

# B.C. Liquor Policy Review

# **Final Report**



Ministry of  
Justice



# Table of Contents

<b>Message From John Yap</b>	<b>1</b>
<b>Introduction</b>	<b>3</b>
<b>Context</b>	<b>5</b>
<b>Health, Safety and Social Responsibility</b>	<b>7</b>
<i>Roadside Prohibition Program</i>	8
Public education	8
Licensee and staff education	9
Enforcement and compliance	10
<i>Vignette: Vancouver Police Department Ride Along</i>	12
Pricing	13
<i>BC Liquor Stores' Sales by Region (2012/13)</i>	14
<b>Retail and Convenience</b>	<b>14</b>
Increased convenience for consumers	15
<b>Economic Growth, Jobs, Tourism and Marketing</b>	<b>20</b>
<i>Vignette: Shelter Point Distillery</i>	21
Promote B.C. products	22
Manufacturer sales and sampling	23
Off-site sales and sampling	25
<b>Licensing and Cutting Red Tape</b>	<b>27</b>
Liquor-primary licences	27
Food-primary licences	29
Licence applications and the role of local governments and First Nations	31
<i>Vignette: Lido Theatre</i>	32
Special Occasion Licences	33
Clubs	35
Arenas, stadiums and event-driven facilities	36
Liquor Distribution Branch operations	37
Flexibility and red tape reduction	37
<i>Vignette: The Heid Out Brewhouse and Restaurant, and Fisher Peak Brewing Company</i>	38
<b>Change Management</b>	<b>40</b>
<b>The Last Word</b>	<b>41</b>
<b>Recommendation Summary</b>	<b>43</b>
<b>Appendix A: List of stakeholder meetings</b>	<b>51</b>
<b>Appendix B: Terms of Reference</b>	<b>53</b>



# Message From John Yap

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To: The Honourable Suzanne Anton  
Attorney General and Minister of Justice

Dear Minister Anton,

I am honoured to submit the report of the Liquor Policy Review to you for consideration by government. This report summarizes the tremendous public response to the Review, and the thoughtful and considered views in 188 stakeholder submissions.

Throughout September and October 2013, I held 65 stakeholder meetings and the review team assessed a total of 4,364 website comments, 3,587 emails, and 41,195 ratings. During the course of the entire review period, over 87 days, there were more than 76,000 visits to the Liquor Policy Review website: [engage.gov.bc.ca/liquorpolicyreview](http://engage.gov.bc.ca/liquorpolicyreview). I must say that although I anticipated strong public interest in this review, I was surprised, very impressed and extremely encouraged by the level of engagement in and quality of submissions to the process. It is clear to me that many British Columbians and stakeholders in all areas of the province were interested and engaged in providing direct input and thoughtful advice.

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**@jamesinpent: @John\_Yap this is a great use for social media, very progressive, I'm impressed. #bcliqur**

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The dominant theme that emerged in both the review and this report is developing a balanced approach to protecting public health and safety, providing more convenience for consumers, and streamlining regulations for the industry.

There was a wide range in the viewpoints, issues and opportunities expressed. Discussion covered every conceivable aspect of liquor distribution and sale, use and abuse, convenient access and public safety, regulatory burden and economic opportunity. The issues are diverse and complex, and the clear articulation of all points of view gave me a comprehensive insight into what works and doesn't in the evolution and application of B.C.'s liquor policies, regulations and legislation.

The participation of so many interested British Columbians provided clear direction for this review. In fact, on Oct. 29, 2013, I announced that in response to the overwhelming interest and support for making liquor available in grocery stores, I would look further at this policy option and would include recommendations in this report. That decision was in response to the clear wishes expressed by British Columbians; by the end of the consultation, almost 75 per cent of all comments, emails and tweets on the topic of liquor in grocery stores were generally in favour of more convenient access.

This report is a direct reflection of what British Columbians told us they want to see in the evolution of liquor policies, and strives to balance public health and safety, convenience for consumers and lessening the regulatory burden for manufacturers and licensees.

This report, which I present today for your consideration, meets the Terms of Reference for this review: that recommendations consider all aspects of liquor policy including licensing, control and distribution. The recommendations also call for:

- Creating a licensing system that responds to emerging marketplace realities and reflects current lifestyles and societal values.
- Providing flexibility for businesses and removing operational barriers, to help grow the economy while protecting public safety.
- Recognizing the importance of jobs and investment in the hospitality, tourism and agri-foods sectors, in support of the BC Jobs Plan and continued economic growth.
- Ensuring a sustainable liquor manufacturing sector.
- Providing for an efficient and effective liquor distribution system.

As laid out in the Terms of Reference, recommendations adhere to the following guiding principles:

- That government revenue is maintained or increased.
- Minimize health and social harms caused by liquor.
- Balance economic and social interests by ensuring public safety and the public interest of British Columbians and their communities is protected.
- Be evidence-based and transparent.
- Respect obligations under collective agreements and international and interprovincial trade agreements.

I appreciate the opportunity to lead a process that has engaged so many British Columbians. I believe that, as a whole, these recommendations are a balanced and responsible approach to liquor policy in British Columbia. I want to thank the dedicated public servants who worked on this review with me.

Thank you for the opportunity to take part in this review.

Respectfully submitted,



John Yap

Parliamentary Secretary to the Attorney General  
and Minister of Justice for Liquor Policy Reform

# Introduction

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The first liquor control legislation in British Columbia was created in 1853, when Governor James Douglas persuaded the Colonial government to license wholesale and retail outlets on Vancouver Island. After Confederation, constitutional authority was divided between the federal and provincial governments. Provinces have regulated trade in alcohol ever since.

While there have been many updates and amendments to the legislation over the past century, the B.C. Liquor Policy Review is the first comprehensive overview that has so heavily drawn from public input, consulted extensively with stakeholders and covers liquor regulation, production, access and distribution, as well as health, safety and social responsibility. This Review has looked at a regulatory regime that has become outdated, overly complex and excessive, in a time when the public has a far more diverse set of tastes and is acutely aware of the damage and dangers caused by overconsumption of alcohol.

Public comment and presentations to the Review have made a strong case for the need to balance convenience and public safety. Public health advocates reinforced the message for responsible use of alcohol, while constructively acknowledging that outdated regulations have become consumer irritants, instead of effective deterrents.

British Columbia has a strong record of public health and safety. In 2013, the Centre for Addiction and Mental Health (in association with the Centre for Addictions Research of B.C.) ranked British Columbia's alcohol policy second overall in Canada, in terms of health and safety. This government has committed to maintain and improve that ranking. We have an obligation to do so. Health advocates have called for government to act on minimum pricing changes, and this report has recommendations to address this shortcoming. They have sought support for increased awareness and public education on safe alcohol consumption, and I have made recommendations to this end.

This government continues to voice its strong support for policing programs that make a noticeable difference to communities across British Columbia. These include established programs like CounterAttack and emerging practices such as Bar Watch.

In 1923, the B.C. government licensed the province's first winery. It was located on the Saanich Peninsula and made loganberry wine. Since then, British Columbia has become a recognized producer of high-end, regional, craft and artisanal alcoholic beverages. The Okanagan region is renowned for its wine. It has been joined by vineyards on Vancouver Island and the Gulf Islands, in the Fraser and Similkameen valleys, and new wineries in the Shuswap, North Okanagan, Thompson-Nicola and West Kootenays. Craft beer is a rapidly emerging growth sector across the province. At the same time, British Columbians have developed more sophisticated tastes, an appreciation for specialty liquors and pride in the home-grown small businesses that produce them. All of this actively contributes to the economic development of our province, including new job creation in the sector, and I believe the recommendations will support the steady growth of the industry.

Balanced with that is the widely acknowledged understanding that alcohol is a unique product, and there is significant responsibility attached to its use. The Liquor Policy Review has been a welcomed opportunity to revisit our assumptions about health and safety practices around alcohol, and I received many thoughtful and thought-provoking submissions. For example, police representatives brought forward constructive suggestions for public events where alcohol is served (e.g., limiting beer gardens to larger-scale events). There were legitimate questions about why parents could have a beer at a hockey game when they are with their child, but not bring them into the neighbourhood pub for Sunday brunch. The Royal Canadian Legion and other community groups presented ideas that will allow their membership to be more engaged in their communities, and both the public and producers are interested in featuring local liquor tasting and sales at farmers' markets. I am pleased to offer recommendations in each of these areas.

Through all of this, support for the continued role of government as the sole regulator and a key player in distributing and selling alcohol, was strong. There was also support for "leveling the playing field," ensuring that regulations apply equally to private liquor retailers and the B.C. government's Liquor Distribution Branch (LDB).

The Liquor Policy Review 2013 is about making substantive reforms that are comprehensive, balanced and responsive to what I heard. British Columbians are full of good and interesting ideas; some I was able to address, some I could not, and some were beyond the scope of this review. While I was not able to act on every suggestion or proposal put forward, I want to personally note that I am very appreciative of and heartened by the interest British Columbians have shown in this review. Your contributions have been a strong voice in shaping all of these recommendations.

*September 10, 2013  
meeting with the  
Wine Islands Vintners  
Association*





## Context

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In direct costs, B.C.'s liquor industry is worth \$930 million each year – \$1.1 billion when you incorporate the taxes that liquor sales bring in. Expand this to include indirect revenue, and the value to the economy and government rises to an estimated \$2 billion.

When you consider the number of people employed in areas associated with liquor — sales, retail, restaurants, hotels, etc. — the majority fall in the tourism sector, in which more than 126,000 people work. Clearly, B.C.'s liquor industry is one of the leading contributors to tourism. In fact, more than 800,000 visitors annually spend money related to the wine industry. That is more people than came to Vancouver for the 2010 Winter Olympics.

It's not a surprise, then, that the Liquor Policy Review generated more participation than any other engagement ever run by government. We invited British Columbians to participate in the way that suited their needs, and from where they lived, and with minimal cost to them or to government.

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**@jordana\_26: #bcliqur def needs some tweaking... the rules & regulations are so outdated**

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Having the chance to meet and hear from so many British Columbians was a real privilege. I learned that the more you look at the issues around liquor, the more you appreciate that each group has a different story but ultimately, the major issues are all the same.

While I have made 73 recommendations that fall within the context of my Terms of Reference, in receiving the feedback from the public and from my meetings with stakeholders, I couldn't help but hear other recommendations that relate to the different policies and practices that exist on how the private and public liquor retail systems work.

