these services through Community Economic Development Officers (EDO) in most NWT communities and Business Development Officers (BDO) and Tourism Development Officers (TDO) in the Regional Centres. There are also Community Futures Organizations in all regional centers and NWT BDIC who, on top of offering advice and support have resources for businesses on their website such as "How to Start a Business in the NWT", that businesses have said they find helpful. There are Government Services Officers (GSO) under the Department of Executive and Indigenous Affairs (EIA) in most NWT Communities who offer some guidance and pathfinding services as well.

The biggest tool available to everyone is BizPal: <https://bizpal.ca/>. There is no specific check list for starting a business because there are so many different situations/businesses, which is why a

program like BIZPAL helps navigate permitting and licensing to specific ventures. This site provides information on Business Permits and licencing. Although sometimes not that accurate for small communities, BizPal does provide most, if not all, the information needed.

These resources and tools are used by the pathfinders in order to offer guidance to the business community. However, the pathfinders are not experts in all licensing processes including Corporate Registry and there is an expectation that public servants provide support to the clients in researching and obtaining this information.

The compliments about service in the Department of Education, Culture and Employment (ECE) possibly stem from the Department's Service Standards². These include general standards for all of services and specific ones for frontline client services, including Apprenticeship, Training and Occupational Certification. The service standards are part of new ECE employees training and there is signage in each office and copies of the standards readily available in the offices.

Recommendations:

Part of the individual's process problems were related to his own circumstances and also the disruptions caused by work from home orders during COVID outbreaks. However, the Working Group recommends that all departments develop service standards and include adhering to these standards in performance appraisals.

ISSUE: COVID Secretariat Complaint

I have ongoing concerns about the administrative burdens for businesses in the Covid re-opening plans. There is not a standard policy that can be applied by business owners, businesses must apply on a case by case basis for exemptions. This drives up the administrative burden of the GNWT and businesses working hard to survive. The alternate would be to set standard policy that can be applied constantly throughout the business community rather than an application-based system.

I have brought this to the attention of Protect NWT and the CPHO during briefings on multiple occasions and am now bringing it to the attention of the Red Tape Team.

- 1. What is the Red Tape Team doing to address this?*
- 2. What relationships are being formed with the CPHOs office to better support businesses to handle the administrative capacity through public health restrictions both within and outside the GNWT?*

Investigation and resolution

The Red Tape Working Group discussed this example and determined that it is inappropriate for the Red Tape Group to comment on public health policy but did investigate the application process. After investigation, the following was provided to the complainant:

Thank you for bringing the administrative processes for businesses in the COVID re-opening plans to the attention of the Red Tape Reduction Working Group. Unfortunately, we would require more information to respond to your concerns. The public health response to the

² <https://www.ece.gov.nt.ca/en/service-standards>

COVID pandemic is to reduce the risk of introduction and spread of the virus by setting restrictions related to gathering and movement within the NWT. However, recognizing that every business is different, the implementation of the orders provides flexibility through the granting of exemptions based on each business' different circumstances. The Red Tape Reduction Working Group has tried the application process on the Protect NWT website under Gatherings, Businesses and Events and could not identify an issue with the process on the website. Businesses that wish to restart may chose the "standard" limits for gathering limits (currently up to 25 people in an indoor location) or, if they wish to increase or exceed the standard limit, they may apply to the Chief Public Health Officer (CPHO) for an exemption at the link provided on the website. At the bottom of the Gathering, Businesses and Events site, there is information on "How to safely operate your business or event" which we found helpful.

The online application for a CPHO order for an exemption has three parts that we found simple to understand:

- **Part A:** Applicant Information
- **Part B:** Exceptional Circumstances Request Details (provide details on venue dimensions, number of people they wish to have and what type of activities will be carried out)
- **Part C:** Risk Mitigation Measures (Info requested on whether contact tracing will be completed, or full vaccination be required and so forth and if no, why?)

The Red Tape Working Group has not had any specific complaints about the COVID re-opening plans to help us understand whether your concern is the application process, the time it takes for NWT Protect to respond to the request for an exemption or just that everyone is tired and frustrated with the disruption caused by the pandemic. We do know that because circumstances are continually changing there are businesses that have made the decision to conduct business with the more stringent restrictions until things settle further. For example, some restaurants have chosen to continue as take out only instead of opening up again to in-house dining because they have made the business decision that it is not economically feasible re-open under current restrictions. However, until we can get a clearer understanding of the nature of your concerns, we are limited in the type of investigation that we can undertake.

