



# Red Tape Survey

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# Surrey Board of Trade

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## WHO WE ARE

The Surrey Board of Trade supports, promotes, and advocates for commercial and industrial interests of Surrey businesses — the city’s economic drivers. With Surrey’s rapidly growing significance in the Lower Mainland, the role of the Surrey Board of Trade has never before been more important to champion a strong vibrant business community.

## OUR MEMBERSHIP

Surrey Board of Trade is a powerful link between business, government, and community with a membership of nearly 2,500 businesses and organizations, large and small, representing over 6,000 member contacts and 60,000 employees.

## WHAT WE DO

Since 1918, the Surrey Board of Trade provides businesses and organizations with

1. Economic opportunity
2. Workplace development and education
3. International trade
4. Government advocacy
5. Business connections

Members can further expand their client base with our numerous networking opportunities throughout the year. And we provide multiple levels of opportunity for members to promote their brand through business-to-business engagement.

## ADVOCACY

We are an independent voice of business that develops positions on relevant topics of concern to our members. We do, at times, partner with government stakeholders and other business organizations at local, regional, provincial and federal levels if it serves the purpose of supporting our members.

No individual can succeed alone, nor any business can thrive without colleagues and support. The Surrey Board of Trade is here to help you. With our many connections with government representatives, we will advocate on your behalf.

## PURPOSE OF SURVEYS

The Surrey Board of Trade periodically implements surveys, either voluntary opt-in or scientifically rigorous, on a range of topics. Member participation is voluntary and anonymous, however, the data is an invaluable tool for our advocacy and policy development.

We thank all those who give a few minutes of their time to provide information and direction on our surveys, as well as those volunteers who assist in their design and analysis.

Surrey Board of Trade	2
Contents	3
Introduction	5
Executive Summary	6
Summary of Responses	7
Overview of Results	8
Appendix I – Respondents in Detail	15



The Surrey Board of Trade has long had a policy advocating for the reduction of red tape, defined as excessive bureaucracy or routines or rules, or complexity, which results in delay or unreasonable costs for business. Filing forms and applying for licenses are a part of doing business, however, we want to ensure that it isn't onerous on our members.

This survey is intended to provide a baseline of member experiences from which the Surrey Board of Trade can measure improvement over time. The survey is voluntary, whereby members can opt-in to the link provided. Several emails introducing the survey were sent to the membership as a whole from mid- to end of November; advocacy team members were specifically invited to participate. The preliminary results announced at the Development Industry Forum on December 1, 2017 in conjunction with a press release of a summary of findings.

The Surrey Board of Trade will conduct the Red Tape Survey annually to track improvements where they occur and identify concerns as they arise for our members. Specifically,

- To gain a deep understanding of our members' regulatory burden
- To establish a baseline for future reference
- To determine any actions, recommendations, or policies that may be required, and
- To add to our body of knowledge that will lead to better regulation and lower costs for businesses and taxpayers.

The Red Tape Survey was inspired by and worked on by both the Finance and Taxation Team and the Development & Land Use Team. Several other Surrey Board of Trade advocacy teams were invited to review the draft and provide comment.



## Executive Summary

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Over 80% of Surrey Board of Trade member respondents found regulatory requirements of all levels of government had a moderate to major impact on their daily operations. Similarly, nearly 80% of the respondents indicated that there are opportunities to streamline reporting and make it less of a burden.

As this is the first annual survey, there are no previous comparatives by which to determine whether these figures indicate a worsening of impact or a marked improvement. However, respondents were asked to consider that past 2 years when rating their levels of impact.

The report provides a summary of findings as well as a more detailed overview based on the questions asked. Roughly half to two-thirds of those responding rated a number of agencies and regulatory requirements as having moderate to high levels of red tape: CRA, PST, WorkSafe BC, gaining credit, applying for special grants, dealing with licenses, and accessing information.

What was most concerning is the very low rating for communication across all levels of government. Local government fared better than their counterparts, but not by much. It was clear from the responses that red tape hurdles could be overcome with better, clear language communications, easier accessibility to online forms and needed information, and a definite reduction of duplication across all agencies.

The list of agencies is not exhaustive, but based on the advice and direction of several advocacy teams' members. Several items were pointed out as potentially helpful in future surveys: job creation programs and temporary foreign workers.

Below are Surrey Board of Trade's recommendations to governments. Given that half of our respondents are finding regulatory compliance to impede innovation and growth, it is not unreasonable to consider that it may likewise create disincentives for the broader business community.

