



Red Tape
Research



CANADA'S RED TAPE REPORT

The cost of regulation to small business

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7th edition



Canada's red tape report

The cost of regulation to small business

7th edition

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Report highlights

Impact of red tape

- In 2024, red tape accounted for 35% of business regulations. The share attributed to red tape decreases as business size increases.
- In 2024, the average business spent 735 hours (92 days) on regulation, 256 hours (32 days) of which was spent on red tape. This marks a 58-hour (8.6%) increase from CFIB's 2020 estimate of 677 hours.
- 87% of small business owners think that excessive government regulation significantly reduces their business's productivity and ability to grow.

Financial cost of regulation

- The annual cost of regulation in 2024 reached \$51.5 billion, with \$17.9 billion attributed specifically to red tape. This marks a \$5 billion (13.5%) increase from CFIB's 2020 estimate of \$45.4 billion.
- For smaller businesses, most of the regulation cost per employee is attributable to wage costs.

Burden on smaller businesses

- Smaller businesses tend to spend more time complying with government regulation per employee than larger businesses.
- The annual cost of regulation per employee is higher for smaller businesses.



Despite my best efforts to keep up with the ever-changing rules and paperwork, I found that the time and resources required were beginning to take a toll on my ability to focus on growing my business. The red tape has become so overwhelming that I felt compelled to hire a professional bookkeeper to ensure that we remain compliant and to allow me to dedicate more attention to serving our customers.

- Professional services business owner
Fewer than 5 employees
British Columbia

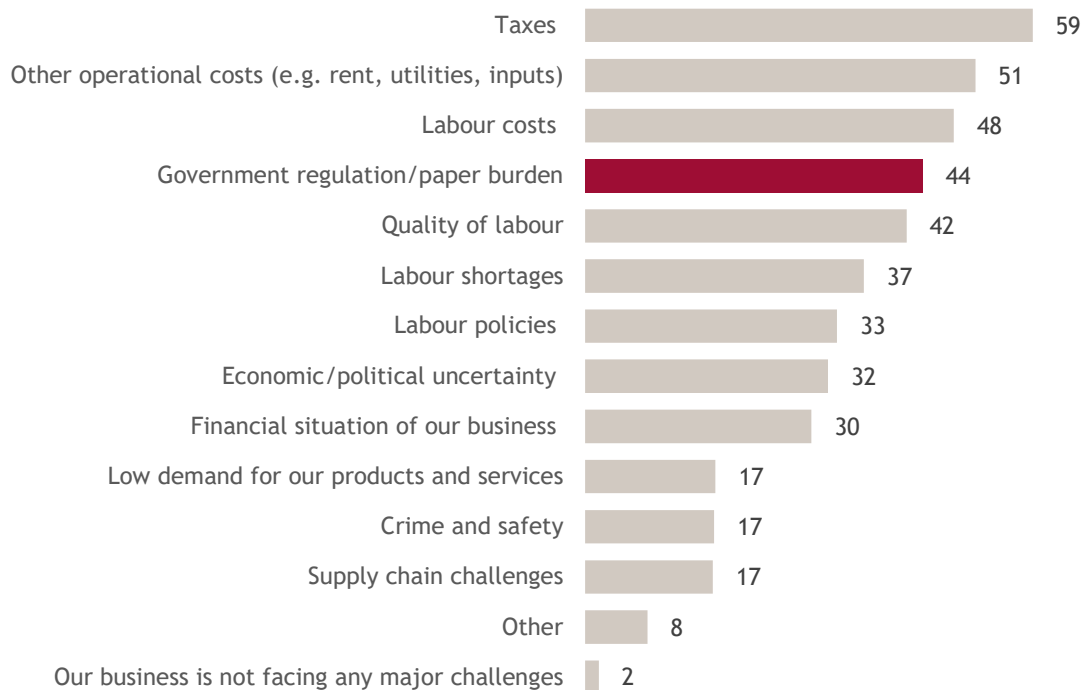
Introduction

Businesses in Canada are contending with a complex regulatory landscape, which not only presents significant challenges to their daily operations, but also carries a total cost of **\$51 billion annually** across all businesses.¹ This pressure is evident as nearly half (44%) of owners rank government regulation and paper burden as a top concern, second only to taxes and operational expenses such as labour and general costs (see Figure 1).² These combined pressures make it increasingly difficult for businesses to remain financially viable, as they struggle to balance rising operating costs with the added burden of regulatory compliance. This financial strain also affects the cost of goods and services, ultimately impacting consumers. Moreover, these regulatory demands shape how entrepreneurs view the business climate and even influence the advice they would give to aspiring business owners. Only one in five (18%) would recommend starting a business right now.³

The weight of the regulatory burden — cited by 62% as a major deterrent to starting a business — extends beyond financial costs, consuming time and energy that is critical for growth and innovation. Instead of focusing on expansion or improving their offerings, many business owners find themselves bogged down by paperwork, permits, and a seemingly endless stream of compliance requirements.

Figure 1

Government regulation and paper burden are among the biggest challenges for businesses (% of responses)



Source: CFIB, Your Voice - August 2024 survey, August 8-21, 2024, n = 2,329.

Question: What are the biggest challenges your business is facing right now? (Select all that apply)

¹ CFIB, Regulation and Paperburden Survey, 2024, n = 2,230.

² CFIB, Your Voice Omnibus Survey - August 2024, August 8-21, 2024, n = 2,329.

³ CFIB, Your Voice Omnibus Survey - September 2024, September 5-23, 2024, n = 1,157.

To better understand this burden, this report divides regulation into two categories: justified regulation and excessive regulation, or red tape. Justified regulations add real value, with social benefits that outweigh the costs. They support efficient and effective markets, provide business and consumer protection, and protect public health and safety. Red tape, on the other hand, encompasses excessive government regulation (i.e., unfair, overly costly, poorly designed, or contradictory rules and regulations), unnecessary delays, and poor government customer service. Red tape is a costly drain on productivity, wages, and the entrepreneurial spirit, yielding no clear benefit.

As Canada's average annual labour productivity growth has lagged behind most OECD countries, and projections indicate it will have the lowest GDP per capita growth among advanced economies, finding ways to stimulate output is crucial.^{4,5} Reducing excessive regulations could free up resources for growth-oriented activities, ultimately enhancing productivity and supporting long-term economic outlook.

Since 2005, CFIB has estimated the cost of regulation from all three levels of government (federal, provincial, municipal) on Canadian businesses of all sizes.⁶ This seventh edition of *Canada's Red Tape Report* provides an updated analysis, highlighting the burden regulation places on small business growth, productivity, and competitiveness. To address these challenges, the report offers actionable recommendations for effective regulatory reform aimed at creating a regulatory environment that better support business success in Canada.

⁴ Simon Gaudreault, "Canada's productivity: How to free up way more time and resources in our economy." CFIB, InsightBiz blog, April 4, 2024. <https://www.cfib-fcei.ca/en/research-economic-analysis/canadas-productivity-how-to-free-up-way-more-time-and-resources-in-our-economy>

⁵ Business Council of British Columbia (2021), "OECD predicts Canada will be the worst performing advanced economy over the next decade... and the three decades after that." <https://www.bcbc.com/insight/oecd-predicts-canada-will-be-the-worst-performing-advanced-economy-over-the-next-decade-and-the-three-decades-after-that/>

⁶ Cost estimates were provided in 2005, 2008, 2012, 2014, 2017, and 2020, and the methodology has remained largely the same to allow for comparisons to previous years.

The cost of regulation on businesses

Highlights from this section:

- **Rising regulatory costs:** In 2024, Canadian businesses faced \$51.5 billion in regulatory costs—a 13.5% increase from 2020. Higher wages and professional fees, along with an increase in the time spent on compliance, are driving the rise in costs.
 - In 2024, businesses with fewer than five employees paid \$10,208 per employee in regulatory costs—over five times the cost for businesses with 100+ employees.
- **Increasing compliance time:** In 2024, business owners spent an average of 735 hours on regulatory compliance—up 8.6% from 677 hours in 2020. Of these, 256 hours were dedicated to red tape.
 - In 2024, businesses with fewer than five employees spent 198 hours per employee on compliance, versus eight hours for those with 100+ employees.
- **Reducing red tape:** Business owners believe a 35% reduction in the regulatory burden—equivalent to \$17.9 billion—could be achieved without compromising public interest. This reduction would also free up 268 million hours (about 137,000 full-time jobs) for more productive and growth-focused activities.
- **Stress of compliance:** 90% of small business owners report high stress from excessive regulation, often requiring long hours and harming work-life balance.
- **Discouraging entrepreneurship:** Due to the regulatory burden, 68% of owners would not recommend entrepreneurship to the next generation, posing a threat to innovation and economic growth.



Over the last four years, federal and provincial government policy changes have become exponentially more challenging [...]. I have been in a holding pattern with expanding my business so that I can continue to operate by all legislated rules (without clarification if these rules will change or come into effect by the time I have managed to implement on my end). Costly & stressful.

- Hospitality business owner
Fewer than 5 employees
British Columbia

Since 2005, CFIB has estimated the regulatory costs from all three levels of government (federal, provincial, and municipal) on Canadian businesses. Based on survey data, these estimates are derived from the amount of time and money it costs businesses to comply with government regulation. The total cost of regulation for a typical business is comprised of wage costs, professional fees, required spending on special equipment, and losses due to regulatory delays (refer to Appendix A for more details on the Methodology).

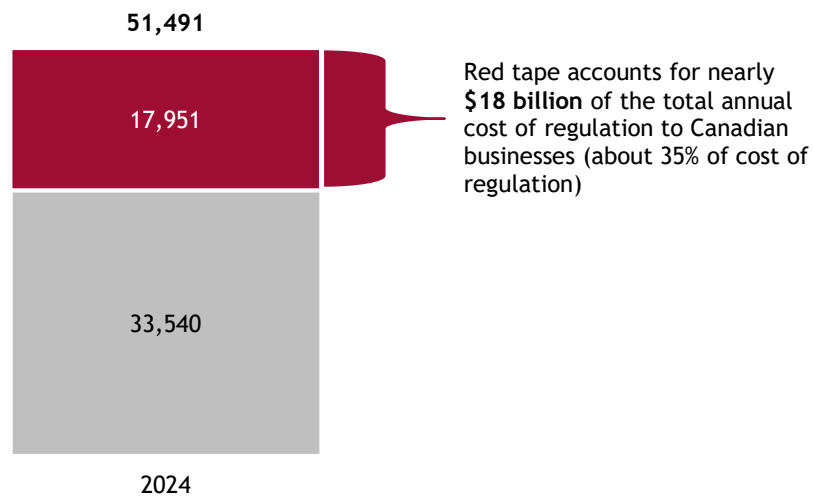
Total regulatory costs and compliance time increase in Canada

In 2024, it cost Canadian businesses \$51.5 billion to comply with regulations from all levels of government (for a provincial breakdown of the total cost of regulation to businesses, see Appendix C, Table C.1).⁷ This marks a \$5 billion increase over CFIB’s 2020 estimate of \$45.4 billion, reflecting a growth of 13.5%.⁸ This increase is largely due to rising wages and professional fees, as well as more time spent on compliance activities.

