



Improving Regulatory Efficiency: A One-Window Solution to Forest Sector Oversight in Canada



Forest Products Association of Canada (FPAC)
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Introduction

Canada's forest sector is a cornerstone of the national economy and a critical solutions-provider for today's top policy priorities, from [housing affordability](#) and [rural development and employment](#) to [Indigenous economic reconciliation](#), carbon [emissions reductions](#), [wildfire resilience](#), and more. The sector supports over 200,000 direct jobs, generates \$87 billion in annual economic activity, and ranks among Canada's top five export industries, with \$37 billion in exports in 2024.

Despite these contributions, the sector's full potential is constrained by mounting regulatory complexity. Forest firms must navigate overlapping, sometimes conflicting federal and provincial mandates that discourage investment and erode competitiveness at a time of increased global competition and geopolitical headwinds.

FPAC sees an urgent opportunity to eliminate federal duplication with rigorous provincial systems and clarify jurisdictional roles. Each of these factors have become significant barriers to doing business, even as provinces maintain world-leading forest management systems. This is not deregulation for its own sake; it is a smarter, outcomes-based approach that leverages effective existing systems to grow jobs and do more with less, at a lower cost to Canadian taxpayers.

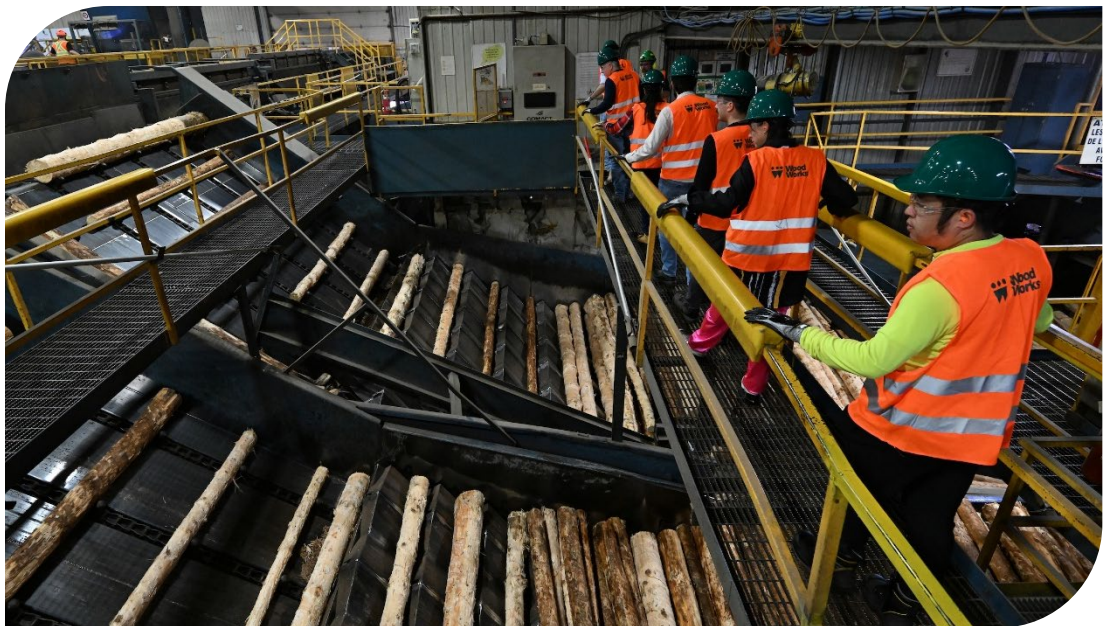
The stakes have never been higher. From 2013 to 2023, 49 mills closed and over 8,700 jobs were permanently lost—often in remote, forest-dependent communities where family-supporting jobs are more limited. The federal *Build Canada Homes* plan, which aims to nearly double housing starts to 500,000 new homes per year, intends to use forest products as a key delivery engine for achieving this goal. Without a thriving domestic forest products industry, the plan's success is at risk. The pulp and paper industry faces similar challenges, despite its role in delivering essential products to Canadians and its potential for low-carbon innovation.