As examples, generally BC Liquor Stores do not open on Sundays and the private stores can't sell wholesale products. Another example would be the discount rate granted to private licensees. Specifically, they are able to buy alcohol at a discounted rate from the LDB or BC Liquor Stores. However, there isn't consistency across retailers on the discount given. For example, rural agency stores receive a 12 per cent discount, licensee retail stores receive a 16 per cent discount, and independent wine stores receive a 30 per cent discount.

In addition, you will not find a recommendation either for or against the expansion of walk-in refrigeration units in BC Liquor Stores. With regard to the refrigeration pilot, three locations (Salmon Arm, Duncan and Byrne Road in Burnaby) opened in September and will remain in place permanently. I understand the LDB has agreed that the other four proposed locations will be put on hold pending further evaluation of this initiative.

The reason I have decided not to weigh in on these kinds of issues in my report is either because they fall outside of the scope of my Terms of Reference or because these kinds of discussions would immediately lead to implications for government revenue and potential implications, particularly around the grocery model(s) that still need to be developed. That

said, they are all issues that should be considered going forward once the grocery model is settled and future options for the LDB are established with regard to a Crown agency or corporation. I will leave these considerations in the capable hands of the Justice Minister.

What I can tell you is that I do believe the retail environment needs to be made more convenient for consumers and more flexible and consistent for retailers. That's why I have addressed a number of recommendations to this end.

Overall, from the feedback received during the Review, it is clear that people agree that convenience is currently lacking, that health and public safety issues must be balanced, and that ultimately they are ready for a change to liquor policy. We know we won't get unanimity on all of the recommendations, but I believe, from watching the public debate these issues in their posts, emails, tweets – and even a few old-fashioned, handwritten letters and face-to-face meetings – that we have a good sense of what British Columbians want, and we will get a moderate consensus on these recommendations. And that's pretty good.

## B.C. Liquor Policy Review

### ► Engagement Total

Total since launch: September 14th – October 31st

**87** days

**76,255** web visits

**64%** of website visitors  
contributed in some way

**8min:6sec** average visit duration

**41,195** ratings

**4,892** mentions on Twitter

**4,364** blog comments

**3,587** private emails and letters

**75** stakeholder presentations

**188** stakeholder submissions

# Health, Safety and Social Responsibility

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Alcohol is a unique product. While it is a source of pleasure and enjoyment for the vast majority of people and can be part of a balanced, healthy lifestyle, we know from much experience that when it is misused, there are serious consequences. Alcohol abuse accounts for approximately 10 per cent of the burden of disease globally. In British Columbia, there were 21,542 hospitalizations and 1,191 deaths due to alcohol in 2011. It is a contributor to the rate of cardiovascular disease and cancer. Health authorities report that more than 30 per cent of all clients they see for substance-use services report hazardous levels of alcohol consumption and/or alcohol dependence.

Having a realistic understanding of the inherent risk of alcohol abuse in British Columbia today is a key directive for this review: to create a licensing system that responds to emerging marketplace realities and reflects current lifestyles and societal values, while minimizing health and social harms caused by liquor. I believe this report strikes this balance.

After talking to many people, reading their submissions and reviewing their social media commentary, I have concluded that if there is one absolute on this subject, it is that the vast majority of British Columbians believe that access to alcohol can and should continue to be controlled.

I also learned from this review that there is much more educational information available on the harmful effects of alcohol, and we need to share it with British Columbians. This information covers the short-term risks of overdrinking and binge drinking, as well as the real, long-term risks that people face if they chronically abuse alcohol.

This report makes specific recommendations to address the concerns raised in presentations. These include:

- ▶ Increased public education.
- ▶ Requiring training of everyone selling and serving alcohol.
- ▶ More closely linking the price of liquor to alcohol content.
- ▶ Stricter enforcement of existing legislation and regulations.

This report also makes numerous recommendations to increase convenience for the majority of British Columbians who enjoy moderate drinking. These include selling alcohol in a grocery store setting; providing more opportunities for British Columbians to buy and sample B.C. wines, beers and spirits; and, where appropriate, allowing businesses to offer their clients an alcoholic drink. For each of these recommendations, this report identifies existing or recommends new programs and initiatives to protect health and ensure social responsibility.

I believe that, taken together, the recommendations in this report find the balance between convenience for consumers, streamlining regulations for the industry, and placing a high value on health and safety for the general public.

## Roadside Prohibition Program

*Public policy decisions can have a dramatic, positive and immediate effect on the health and safety of British Columbians. One of the most definitive examples is British Columbia's Immediate Roadside Prohibition (IRP) program for impaired drivers. This law – the toughest in Canada when it was first introduced – has been very successful in saving lives.*

*In the three years the legislation has been in force, the death toll from drinking and driving has been cut by more than 50 per cent. This has saved an estimated 143 lives.*

*In 2012, more than 2,500 drivers in Abbotsford, Kelowna, Prince George, Saanich and Vancouver were part of an independent Roadside Alcohol and Drug Survey. It found that awareness of the legislation may have been a significant contributing factor to society's change in behavior:*

- *79 per cent of respondents were aware of the IRP law, with the highest awareness – 89 per cent – in Kelowna.*
- *Drivers aged 25 to 54 were most likely to have changed their behavior as a result of the legislation.*
- *Drivers under 25 were most likely to say they never drink and drive.*

## Public education

Research supports the effectiveness of developing specially designed messages and information and connecting specific audiences (e.g. youth, pregnant women, students and binge drinkers) with programs designed specifically for them. British Columbia already has excellent programs in place, such as the Healthy Minds/Healthy Campuses program for post-secondary students.

The following recommendations build on this foundation and identify specific goals.

### Recommendations:

- 1. Government should expand public education about health and safety risks related to alcohol use, with particular emphasis on the harmful effects of binge drinking by youth and post-secondary students.**
- 2. Government should identify all of its alcohol-related education initiatives to ensure they are focused and are as effective as possible.**
- 3. Easily understood information about Canada's Low Risk Drinking Guidelines should be made available to consumers in licensed establishments.**
- 4. The Liquor Control and Licensing Branch (LCLB) should have the regulatory authority to require social responsibility public education material to be posted in all licensed establishments and liquor stores. These materials should be developed in consultation with industry.**
- 5. Government, public health officials and industry should collaborate to develop effective and meaningful social responsibility educational campaigns for display in licensed establishments, liquor stores and advertising and public service campaigns.**
- 6. While labelling liquor bottles and packages is the responsibility of the federal government, B.C. should work with the other provinces and territories to encourage warning labels on liquor products.**

*I believe that the best way to minimize harm caused by alcohol is through education. Education concerning cigarettes and health has been very effective in decreasing the number of smokers. Warning labels on products and education starting at an early age in school has contributed to many people voluntarily abstaining from cigarette use. Education about the dangers of alcohol should be incorporated into the school health curriculum early and often – starting in elementary school, and enforced throughout our education until Grade 12....*

*...I think that warnings on liquor bottles about the dangers of alcohol overconsumption and of drinking alcohol during pregnancy would be an effective way to make people think twice about what they are drinking. If people want to drink alcohol, they will find a way to drink it. We need to focus on educating so that people choose to drink moderately, and feel good about their right to enjoy a drink from time to time.*

*Emerald, Oct. 15*

## Licensee and staff education

There is evidence of improved knowledge and attitudes among people who have taken responsible beverage service training, such as B.C.'s Serving it Right (SIR) program. Training can decrease bad serving practices and increase "soft" interventions, such as stopping service to people who are overdrinking. It has been particularly effective when coupled with management training and appropriate house policies. The following recommendations would help ensure that every person serving or providing alcohol in British Columbia has taken this program.

### Recommendations:

- 7. Serving it Right (SIR), the provincial government's responsible beverage service program, should be expanded and enhanced:**
  - a. Sales and service staff in restaurants, wine stores, rural agency stores and BC Liquor Stores who are not already required to have SIR certification should now be required to obtain it. Licensees, managers, and sales and serving staff should also be required to recertify.*
  - b. A focused, abridged and less expensive version of SIR should be developed for people who receive Special Occasion Licences (SOLs) or who serve at these events. This will help ensure they understand their responsibilities around responsible handling of liquor.*

- c. *SIR content should be updated to include information about:*
    - i. *Canada's low-risk drinking guidelines.*
    - ii. *the social and health costs of alcohol.*
    - iii. *why alcohol is regulated.*
  - d. *SIR should continue to ask recent graduates to evaluate the program, with the aim of developing and introducing improvements.*
- 8. The fee structure of SIR should be reviewed by the provider and government to ensure the cost to retailers and establishments is not onerous. Additionally, consideration should be given to the application of fee revenue to SIR program enhancements.**
  - 9. LCLB should develop an in-person educational program for licensees, like that in Ontario, to educate licensees and their staff about the Province's liquor laws and how to operate their establishments in a responsible manner. The goal would be to increase licensee compliance and develop an increasing awareness of the health and safety harms from alcohol abuse. Government should consider using monetary penalties imposed on licensees to fund this initiative.**

## Enforcement and compliance

Enforcement of and ensuring compliance with liquor laws and regulations is complex. Government expects licensees will comply with the laws, but there must be inspections and penalties sufficient to act as a deterrent. Finding the right balance is challenging. The current penalty system was implemented more than a decade ago, and there have been few changes since. As a result, I am recommending a thorough review of the penalties and changes to the enforcement hearing process.

The LCLB already has its Minors as Agents program to encourage compliance; since it was brought into place in 2011, it has had a significant impact. Through this program, young people, usually 17 or 18 years old, are hired to test private and government liquor store and licensee compliance with the law against selling liquor to minors. In the last two years, compliance rates have risen from 29 per cent (before the program began) to 71 per cent.

While this program can continue to help improve and monitor compliance among liquor retailers, there is also the consideration that the public must participate and follow the law. For underage youth who are caught buying liquor with fake identification or through a third party, penalties must be stiff enough and consistently enforced. Currently, the fine sits at \$230.

