



Red Tape Survey Report

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BUSINESSINSURREY.COM

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1. INTRODUCTION

WHO WE ARE

The Surrey Board of Trade supports, promotes, and advocates for commercial and industrial interests for Surrey businesses — the city's economic drivers. With Surrey's rapidly growing significance in the Lower Mainland, British Columbia and across Canada, the importance of the Surrey Board of Trade's role to champion for a strong vibrant business community, and to instigate change at the different levels of government.

OUR MEMBERSHIP

Surrey Board of Trade is a powerful link between business, government, and community with a membership of nearly 3,000 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. International trade
3. Government advocacy
4. 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.

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

We thank all those who gave a few minutes of their time to provide information and direction on Surrey Board of Trade's surveys.

We advocate for red tape reduction, defined as excessive bureaucracy, routines, 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 is the third red tape survey that captures member experiences from which the Surrey Board of Trade can measure improvement over time. Several emails introducing the survey were sent to the membership as a whole from end of July to early October. The results are announced at the annual Surrey Development Industry Forum in conjunction with a press release of a summary of findings.

The Surrey Board of Trade conducts 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 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 Surrey Board of Trade’s Finance and Taxation Team and the Development & Land Use Team.

2. EXECUTIVE SUMMARY

More than 46% of respondents identified as employers. Over 71% 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, which is a reduction from the 2018 survey by 16%.

Below are recommendations made by the Surrey Board of Trade to governments. Given that our respondents are finding regulatory compliance to impede innovation and growth, it is reasonable to consider that it may likewise create disincentives for the broader business community.

RECOMMENDATIONS

Consistent with what our members have indicated for both 2017 and 2018, the Surrey Board of Trade recommends:

1. That governments reduce, where possible, the number of times businesses must report the same information;
2. 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, and;
3. That governments streamline and/or share their information gathering technology to minimize duplication.

Impact of compliance	71.79% reported moderate to major impact on business to comply
Time away from business	53.85% of respondents spend 1–5 hours per week complying with government regulatory requirements
Most costly stage of compliance	23% respondents found preparing the information to be costly 18% reported understanding the obligations in the first place to be costly 18% of respondents identified professional fees as being costly
Financial costs of compliance	67% respondents determined that overall costs have increased in last 2 years 15% found paying taxes to be costly
Time taken to fill out forms	64% respondents found the time taken to comply has increased in the last 2 years
Filing taxes	28% found paying taxes to be moderate to high cost of business 25.64% now outsource income tax return filing

38.5% of respondents take between 5-50 hours to file taxes

Agencies with the most red tape

44.7% identified Canada Revenue Agency to have moderate to high levels of red tape

30.3% rated the PST with moderate to high levels of red tape

29.42% found WorkSafe BC as having moderate to high levels of red tape

Measures that would reduce red-tape

74.4% identified agencies sharing information and making sure there are no duplicate information requirements would probably to definitely help

79% suggest improving accessibility to web-based reporting would probably to definitely help reduce time of compliance

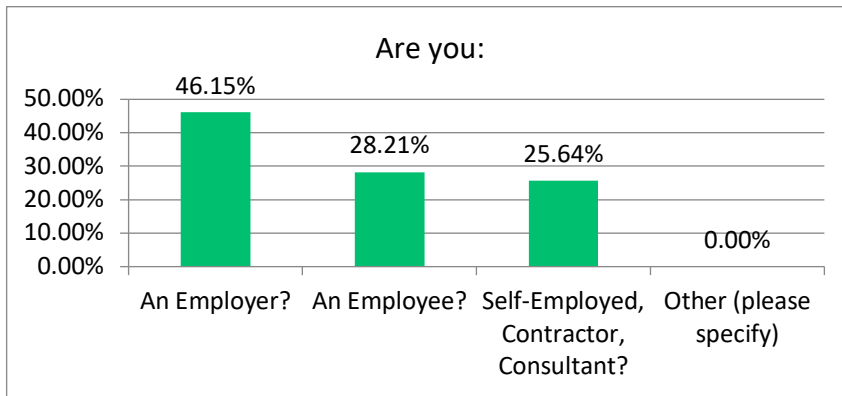
79.5% also identified better communication and consultation with businesses when developing new regulations would probably to definitely help

3. RESULTS SUMMARY

The responses from the respondents will be discussed in this section. There are some questions that will not be fully explored but are available in the appendix. As with 2017 and 2018, a survey was released in late July to the Surrey Board of Trade’s membership.

Question 1

Respondent’s role in the workforce

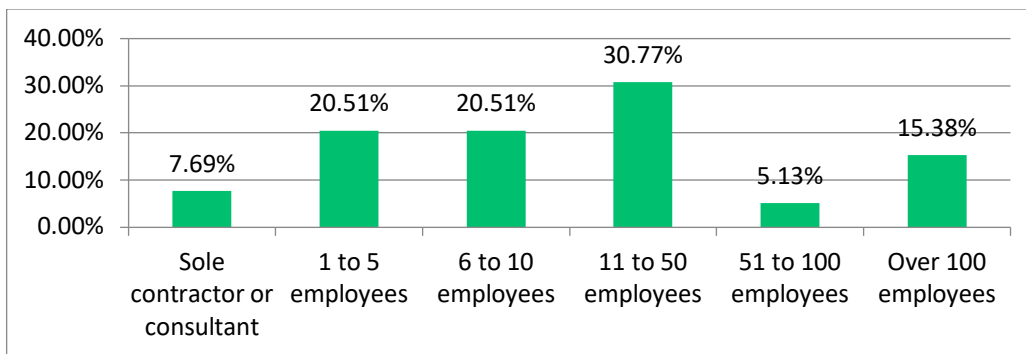


In each survey the Surrey Board of Trade releases, we initially ask a priming question to ensure that the results are indicative of the labour community. There are many businesses that are members ranging from sole contractors to employing hundreds, if not thousands, of people.