Canadian business owners believe the regulatory burden could be reduced by 35% without compromising public interest – translating to \$17.9 billion in 2024 (see Figure 2). By comparison, approximately 28% of the total cost of regulation in 2020 was attributed to red tape, amounting to \$12.7 billion (in 2024 dollars).⁹

Figure 2
Cost of red tape (in millions, 2024 dollars)

■ Cost of red tape ■ Cost of necessary regulation



Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,230.

Note: On average, business owners said the regulatory burden could be reduced by about 35% without sacrificing the public interest.

⁷ Calculations based on CFIB’s Survey on Regulation and Paperburden (conducted in 2024, n = 2,230) and data from Statistics Canada.

⁸ Numbers reported in 2024 dollars. Calculations based on CFIB’s Survey on Regulation and Paperburden (conducted in 2020, n = 4,603) and data from Statistics Canada.

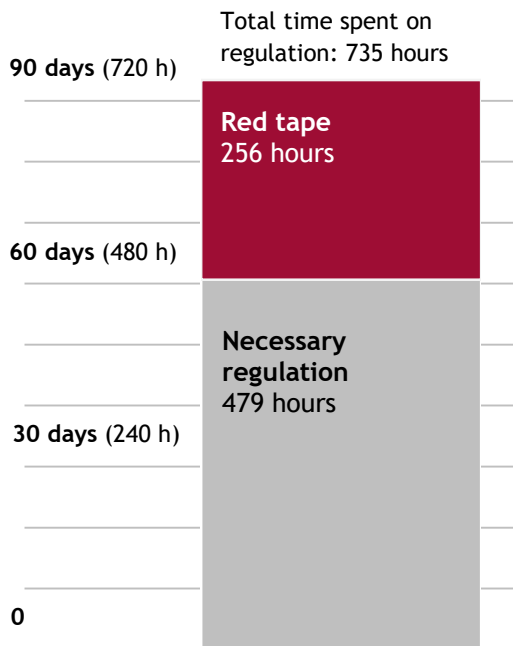
⁹ Calculations based on CFIB’s Survey on Regulation and Paperburden (conducted in 2020, n = 4,603) and data from Statistics Canada. In 2024 dollars.

In 2024, businesses of all sizes spent 768 million hours on regulatory compliance - the equivalent of nearly 394,000 full-time jobs.¹⁰ A 35% reduction would free up 268 million hours for business owners, the equivalent of almost 137,000 full-time jobs. The extra hours could be used to plan business expansions, serve customers, train staff, or spend more time with family. It would undoubtedly have a positive impact on productivity across Canada.

The average business owner is also spending more time on regulatory compliance. In 2024, the average number of hours dedicated to regulatory compliance reached 735 per year (92 business days), an 8.6% increase from 677 hours (85 business days) in 2020 (see Figure 3).¹¹ Of the 735 hours spent on regulation, 256 hours (32 business days) are spent specifically on red tape — up from 189 in 2020. This trend suggests that various factors, such as the complexity and scope of regulations, are contributing to a growing compliance burden.

Figure 3

Average annual time spent on regulation per business (hours and business days, 2024)



Source: Calculations based on CFIB’s Survey on Regulation and Paperburden (conducted in 2024, n = 2,230).

Note: On average, business owners said the regulatory burden could be reduced by about 35% without sacrificing the public interest, with 256 hours deemed as red tape.

¹⁰ Measured at 1,950 hours of work per year (corresponding to 37.5 hours of work per week).

¹¹ Assuming eight hours in a business day (735 hours per year/8 hours per day = 92 days per year).

Regulatory costs

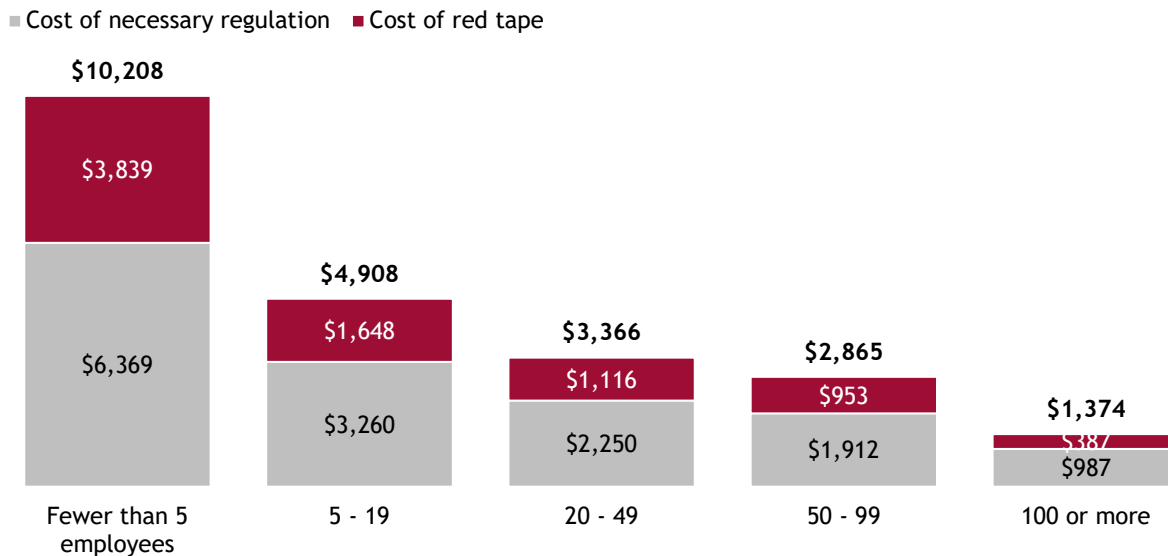
Smaller businesses bear a higher regulatory cost burden

Small businesses face significantly higher annual regulatory costs per employee compared to large businesses (see Figure 4). The cost of government regulation per employee for businesses with fewer than five employees was \$10,208 in 2024, which is over five times higher than the cost for businesses with 100 or more employees (\$1,374). Adjusting for inflation (in 2024 dollars), the annual regulation cost per employee increased across all business sizes between 2020 and 2024, except for large businesses (100+ employees), where the cost per employee remained relatively unchanged.¹²

This regulatory burden falls especially hard on the smallest businesses, which often lack the funds and staff to manage compliance efficiently. Owners and staff of smaller businesses typically handle regulatory compliance in-house, with data indicating that at least 60% manage it themselves. This shifts for larger businesses, with only about one third handling compliance internally. Larger businesses can spread regulatory tasks across a greater number of employees and typically have in-house resources or outsource compliance functions specifically for regulatory monitoring and compliance. As a result, small business owners often divert time and energy from growth-focused activities to handle compliance themselves until they can afford specialized help. This imbalance places significant strain on small businesses, limiting their capacity to thrive.

Figure 4

Annual regulation cost per employee, by size of business (in 2024 dollars)



Sources: Calculations based on CFIB’s Survey on Regulation and Paperburden (conducted in 2024, n = 2,230) and data from Statistics Canada.

Notes:

1. The number of employees includes the business owner.
2. The cost of red tape for each business size is determined according to the average percentage by which businesses indicated the regulatory burden could be reduced without sacrificing the public interest. The average for each business size is as follows: fewer than 5 employees = 38%; 5-19 employees = 34%; 20-49 employees = 33%; 50-99 employees = 33%; and 100 or more employees = 28%.

¹² Calculations based on CFIB’s Survey on Regulation and Paperburden (conducted in 2020, n = 4,603; conducted in 2024, n = 2,230) and data from Statistics Canada.

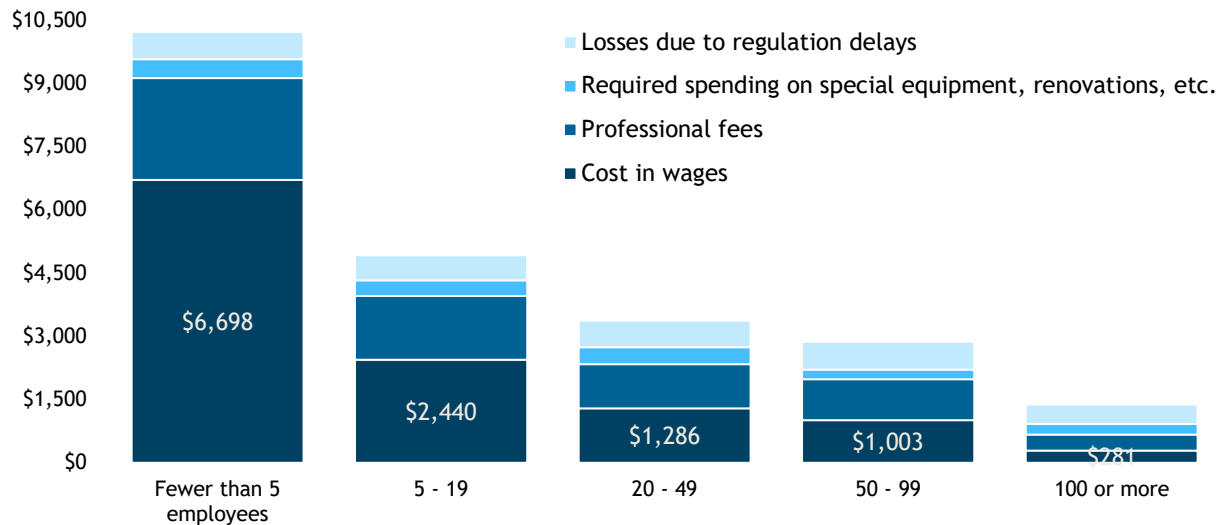
Breakdown of regulation costs per employee

The annual cost of regulation on businesses includes wage costs, professional fees (e.g., accountant fees), required spending on special equipment and renovations, and losses due to regulation-related delays.

Wage costs include the time that business owners and employees take to comply with government regulations (e.g., filling out forms). On a per employee basis, wage costs represent the largest component of government regulation costs for small businesses (see Figure 5). For example, wage costs for businesses with fewer than five employees account for \$6,698 out of the total regulation cost per employee (i.e., \$10,208). The share of wage costs varies by business size: for businesses with fewer than five employees, wage costs make up about two thirds of overall regulatory costs, while for those with 100 or more employees, wage costs drop to about one fifth. Larger firms benefit from economies of scale. Their greater resources help absorb regulatory costs, reducing the impact on wage expenses.

Figure 5

Breakdown of regulation cost per employee, by size of business (in 2024 dollars)



Source: Calculations based on CFIB's Survey on Regulation and Paperburden (conducted in 2024, n = 2,230).

Note: The number of employees includes the business owner.

Professional fees, such as accountant fees, are the second-largest component of per employee regulatory costs. Similar to wages, the amount spent on professional fees per employee decreases as the size of the business increases. Larger businesses benefit from internal resources and reduce their costs per employee through economies of scale.

Losses due to regulatory delays (e.g., late issuance of a government permit) as well as required spending to comply with government regulations (e.g., renovations required after a government inspection) were relatively stable across business sizes.

Trends in regulatory costs per employee (2020-2024)

From 2020 to 2024, the regulatory cost per employee (in 2024 dollars) increased across most business sizes in three of the four main cost components: wage costs, professional fees, and losses due to regulatory delays. Wage costs saw the largest increase (by 33% on average), reflecting recent wage growth in Canada.^{13,14} Similarly, considering that the cost of doing business and the cost of labour have gone up,¹⁵ professional fees also saw an increase of 24% on average. Qualitative feedback from business owners suggests that the rise in professional fees is due to an increase in the use of professionals and accounting software to manage complex regulations. Similarly, respondents indicated that the increase in costs associated with regulatory delays stems from longer wait times for essential services, such as business licences and permits.