*This is not a one-sided situation. The fact is that some underage youth consciously violate the legislation, using illegal activities (e.g., false ID's) to try to buy liquor and enter restricted premises. I recommend enforcing those penalties, as well.*

*Education and enforcement are key. The businesses that make their profits selling alcohol to the public have an obligation to both their patrons and society in general to acknowledge the addictive/destructive potential of their wares and to sell it in a responsible way.*

*Likewise, individuals should be held accountable for their actions (e.g., public drunkenness or rowdy behaviour), both to discourage these actions as well as to bring their problems to the attention of members of society who can help them.*

*Chuck, Oct. 15*

## **Recommendations:**

- 10.** Government should encourage police to use the enforcement tools of ticketing and fines more frequently for those people under 19 years of age who are caught possessing liquor, using false identification or being in restricted premises selling liquor. Liquor retailers and the public should also be made more aware of the severity of these penalties.
- 11.** Government should review enforcement penalties of LCLB and other jurisdictions to ensure that B.C.'s penalty levels are appropriate.
- 12.** Due to the varying size and focus of licensed establishments, consideration should be given to how different types of penalties (e.g., a suspension versus a monetary penalty) may impact a licensee and staff.
- 13.** LCLB should work with police agencies to explore implementing "last drink" programs across B.C. on a more concerted basis. If an impaired person's last drink was in a licensed establishment, LCLB can investigate and possibly levy penalties for overserving clients.
- 14.** LCLB should have the authority to regulate the home delivery of alcohol and should consider that home delivery service providers require SIR certification.
- 15.** Applicants and licensees seeking a review of LCLB decisions should have access to a new and separate decision-making body outside the licensing branch. The Ministry of Justice should review current processes and determine how best to provide independent decision-making for those seeking appeal.

# Vignette:

## Vancouver Police Department Ride Along

*In late October, I spent the night patrolling Vancouver's entertainment district with the Vancouver Police Department.*

*The entertainment district has grown dramatically over the past few years. In 2008, there were only 7,800 liquor-licensed seats in a five-block stretch of Granville Street, compared with 11,200 today.*

*This was not the first time I've been exposed to people drinking too much, but what really strikes you is the sheer number of people. The Granville Street area is unique to B.C. – and even in Canada. Even in the early hours of the morning, there were probably a couple of thousand people who had come from all over – residents from all the Vancouver suburbs, tourists from across the world, and young people from Seattle. The latter take getaway weekends in Vancouver because the drinking age in Washington is 21.*

*These large numbers of people are not a problem. In fact, we encourage people to enjoy the city and partake in the entertainment opportunities. But what did strike me was that where we did see problems, we also saw lots of young people who were drinking and over-consuming. While most people were of legal drinking age, I heard stories about how minors (under 19) try to get past checks and security into liquor stores and clubs.*

*I was impressed because by and large, this is reasonably well-controlled. The good operators know they have to be on guard, and they are. They're very good at spotting fake IDs. That said, this experience reinforced several things for me: we need to regulate very carefully, licensing needs to be robust, and we need to make sure people providing alcohol service are educated in their responsibility not to overserve.*

*While this is an extreme example, with the Granville district hosting the largest concentration of licensed seats in British Columbia, communities across the province face similar issues on a different scale. That's why it's important that we promote education – and continuing education – while ensuring we still enforce the rules.*

*October 19, 2013  
meeting with the  
Vancouver Police  
Department*





## Pricing

Health advocacy organizations (including The Centre for Addictions Research of BC, University of British Columbia, The Health Officers Council of British Columbia and B.C.'s Provincial Health Officer) have presented evidence that minimum price policies are effective in reducing alcohol abuse by at-risk groups. They have advised government to set minimum prices based on alcohol content. This report recommends changing regulations to set minimum prices for happy hours and linking the price of liquor to the percentage of alcohol.

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**@kpalak87:** Give our tourism a boost we should strongly consider allowing Happy Hours in BC. Bars being able to change price for a short time. **#bcliquor**

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### Recommendations:

- 16.** Permit licensees to offer time-limited drink specials (e.g., happy hours), provided the price is not below a prescribed minimum consistent with those supported by health advocates.
- 17.** LDB should review its minimum pricing policy as it applies to all categories of liquor so that minimum prices are set at an appropriate level.
- 18.** LDB should consider tying minimum prices to the amount of alcohol (e.g., a beer with seven per cent alcohol would have a higher minimum price than a beer with four per cent alcohol).



*September 16, 2013  
meeting with the  
Health Officers  
Council of BC*

## Retail and Convenience

### BC Liquor Stores' Sales by Region (2012/13)

#### Vancouver Island and Coast

Spirits:	\$62.9m
Wine:	\$81.1m
Beer:	\$55.0m

#### Mainland and Southwest

Spirits:	\$213.4m
Wine:	\$284.4m
Beer:	\$184.4m

#### Thompson Okanagan

Spirits:	\$49.8m
Wine:	\$51.0m
Beer:	\$46.8m

#### Kootenay

Spirits:	\$15.7m
Wine:	\$13.9m
Beer:	\$19.5m

#### Cariboo

Spirits:	\$15.8m
Wine:	\$10.5m
Beer:	\$14.6m

#### North Coast

Spirits:	\$5.3m
Wine:	\$4.0m
Beer:	\$5.1m

#### Nechako

Spirits:	\$4.8m
Wine:	\$2.8m
Beer:	\$5.7m

#### Northeast

Spirits:	\$7.6m
Wine:	\$3.5m
Beer:	\$7.8m

### Total

Spirits:	\$375.4m
Wine:	\$451.1m
Beer:	\$339.0m

British Columbians enjoy the responsible use of alcohol, buying a wide range of wine, beer and spirits – especially those produced in our own province. In the 12 months ending September 2013, British Columbians bought 32.7 million litres of B.C. wine and 31.4 million of imported wine. B.C. craft beers are gaining popularity: 10 new breweries opened across the province since Jan. 1, 2013 and many applications are in progress. There is also a growing interest in B.C. spirits. There are 19 distilleries and craft distilleries (those producing with 100 per cent B.C. agricultural inputs) currently operating in the province. This is a new industry with significant potential for long-term growth.

Eighty per cent of alcohol sales in B.C. are for personal use, through BC Liquor and private retail stores. There are a total of 1,147 liquor retail outlets in the province:

- ▶ Most alcohol sales (48 per cent of dollar value) are through 195 government liquor stores. They are operated by the provincial LDB across the province and sell all types of liquor.
- ▶ Private retail stores were introduced in 1985. Initially, they were restricted and sold only beer and wine. In 2002, they began selling spirits. There are 670 private retail stores in B.C., selling 41 per cent (dollar value) of retail alcohol. In 2002, a long-standing moratorium on new licences was temporarily lifted, resulting in the licensing of almost 400 new stores. The moratorium was reintroduced and the number of stores in B.C. has remained constant. Private retail stores have adjusted to changes as the marketplace has evolved, showcasing B.C. liquors and consistently looking for new opportunities to expand.
- ▶ British Columbia has developed a vibrant and quality wine-manufacturing industry. Wineries sell directly to the public, to licensees and to liquor stores. In addition, the BC Wine Institute has been issued 21 store licences throughout the province to sell Vintners Quality Alliance (VQA) wines produced by many of the province's wineries. As British Columbians have become more educated about and interested in wine, these specialty stores have cultivated a strong niche market.
- ▶ The 221 rural agency stores in B.C. provide a convenience for people in rural and isolated resort areas who are not served by a government or private retail liquor store, and hold only a four per cent share (dollar value) of the retail market. Their delivery model is unique in B.C.: bottles of beer, wine and spirits are sold alongside food, household supplies, newspapers, magazines and other general consumer goods. rural agency stores are important contributors to the development of rural communities throughout the province; they meet the needs of convenience and choice expected by many consumers today.

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**@BobBrayCR:** The store within a store concept for beer and wine sales is working very well on Quadra Island. **#bcliqur**  
**#bccp #bcpoli #leadbcc**

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As with all retail markets, convenience is a key decision point for consumers. The resounding message I heard throughout the Liquor Policy Review was the firmly held public view that alcohol sales in British Columbia do not meet the needs or expectations of most consumers.

*We strongly support broad modernization of our liquor laws. Specifically, we support broader distribution at regular retail outlets (grocery stores, warehouse outlets) and new, creative places (hair salons, spas, retail shopping, farmers' markets; anything that is fun and new), competition on selection (allow merchants to source in the open market), price, and convenience. We disagree in the strongest terms possible that the above changes will increase irresponsible behavior; see Europe as a model that trusts its citizens to behave while providing harm reduction services in parallel).*

*In summary, enough of the Nanny-State; allow creativity and enjoyment to flourish in BC, tax revenue to be raised, and social services to benefit as a result.*

*Mark, Sept. 29*

## Increased convenience for consumers

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Allowing liquor to be sold in grocery stores drew more public interest and comment than any other topic examined in the Liquor Policy Review. By the end of our public engagement process, almost 75 per cent of people commenting on grocery were generally in favour of changing the regulations to allow for access to liquor products in grocery stores.

Some B.C. residents are already very familiar with the convenience of buying liquor along with their groceries and other household supplies. Since the 1970s, British Columbians in rural communities have bought beer and wine at rural agency stores. They currently have a unique status, and their customers are well-accustomed to the convenience of one-stop shopping near their homes.

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**@badkaren67:** **@John\_Yap** pls keep in mind that big cities & small towns r NOT the same. One size does not fit all **#bcliqur**

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October 2, 2013  
meeting with the  
Alliance of Beverage  
Licensees



Urban British Columbians do not enjoy this same convenience, and this issue was raised repeatedly on the Liquor Policy Review website. British Columbians are more exposed than ever before to ideas in other jurisdictions. People are very much aware that when we compare our liquor policies with others parts of North America and around the world, ours is much more control-oriented, more restrictive. I repeatedly heard comparisons with shopping for wine and beer in Washington, Oregon and California, in Ontario, Quebec and Nova Scotia, and across Europe.

*I would love to be able to purchase beer and wine at grocery stores. Especially with the boom in local craft breweries and an increasing focus on buying “local”, it would be wonderful to be able to buy my food AND drinks from the same store, that offers local goods. 90% of my purchasing is beer and wine, and I am happy to go to liquor-only stores for the other 10%.*

*Caitlin, Oct. 10*

Each of these jurisdictions has its own history with the regulation and sale of alcohol, and each has developed its own retail model. Some, such as France, treat alcohol – particularly wine – as part of the meal. Alcohol is on the grocery shelves, with no retail restrictions. Other jurisdictions, such as Nova Scotia, meet the customer’s demand for one-stop shopping with a government liquor store beside – or even inside – the grocery store, with an open doorway connecting the distinct liquor and food outlets.

