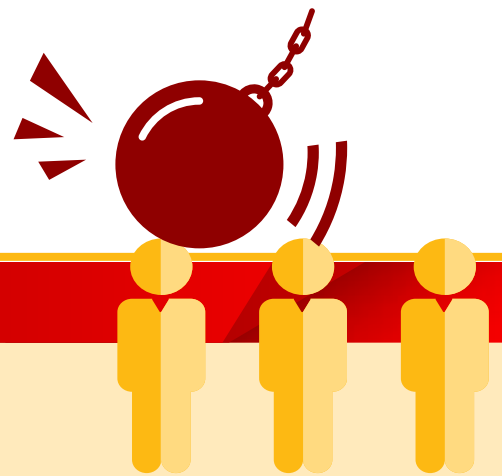


2018 Paperweight Awards



Red Tape Offenders for 2018



Ontario's Ministry of Labour

Watch your step!

A business owner is working on a ladder at a construction site when a Ministry of Labour inspector drops by. The inspector tells the business owner he's using an illegal ladder, and that he'll have to get a new one or be fined.

Looking to avoid the fine, he goes to the local building supply store to purchase a new one, only to find it was identical to the one he's using. The business owner calls up the inspector to ask him to explain the issue. It turns out that while the ladder itself is in perfect working condition, two labels on the ladder had worn down. The owner is told he can't just replace the labels; he has to buy a whole new ladder (at a cost of \$130-\$300).

What's more, the moment the label starts to fade or peels and falls off - for any reason - the business owner will have to once again buy a brand new ladder, or risk a fine.



Ontario's Ministry of Labour (Hon. Kevin Flynn, Minister)

Death by 1,000 paper cuts

The Ministry of Labour has dumped a whopping number of new and revised regulations on small business owners under Bill 148 (coined by the Ontario government as the "Fair Workplaces, Better Jobs Act"). Many small firms will need to hire full-time HR staff just to keep up with the additional paperwork.

Small business owners are now required or will soon be required to: track new government-mandated paid and unpaid Personal Emergency Leave days (most of which are already being offered in the small business workplace); provide employees notice in writing of work on a public holiday and substitutions for holidays; track the dates and times of every movement of all employees in and out of the office to comply with new scheduling rules; and keep detailed job descriptions. In some cases, small business owners will need to hire legal counsel.



Quebec Labour Department

Quebec's Pay Equity Law put on notice

A mandatory requirement in Quebec is forcing business owners to post a notice to inform employees that they will soon post a notice. While business owners support pay equity, Quebec's Law on Pay Equity requires employers with more than 10 employees to endure a tedious, seemingly never ending process including a detailed "noticing of noticing."

According to the law, the employer must post on a wall of the business or email to employees a notice that the pay equity notice will be posted soon. The notice about the coming notice informs employees of "how" they will be able to access the posting of the notice on pay equity. At the end of the 60 day delay, and within a maximum delay of 30 days, the employer must put up the wall a third notice stating if he or she has received comments. Why make things simple when you can complicate them like this?

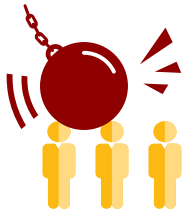


Montreal Metropolitan Community and the City of Brossard

Plastic bags banishment: a patchwork of regulation flaps in the wind

If you're a retailer in the Montreal Metropolitan Community (MMC), you need a PhD in plastic bag management. Municipal regulations are being adopted to prohibit merchants from giving their clients unique usage plastic bags of less than 50 microns (0.05 millimeters). The thicker bags, which take longer to decompose, will be replacing the thinner ones which were largely reused for domestic trash.

To complicate matters individual municipalities of the MMC can adopt their own different regulations should they want to have a different standard. For example, if you operate a retail store in Montreal, you won't be able to give your customers plastic bags less than 50 microns but, if you run a store in Brossard, you cannot use plastic bags of less than 100 microns (.1 millimeters). In Deux-Montagne all plastic bags were banned except biodegradable bags. While retailers support environment protection, this municipal patchwork is confusing.



Town of Smithers, B.C.

Sidewalk to nowhere: part duh

Last year, Smithers, B.C. earned a Paperweight Award for forcing a business owner to build a sidewalk to nowhere. A Town bylaw stipulates that any construction/ renovation above \$100,000 (at that time, \$75,000) requires upgrades to sidewalks, sewers, curbs or alleys. Applying the rule without any common sense, the Town made a business owner build a \$10,000 sidewalk connected to nothing. It made news. The saga continues, now, the Bulkley Valley Child Development Centre, a not-for-profit society, is being forced by the Town to build another sidewalk to nowhere.

