



Project ART – Addressing Red Tape

Sector Roundtable Annual Report

In Partnership with:

- Tourism Industry Association of Prince Edward Island;
- PEI Chapter of the National Farmers Union and Prince Edward Island Federation of Agriculture; and
- Canadian Federation of Independent Business



National Farmers Union
Union Nationale des Fermiers



CFIB Powered by Entrepreneurs.



Message from the Minister



In 2013, the Government of Prince Edward Island made a commitment to address the concerns of the public, industry, and stakeholders, as it pertains to regulatory burden, commonly referred to as red tape. The reason for this government-wide movement is to create a streamlined and modern regulatory environment that allows citizens and businesses to operate as efficiently and effectively as possible.

For many, this is your first introduction to Project Addressing Red Tape, referred to herein as Project ART. It is my hope that the awareness of this government-wide movement builds with each small step we take towards realizing our regulatory visions which will increase PEI's economic and business competitiveness without compromising public health, safety, or the natural environment.

The Project ART Sector Roundtables are engagement exercises that bring together industry and government to recognize, understand, and solve unnecessary burdens imposed on businesses by Government, of which, three will be resolved. The structure of the Roundtables allows industry to consult on and put forward key priority irritants that they encounter when doing business with Government and collaboratively Government will address them.

I would like to take this opportunity to thank the Tourism Industry Association of Prince Edward Island, the PEI Federation of Agriculture, the National Farmers Union, and the Canadian Federation of Independent Business for participating in our sector roundtable initiatives. The staff of these organizations worked cohesively with their membership and Government to make our Sector Roundtables a success.

The Government of Prince Edward Island is committed to red tape reduction and we look forward to introducing you to additional initiatives of Project ART as we work alongside our stakeholders to improve services to citizens and business owners.

A handwritten signature in black ink, reading "J. Heath MacDonald". The signature is fluid and cursive.

Honourable J. Heath MacDonald
Minister,
Economic Development and Tourism





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Introduction to Project ART

“Government is committed to having stream-lined regulatory processes that enable our economic and business competitiveness interests, without compromising public health, safety or the natural environment.”

*Speech from the Throne
Fall 2013*

About Project ART

Project Addressing Red Tape (ART) is a government-wide initiative of the Province of Prince Edward Island that streamlines processes to support economic and business competitive interests, including to:

- Develop collaborative relationships between Government and key business stakeholders;
- Initiate a citizen-centered regulatory reform process;
- Reduce duplication through bundling of information;
- Develop a regulator’s code of practice; and
- Work to improve customer service by eliminating unnecessary rules, processes, and non-essential steps.

Vision

A modern, stream-lined regulatory environment that increases PEI’s economic and business competitiveness without compromising public health, safety or the natural environment.

Guiding Principles

- To support economic competitiveness and growth in PEI.
- To provide superior client service.
- To champion small and medium business.
- To create streamlined and smarter government-to-business services and regulations.
- To protect the public interest.
- To encourage greater productivity and innovation across/within government ministries.
- To encourage consideration for regulatory alternatives.

Introduction to Sector Roundtables

One of the ways Project ART is improving relationships with business is through Sector Roundtables, which establish open dialogue and collaborative relationships between Government and business stakeholders.

Sector representatives are asked to identify six priorities under the jurisdiction of the provincial government that would strengthen their sector's success, if addressed. Government has two months to address three of these priorities, or explain why they cannot be addressed and deliver alternative solutions. This joint understanding of priorities allows Government and the business sector to work together, more effectively, to generate economic growth, create jobs, and protect the public interest.

Project ART is responsible for working with the ministries to ensure progress and resolution of each sector's issues within appropriate timelines.

Project ART has introduced the Sector Roundtables initiative to:

- Establish open dialogue and collaborative relationships between Government decision-makers and key business stakeholders;
- Improve awareness of the monetary and time impacts on business operators when complying with Government regulations;
- Make quick and responsive adjustments to Government processes and to eliminate burden to business and to improve the client experience;
- Minimize burdens on Island businesses;
- Identify solutions;
- Promote smarter regulatory practices; and
- Encourage business to government connections.

