

Frequently Asked Questions on Smart Regulation

What is Smart Regulation?

Smart Regulation refers to Government of Canada regulatory renewal initiatives to make regulation relevant to the realities of our time. It is aimed at building a regulatory system that is more effective in safeguarding the health and safety of all Canadians, ensuring a clean and sustainable environment, and creating the conditions for an innovative and competitive economy. In meeting these goals, Smart Regulation recognizes the interdependence of social, environmental, and economic objectives. Smart Regulation advances objectives that the government has set in recent public policy documents, in particular, [Strengthening Public Sector Management and Budget 2005](#).

What is regulatory renewal?

Regulatory renewal refers to the process of assessing, reforming, and improving the regime in which regulations are developed, managed, enforced, and measured. It involves a co-operative effort among all levels of government, industry, the non-governmental sector, international partners, Aboriginal organizations, and other stakeholders to ensure that the “renewal” process is fair, relevant, and transparent.

What is Smart Regulation based on?

Smart Regulation is based on public desire for high standards and transparency in regulation, combined with the advice provided by the Organization for Economic Cooperation and Development (OECD), and the recommendations of the Auditor General and the [External Advisory Committee on Smart Regulation](#) (EACSR).

Will Smart Regulation lead to deregulation?

The goal of Smart Regulation is to create better, not less, regulation. Better regulation means regulation that is more strategic and that clearly supports national policies, protects the public interest, promotes transparency and accountability, leverages the best knowledge in Canada and worldwide, and promotes effective co-operation and partnerships. It will improve policy outcomes and facilitate investment, entrepreneurship, and innovation by Canadians and Canadian businesses.

Does Smart Regulation favour economic growth over social and environmental protection?

A key principle guiding Smart Regulation is the protection of the health and safety of Canadians and the natural environment. To create the conditions for a competitive and innovative economy, regulation must be sensitive to the needs of all citizens, communities, and businesses. One way in which the government will balance priorities is to engage stakeholders in regulatory initiatives, encourage independent oversight, and measure and report on progress regularly.

How can Canadians get involved?

Smart Regulation is being shaped by consultation with citizens, non-governmental organizations, provinces and territories, Aboriginal communities, industry, and other

stakeholders. Every Canadian has the opportunity to become involved in some area of regulatory renewal. In support of this goal, the Government has developed a [Consultation and Engagement Strategy](#) that outlines opportunities for Canadians, whether members of the public, industry, academia, Aboriginal organizations, or public advocacy groups, to help shape regulation and ensure that it is fair and relevant to our needs.

Why is frequent progress reporting necessary?

A key principle of Smart Regulation is “extending the values of Canadian democracy”. This principle anticipates that decision-making on regulatory matters is conducted in an open and transparent manner and that the government communicates intended results and remains accountable for outcomes. Regular reporting on regulatory initiatives through the [Report on Actions and Plans](#) and the Government’s regulation [web site](#) will enable citizens and stakeholders to monitor progress, while ensuring that the Government remains accountable to Canadians on the status of regulatory renewal.

Which departments and agencies are involved in regulatory renewal?

All Government of Canada departments and agencies with a regulatory mandate are involved in Smart Regulation. Regulatory renewal also involves the other levels of government—provincial/territorial, municipal, and Aboriginal—that together shape Canada’s regulatory system.

How will departmental initiatives be coordinated?

Coordination will be achieved, in part, through interdepartmental “theme tables,” in which representatives from government departments and stakeholders discuss regulatory issues, exchange information, and coordinate regulatory agendas. The theme tables reflect government priorities and stakeholder interests in the following areas: A Healthy Canada; Environmental Sustainability; Safety and Security; Innovation, Productivity, and Business Development; and Aboriginal Prosperity and Northern Development. Another coordination mechanism is the regulatory function of the Privy Council Office.

What progress has been achieved?

Progress has been achieved on three key fronts: strengthening regulatory management; improving coordination across government and between governments within Canada and internationally; and department-led initiatives.

Considerable progress has been achieved toward drafting a new regulatory policy, called the *Government Directive on Regulating*, which will form the basis of a new regulatory management system. Public consultations will take place in November 2005 and the directive is expected to be completed by March 2006.

We are working more closely with provinces and territories as partners toward common regulatory goals. International partners are coming to the table as well. For example, under the Canada-EU Framework on Regulatory Cooperation, specific areas for increased co-operation have been identified.