My conclusion is that today’s retail model has not kept pace with consumers’ expectations.

British Columbians have communicated that they want more convenience. The response to this expectation by consumers should be tailored to the British Columbia marketplace. Key considerations include:

- ▶ In 2012, the moratorium on expanding the number of liquor retail store licence holders was confirmed and will remain in place until 2022. Any recommendations for new retail models must meet this requirement that the total number of licences does not exceed 670.
- ▶ British Columbia has a thriving wine industry, a growing craft beer industry and an emerging artisan spirit sector. British Columbians are loyal to B.C. producers and are keen to buy local, regional and provincial liquors that showcase exceptional B.C. products.
- ▶ British Columbia has a complex retail environment for alcohol sales. Developing a new sales model will have to respect the mixed public and private marketplace, and the significant investment these businesses have made in terms of both direct financial investment and job creation. It will also mean greater flexibility may be needed around the business model and hours for private licensees.
- ▶ The production, distribution and sale of B.C. liquors is a significant contributor to the economy, contributing more than \$1.1 billion to the Province.

One of the most important points to emerge in the Liquor Policy Review conversations is the significant gap between how consumers live today, the dramatic shift caused by online purchasing, and how little the alcohol sales model in British Columbia has changed. British Columbians do not have the same luxury of time that they used to have, and many have radically altered the way they shop. As more alternatives become available, consumers are increasingly frustrated with the time-consuming chore of travelling to several locations for their purchases. That's why government should look at consistency in operating hours for licensed, rural agency and manufacturer retail stores.

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**@hed3393:** Buying booze in grocery stores would be way more convenient [#bliquor](#)

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**@erinmct:** Lets get liquor in BC grocery stores. It's long overdue [@John\\_Yap](#) [#bliquor](#)

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**@BC\_Deb:** [@John\\_Yap](#) It is quite a long drive to the nearest govt. liquor store, for me, and I am in Victoria! Grocery Stores are everywhere [#bliquor](#)

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**@carolynjohnst16:** [#liquor](#) sold in the grocery stores?! [#bliquor](#)... good idea but [#regulation](#) needed.

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Beyond that, maintaining the current number of retail liquor outlets while allowing sales in grocery stores may require a new flexibility for the licensed retail stores, such as allowing them to relocate or transfer/sell their licences. Government-owned BC Liquor Stores will also be impacted by a new grocery retail model; those stores, too, should have the ability to be part of a new approach. Throughout my consultations, I heard from individuals and groups that people prefer our mixed model, with both public and private retail stores.

The public engagement process left a very clear impression: British Columbians want the convenience of buying beer and wine with their groceries. While government and industry should meet the demands of the changing marketplace, we also need to recognize the challenges for private and public retail stores to adapt quickly to new business models. Consideration must be given to a phased-in approach.

Any grocery model must, at a minimum, maintain the current revenue to government from liquor sales and respect the obligations that exist in current collective agreements. As part of this new retail approach, B.C. products should continue to be featured and highlighted. Supporting B.C. manufacturers and products meets consumer demands and contributes to the province's economic development.

Communities that have rural agency stores appear to already offer a level of convenience for customers perhaps even beyond what British Columbians are looking for in the rest of the province. As that is the case, I would not anticipate any new grocery model to impact these retailers. In fact, I would suggest that those communities with rural agency stores should be able to maintain their current model once a new grocery model is introduced in other communities. I am not recommending alcohol be made available in convenience stores outside of the rural agency store (RAS) model.

Finally, as noted earlier, the Centre for Addiction and Mental Health has ranked B.C.'s alcohol policy as the second best in Canada in terms of health and safety. This existing regime that protects health and public safety supports B.C. maintaining its moratorium on new retail liquor licences and acknowledges the safety benefits of continuing to put thoughtful restrictions on minors' access.

According to the BC Wine Institute,  
B.C. has **227 wineries** (up from 17 in 1990)  
and more than **864 vineyards** on more than  
**9,800 acres** of land.

## Recommendations:

- 19.** The Province should develop and implement a retail model that meets consumer demands for more convenience by permitting the sale of liquor in grocery stores. Government should continue to restrict the total number of retail outlets and require separation of grocery products and liquor. This reflects the views of health and safety advocates and the acknowledged safety benefits of restricting minors' access to liquor.
- 20.** Introducing liquor in grocery stores should be phased in, giving public and private liquor stores time to adjust to the new retail model.
- 21.** In consultation with industry, government should develop a policy that standardizes the types of non-liquor products that can be sold in liquor retail outlets.
- 22.** As a grocery model is developed, government should look at consistency in operating hours for licensed, rural agency and manufacturer retail stores.

*I believe that alcohol should be sold in grocery stores, much like tobacco is (at customer service counters, behind the till where it's inaccessible for minors to steal). Adults should be able to purchase liquor the same way we purchase food and tobacco, it makes sense. It will not increase the amount that I drink, but make it more accessible for me to purchase it without having to find the closest liquor store that has restricted hours - which is another thing I think should change. Sell liquor past 11. Alberta vendors can sell it until 2 am. If people coming home from the bar, who want to stay up longer, can purchase liquor on the way home or to the after party, it will reduce binge drinking and eliminate the mentality of 'get it while you still can'.*

*Claire, Oct. 9*

*I will also add my comment requesting grocery stores be allowed to sell beer and wine. While I think everyone asking recognizes there are potential problems that need to be addressed, we see that this is well managed in other countries. Even here in B.C., tobacco sales have similar challenges. But controls are in place to reduce the risks associated with having tobacco in grocery stores. I'm sure with all the smart people looking at this you can find a way to manage the risks with alcohol as well.*

*Mark, Sept. 26*

# Economic Growth, Jobs, Tourism and Marketing

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Tourism is one of the leading drivers of British Columbia's economic growth, diversity and vitality. Tourism revenues are valued at more than \$13.4 billion per year, and more than 126,000 people work in the industry – the equivalent of almost one in every 15 jobs in B.C.

As mentioned earlier, B.C.'s liquor industry is one of the leading contributors to tourism. B.C.'s liquor industry is worth \$2 billion in economic impact and, according to the B.C. Wine Institute, every bottle of wine produced here is worth \$42 in economic impact.

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**@ryanonthecoast: #bcliqor @John\_Yap** Brewing, distilling & winemaking are all entrepreneurial in nature. Nurture them, and they will flourish.

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This not only brings new money to British Columbia and creates new jobs; it also contributes significantly to provincial tax revenues. B.C.'s wine industry alone brings in more than \$298 million in federal and provincial taxes and LDB markup.

There is a caution. Tourism dollars are discretionary in nature – people who come to B.C., or British Columbians who visit other parts of the province, can easily choose to spend their vacation budget somewhere else. This reinforces the need to understand marketplace realities and continuing to offer compelling reasons to visit and explore British Columbia.

Fortunately, we can learn from many established examples. Several presenters to the Review referred to successes other jurisdictions in the Pacific Northwest have had building strong, local wine- and brewery-based tourism opportunities:

- ▶ Walla Walla, Washington is widely recognized as a top wine destination in the United States.
- ▶ Portland, Oregon is developing a strong reputation for its thriving craft beer and brew pub development. With more than 50 locations in Portland, this new brewing industry draws significant numbers of tourists, creating new economic development opportunities for the city and the surrounding region.

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**@allisonmmarkin: Look to the town of Walla Walla, Wa @John\_Yap** for their model of offsite tasting rooms. Excellent for tourism. **#bcliqor**

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## Shelter Point Distillery

*First, the wine industry did it. The micro-beer industry is following quickly, and now, the distilling industry is preparing its place as a specialty industry and tourism draw. While the distillery sector doesn't yet have the capital, the economies of scale, the operations experience, the distribution capacity or the management expertise required, new operators are making big plans.*

*Shelter Point Distillery is one example. It has 288 acres of barley fields and berry crops, a distillery with two commercial stills, and a prime Vancouver Island location overlooking Georgia Strait. In his presentation to the Review, owner Patrick Evans communicated their enthusiasm: Vancouver Island has all the ingredients – the technology, the temperate climate, the pure water and the passionate people – necessary to create some outstanding whiskies.*

*Evans bought the farm in 2006. Soil and climate studies determined that the best and highest use of the land would be to grow cereal crops – in particular, barley. The question was how to make the best and highest use of the barley. The answer is whiskey, so the owners went to Scotland to learn – and buy equipment – from the best in the world.*

*“Our initial intent was to distil and cask single malt whisky for the export marketplace. Due to changes in provincial policy, which kept*

*more revenue in manufacturers' hands, we've been able to ramp up production and develop a secondary brand for our distillery. With that increased cash flow comes increased re-investment, and now, our five-to-10-year plan (a malting plant) can be implemented in one to five years.”*

*We changed government policy, exempting distillers like Shelter Point from an additional price markup on their product, as long as they make their sales on their premises. A simple policy change like this can become a turning point for the industry. It's one of the reasons this company has been able to go forward, and why others, like Vancouver's Long Table Distillery, are moving ahead.*

*In his presentation to the Review, Patrick Evans said something I thought was great: “One distillery on Vancouver Island is a novelty and anomaly to look at. Ten become a destination for tourism. Twenty become an industry.”*

*My hope is that recommendations like allowing producers to sell and sample their products at farmers' markets, and urging BC Liquor Stores to promote local producers, will help turn distilling premium whiskey into a new B.C. industry.*

Vignette:

*One of the things that draws me to go down to places like Seattle and Portland is the number of Brewpubs or Brewery owned bars that showcase their local stuff. ... What I would like to see is an increase in the licences that are available for Brewpubs. This is a great way to bring locals and tourists into the areas, and every time that I have gone down south, a lot of the people I meet at local brewpubs are people from out of town who have heard about the beer, or are excited to be able to have a beer in the same place it was made, and actually see inside the brewery.*

*Nick, Sept. 30*

## Promote B.C. products

Showcasing locally and regionally produced wines, beers and spirits encourages British Columbians to buy local, attracts visitors, and provides significant spin-off jobs for small businesses across the province.

The following recommendations, as well as those urging increased flexibility for on- and off-site liquor sales and sampling, will support liquor-producing, agricultural and small business sectors across the province.

