

# Issue at a Glance

## Municipal Reporting Burden

April 2022

### Key Takeaways

- Reporting requirements, while important, take time away from operational needs and require staff to spend their limited time responding to requests for information, the value of which is not widely understood.
- Other orders of government remain committed to reducing 'red tape' and burden on businesses, but more must be done to reduce the burden on municipalities. Recognizing and making changes to improve municipal reporting will not automatically solve the bigger policy issues that municipalities are tasked with, but it will give staff the opportunity to mitigate barriers to effective service delivery.
- Other jurisdictions have addressed the reporting burden and offer promising practices for application to the Ontario municipal context.

### Issue

A high administrative and reporting burden established by other orders of government results in added costs for municipalities and their communities. Staff hours and municipal resources are used to respond to data requests often without return on investment of that time. New regulations, funding agreements and programs have made municipal-provincial relations more complex. As new requirements are added, too few are removed, continuing to add to the burden. Steadily municipalities have become over-regulated and deeply burdened with requirements to report to the province on hundreds of programs and services. Municipal staff are responsible for gathering copious amounts of information, filling out forms, and responding to tight timelines. The municipal reporting burden must be reduced.

### The Need for Reform

Since 2018, AMCTO [has been advocating for the continuous reduction in the municipal reporting burden](#). While we recognize that it cannot be fully removed as some reporting is necessary for transparency and accountability, responding to application and reporting requirements of federal and provincial programs, some of which are required at inopportune times and with short turn-around times, is challenging. In our 2018 survey on reporting requirements, it was found that municipalities through their staff must respond to approximately 420 reports annually<sup>1</sup>. That is approximately 1.5 reports to be completed a day.

Far from achieving the goals of good governance and accountability, municipal-provincial reporting in Ontario now hinders the ability of municipalities to function as responsible orders of government.

Reporting threatens to weaken municipal productivity at a time when municipalities must modernize to face increasing citizen demands.

While the Province has indicated it has made [some progress on the reduction, consolidation or simplification of reporting requirements](#), it must be an iterative whole-of-government effort. New requirements are added all the time, while the sticking points of existing reporting remain.

## Return on Investment of Time and Resources

The return on investment of staff time and resources to complete these tasks, either for municipalities themselves or for the province is unclear. Some data collection, such as the Financial Information Return (FIR), are collected from municipalities, however, questions remain regarding the purpose, value and impact of how this and other reported data is used to inform decision-making. If this data is of value to other orders of government, then the collected data may also be of wider value. Data shared with the federal or provincial government should be consolidated and shared back with municipalities and the public in meaningful ways.

## Rationale for Government Action on Municipal Burden Reduction

While successive governments both federally and provincially have committed to burden reduction for businesses<sup>ii</sup>, municipalities have been left out of this equation. More needs to be done to understand the impacts of administrative and reporting burdens imposed on municipalities and their staff.

To really understand all the requirements other orders of government impose on municipalities, and to reduce, consolidate or remove requirements, the federal and provincial governments should have an open dialogue with municipal staff. Requests for reports and information should be tracked by the federal and provincial governments and this information should be analyzed to determine its relevancy in resolving problems, informing, or supporting policies and decision-making. This process must be iterative rather than a one-time exercise and must be collaborative with the common goal of gathering and reporting on valuable data.

The Province has indicated its interest in applying LEAN methodologies<sup>iii</sup> to various processes including planning and development matters<sup>iv</sup>, and is also utilizing user-centred design principles as it builds new digital government services<sup>v</sup>. Applying these principles could be beneficial by helping to mitigate barriers to local service delivery. This could result in the optimization of processes on the provincial side as well.

## Lessons from Other Jurisdictions

There are examples from other jurisdictions that can be applied to the municipal context. The Government of Canada's Treasury Board Secretariat maintains a list of reports it requires its federal departments to submit. Using a similar approach across departments and agencies for both federal

and provincial imposed municipal reporting requirements, is a good first step. This would catalogue the reporting requirement timelines of such reports<sup>vi</sup>.

In the UK, the [Single Data List](#) has been compiled and maintained since 2010. The iterative partnership between the UK and its local governments have succeeded in reducing the number of required datasets by 81 in the project's first five years. This list continues to be maintained and there is an ongoing dialogue with government and stakeholders to continue the burden reduction work. It is supported by a New Burdens Doctrine<sup>vii</sup>.

