



## 2. Government Relations

Every enterprise operating in Canada should consider the strategic benefits of understanding Canada's system of government.

### Canada's System of Government

Canada is a federation divided into ten provinces and three territories. The Constitution of Canada divides powers between the federal parliament and the provincial legislatures.

Areas within the jurisdiction of the federal parliament include defence, foreign policy, trade and commerce, transportation, communications, criminal law, banking, patents, copyright, and unemployment insurance.

The provincial legislatures have jurisdiction over areas such as education, hospitals, property and civil rights, welfare, local works and undertakings, natural resources, and "generally all matters of a local or private nature in the province."

Jurisdiction over certain areas, such as agriculture and immigration, are divided between the federal parliament and provincial legislatures.

It is important to note that the Canadian provinces are generally not subordinate to the federal government. The provincial legislatures are autonomous within their constitutional jurisdiction, while the federal parliament is autonomous within its jurisdiction. Only in exceedingly rare cases – such as where provincial laws abut federal jurisdiction – will federal laws render provincial laws inoperative.

### Executive

The head of Canada's government is the Prime Minister. In most provinces, the head of the provincial government is the Premier.

Canada's head of state is His Majesty King Charles III, the King of Canada, represented in Canada by the Governor General. The Governor General plays a largely ceremonial and constitutional role and is entirely removed from the running of government. In each province, there is a Lieutenant Governor who has an equivalent role to the Governor General yet for the purposes of the particular province.

The Cabinet is composed of the Prime Minister (at the provincial level, the Premier) and as many members as he or she chooses. Cabinet members are called "ministers". The formal title of most ministers is "[Portfolio] Minister," though some ministers have different titles (e.g. "Attorney General" or "Treasury Board President").

## Legislative

The federal Parliament is bicameral, divided into an elected House of Commons and an unelected Senate.

Members of the Senate are called “senators”, while members of the House of Commons are called “members of Parliament” (or MPs).

All provinces have unicameral legislatures. Members of provincial legislatures are usually called “members of the legislative assembly” (MLAs). However, in Ontario, they are called “members of provincial parliament” (MPPs); in Newfoundland and Labrador, they are called “members of the house of assembly” (MHAs); and in Québec, they are called (in English) “members of the national assembly” (MNAs).

Canada is currently divided into 338 electoral districts, each represented by one member of the House of Commons.

## Elections

The call of a general election involves dissolving Parliament or the legislature and then calling an individual election in each electoral district of the country or province. What Canadians refer to as a general election is actually a simultaneous series of district elections.

Federal general elections, as well as almost all provincial general elections, now occur on a fixed date, four years after the last election. Previously, the dates of elections were determined by the Governor General or lieutenant-governor. However, since these positions are largely ceremonial and the lieutenant-governor merely acts on the advice of the Prime Minister (or the Premier, as the case may be), in practice, it is the Prime Minister (or the Premier) who decides when to dissolve Parliament or the legislature and trigger a general election.

## Structure of Government

The federal government is organized into units called departments. The number and structure of departments is determined from time to time by the Prime Minister.

The senior civil servant in charge of each ministry is the deputy minister. All deputy ministers are appointed by Cabinet and serve at the pleasure of the Prime Minister. In practice, they report to the Prime Minister’s deputy minister (the clerk of the Privy Council), who is head of the civil service.

The entire civil service, from the rank of deputy minister downward, is non-partisan and expected to serve the government of the day. Even the Privy Council Office (the Prime Minister’s department) consists of non-partisan civil servants. While a newly elected government might shuffle deputy ministers or replace a few who are not well-suited to implement its agenda, the civil service largely remains intact, even following a change of the governing political party.

In addition to non-partisan civil servants, the Prime Minister, ministers, and members of the House of Commons are supported by political staff members who serve at their pleasure and as long as their employer holds office. Ministers’ staffs usually range in size from ten to twenty-five individuals, while a backbench member of the Commons might have two to four assistants divided between the parliamentary office in Ottawa and the constituency office(s) in his or her district.

## Government Relations

Companies considering investing in the Canadian business environment should explore applicable government regulations that may greatly impact their business' potential. Conversely, certain industry services that are in heavy demand by the government are worthy business opportunities to be developed (notably, defence and information technology).

Government relations-driven business is often prompted by the lobbying of senior bureaucrats, ministers, and similar officials who are in a position to consider investing in a company or to approve a company's involvement in a government-funded project. Such efforts should not be limited to the political party that forms the majority in Parliament, as lobbying the minority parties can be useful as well.

A healthy relationship with the applicable level of government becomes crucial when a business is faced with specific issues that are within governmental control. For example, a corporation that produces as well as operates carbon dioxide capture and storage mechanisms would benefit from a comprehensive understanding of the current regulatory environment and funding opportunities pertaining to natural resources and the environment. Further, the production of a natural gas pipeline can involve provincial ministries of energy, lands, and environment, in addition to the federal ministries of fisheries and oceans. In such situations, it is crucial to engage the appropriate elected officials to assist with initiating change, investment, and encouraging business development.

There are currently several key areas of government relations. Among the most important are the areas of aboriginal law and environmental law.

## Aboriginal Law

The area of aboriginal law is important to any forestry, energy, mining, or transportation business operating on lands subject to aboriginal land claims and land treaties.

## Environmental Law

Environmental law is emerging as a legal mainstay in real estate development, natural resource extraction, and industrial development, among other fields. Not only must the current regulations be understood and applied, but the associated risks must also be mitigated and the potential liability lessened. Few businesses are free of environmental concerns. A succinct and cohesive understanding of Canadian environmental law will not only minimize legal risk, but may also provide previously unforeseen benefits.