### Recommendations:

- 23.** LDB should improve its marketing of B.C. liquor products in stores, developing new opportunities for product placement and innovative promotional and educational materials.
- 24.** Government should work with industry and tourism associations to develop promotional materials such as maps, apps and brochures on B.C. wineries, breweries and distilleries.
- 25.** Government should work with other Canadian wine-producing jurisdictions to jointly develop thematic wine promotions in each jurisdiction's liquor stores to promote Canadian wine.
- 26.** Government should discuss establishing a quality assurance program for B.C. craft beer and artisan-distilled spirits (similar to the VQA wine program).

British Columbians enjoy more than  
234 million glasses or **47 million bottles**  
of **Canadian wine** each year.

## Manufacturer sales and sampling

The British Columbia wine industry is a resounding success story. Until the 1980s, it had a well-known reputation for poor quality. With vision and foresight, high-quality grapes were planted and there were significant investments in people and facilities. The industry has matured – setting high standards, meeting them, and bringing worldwide recognition to B.C.’s relatively young vineyards.

Today, British Columbia is a renowned wine producer and the benefit of that experience is being passed on to the emerging brewery and distillery industries. One of the important marketing lessons we have learned is the value of promoting on-site and off-site sales and sampling to promote both individual liquor brands, and the region as a whole, as a tourism destination.

The current liquor licensing process around allowing people to sample B.C. liquors is unduly complex and rigid. This is a significant marketing challenge for producers, many of whom are small businesses, and is a significant impediment to the expansion of the province’s agritourism industry.

Currently, owners can apply for a food-primary, liquor-primary or SOL, as well as special “endorsements” that allow visitors to drink alcohol on the manufacturer’s premises. Some endorsements are for simple and straightforward activities, with little potential impact on the community (a small picnic area in a vineyard where clients can enjoy lunch with a bottle of wine, for example). Others can create noise, traffic congestion or have other significant effects on neighbours (a large lounge, musical performances or wedding receptions that run late into the night every weekend). Each licence and combination of endorsements has a different cost, application process and set of restrictions, such as for moving alcohol from one area to another.

While streamlining regulations around sales and sampling at the vineyard or the brewery may be good for business, I am also aware that any review of those regulations must be clearly defined and carefully introduced. Many of our wineries, distilleries and craft breweries are located in neighbourhoods and care must be taken that they don’t disturb the community with noise and other inconveniences.

*September 30, 2013  
meeting with the BC  
Craft Brewers Guild*



A situation unique to British Columbia is the role of the Agricultural Land Commission (ALC) in the production of alcohol, particularly wine. Wineries on ALC land may only sell wine they have produced. There are also restrictions around the size of lounges.

Many presentations, particularly from manufacturers, spoke of the significant requirements and criteria that need be met to obtain a manufacturer's licence for beer, wine or spirits. While high standards must be required for any approval related to alcohol production, there may be opportunities for manufacturers and LCLB to streamline the approach. This should be consistent with the Liquor Policy Review's Terms of Reference (see Appendix B) that refer to a more responsive licensing system and providing greater flexibility for businesses.

*In the Okanagan, there are some winery owners who are moving into residential areas, sometimes firstly with tasting licences and then applying for lounge endorsements. The tasting endorsement is so much different than the lounge endorsement or even special event licensing, situated in the midst of families with children of all ages, creating the possibility of drivers in these neighbourhoods who are no longer just tasting but drinking substantially more alcohol, with or without food. I am writing to encourage you to be careful to continue to keep these applications separate and give the communities impacted by these applications an opportunity to support wineries at the level that is appropriate for each residential area.*

*Mary, by email*

## Recommendations:

- 27.** Manufacturers should be able to establish low-risk tasting venues such as a picnic area as part of their existing licence without the need to apply for a specific endorsement. Government should work with industry, local government and First Nations to increase flexibility for tasting options for manufacturers while being sensitive to potential negative impacts, such as noise, on the community.
- 28.** Allow manufacturers to offer patrons liquor that was not produced on site (e.g., a winery could sell a beer to a visitor).
- 29.** Government should consult with the Agricultural Land Commission about amending the Agricultural Land Commission Act regulations to allow manufacturers operating within the Agricultural Land Reserve to allow more people in consumption areas (e.g. lounges) and to sell liquor that was not produced on site.

- 30. Government should consult with industry and review the minimum requirements to obtain a brewery, winery or distillery licence. Government should also consider how these requirements are regulated by LCLB and LDB to ensure transparency and an effective regulatory system.**

## Off-site sales and sampling

B.C. liquor manufacturers are developing new reputations as producers of high-quality and world-class wines, beers and spirits at a time when British Columbians and visitors are increasingly interested in regional, craft and artisanal products. Specialty food stores featuring both imported and local products are gaining popularity, and farmers' markets featuring produce from nearby fields continue to be welcomed into urban neighborhoods.

These trends are driving a growing interest among manufacturers in developing convenient tasting rooms and retail outlets closer to population centres. Allowing manufacturers to open permanent storefronts "in town" or set up temporary booths at a local farmers' market gives residents and visitors an opportunity to sample local liquors and support local producers.

Both citizen groups and manufacturers have urged the provincial government to allow this flexibility, promoting local tourism, new economic development opportunities and convenience for consumers.

*I would like to see every local winery have the right to have a storefront in the central business district. This would revitalize downtowns, keep retail traffic in the business area where infrastructure exists to accommodate parking and provide a vibrant "wine district" to promote sales. Having patrons drive all over rural areas to visit each winery for tastings seems kind of unsafe.*

*Ian, by email*

If recommended off-site sampling changes are implemented, servers will be required to have Serving it Right. As well, sampling at farmers' markets and other off-site locations will be subject to limits on the amount that can be served.

*I think allowing the sale of craft beer, wine and distilled products at farmers' markets and festivals is a great idea. It allows the small-scale producers an opportunity to directly consult with their customers – determining what works, what doesn't, and what can be improved. That kind of market intelligence is what makes the difference in staying in business or for expanding a business. As a customer, it would be a great way to support local craft producers, just like supporting local farmers' cheese makers and bakers.*

*Tracey, Oct. 29*

The following recommendations strike the balance between allowing liquor producers to promote sales and product sampling on site; permitting customers to explore and enjoy wines, beers and spirits where they were produced; and the health, safety and social responsibility issues inherent in potentially broadening access to alcohol.

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**@CanneryBrewing:** We would love to see **#beer** available for sale at **#FarmersMarkets #BCliquor @John\_Yap @govTogetherBC #growlerstogo**

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### Recommendations:

- 31. Government should permit B.C. liquor manufacturers to offer products for sample and sale at temporary off-site retail locations (e.g., farmers' markets), with appropriate conditions. The decision about whether to allow vintners, brewers and distillers to showcase their products at a particular location will be left to the location management (e.g., farmers' market association).**
- 32. Allow patrons to buy bottles of liquor to take home that are showcased at festivals or competitions. Consider amending SOLs issued to festivals and competitions, or allow BC Liquor or private retail stores to operate a temporary store on site as the means to provide for these sales.**
- 33. Allow manufacturers to have off-site locations where they can sample and sell their products to the public (e.g., permanent tasting rooms in a downtown store).**

*I recently made a trip to Portland this summer. I had the pleasure of making it to their "Saturday market" which is also open on Sunday and reflects a more artisan style market with food trucks and craft beer available. It's a great attraction with music and a small water park nearby for children.*

*I think a great pairing for the farmers market would be a craft beer/wine area with small glasses and a more tasting atmosphere for the foodies that frequent the markets like myself.*

*Of course it comes with all of the regulations and designated area and a few on lookers to see the festivities are contained. Even if it's limited to the summers, I feel this could really be a great way to bump up our craft beer industry as well as local economy boost for those businesses.*

*Victoria, Oct. 3*

## Licensing and Cutting Red Tape

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The first beer parlour licences in British Columbia were issued in 1925. They were only given to hotels, and only one brand of beer could be sold at a time. These beer parlors could not offer food or non-alcoholic drinks. Entertainment, singing and games were not allowed. Patrons had to sit down to drink.

Over the past 88 years, both the alcohol industry and expectations of British Columbian consumers have changed significantly. The industry has matured and customers are demanding more convenience. New liquor licences have been created, and existing ones altered and adjusted many times. Individual amendments were developed for good reasons at different times, but today, there are gaps and conflicts in the regulations.

Over the decades, the licence process has become complicated, onerous, and often, no longer meets the needs of consumers, retailers, producers and local governments.

I am recommending substantial changes to B.C.'s food-primary, liquor-primary and SOLs, with the goal of removing outdated and counter-productive restrictions. This will allow both businesses and the LCLB to meet the needs of their customers, while striking the balance with public health, safety and social responsibility.

### Liquor-primary licences

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As of March 31, 2013, there were 2,317 liquor-primary licences in British Columbia. In order to qualify for a liquor-primary licence, the business's primary purpose must be liquor service, entertainment or hospitality.

All establishments serving alcohol in British Columbia must choose between a liquor- or food-primary licence. If a business decides to operate a liquor-primary business (e.g. pub, club or bar), people under the age of 19 cannot enter, with limited exceptions. This can have the unintended consequence of actually limiting the number of dining opportunities for families, especially in rural communities where there may not be many options and alternatives.

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**@marquisWineCell:** Years ago I was on Bowen Island & had to get food to go from the pub as my children were not old enough to sit inside

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While I have recommended changes to allow for greater flexibility with regard to kids in these establishments, many will wish to maintain their current business model, and they should be free to do so. LCLB will evaluate those who want to amend their licences.

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**@NVbigblackford:** **#bliquor** A very positive change would be allowing families to eat at pubs before a certain hour as is done in Alberta.

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It is also worth noting that many establishments with a liquor-primary licence have invested heavily in providing a pleasurable experience for their customers. They are justifiably proud of the food they serve, and the atmosphere in these facilities is often very similar to that in a restaurant with a food-primary licence.

