

B.C. Liberals have lost appetite for deregulation

BY PHILIP HOCHSTEIN

Remember the enthusiasm with which the B.C. Liberals commenced their core services review and began slashing unnecessary regulations during their first mandate? Well, if a newly created government agency has its way, supporters of big government — and the unions and businesses that manipulate regulations for profit — will once again be raising victory flags.

The Liberals must be given credit for their early successes with red-tape reduction that helped catalyze a business rebirth.

But the creation of the Business Practices and Consumer Protection Authority (BPCPA) — with an open-ended mandate to regulate business transactions in the province, no matter how trivial — shows that they either fell asleep at the switch or they have lost their appetite for lean government.

The BPCPA was created in 2004 with a mandate to deliver consumer protection services in three industries: Travel, debt collection and cemetery and funeral services. It has since added a fourth, telemarketing, and is now targeting significant further expansion in its scope of operations.

Consider one of the BPCPA's current projects: Developing a comprehensive regulatory scheme that may envelope the entire cosmetology field including hairstylists, makeup artists, nail technicians and spa attendants. Are you concerned for your well-being when you sit down in a hairstylist's chair? Or when you get a makeup sample in the mall? Do these business relationships really cry out for government control? And are you willing to pay more for these services once the government adds its regulatory burden and imposes limits on competition?

My bet is most of us would answer "no" to these questions. But the BPCPA is premised on the view that the answers are a resounding "yes."

Can you imagine the phone calls to the minister responsible, Solicitor General John Les, once the ill-conceived cosmetology regulatory morass is enacted?

Distraught caller: "Minister Les, I am really upset and I understand this is your area. I was just at the makeup counter at the mall and the attendant put winter colours on my face, but I'm a summer." Is this a legitimate and essential role for the provincial government?

And you have to wonder what the impact of more regulation will be in a sector where so many of the businesses are small and individually owned.

A barber or beauty shop is one of the more feasible entry points into entrepreneurship for many. And while I'm sure the rewards can be great, the margins are no doubt tight. Has the true extent of industry-wide support been assessed?

Cosmetology aside, British Columbians should have real concerns about the breadth of BPCPA's mandate. Indeed, its current business plan makes somewhat chilling reading for those with a strong commitment to free-market principles.

On its website, the BPCPA speaks somewhat euphemistically of the pursuit of "new lines of business," by which it means extending its regulatory authority into new industries and types of transactions.

Among its key performance measures is the addition of three new "lines of business" and the investigation of three further ones, in this year and each of the next two. That suggests a minimum of 13 regulated industries by the end of 2008.

Just to be clear, this is a government agency whose only business is regulation and that is actively looking for areas to expand into. And it is not the only one. The B.C. Safety Authority, which regulates a number of trade areas, recently advertised for a "business development specialist."

The B.C. Liberals would do well to cast their minds back to the solid rationale behind cutting out unnecessary regulations in the first place: Lower taxes, higher investment and more jobs. These goals are as important today as they were when this government was first elected. But now Liberal-created agencies are beginning to measure their success by the very expansion of

their regulatory reach.

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Philip Hochstein: B.C. residents should be concerned about BPCPA's mandate.
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