In 2015–16, Project ART worked on three Sector Roundtables with the following industries and representing organizations:

Industry	Partnering Organization(s)
Tourism	Tourism Industry Association of PEI
Farming	PEI Chapter of the National Farmers Union, Prince Edward Island Federation of Agriculture
Small and Medium Business	Canadian Federation of Independent Business

Sector Roundtable Criteria

Sectors are asked to consider irritants that comply with four pieces of criteria:

1. Zero Financial Cost to Government

A central guideline of the Sector Roundtable is that all solutions must result in zero new cost to Government. The focus should be on changing the way Government does business and interacts with the sector, rather than changes to funding or tax regimes.

2. Program and Process Focus

Generally, any priority requests which require legislative changes are considered out of scope in order to respond within the 60 day period; however, changes to provincial programs and processes to reduce burdens and barriers are encouraged.

3. Feasibility in 60 days

The 60 day timeline ensures Government responds as quickly as possible.

4. Must be Within Provincial Jurisdiction

All priorities put forward by the sector must be under the jurisdiction of the province of Prince Edward Island. Opportunities for further discussion on how the province may assist in issues/irritants that fall outside their jurisdiction can be arranged.

Agriculture Roundtable

Industry Overview

The Government of Prince Edward Island was pleased to work collaboratively with the agriculture sector through the PEI Chapter of the National Farmers Union (NFU), and the Prince Edward Island Federation of Agriculture (PEIFA) to remove burdens and to improve the client interaction and experience.

The agriculture and agri-food industry on Prince Edward Island is facing an exciting future. The success of 'buy local' initiatives; the growing popularity of PEI as a culinary destination; and the expansion of products into new Asian markets, have presented the sector with significant opportunities for growth. At the same time, the sector faces a number of challenges—attracting and maintaining skilled labour, diversifying into specialty markets, acquiring capital, and adapting to climate change.

Government's priority is to continue working with the farm sector to grow the industry, and in doing so, influence the contribution that agriculture, agri-food, and agri-processing can have on the provincial Gross Domestic Product.

Agriculture on Prince Edward Island operates in a complex environment of demographic changes, new consumer expectations, and expanding competition from international markets. Recent data indicates that PEI is meeting these challenges and growing:

- Realized net income increased by 24 per cent between 2012 and 2013;
- The seeded area of oilseeds increased 85 per cent between 2005 and 2014;
- Farm cash receipts were valued at \$497.0 million in 2013, an increase of 3.0 per cent and an all-time high;
- The value of agri-food exports increased by 22 per cent from 2013 to 2014; farm products and seafood were the major components;
- The Department of Agriculture and Fisheries has partnered with the PEI Watershed Alliance on a Model Watershed Pilot Project designed to better protect our environmental assets;
- To enhance PEI's reputation as a source for premium food products and a destination for culinary excellence; government departments and industry stakeholders are collaborating on the development of a Food Innovation Strategy; and
- Finally, farming enterprises on Prince Edward Island are generating growth in our local economy. In 2013, 3,800 people were employed in the agriculture industry.

Maintaining a profitable agriculture industry on Prince Edward Island remains a key goal, and the Province will continue to collaborate with industry and Government partners to support the agriculture and agri-food industry to become the most competitive and productive in the world.

Partnering Organizations The National Farmers Union

The National Farmers Union is a direct-membership organization made up of Canadian farm families who share common goals. Every member of the farm family—including children ages 14 to 21—are full voting members of the Union. This structure recognizes that every family member contributes to the farm by working on it directly or indirectly through off-farm employment.

Member families of the Union believe that through an organization that represents all commodities produced in Canada, it is possible to promote the family farm as the most appropriate and efficient means of agricultural production. Our goal is to work together to achieve agricultural policies which will ensure dignity and security of income for farm families while enhancing the land for future generations.

Associate members are also a valued part of the National Farmers Union family. Associate members are non-farmers who understand that food issues are everyone's concern, and who want to help family farmers build a sustainable and nutritious food system in Canada.

The PEI Federation of Agriculture

The PEIFA is a non-profit, democratic organization of Island farmers, working together for the betterment of primary producers. The organization speaks to issues that are not commodity-specific, but affect all Island farmers.

The Board of Directors of the Federation is comprised of one representative from each of the commodity and agriculture organizations. The Federation also elects, to the Board, two farmers from each county who are non-organizational representatives. The Federation Board tackles policy issues that impact the competitive and sustainable nature of the industry and takes an active role in advancing the needs of PEI's agricultural community at the local, regional, and national levels.