*One of the laws I'd like changed is the ability to bring minors into your neighbourhood pub. Some pubs/tapas bars serve great food. Some have live entertainment. It would be nice to be able to bring your children into these establishments to have a bite to eat and/or listen to some music. I don't know how many times my husband and I have been out for a drive with our (underage teen) daughter and wished we could pop into our favourite neighbourhood pub for a snack, but couldn't. ... These silly laws designating what is an eating establishment, that serves alcohol, and allows minors, and what is considered a pub or bar, although food is being served, need changing. If you have a kitchen, and a menu you are a restaurant, regardless of alcohol being sold.*

*J., Sept. 21*

*I own a rural pub, restaurant and lodge in rural BC. When we purchased, almost six years ago we recognized the need to focus on food, and worked to change our pub licence to a pub licence plus licensed family dining. We complied with all the rules, restrictions, building requirements, etc. (no small feat - we were one of the first to transition), and, for a couple years now, have been operating a pub and licensed restaurant in the same room, divided by a raised platform (one short step up) and a four foot railing. As we operate the pub and restaurant in the same room, adult entertainment restrictions were placed on the pub licence.*

*When I applied for the licensing changes the process was extremely complex and difficult. The staff at Liquor Licensing were amazing, and knew they were dealing with legislation and departmentalization in desperate need of an overhaul. I saw numerous opportunities for simplification of the bureaucratic process that would still comply with important issues...*

*...The irony is, in my one room facility I now have much more freedom to serve liquor in my licensed family restaurant than I do in my pub. Simply based on where you are seated in my facility you may or may not be allowed alcohol...*



*For me, the service of liquor is not the big concern. My alcohol sales have dropped dramatically (in half) since we opened five years ago, and it is rare someone orders a drink before 11am. The closing down of the pub seating for one hour during breakfast service, is inconvenient, and frankly makes no sense. It also illustrates the need to simplify and consolidate the licensing process so that, minimally, the rules are being applied uniformly in the same room.*

*Robin, by email*

## Food-primary licences

There are some 5,600 food-primary liquor licences in British Columbia. Regulations state that the business establishment must be focused on food service at all hours, when the liquor licences are in play. However, not all customers want a meal – especially those arriving later at night – and food-primary establishments can find it challenging to remain compliant with the regulation, and still serve their customers.

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**@WestEndCitizen: @John\_Yap : Sometimes u wnt to stand at a bar (not sit) and enjoy a quick drink after work, without intention of buying food #bliquor**

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*Stop with the having to order food with a drink in any circumstance; what is the reasoning behind it? Every time this has happened to me and my friends we are confused as to why, and then we order the cheapest thing on the menu. At least a couple of times we didn't even eat the food because we just came from dinner elsewhere.*

*Andy, Oct. 3*

Some establishments would like to switch from a food-primary to a liquor-primary licence at a specific time to appeal to more customers. Currently, this is not allowed. There are also restrictions around who can apply for a food-primary liquor licence. Only businesses that want to operate primarily as a restaurant, café or other food-related service can apply for a food-primary licence. For example, a gallery is currently not allowed to open a café with a wine list on its premises.

Broadening the eligibility for liquor licences may attract more applicants, leading to new venues and potentially, more alcohol consumption. I have looked closely at similar experience in Ontario and anticipate that the number of applications will not increase dramatically in British Columbia. Local governments and First Nations will continue to have input into the application process for liquor-primary licences in their communities, and ultimately, LCLB will assess all applications. It will not issue a licence if it believes it is contrary to the public interest.

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**@hed3393: @John\_Yap** Allow other business the opportunity to be licensed. Cooking schools, wedding dress retailer etc.  
**#bcliquor**

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Earlier in this report, I recommend that the Serving it Right program be extended to all hospitality industry workers serving alcohol. This would include, for the first time, all servers in British Columbia's 5,600 licensed restaurants.

### Recommendations:

The liquor-primary and food-primary licence classes for on-premise consumption should be retained, with the following significant changes:

- 34. Minors, if accompanied by a parent or guardian, should be permitted in certain liquor-primary establishments.**
  - a. Government should establish a reasonable time (e.g., until 9 p.m.) that respects both the family's choice to include minors in some events and the establishment's responsibility to ensure an appropriate environment for all.*
  - b. Licensees should continue to have the option of an adult-only establishment.*
  - c. For those establishments that currently offer gaming options, LCLB should have the authority to approve or deny whether minors are to be allowed based on a minor's potential access to gaming. Minors should not be permitted in casinos or community gaming centres. As well, minors should not be allowed into establishments that offer adult entertainment.*
- 35. The LCLB should clarify and modernize regulations with respect to food-primary operations, including lounge and kitchen requirements.**
- 36. Food-primary licensees should continue to focus on food service, with a full menu available whenever liquor service is available. However, patrons should not be obligated to – or made to feel like they must – order food if they do not wish to eat.**
- 37. Food-primary enterprises that wish to fully transition away from food service after a certain hour (e.g., 9 p.m.) – if, for example, they wanted to operate as a nightclub – will be able to apply for a licence endorsement, allowing them to operate like a liquor-primary licence during those hours only.**
  - a. Minors would not be allowed in the establishment after that time.*
  - b. To reflect the approach taken on liquor-primary licences, local government and residents should be consulted as part of the approval process.*
- 38. Food- or liquor-primary licences should be available to other types of businesses, allowing a range of new establishments (e.g., spas, cooking schools, and galleries) to offer liquor to their clientele as an additional service.**

## Licence applications and the role of local governments and First Nations

Local governments and First Nations have a significant role in the licence-approval process in their communities – most critically for liquor-primary applications. The linear approval process that is in place currently is very time-consuming.

Right now, when a business applies to LCLB for a food- or a liquor-primary licence, the LCLB first determines whether the applicant is eligible to hold a licence. For a liquor-primary licence, the LCLB then prepares a report on the application and forwards it to the local government or First Nation. They are asked to gather the views of residents who might be affected by the proposed establishment and make a recommendation about whether the application should be approved. Their comments are sent back to the LCLB, which then decides whether the licence application can proceed to licensing. These linear processes are very time consuming, often taking upwards of a year and/or longer to complete.

Provincial legislation prevents the applicant from speeding up the process by submitting applications to LCLB and the local government or First Nation at the same time. B.C. is only jurisdiction in Canada with such a process.

A second issue is that LCLB regulations determine what criteria local governments and First Nations must use to evaluate whether the applicant meets community standards.

### Recommendations:

- 39. Government should consult with UBCM, local governments and First Nations about streamlining the liquor application process. An applicant for a liquor-primary licence should be able to seek input from the local government or First Nation before or at the same time it applies to LCLB.**
- 40. The criteria used by local governments and First Nations to evaluate an application from their community and then make a recommendation to LCLB should be determined by the local government or First Nation. This respects the role of local governments and First Nations in setting standards for assessing liquor-licence applications in their communities.**
- 41. The provincial government should amend legislation so local government councils could, if they wish, give staff the authority to provide recommendations on licence applications (e.g., licence amendments involving a change in hours or capacity) directly to LCLB. This means local government recommendations would not have to be endorsed by a council resolution.**
- 42. In the interest of customer service, First Nations, local and provincial governments should identify target timelines to resolve all applications related to liquor licensing.**



## Lido Theatre

*The Lido Theatre in Fort St. John is a classic. Built in 1957, its story is just like that of many old film houses in British Columbia – set in the middle of town, it was beloved, well-used and, all too often, abandoned.*

*The Lido, however, had a champion – someone who had a big plan to revitalize the old building and return it to its place as a central part of the community's life.*

*Brian Kirschner was at an '80s rock band concert at the local cultural centre. "The music was fantastic, but I missed the excitement and atmosphere of a true concert. I had a vision of buying the old Lido and bringing it back with the motto: 'We can do that!' Concerts, meetings, public seminars, movies, sporting events, weddings, birthdays, funerals, live comedy, Christmas parties, grad reunions ... almost anything."*

*Kirschner faced challenges typical of a small business with a big idea. It took a while to finalize the purchase of the building, obtain funds to operate the business and then get the appropriate liquor licence. He had his problems, including a fine and a suspension.*

*"The philosophy of the Lido, unlike bars, pubs, taverns, etc., is that we are only open roughly four hours at a time, and when open, the place is filled with all 'like-minded' people, because everyone who is there is there because of the event. Our focus is entertainment first, liquor second," Kirschner explained. "Times are changing and businesses need to evolve and constantly change to meet the needs of the people you serve. Liquor licensing is a huge part of that. Without the ability to sell liquor, the business would not be viable, but liquor is not the primary focus of my business."*

*These days, the Lido Theatre is a lively place, and that's good news.*

*Almost every small town in B.C. has a former or marginally operational movie theatre. Owners may want to reinvent the business. They know they have a great venue, a place where local people can gather, connect and be entertained.*

*With these recommendations, we are moving away from the question: 'Are you serving food, or are you serving booze?' Now, the answer is 'Neither. We're serving people.'*

## Special Occasion Licences

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The Government of British Columbia issues up to 25,000 SOLs every year. They include everything from small weddings, club meetings and church banquets to sports tournaments, music festivals and wine, beer and spirit competitions/festivals. The sheer volume and range of events makes this a complex licence to apply for and a challenging process to manage.

The application process requires the applicant to visit a BC Liquor Store to initiate the application process and to ultimately obtain the licence and purchase the liquor. Between these steps, more than half of the SOL requests require the applicant to physically visit the local RCMP or municipal police station to obtain police approval, even for repeat events and low-risk family events. On occasion, the applicant must also visit local government or First Nation offices. This is a time-consuming burden for all parties.

Regulations require that SOLs are only issued to not-for-profit groups. Promoters organizing large public events usually find a non-profit organization to apply for the licence. These organizations are then responsible for holding the licence.

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**@jlongland: #bcliquor @John\_Yap Please do-away with separate drinking areas at public events. Forcing people into a fenced area stigmatizes drinking.**

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SOLs for outdoor public events usually require alcohol consumption to be separated from the main event (e.g., within a fenced-off beer garden). This can encourage over-consumption and detract from the family-friendly atmosphere of a small-scale event.

Organizers wanting to serve spirits at a public event with an SOL must pay a \$100 non-refundable fee to apply for permission. Permission is rarely denied, and this fee is seen as an unnecessary financial burden. In addition, when you look across the country, B.C. has fallen out of line with other jurisdictions. For example, spirits are available at more public events in the rest of Canada.

Other current challenges that I identified are around homemade and UBrew/UVin wine and beer. Right now, they cannot be served at events with SOLs, and families cannot present commemorative bottles of homemade wine to wedding guests, or make no-charge homemade wine available at special events.