Prime Minister Carney's [mandate](#) to Cabinet calls for a new governance approach that boosts productivity, removes trade barriers, and attracts private investment. FPAC welcomes Carney's recent [announcement](#) of a \$1.25 billion support package for the sector as a step in the right direction towards rebuilding competitiveness, although more work is needed. **FPAC presents four practical recommendations for the federal government—providing specific examples of where this action is most urgently needed—that will continue to help bring down costs, boost productivity, and reinvigorate economic growth.**

The Cost of Regulatory Complexity on Canadian Businesses and Communities

Canada's forest sector operates under one of the world's most complex regulatory environments. Companies must comply with three overlapping layers: federal statutes, provincial laws, and third-party Sustainable Forest Management (SFM) certification, all of which are further integrated into company-specific operating procedures. While each layer aims to protect ecosystems and ensure sustainability, their cumulative effect is a fragmented, duplicative, and inefficient system.

According to the [Canadian Federation of Independent Business \(CFIB\)](#), **compliance with federal, provincial, and municipal regulations cost businesses \$51.5 billion in 2024—\$17.9 billion (nearly 35%) of which stemmed from red tape (i.e., outdated and overly complicated regulations). The average business spent 735 hours (92 days) on regulatory compliance, including 256 hours (32 days) on red tape alone.** Moreover, regulatory burdens are increasing: between 2006 and 2021, [Statistics Canada](#) reported a 2.1% annual growth in federal regulatory requirements, while the [CFIB](#) notes an 8.6% rise (58 hours) in time spent on regulatory compliance from 2020 to 2024.



FPAC members estimate that **mills absorb an estimated \$46 million in reporting costs annually**. This figure excludes harvesting operations and contractors, which represents over 17,000 businesses and ~20% of the forest sector workforce,¹ and who face their own set of regulatory costs and challenges. To illustrate where the challenges exist, a typical forest sector company must navigate:

- At least **eight overlapping federal statutes**, such as the *Fisheries Act*, *Species at Risk Act* (SARA), and *Migratory Birds Convention Act*;
- Between **20 and 34 provincial laws**, depending on the jurisdiction;
- **Third-party Sustainable Forest Management (SFM) certification systems** (e.g., the Sustainable Forestry Initiative, Forest Stewardship Council, and Programme for the Endorsement of Forest Certification) that have become a baseline expectation for market access;
- **Company-specific forest operating procedures** covering short- and long-term (up to 100 years) ecological and social impacts to ensure a stable timber supply;
- **Local public participation** in decision-making through consultation and **recognition and accommodation of the rights of Indigenous Peoples**²; and
- In most provinces, forest management plans are also **signed off by Registered Professional Foresters** and undergo extensive engagement and consultation.³

This complexity does not necessarily result in better protection. Instead, it leads to:

- **Jurisdictional conflict** due to inconsistent federal and provincial standards;
- **Duplication** in permitting, compliance, and reporting for the same activity;
- **Delays** in project approvals and fibre access, which disrupt the stepwise planning essential to forest operations;
- **Regulatory uncertainty** that deters investment;
- **Job losses** associated with curtailed or closed operations that lack sufficient investment and fibre supply;
- **Eroded global competitiveness**; and
- **Fragmented wildfire and climate strategies** that leave forestry under-leveraged as a key partner in delivering effective solutions to these pressing challenges.

FPAC defines “duplication” as two levels of government regulating the same activity via separate processes (e.g., parallel permits), and “conflict” as when regulations

¹ *Summary Canadian Industry Statistics* data for North American Industry Classification System (NAICS) Codes [113](#) (Forestry and logging) and [1153](#) (Support activities for forestry) by Industry, Science, and Economic Development Canada (ISED) (June 9 2025).

² [Public Involvement and Participation](#) and [Indigenous Peoples and Forests](#) by the Canadian Council of Forest Ministers (CCFM) (n.d.).