Question one asks whether the respondent is an employer, an employee, self-employed, or other. In this graph, it is clear that there were no other responses – usually indicating that the individual is unemployed. It is apparent that the respondents are involved in the labour pool in some fashion and therefore qualified to answer the questions within this survey.

Question 2

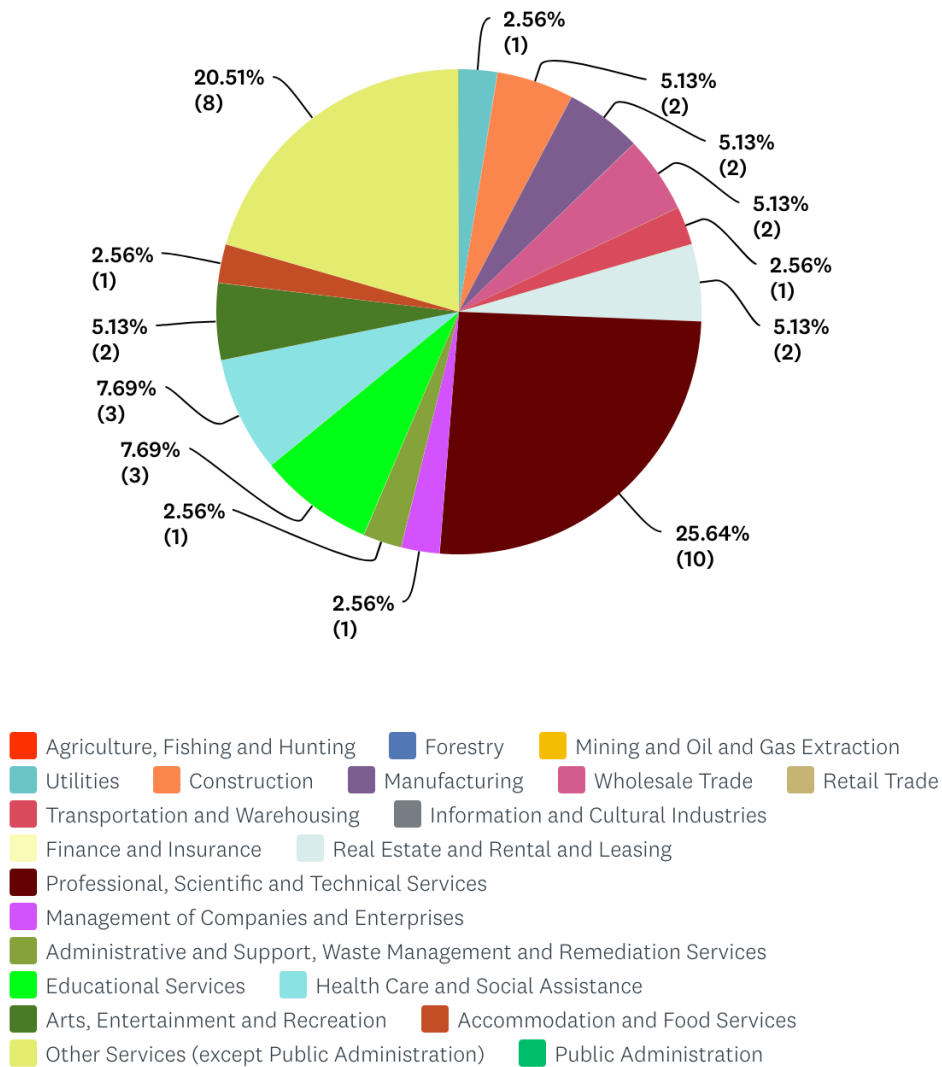
How many individuals are employed by your company?



The majority of the respondents belonged to organizations with 11 to 50 employees. This is indicative of the labour market within Surrey, and Surrey Board of Trade’s membership. The majority of businesses in Surrey are small to medium sized businesses. These answers include full time, part time, casual, temporary, and regular contractors.

