

REGULATING IN A POLITICAL WORLD



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Council on Licensure,
Enforcement & Regulation

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Tim Hudak & Frank Denton | Counsel Public Affairs

REGULATING IN A POLITICAL WORLD: ARM'S LENGTH FROM GOVERNMENT BUT NOT FROM ACCOUNTABILITY

FRANK DENTON

Senior Advisor at Counsel Public Affairs

- Former Assistant Deputy Minister – Ministry of Government and Consumer Services. Oversight and creation of numerous agencies and authorities.
- Former CEO of Resource Productivity and Recovery Authority (RPRA).
- Has overseen creation of and reforms to a wide range of regulatory systems in government, including public safety and consumer protection.
- Has led public-private commercial transactions and designed and implemented various service delivery models.





TIM HUDAK

Partner at Counsel Public Affairs

- Distinguished 21-year career as a Member of Provincial Parliament, Cabinet Minister, and Leader of the Progressive Conservative Party of Ontario.
- Former Chief Executive Officer of the Ontario Real Estate Association (OREA), Canada's largest provincial professional association.
- As Minister of Consumer and Business Services, oversaw and modernized legislation for many Ontario regulators.

BETWEEN FRANK AND I, THE TOTAL NUMBER OF HOURS DEDICATED TO REGULATORS IS.....

...UNHEALTHY!

**AND A STRONG ARGUMENT FOR
BETTER HOBBIES**

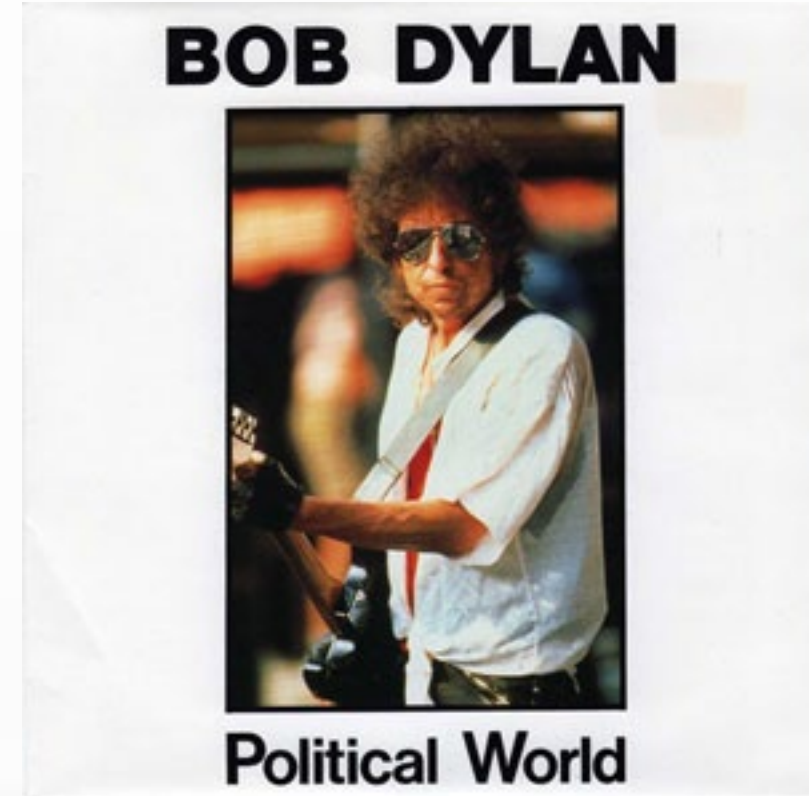
THANK YOU, REGULATORY PROFESSIONALS
FOR PROTECTING THE PUBLIC INTEREST

AGENDA

1. Political Dynamics and Drivers
2. Managing Political Relationships
3. Politics and Regulatory Independence
4. Arm's Length from Reality?
5. Conclusion

