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# Backgrounder

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## REGULATORY REFORM IN CANADA

Regulation, in its broadest sense, is a principle, rule, or condition that governs the behaviour of citizens and enterprises. Regulation is used by governments, in combination with other instruments, such as voluntary standards and taxation, to achieve public policy objectives. Regulation protects our health, safety and the environment and it plays a role in virtually every aspect of our lives: the products and services we use, the medication we consume, and the food we eat.

On March 24, 2005, the President of the Treasury Board announced Smart Regulation and launched a new Web site dedicated to regulatory renewal ([www.regulation.gc.ca](http://www.regulation.gc.ca)).

Smart Regulation is aimed at improving the Government of Canada's regulatory system so that it can keep pace with today's realities and our evolving needs. This means 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. It strives for a better coordinated system that remains forward-thinking, progressive and accountable to the citizens it serves.

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 both the Auditor General and the External Advisory Committee on Smart Regulation (EACSR), which released its report, *Smart Regulation: A Regulatory Strategy for Canada*, on September 23, 2004. Smart Regulation is an integral part of the Government of Canada's management agenda and advances objectives that the government has set in recent public policy documents, in particular, *Strengthening and Modernizing Public Sector Management, Budget 2005*, as well as *Management in the Government of Canada: A Commitment to Continuous Improvement*.

To achieve Smart Regulation goals, the Government is working to:

- strengthen regulatory management through the development of a new policy and tools;
- improve co-ordination on regulation across the federal government, and cooperation with other jurisdictions in Canada and internationally and;

- implement principles of Smart Regulation through departmental initiatives in areas such as health, environmental sustainability, safety and security, Aboriginal prosperity and northern development, and business innovation and productivity.

This initiative is a collaborative effort of all federal regulatory departments and agencies. Regulatory renewal also involves the other levels of government—provincial, territorial, municipal and Aboriginal—that together shape Canada’s regulatory system.

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

The first *Report on Actions and Plans*, published in March 2005, provided information on a series of initiatives aimed at strengthening the Government’s regulatory management capacity.

The second edition, published on October 28, 2005, provides information on progress made on some 40 key initiatives introduced in the first report as well as 32 new initiatives. The report also describes plans for improving regulatory management throughout the federal government; current and planned activities in the key area of regulatory co-operation and coordination; and the role of citizens and stakeholders in helping to shape regulatory reform.

The third edition of the *Report on Actions and Plans* is expected in late spring 2006.

In addition, ongoing Smart Regulation updates are available on the Web site at [www.regulation.gc.ca](http://www.regulation.gc.ca).