

YEAR IN REVIEW 2010-2011

Partnership Agreement on Regulation and the Economy (PARE)



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<http://pare-eper.ca>



Overview



New Brunswick and Nova Scotia have a history of working together on areas of mutual interest and benefit. The Partnership Agreement on Regulation and Economy (PARE) was developed to enhance our cooperation and collaboration particularly on government regulation and initiatives which support our economies.

PARE is considered a trade enhancement agreement under the national Agreement on Internal Trade and follows the principles and intent of that agreement. As such, Nova Scotia and New Brunswick see the benefit to expanding the agreement to include the other Atlantic provinces over time. Our provinces share common objectives for improved productivity and competitiveness. We have a combined population of 1.7 million people which represents over 70% of the population of Atlantic Canada. The cross border trade between New Brunswick and Nova Scotia reached 2.9 Billion in 2007¹ and our combined GDP was over 61 Billion in 2009².

The agreement continues to be a work in progress as we identify the opportunities for change and establish the priorities for action. The approach taken in PARE builds on the needs of business and individuals to work productively in our provinces and across borders. It also recognizes the benefits of streamlining our regulatory structures and cooperating on the design and delivery of government services and technical infrastructure. An example of the benefits of such cooperation is in the mutual recognition of each other's business registration requirements which enables a business to work in the other province without having to undertake separate registration and reporting process in that province.

Premiers recognize that there are many collaboration successes in the region which lay the groundwork for improved competitiveness. The *Atlantic Procurement Agreement*, implemented in 1996, is one example where Atlantic provinces have committed to working together to improve trade and commercial opportunities, and to harmonize regulatory frameworks.

¹ Statistics Canada. Interprovincial Trade Flows, 2007.

² Statistics Canada. Table 384-0002 Gross domestic product, expenditure-based, provincial economic accounts, 2009.

One significant collaborative initiative led to the agreement on a common set of specifications for school busses. This work now enables Nova Scotia and New Brunswick to jointly issue tenders to purchase school buses and achieve significant financial savings annually by working together. The success of this practice has led to other cooperative purchases and discussions on where our product or service requirements can be harmonized to allow for combined procurement.

The energy sector has been a long standing area of competition within the region. However, the environment is changing. Recently, the *New Brunswick Power Holding Corporation* and *Emera Incorporated*, based in Nova Scotia, have signed a *Letter of Intent* outlining their commitment to discuss mutual cooperation related to electricity transmission, and investment in long term energy initiatives. This initiative has the potential to assist the two provinces in ensuring the availability of a secure and affordable energy supply.

Like these other initiatives, PARE provides a framework for cooperation between the governments of New Brunswick and Nova Scotia. The initiatives identified at the time the agreement was signed were developed through discussions among governments and stakeholders. As work continues, new initiatives will be identified where there is a potential for significant benefit through collaboration. The Premiers, as signatories to the agreement, are committed to working together. They are also committed to sharing their experience and successes with others in the region as demonstrated through the Council of Atlantic Premiers. This second Annual Report on PARE highlights activities during 2010-11 fiscal year and outlines the path forward.

Review of Activities



Action under PARE has been focused on key sectors: energy, transportation and workforce and government. During 2010-11 a review of all initiatives identified at the time the agreement was signed was undertaken. The purpose of the review was to determine the next phase for PARE by assessing where progress was made and looking for areas where there is momentum for improvement or change. Since both provinces have elected new governments since the signing of PARE in 2009, part of the process involved having conversations within government about where PARE could play a role in emerging priorities and mandates.

Out of this review, it was clear that PARE could be more effective if initiatives were specific, targeted and linked to address a common issue or need. Most simple, stand alone solutions to regulatory structures or infrastructure challenges have already been addressed to the extent possible. It is also apparent that comprehensive solutions take a number of years to assess, design and implement and that collaboration with others regionally and nationally is important to gain momentum and make progress.

Therefore, it is a priority for PARE to focus on issues or problems which reflect government priorities and have solutions which can be implemented within a three year window. It will also take into consideration how PARE can lever its collaborative approach to support progress on initiatives which are being led through the Council of Atlantic Premiers and national sector organizations.

