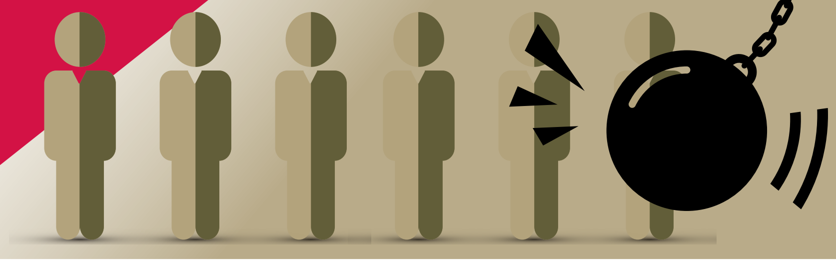
The Paperweights



10 RED TAPE OFFENDERS FOR 2017

1 **THE SIDEWALK TO NOWHERE** — A local business owner in Smithers, a town of 5,000 in BC, had to grapple with an ill-thought out municipal bylaw when he applied for a permit to renovate a commercial building. Based on the cost of the construction, the town required him to build a sidewalk across the road from the building, leading to an abrupt dead-end. Seeing this as a poor use of time and money, the business owner offered the money in lieu of the sidewalk for the town to use in a more needed area. After the town council rejected the business owner's offer, he dutifully built the 30 metre sidewalk to nowhere himself, at a cost of $10,000, plus his valuable time. The nearest neighbouring sidewalk: half a kilometer away.

2 **CLOCKING OUT (YET MORE TIME IN)** — Got a few hours to spend calculating the cost of 16 minutes of work? Employers who pay an hourly minimum wage in Nova Scotia must contend with the province's uniquely confusing partial hours legislation. The legislation requires employers to round up partial hours above 15 minutes to the next nearest half hour for their minimum wage workers. So that 16 minutes must be rounded up to 30, and 31 minutes must be rounded up to 60. The problem arises when an employee who is making slightly above the minimum wage clocks out at 16 minutes, for he must be compensated at least as much as the basic minimum wage worker clocked out at 30. This two-step process is so convoluted that even the most sophisticated payroll systems can't make the calculations.

3 **CRUSHING ONTARIANS' SPIRITS** — Unlike craft brewers and Vintners Quality Alliance (VQA) wineries, craft distillers are not allowed to sell their product on site by the glass, nor can they sell directly to bars and restaurants, a regulation that stands as a major barrier to business. One Ontario winery owner tried to obtain some craft spirits from a local distillery to sell at his restaurant. Instead of the vintner simply picking up the liquor – a mere 10-minute drive – the distillery had to ship the product to an LCBO warehouse, where it sat for months, before it was shipped back to the community, passing by the distillery again before being delivered to the customer at his restaurant.

4 **PERMITS, PLEASE!** — Looking to launch a winery in Ontario? There's a permit for that. Actually, there are six, from four different agencies, and it'll cost you $1,260 every two years to get them. There's another permit for selling your wine on your property, and another for selling by the glass, and another for serving food, totalling another $1,800 up front. The whole process will take eight to 12 weeks – per permit – and requires a multitude of official application forms, personal history reports, chemical analysis fees, site plans and municipal information forms. If you're looking to make specialty wines, there are even more hoops to jump through, like getting your beekeeper's licence to make mulled wine, or ensuring that 70 per cent of your apples are Ontario grown to make apple-based wines. Looking to skip the onsite sales headaches? No problem, just apply to the LCBO for another permit.

5 **DON'T BET THE FARM ON IT** — One PEI couple tried to sell their 83 acre farm so they could retire, but selling private property to "non-residents" on Prince Edward Island can be a political, financial and red tape nightmare. Non-residents who want to buy more than five acres of land must pay 1 per cent of the purchase price just to apply, then plead their case to the Island Regulatory and Appeals Commission (IRAC). IRAC then makes a recommendation to cabinet on whether the purchase should be allowed

Cont'd...

or not and the Premier and cabinet have the final say. If the application is not approved, the potential buyer loses half their fee. The couple have had two potential buyers, one from the U.S. and another from Ontario, both turned down by executive council. No local buyer has come forward since the property came on the market three years ago.