Despite many people suggesting the Society's money would be better spent, for example helping children and families, the Mayor and a majority of council disagreed, pointing out the sidewalk could, someday, connect to something...somewhere.

Update: Some semblance of sanity may be prevailing in Smithers. After two years of derision and debate, the Town of Smithers may amend the bylaw to include a cash-in-lieu clause allowing property owners, in situations where constructing short sections of sidewalk is stupid, to simply pay the Town the estimated cost of constructing the sidewalk.



Statistics Canada

Survey says: GO to JAIL! Do not pass go, do not collect \$50

Small businesses are forced to answer lengthy Statistics Canada surveys or face fines or jail time.

Stats Can surveys force small business owners to spend hours answering complex questions. If a business owner refuses to fill out these surveys they could be looking at heavy fines or even three months in jail! Many business owners are receiving several of these complex, time-consuming surveys every year. One member was sent two surveys by Stats Can in six months, both of which required her to take extra time to gather detailed information that most small business owners just don't have on hand. With very little direction by Stats Can, she spent even more time trying to figure out her answers.

Stats Can is also sending surveys with no consideration of busy times of the year for business owners. For example, farmers are being asked to answer these questionnaires during harvest time when they need to be in their fields from sunrise until sunset. While business owners can ask to be taken off the survey list, the process is long and offers no guarantee that they will be exempted.

One member said she'd gladly pay the money or take the jail time, as jail time would at least guarantee a break from doing Stats Can surveys.



National Capital Commission

When life gives you lemons, continue squeezing the joy out of them

One of last year's Paperweight Award winners is back again, but now with some extra forms to fill out! Last year, we nominated the National Capital Commission (NCC) for shutting down a lemonade stand run by two young girls collecting money for summer camp - because they didn't have an event permit. After making headlines across the country, the NCC backed down, allowing the girls to continue running the stand but they had to give all the proceeds to charity. Sadly, our story doesn't end there.

Now, thanks to the NCC, kids in Ottawa who are looking to open their own lemonade stand are learning all about the government red tape small business owners regularly deal with. To operate a lemonade stand along NCC bike paths, kids between the ages of 5 and 17 must fill out a two-page form with several conditions, including being required to set up by 9am and having permits prominently displayed. The NCC also recommends that any prospective lemonade stand operators attend a workshop to receive training before opening their kiosk.

For many young entrepreneurs, this first taste of government red tape will only leave a sour taste in their mouths!



Quebec Ministry of Health

Ministry of Health prescribes the wrong medicine for small pharmacies

Bill 92 is killing business and creating yet another red tape headache for pharmacists in Quebec. The new legislation is forcing pharmacies to disclose profit margin on drugs to customers. With every drug purchase, the supplying pharmacy must now issue a detailed bill to the customer showing the wholesalers' margin and the counsel fees charged by the pharmacist. While the administration burden is bad enough, the law is forcing small pharmacies to disclose major components of their competitive or pricing strategies and sets a dangerous precedent. This also threatens to put smaller pharmacies in an uncompetitive position against larger corporations able to operate at with smaller markups due to scale. Even more dangerous, if the Quebec government can intervene in one sector, it may to do it again.



Nova Scotia's Labour Standards Division and Labour Board

Red tape run-around shows serious gaps in government customer service standards

When a business owner in Nova Scotia disagreed with a decision made by the Labour Standards Division, he was offered the option to participate in a formal hearing in front of Nova Scotia's Labour Board. To prepare, he requested a copy of the file containing the details of the complaint made against his business. What followed was a six-month long bureaucratic back-and-forth of broken promises and bungled processes. Labour Standards Division finally provided the information, but the business owner, not having enough time to prepare, asked to reschedule the hearing. His request was denied.

Small businesses should be able to obtain relevant information within reasonable timelines. Additionally, when receiving information well beyond any formal or informal service timelines, business owners should be contacted and given an explanation for the delay. Ultimately, if the information can't be provided in time to allow a small business to prepare for a hearing, then the hearing should be postponed.



City of Ottawa

Too much red tape is putting roadblocks in front of Ottawa food trucks

While food trucks are becoming a more popular way to grab food on the go, strict municipal rules and regulations are keeping many food trucks from hitting the streets of Ottawa. Not only do prospective food truck owners need to have their business approved by a bureaucratic "food truck selection committee" in order to open, but business owners also face several restrictions on when and where they can operate. Even the Competition Bureau agrees: these restrictive rules are reducing consumer choice and stifling innovation, and municipalities should instead embrace these new forms of competition.