³ [Canadian Forestry Regulations and Standards](#) by the National Council for Air and Stream Improvement (NCASI) (2021).

contradict or are practically incompatible. For example, a single stream crossing project may require both a provincial permit (under a *Crown Lands Act* or *Water Resources Act*) and a federal *Fisheries Act* authorization.

To better understand regulatory duplication, FPAC mapped federal statutes impacting mills against provincial regulations.⁴ Five of the ten statutes reviewed—including the *Pulp and Paper Effluent Regulations (PPER)* and *Pulp and Paper Code of Practice (CoP)*, *Environmental Emergencies Regulations (E2)*, the *Greenhouse Gas Reporting Program (GHGRP)* (except in Manitoba), and the *Canadian Ambient Air Quality Standards (CAAQS)*—had overlapping elements in every or almost every province. **All ten federal statutes but the Output-Based Pricing System, which functions as a backstop, have provincial equivalents**, resulting in double reporting, conflicting standards, and regulatory confusion.

Canada must modernize its forestry regulatory framework to boost productivity, eliminate trade barriers, and catalyze investment. The remainder of this brief provides four targeted recommendations for federal government to streamline and harmonize Canada's forestry framework for the 21st century. It also presents two regulatory best practices—domestic and international—to demonstrate that smart regulation is achievable.



⁴ FPAC's review included the Chemicals Management Plan, National Pollutant Release Inventory, Environmental Emergencies Regulation, Multi-Sector Air Pollutant Regulation, Pulp and Paper Code of Practice, Canadian Ambient Air Quality Standards, Pulp and Paper Effluent Regulation, Greenhouse Gas Reporting Program, Output Based Pricing System, and Clean Electricity Regulation.

How the Federal Government Can Create an Efficient One-Window Regulatory Framework

Canada's new federal government has acknowledged that inefficient red tape—outdated and overly complicated regulations—raise costs, reduce productivity, and stifle economic growth. The government also acknowledges that removing outdated regulation, reducing duplication with provincial rules, and making it easier to access and deliver services, is key to reviving Canada's economy.

1. Expand Use and Recognition of Formal Bilateral Equivalency Agreements.

The federal government should establish clear, formal agreements recognizing provincial standards that satisfy federal requirements, particularly for fish habitat, species at risk, and pollution control. Such agreements then become an effective alternative to listing and broad-scope recovery plans. Specifically, focus these efforts on two federal Statutes:

- Expanding the use and recognition of existing bilateral agreements, such as those enabled through Sections 10-12 of the *Species at Risk Act (SARA)*;
- Creating a Prescribed Works and Waters Regulation under the *Fisheries Act* that codify low-risk activities; and
- Increase the use of *Fisheries Act* Codes of Practice and 'class authorizations.'

2. Where Appropriate, Adopt More Federal Backstop Policy Approaches.

When provinces have existing regulations deemed equivalent in terms of outcomes and rigour to federal regulations, the federal government should consider adopting a backstop approach (e.g., as seen with the applicability approach used by the federal Output-Based Pricing System backstop) to minimize duplication, promote efficiency gains, and enable provincial flexibility. **An example where this applicability approach should be adopted is the federal Pulp and Paper Effluent Regulation (PPER), which should be turned into a backstop** to provincial standards with satisfactory discharge limits addressing the key PPER pollutants and environment monitoring programs. Reporting of effluent data should be harmonized

to meet both provincial and federal reporting requirements, as seen with Alberta's *Environmental Protection and Enhancement Act*.

3. Establish a “One-Window” Regulatory Model Across Federal Departments to Harmonize Reporting and Permitting Requirements.