6 **A FORMULA FOR DISASTER** — As part of an international agreement under the United Nations, Health Canada introduced new criteria for the Globally Harmonized System of Classification and Labelling of Chemicals (GHS) on June 1st, 2015. Companies are now required to put the exact formulas on their labels by listing all the chemicals and amounts. This level of detail far surpasses what is required in the U.S., where businesses are still compliant with the new GHS, and compromises a company's intellectual property rights. The costs to update these Material Data Safety Sheets can run up to $300/per sheet, and can be upwards of tens of thousands of dollars for businesses that manufacture a lot of chemicals.

7 **WHEN YOU MAKE LEMONADE, LIFE GIVES YOU LEMONS** — Hoping to raise money for a camp they wanted to attend, two young girls aged 5 and 7 set up shop on a popular bike path in Ottawa selling ice cold lemonade to parched and appreciative customers. They managed to gross $52 in a few short hours, but were promptly shut down by the National Capital Commission, citing lack of proper permits. As the two young entrepreneurs discovered, in order to sell lemonade on NCC property, forms must first be filled out and fees must be paid so that they may be granted an "event permit".

8 **HOLD THE MAYO!** City grease trap policy sends a business down the drain — One Winnipeg bookstore and café was caught in the crossfire of a "one size fits all" application of a sewer by-law. In Winnipeg, every food business must install grease traps on sinks and dishwashers, unless an exemption is approved. Although dozens of shops have applied and been granted exemptions, this book store and café was denied an exemption simply because they put mayo on their sandwiches and had fats in their desserts. Facing $12,500 in fines, the business was forced to close its doors for four months while he awaited a reply to his numerous requests for an exemption, leaving him broke and with no choice but to fire ten employees before he could re-open.

9 **COMMON SENSE PUT OUT TO PASTURE** — The Alberta government has added mandatory Workers' Compensation coverage to farming operations as of January 2016. On top of that, Occupational Health and Safety, Employment Standards, and the Labour Code are coming soon to all farms and ranches. This legislation will have a crippling effect on the farms in the province because as currently written these rules and regulations may make sense for retail businesses but are not written with the realities of farming in mind. Agriculture is not a "nine-to-five" business, especially during periods of peak production (e.g. harvest, calving season, etc). Farmers can lose thousands of dollars if all hands are not on deck to bring in the crop or livestock. For example, if a frost is expected overnight, the entire farm crew must work twice as hard to finish combining in order not to lose their harvest.

10 **WHY MAKE IT SIMPLE WHEN YOU CAN MAKE IT COMPLICATED?** — In Quebec, a 1934 law makes "Joint Committees" responsible for the administration of 15 decrees in lieu of a collective agreement that applies to businesses operating in some sectors, located in some regions of Quebec. Not only does this law undermine the competitiveness of businesses that are covered versus those who are not, but it requires significant time and resources be devoted just to comply with the many rules and requirements imposed and enforced by the Joint Committees. This is a cumbersome, costly system that does not exist anywhere else in North America. According to this law, employers have to pay Joint Committees a contribution from their employees in addition to a payroll tax calculated on the hours and activities their workers do that are covered by the decree. This means that employers have to separate and calculate monthly, covered hours worked by every worker in the business (which can be different than total hours worked because not all activities and hours worked are covered by the decree) and apportion contributions to the Joint Committees for each employee. In addition, this process must be done separately than the regular pay deductions process (income tax, public pension fund, WCB contributions, etc.) that are paid monthly to Revenu Québec. This means that Quebec business owners covered by a decree have to operate a double pay system in their accounting system to comply with a law that is more than 80 years old and that is supposedly still needed in only one place in North America: Quebec...