Since our last report (2021), spending on special equipment and renovations has been the only component showing a decrease. While this number tends to fluctuate across the years,¹⁶ in this instance, it is possible that businesses having to adapt to COVID-19 regulations and policies led to higher expenditures in this area. Even though respondents were asked to exclude COVID-19-related regulatory costs, there may still be some overlap, presenting a limitation in fully isolating these expenditures.

¹³ CFIB, Monthly Business Barometer®, more details available at cfib.ca/barometer.

¹⁴ Bank of Canada, Wages and costs: Definitions, graphs and data, 1998 to 2024. <https://www.bankofcanada.ca/rates/indicators/capacity-and-inflation-pressures/wages-costs-definitions/>. Accessed on November 13, 2024.

¹⁵ CFIB, The Main Street Quarterly, 2024 Q2 - In focus: Soaring costs of doing business, <https://www.cfib-fcei.ca/en/research-economic-analysis/main-street-quarterly>

¹⁶ Calculations based on CFIB's Survey on Regulation and Paperburden (conducted in 2012, n = 5,978; conducted in 2014, n = 6,644; conducted in 2017, n = 5,838; conducted in 2020, n = 4,603; conducted in 2024, n = 2,230).

Time spent on compliance

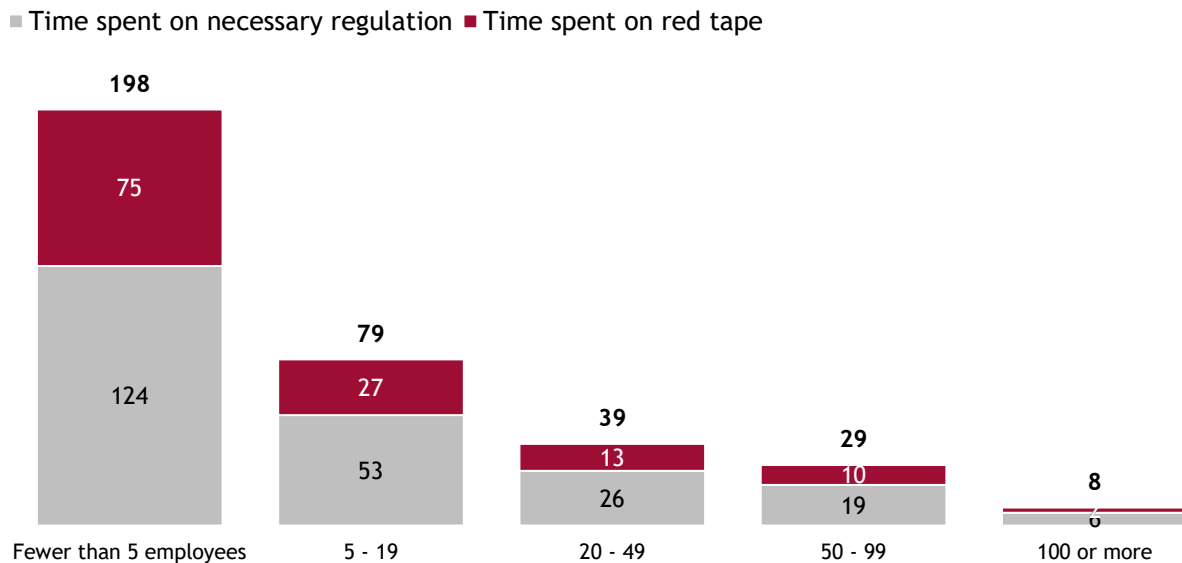
Smaller businesses spend more time on regulatory compliance

Alongside the financial burden, small businesses also spend more time complying with government regulations per employee than larger businesses. In 2024, businesses with fewer than five employees spent 198 hours per employee complying with government regulations, while those with 100 or more employees spent only eight hours per employee (see Figure 6).

The time spent to comply with government regulations is a major irritant for small businesses. Business owners work longer hours than the typical employee and have many responsibilities.^{17,18} As previously noted, since most of them are managing government regulations themselves, it takes time away from growing their business, serving customers, and training employees. In the long run, this can stifle job creation and limit productivity, which harms Canada's economy. Government initiatives to reduce the time spent on compliance (e.g., shorter, simpler forms) could go a long way in reducing the regulatory costs on small businesses.

Figure 6

Average annual time spent on regulation per employee, by size of business (2024, hours)



Sources: Calculations based on CFIB's Survey on Regulation and Paperburden (conducted in 2024, n = 2,230) and data from Statistics Canada.

Notes:

1. The number of employees includes the business owner.
2. The cost of red tape for each business size is determined according to the average percentage by which businesses indicated the regulatory burden could be reduced without sacrificing the public interest. The average for each business size is as follows: fewer than 5 employees = 38%; 5-19 employees = 34%; 20-49 employees = 33%; 50-99 employees = 33%; and 100 or more employees = 28%.

¹⁷ Statistics Canada Labour Force Survey data (Table 14-10-0035-01 Usual hours worked by industry, annual) from 2023 shows that business owners work more hours per week than employees.

¹⁸ Bomal, Laure-Anna, Vincent, François, The 8-Day Workweek: The impact of labour shortages on the number of hours worked by Canada's small business owners. CFIB, April 2023.

Hidden costs of regulation: Stress and deterrence to entrepreneurship

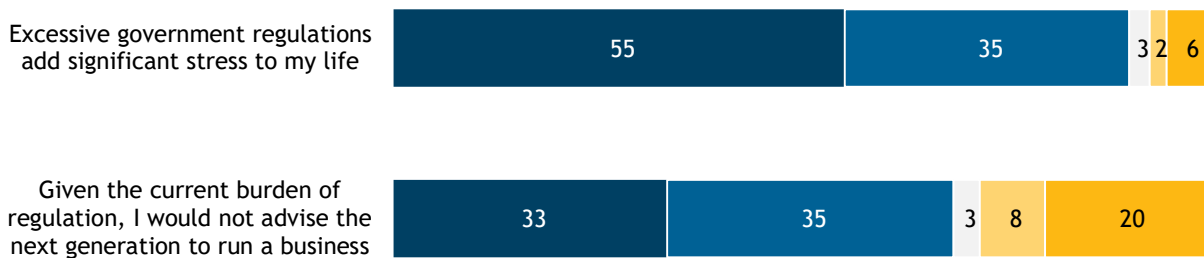
Beyond the burden of time and money, excessive regulations create significant frustration for small business owners. While it is impossible to put a price tag on frustration and stress, they clearly add to the cost of regulations. In Canada, about nine in ten (90%) small business owners indicate excessive regulations add significant stress to their lives (see Figure 7). Given the annual hours required per employee for regulatory compliance, it is unsurprising that many entrepreneurs must devote time outside of normal working hours to ensure they are compliant with applicable regulations. This not only makes for long work hours but also takes time away from family and friends, skewing their work-life balance.¹⁹

The stress of dealing with regulation today may discourage entrepreneurship in the future. About two in three (68%) Canadian small business owners agree that given the current regulatory burden, they would not advise the next generation to run a business (see Figure 7). Compounding this challenge, entrepreneurs are still grappling with high operating costs and elevated interest rates that both limit sales and increase pressure on business financing. Red tape adds yet another obstacle, creating a less business-friendly environment, which may ultimately deter innovation and dissuade entrepreneurship and new business creation in the future. Over time, these factors threaten not only business competitiveness, but the vitality of Canada's economy and society.

Figure 7

Social cost of regulation (% of responses)

■ Strongly agree ■ Somewhat agree ■ Don't know/Not applicable ■ Somewhat disagree ■ Strongly disagree



Source: CFIB, Regulation and Paperburden Survey, 2024, First subject (n = 2,551), Second subject (n = 2,545).

¹⁹ Cruz, M., et al. 2015. Canada's Red Tape Report 2015. CFIB, 2015.

Regulation and productivity

Highlights from this section:

- **Sluggish productivity growth:** Canada's average annual labour productivity growth has been trailing most OECD countries, with projections indicating it will experience the lowest GDP per capita growth among advanced economies from 2020 to 2060.
- **Canada's regulatory burdens:** Canada ranks among the least favourable economies in the OECD in terms of administrative burden, regulatory efficiency, and licensing processes, which hinders economic competitiveness and productivity.
- **Impact on small businesses:** 87% of small business owners agree that excessive government regulation reduces their productivity and ability to grow.
- **Potential benefits of reducing red tape:** Business owners indicated that savings from regulatory reductions could be used to expand operations, hire more employees, increase wages, and improve work-life balance, all of which could contribute to greater productivity and economic growth.



Canada is experiencing a marked decline in productivity, and the government is loudly proclaiming that businesses are not investing enough. But what incentive do businesses have to invest in improving productivity if all productivity gains are wiped out by increased administrative burdens imposed by the government? They should do some introspection; if we are not productive, it's because we are wasting our time and money on counterproductive tasks that are imposed on us.

- Professional services business owner
20 to 49 employees
Quebec

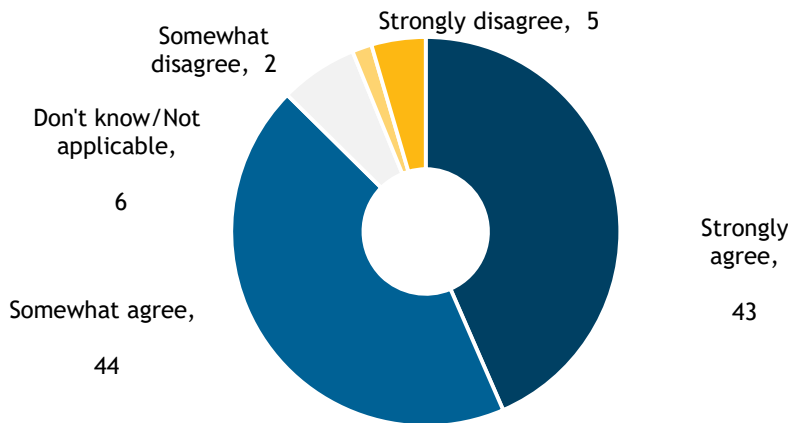
The regulatory burden has a profound impact on Canada’s overall economic competitiveness and productivity. International comparisons show that Canada ranks among the least favourable economies in the OECD in terms of administrative burden, regulatory efficiency, and licensing processes.²⁰ A joint analysis from Transport Canada, KPMG, and Statistics Canada found there was a 40% increase in federal regulatory requirements between 2006 and 2021,²¹ a trend that has had a negative impact on both output and productivity growth. Additionally, Canada’s average annual labour productivity growth from 1981 to 2022 has trailed behind most OECD countries,²² and the OECD predicts that Canada will have the lowest growth in GDP per capita of all advanced economies from 2020 to 2060.^{23,24}

Business owners feel the impact of the regulatory burden on their productivity firsthand. Across Canada, 87% of small business owners agree that excessive government regulation reduces their business’s productivity and ability to grow (see Figure 8). This sentiment is held by businesses of varying sizes (see Appendix C).

To reverse these trends, it is clear that a shift is needed. Freeing up time and resources that excessive regulatory tasks are currently absorbing would enable businesses and workers to focus on growth-oriented activities that increase output, ultimately boosting Canada’s economic competitiveness and productivity.²⁵

Figure 8

Excessive government regulations significantly reduce my business’s productivity and ability to grow (% of responses)



Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,552.

