

ANNUAL REPORT 2009/2010

PARTNERSHIP AGREEMENT ON REGULATION AND THE ECONOMY (PARE)



New Nouveau
Brunswick
Be...in this place • Être...ici on le peut


NOVA SCOTIA
NOUVELLE-ÉCOSSE

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A map of the Maritime provinces of Nova Scotia and New Brunswick. Nova Scotia is highlighted in purple, and New Brunswick is highlighted in gold. The surrounding ocean is light blue.

A message from the Premiers

It is with pleasure that we join together in presenting you with the first annual report marking progress on the Partnership Agreement on Regulation and the Economy (PARE).

A year ago, last February, we launched PARE - an innovative, collaborative approach making it easier to do business across our two provinces and to find efficiencies in government programming. During this past year, we made notable progress on the list of projects identified at the time of launching and built a strong foundation for oversight of PARE by Ministers and Deputy Ministers.

In the report that follows, you will find examples of achievements to date and plans for more successes. Specifically, we are proud to have joined forces to make it easier and safer for trucks and cars to travel the main corridor through Nova Scotia and New Brunswick. We have collaborated to ease regulatory burden for operators in on-shore oil and gas, and we began harmonizing building codes and technical safety training and regulation. Many other initiatives are underway and showing promise to help us meet our objectives.

The PARE launch and progress to date would not have been possible without the contribution of our many stakeholders who continue to identify issues for us and to help develop solutions. We would also like to take this opportunity to recognize the diligence of government staff who work collaboratively and creatively across the two provinces, and are often at the forefront of advancing needed changes.

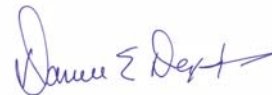
We invite you to read this report and follow the progress of PARE as we continue to improve government processes across our borders.

Sincerely,

Handwritten signature of Shawn Graham in blue ink.

Shawn Graham

Premier of New Brunswick

Handwritten signature of Darryl Dexter in blue ink.

Darryl Dexter

Premier of Nova Scotia

Introduction

The Partnership Agreement on Regulation and the Economy (PARE) was signed between New Brunswick and Nova Scotia in February 2009. In order to succeed in meeting the key objectives and to implement chosen principles, PARE must be accountable to stakeholders, be driven and supported by government, and operate under a management structure that recognizes the importance of productivity and competitiveness to both business and government.

PARE is intended to be an evergreen agreement. It will evolve over time, refocusing on those aspects of government business that require our attention in order to enhance competitiveness, improve productivity, and contribute to workforce development and availability.

Prior to the signing of PARE, officials and stakeholders collaborated to identify a list of initiatives to serve as the foundation to implement the agreement. The list is extensive and broad covering those aspects of provincial regulation and operations where improvements are considered possible. The initiatives noted in this annual report are provided as examples of the way PARE can lead and encourage change.

PARE Approach

PARE focuses on removing regulatory burdens for business and the public by standardizing or harmonizing regulatory requirements, improving workforce mobility, creating clear and predictable requirements, and improving or streamlining government services.

To this end, New Brunswick and Nova Scotia have adopted three broad principles: use common regulatory principles, promote transparency, and seek opportunities to share infrastructure. These principles continue to guide our approach to and the selection of processes for implementing PARE.

Use common regulatory principles to

- improve the regulatory systems in both provinces,
- provide for a competitive business environment, and
- ensure the safety of citizens.

Promote transparency to enable and encourage

- collaboration among government officials across provinces,
- engagement with interested stakeholders,

- identification of mutual priorities, and
- development of initiatives which will have an impact.

Seek opportunities to share infrastructure to

- increase cost-effectiveness for government, business and citizens
- improve the efficiency of service delivery, and
- make the best use of government resources.

Through discussion, NB and NS officials, along with their stakeholders, have identified initiatives that align under three target areas:

- Regulatory Cooperation: Sector Specific Challenges
- Workforce Mobility and Transformation
- Government Collaboration

Collaboration and cooperation are key to the success of PARE and its individual initiatives. Government departments, agencies, and interested stakeholders will all play a role through their participation in initiatives and their contribution of knowledge and experience.

Regulatory Cooperation: Sector Specific Challenges

Often the opportunities for improvement lie within specialized areas of operation within specific sectors. PARE supports the identification of these opportunities through consultation and discussion among the persons, businesses, and government officials who work in these areas day to day.

New Brunswick's and Nova Scotia's transportation and energy sectors are historically linked. They are integral to the health and vitality of both provincial economies. At the same time, they are significantly impacted by government regulation. In recognition of this, changes to regulation must balance being responsive to the operational and competitive needs of business with maintaining effective regulatory oversight of the industry. Furthermore, these changes must ensure the region stays progressive and compatible with national and international regulations.