### RECOMMENDATIONS

As a result of what our members indicated in both their responses and the voluntary additional comments, the Surrey Board of Trade recommends

- That all levels of government improve their consultation strategies with businesses, particularly if they are changing programs or developing new regulations
- That all levels of government improve their online service portals and call centre services, using clear language for instructions and ensuring relevant links are up to date and working
- That governments streamline and/or share their information gathering technology to minimize duplication
- That governments reduce, where possible, the number of times businesses must report the same information

## Summary of Responses

Impact of compliance	80% reported <i>moderate to major</i> impact on business to comply
Time taken to comply	44% respondents spend 1–5 hours per week
Most costly stage of compliance	35% respondents found preparing the information to be costly 27% reported understanding the obligations in the first place to be costly 58% of respondents identified reporting same information to different agencies to be costly
Financial costs of compliance	52% respondents determined that overall costs have increased in last 2 years 41% found applying for credit to be a <i>high</i> cost 67% found licenses and enforcing contracts to have <i>moderate to high</i> costs
Taking time to comply	59% respondents found the time taken to comply has increased in the last 2 years 68% found licensing to be <i>moderate to highly</i> time consuming 68% rated applying for special grants to be <i>moderate to high</i>
Filing taxes	59% found paying taxes to be <i>moderate to high</i> cost of business 66% rated paying taxes to be <i>moderate to high</i> 38% took 1 –15 hours to complete their last tax return
Agencies with the most red tape	85% identified Canada Revenue Agency to have <i>moderate to high</i> levels of red tape 75% found City Engineering services (all) to be <i>moderately to highly</i> challenging 69% found there was <i>moderate to high</i> levels of red tape with PST 63% found <i>moderate to high</i> levels of red tape with building / construction permits 62% found WorkSafeBC to have <i>moderate to high</i> levels of red tape
Impediment to innovation	52% respondents reported that compliance is <i>somewhat to definitely</i> an impediment to making changes that would grow their businesses
Measures that would reduce red-tape	85% identified improving accessible web-based reporting as probably to definitely helpful 78% suggest agencies share information to reduce duplication would probably to definitely be helpful 67% identified better communications with businesses would definitely help when developing or changing regulations



## Overview of Results

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### BUSINESS EXPERIENCE WITH REGULATORY REQUIREMENTS

Businesses are in the business of doing business and anything that takes away from such focus is a hindrance. Compliance with regulations is recognized as a cost of doing business. However, it should not be costly in either time or money. Our members say it is.

Complying with government regulations has a moderate to high impact to 80% of respondents, with 44% spending 1 to 5 hours per week on paperwork unrelated to the daily operation of their business.

Impact on business of complying with government regulatory requirements	
Major impact	38%
Moderate impact	42%
Minor impact	19%
No impact	0%

Time spent per week on complying with government (all levels) regulatory requirements	
Less than 1 hour	19%
1 – 5 hours	44%
6 – 10 hours	7%
11 – 20 hours	11%
More than 20 hours	15%
None, I outsource the services	3.7%

NOTE: All percentages have been rounded; therefore totals may not be 100%



Preparing the information in order to comply with government regulations at all levels was identified by 35% of our respondents as being the most costly. Understanding what was required of them was costly to just over a quarter of our respondents.

Nearly two-thirds find themselves reporting the same information to different agencies. This is a clearly identified need for improvement to streamline online data collection and reporting.

### Most costly stage of compliance

Understanding the obligations	27%
Preparing the information	35%
Submitting the information	12%
Dealing with the follow-up	11%
Not sure	10%
Other	4%

### Reporting the same information to different government agencies

Yes	58%
No	23%
Not sure	19%



## REGULATORY COMPLIANCE RATED

In both time and cost, respondents have noticed a marked increase in the past 2 years. This is seen by 26% of the survey respondents as an impediment to innovation and growth. Several agencies are identified as having moderate to high levels of red tape that are costly in both time and expense.

### Overall compliance with government regulations in last 2 years

	Cost	Time
Increased	52%	59%
Stayed the same	26%	23%
Decreased	7%	4%
Not sure	15%	14%

### Compliance with regulations preventing business from making changes to grow

Yes	26%
Somewhat	25%
No	23%
Not sure	26%

### Time spent on last tax return

1 – 4 hours	18%
5 – 15 hours	20%
16 – 30 hours	11%
31 – 50 hours	4%
More than 50 hours	12%
None, I outsourced the services	26%
N/A	10%

Respondents were asked to rate various business activities requiring regulatory compliance. They indicated that “getting credit” rated *high* for both cost (41%) and time (46%). Five areas rated from *moderate to high* by 55% to 70% of respondents for both cost and time:

- 67% found “dealing with licenses” and “enforcing contracts” to be costly; while 68% found “licenses” to be *time consuming*, and 65% rated “contracts” *moderate to high* for time
- 59% found “employing workers” and “paying taxes” to be costly; rating time for “workers” at 63%, and “taxes” at 66%
- 68% rated “applying for grants” at *moderate to high* for time, and 58% for cost

Area of compliance	High		Moderate		Low		N/A	
	Cost	Time	Cost	Time	Cost	Time	Cost	Time
Starting a business	19%	23%	48%	38%	11%	12%	22%	27%
Applying for grants <sup>1</sup>	31%	32%	27%	36%	15%	8%	27%	24%
Dealing with licenses	33%	38%	34%	31%	26%	23%	7%	8%
Employing workers	34%	31%	25%	32%	30%	30%	11%	8%
Registering a property	21%	27%	26%	23%	19%	19%	33%	31%
Getting credit	41%	46%	15%	19%	19%	20%	26%	15%
Protecting Investors	22%	32%	23%	24%	14%	12%	41%	32%
Paying taxes	37%	31%	22%	35%	30%	27%	11%	8%
Trading across borders	18%	27%	30%	26%	12%	8%	41%	38%
Enforcing contracts	30%	38%	37%	27%	14%	15%	19%	19%
Closing a business	19%	20%	11%	8%	12%	12%	59%	60%