Provincial Trade Barriers

Gerard Comeau and his huge case of beer

Ridiculous rules and red tape at provincial borders is causing needless grief and legal problems for business and citizens. Interprovincial liquor laws are some of the worst culprits. This specific case dates back to 2012, when Gerard Comeau, a retired NB Power linesman from Tracadie, was stopped at the New Brunswick-Quebec border by the RCMP. Finding 14 cases of beer, two bottles of whisky and one bottle of a liqueur, the Mounties wrote up a \$292.50 fine for violating the New Brunswick Liquor Control Act. The law sets a personal importation limit of 12 pints of beer (about 18 cans or bottles), or one bottle of wine or spirits.

Comeau fought the fine and in April 2016, a provincial court judge ruled in April 2016, the liquor restriction was unconstitutional. Section 121 of the Constitution Act states products from any province “shall ... be admitted free into each of the other provinces.” New Brunswick is appealing the ruling to the Supreme Court of Canada. The high court is reserving judgment but the outcome of the case could have profound implications on the validity of a truckload of silly interprovincial trade rules.



Finance Minister Bill Morneau

Finance department decorates Christmas with new red tape for family businesses

The federal government’s new income sprinkling rules for private corporations came only days before all small business owners were expected to implement them and those rules appear to come wrapped up with lots of red tape and uncertainty. These new rules governing how family businesses pay salaries or dividends among family members were part of a giant package of changes. After a lengthy battle against these proposed tax changes in 2017, CFIB welcomed several of the government’s fixes. Unfortunately, the government’s attempt to provide clarity around who qualifies to use income sprinkling with a “bright-line test” has left many in the dark.

There is likely not a single business owner in Canada who understands the new rules that are to be in place for any payments to family members as early as January 2018. Even tax professionals have not had an opportunity to review the rules or advise their clients. The Canada Revenue Agency will still need to determine whether a firm qualifies for the exemption. This is worrying small business owners who are concerned the new provisions won’t recognize many of the formal and informal ways family members participate in the business. The red tape burden could increase significantly for owners who now must prove they qualify for one of the exemptions or can meet the ‘meaningful contribution’ test. Will the business owner’s spouse be forced to punch a clock to do the books and complete government paperwork at midnight? The Senate is recommending the entire package of changes be dropped and replaced with an independent review, or at least the implementation delayed until 2019.



Ontario Ministry of Transportation & Liquor Control Board of Ontario (LCBO)

Recognizing the obvious is not a super power

Ottawa's first craft distillery, North of 7, set up shop in 2014. For three years, the company used a stylized 1940s highway sign as their logo. The Ministry of Transportation (MTO) threatened legal action if the logo wasn't changed. Why?

Because it looked too much like an Ontario highway sign: the Ministry was concerned that customers might think the alcohol was being sold under "government patronage, approval and authority." Rather than fight MTO lawyers, the business opted for a costly redesign of the logo.

In 2017, the LCBO did a 180 and revoked their approval of the label design for Stalwart Brewing Company's Dr. Feelgood India Pale Ale, just as the beer was about to be launched. The label features a snake wrapped around a mash paddle used for brewing. The LCBO, concerned the design was too similar to the Rod of Asclepius (the ancient Greek symbol associated with medicine), worried customers might think the beer has special healing powers and yanked approval. This business owner was left with 5,000 cans, the cost of a new design, and a delay in the product's launch.



Canada Border Services Agency (CBSA)

Bordering on the ridiculous

Businesses bringing goods into Canada sometimes are facing serious stress and financial hardship due to unreasonable inspections, delays and red tape at the border.

In one recent case, a pre-Christmas shipment was held up by the Canada Border Services Agency (CBSA) at the Vancouver Port for over three weeks. As a result, orders were cancelled and port storage fees were incurred, costing the business thousands of dollars.

In another case, a home-décor business had six shipments pulled for inspections over four months - equaling the total number of inspections they've had over the past twenty years. When they asked CBSA why, they weren't able to get any information on why their shipments were being targeted, despite never having any previous issues with their products. Business owners are also facing hundreds of dollars in costs when CBSA needs to scan imported containers.

Worse, communication between CBSA and business owners is notoriously poor. CBSA routinely blames port authorities or warehouses for the storage fees, while the port authorities or warehouses point the finger at CBSA for sending products for inspection.