²⁰ Source: Organisation for Economic Co-operation and Development (OECD), Product Market Regulation, <https://www.oecd.org/en/topics/sub-issues/product-market-regulation.html>. Accessed: October 25, 2024.

²¹ Statistics Canada, Research to Insights: Challenges and Opportunities in Innovation, Technology Adoption and Productivity, Catalogue no. 11-631-X, ISBN 978-0-660-72596-3, July 24, 2024. Note: The study referenced within this report is not available publicly at the moment. It should be published in 2025 by StatCan.

²² Productivité et prospérité au Québec - Bilan 2023, Centre sur la productivité et la prospérité - Fondation Walter J. Somers, HEC Montréal, March 2024, [French only].

²³ Business Council of British Columbia (2021), “OECD predicts Canada will be the worst performing advanced economy over the next decade... and the three decades after that.” <https://www.bcbc.com/insight/oecd-predicts-canada-will-be-the-worst-performing-advanced-economy-over-the-next-decade-and-the-three-decades-after-that/>

²⁴ Guillemette, Y., & Turner, D. (2021), The long game: Fiscal outlooks to 2060 underline need for structural reform (OECD Economic Policy Paper No. 29), OECD Publishing. <https://www.oecd-ilibrary.org/docserver/a112307e-en.pdf?expires=1719889705&id=id&accname=guest&checksum=D1F26553F4A00B3557FD80B34D84D7B0>

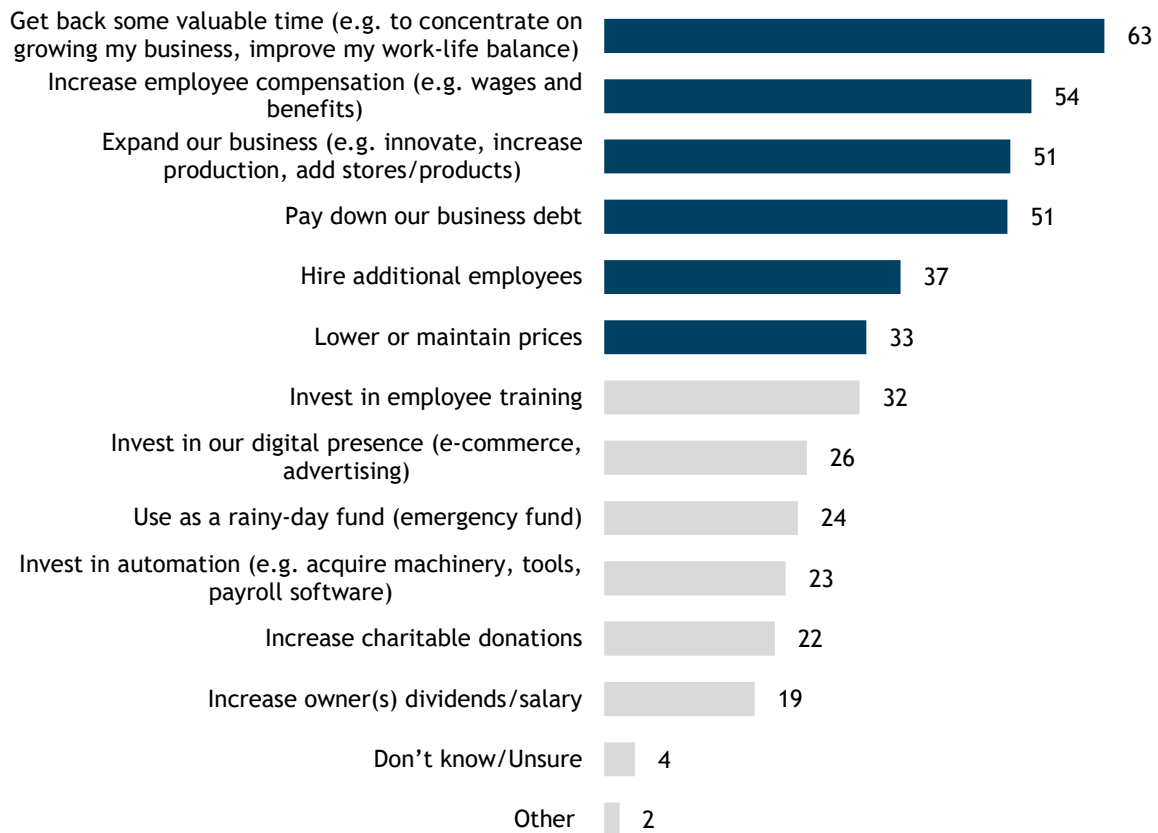
²⁵ Laura, Jones. (2020). The Drag on Productivity from Excessive Regulation. In Fraser Institute, *Achieving the 4-Day Work Week: Essays on Improving Productivity Growth in Canada* (p.11-18).

When asked how they would use the time and resources saved from reducing the regulatory burden, business owners identified key areas: reclaiming valuable time (63%), increasing employee compensation (54%), expanding the business (51%), paying down debt (51%), hiring additional employees (37%), and reducing or maintaining prices (33%) (see Figure 9).

These findings highlight the immediate and long-term benefits of reducing red tape on productivity and economic growth. Red tape reduction could not only support business growth, but also benefit consumers. With fewer resources tied up in compliance, business owners could focus on growth, improve their work-life balance, and reinvest in their workforce and operations. This shift would enable higher wages, increased hiring, investment in employee training, innovation, and expansion—all of which are key to productivity gains, economic growth, and sustainable living standards.²⁶

Figure 9

If the cost of regulation were reduced, how would your business use the savings? (% of responses)



Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,598.

²⁶ Laura, Jones. (2020). The Drag on Productivity from Excessive Regulation. In Fraser Institute, *Achieving the 4-Day Work Week: Essays on Improving Productivity Growth in Canada* (p.11-18).

Regulatory burdens by level of government and red tape reduction priorities

Highlights from this section:

- **Top regulatory burdens:**
 - Key federal burdens include income taxes (62%), payroll taxes (59%), and GST/HST (58%).
 - Provincial and municipal concerns focus on workers' compensation, PST/HST, employment standards, and property taxes.
- **Red tape reduction priorities:**
 - The vast majority of business owners want governments at all levels to prioritize red tape reduction.
 - Confidence in government commitment is low, especially federally (6% confident) and provincially outside Alberta (39% in Alberta, 4% in BC).



Regulations should be clear and easy to follow [...]. It feels as if the government and its regulatory authorities are intentionally ambiguous, which creates a huge amount of work for consultants and lawyers. But if we want to be a competitive and productive business environment, that time and money would be better spent on growing businesses. Small business owners want to follow the rules. Make it easy.

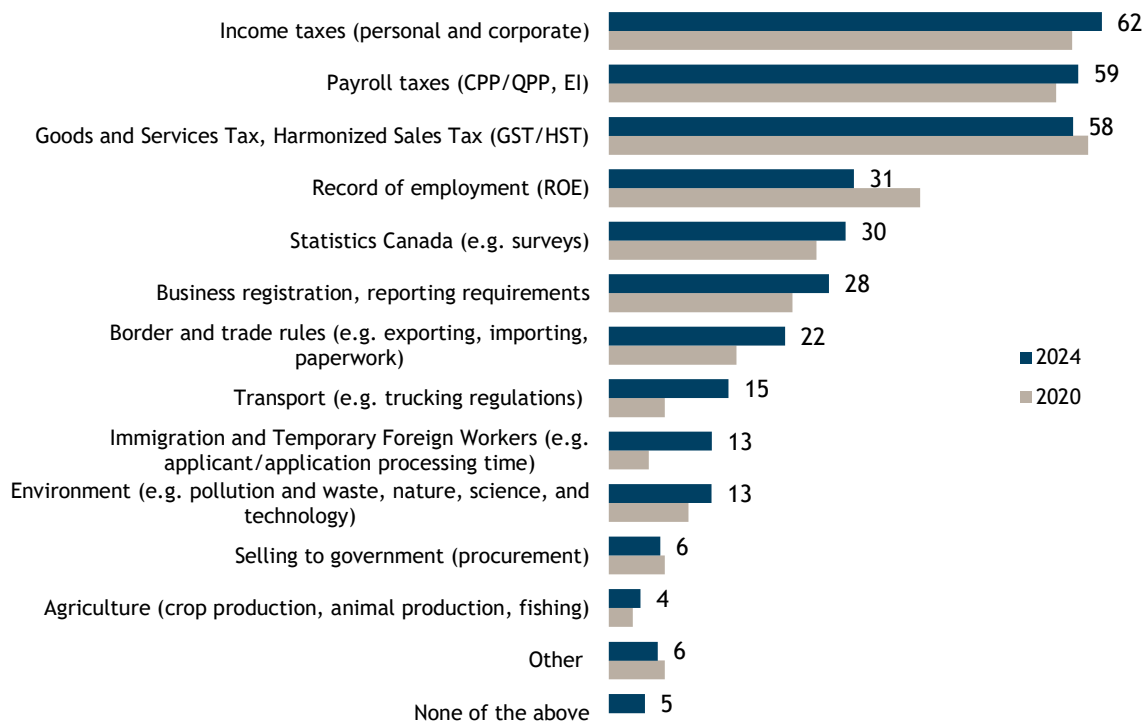
- Wholesale business owner
5 to 19 employees
Ontario

Federal regulations

At the federal level, complying with income taxes (62%), payroll taxes (59%), and GST/HST (58%) are businesses’ top regulatory burdens. Although the order has changed, the primary concerns are comparable to those reported in 2020. Additional challenges include records of employment at 31% (an eight-point drop since 2020), Statistics Canada surveys at 30% (up four points), and business registration and reporting requirements at 28% (up five points) (see Figure 10). Issues with border and trade rules have risen six points, while concerns over transportation regulations have doubled (7% to 15%), and those related to immigration and temporary foreign worker regulations have more than doubled (5% to 13%).

Figure 10

Most burdensome federal regulations (% of responses)



Sources: CFIB, Regulation and Paperburden Survey, 2024, n = 2,882, and Regulation and Paperburden Survey, 2020, n = 6,407.

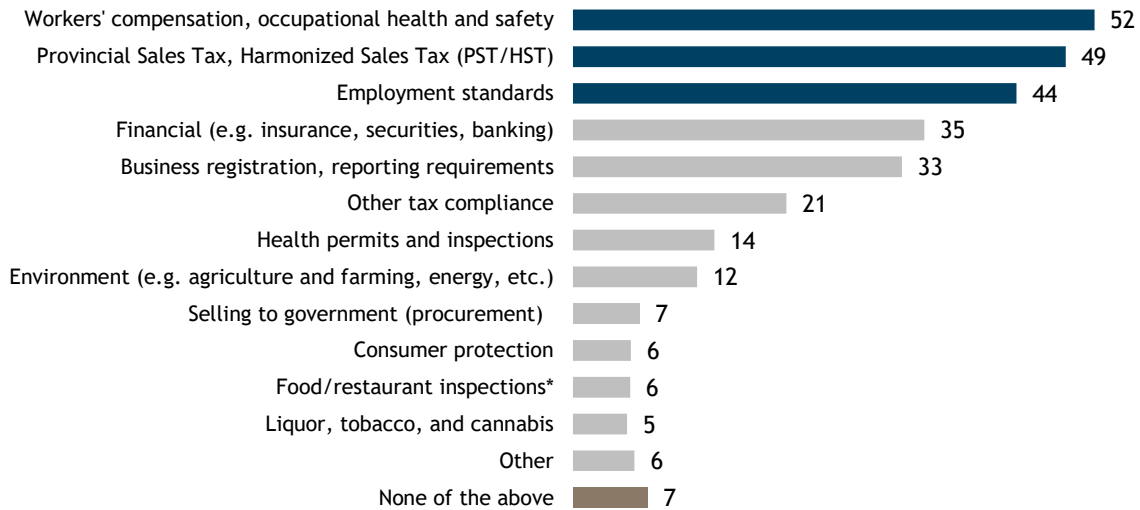
Question: Which federal government regulations are most burdensome to your business in terms of time and money spent on compliance?