The Federation has a trained and competent staff that is dedicated to offering members services that help them be competitive in today's tough economic climate. The PEIFA is the largest general agricultural organization in PEI with a membership of over 80 per cent of all registered producers, drawn from all commodities.



Agriculture Irritants and Solutions

Policy Changes

1 *"When policy changes are being contemplated which will affect farmers, there needs to be consultation with both farm organizations. If a change in policy or legislation is to be made, all bona fide farmers must be notified of the change by means of a letter mailed to them."*

Industry Impact

It takes time for a farm owner/operator to remain informed of policy, legislation and any changes to these, as they may arise. These changes may require preparation and/or changes to existing processes to remain compliant. Policy and legislation changes can result in additional cost and operation time for owner/operators and advance notice of these changes provides the farmer with lead time to prepare.

Government's Response

From this date forward, the Department of Agriculture and Fisheries will issue a statement to the NFU and PEIFA, for distribution to their membership, explaining change(s) to programs, processes, or pieces of legislation that fall under the jurisdiction of said department, and that significantly impact agriculture, agri-food, or agri-processing businesses operated by bona fide PEI farmers. This information will also be made available on the Department's website, www.peifarm.ca.

Application for Marked Gasoline and/or Marked Diesel Oil Permit and Status as a Bona Fide Farmer

2 *"Streamlining the application for renewing Marked Fuel Permit."*

Further discussion with the PEIFA revealed that this irritant pertained explicitly to the *Marked Gasoline and/or Marked Diesel Oil Permit*, and *Status as a Bona Fide Farmer* application form.

Industry Impact

Farmers found it time consuming and arduous to provide the income tax documentation that is required to verify a farmer's financial status.

Government's Response

Based on the recommendation of the PEIFA, the Department of Finance has updated the *Marked Gasoline and/or Marked Diesel Oil Permit*, and *Status as a Bona Fide Farmer* application, which will allow a farmer's accountant, with a professional accounting designation, to verify the farmer's financial status. This will eliminate the demand on the farmer to submit their income tax documentation, which was originally required to verify financial status.

3

Grassed Headland

"Streamline the renewal for grassed headland or exemption permits."

The PEIFA added that farmers felt that if nothing had changed on their farm that the re-application process should be shortened; it was suggested that there be a process to simply confirm that no changes have been made to the farm. It was the understanding of the PEIFA that the variance and exemption permits were subject to random audits, which would investigate any changes.

Industry Impact

The PEIFA expressed that the farmer owner/operators found the processes of renewing the *Grass Headland Variances and Exemptions* to be excessively time consuming and would often require a Government representative to make multiple trips to the farm, or additional trips to the Department of Communities, Land and Environment were required by the farmer, which could be eliminated with an improved process.

Government's Response

The Environment Land Management (ELM) division of the Department of Communities, Land and Environment has confirmed that this process did change in early 2015, in an effort to simplify business for the farmer.

The *Watercourse, Wetland and Buffer Zone Alteration Program* staff are responsible for issuing *Grass Headland Variances and Exemptions*. In the past, a minimum of three (3) separate meetings were required between staff and the farmer to finalize details around field location, landowner signatures, and to produce the necessary maps. This process was very time consuming for both parties. The method of issuing these approvals has now been simplified, and allows the on-site issuance of a permit in one visit.

At present, *Grass Headland Variances and Exemptions* are issued for four (4) years and two (2) years for potato crops. Exemption renewals are very simple; the producer need only call the Department of Communities, Land and Environment to provide the field's property number where the variance or exemption is to be renewed. This allows staff to bring the *Grass Headland Variance or Exemption* form to the producer for the approving signature, upon which the process is complete.

In order to provide the farming community with more information on the Grass Headland approval process, ELM has added a webpage devoted to *Grass Headland Variances and Exemptions* on the departmental website and as a result, farmers are now able to directly access information pertaining to the permit.

Securing Round Bales - Clarification

The NFU submitted an irritant pertaining to securing round bales, and upon review and consultation with the Department of Transportation, Infrastructure and Energy and the *Highway Traffic Act*, it was determined that this was due to a misunderstanding in the interpretation of the regulations. This misunderstanding can result in additional time invested by the farmer to achieve compliance, and in cases where tie-downs are necessary but not implemented, it can result in non-compliance. Although this is a matter of misunderstanding rather than an eligible irritant, the Province would like to take this opportunity to clarify this matter.