Transportation: Interprovincial Trucking

PARE's transportation initiatives focus on improving services, sharing information and technology, and reducing red tape for the trucking industry. Collaboration between officials in New Brunswick and Nova Scotia is on-going and includes regular discussion

and consultation with the industry. The need for harmonization of regulatory requirements within the trucking industry is great; however, it is critical that requirements also align nationally and internationally to allow trucks to move freely across the country and abroad.

The on-going work on this initiative has increased the harmonization of Nova Scotia's and New Brunswick's permit systems for the movement of Long Combination Vehicles (LCVs). New Brunswick intends to match Nova Scotia's regulations by including four-axle semi-trailers in their Vehicle Dimensions and Mass Regulation. The two provinces have also identified opportunities for a regional permit system which allows industry to self-issue permits thereby reducing time and cost associated with acquiring the various provincial permits that exist today. Nova Scotia is leading an assessment of program and functional requirements as well as an estimation of project costs for a harmonized special move permit service. A final report on potential solutions is scheduled for completion by summer 2010.

Safety hazards, barriers to ease of compliance, and delays at vehicle inspection stations are concerns of the truck transport industry. Adjustments in operational procedures could make cross-border safety standards clearer and easier to meet. In 2009, New Brunswick undertook a pilot program that implemented a *corridor staffing* system in which scale facilities were opened longer. At least one scale (both directions) in the Route 2 corridor was kept open 90% of the time, increasing the capacity to ensure compliance to truck transport regulations and standards.

Energy: The Onshore Petroleum Industry

The Petroleum industry is not confined by provincial boundaries and is connected at both a national and international level. Nova Scotia's onshore petroleum development industry is new in comparison to New Brunswick's which has been in operation for several decades. There are lessons to be learned and opportunities for harmonization in support of developing our petroleum resources in a competitive fashion.

The PARE initiative facilitates ongoing dialogue among government officials and industry—the first, and arguably most important, step to change. The fall of 2009 marked the completion of a detailed review of rules and requirements which identified where the significant differences between onshore petroleum operational legislation and regulation in our two provinces lie. Next, an extensive list of government approval processes with the potential for harmonization was drafted based on known industry concerns. This list was further refined through a collaborative workshop, held in the spring of 2010, that brought together those directly involved in the industry and government officials responsible for the regulatory regimes.

Both governments have agreed to develop an effective mechanism for working together to harmonize policy, regulations, and approval processes within our areas of responsibility, focusing on concerns identified by industry. The differences in the requirements applied to mobile storage tanks used in petroleum production testing is an example of an area identified by industry as needing harmonization. Through PARE we were able to bring the interested parties together with government and discuss solutions. We also recognize that it is important to have the legislative framework put in place as quickly as possible to provide the necessary governance for this growing industry.

Workforce Mobility and Transformation

The demographics of our workforce are changing, as are its interests and mobility. At the same time, the structures of our provincial economies are shifting to include larger service-oriented sectors, and to respond to the globalization of business opportunities and pressures. If we are to ensure the long-term availability of the right skills and knowledge, two main changes are required:

- businesses must have access to persons with the skills, knowledge, and abilities necessary for the region to prosper, and
- it must be easier for people to move between the two provinces to work in their chosen field.

Examining the opportunities to harmonize certification and training requirements, and implementing the changes that lead to improved labour mobility are vital to keeping skilled workers moving freely between the provinces.

Regulatory Harmonization: Compulsory Certification Trades

Harmonization and mutual recognition of trade credentials makes it easier for trained workers to move to employment opportunities and between job sites in different provinces. Even though the Agreement on Internal Trade (AIT) promotes reduction of labour mobility barriers nationally, significant action can still be taken locally between New Brunswick and Nova Scotia to improve work opportunities and supply of skilled trade persons, for example, persons in compulsory certification trades (trades that require mandatory certification to help ensure safety of the worker, public, and consumer such as construction electrician).

In order to work in a compulsory certification trade, a person must either hold a recognized trade certificate or be a registered apprentice in the trade. An employer can

only hire certified journeypersons and registered apprentices supervised by certified journeypersons. Increasing the compatibility of our two systems will increase opportunities for labour mobility.

Presently, government departments responsible for apprenticeship training and trade certifications in Nova Scotia and New Brunswick are working together to achieve greater harmonization of both the processes and criteria for designating compulsory certification trades. In addition, New Brunswick is in the process of consulting their industries that would be impacted by harmonizing the list of compulsory certification trades with Nova Scotia.