Question 3

Which category would best describe your company?¹



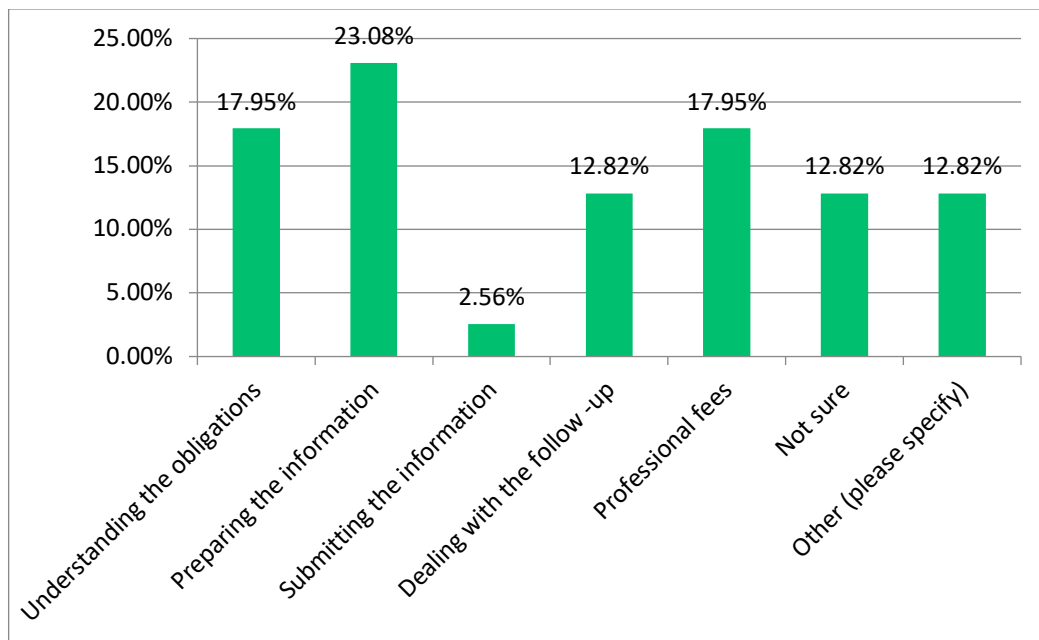
The largest number of respondents at 25.64% are in the Professional, Scientific and Technical Services. This category consists of people such as engineers, computer system designers,

¹ NAICS based choices

accounting and tax service providers, and payroll services, among other professions. As it is the largest number of respondents, it is indicative that this industry faces the most red-tape and sees businesses – from small to large – face issues when it comes to overly bureaucratic processes.

The next highest respondents come from Finance and Insurance service providers. Again, these industries have many businesses as a customer base and understand how limiting red tape is when it comes to remaining competitive. Additionally, they have insight into the burdensome nature of filing taxes and filling forms.

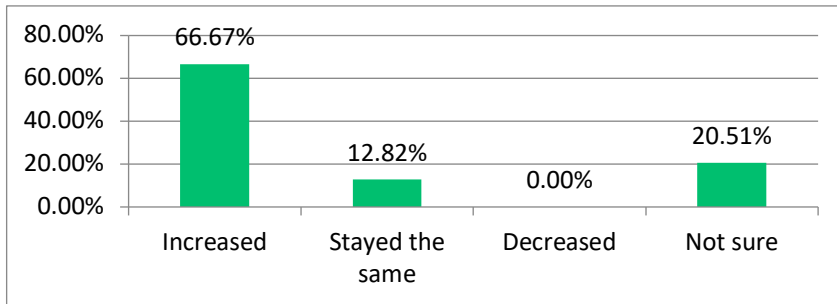
Question 6
 Most costly stage of compliance



The costliest stage of compliance with regulatory requirements are preparing the information. Interestingly enough, of the 12.82% that chose other, four out of five specified that all of the options were equally costly.

Question 8

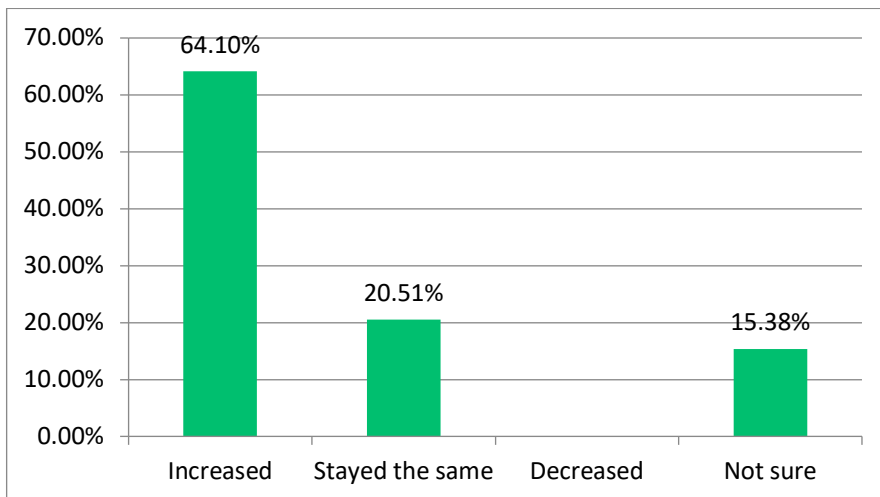
Overall cost of compliance with government regulations in last 2 years



An overwhelming number of respondents indicated that cost of compliance has increased in the last 2 years. This is consistent with the surveys since 2017. There have been more regulations implemented ranging from permits, environmental assessment practices, consultation practices, and taxes. No respondent indicated that cost of compliance has decreased.

Question 9

Overall time it takes to comply with government regulations in last 2 years

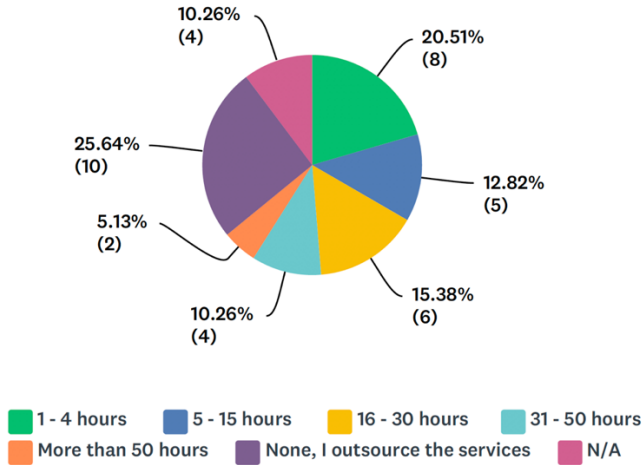


As with the cost with compliance, the time it takes to comply has increased, according to membership. The business community is unable to innovate or scale up if they are continuously hammered with new and increasingly complicated regulations and red tape.