4 *The NFU has concerns regarding “wagon loads of round bales which being hauled by a tractor and did not need to be tied down a few short years ago, according to employees of the Transportation Dept. at that time. Apparently this has been changed with no information being sent to farmers.”*

Government's Response

When a tractor is hauling round bales, where the bales are secured with safety barriers at the front and rear of the wagon, there is no requirement for the bales to be tied-down. Only does the absence of these safety barriers necessitate the use of tie-downs, and security measures are implemented in direct relation to the speed at which these vehicles travel on the highway. Below is an excerpt from section 4 of the *Commercial Vehicle (Cargo Securement) Regulations*, pertaining to the *Highway Traffic Act*.

Following the resolution of the Agriculture Sector Roundtable, the Highway Safety Division of the Department of Transportation, Infrastructure and Energy looks forward to a conversation with the NFU on these safety requirements and to clarify expectations and improve on the communication of these expectations. The Highway Safety Division will follow-up with the NFU to make the necessary arrangements.

From this date forward, the Department of Transportation, Infrastructure and Energy will issue a statement to the NFU and PEIFA, for distribution to their membership, explaining change(s) to programs, processes, or pieces of legislation that fall under the jurisdiction of said department, and that significantly impact agriculture, agri-food, or agri-processing businesses operated by bona fide PEI farmers.

Excerpt from the Commercial Vehicle Regulations (section 4) pertaining to the *Highways Traffic Act*

(4) No carrier shall permit a driver to operate a commercial vehicle on a highway for the carrier if the commercial vehicle is transporting round bales that are loaded in a single tier of one or two rows of round bales unless the commercial vehicle is fitted with:

- (a) a lift on the outer edge of each side of the commercial vehicle that has, at a minimum, a height of at least 3.5 inches and that slants the round bales toward the center of the bed of the commercial vehicle; and
 - (b) front and rear structures that have, at a minimum, a height equal to 40 per cent of the height of the round bales, as loaded on the commercial vehicle.
-

Small and Medium Business

Industry Overview

The economic prosperity of Prince Edward Island is directly related to the success of small and medium businesses. The Province has had a long standing history of supporting and celebrating these businesses as many are family owned and provide essential services and products to Island communities. These businesses are often crucial for the economic sustainability of rural areas and provide high quality jobs for Islanders.

Prince Edward Island's economy is driven by small and medium enterprises (SMEs) more than any other province in Canada. In an increasingly competitive world, Island business, especially SMEs must look for new opportunities to compete on a provincial, national, and global scale.

Government provides extensive supports to the business community that aims to inspire, incubate, and accelerate SMEs. The creation of wealth and new jobs is contingent on a healthy and vibrant business ecosystem.

Small and medium sized business confidence on PEI has never been higher. According to the Canadian Federation of Independent Business' May 2015 barometer index, a mark above 50 means the number of businesses in an area expecting a strong yearly performance outnumber those expecting a weaker performance, and an index between 65 and 70 shows that the area's economy is meeting its potential. The index on Prince Edward Island is currently at 75, the highest mark since the end of the recession in 2009.

Prince Edward is a close third in the category of most SMEs, relative to the working age population (15 years and above). However, SMEs on Prince Edward Island must also navigate the challenges associated with a decreasing working age population. The province, like others, is experiencing negative demographic trends, an aging population and smaller families. Many young people are leaving the province to further their education or enter the workforce elsewhere. Future net population growth must come from equal combinations of retention, repatriation, and immigration efforts, while placing particular emphasis on building job experience opportunities for young Islanders and new entrants to the labor market.

Partnering Organization – Canadian Federation of Independent Business

With membership in excess of 109,000 small business owners from coast-to-coast, the Canadian Federation of Independent Business (CFIB) is the big voice for small businesses. For over 40 years, the CFIB has represented the interests of the small business community to all three levels of government in their fight for tax fairness, reasonable labour laws, and the reduction of regulatory paper burden.

The CFIB has their finger on the pulse of any issues affecting the full range of enterprises in Canada, from one-person, home-based businesses, to firms employing hundreds of people. Through regular polling of membership, they are privy to an up-to-date, firsthand perspective regarding the state of the economy, as well as their feedback concerning what changes need to be made to government policies.



