

4.2 Ensure all proposed policy, regulation and legislation has been evaluated against sound, quantitative evidence

KEY MESSAGES:

- The OCC is calling on the newly elected government to ensure all proposed policy, regulation, and legislation is backed by sound, quantitative evidence.
- Initiatives that have been tested against sound economic models are more likely to succeed and less likely to have unintended consequences.

The need for sound, quantitative evaluation of new policies and regulation has been made clear by the implementation of the cap and trade program and the *Fair Workplaces, Better Jobs Act*. The failure to conduct economic impact analysis for these and other initiatives resulted in uncertainty and frustration within the Ontario business community. In a recent survey, the OCC found that 83 percent of businesses believe that government should conduct cost-benefit analyses of all new policies, regulations or legislation before any changes take effect.¹

On multiple occasions the OCC alone, or in partnership with organizations like the Canadian Centre for Economic Analysis (CANCEA) has conducted economic impact analysis of proposed legislation. As part of its advocacy work on the Ontario Retirement Pension Plan (ORPP) the OCC revealed that the planned EI and WSIB reductions would have accounted for less than one-third of total new costs business which businesses would have incurred because of the ORPP.² As part of its work on Bill 148 the OCC revealed that Ontario businesses face a \$12 billion economic problem.³ In both of these instances the OCC demonstrated that to truly understand the impact legislation, quantitative analysis must be considered as part of the decision making process.

The increased availability of data, and the ability to analyze that data through advanced analytics, has given policymakers new capacity to evaluate the costs and benefits of proposed initiatives, including assessing whether they will achieve their intended outcomes. There is therefore little excuse why government decisions cannot be based on reliable and publicly available evidence, with clear acceptability thresholds against which a change is evaluated.

The movement toward evidence-based policymaking has seen significant progress in recent years, but these efforts are still nascent, and many government actors could strengthen their use of evidence-based approaches. In an era of intense partisanship and constrained public resources, evidence-based policymaking can help bridge the partisan political divide and support research-based debate about what outcomes we want to achieve, for whom, and at what cost.

Initiatives that have been tested against sound economic models are more likely to succeed and less likely to have unintended consequences once enacted. Additionally, government receptivity to conducting and publicly releasing such assessments will make it easier to garner buy-in and support from stakeholders.

1 Survey of n=816 OCC members conducted online by Fresh Intelligence between May 2 and June 29, 2016.

2 Ontario Chamber of Commerce. Ontario Chamber of Commerce Calls on Government To Support Employer Transition to the ORP. 2016. <http://www.occ.ca/mediareleases/government-responds-to-ontario-chamber-of-commerce-advocacy-and-delays-orpp-implementation/>

3 Canadian Centre for Economic Analysis (CANCEA). *Economic Impact of Bill 148*. 2017. <http://keepontarioworking.ca/updates/kow-releases-final-peer-reviewed-cancea-economic-analysis>