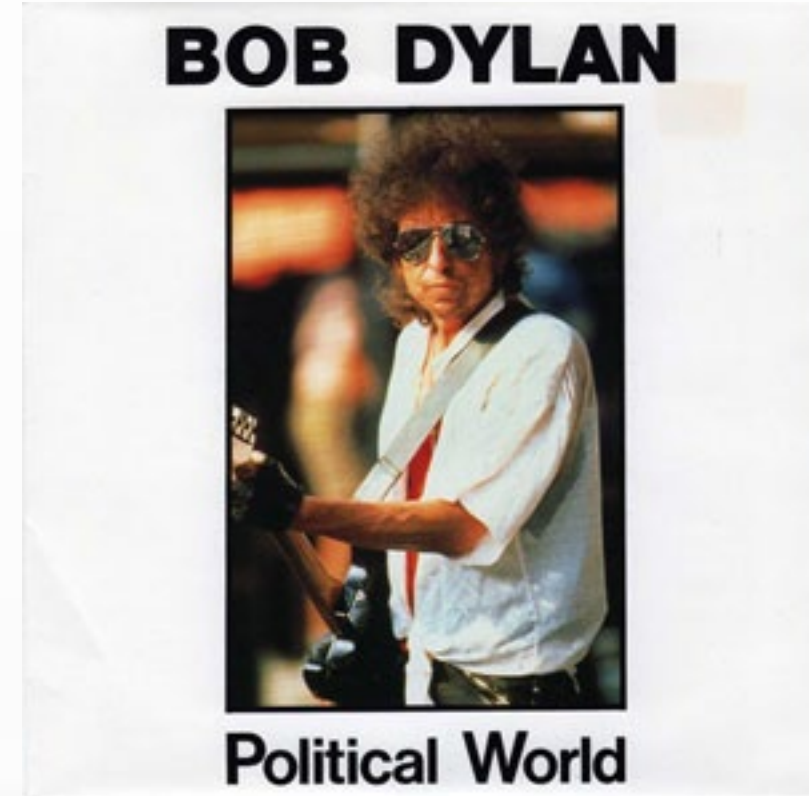
POLITICAL DYNAMICS AND DRIVERS

WE LIVE IN A POLITICAL WORLD



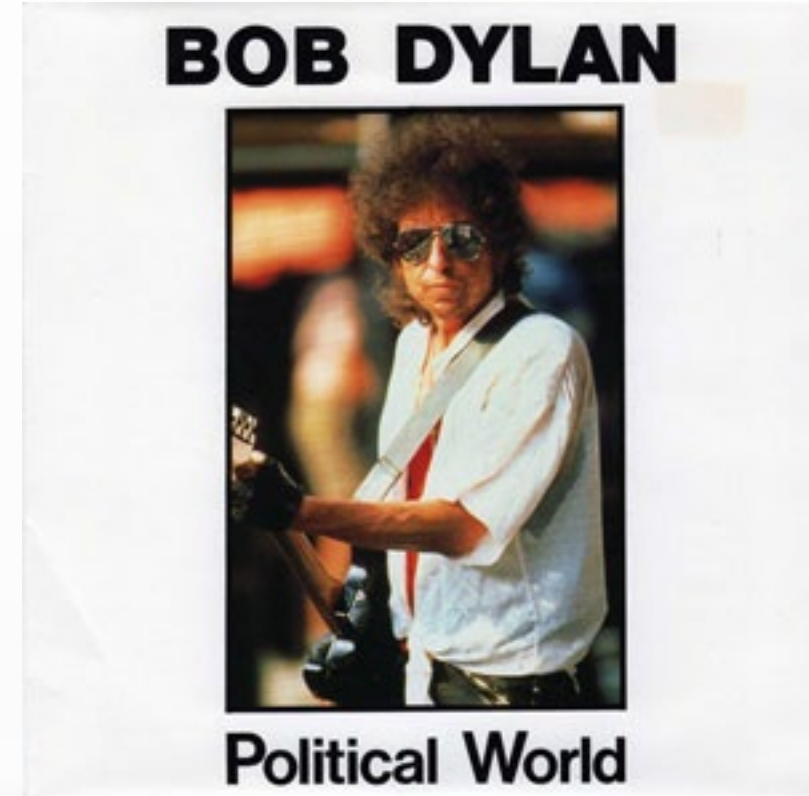
WE LIVE IN A POLITICAL WORLD

- We elect our politicians to serve the public interest



WE LIVE IN A POLITICAL WORLD

- We elect our politicians to serve the public interest
- And, they are politicians



WHY CAN'T REGULATORS AND POLITICAL ACTORS JUST GET ALONG?