Adopting unified reporting systems and mutually recognized permitting processes will help eliminate administrative redundancies and make more efficient use of time for both industry and government. **The federal government can look to Ontario's “One-Window” legislative model as a framework to scale to the national level (i.e., one-window vertically and horizontally across governments and departments).** In adopting a “One-Window” model, specific processes that can produce time and cost-savings from harmonization include:

- **Standardized reporting and inspections systems across levels of government:** Environmental pollution from mills (effluents, emissions, spills) is subject to both federal and provincial regulations, resulting in extensive duplication. For example, pulp and paper mills must comply with federal effluent limits under *CEPA* (via PPER) and separate provincial permits for the same discharges. In all provinces with significant forest product manufacturing, both levels of government require emissions tracking, spill notifications, and meet-the-limit compliance that cover the same substances. The difference is purely administrative; there is no conflict in goals (both want clean water and air), just duplicate forms, permits, and inspections. In fact, companies sometimes receive joint inspections (where federal and provincial environmental officers work together at a mill) to ease the burden, but this is an informal coordination. A true “One-Window” approach would mean a single set of reports and inspections accepted by both governments.
- **Build one portal for sharing environmental monitoring data and compliance reporting:** Mills send similar effluent test results and emissions inventories to both federal and provincial regulators. In B.C., companies conduct one set of water quality tests to satisfy federal pulp effluent rules and then repeat or repackage the same results to satisfy provincial permit conditions. Similarly, facilities report pollutant releases annually to the National Pollutant Release Inventory (NPRI) and also to provincial databases or as part of permit compliance—two reporting streams for one set of emissions.

4. Implement a Joint Federal-Provincial Indigenous Consultation Process and Provide Clearer Pathways for Meaningful Community Engagement.

When both federal and provincial project approvals or permits are required, Indigenous communities are often consulted separately by each government—creating unnecessary duplication, confusion, fatigue and capacity strain. These parallel processes can address identical concerns but are not formally combined. A unified consultation process would reduce the administrative burden on Indigenous governments and communities, provide clearer engagement pathways, and ensure more meaningful, coordinated participation. This approach respects the duty to consult while improving clarity for all groups and aligning with the "one project, one assessment" principle, and ensures that Indigenous communities are engaged effectively once per project, rather than multiple times through duplicative, time and resource-consuming processes.



Learning From Home and Abroad: Practical Models for Smarter Regulation

Proven models exist—in Canada and internationally—for streamlining forest sector regulation. In [Australia](#), where forest management is similarly led by states and territories, the [1992 National Forest Policy Statement \(NFPS\)](#) created a shared federal-provincial vision for responsible forest management. This vision is implemented using [Regional Forest Agreements \(RFA\)](#)—20-year robust and science-driven bilateral agreements between state and federal governments that harmonize regulation and provide long-term certainty for industry, communities, and conservation goals. Canada has similar tools, such as bilateral agreements under Sections 10–12 of the *Species at Risk Act* (SARA), but these are inconsistently used, lack authority to override federal rules, and don’t achieve true harmonization. As well, Canada lacks a bilateral agreement mechanism that resolves regulatory duplication issues for mills.

Domestically, Ontario’s “one-window” model demonstrates that streamlined regulatory processes are possible. Forestry planning is largely exempt from Ontario’s *Environmental Assessment Act* by using *Crown Forest Sustainability Act* processes as a substitute, or equivalent regulatory framework. The provincial Ministry of Natural Resources and Forestry (MNRF) acts as a single point of contact for all forestry activities, helping consolidate permitting, reporting, and oversight.

A national one-window model—drawing from Australia’s RFA structure and Ontario’s approach—would help establish a single set of reports and inspections accepted by both orders of government, completed once by industry, and supported by formal federal-provincial coordination mechanisms backed by regional science.

Adopting this model would align with the Prime Minister’s mandate to his Cabinet while supporting decarbonization, wildfire resilience, Indigenous economic reconciliation, affordable housing, and economic growth in rural and northern Canada.

Conclusion

Reducing regulatory duplication isn't about weakening environmental standards—it is about enabling smarter, more efficient governance that delivers better outcomes for Canadians, the economy, and forest health. Canada's forest sector is ready to support national priorities like housing, decarbonization, Indigenous economic reconciliation, and rural development through regulation that enables, rather than obstructs, progress. FPAC's recommendations offer a clear path forward and align with Prime Minister Carney's mandate to improve productivity, accelerate permitting, and restore investor confidence—while reinforcing Canada's reputation for world-leading sustainable forest management. Now is the time for action.