

BUSINESS REGULATION AND COMPLIANCE IN ONTARIO

Currently, there are many laws restricting ministries that regulate businesses in Ontario from sharing information and working together to protect the public. Many businesses are also regulated by up to a dozen or more regulatory bodies, which often results in duplicating compliance efforts or placing unnecessary burdens on businesses.

Recently released reports on food safety and clean water have identified a critical need for greater cooperation and information sharing among government ministries and agencies.

The Regulatory Modernization Act, 2006, would, if passed, play a major role in improving public protection by enabling ministries to work together to ensure that businesses are complying with provincial laws. By combining enforcement efforts, ministries would be able to target businesses that put the public at risk by disobeying the law.

Modernizing Business Compliance

Introducing the Regulatory Modernization Act, 2006, is the first step in a broader plan to modernize business compliance in Ontario. By changing the way regulatory ministries can use and share information, the legislation could make it easier to administer and enforce about 85 statutes and almost 600 regulations across the province. If passed, it would:

- Allow ministries and other regulatory bodies to collect, use and share specific information for regulatory compliance purposes
- Authorize field staff to notify another ministry if they observe something that is likely to be relevant to that ministry
- Authorize ministers to create special teams of field staff from different ministries to work together on specific projects, such as targeting repeat violators or assisting small businesses
- Authorize ministers to publish information about an organization's compliance record as a deterrent to repeat violations
- Authorize prosecutors to request that a court consider relevant prior convictions in sentencing of a defendant (e.g. corporation, director, officer, owner, etc.)
- Require the court to provide reasons when it decides that a previous conviction does not justify a more severe penalty.

Legislative Safeguards

This legislation also would, if passed, include a number of safeguards for businesses. For example, it would not allow:

- The sharing of personal information, except limited information about owners, officers, and directors of organizations (e.g., name, telephone number, convictions if any, etc.)
- The publication of personal information, except as it relates to conviction of individuals
- “Fishing expeditions” in which field staff would conduct inspections under statutes they were not authorized to administer or enforce.

Consultation

The modernization plan was developed as a result of consultation with a number of stakeholders, including small business owners, business groups, the Office of the Information and Privacy Commissioner, enforcement agency staff and union groups. Our stakeholders consistently addressed areas for improvement, including:

- Providing government ministries with the ability to work together to share and use information more efficiently and effectively
- Giving field staff greater flexibility in delivering their responsibilities to reduce duplication
- Recognizing excellent performance among businesses that comply, and targeting enforcement efforts at businesses that do not
- Ensuring the continued protection of personal information.

Best Practices

In developing this legislation, the government examined the best practices in more than 40 jurisdictions.

This legislation and accompanying modernization plan represent an innovative change in the way regulatory activities would be conducted in Ontario. By creating the ability for ministries and regulatory agencies to work together and share information, Ontario would become a leader in the way it inspects, investigates and enforces laws.

Implementation

This legislation, if passed, would come into effect December 1, 2006. The Small Business Strategy has begun with a one-year pilot project focused on the auto sector. The Ministry of Labour, in conjunction with 12 other regulatory ministries and agencies, would promote awareness of and conduct education efforts about the legislation and overall modernization plan.

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