The members that experience the high amounts of red tape include the construction and the professional services sector. The latter as a result of the work they do on behalf of the businesses that employ them, and the former as a result of increasingly onerous bureaucratic procedures.

Question 10

Time spent on last business income tax return



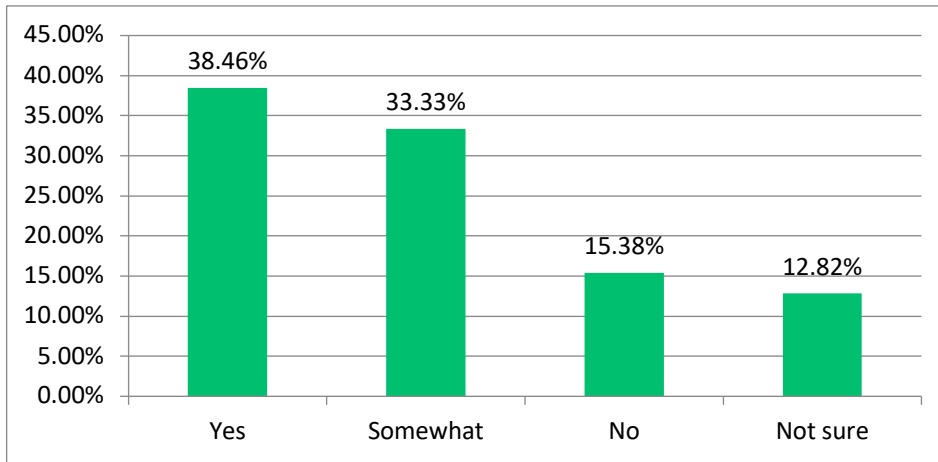
Many of the respondents are now outsourcing the work to complete income tax returns. This may be seen as a boon for the government as jobs are being created and time is being allocated to innovate and grow the business. There is, however, still a large majority of SMEs that cannot afford to outsource. This results in over 71% that spend between 1-30 hours completing business income tax returns.

Interestingly enough, of all of the respondents, only 4 (10.26%) do not file business income tax returns. This could mean that there are only 4 respondents that are not business owners, further validating that this survey is an accurate portrayal of the business community's experience with red tape and regulatory burden.

The government must innovate their way that income taxes can be filed. There are many SMEs that are suffering as a result of this overburden.

Question 11

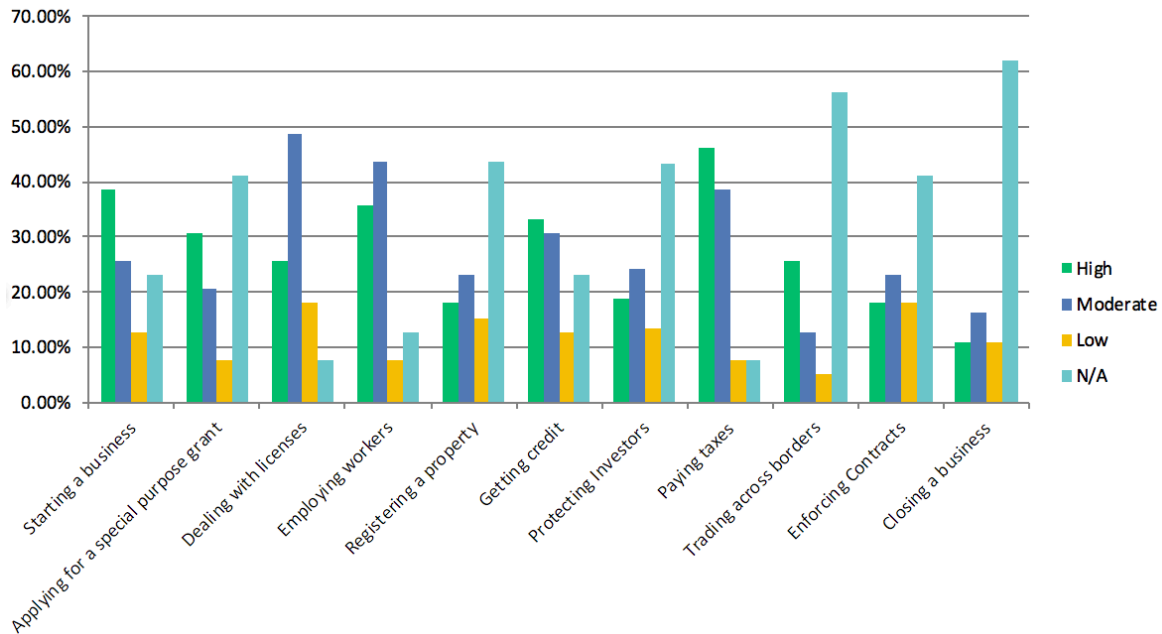
Regulatory requirement, compliance and business growth



In this question, respondents were asked if regulatory requirements prevent their businesses from growing. Although regulations are a necessary part of business and doing business, there is room for cutbacks. If regulations hinder growth, governments need to take a look at policy and assess whether the regulations are impeding growth and Canada’s competitive edge in a globalized market. Assessing our regulations against that of other countries is a necessary part of global growth and driving investment.

