Hospitality and tourism operators employ thousands of Ontarians in every community across our province. As our industry reels from a long list of crippling blows over a decade, operators have tried their best to find ways to make ends meet. It is said that the hospitality and tourism industry is the first into a recession and the last out. While we would like to escape this notion and we are working as an industry to find solutions there is no escaping the realities of our industry. We are labour intensive and have little control of a substantial range of costs we must pay in a very competitive business that impacts price/rate growth.

Over this past year the ORHMA focused on “red tape” and has been engaged with industry on regulatory issues and the removal of government barriers.

**Regulations Exert Strain due to Reduction of Labour Positions in the New Business Environment**

Governments must be open in supporting business success and realize that the recent economic hardships brought on a new reduced labour operating model in most businesses. Management positions have been reduced or eliminated and ownership of many tasks and responsibilities are now completed by individuals that “wear many hats”. This is the reality and governments need to be aware of how much regulatory burden strains a slim work force. There is a need of adjustment presented here.

This is more evident in small business where occupying an operator’s time with the amount of upkeep in regulations becomes a burden to success. The resources are just not there.

**Amount of Time and Paper Work**

The “control” expectation of government ends up distracting the focus on service excellence and business growth for the operators. These Regulations add pressure to the expense lines and contribute to industry’s unprecedented margin shrinkage.

There are specific regulations in place that need attention but the overall consensus of industry operators is about the whole package of well intended regulations that need to be there but create nightmares in the amount of paper work and supportive documentation requirements.
Many well-intended regulations demand an abundance of documented policies and posters on the walls, another “binder” on the shelf, and a significant amount of time and effort into paperwork completion.

**Goal must be in Streamlining**
The goal must not be only the reduction of regulations. Reducing the number of regulations does not lessen the operator’s burden. Emphasis must be placed on streamlining the work and time expected from the operator in implementation and in maintaining compliance.

**Government “Silo-like” Implementation**
The ORHMA is concerned that new regulations, requirements, and guidelines are being created in a silo-like environment. This process fails to look at the total regulatory burden placed upon this industry. It has become increasingly more acceptable over time for each regulatory body to act with seeming indifference to the actions of another body. The process is placing an unreasonable burden on the individual operator who is trying to make a living in a highly competitive marketplace while forced to cope with this growing and costly burden.

**Significant Issues**
Without question there are several significant industry concerns when the issue of regulatory burden is raised. Some of the more common files that ORHMA continues to work on include: Wholesale Liquor Pricing and Removing the 6% licensee mark up; Tourism Investment Strategy; Incentives to Small Business. The fact of The Beer Store not accepting credit cards from licensees and along with the LCBO not allowing the sale of consumer discounts (except limited available stock) and promotions to licensees creates an uneven playing field. The fact that grocery stores sell products without the HST in an environment where this sector outperforms restaurant growth creates unfair competition.

These larger issues may not be viewed as regulatory but are preventing success and do need legislation for a solution.

**Specific Regulatory Burden that prevent success to the Hospitality Business**

- **Requirement of door-staff licenced under the Private Security Investigative Services Act (PSISA)**
  Under the PSISA, implemented in April 2007, all security staff employed in the Hospitality industry are required to be licensed. This presents a significant cost factor as the employer must be registered with the government, the employee must take training and become licensed. The matter of licensing raises other labour issues as the training and licensing costs are being negotiated between employers and employees, most often at the employers’ expense, and also having staff licensed
(with transferrable licenses) means employees will be able to demand a higher hourly rate.

- **Complex system of License and Permit Registrations and Renewals – Municipal Jurisdiction**
  Introduce a simplistic one service stop for licence and permit renewals. The emergence of the new information technologies could bring significant change in the delivery of services.

Licenses/permits/registrations that new business have to apply for a restaurant:
- Register your business
- Business number - HST number
- Liquor license - which then includes food establishment license
- Ontario - need to apply for Hours of Work & Averaging Hours - Ministry of Labour
- Local business license - I don't think it is in every municipality, but most...
- Employer's Health Tax number
- WSIB number
- Certifications required:
  - Food Safety
  - OSSA certification
  - SmartServe
- Permits required to pass before opening (these final inspections are all required before obtaining one’s liquor license):
  - Fire
  - Health
  - Building

- **Understanding Regulations**
  Easy access to information and simplistic interpretation to operate a small business. There is a need for a library type index—a one stop information shop.

- **Building/Fire Code**
  Duplication unnecessary draws on time and resources

- **Pay Equity**
  Enormous amount of time and preparedness in an industry largely impacted by minimum wage increases. Multi unit identities should be treated as “one” to avoid excessive work on this.
• **WSIB Audits**
In preparation for WSIB audits operators are asked to prepare information in advance, and one of the pieces they are asked for is a list of three competitors in the same industry. The MOL/WSIB has rationalized this request as being able to confirm that an operator is properly classified, however in hospitality there are only two rate groups: 919 (restaurants and catering) and 921 (hotels, motels and camping). Any subsequent sub-classifications are for the internal purposes of data collection by WSIB only and are not publicly communicated, and should therefore not be part of an operator’s audit.