Provincial regulations

The top provincial regulatory challenges remain consistent with those reported in 2020: workers’ compensation and occupational health and safety regulations (52%), PST/HST (49%), and employment standards (44%) are still the most frequently cited issues (see Figure 11). The magnitude of these burdens has largely remained stable since 2020, except for employment standards, which decreased by six percentage points. Conversely, financial regulations have risen by seven points. These findings vary somewhat by province (see Appendix C).

Figure 11

Most burdensome provincial regulations (% of responses)



Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,811.

Question: Which provincial government regulations are most burdensome to your business in terms of time and money spent on compliance?

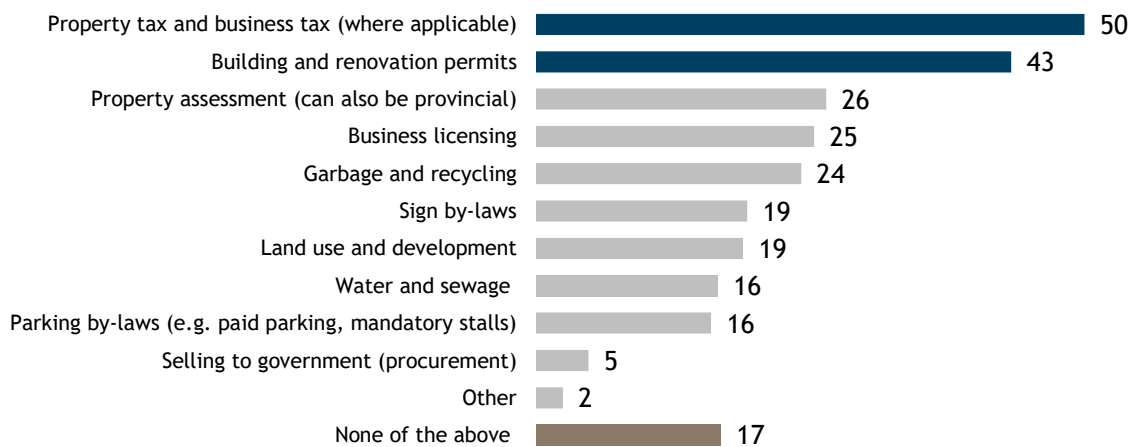
Note: *Can also be municipal.

Municipal regulations

At the municipal level, results followed similar patterns to previous years – complying with property and business taxes remains the top irritant (50%), followed by building and renovation permits (43%) (see Figure 12). Notably, water and sewage regulations are now standing at 16%, whereas sewage and air emissions regulations were less burdensome in 2020 (8%).

Figure 12

Most burdensome municipal regulations (% of responses)



Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,754.

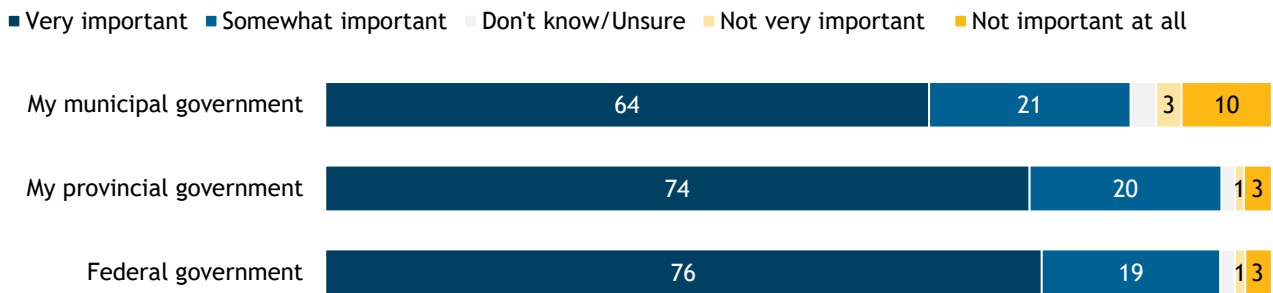
Question: Which municipal government regulations are most burdensome to your business in terms of time and money spent on compliance?

Red tape reduction remains a high priority for business owners

A strong majority of business owners emphasize the importance of reducing red tape, with over 90% agreeing it should be a priority both at the provincial and federal levels, and most considering it very important. At the municipal level, 85% also view it as a priority, with a majority indicating it is very important (see Figure 13). These percentages are consistent with 2020 findings across all levels of government, though more owners now feel it is very important rather than somewhat important.

Figure 13

The majority of businesses prioritize government commitment to red tape reduction (% of responses)



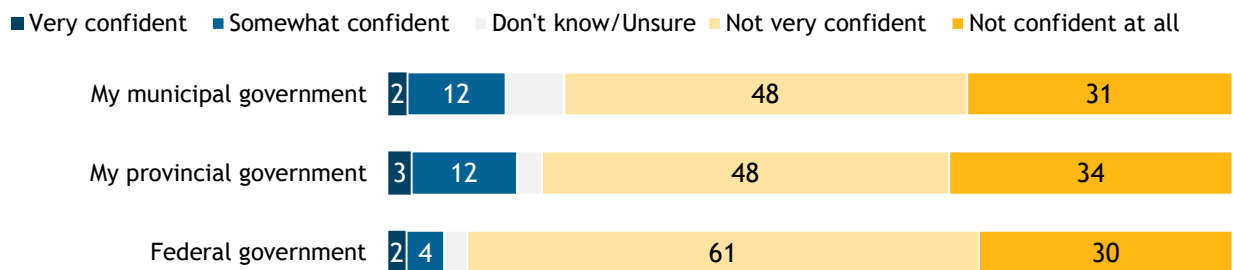
Source: CFIB, Regulation and Paperburden Survey, 2024, Municipal (n = 2,729), Provincial (n = 2,752), Federal (n = 2,777).

Question: How important is it to you that the following levels of government are committed to reducing red tape, including unnecessary rules and regulations on your business?

Most business owners remain unconvinced of government commitments to reduce red tape. Small businesses are reporting slightly higher confidence in their provincial government's efforts (15% confident) compared to local (14%) and federal (6%) governments (see Figure 14). Since 2020, confidence has declined significantly across all levels. Previously, 24% were confident in their province's commitment, 19% in their local government, and 15% in the federal government. This signals a breach of trust, as low business confidence in governments' commitment to reduce red tape is another indicator that governments at all levels need a stronger, ongoing, and more concerted effort to ensure business owners feel a reduction of the regulatory burden on the ground.

Figure 14

Low business confidence in government's commitment to reduce red tape (% of responses)



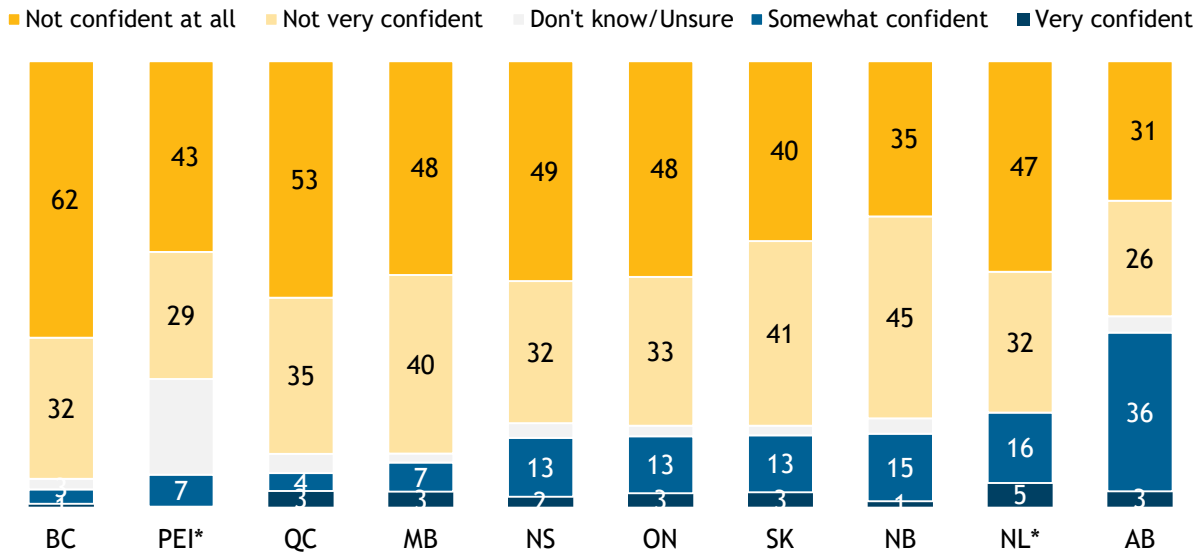
Source: CFIB, Regulation and Paperburden Survey, 2024, Municipal (n = 2,732), Provincial (n = 2,746), Federal (n = 2,761).

Question: How confident are you that the following levels of government are committed to reducing red tape, including unnecessary rules and regulations on your business?

Business owners in Alberta (39%) are, by far, the most confident in their provincial government's commitment to reduce red tape (see Figure 15). Business owners in Quebec (7%) and British Columbia (4%) are least confident in their provincial government's commitment to reduce red tape. Similarly, only about 30% of business owners feel their provincial government understands the impact of operational and regulatory cost pressures, with confidence levels highest in Alberta (58%) and lowest in Quebec (11%).²⁷

Figure 15

Business owners' level of confidence that their provincial government is committed to reducing red tape, by province (% of responses)



Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,746.

Question: How confident are you that the following levels of government are committed to reducing red tape, including unnecessary rules and regulations on your business?

Note: *Results for PEI and NL are based on <40 responses and should be interpreted with caution.

²⁷ CFIB, Your Voice Omnibus Survey - October 2024, October 10-November 7, 2024, n = 2,416. Note: Data for British Columbia and Saskatchewan are not included, as this question was not administered in these provinces due to their ongoing electoral processes.

Effective regulatory reform

Highlights from this section:

- **Essentials of regulatory reform:**
 - Effective red tape reduction relies on three pillars: political leadership, accountability, and constraints on regulators.
 - Top-down commitment, public transparency, and regulatory caps or one-for-one rules are key to achieving sustainable reform.
- **Business priorities for reducing compliance burdens:**
 - Business owners emphasize the need for plain language (80%), fewer regulations (76%), and improved government service (73%).
 - Support for reducing the volume of regulations and calls for faster regulatory decisions underscore the importance of streamlined processes.



Red tape and confusing regulations are the most frustrating and time-consuming part of our business. We also would like red tape [on building projects] to be reduced, as we deal with construction and the regulations are onerous and often delay projects unnecessarily.