Creating Efficiency in Processing: Student Financial Assistance Applications

As governments adapt to new fiscal challenges, it becomes increasingly important to implement systems and processes that enable cost-effective programs to operate smoothly. In 2007, Nova Scotia implemented an internet-based system to efficiently process applications for student financial assistance. This system benefits the student by enabling online access to the application process, information resources, and support tools, as well as providing connections to broader sources of support.

Working from the Nova Scotia model, New Brunswick purchased the same underlying computer code to process student loan applications. Sharing the system at this level enables New Brunswick to build on and adapt what has already been created to meet its own program and operational requirements.

This type of collaboration on infrastructure, supported by the PARE framework, is an excellent example of information technology sharing. Through this initiative, New Brunswick will benefit from the improved functionality of a new system, such as reduced processing time for applications, at a fraction of the cost of developing an entirely new system. Moreover, as Prince Edward Island is also using the system code that Nova Scotia developed, we have achieved greater value through a regional approach.

Government Collaboration

Each province maintains a large infrastructure that supports the delivery of public programs and services. The cost to maintain such infrastructure and meet client expectations is ever-increasing and the need to be effective and efficient is paramount. Initiatives such as PARE provide opportunities to share knowledge, technology, and

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process in order to improve the way both provinces do business and manage associated costs. PARE not only drives new initiatives, it strengthens existing regulatory projects already seeing success, such as those in Travel Information Services, Provincial Liquor Corporations, and Safety and Inspection Services.

Travel Information Services: 511 Initiative

Over time, there has been a progression in the development and delivery of public services for accessing local travel information including local weather conditions, road conditions, and emergency bulletins. As technology changes, so do the opportunities and preferences for access to such services. Simplicity, consistency, and content are important considerations in providing such information.

The use of a 3-digit, easy to remember 511 phone number to access road-travel related information contributes to improved safety, efficiency, and convenience for travellers. With the recent introduction of the 511 call-in number in New Brunswick, both provinces now provide a simple and consistent approach to providing travellers with a suite of road travel information, which complements the information available online. With the technology in place, and our combined knowledge and experience, future enhancements to the 511 system can easily be implemented.

Managing Costs Through Joint Action: Provincial Liquor Corporations

All governments are facing pressures related to managing their operational costs. The cost of purchased goods and services is a significant component of government expenditures. While we have had positive results working within government to collectively purchase common and specialized goods or services, we have only recently turned our focus toward opportunities that can be provided by working collectively across our provincial boundaries.

After collaborating on a joint study, the Nova Scotia and New Brunswick provincial liquor corporations issued a joint "freight tender." This initiative proved very successful: it reduced service rates, increased inventory stability, and placed the businesses in a better in-stock position. The level of cooperation and collaboration that led to the initiative has encouraged the development of other "best business practices" with potential for financial or operational benefits.

Improving Our Capacity: Safety and Inspection Services

Public and worker safety is an everyday government responsibility. We establish safety expectations and develop structures to ensure these expectations are met: legislation, regulations, standards, codes, and processes. Historically, much of this work developed

incrementally, and uniquely, within each jurisdiction. Today, it's necessary to move toward greater harmonization and standardization in recognition of economic realities and the influence of requirements emerging nationally and farther afield.

In 2010, under the auspices of the PARE initiative, senior staff from the two provinces met to discuss inspection services related to technical safety, and to identify where standards and regulations already align and where the two provinces should consider collaborating. These discussions brought together the collective knowledge and the understanding officials had gathered independently and from stakeholders. Although there are many areas in need of attention, the process of discussion led to the identification of key areas for collaboration including rules related to boilers and pressure equipment, cranes and operators, elevators and lift devices, and power engineers. As a result there is now agreement to work toward

- sharing information on certification and licensing,
- developing common criteria for education and experience requirements, and
- coordinating requirements related to examination and certification systems.

The experience we gain in working together on these three areas will build a solid foundation for achieving long-term improvements related to safety and inspection services.

The Way Forward

During the last year, New Brunswick and Nova Scotia took important first steps toward improving workforce mobility, establishing mechanisms for regulatory cooperation, and developing experience in government collaboration to the benefit of our regional economy. We are committed to increasing the working relationships between the two provinces and building our connection with stakeholders.

The initiatives that have moved forward in the last year, such as those in the transportation and energy sectors, will be supported and encouraged to achieve further progress. Over the coming year, we will focus on determining priority initiatives, assessing opportunities for progress, and taking action that supports PARE objectives and principles.

Our commitment to the principles and objectives of the Partnership Agreement on Regulation and Economy will continue to build with our experience and achievements.

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