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- Different interests and instincts
- Different areas of expertise
- Different information
- Trust issues

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HOW LONG IS AN ARM'S LENGTH



LICENSING AND ENFORCEMENT BODIES

- Agencies
- Administrative Authorities
- Professional Colleges

AGENCIES: MINISTER IS THE BOSS

- Operational arms of government
- Built in explicit requirement to align with government priorities
- Independence only in regulatory decisions

ADMINISTRATIVE AUTHORITIES: MINISTER IS THE CLIENT

- Independent Not For Profit
- Government appoints minority of Board
- Not subject to directives
- Alignment expectation in mandate letters, MOU
- Implied or soft expectation to align with government priorities

PROFESSIONAL COLLEGES: MINISTER IS THE ARCHITECT

- Independent Not for Profit corporations
- Statutory self regulation

THE ARM SHORTENS – THE 21ST CENTURY

ADMINISTRATIVE AUTHORITIES

- Increasing oversight since 2008
 - TSSA and the Sunrise Propane explosion
 - Tarion consumer confidence crisis 2016 - 2019
 - RECO regulatory failure 2025

TSSA AND THE SUNRISE PROPANE EXPLOSION

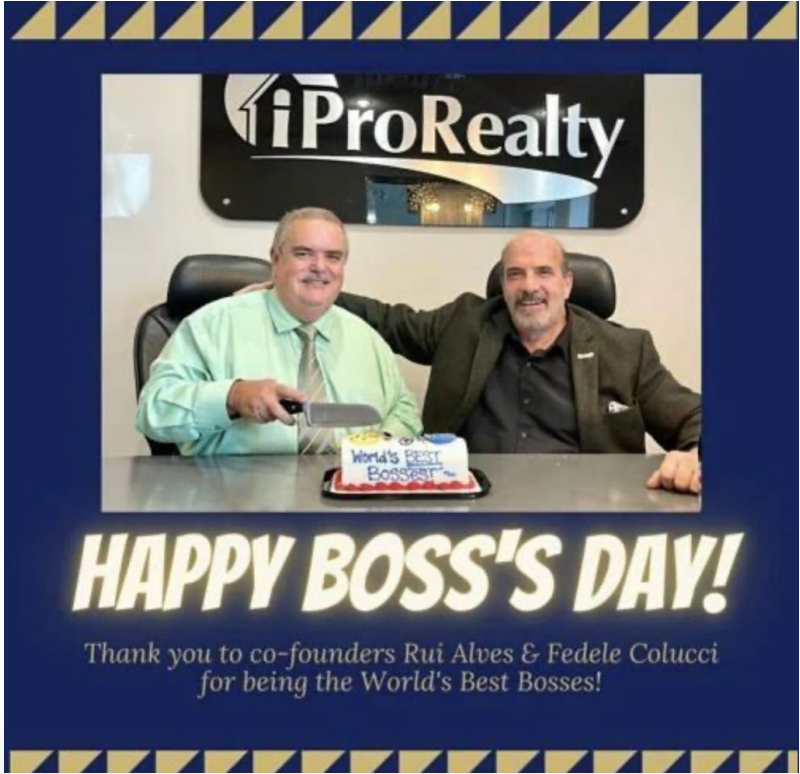


2016-2019: TARION

- Relentless stakeholder and media opposition
- Consumer confidence deteriorates
- RECO regulatory failure 2025



2025: RECO REGULATORY FAILURE



 RECO

ADMINISTRATIVE AUTHORITIES TODAY:

- Still arms-length
- Still independent
- A shorter arm

A SHORTER ARM

- Auditor General Oversight
- Minister appoints Chair and Vice Chair
- Minister can issue policy directives
 - *2024: Governance and Transparency Directive*
- Minister can appoint Administrator

PROFESSIONAL COLLEGES

- 1996: *The Regulated Health Professions Act*
 - Self regulation by profession
- 2006: *Fair Access to Regulated Professions Act*
 - Reduced autonomy over who gets a license
- 2020: College Performance Measurement Framework
- 2026: As of right access to profession

AGENCIES

2019: Agencies and Appointments Directive

- Centralized control over appointments
- Tighter control over budgets
- Three-year business plan must align with Minister's mandate letter

IS ALL THIS INCREASED CONTROL A BAD THING?

Democratic legitimacy and systematic coordination

VS

Risk of politicization and reduced deference to expertise

MANAGING POLITICAL RELATIONSHIPS

MANAGING POLITICAL RELATIONSHIPS

TIM HUDAK'S NUMBER
ONE SECRET OF SUCCESS
IN WORKING WITH
MINISTERS AND MPPS...



MANAGING POLITICAL RELATIONSHIPS

POLITICIANS ARE PEOPLE, TOO



Managing Political Relationships

RECENT UNIVERSITY OF
TORONTO STUDY
CONFIRMS THAT 83% OF
POLITICIANS HAVE HUMAN-
LIKE QUALITIES...