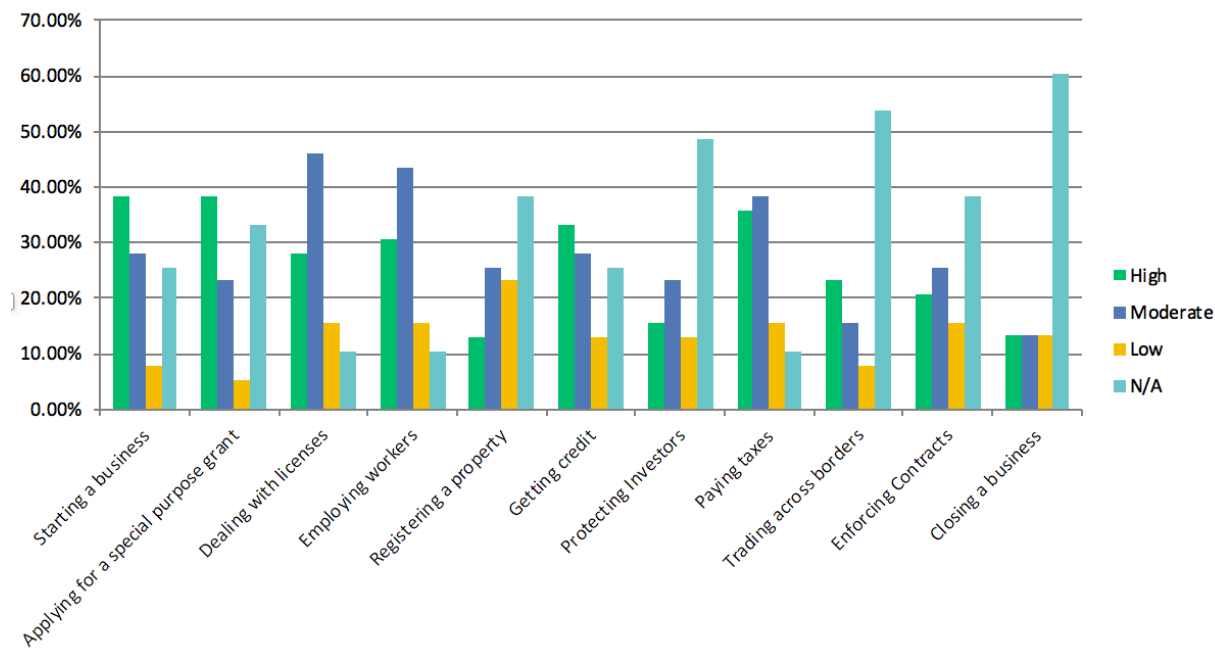
Question 12

Cost of compliance



Respondents were asked to rate the options in how costly it is to comply. The options given were high, moderate, low, and not applicable. It is evident that the cost of compliance for starting a business and dealing with licences is incredibly burdensome. But the factor that negatively affects businesses in terms of cost is paying taxes. Over 84% of respondents found that paying taxes results in a moderate to high cost.

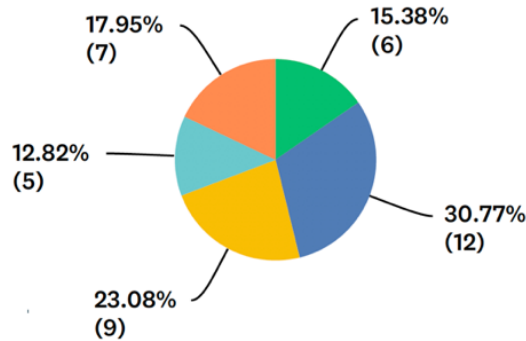
Question 13 Compliance Time



Respondents were asked to rate how long it takes to comply with the options listed from high, moderate, low, and not applicable. The respondents indicated that starting a business takes the most time to comply with regulations and bureaucratic red tape. Additionally, as with the cost of compliance, many felt that paying taxes was time consuming. Governments can see that there is opportunity to increase innovation and growth in the business community by creating efficiencies in reporting and paying taxes.

Question 14

Communication effectiveness with federal government



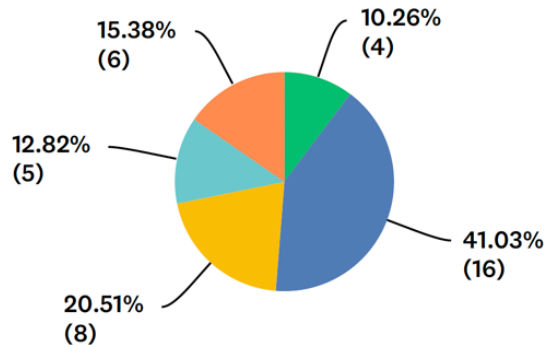
- Good communication, I am aware of new developments and reviews
- I spend some time searching but information is available.
- I spend a lot of time searching in order to keep up to date
- Inadequate communication, I rarely know about new developments and reviews
- Not sure

The federal government is the best equipped to disseminate knowledge when compared to local and provincial governments. The federal government has the most capital available to provide information and can provide information to provinces and municipalities, that would then disseminate it further using their own communication mechanisms.