CFIB Irritants and Solutions

One Prominent Online Location for all Government Forms

1 *Given that paperwork is perhaps the single most common interaction that businesses have with the provincial government, making forms easy to find and access will save significant time for business owners. We recommend creating one prominent "Forms" link on Government's main page which lists and links to all forms sorted into basic categories, preferable in either the top or left-side menus."*

Industry Impact

CFIB indicated that as Government has, in many cases, stopped sending out forms to businesses for renewal of permits and licenses which has resulted in an increased need to locate forms online in a simple and timely manner. Unfortunately, these forms are difficult to locate unless you understand Government's internal structure, which has resulted in additional time burdens on business operators.

Government's Response

The new Provincial Government Website, launched in June 2016, includes an area, accessible from the Government of Prince Edward Island's homepage, where all forms are easily accessed. Forms are now also separated by topic areas for simple and effective access. For direct access to all Government forms, please visit www.princeedwardisland.ca

Easier Electronic forms and electronic submission

2 *"... Recommend that Government take steps to improve electronic forms. This could be as simple as converting existing PDF forms into fillable PDF forms..." CFIB would prioritize the following forms for either web-based or fillable-PDF forms and ask that Government act on at least five of the forms listed below:*

- *Application for Building/Development Permit;*
- *Application to Operate a Food Service / Licensed Premise;*
- *Application for Pesticide Applicator Certificate;*
- *Electrical Inspection Permit;*
- *SkillsPEI Workforce Development Fund – Employer Application;*
- *SkillsPEI Graduate Mentorship Program – Employer Application; and*
- *SkillsPEI Employ PEI – Employer Application.*

Industry Impact

The CFIB received positive feedback from its membership for access to online Government functions, such as the online Motor Vehicle Registration process and as such, suggests that additional services be made available online. Online services result in a valuable time savings for clients by eliminating the need for travel to a Government office and by providing the business operator with 24-hour a day access to services.

A PDF fillable form allows the business operator to save time by completed or partially completed forms, which eliminates the need to duplicate efforts filling out the same form more than once, or altering the completed form for future use. The form may also be simply reprinted when the need arises.

Government's Response

The Province consulted with both internal and external stakeholders when developing the PEI Web Strategy, a plan for moving forward the development and delivery of the new Provincial website. During this process, the need for improvements was substantiated, while the demand for other services was brought to light. One of these items was the need to offer true online transactions.

The new provincial website addresses this need by developing the necessary functionality to offer real-time transactional services. The first forms developed with this functionality are:

- *Application to Operate a Food Service/Licensed Premise;*
- *Electrical Inspection application;*
- *Freedom of Information and Protection of Privacy requests;*
- *Environmental Tax Remittance;*
- *Innovation PEI funding requests; and*
- *Seniors and Family Housing Program application.*

The above list will continue to grow as the Province continues to on-board more true online transactional services. Meanwhile, the Sector Roundtable has updated the forms below to be PDF-fillable, in an effort to eliminate burden on business owners, they include:

- *Application to Operate a Food Service / Licensed premise;*
- *SkillsPEI Graduate Mentorship Program – Employer Application; and*
- *SkillsPEI Employ PEI – Employer Application.*

It should be noted that the *Skills PEI Workforce Development Fund* was discontinued with the implementation of the Canada Job Fund Agreement.

Publication of service standards and processing times

3

"... Where ever possible, Government should clearly communicate its service standards. This could range from adding processing times to applications... to auto-replied emails."

We would recommend Government publish service standards on forms and on program web pages for at least five of the following programs or applications:

- *Application for Building/Development Permit;*
- *Application to Operate a Food Service / Licensed premise;*
- *Application for Liquor License;*
- *Application for Pesticide Applicator Certificate;*
- *Innovation PEI Web Presence Program;*
- *Innovation PEI Marketing Support programs;*
- *Innovation PEI Pilot & Discovery Fund;*
- *SkillsPEI Graduate Mentorship Program – Employer Application; and*
- *SkillsPEI Employ PEI – Employer Application.*

Industry Impact

Establishing service standards provides clients with a minimum expectation when requesting government programs and services, which allows for improved business and financial planning. It was expressed that in many cases, simply providing the client with a general processing time mitigates unnecessary frustration around perceived wait times.

Government's Response

Government established the following Service Standards for the above requested program/service areas, which are also available online and on applications:

Application for Liquor License:

The applicant must supply all information required in its final form before any application is considered for licensing. Once fully completed, an application for a permit or a license typically takes about one week to be approved.