<sup>1</sup> Special Purpose grants



Respondents were asked to identify and rate government agencies for levels of red tape. The Canada Revenue Agency (CRA) was identified by 85% of respondents as having *moderate to high* red tape requirements. The Provincial Sales Tax was second with 69% of respondents ranking it *moderate to high*. The Engineering department was first for local government red tape, with 75% respondents ranking it *moderate to high*, followed by “building and construction” at 63%. This is likely due not all respondents are in the construction industry or requiring building licenses.

They were also asked to identify agencies that were not listed but should be included in future red tape surveys. The Federal job creation programs were identified as being onerous with little reward for employers.

Regulatory authority or agency	High	Moderate	Low	N/A
Canada Revenue Agency (CRA)	54%	31%	15%	0%
Canadian Border Services Agency (CBSA)	29%	23%	8%	42%
Provincial Sales Tax (PST)	23%	46%	12%	19%
BC Business Registry	15%	42%	31%	12%
My LTSA – Land Titles Directory	12%	27%	19%	42%
BC Assessment	15%	38%	27%	19%
WorkSafeBC	27%	35%	23%	15%
Workers Compensation Board (WCB)	21%	25%	21%	33%
<b>Local Government:</b>				
Building & construction permits – all <sup>2</sup>	48%	15%	7%	30%
Building & construction – inspections	41%	15%	14%	31%
Building & construction – fees	40%	14%	15%	30%
Building & construction – public hearings	42%	12%	8%	38%
By-law & licensing – Business Licenses	33%	26%	19%	22%
By-law & licensing – all others	38%	15%	16%	30%
Engineering Services – all	50%	15%	4%	31%
City services (sanitation, waste, water)	37%	19%	18%	26%
City online services	22%	26%	30%	22%
Property tax / payment services	15%	19%	37%	30%
Complaints & resolutions	30%	11%	29%	30%

<sup>2</sup> “All” encompasses from submission to completion of a project

## GOVERNMENT COMMUNICATIONS

No level of government received high ratings for good communications. In fact, the results indicate a serious communication disconnect between governments and the business community.

Local government did receive over 50% by those who found the desired information after a moderate amount of searching. Provincially, this dropped to 48%. 37% of respondents indicated an increased amount of time searching for Federal information in order to keep up to date.

Businesses are spending time searching for information in order to comply with various regulations. Governments will need to improve their outreach strategies in order to ensure businesses are aware of what is required of them, especially if changes are made. There is great opportunity to improve communications to businesses at all levels of government.

### Effective communication with businesses

	Federal	Provincial	Local
Good communication, I am aware of new developments and reviews	3%	4%	8%
I spend some time searching but information is available	44%	48%	52%
I spend a lot of time searching in order to keep up to date	37%	28%	22%
Inadequate. I rarely know about new developments and reviews	9%	8%	11%
Not sure	7%	12%	7%



## REDUCING RED TAPE

Nearly 80% of Surrey Board of Trade members who responded to the survey indicate that there is much that governments can do to streamline all the reports that businesses have to do in order to comply with the regulations that government impose.

Respondents were asked to rate a number of possible recommendations to government, and given the opportunity to provide their own if they wished. The top three choices in order are:

- Better communication and consultation with businesses, especially when developing new regulations
- Improve accessibility of web-based reporting
- Reduce duplicate reporting by having agencies share information

Opportunity to streamline reporting	
Yes	77%
No	4%
Not sure	19%

	Definitely	Probably helpful	Possibly helpful	Not really	No impact	Not sure
Reduce the frequency of reporting requirements to a minimum	59%	15%	0%	11%	3%	12%
Agencies share information and ensure there are no duplicate requirements	60%	18%	4%	0%	4%	14%
Better communication and consultation with businesses, especially when developing new regulations	67%	11%	15%	4%	0%	3%
Improve accessibility of web-based reporting	63%	22%	3%	0%	4%	7%
One agency, which collects all required information	58%	12%	19%	0%	4%	8%

## APPENDIX I – Respondents in Detail

Over 55% of the respondents identified themselves as employers.

### RESPONDENTS BY NUMBER OF EMPLOYEES

Employees	
Sole contractor or consultant	8%
1 to 5 employees	37%
6 to 10 employees	11%
11 to 50 employees	19%
51 to 100 employees	7%
Over 100 employees	18%

### RESPONDENTS BY INDUSTRY – TOP 10

Industries, as per NAICS	
Professional, Scientific and Technical Services	25%
Services (except Public Administration)	18%
Real Estate and Rental and Leasing	11%
Manufacturing	10%
Health Care and Social Assistance	8%
Retail Trade	7%
Educational Services	4%
Construction	4%
Public Administration	3%
Management of Companies and Enterprises	2%



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