There are, however, shortcomings. The fact that over 17% of the respondents were unsure about the effectiveness of the federal government’s communication proficiency reveals that the government still needs to improve their capabilities. Additionally, over 35% of respondents found the communication inadequate or had to spend a lot of time searching to keep up to date.

Question 15

Communication effectiveness with provincial government

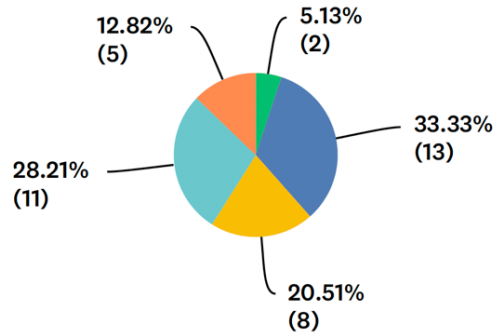


- Good communication, I am aware of new developments and reviews
- I spend some time searching but information is available.
- I spend a lot of time searching in order to keep up to date
- Inadequate communication, I rarely know about new developments and reviews
- Not sure

At the provincial level, a large majority believe the government is relatively effective at disseminating information. Over 51% believe that information is readily available or that the government is effective at communicating information. This is a relatively impressive showing but inadequate to ensure that businesses have the tools to effectively scale up. There are those that believe the government could be more effective – over 35%. Government at the provincial level should continue to research ways to disseminate information broadly other than news blasts that not everyone subscribes to or is even aware of.

Question 16

Communication effectiveness with local government



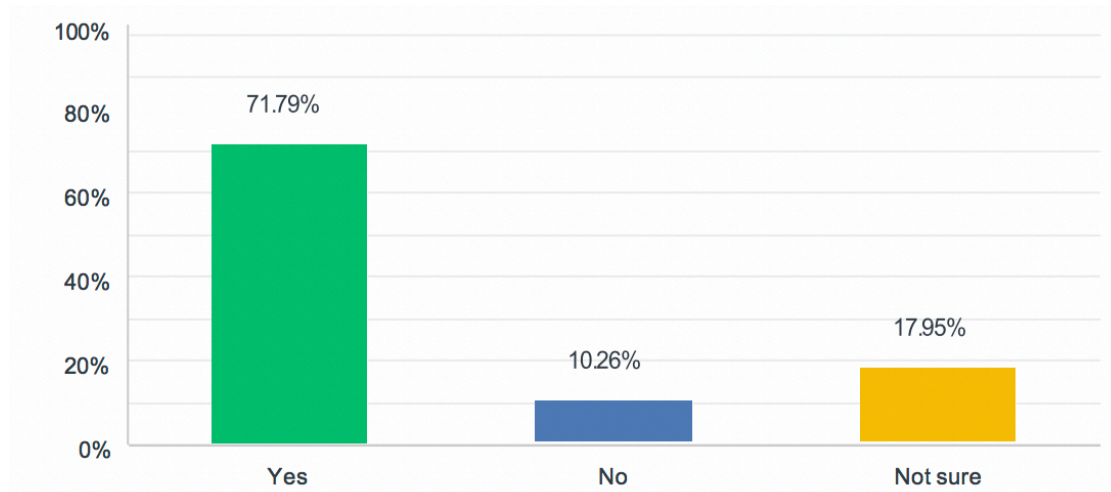
- Good communication, I am aware of new developments and reviews
- I spend some time searching but information is available.
- I spend a lot of time searching in order to keep up to date
- Inadequate communication, I rarely know about new developments and reviews
- Not sure

Local government needs to improve in their communication capabilities. Only 5% of the respondents believed that the local government was effectively communicating. Over 50% of respondents spend some to a lot of time researching information. This includes using the internet, making phone calls, and going to local government offices in person. There is also a large number of respondents that believe the local government is inadequate in communicating effectively.

There are ways to relay information more effectively other than through email and the newspaper. The local government could utilize transformative information transfer processes such as signs along major highways and roadways. Many cities have large electronic billboards that display real-time information.

Question 17

Opportunity to streamline reporting and make it less of a burden on business



The government has an issue with redundancy and inefficiency. There are many options to create efficiency. Such solutions include streamlining, utilizing technology effectively, and improving the lines of communication.

The respondents of this year's survey indicated in overwhelming numbers that there is an opportunity to streamline reporting. Although there were some that were unsure whether streamlining reporting would alleviate burden, it may be attributed to the fact that there were some respondents who were employees and do not deal with the reporting aspect. Additionally, the 10% that indicated streamlining would not create less of a burden indicates how far government needs to go to actually alleviate the burden.

Question 18

Greatest impact on reducing the cost of compliance

	1 - Definitely!	2 - Would probably help	3 - Possible	4 - Not really	5 - No impact	Not sure
Reduce the frequency of reporting requirements to a minimum	58.97%	10.26%	20.51%	0.00%	0.00%	10.26%
Agencies sharing information and making sure there are no duplicate information requirements	53.85%	20.51%	17.95%	0.00%	0.00%	7.69%
Better communication and consultation with businesses when developing new regulations	48.72%	30.77%	12.82%	0.00%	0.00%	7.69%
Improving accessibility of web-based reporting	52.63%	26.32%	10.53%	2.63%	2.63%	5.26%
One agency which collects all required information	47.37%	23.68%	13.16%	5.26%	0.00%	10.53%

Respondents were asked which of the above options would reduce the cost associated with compliance to regulations. The respondents were able to rate these options on a scale of one to five with one definitely helping and five having no impact. The respondents were also able to indicate if they were unsure of the impact.