Innovation PEI Web Presence Program:

Following Innovation PEI's receipt of a completed application, applicants will be advised of Innovation PEI's decision within ten (10) to twenty (20) business days.

Marketing Support Program:

Following Innovation PEI's receipt of a completed application, applicants will be advised of Innovation PEI's decision within twenty (20) to thirty (30) business days.

SkillsPEI Graduate Mentorship Program–Employer Application:

The Department will provide a funding decision within two (2) to three (3) weeks of submission of an application, provided all required documentation has been satisfactorily submitted and an individual meeting the eligibility criteria has been identified for hiring.

SkillsPEI Employ PEI–Employer Application:

The Department will provide a funding decision within two (2) to three (3) weeks of submission of an application, provided all required documentation has been satisfactorily submitted and an individual meeting the eligibility criteria has been identified for hiring.

Weekly Fuel Price Adjustments - Clarification

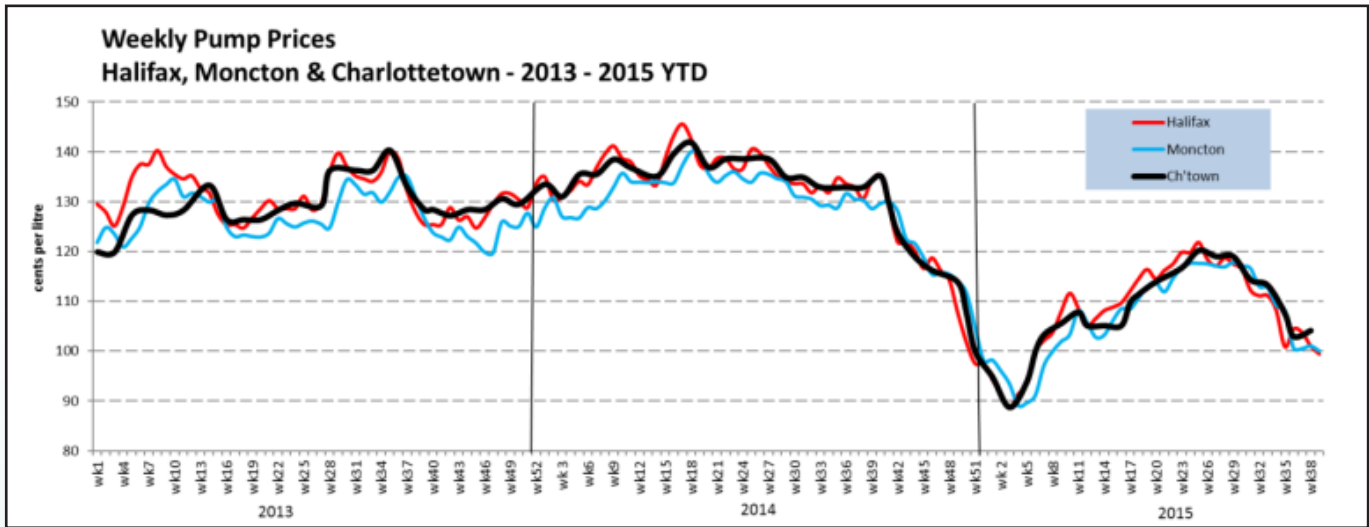
The CFIB brought forward unscheduled fuel price adjustments as an irritant to doing business, citing that under the current system, the Island Regulatory and Appeals Commissions (IRAC) typically sets fuel prices on the 1st and 15th of every month; however, from time to time there are unscheduled adjustments, which can be particularly troublesome for smaller retailers with thin profit margins. This may result in these retailers purchasing a large volume of fuel from their wholesalers at a price that is higher than they are able to recoup from their customers.

4 *"In order to improve predictability for independent fuel retailers and help them to time their fuel purchases, we recommend that IRAC analyze the prospect of reviewing and setting fuel prices on a weekly basis and thereby eliminating the need for unscheduled adjustments. Should there be no discernible impacts identified for consumers, we would ask that IRAC adopt the practice of setting fuel prices weekly."*

IRAC's Response

The Island Regulatory and Appeals Commission—through the *Petroleum Products Act*—has supervision over motor fuel pricing and is responsible to ensure a just and reasonable price to both consumers and licensed suppliers alike. Petroleum prices in PEI are set on the 1st and 15th of each month (since October 2004). Fuel prices are commodity-based and dependent primarily on the change over the prior pricing period—including being subject to interruption during times of extreme fluctuation in the market.