Finally, I think it is important to address events that happen over several days and several venues (e.g., the Okanagan Wine Festival). Currently, they need a unique licence for every event, and for each day, which adds to the administration and timelines for organizers, BC Liquor Store employees and police without this process resulting in any noticeable benefit to public safety.

## Recommendations:

### *Application process*

- 43.** Introduce online applications to simplify the process.
- 44.** Government should create an annual SOL for organizations that hold occasional meetings or activities throughout the year. Licence holders could store unconsumed liquor for future events. The licence holder would be required to ensure the safe transport and storage of unconsumed liquor product.
- 45.** Event organizers should be able to apply for a single SOL that covers multiple events held over several days at several locations.

### *Role of police and local governments/First Nations*

- 46.** Consult with police and local governments and First Nations to find ways to streamline their role in approving small-capacity, time-limited events (e.g., family wedding) that have little or no public safety risks for their communities.
- 47.** Police should continue to be informed of all upcoming SOL events in their communities.

### *Licensing eligibility*

- 48.** Remove the regulation that requires non-profit organizations to apply for an SOL for concerts and events. This will allow promoters who actually manage the event, to be responsible to meet all requirements of the liquor licence.
- 49.** Permit businesses to obtain SOLs to raise funds for charity.
- 50.** Permit hobby brewers and vintners to apply for an SOL to host competition events, allowing homemade beers and wines to be sampled by both judges and the public.

### *Licensing terms and conditions*

- 51.** Except where it is not suitable from a public safety perspective, permit whole-site licensing for public events, eliminating “beer gardens.”
- 52.** Allow the sale of mixed-spirit drinks at public SOL events.
- 53.** Allow hosts to serve UBrew/UVin or homemade beer or wine at SOL events (e.g., weddings, family reunions).

*Fenced in, blocked off beer tents are mocked by tourists and rightfully so. They imply that the residents of B.C. are not to be trusted and need to be kept penned up. I think if we adopted Washington State, Oregon or Quebec rules of allowing public liquor at festivals we would all be pleasantly surprised. We can be trusted, I promise.*

*Shane, Sept. 30*

## Clubs

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If recommendations to change food- and liquor-primary licences are accepted, the current club licence category may be unnecessary, as most of their special privileges will also be available to other licence classes. I recommend consulting with these organizations about eliminating the club designation completely and ensuring the updated food- or liquor-primary licences will meet their needs.

Reclassification from the club licence will allow those clubs who wish to expand their food service to cater off-site to apply for a caterer's endorsement. As well, if a club wants to sub-contract their own internal food service, this would be possible under a liquor-primary licence. Currently, this privilege is not available to clubs.

Clubs should be able to maintain the option of limiting access to members and guests.

### Recommendation:

- 54. Government should consult with clubs to determine if there is interest in repealing the club designation, and reclassify the licence as food-primary or liquor-primary.**

*I am a senior and a member of Legion Branch #57 here in Mission. We have an excellent friendly, peaceful group here, and it is a pleasure to meet together with friends over a meal or games activities.*

*Though I do not drink alcoholic beverages myself, I would like to see the day when I can take my family to a meal at our local Legion Hall.*

*For example, we have an excellent meal time and meat draws, etc. each Friday evening. Last Friday, we were to have a chicken supper. My wife and I wanted to treat my daughter and her husband, and our 8-year old grandson, and introduce them to our fellowship and friends—but with the ruling against minors being served in the Legion facilities, we could not bring them.*

*So I hope you will look at this issue favourably in the near future, so that we as a family can enjoy the fellowship and meals at our Legion branch!*

*Allan, Oct. 1*

## Arenas, stadiums and event-driven facilities

Arenas, stadiums and event-driven facilities typically provide liquor as an “extra” to their primary purpose, which is offering cultural and sporting activities for patrons. Minors are generally permitted in these facilities unless there are reasons to either prohibit them or not offer liquor while the minors are present.

Licensing these facilities and events poses a low risk to the community. I recommend that the provincial government follow the lead of Alberta and establish a new licence class. This would allow for a more streamlined application process and permit minors to attend (usually without a time limit, as is being proposed for liquor-primary establishments). This would allow some venues, especially those in smaller communities, to offer entertainment events to the broader community.

Currently, stadiums are permitted to serve beer and wine to those in the general seating area, and spirits to those in private boxes or premium seats. I recommend that stadiums be allowed to serve the same liquors as licensed venues; that this selection be available to all patrons, no matter where they are seated; and that patrons be able to buy alcohol in all public parts of the stadium, including the concourse (the open space the public passes through en route to washrooms, exits, etc.) and public seating areas.

### Recommendations:

- 55. The provincial government should introduce a new licence class and streamlined application process for facilities (e.g., stadiums, arenas and theatres) that charge a fee for an event (e.g., a sporting event or play). Minors should be permitted to stay until the event ends.**
- 56. There should be more drink choices (e.g., mixed spirits) for consumers, as in all other types of licensed establishments.**
- 57. Liquor sales in arenas and stadiums should be permitted in all public areas. As part of this, stadiums should have increased flexibility to provide hawking services to patrons in both the seated and concourse areas, and throughout the scheduled event.**



*September 26, 2013 meeting  
with the British Columbia  
Government and Service  
Employees' Union (BCGEU)*

## Liquor Distribution Branch operations

The warehousing and movement of liquor in B.C. is complex. Some products are delivered to licensees and liquor stores by the manufacturers themselves, while other products are more directly controlled by the LDB. In addition to LDB's own warehouses, there are privately owned warehouses that hold liquor inventories until they are ordered by licensees or the LDB. I believe there are efficiencies to be found in the system. The proposed development of a new LDB warehouse in Vancouver may also help streamline the process.



### Recommendation:

- 58. LDB warehousing and distribution systems should be modernized and streamlined. The wholesale ordering processes should be improved with the goal of better and more efficient service to clients.**

## Flexibility and red tape reduction

As the industry grows and public expectations change, rules and regulations become an impediment to improving service. The Liquor Policy Review is an opportunity to clean up regulations that are onerous and irritating, and that interfere with a business's ability to serve the public. The following changes are designed to increase flexibility with licences.

### Recommendations:

#### *Liquor samples*

- 59. Any establishment that sells liquor should be able to provide samples in a socially responsible manner.**

#### *Liquor storage*

- 60. Permit licensees to store liquor in secure, off-site locations, subject to notifying LCLB.**
- 61. Individual establishments that are part of a larger company (e.g., chain outlets) should be able to transfer small amounts of liquor between locations.**

# Vignette:

## The Heid Out Brewhouse and Restaurant, and Fisher Peak Brewing Company

*Heidi Romich is a globe-trotting food-lover with deep roots in the Kootenays. Born and raised in Cranbrook, she studied International Tourism Management in Austria and worked in the Bahamas, Malaysia and Argentina.*

*No one should have been surprised when, back in Cranbrook, she opened her own restaurant featuring an Austrian/German/Argentinean/Southeast Asian/Kootenay menu. Heidi's Restaurant was a family affair, and Romich's daughter, Marlies, worked her way through the family business, starting with busing tables.*

*After 15 years in the business, Romich and her daughter decided to take "a leap of faith" and open 'The Heid Out', a brewpub, restaurant and brewery for outside sales. An experienced businesswoman, Romich has big dreams for her new operation.*

*"My dream or future vision is to create an environment where all generations can socialize and feel comfortable, where fresh, creative, local food is served, outstanding beers are brewed and served, and the service exceeds guests' expectations. We have quite a journey to realize this vision but Marlies and I are excited and optimistic for the future!"*

*I am also optimistic and I believe that recommendations in the Review will make it easier for these businesswomen – and others like them – to fulfill their dream.*

*This has been a restaurant for a long time, and making the liquor licences more flexible will help Heidi's business to grow. As they were developing their business plan, they ran into some big challenges around licensing. The operation is on two levels – at street level, and a basement level with space for public events. If they wanted to have a family-friendly, public event that was open for minors, the young people would not be allowed to enter through the front door, walk 10 feet through the pub, and go into the lower level. They would have had to walk down the back alley, in the back door and through the kitchen – all so they could avoid being in the liquor-primary premises for a few seconds.*

*That is clearly a problem.*

*The new regulations around allowing minors in licensed areas – when it's appropriate – mean Heidi Romich and her daughter can grow and expand this business in a way that makes sense as a business plan and as an attraction in downtown Cranbrook.*

*Temporary licence extensions*

- 62.** Provide a more streamlined and time-sensitive application process to allow facilities such as ski hills and golf courses to temporarily extend their licensed area to another part of the property (e.g., a patio near a ski-hill gondola lift or a temporary patio near a golf clubhouse).

*Movement within establishments*

- 63.** Permit patrons to carry liquor between adjoining licensed establishments (e.g., from the pub to the adjoining restaurant).
- 64.** Allow hotel and resort patrons to carry liquor throughout designated areas of the hotel (e.g., carrying a glass of wine presented at check-in to the hotel room).
- 65.** Extend the hours that patrons can receive liquor through room service.

*Better use of space*

- 66.** Allow liquor-primary establishments to offer more liquor-free events for all-ages (e.g., music concerts).
- 67.** Allow multi-use buildings (e.g., community centres) to use licensed space for non-alcohol related purposes.

*UBrews, UVins and growlers*

- 68.** Allow private and public retail liquor stores to sell growlers (refillable bottles) and operate refilling stations.
- 69.** Change the regulations allowing UBrew/UVin members to change their name to Ferment-On-Premise (FOP) to be consistent with federal legislation. Establishments can continue to call themselves UBrews/UVins if they choose.

*Business ownership*

- 70.** Permit the owners and family members of UBrews and UVins to own other liquor-related establishments.
- 71.** Remove or streamline the requirement that changes in corporate share ownership must be reported to LCLB, provided no new shareholders are added.

## Change Management

These recommendations, when taken in total, represent significant changes to both the regulatory and policy framework and to business practices in the liquor industry generally.

### Recommendations:

- 72.** To make the required adjustment, the Ministry of Justice should develop an effective change management plan, which should include training and professional development for staff and consideration of appropriate LCLB resources.
- 73.** Ensure that these recommendations, when taken in total, represent a significant reduction in red tape for businesses in the liquor industry in B.C., to support economic development.