- Professional services business owner
Fewer than 5 employees
Ontario

All the laws, rules, and regulations are unclear, open to the interpretations of whoever you are dealing with, and never consistent. It almost feels like they are trying to confuse the issues to entrap you.

- Retail business owner
Fewer than 5 employees
Saskatchewan

Effective regulatory reform that genuinely reduces red tape without undermining essential protections requires three key elements: political leadership, accountability, and constraints on regulators.

Political leadership:

Effective and sustained regulatory reform must be driven from the top, with a political commitment from a leader that is echoed through all departments and agencies (including designated authorities) across government. This top-down commitment ensures alignment, with everyone working toward a common goal of streamlining regulatory processes to make them more efficient and less burdensome for citizens and businesses alike.

Regulatory accountability:

For regulatory reform to be effective, governments must be transparent about their progress and actions, providing the public a way to evaluate how effectively their government is reducing red tape. Internal guidelines and checklists, a feature of many reform initiatives, are not enough. Those proposing additional regulations should not be left to police themselves. Legislating the requirement to report regulatory measures would make it harder for governments to abandon public accountability. CFIB's *Red Tape Report Card* includes a scorecard on Regulatory Accountability governments can use to work toward regulatory accountability.²⁸

Constraints on regulators:

Perhaps the most effective element to achieving regulatory reform is imposing constraints on the regulators themselves. Governments must recognize that business owners have a limited ability to comply with an endless list of regulations. Likewise, governments have a limited ability to enforce regulations. Implementing an upper bound or cap on regulatory costs can ensure that the regulatory burden is kept in check. Such an approach forces regulators to consider alternatives and trade-offs, and to prioritize those regulations that are most important. A regulatory cap could take the form of a reduction target or a target for no net increase in regulatory activity. A one-for-one rule, where one regulatory requirement must be eliminated for every new one introduced, is a good example. Such constraints require a broad-based measure that is reported on regularly.

Specific initiatives to reduce red tape and improve regulatory compliance

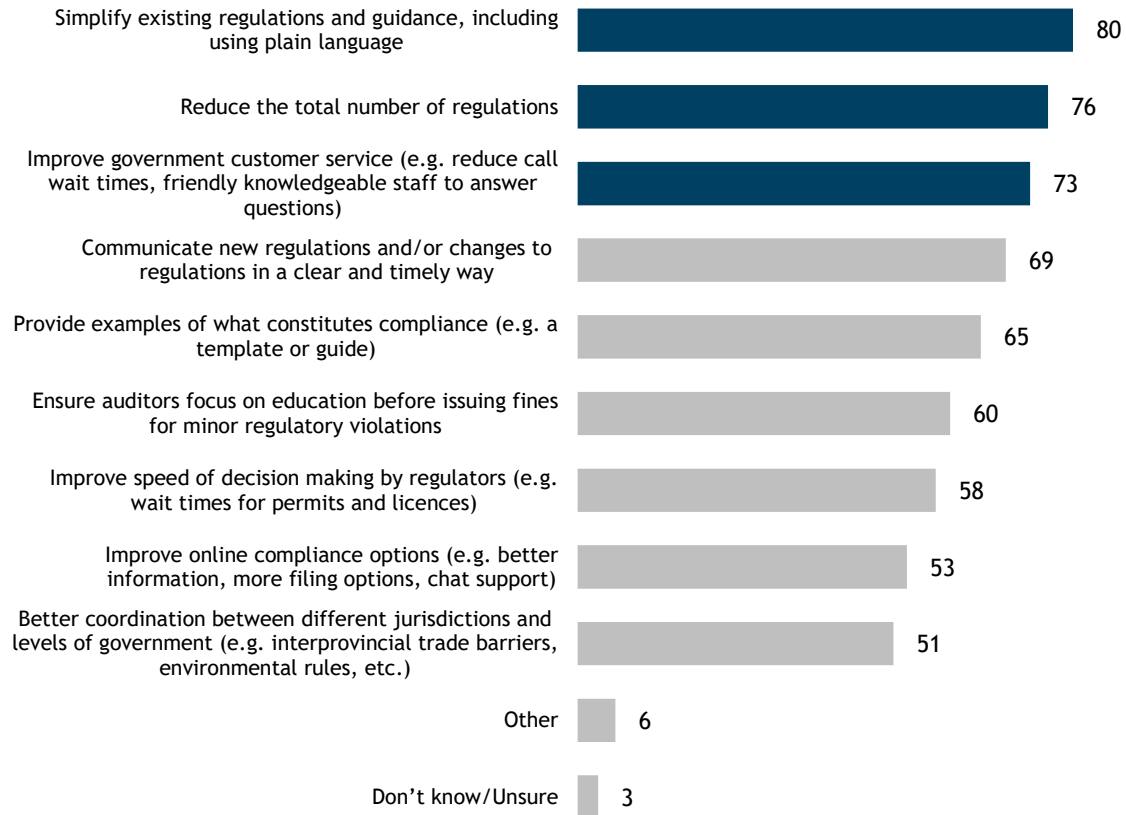
Business owners have emphasized the need for practical, business-friendly reforms to reduce red tape and improve compliance. Their top priorities include using plain language in regulations (80%), reducing the total number of regulations (76%), and enhancing government customer service (73%) (see Figure 16). These priorities are driven by the challenges many business owners face: 74% report receiving conflicting information from different government sources, and only 22% perceive the language used in regulations to be clear and easy to understand (See Appendix C, Figure C.4).

²⁸ CFIB, Provincial Red Tape Report Card, 2024. <https://www.cfib-fcei.ca/en/research-economic-analysis/provincial-red-tape-report-card>

Since 2020, support for reducing the total number of regulations has increased by eight percentage points, likely reflecting increasing frustration with regulatory complexity, scope, and volume. Additionally, 58% of business owners cite the need for regulators to make faster decisions — an eight percentage point increase since 2020 — underscoring the importance of reducing wait times for government approvals such as permits and licences, which can directly impact business operations.

Figure 16

What would help business better comply with regulations (% of responses)



Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,616.

Question: What would help your business better comply with regulations? (Select all that apply)

Conclusion & recommendations

In recent years, Canadian governments have made meaningful strides toward regulatory accountability, with several provinces now regularly measuring, reporting, and even setting targets to reduce the regulatory burden. This progress is a positive foundation for creating a regulatory environment that supports business productivity and growth, ensuring essential protections while minimizing unnecessary burdens. However, more work remains to ease the compliance load on businesses, allowing them to focus on growth and efficiency.

The ten-point plan below offers actionable steps for improving regulatory accountability and reducing red tape, paving the way for a more productive and competitive business landscape across Canada.

Ten-point plan for effective regulatory reform

1) Measure the regulatory burden

Without measurement, there cannot be true accountability. Measuring the regulatory burden is not an easy task since much of the cost of regulation is hidden, indirect, or intangible. Governments should consider the regulatory burden on both businesses and citizens found in legislation, regulation, policy, and forms. Additionally, governments should measure the burden from all government departments, agencies, and delegated authorities to obtain a comprehensive measure.

2) Institutionalize the measure by reporting on it regularly to the public

Real accountability requires ongoing measurement and external oversight. Measures should be tracked over time. Ideally, there needs to be a legislated requirement for ongoing measurement and reporting. Regulation deserves the same level of transparency and debate as taxing and spending.

3) Create a regulatory budget

Businesses and individuals have limited time and money to cope with regulation. If regulators want their rules followed, they must recognize these limits and impose some restraint on their own regulating. Suggested initiatives include a requirement on the part of government to remove a regulatory requirement for every new requirement introduced (a form of cap and trade) and the introduction of criteria to justify new and existing regulations.

4) Make regulatory accountability a political priority and appoint a designated minister

Regulation has a serious impact on the economy, yet, politically, it is usually a low-profile issue. A cabinet-level position should be created (i.e., Minister of Regulatory Accountability or Reform). In the case of municipal governments, a permanent body similar to a standing committee should include designated seats for elected council officials, to ensure political accountability.

5) Simplify regulatory compliance and improve customer service

It is entirely reasonable for business owners and other citizens to expect government agencies to provide consistent timely advice in plain language. Every effort should be made to make language approachable rather than intimidating, unless intimidation is the intent (as could be the case in

extreme non-compliance cases). Additionally, governments should ensure that customer service systems meet the needs of small business owners by providing timely, accurate, and easily understandable support when navigating regulatory requirements.

6) Create permanent avenues for citizens to provide suggestions for red tape reduction

A virtual “suggestion box” allowing citizens to flag red tape for governments is common sense. This would allow departments to understand common challenges and fix small issues quickly.

7) Carefully consider the need for all new regulation and plan for its review

Any proposed regulation should be subjected to scrutiny that includes questioning whether it is needed, ensuring that affected parties are consulted early and often, and that any unintended consequences of the regulation are considered. Regulations that are needed should have clear objectives and a plan for review.

8) Keep compliance flexible and provide basic examples and guidelines for what constitutes compliance and non-compliance

Regulation works best when it is outcome-based rather than prescriptive in nature. This allows businesses to find the most cost-effective ways to comply with rules. However, businesses should also be given some guidelines and examples of what constitutes compliance. This is especially important for smaller businesses that do not typically have the resources to explore different options for the least costly way to comply. For those businesses, having basic guidelines regarding what constitutes compliance is extremely helpful.

9) Improve online options

Being able to do things online can save a lot of time. It is important that online options also provide clear pathways to deal with a live person where needed.

One obvious improvement to digital resources is to allow people to submit government forms through the software their business already uses. For example, businesses said filing HST and GST remittances to the CRA through their accounting software or submitting Records of Employment through their payroll software would save them a lot of time.

10) Improve accountability for regulators by instituting such measures as reverse onus guidelines for timeliness and communication

Often, there is little or no flexibility for business owners when it comes to meeting their compliance/paperwork obligations. Regulators, however, usually have no specific timelines imposed on them for when decisions will be made or permits approved. These asymmetries should be remedied so regulators also have deadlines and suffer consequences when these deadlines are not met, or if advice proves inaccurate or inconsistent.

Appendix A: Methodology

CFIB is a non-partisan organization exclusively representing the interests of 100,000 small and medium-sized businesses in Canada. CFIB's research capacity is second-to-none because it is able to gather timely and concrete information from members about business issues that affect their day-to-day operation and bottom line. In this capacity, CFIB is an excellent source of up-to-date information for governments to consider when developing policies impacting Canada's small business community.

CFIB's Regulation and Paperburden Survey was conducted from July 4, 2024, to September 8, 2024. A total of 2,891 respondents across Canada participated, corresponding to a margin of error of 1.8 percentage points, 19 times out of 20.

CFIB's estimates are intended to be conservative, providing a baseline or "rock-bottom" cost to Canadian businesses for regulatory compliance. The total economic impact on Canada, however, includes numerous other factors and would likely result in significantly higher estimates.

In estimating Canadian regulation costs, answers from 2,230 survey responses were used after filtering and excluding outliers. The following data were captured:

- Hours spent weekly doing paperwork related to regulatory compliance and on other activities related to regulatory compliance (reading, training, verification, time spent with accountants and lawyers). These costs will be referred to as (h).
- Dollars spent annually on professional fees to ensure regulatory compliance (accountants, lawyers, consultants) and on special equipment and renovations solely to comply with regulations. These costs will be referred to as (f).
- Cost of lost sales resulting from regulatory delays or restrictions. These costs will be referred to as (s).