The Commission assesses pricing frequency from time-to-time, with the most recent review occurring in October 2015. That review confirmed that bi-weekly price setting reduces volatility and creates stable and more consistent pricing in the PEI market, while still maintaining prices equivalent to, or better than, our neighbors.



Specifically, IRAC's review collected data from January 2013 to October 2015 and compared PEI's twice-monthly pricing with weekly pricing in both Halifax and Moncton for gasoline products. During the period, Halifax experienced 145 gas price settings compared to 74 for PEI and, on average, PEI gas pump prices were on par with Halifax and Moncton. During 2014–15, PEI experienced six periods where prices were interrupted due to extreme changes in the market. Of those six changes, two resulted in increased prices and four were decreases.

Average Yearly Pump Price (Cents Per Litre)		
Location	2014	2015 YTD
Halifax	130.8	108.3
Charlottetown	130.5	107.3
Moncton	128.7	106.8

Petroleum products in today's economic environment are inconstant and influenced by many factors such as market speculation, global activity, refinery capability, extreme weather, and the Canadian dollar. The Commission is mindful of this sensitivity and, as a result, will continue to review its pricing processes. IRAC also welcomes constructive input from consumers and industry in order to continue to improve its practices.

IRAC is in close contact with fuel retailers on the Island and has not received any requests from PEI fuel retailers to change from bi-weekly to weekly pricing.

Tourism Roundtable

Industry Overview

Prince Edward Island is one of Canada's favourite vacation and touring destinations. It has twice been named the number one island in North America by readers of *Travel + Leisure* magazine, and has been voted among the top three temperate islands in the world as part of Condé Nast's recent Readers' Choice Awards in *Traveler* magazine.

The tourism industry is extremely important to the overall economic wellbeing of Prince Edward Island. In total, it accounts for approximately seven per cent of GDP, the highest of any Canadian province, and about \$400 million in direct economic impact annually.

The industry is also a significant employer. The industry accounts for approximately 7,000 full time equivalent positions. There are approximately 1,100 accommodation operators in the province and thousands of small businesses who benefit from visitors.

2014 was a record year for the industry. Last year the industry benefitted from record numbers for overnight stays and travelers through the Charlottetown Airport. Approximately 1.3 million travelers visited Prince Edward Island.

Partnering Organization – Tourism Industry Association of PEI

The Tourism Industry Association of Prince Edward Island (TIAPEI) was officially formed in 1980. TIAPEI is a not-for profit, membership based organization, dedicated to the promotion and advancement of Prince Edward Island's tourism industry. The goals are: to promote and advance the tourism industry in Prince Edward Island; to strive for continued development and improvement of the tourism facilities and services offered to the public; and to create a wider interest in and appreciation of the tourism industry among the general public in Prince Edward Island.

The mandate of the TIAPEI Board is to provide guidance on strategic directions, financial accountability, transparency, communications, performance and significant issues, act as ambassadors of tourism in PEI, and advocate on behalf of industry.

TIAPEI, the provincial organization, provides a forum to lobby all levels of government on industry issues, proactively works on quality assurance issues such as licensed accommodations, highway signage, and industry professional development, and develops and delivers program and projects to benefit the industry and grow tourism.



Tourism Priority Irritants and Solutions

Changes in Quality Inspection and Licensing

1 *“Constant changes in rules and costs for QTS and licensing – some are rarely inspected and others are inspected to the point of harassment and seen purely as money grab. Rules are arbitrary and penalize the best properties while turning a blind eye to “grandfathered” properties that are derelict. Testing, etc. that is ridiculously detailed and it is not even monitored.”*

Industry Impact

All tourism accommodation properties must be inspected annually to meet the requirement of the *Tourism Industry Act and Regulations*. Inspections are carried out by Quality Tourism Services (QTS) on behalf of the Department of Economic Development and Tourism. QTS is a non-profit organization that is dedicated to quality assurance in the tourism industry. In recent years there have been changes to the management and staff of QTS which may have resulted in operators experiencing inspections of unequal rigor, as new inspectors may individually interpret the requirements of inspections.