Managing Political Relationships

POLITICIANS ARE PEOPLE, TOO:

- Head
- Heart



THE FIVE COMMANDMENTS FOR MODERN REGULATORS



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

1. CLARITY OF PURPOSE

Consistently, boldly, relentlessly communicate the purpose



Via Flickr, © King's Printer for Ontario, 2025

THE FIVE COMMANDMENTS FOR MODERN REGULATORS

2. BUILD LASTING AND TRUSTING RELATIONSHIPS



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

3. **SHOW UP** BEFORE THERE IS A PROBLEM



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

4. SOLVE YOUR PROBLEMS BY HELPING THE GOVERNMENT SOLVE THEIR OWN



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

5. PUT CONSUMERS IN THE PASSENGER SEAT



WHAT DOES THIS MEAN FOR A MODERN REGULATOR?



1. CLARITY OF PURPOSE

- Protect the public while enabling innovation and growth
- Deliver faster, simpler, more accessible services
- Ensure a fair and competitive marketplace



Via Flickr, © King's Printer for Ontario, 2025

MORE LIKE WINE...



...LESS LIKE HORSES

2. BUILD LASTING AND TRUSTING RELATIONSHIPS

- No surprises with Minister's Office
- No surprises with Industry
- Stakeholder Relations Position
- Regular Meetings with Minister



Travel Industry Council of Ontario (TICO) Travel Advisories



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

3. **SHOW UP** BEFORE THERE IS A PROBLEM



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

3. **SHOW UP** BEFORE THERE IS A PROBLEM
 - Meet the stakeholders where they are at



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- Political acuity is a pre-requisite



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

3. **SHOW UP** BEFORE THERE IS A PROBLEM

- Meet the stakeholders where they are at
- Political acuity is a pre-requisite
- Stakeholder engagement is not a one-off



NO KIDS ON THE GAMING FLOOR



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

4. SOLVE YOUR PROBLEMS BY HELPING THE GOVERNMENT SOLVE THEIR OWN



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

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NURSES VS ARCHITECTS



THE FIVE COMMANDMENTS FOR MODERN REGULATORS

5. PUT CONSUMERS IN THE PASSENGER SEAT



Stewardship Ontario and the Eco-Tax

THE GLOBE AND MAIL 

**Recycling agency accused of
stonewalling on Ontario's hazardous
waste**

KIM MACKRAEL >

PUBLISHED FEBRUARY 2, 2012

I SHOULD KNOW THIS...

I EXPLOITED IT



RUTHLESSLY



AND RELENTLESSLY



Until the eco tax was dead

THE GLOBE AND MAIL 

ECO FEES

Ontario shelves eco fees after fierce backlash

KAREN HOWLETT >

TORONTO

PUBLISHED JULY 19, 2010

DON'T DO THE WRONG THING FOR ALL THE RIGHT REASONS



PAN AM GAMES



MANAGING POLITICAL RELATIONSHIPS

THE FIVE COMMANDMENTS FOR MODERN REGULATORS

1. Clarity of purpose
2. Build lasting and trusting relationships
3. Show up before there is a problem
4. Solve your problems by helping government solve their own
5. Put consumers in the passenger seat

MAINTAIN **LONG TERM** RELATIONS WITH PUBLIC SERVICE

- They will still be there
 - when the Minister is gone
 - when the government changes
- They brief the Minister about you when you are not in the room
- They can help you succeed



POLITICS AND REGULATORY INDEPENDENCE

POLITICS AND REGULATORY INDEPENDENCE

The politicians have explicit legal authority over things like:

- Appointments
- Budgets
- Policy directions
- Legal framework of accountability

THEY CAN ALSO INTERVENE THROUGH...

Soft but powerful signals:

- Conversations
- Broad statements of government priorities
- Stated expectations in letters and speeches
- E.g., efficiencies, red tape reduction, digital, collaboration

AWKWARD INTERACTIONS

- “I can’t direct you on this, but would really like it if...”
 - No budget increase
 - No fee increase
 - Changes to rules/codes set by regulator
 - Change your regulatory priorities under Risk Based Decision Framework

NO GO ZONE

- Direction or undue influence on specific regulatory decisions
- Foundational to regulatory law and best practice:
 - No one can direct or unduly influence the statutory decision maker
- Not all political actors get it

THE DELICATE ART OF SAYING NO WITHOUT SAYING NO

NO SURPRISES

WHEN TO GIVE A **HEADS UP** ON A REGULATORY DECISION?

- When it will attract media attention
- When it will have systemic public interest impacts
- When it will spark political interest

WHEN SHOULD YOU GIVE A HEADS UP?