The Canadian regulatory cost estimate was calculated based on data from Statistics Canada's 2023 Survey of Employment, Payrolls and Hours (SEPH), which focuses on payroll administrative records (T4s). In estimating the total number of individuals employed in Canada, SEPH data were used in conjunction with the 2023 Labour Force Survey (LFS). SEPH only includes businesses with employees, while the LFS includes the unincorporated self-employed and incorporated self-employed without employees.²⁹ To capture the unincorporated self-employed portion of the labour force (with and without paid help), data were extracted from the LFS. Although employee data are also available from the LFS, SEPH data were used over LFS data since more reliable income and employment data were available. It was also assumed that all unincorporated self-employed belonged to the first employment size category (fewer than 5 employees) as most unincorporated businesses are either sole proprietorships or partnerships. As in previous iterations of the report, incorporated self-employed individuals without employees were excluded. This ensures consistency in the methodology and allows for comparability of total cost across different years.

²⁹ Statistics Canada, Guide to the Survey of Employment, Payrolls and Hours, March 28, 2024. Accessed on November 6, 2024. <https://www150.statcan.gc.ca/n1/pub/72-203-g/72-203-g2024001-eng.htm>

Canadian employee hourly wage rates (w) were calculated using SEPH and LFS data. Hourly wage rates for employees in the private sector were derived based on average weekly earnings from SEPH by size of business and average actual hours worked weekly (for all jobs) from the LFS by province. SEPH data for industry sectors deemed mainly as public sector (utilities, education, health, public administration) were excluded.

The basic equation used to calculate the total annual cost of regulation for businesses in our sample is:

Hours (h) x weekly wages (w) x 52 + professional fees and required spending (f) + net cost of lost sales (s).

Total weekly hours spent on paperwork by employees and employers were assumed to be at least 1 hour a week. Weekly hours spent on paperwork per employee were assumed to be less than 30 hours a week.

Required spending amounts in the past two years were then divided by 2 to obtain annual required spending costs. Professional fees and spending on equipment were restricted to be equal to or less than \$10,000 and \$6,000, respectively, per employee per year. Based on CFIB survey results, 39.0 per cent of respondents reported a minor impact on sales (5 per cent or less lost in weekly sales) due to delays caused by regulations, while 17.5 per cent of respondents reported a major impact on sales (6 per cent or more lost in weekly sales), resulting in a lost sales margin of 2.0 per cent. The net cost of lost sales due to regulatory delays was then calculated by multiplying the lost sales margin obtained from the survey results by the annual wages paid to employees of the businesses surveyed and by the 2022 “national total net income or loss to total labour expenses” ratio for business enterprises obtained from Statistics Canada’s Financial and Taxation Statistics for Enterprises publication.³⁰

The survey sample was divided into five categories. The number of employees includes the business owner.

n_1 = Fewer than 5 employees

n_2 = 5-19 employees

n_3 = 20-49 employees

n_4 = 50-99 employees

n_5 = 100 or more employees

This allows us to estimate the cost of regulation per employee (CE) for each business size using the following general equation:

$$CE = \sum [(h_{ij} \times w_{ij}) \times 52 + f_{ij} + s_{ij}] / \sum e_{ij}$$

³⁰ Statistics Canada. Table 33-10-0498-01, Balance sheet, income statement and taxation statistics with selected financial ratios, by total of all industries. Retrieved on August 23, 2024.

where:

i = the i^{th} business from a total of 2,230 cases

j = the j^{th} size category from a total of 5 categories

h_{ij} = hours spent weekly performing regulatory paperwork in business i and residing in size category j

w_{ij} = average hourly wage rate in business i and residing in size category j

f_{ij} = annual amount spent on professional fees and required spending related to compliance in business i and residing in size category j

s_{ij} = annual net cost of lost sales in business i and residing in size category j

e_{ij} = number of employees in business i and residing in size category j

To determine the total cost for all Canadian businesses, the national cost per employee for each business size (CE) was multiplied by the total number of employed individuals in Canada belonging to that business size. Regulatory costs were aggregated across the five size categories to obtain an estimate of the total cost (TC).

$$TC = \sum (CE_j \times N_j)$$

where:

j = The j^{th} size category from a total of 5 categories

CE_j = cost of regulation per employee for size category j

N_j = total number of employees in Canada working for businesses in size category j

Provincial total regulatory costs were calculated in a similar fashion using the provincial cost per employee for each business size. However, for cases where there were insufficient data (fewer than 20 respondents) for a business size category, the national regulatory cost per employee was used in place of the provincial cost per employee. Provincial employment figures for particular sectors were estimated due to data suppression in SEPH.

Treatment of inflation

The total regulation costs for 2014, 2017, and 2020 were converted to 2024 dollars using annual Consumer Price Index (CPI) data from Statistics Canada (Table: 18-10-0005-01, retrieved on August 23, 2024). The provincial and national CPI data for 2024 were estimated using the year-to-date monthly average of CPI data available for January through July (Table: 18-10-0004-01, retrieved on August 23, 2024).

Changes in methodology

Professional fees and spending limits

- 2020: Limits were restricted to be equal to or less than \$5,000 each per employee per year.
- 2024: Limits were updated to \$10,000 for professional fees and \$6,000 for equipment spending per employee per year. This change in methodology was made to adjust for inflation and account for the increase in median costs.

Required spending amounts

- 2020 & earlier reports: The questions on required spending amounts, professional fees, and lost weekly sales due to regulatory delays covered the past three years and were then divided by 3 to obtain annualized costs.
- 2024: In this iteration, the timeframe was changed to the past two years, with the data now divided by 2 to obtain the annualized costs. This adjustment was made to provide a more accurate reflection of current costs.

Changes in data sources

- The initial *Statistics Canada's Financial and Taxation Statistics for Enterprises* data series, used in the previous iteration of the report, was archived in 2021 and replaced with a new version. To maintain consistency in the methodology, previous components were replaced with their updated counterparts. For instance, the value for wages, salaries, and employee benefits was replaced with total labour expenses, and net profit was updated to net income or loss. While some changes are noticeable, this is the most up-to-date (2022) approximation of previous components, as the latest available data from the archived series is from 2019.

Other notes

Because provincial costs per employee and provincial employment were applied for provincial cost estimations, the provincial costs do not add up to the national cost estimate. Provincial estimates were adjusted proportionally to add up to the national cost estimate. Although the territories are not presented separately, the Northwest Territories, Nunavut, and Yukon are included in the national cost estimate.

Certainly, there exist additional costs related to complying with regulation that are difficult to quantify. Since this report excludes such additional costs, the national cost estimate presented is conservative. If included, these additional costs would inflate the current estimates even more. For example, costs linked to lost innovation, productivity, and economic activity as a consequence of excess and inefficient regulations are unaccounted for in this report but would contribute significantly to the burden of regulation.

Appendix B: Survey

Regulation and Paperburden 2024

Survey intro: The cost of regulation includes time and money spent complying with government rules (e.g. figuring out what rules apply to your business, filling out forms, paying accountants and other outside consultants, and dealing with audits and inspections). Red tape includes excessive government regulation (i.e. unfair, overly costly, poorly designed, or contradictory rules and regulations) and poor government customer service. To continue to show governments that reducing red tape is important, we need your point of view!

Your answers will remain strictly confidential and will only be published in an aggregate form.

Heading: **Regulations at different levels of government**

Question 1 intro: The following questions will focus on the burden of federal, provincial, and municipal regulations on your business.

1. Which federal government regulations are most burdensome to your business in terms of time and money spent on compliance? (Select as many as apply)

- Payroll taxes (CPP/QPP, EI)
- Record of employment (ROE)
- Goods and Services Tax, Harmonized Sales Tax (GST/HST)
- Income taxes (personal and corporate)
- Border and trade rules (e.g. exporting, importing, paperwork)
- Agriculture (crop production, animal production, fishing)
- Immigration and Temporary Foreign Workers (e.g. applicant processing time, Labour Market Impact Assessment (LMIA) application process)
- Environment (e.g. pollution and waste, nature, science, and technology)
- Transport (e.g. trucking regulations)
- Business registration, reporting requirements
- Statistics Canada (e.g. surveys)
- Selling to government (procurement)
- Other (Please specify)
- None of the above (cannot be combined)

2. Which provincial government regulations are most burdensome to your business in terms of time and money spent on compliance? (Select as many as apply)

- Employment standards
- Workers' compensation, occupational health and safety
- Business registration, reporting requirements
- Provincial Sales Tax, Harmonized Sales Tax (PST/HST)
- Other tax compliance
- Consumer protection
- Health permits and inspections
- Environment (e.g. agriculture and farming, energy, waste, and recycling)
- Financial (e.g. insurance, securities, banking)
- Liquor, tobacco, and cannabis
- Food inspection and restaurant inspections (can also be municipal)
- Selling to government (procurement)
- Other (Please specify)
- None of the above (cannot be combined)

3. Which municipal government regulations are most burdensome to your business in terms of time and money spent on compliance? (Select as many as apply)

- Business licensing
- Building and renovation permits
- Parking by-laws (e.g. paid parking minimums, mandatory parking stalls)
- Garbage and recycling
- Water and sewage
- Property assessment (can also be provincial)
- Land use and development
- Sign by-laws
- Property tax and business tax (where applicable)
- Selling to government (procurement)
- Other (Please specify)
- None of the above (cannot be combined)

4. How important is it to you that the following levels of government are committed to reducing red tape, including unnecessary rules and regulations on your business?

(Select one for each line)

	Very important	Somewhat important	Not very important	Not important at all	Don't know/Unsure
Federal government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My provincial government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My municipal government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. How **confident** are you that the following levels of government are committed to reducing **red tape**, including unnecessary rules and regulations on your business?

(Select one for each line)

	Very confident	Somewhat confident	Not very confident	Not confident at all	Don't know/Unsure
Federal government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My provincial government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
My municipal government	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

6. Considering all regulations pertaining to your business (e.g. labour standards, tax, health and safety, sector rules, etc.), **typically** how many hours per week do you and your staff spend? (Enter approximate hours per week)

Approximate hours/week

a. Filling out forms and doing government-related paperwork?

b. Ensuring that your business complies with all existing regulations: reading, training, verification, administration, time spent with accountants and lawyers?

7. How much does your business **typically** spend **annually** on accounting software and professional fees (e.g. accountants, lawyers, consultants) to ensure regulatory compliance?

(Enter approximate \$ amount per year)

\$, , . 00

8. During the **past two years**, how much money did your business spend on special equipment, renovations, etc. solely to comply with regulations?

(Enter approximate \$ amount spent in past two years)

\$, , . 00

9. During the **past two years**, what impact have delays caused by regulations (e.g. waiting on permits, etc.) had on your business?

(Select one answer only)

- No impact or have not experienced any delays
- Minor impact (5% or less lost in weekly sales)
- Major impact (6% or more lost in weekly sales)

10. Roughly what percentage of your business's regulatory burden could governments reduce, simplify or eliminate without sacrificing the public interest (i.e. health and safety, environmental objectives)?