Highlights

The Premiers of the two provinces support collaboration between the two governments and with their other Atlantic colleagues through the Council of Atlantic Premiers. As a result of recent discussions, a new source of venture capital for high-growth sectors was announced by Nova Scotia to support emerging companies in the region. New Brunswick has already committed funding to this initiative. Over the long term this type of initiative will strengthen economic activity in the region.

In a similar approach, the interest of the two provinces to collaborate on energy transmission has evolved into a broader initiative, the Atlantic Energy Gateway which will provide the foundation for regional energy cooperation. This initiative will consider both electricity generation and transmission.

Within specific sectors, PARE initiatives continue to address other cross-border issues or challenges. Some of the accomplishments during 2010-11 are noted in the following sections.

Energy

New Brunswick is developing an action plan for effectively managing the exploration, development and utilization of its natural gas resources to provide for expansion of the natural gas sector in a responsible manner. This plan will include the examination of the existing regulatory regime and provide an opportunity to align the regimes in both provinces. As a result of ongoing discussions, New Brunswick and Nova Scotia have agreed to work together with the Onshore Oil and Gas Regulators of Atlantic Canada Committee to look for opportunities to harmonize policy, regulations and approval processes as the New Brunswick process proceeds and the sector develops in Nova Scotia.

Transportation

The use of long combination trucks to transport goods in the region continues to grow in order to increase transportation efficiencies. Regulation of the sector is a provincial responsibility. New Brunswick and Nova Scotia continue to work together to achieve greater harmonization in our permit conditions. In May 2011 New Brunswick updated its Guidelines for Long Combination Vehicles which will further streamline permitting conditions. On going harmonization discussions will continue among the four Atlantic provinces.

Workforce Mobility

An important element of harmonizing compulsory trades in the two provinces is reaching agreement on the criteria used to designate such trades. A common application package for Compulsory Trade Designation has been developed for use in both New Brunswick and Nova Scotia in cooperation with stakeholder groups. The application package will be implemented once it has received final endorsement by the respective apprenticeship Boards.

Government Collaboration

It has become increasingly important for governments to find cost efficiencies in how services and programs are managed and delivered. One area where benefits can be gained is through sharing of infrastructure. Working from the Nova Scotia model, New Brunswick purchased the same underlying computer code to process student loan applications. Sharing the system at this level has enabled New Brunswick to build on and adapt a system currently in use in Nova Scotia, to meet their program and operational requirements without having to invest in creating the base system.

New Brunswick is intending to reintroduce legislation requiring that persons or organizations intending to lobby government in order to influence activities such as legislation, financial grants or policy, identify themselves through a Lobbyist Registry. Nova Scotia currently has such legislation and uses a very basic electronic registration system which New Brunswick is interested in using. In recent discussions both provinces have identified improvements they would like to see in the Nova Scotia system and will work together to jointly fund these improvements. This step will provide significant financial and operational benefit for both provinces.

The Way Forward 2011-2014



Within the Atlantic region we are seeing greater need for governments to work more closely together by sharing knowledge, collaborating on common challenges and cooperating on joint activities which have a fiscal benefit. PARE provides an impetus for discussion of initiatives which can lead to a reduction in government operating costs and/or increase the effectiveness of service and program delivery to the benefit of both business and persons.

PARE will continue to serve as a mechanism for identifying initiatives where early collaboration can be beneficial. It also provides a means to track progress and reinforce the mutual gains of cooperation for governments and the public. An immediate priority is to develop and strengthen the notification and communication tools which will support and encourage ongoing discussion and collaboration between the two provinces. The PARE web site, for example, will continue to be developed as a primary source of information on current initiatives. It will also provide a way to recognize our achievements and highlight the broader range of collaborative actions being taken both between our two provinces as well as in the Atlantic region.

The PARE agreement places a priority on actions which improve our regulatory structures and/or provide benefit for our respective economies. In today's fiscal environment actions must be effective and target areas where change is necessary for our long term economic well being. Over the next three years PARE will focus on supporting and facilitating initiatives between our two provinces which will help us remain competitive, and will ensure that there are fewer barriers for a business or individuals to operate across our common border. It will also continue to monitor and link with broader regional initiatives and priorities to facilitate more extensive regional cooperation and build of the strengths that such collaboration provides.