• **Ministry of Environment -Source Separation Regulations**
Under regulations 102 and 103 of the Environmental Protection Act obligated parties are required to undertake waste audits of their facilities and submit reports to the MOE. Many of the businesses required to comply do not have the in-house technical expertise to either complete an audit or file a report which meets requirements. Many employers have resorted to hiring technical experts to undertake the work, at great expense. This is particularly troublesome for businesses which operate multiple and nearly identical units throughout the province. There should be a policy allowance made to enable employers to undertake a single audit, and to file a single report, for multiple unit businesses that operate similar if not identical operations.

• **Water Safety**
Standards vary across Ontario making it difficult and more costly for compliance. Standards have not been brought up to date with today’s technology advances.

• **Energy Demand Management**
Operators do not have control over demand and need regulations that reflect their unique situation. The government is attempting to bring electricity users to reduce demand during peak periods while escalating prices to pay for green technology. The hospitality industry operates at full throttle during peak times and operators have no choice but to pay exorbitant energy prices. Hotel and restaurants need special pricing rules in recognition of the fact that these businesses cannot alter their peak times and operating practices.

• **TODS Highway Signage**
The TODS signage program review should focus on making the program more responsive to the needs of tourism operators. There are restrictions to approved signage locations that impair promotion and in turn revenues.
The Rules We Live By - Regulation of the Restaurant Industry

The listing below is an unofficial listing for the average restaurant operating in Ontario. From laws he must abide by to signage that must be posted and courses his staff must take the burden is not inconsequential and whether of reference when the idea is conceived that a new law, regulation, or sign is required by a new government initiative. This list is not meant to be exhaustive nor is it appropriate to cite this list as an authority.

Signage Requirements for Restaurants
- Business License (municipal requirement)
- Liquor Licence (Liquor Licence Act)
- Fetal Alcohol Syndrome Warning Poster (Liquor Licence Act)
- No-Smoking Signs (Smoke-Free Ontario Act)
- Occupational Health and Safety Poster (Occupational Health and Safety Act)
- Employment Standards Poster (Employment Standards Act)
- Food Premise Inspection Sign (where required by local public health unit)
- WSIB Poster (Workplace Safety and Insurance Act)
- Pay Equity Poster (Pay Equity Act, either by legislative obligation or director order from Pay Equity Commission)

Legislative/Regulatory Obligations* (excluding federal)

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*It is important to note that some of the above noted Acts pertain to only certain segments of the industry.
The Rules We Live By - Regulation of the Hotel/Motel Industry

The listing below is an unofficial listing for the average hotel/motel operating in Ontario. From laws he must abide by to signage that must be posted and courses his staff must take the burden is not inconsequential and whether of reference when the idea is conceived that a new law, regulation, or sign is required by a new government initiative. This list is not meant to be exhaustive nor is it appropriate to cite this list as an authority.

Signage Requirements for Hotel Restaurants
Business License (municipal requirement)
Liquor Licence (Liquor Licence Act)
Fetal Alcohol Syndrome Warning Poster (Liquor Licence Act)
No-Smoking Signs (Smoke-Free Ontario Act)
Occupational Health and Safety Poster (Occupational Health and Safety Act)
Employment Standards Poster (Employment Standards Act)
Food Premise Inspection Sign (municipal requirement)
WSIB Poster (Workplace Safety and Insurance Act)
Pay Equity Poster (Pay Equity Act, either by legislative obligation or director order from Pay Equity Commission)
Elevator Safety Certificates (Technical Safety and Standards Act)

Signage Requirements for Hotel Guest Rooms
Emergency Exit Routes (Fire Code)
Notice of Liability (Innkeepers Act)
Room Rates (Hotel Registration of Guests Act)
No Smoking Signs (Smoke Free Ontario Act)

Legislative/Regulatory Obligations* (excluding federal)
Liquor Licence Act
Liquor Control Act
Health Protection and Promotion Act
Smoke-Free Ontario Act
Employment Standards Act
Occupational Health and Safety Act
Labour Relations Act
Pay Equity Act
Workplace Safety and Insurance Act
Waste Diversion Act
Environmental Protection Act
Accessibility for Ontarians with Disabilities Act
Consumer Protection Act
Private Security and Investigative Services Act
Planning Act
Retail Sales Tax Act
Employer Health Tax Act
Corporations Tax Act
Corporations Act
Business Corporations Act
Business Names Act
Innkeepers Act
Hotel Registration of Guests Act
Ontario College of Trades Act
Safe Drinking Water Act
Ontario Water Resources Act
Ontario Fire Code
Ontario Building Code
Ontario Human Rights Code

*It is important to note that some of the above noted Acts pertain to only certain segments of the industry.