(Please insert approximate percentage)

%

11. What would help your business better comply with regulations?

(Select as many as apply)

- Simplify existing regulations and guidance, including using plain language
- Communicate new regulations and/or changes to regulations in a clear and timely way
- Provide examples of what constitutes compliance (e.g. a template or guide)
- Reduce the total number of regulations
- Improve government customer service (e.g. reduce call wait times, friendly knowledgeable staff to answer questions)
- Improve speed of decision making by regulators (e.g. wait times for permits and licences)
- Improve online compliance options (e.g. better information, more filing options, chat support)
- Ensure auditors focus on education before issuing fines for minor regulatory violations
- Better coordination between different jurisdictions and levels of government (e.g. interprovincial trade barriers, environmental rules, etc.)
- Other (Please specify)
- Don't know/Unsure cannot be combined

12. If the cost of regulations (time and money spent complying) were reduced, how would your business most likely use the savings?

(Select as many as apply)

- Increase employee compensation (e.g. wages and benefits)
- Invest in employee training
- Hire additional employees
- Expand our business (e.g. innovate, increase production, add stores/products)
- Increase owner(s) dividends/salary
- Increase charitable donations
- Lower or maintain prices
- Pay down our business debt
- Get back some valuable time (e.g. to concentrate on growing my business, improve my work-life balance)
- Invest in automation (e.g. acquire machinery, tools, payroll software)
- Use as a rainy-day fund (emergency fund)
- Invest in our digital presence (e-commerce, advertising)
- Other (Please specify)
- Don't know/Unsure cannot be combined

13. To what extent do you agree or disagree with the following statements?
(Select one for each line)

	Strongly agree	Somewhat agree	Somewhat disagree	Strongly disagree	Don't know/Not applicable
Excessive government regulations significantly reduce my business's productivity and ability to grow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Excessive government regulations add significant stress to my life	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Given the current burden of regulation, I would not advise the next generation to run a business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Too often, government has big business in mind more than small business when creating regulations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The language used on government forms, documents and websites is clear and easy to understand	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
At times I receive conflicting information when dealing with government (e.g. from different government staff or between a person and online)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

14. Who is the **primary** person responsible for managing your business's books to ensure it completes all administrative compliance requirements (e.g. managing expenses, recording sales, workers' compensation, GST/HST/ PST, payroll, etc.)?
(Select one answer only)

- Business owner(s) and/or in-house non-accounting professional (e.g. family member, employee) manages them
- A hired accounting professional (internal or external) manages them
- Other (Please specify)
- Don't know/Unsure

(Final Comments)

Do you have anything else to share? Positive and/or negative experiences your business has had with regulation or regulators (streamlining processes, inspectors, auditors, etc.), for example, are extremely helpful when meeting with government.

May we contact you about the feedback you shared?

- To give us permission, please check this box.

Pop-ups:

Red tape: Red tape includes excessive government regulation (i.e. unfair, overly costly, poorly designed, or contradictory rules and regulations) and poor government customer service.

Excessive government regulations: Unfair, overly costly, poorly designed, or contradictory rules and regulations

Appendix C: Additional data

Table C.1

The cost of regulation by province, 2014, 2017, 2020, and 2024 (in millions, 2024 dollars)

	2014	2017	2020	2024	% Change 2020-2024
British Columbia	6,719	6,584	7,334	8,313	13.3
Alberta	5,875	5,469	5,446	5,856	7.5
Saskatchewan	1,402	1,367	1,275	1,548	21.5
Manitoba	1,555	1,453	1,469	1,571	7.0
Ontario	18,988	18,525	17,710	20,445	15.4
Quebec	10,295	8,518	9,708	10,908	12.4
New Brunswick	820	810	761	874	14.9
Nova Scotia	1,061	1,001	998	1,225	22.8
Prince Edward Island	170	176	187	226	21.0
Newfoundland and Labrador	628	538	480	524	9.1
Canada	47,496	44,459	45,358	51,491	13.5

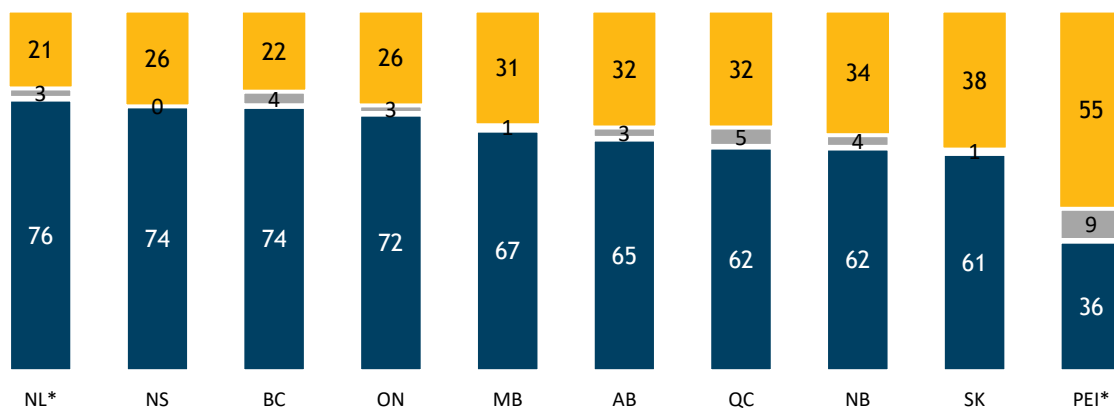
Sources: Calculations based on CFIB's Survey on Regulation and Paperburden (conducted in 2014, n = 6,644; conducted in 2017, n = 5,838; conducted in 2020, n = 4,603; conducted in 2024, n = 2,230) and data from Statistics Canada.

Note: While we do not provide a breakout for the Territories, their cost is included in the overall cost for Canada.

Figure C.1

Given the current burden of government regulation, I would not advise the next generation to run a business, by province (% of responses)

■ NET Agree ■ Don't know/Not applicable ■ NET Disagree



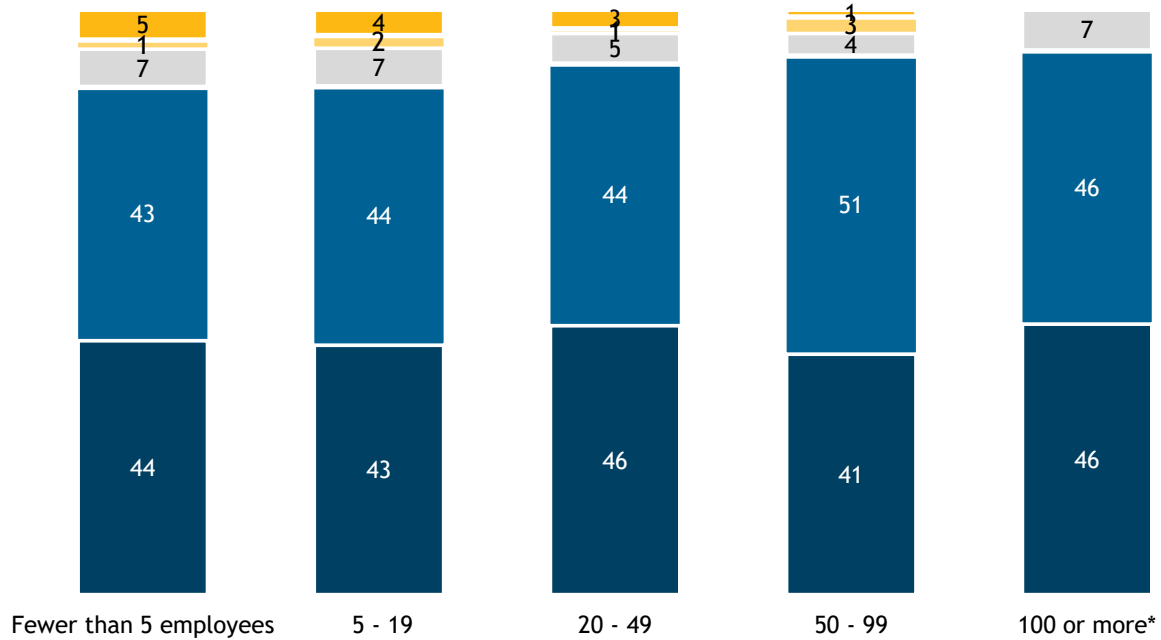
Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,545.

Note: *Results for PEI and NL are based on <40 responses and should be interpreted with caution.

Figure C.2

Excessive government regulations significantly reduce my business's productivity and ability to grow, by size of business (% of responses)

Strongly agree Somewhat agree Don't know/Unsure Somewhat disagree Strongly disagree



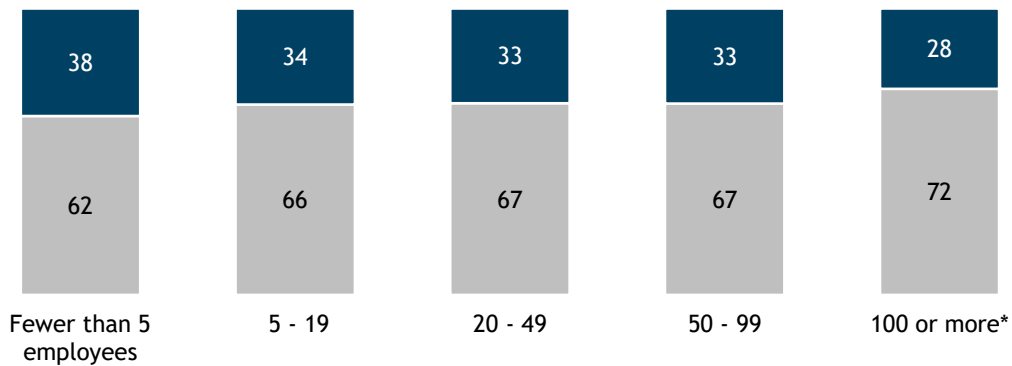
Source: CFIB, Regulation and Paperburden Survey, 2024, n = 2,552.

Note: *Fewer than 40 responses and should be interpreted with caution.

Figure C.3

Share of regulation attributed to red tape, by size of business

Red Tape Necessary Regulation



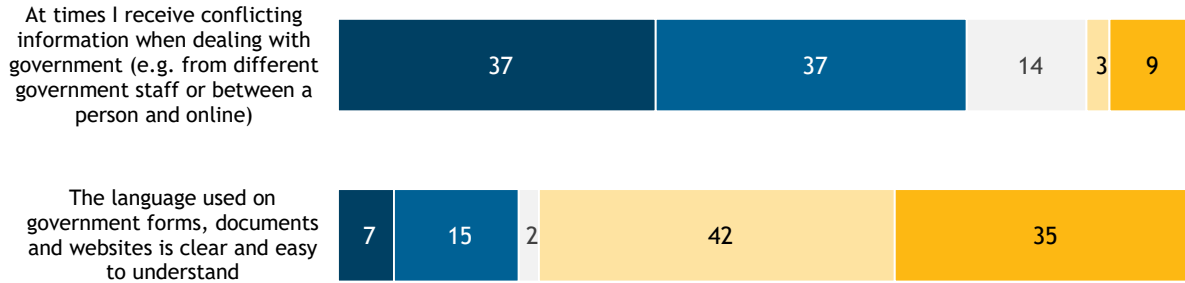
Source: CFIB, Regulation and Paperburden Survey, 2024, n = 1,622.

Note: *Fewer than 40 responses and should be interpreted with caution.

Figure C.4

Government customer service needs improvement

■ Strongly agree ■ Somewhat agree ■ Don't know/Not applicable ■ Somewhat disagree ■ Strongly disagree



Source: CFIB, Regulation and Paperburden Survey, 2024, First subject (n = 2,546), Second subject (n = 2,549).