- Before or after the decision is made?
- Immediately once it is issued?
- What if you are about to deny a license to the Minister's daughter in law?

WHAT DRIVES UNTOWARD INTERVENTIONS:

- Misalignment on how to achieve the public interest
- Media – real or perceived scandal
- Stakeholder pressure
- One or more political actors with their own agenda

IMPLEMENTING POLICY: POLITICS MEETS PRACTICALITY

TIMING MATTERS A LOT

Politicians sometimes:

- Are willing to take risks to solve problems faster
- Focus on optimal political timing
- Underestimate complexity and implementation risk

FAST, CHEAP, GOOD: PICK TWO

- Regulators:
 - Want to get it right at reasonable cost
 - Are risk averse to getting it wrong
 - Sometimes too risk averse
 - Sometime inflexible, unwilling to shift priorities

Sometimes regulators miss the signals
and are overridden or left behind

“There is never time to do it right the first time
but there is always time to do it again”

SOME QUESTIONS

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- Does party ideology drive attitude to regulators?
- Is respect for regulatory independence deteriorating?
- Is the Ford government more prone to extraordinary intervention?

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ARM'S LENGTH FROM REALITY?

ARM'S LENGTH FROM GOVERNMENT

Arm's Length on
Compliance Decisions



ARM'S LENGTH FROM GOVERNMENT

Not Arm's Length
from Reality



HOW DO YOU REGULATE IN A POLITICAL WORLD?

Understand:

- Your Reality
- The Premier
- Your Minister
- Their Plan



CASE STUDY: ONTARIO



YOUR REALITY

- Affordability Crisis



YOUR REALITY

- Economic Uncertainty



YOUR REALITY

- Consumer Suspicion



YOUR REALITY

- Active Stakeholders



YOUR REALITY

- Rapid Communication



YOUR REALITY



THE PREMIER



HISTORIC WIN –
THREE CONSECUTIVE
ELECTION WINS WITH
AN INCREASED
SHARE OF THE VOTE



MANDATE: BEST LEADER TO PROTECT ONTARIO



PREMIER FORD THRIVES WHEN INTERACTING WITH PEOPLE



INSTINCT OVER IDEOLOGY



WHAT DOES THIS MEAN FOR MODERN REGULATORS?

- What he hears from voters is reality
- Practical
- Conservative principles but willing to U-turn
- Customer service mentality



PLEASE... STAY OFF
HIS PHONE



BEER AND WINE IN CORNER STORES

- Months not years
- Outcome not process based



YOUR MINISTER



toronto 

SMART GUY WHO SOMETIMES
MAKES A BAD CALL

TODD MCCARTHY
PC CANDIDATE,
WITH PC LEADER
TIM HUDAK, 2014



BUT THEN
QUICKLY
RECOVERS...



THE BOOK?

- Driven
- Attracted to Solve Complex Issues
- Very Familiar With the DAA Model
- Accessible
- Eye-level for Ontarians
- Markets
- Whip Smart
- Anti-Red Tape





THE TITLE OF THE BOOK?

