

B.C. waste plan wraps consumers, small business in new red tape

Opinion: Multi Material BC to charge enterprises recycling fees well above those) of other provinces

BY MIKE KLASSEN, SPECIAL TO THE VANCOUVER SUN JANUARY 23, 2014



On May 19, a massive program that increases the cost of waste materials in B.C. will be launched.

Photograph by: GLENN BAGLO, VANCOUVER SUN

Whether it is the painstaking effort we put into filing taxes, applying for passports, renewing licenses or paying fees, the annual cost of red tape for Canadians is estimated to be in the billions. Red tape is a hidden tax that costs us all, and governments must be held to account when they create more of it.

As the only jurisdiction to publicly measure red tape, the Canadian Federation of Independent Business (CFIB) last year gave the B.C. government a deserved “A” grade on its red tape report card, the highest in the country.

Fighting red tape is now central to the mandate of the Christy Clark government. Upon their swearing-in last June, each member of her cabinet was sent a publicly-posted letter from the premier with instructions “to eliminate red tape so that we can get to yes on economic development without needless delay.”

But soon new laws take effect that run counter to B.C.’s laudable goal to cut red tape. On May 19, a massive program that increases the cost of waste materials in B.C. will be launched. And because there has been so little public discussion about it, most consumers and small businesses have no idea it is coming, or how it will affect their bottom line.

Though promoted as a shift of costs away from the general taxpayer and onto business, B.C. consumers will be ultimately shouldering hundreds of millions in new costs embedded in the goods they buy. The new scheme involves an organization called Multi Material BC (MMBC) — a private, not-for-profit business that now has a veritable monopoly on the collection of all printed paper, container and packaging waste in our province.

Until CFIB raised the alarm last summer, tens of thousands of small business owners were slated to be on the hook for an immediate requirement to record, track and eventually remit payments for any printed paper or packaging they used on consumer goods.

Many of those businesses received a temporary reprieve when MMBC set a business threshold of \$750,000 of gross revenue where they “need not report and register with MMBC in 2013.” It is now January and many business owners are still in the dark on whether they need to comply.

In an October CFIB survey, small business owners were asked if they understood their obligations with respect to new paper and packaging waste disposal regulations. An astounding 73 per cent responded they knew little or nothing about MMBC’s program.

B.C. municipalities are now inking deals with MMBC that permits the organization to use their waste collection infrastructure, such as trucks and transfer stations, all staffed by public employees. But because municipalities are not obligated to lower the fees they charge households for this collection, citizens may see little or no reduction in their tax bill.

What they will likely notice, however, is the increased price of goods resulting from MMBC’s fees.

The double-dipping on our wallets is just one of the serious problems this new plan faces. Some municipalities are spending your tax dollars to separate glass collection from other recyclables, while others are ceasing glass pickup altogether as MMBC is not required to collect it.

An MMBC fee schedule circulated by the Canadian Stewardship Services Alliance should send a chill through B.C.’s small business sector. Rates are pegged at two to five times those in neighbouring provinces.

On newsprint, for example, businesses are charged at eight cents per kilogram in Ontario, while MMBC is charging 20 cents in B.C. So it goes for cardboard — eight cents in Ontario, nine cents in Manitoba, 29 cents in B.C. Plastic film: 23 cents in Ontario, 29 cents in Manitoba, 54 cents in B.C. Glass packaging costs three cents in Ontario, six cents in Manitoba, 25 cents in B.C.

Small businesses will potentially be responsible for thousands of dollars of monthly fees that they must pass on to their customers. If you buy any food products packaged in B.C., get ready to be walloped. The amount of food product packaging is driven largely by government’s health and safety standards, leaving precious little room to reduce waste. Those fees paid by business will just wind up on your household food bill.

It is possible that consumers will try to avoid these costs by shopping out-of-province through online services, or by crossing the border to buy groceries and other goods where none of these fees apply. B.C. small businesses are already facing stiff competition from U.S. counterparts, and it is about to get a lot worse.

It is not too late to change course. The B.C. government can untangle this new red tape by exempting small businesses from a policy never designed with them in mind. And because this policy will ultimately affect all British Columbians, that exemption must be put in the regulation and not left to the whims of MMBC’s board of directors.

Mike Klassen is director of provincial affairs, British Columbia, for the Canadian Federation of Independent Business, and is a member of the B.C. Small Business Roundtable. Red Tape Awareness Week 2014 is Jan. 27-31.