Communication between government and businesses is key to reducing the cost of compliance. According to 79.49% of respondents, reducing the cost of compliance can be accomplished by better communication and consultation with businesses when developing new regulations.

Improving accessibility of web-based reporting came as the second most selected option that could reduce the cost of compliance. Many government websites, including that of the City of Surrey, are currently undergoing remodelling. It would be imperative to businesses that all updates are customer focused. There are many individuals who have issues with utilizing web-based platforms for various reasons and being inclusive to those needs is an asset as well.

Question 19

Level of red tape in dealing with federal and provincial regulatory authorities

	High	Moderate	Low	N/A
Canada Revenue Agency (CRA)	56.41%	35.90%	5.13%	2.56%
Canadian Border Services Agency (CBSA)	30.77%	15.38%	10.26%	43.59%
PST	21.05%	50.00%	13.16%	15.79%
BC Business Registry	7.69%	38.46%	30.77%	23.08%
My LTSA - Land Titles Directory	7.89%	21.05%	18.42%	52.63%
BC Assessment	7.89%	26.32%	36.84%	28.95%
WorkSafeBC	28.95%	36.84%	21.05%	13.16%
Workers Compensation Board (WCB)	25.64%	33.33%	15.38%	25.64%

Over 92% of respondents indicated that the Canada Revenue Agency (CRA) have moderate to high levels of red tape at the federal level. The unnecessary audits, the time it takes to gather information, and the difficulty in getting answers from the CRA is a hinderance on business and economic growth.

There were over 71% of respondents that specified the Provincial Sales Tax (PST) as overly onerous on businesses at the provincial level. The need to continuously report every few months to the provincial government takes time away from the businesses ability to innovate and grow.

In summation, Surrey’s business community needs to have the provincial and federal taxation system simplified to be more efficient. There are opportunities for innovation and with the advancement of technology, the process can become cost effective.

Question 20 Level of red tape in dealing with various local government regulations

	High	Moderate	Low	N/A
Building & Construction Permits - From submission to completion	36.84%	13.16%	5.26%	44.74%
Building & Construction - Inspections	34.21%	21.05%	2.63%	42.11%
Building & Construction - Fees	28.95%	21.05%	2.63%	47.37%
Building & Construction - Public Hearing Process	32.43%	18.92%	5.41%	43.24%
By-Law & Licensing Forms - Business Licenses	21.05%	39.47%	21.05%	18.42%
By-Law & Licensing Forms - All Others	18.42%	34.21%	15.79%	31.58%
Engineering Services - All	16.22%	29.73%	5.41%	48.65%
City Services (Sanitation, Waste, Water)	13.16%	31.58%	15.79%	39.47%
City Online Services	5.26%	42.11%	28.95%	23.68%
Property Tax/Payment Services	5.41%	27.03%	40.54%	27.03%
Complaints & Resolutions	23.68%	31.58%	21.05%	23.68%

The building and construction industry in the local economy is at a standstill. Close to 50% of respondents indicated building & construction permits from submission to completion as having moderate to high levels of red tape. This is indicative of the conversations we have heard from our development community. There is little incentive and high costs for building in Surrey, specifically, which are then pushed onto the consumer. These issues exacerbate the housing crisis in the Lower Mainland.

Over 55% of respondents indicated a moderate to high level of red tape for inspections. Inspections are time consuming and difficult to arrange with local bylaw officers. Additionally, these inspections can vary based on the inspector a builder meets – what is acceptable for one inspector is inadequate for another. There is a high level of bureaucratic discrepancies in this indicator.

Overall, the red tape on the local level associated with building is leading to housing insecurity. The majority of the results lead to high costs. These costs drive prices up and must be adjusted.

3. CONCLUSION

The Surrey Board of Trade concludes that Surrey's business community, as well as local, provincial and federal governments have much to gain from reducing red tape. The business community is unable to innovate or scale up if they are continuously hammered with new and increasingly complicated regulations and red tape. The members that experience the high amounts of red tape include the construction and the professional services sector.

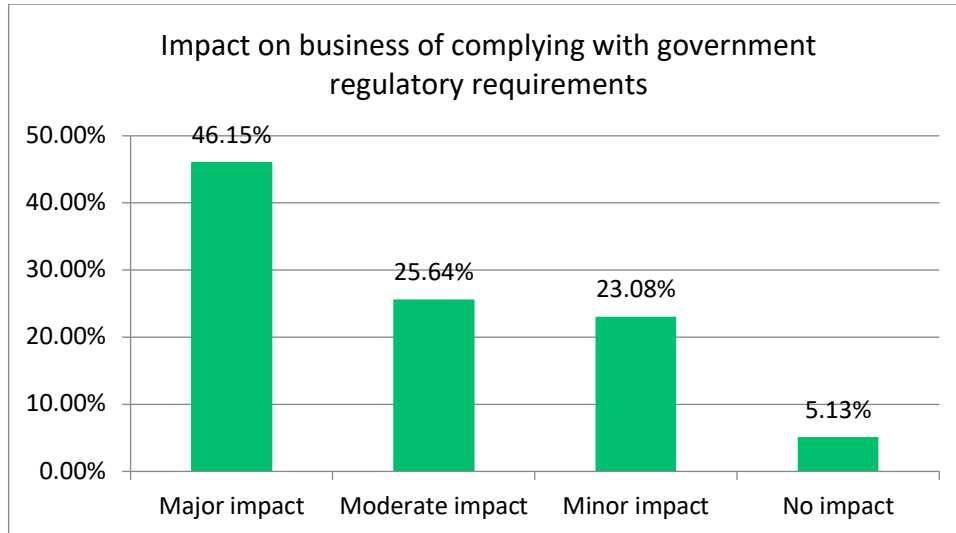
An overwhelming number of respondents indicated that cost of compliance has increased in the last 2 years.