Government Response

To address inconsistencies in inspection service requirements, the Department and QTS have cooperatively developed a new training program for all tourism accommodation inspectors (Tourism Standards Officers). The objective of this training is to clarify the requirements of inspection and to ensure consistency in the inspection process. Training is delivered by the Manager of Product Development and the Senior Compliance Officer of the Department of Economic Development and Tourism and the Executive Director of QTS. A new business model has been implemented for the delivery of inspections which improves the Department's ability to better respond to the need for inspections. This model also ensures that inspections are completed on a timelier basis.

Simplifying Renewals on Annual Forms

2 *“Simplify renewal paperwork for Visitor Guide registration and listings. It is ridiculous to fill out paper based applications with similar info every year. Simplify renewal applications for food and pool licenses by allowing a “no change” box and a signature. Ideally, these could be included in an online portal for tourism operators that also process tourism renewals. The vast number of VG display ads are renewals as well.”*

Industry Impact

In years past, at the request of industry, forms were developed to simplify how operators order and pay for government services. As additional services were offered it became necessary for the form to evolve. At present, tourism accommodation operators complete two forms, while attraction operators complete one form pertaining to the services they require.

Government Response

The Department has responded to industry's request with new forms, available in print and online, which include a “check here” box if the tombstone information for a *Visitor Guide* listing is to remain the same as the previous year's listing. A second “check here” box has been included to elect if the purchase of licenses and services is to remain the same as the previous year. The “check here” boxes will result in a significant time savings for operators. All forms for operators can now be completed online.

Delays in Water Test Results

3 *"The Tourism Industry Act and Regulations require tourism accommodation establishments test their water every three months during operating periods. This requirement has been supported by industry and in place for many years. A few years ago the Department of Environment began the transition to a new software program and industry was promised that the new software would allow tourism compliance staff to access operator's water test results."*

Industry Impact

In accordance with the *Tourism Industry Act and Regulations*, operators of tourism accommodations are required to submit a water sample for testing to the Department of Communities, Land and Environment (CLE) every three months during their operating season. Each sample is accompanied by a form which includes a "check here" box to indicate if the water sample is for a tourism accommodation. If the sample belongs to a tourism operator and the appropriate box is checked then the testing on that sample will be expedited. In some cases the "check here" box is overlooked and left blank or the information as submitted on the form may be incomplete or inconsistent with previous records. For example: providing the incomplete name of the operation or the owner. These oversights may create a delay in testing, a delay in results or difficulty tracking samples.

Government's Response

A new protocol provides the Tourism Standards Officers with restricted access to the PEI Analytical Lab's Laboratory Information Management System (LIMS) database for information pertaining only to self-identified tourism clients. This new protocol was in place for the 2015 tourism season and proved very successful in time savings for operators and staff.

The Department of Communities, Land and Environment has granted the Manager of Product Development and the Senior Compliance Officer of the Department of Economic Development and Tourism full access to the LIMS system in the interest of more efficient and effective service to tourism accommodation operators.

In Conclusion

Over the course of 2015–16, the Government of Prince Edward Island was able to deliver viable solutions and affect real change to government services and processes, by removing irritants that are experienced by the tourism and agriculture industries in PEI, as well as small and medium business owner/operators when engaging in business with the Province. As a result, Project ART solved nine industry irritants and brought about awareness and good discussion around other areas for improvement and consideration.

The Sector Roundtable exercise is a valuable experience and helped to demonstrate how government processes must be considered from the perspective of the client, thereby improving service, eliminating red tape, allowing for the better use of business resources, and improving their competitiveness and profitability. Collaborating with our sector partners at the Tourism Industry Association of PEI, the PEI Chapter of the National Farmers Union, the PEI Federation of Agriculture, and the Canadian Federation of Independent Business has allowed Government to better understand the many challenges and red tape involved in business-to-province interactions, and has provided us with a reliable and collaborative process that allows us to work together to achieve systems and processes that perform well, and without complication, for our clients and for those providing the service.

The Sector Roundtables have been a successful endeavor that has challenged Government to be more nimble and responsive to the business needs of our clients.

Thank you to our partnering industry organizations for their thoughtful and good spirited efforts. Their industry perspective has resulted in sound recommendations to provincial services that have resulted in a more effective Government that provides more efficient services to its clients—this would not have been possible without the input of industry and support of its senior management.