The [*Smart Regulation Report on Actions and Plans*](#), updated this fall, provides a summary of specific departmental initiatives in which progress has been made. Notable progress is evident in the drug approval process, where a 33-percent increase in process efficiency for pharmaceuticals has been achieved. In another progressive initiative, BizPal, a pilot system has been created that allows 233 types of businesses to access federal, provincial, and municipal permits from one Internet site, saving clients both time and money.

How will Canadians benefit from Smart Regulation?

Regulation affects many aspects of our day-to-day lives, from vehicle standards to the safety of the food we eat. Canadians will benefit from regulations that will continue to be “made in Canada,” and from being active participants in regulatory renewal. They will also benefit from better regulations that reflect Canadian values and protect our quality of life. Smart Regulation promotes a healthy Canada, environmental sustainability, the safety and security of Canadians, an innovative and productive business environment, and prosperity for Aboriginal communities and the North.

How will the environment benefit from Smart Regulation?

Smart Regulation will provide Canadians with the environmental safeguards necessary to maintain a clean and healthy environment. Regulation will support environmental sustainability by pursuing the integrated and complementary goals of clean air, water, and soil; diverse ecosystems; healthy citizens; thriving communities; and an innovative and competitive economy. In applying regulatory principles, departments will focus on activities with higher risk and on areas with the greatest environmental impact. In one new initiative, four sector sustainability tables (forests, mining, energy, and chemicals) have been created to bring stakeholders together to provide informed advice on how to improve environmental performance in a way that supports long-term competitiveness.

How will Aboriginal communities benefit from Smart Regulation?

In partnership with Aboriginal communities, Smart Regulation will support regulatory initiatives aimed at enabling such communities to develop the capacity to manage their own affairs, including the development, implementation, and enforcement of regulation in support of economic development. For example, a proposed legislative initiative will support First Nations involved in major commercial and industrial projects by developing a regulatory framework to strengthen economic development on reserve.

How will Canadian businesses benefit from Smart Regulation?

The federal government is working with the business community and citizens to reduce administrative burden for Canadian businesses while maintaining high standards for safety and environmental protection. This will provide more supportive business conditions to enhance productivity and encourage innovation. This goal will be achieved through streamlined regulatory procedures and more predictable compliance measures. For example, reform of Canada’s insolvency system through amendments to existing legislation will respond to the need for a more efficient and certain bankruptcy and restructuring system.

Why is international co-operation necessary?

International regulatory cooperation is essential when managing most health, safety, security, and environmental risks. It allows us to share best practices to ensure consistently high standards of protection and to reduce unnecessary regulatory differences between countries. Smart Regulation supports these objectives by putting in place mechanisms to exchange information and to adopt the regulatory practices or standards of other countries when it is in the best interest of Canadians.

The government is committed to improving regulatory co-operation with our major trading partners, the United States (US) and the European Union (EU). In March 2005, Prime Minister Martin, US President Bush, and Mexico's President Fox announced the new Security and Prosperity Partnership (SPP) of North America, which sets out an agenda for improved co-operation across a range of sectors. In May 2005, the first meeting of the Canada-EU Regulatory Co-operation Committee took place in support of a framework to advance bilateral co-operation between regulators and policy makers in both jurisdictions, and prevent or eliminate unnecessary regulatory barriers to trade and investment.

Will Smart Regulation lead to harmonization and loss of sovereignty?

International co-operation and sharing of best regulatory practices, not harmonization, have been the focus of work. While co-operation could, in some cases, result in common or harmonized approaches with our trading partners, this will occur only where we can maintain or improve Canadian standards and achieve better outcomes by working together. Co-operation will not be achieved at the expense of Canada's values, unique circumstances, or Constitution.

What are other countries doing about regulatory renewal?

Other countries are engaged in similar regulatory renewal activities, for example, the [United Kingdom](#), [Ireland](#), the United States, and the [European Union](#). The OECD publishes information about the regulatory activities of many countries on its [web site](#).

What is the time frame for Smart Regulation?

Smart Regulation is a multi-year whole-of-government initiative aimed at continuous improvement and flexibility in regulatory decision-making. As opposed to a one-time project with a defined beginning and end, it is a means for governments to better and more co-operatively assess our regulatory needs and continuously improve the process by which regulations are planned, developed, and implemented.

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