Many respondents are now outsourcing the completion of income tax returns. There is, however, still a large majority of SMEs that cannot afford to outsource. The government must innovate the way that incomes taxes can be filed, and how data is collected as SMEs are suffering as a result of this overburden. Governments can see that there is opportunity to increase innovation and growth in the business community by creating efficiencies in reporting and paying taxes.

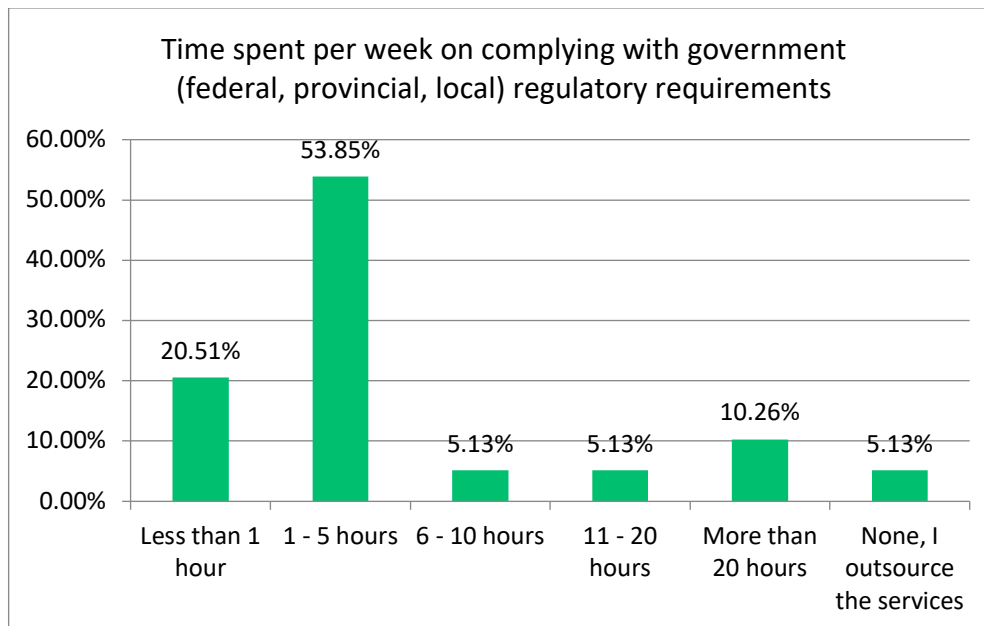
Canada's competitive edge is dwindling. In light of a looming recession, our competitive edge is only growing weaker. It is for this reason that the Surrey Board of Trade calls on the political leaders of the local, provincial, and federal governments to take action and preserve the economy.

Appendix

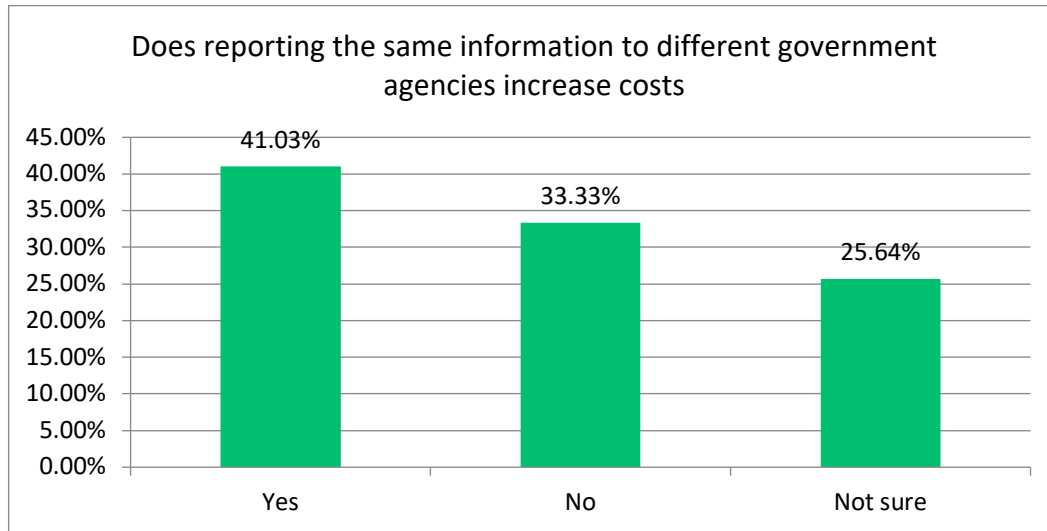
Question 4



Question 5



Question 7



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