In New South Wales, Australia, the Independent Pricing and Regulatory Tribunal (IPART) conducted a review with a mandate to “identify inefficient, unnecessary, or excessive burdens placed on local government... in the form of planning, reporting and compliance obligations, and to make recommendations for how these burdens can be reduced.”<sup>viii</sup> The state government committed to consultation with the sector. <sup>ix</sup>

## Conclusion

Reporting requirements remain burdensome for municipalities and their staff. The conclusions of our 2018 report remain relevant, and we continue to advance our below recommendations to the other orders of government for consideration.

## Ideal solution

Our members would like to see federal and provincial governments:

1. Work with AMCTO and other municipal associations through an iterative process to simplify, reduce, and condense various application and reporting requirements on municipalities while ensuring accountability and transparency.
2. Maintain an updated listing of municipal reporting requirements and make it publicly available as open data. This list should include opt-in programs. Other orders of government should be able to effectively maintain a current list of all reports required of municipalities and provide sound rationale for the purpose of collecting such data including how this information will be used.
3. Apply lean, agile, and user-centred design principles to the review of reporting and application requirements.
4. Recognize the burden and look for opportunities to streamline and reduce the regulatory and reporting regime for Ontario's municipalities for current and future programs. Build federal and provincial government cultures that look at the value of the information collected, rather than collecting data for the sake of it. This would help define return on investment of municipal staff time.

5. In the spirit of openness, share data and information collected by ministries so municipalities can benchmark and compare their services and operations against others to improve their operations.

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- i. AMCTO. *Bearing the Burden: An of Municipal Reporting to the Province*. 2018. [https://www.amcto.com/Advocacy-Policy/Reports-Positions/Issue-1-\(3\)](https://www.amcto.com/Advocacy-Policy/Reports-Positions/Issue-1-(3))
  - ii. See for Example, [Ontario's Open for Business](#) (est 2008) and [Red Tape Reduction](#) (est. 2018) and the federal government's [Paperwork Burden Reduction Initiative](#) (est. 2004) and [Red Tape Reduction Action Plan](#) (est 2012).
  - iii. Ontario Newsroom. "Backgrounder: Creating Efficiencies Across Government" March 18, 2019. <https://news.ontario.ca/en/backgrounder/51574/creating-efficiencies-across-government>
  - iv. Ontario Newsroom. "Ontario Municipal Summit Seeks Solutions to Building More Homes." News Release. January 19, 2022. <https://news.ontario.ca/en/release/1001442/ontario-municipal-summit-seeks-solutions-to-build-more-homes>
  - v. Ontario Digital Services. "Digital Service Standards," Ontario Government, January 29, 2021. <https://www.ontario.ca/page/digital-service-standard>
  - vi. For Inventory, see <http://www.tbs-sct.gc.ca/ip-pi/trans/cal-eng.asp>
  - vii. Department for Communities and Local Government, *New Burdens Doctrine: Guidance for Government Departments*, UK Government, June 2011. [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/5960/1926282.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/5960/1926282.pdf)
  - viii. Independent Pricing and Regulatory Tribunal. *Review of Reporting and Compliance Burdens on Local Government*. New South Wales, Australia. July 21 2019 [https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Reviews/Local-Government-Regulatory-burdens/Review-of-reporting-and-compliance-burdens-on-Local-Government/21-Jun-2019-Final-Report/Final-Report-Review-of-reporting-and-compliance-burdens-on-Local-Government?timeline\\_id=6081](https://www.ipart.nsw.gov.au/Home/Industries/Local-Government/Reviews/Local-Government-Regulatory-burdens/Review-of-reporting-and-compliance-burdens-on-Local-Government/21-Jun-2019-Final-Report/Final-Report-Review-of-reporting-and-compliance-burdens-on-Local-Government?timeline_id=6081)
  - ix. Local Government New South Wales. "Councils Welcome Consultation" News Release. June 19, 2019. <https://lgnsw.org.au/Public/News/Articles/2019-media-releases/0621-Councils-welcome-consultation.aspx?WebsiteKey=bcab1257-cbc9-4447-bab4-a1399a95e4c7>