TRUSTED PROBLEM SOLVER AND COMMUNICATOR



FINES AND HIGH TARGETS IN RECYCLING

- Tire, auto manufacturing sector impacted
- At the onset of a trade war



THEIR PLAN



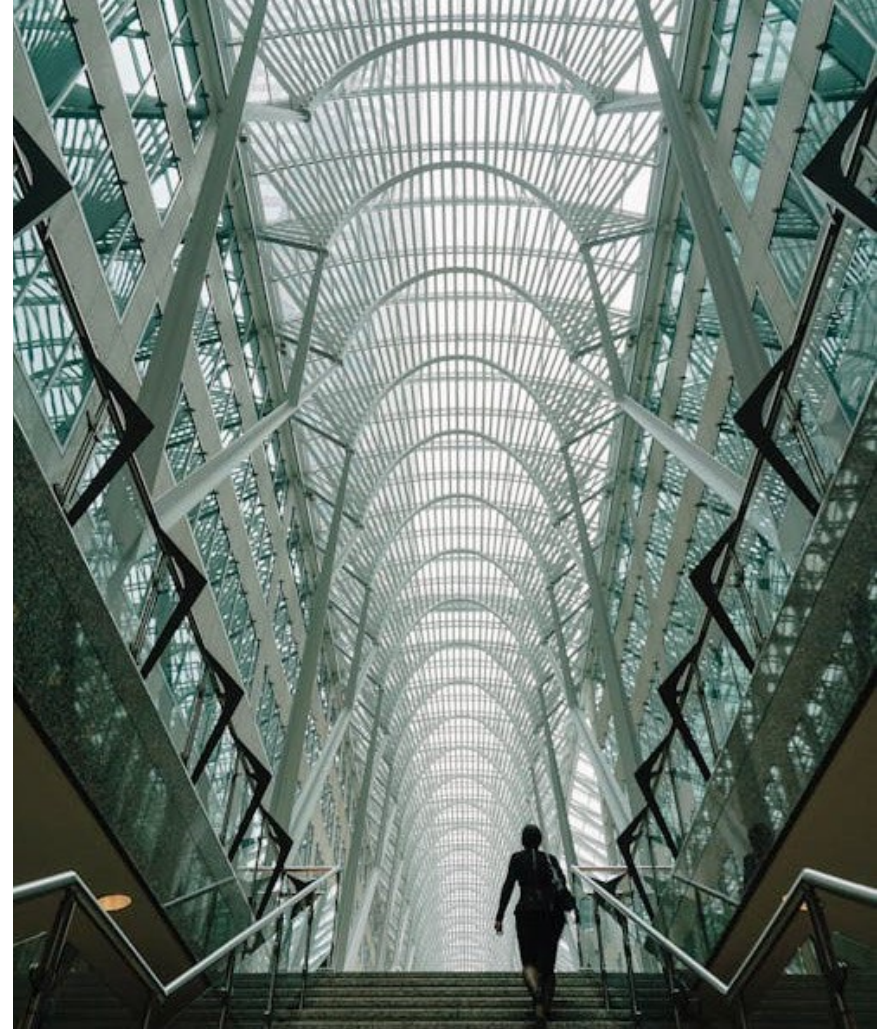


DOUG FORD'S PLAN TO PROTECT ONTARIO

- Building Ontario's Economy
- Protecting Workers
- Keeping Ontario Competitive
- Cleaning Up Our Streets
- Delivering Better Care and Services

BUILDING ONTARIO'S ECONOMY

- Speed up infrastructure projects (road, rail, energy)
- Eliminate inter-provincial trade barriers
- Expand labour mobility between provinces
- Cut red tape



PROTECTING WORKERS

- Make life more affordable
- Cut taxes, tolls, and carbon tax
- Never raise a tax
- Working for workers labour reform
- Skills training



KEEPING ONTARIO COMPETITIVE

- Critical minerals, energy, manufacturing and defense
- Cutting an additional \$1 Billion of Red Tape



CLEANING UP OUR STREETS

- Supporting our police and emergency services
- Parole and Bail reform
- Reducing crime and safe communities



DELIVERING BETTER CARE AND SERVICES

- Primary Care Action Plan
- Expand Scopes of Practice
- Faster Licensing for Out of Province Health Professionals
- Expand Hospital System



PHARMACY ON THE FRONT LINES OF CARE

- Prescribe for Minor Ailments
- More Vaccinations
- Consumer Convenience



STRONG REGULATORS TODAY ARE NOT
JUST TECHNICALLY SOUND. THEY ARE
STRATEGICALLY AND POLITICALLY AWARE.

HOW DO YOU REGULATE IN A POLITICAL WORLD?

Understand:

- Your reality
- The Premier
- Your Minister
- Their Plan

HOW REGULATORS THRIVE IN A POLITICAL WORLD

- Clarity of Purpose
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Questions?

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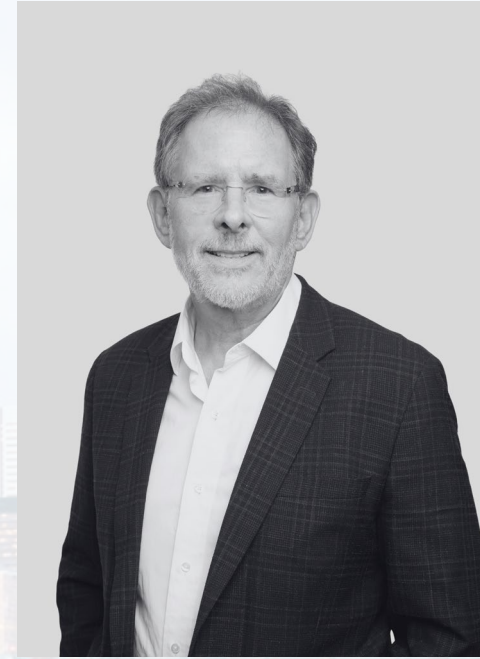
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Thank you



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