ISSUE: Approved Northern Business 20 Day Payment

Two approved northern businesses under the Business Incentive Policy (BIP) were awarded to a road construction contract under a Joint Venture.

Work started and payment for the first progress claim invoice was not received within the 20 day payment term as specified under BIP. The Finance Department and BIP office informed the contractors that since the Joint Venture was not registered under the BIP policy, payment terms were 30 days and therefore did not qualify for the 20 day payment terms. The businesses were further advised that they could apply under the BIP program to get registered.

The Minister of Finance intervened with the Department of Finance and the department changed the payment terms to 20 days as both companies were registered under BIP.

Next Steps

The payment terms were changed immediately with the Minister's intervention, demonstrating that flexibility is possible. The **Working Group recommends that service policies and procedures are updated to permit staff to be flexible when circumstances warrant provided the program criteria are not compromised.**

ISSUE: Corporate Registries – Application return process

Corporate Registries returned a business registration application because two sections were left blank when it is necessary to include a “not applicable” and the mailing address was incorrect. Because the mailing address was incomplete, Canada Post returned the package to Corporate Registries, further delaying the application process.

Investigation and resolution

As a regulator, Corporate Registries responsibilities are to determine the acceptability of submissions and personnel are prohibited from assisting anyone from filling out forms to ensure that Corporate Registries personnel are not in a conflict by being a party in the preparation of legal documents, including amending forms. Therefore if there is an error, there is a legislated requirement that it always must be returned to the submitter with written reasons for the rejection. This is necessary so that if the submitter is dissatisfied or disagrees with the decision, the reasons are documented for used by the submitter through a judicial review of the decision. If assistance is required to complete Corporate Registries, the individual is advised to consult a lawyer.

An electronic-based application system would be able to reject applications as they are being filled out and allow the applicant to make corrections immediately before submitting.

The Working Group recommends that modernizing the Corporate and Land Titles Registries systems becomes a greater priority.

Summary of Red Tape Reduction Working Group Recommendations and Next Steps

Initially the Red Tape Reduction Working Group intended that the red tape email and survey would generate enough examples of regulatory burdens that the Group would be able to develop a work plan for tackling the larger red tape issues. There are various reasons for the lack of red tape examples, such as businesses are finding that they are able to work with the front line GNWT employees to resolve red tape issues, businesses are not aware that the Red Tape Reduction Working Group exists, or businesses know there is red tape but do not have the time to explain the issues.

To date the Working Group has:

- targeted small improvements including getting departments to start making all forms on their webpages fillable;
- requested a review of boiler inspection and registration fees;
- requested that regulatory red tape considerations be added to the 2021 fee review (departments are asked to complete by November 2021 with analysis taking some time thereafter);
- requested that Corporate Registries consider their processes from the end user perspective;
- recommended that a new electronic operating system for Corporate Registries becomes a higher priority than mid-2023; and
- asked the Information Shared Services Branch (Finance) to consider what is need to develop an electronic signature policy for GNWT departments.

Next steps include:

- Increase awareness with Northwest Territories businesses that the Red Tape Reduction Working Group wants to know about the red tape that irritates businesses the most.

Red Tape Reduction Working Group

Terms of Reference

Mandate/Purpose

The purpose of the Red Tape Working Group is to advance the Government of the Northwest Territories Mandate priority to support increasing economic diversification by reducing red tape and regulatory burdens on small businesses.

Scope

The Working Group will work collaboratively to develop options for regulatory changes and other good regulatory practices that could be considered to ensure barriers on existing and future small business and entrepreneurs are minimized. Any proposed changes must be balanced with the understanding that some regulations are necessary for public health and safety, social wellbeing, education/training, and environmental protection.

Responsibilities

The Working Group will be responsible for the following as it relates to small businesses:

- Develop database of regulations;
- Collect and share information and research related to good regulatory practices, performance measurement and improvement of regulatory processes;
- Establish processes, tools and methods to help advance regulatory best practices; and
- Create an annual work plan of actions.

Membership

Members are individuals with responsibility for regulatory reform or related initiatives from the following organizations:

- Department of Finance,
- Department of Industry, Tourism and Investment,
- Department of Infrastructure
- Business Advisory Council, and
- NWT Association of Communities.

Each organization is invited to designate one official to act as its representative on the Working Group. Other individuals may participate in meetings when their work is relevant to the Working Group's agenda.

Discussion and decisions concerning the priorities and related work agenda of the Working Group are reserved for the official members of the Working Group.

Chair

The Department of Finance representative will serve as chair regarding leadership to set priorities, work agenda and meeting schedules.