## The Last Word

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You may have heard me say in media interviews that everyone has an opinion on liquor. To take that one step further, I can say with absolute certainty that finding any majority with the same opinion on any one issue related to liquor is almost impossible. My job over the last three months was to listen. Listen to what British Columbians were saying on the website about needing more convenience, to what the health and safety advocates were telling me in our meetings about how critical it is to find a balance and to what changes the industry needs to continue growing and thriving, bringing good jobs to our province.

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**@SandraOldfield: Final wish list @John\_Yap #BCLiquor  
#charityauction #promotelocal #farmersmarket  
#secondtastingroomlicense #lessredtape  
#pleaseandthankyou**

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Not only did I listen, but I can assure you I heard every one of these points – the majority of which are valid arguments and all of which were delivered with a passion that can only be achieved when people care about the outcome.

I have worked hard to put together a suite of recommendations that strike the balance between increasing convenience of liquor products and improving health and safety, all while protecting government revenue and a critical, burgeoning industry in our province.

This meant recommending happy hours but balancing that with a minimum drink price. It meant recommending a grocery model of liquor retail while maintaining the moratorium on liquor licensees. It meant updating and expanding the Serving it Right program while making recommendations to streamline licence approvals for restaurants, pubs, bars and special occasions.

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**@stevethelocal: Thanks. Interesting mash up of ideas. Would not want to have to please all the people all the time. #bliquor**

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It has been over two decades since a review of B.C.'s liquor policies asked you what you thought, what you wanted. Our society has come a long way from even Expo 86 – the year imported beers were first introduced in British Columbia and our licensed establishments were first able to open on Sundays.

I believe that together, these 73 recommendations will match B.C.'s liquor regime with the expectations that stakeholders, industry and the public have for a 21<sup>st</sup> century society. Should Cabinet decide to accept these changes, I would hope that, to the greatest extent possible, they are implemented with as seamless a transition as possible for consumers and businesses; ideally, this will be done without businesses needing to apply to take advantage of these changes.

To those of you who participated in the Review, thank you – this could not have been achieved without your thoughtful ideas, your concrete advice and your willingness for constructive debate.



John Yap

Parliamentary Secretary to the Attorney General  
and Minister of Justice for Liquor Policy Reform



# Recommendation Summary

## *Health, safety and social responsibility*

- 1.** Government should expand public education about health and safety risks related to alcohol use, with particular emphasis on the harmful effects of binge drinking by youth and post-secondary students.
- 2.** Government should identify all of its alcohol-related education initiatives to ensure they are focused and are as effective as possible.
- 3.** Easily understood information about Canada's Low Risk Drinking Guidelines should be made available to consumers in licensed establishments.
- 4.** The Liquor Control and Licensing Branch (LCLB) should have the regulatory authority to require social responsibility public education material to be posted in all licensed establishments and liquor stores. These materials should be developed in consultation with industry.
- 5.** Government, public health officials and industry should collaborate to develop effective and meaningful social responsibility educational campaigns for display in licensed establishments, liquor stores and advertising and public service campaigns.
- 6.** While labelling liquor bottles and packages is the responsibility of the federal government, B.C. should work with the other provinces and territories to encourage warning labels on liquor products.
- 7.** Serving it Right (SIR), the provincial government's responsible beverage service program, should be expanded and enhanced:
  - a.** *Sales and service staff in restaurants, wine stores, rural agency stores and BC Liquor Stores who are not already required to have SIR certification should now be required to obtain it. Licensees, managers, and sales and serving staff should also be required to recertify.*
  - b.** *A focused, abridged and less expensive version of SIR should be developed for people who receive Special Occasion Licences (SOLs) or who serve at these events. This will help ensure they understand their responsibilities around responsible handling of liquor.*
  - c.** *SIR content should be updated to include information about:*
    - i.** *Canada's low-risk drinking guidelines.*
    - ii.** *the social and health costs of alcohol.*
    - iii.** *why alcohol is regulated.*
  - d.** *SIR should continue to ask recent graduates to evaluate the program, with the aim of developing and introducing improvements.*

- 
- 8.** The fee structure of SIR should be reviewed by the provider and government to ensure the cost to retailers and establishments is not onerous. Additionally, consideration should be given to the application of fee revenue to SIR program enhancements.
- 
- 9.** LCLB should develop an in-person educational program for licensees, like that in Ontario, to educate licensees and their staff about the Province’s liquor laws and how to operate their establishments in a responsible manner. The goal would be to increase licensee compliance and develop an increasing awareness of the health and safety harms from alcohol abuse. Government should consider using monetary penalties imposed on licensees to fund this initiative.
- 
- 10.** Government should encourage police to use the enforcement tools of ticketing and fines more frequently for those people under 19 years of age who are caught possessing liquor, using false identification or being in restricted premises selling liquor. Liquor retailers and the public should also be made more aware of the severity of these penalties.
- 
- 11.** Government should review enforcement penalties of LCLB and other jurisdictions to ensure that B.C.’s penalty levels are appropriate.
- 
- 12.** Due to the varying size and focus of licensed establishments, consideration should be given to how different types of penalties (e.g., a suspension versus a monetary penalty) may impact a licensee and staff.
- 
- 13.** LCLB should work with police agencies to explore implementing “last drink” programs across B.C. on a more concerted basis. If an impaired person’s last drink was in a licensed establishment, LCLB can investigate and possibly levy penalties for overserving clients.
- 
- 14.** LCLB should have the authority to regulate the home delivery of alcohol and should consider that home delivery service providers require SIR certification.
- 
- 15.** Applicants and licensees seeking a review of LCLB decisions should have access to a new and separate decision-making body outside the licensing branch. The Ministry of Justice should review current processes and determine how best to provide independent decision-making for those seeking appeal.
- 
- 16.** Permit licensees to offer time-limited drink specials (e.g., happy hours), provided the price is not below a prescribed minimum consistent with those advocated by health advocates.
- 
- 17.** LDB should review its minimum pricing policy as it applies to all categories of liquor so that minimum prices are set at an appropriate level.



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- 18.** LDB should consider tying minimum prices to the amount of alcohol (e.g., a beer with seven per cent alcohol would have a higher minimum price than a beer with four per cent alcohol).

*Retail and convenience*

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- 19.** The Province should develop and implement a retail model that meets consumer demands for more convenience by permitting the sale of liquor in grocery stores. Government should continue to restrict the total number of retail outlets and require separation of grocery products and liquor. This reflects the views of health and safety advocates and the acknowledged safety benefits of restricting minors' access to liquor.

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- 20.** Introducing liquor in grocery stores should be phased in, giving public and private liquor stores time to adjust to the new retail model.

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- 21.** In consultation with industry, government should develop a policy that standardizes the types of non-liquor products that can be sold in liquor retail outlets.

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- 22.** As a grocery model is developed, government should look at consistency in operating hours for licensed, rural agency and manufacturer retail stores.

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- 23.** LDB should improve its marketing of B.C. liquor products in stores, developing new opportunities for product placement and innovative promotional and educational materials.

- 
- 24.** Government should work with industry and tourism associations to develop promotional materials such as maps, apps and brochures on B.C. wineries, breweries and distilleries.

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- 25.** Government should work with other Canadian wine-producing jurisdictions to jointly develop thematic wine promotions in each jurisdiction's liquor stores to promote Canadian wine.

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- 26.** Government should discuss establishing a quality assurance program for B.C. craft beer and artisan-distilled spirits (similar to the VQA wine program).

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- 27.** Manufacturers should be able to establish low-risk tasting venues such as a picnic area as part of their existing licence without the need to apply for a specific endorsement. Government should work with industry, local government and First Nations to increase flexibility for tasting options for manufacturers while being sensitive to potential negative impacts, such as noise, on the community.

- 
- 28.** Allow manufacturers to offer patrons liquor that was not produced on site (e.g., a winery could sell a beer to a visitor).
- 
- 29.** Government should consult with the Agricultural Land Commission about amending the Agricultural Land Commission Act regulations to allow manufacturers operating within the Agricultural Land Reserve to allow more people in consumption areas (e.g. lounges) and to sell liquor that was not produced on site.
- 
- 30.** Government should consult with industry and review the minimum requirements to obtain a brewery, winery or distillery licence. Government should also consider how these requirements are regulated by LCLB and LDB to ensure transparency and an effective regulatory system.
- 
- 31.** Government should permit B.C. liquor manufacturers to offer products for sample and sale at temporary off-site retail locations (e.g., farmers' markets), with appropriate conditions. The decision about whether to allow vintners, brewers and distillers to showcase their products at a particular location will be left to the location management (e.g., farmers' market association).
- 
- 32.** Allow patrons to buy bottles of liquor to take home that are showcased at festivals or competitions. Consider amending SOLs issued to festivals and competitions, or allow BC Liquor or private retail stores to operate a temporary store on site as the means to provide for these sales.
- 
- 33.** Allow manufacturers to have off-site locations where they can sample and sell their products to the public (e.g., permanent tasting rooms in a downtown store).

#### *Licensing and cutting red tape*

- 
- 34.** Minors, if accompanied by a parent or guardian, should be permitted in certain liquor-primary establishments.
- a. Government should establish a reasonable time (e.g., until 9 p.m.) that respects both the family's choice to include minors in some events and the establishment's responsibility to ensure an appropriate environment for all.*
  - b. Licensees should continue to have the option of an adult-only establishment.*
  - c. For those establishments that currently offer gaming options, LCLB should have the authority to approve or deny whether minors are to be allowed based on a minor's potential access to gaming. Minors should not be permitted in casinos or community gaming centres. As well, minors should not be allowed into establishments that offer adult entertainment.*

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- 35.** The LCLB should clarify and modernize regulations with respect to food-primary operations, including lounge and kitchen requirements.
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- 36.** Food-primary licensees should continue to focus on food service, with a full menu available whenever liquor service is available. However, patrons should not be obligated to – or made to feel like they must – order food if they do not wish to eat.
- 
- 37.** Food-primary enterprises that wish to fully transition away from food service after a certain hour (e.g., 9 p.m.) – if, for example, they wanted to operate as a nightclub – will be able to apply for a licence endorsement, allowing them to operate like a liquor-primary licence during those hours only.
- a. Minors would not be allowed in the establishment after that time.*
  - b. To reflect the approach taken on liquor-primary licences, local government and residents should be consulted as part of the approval process.*
- 
- 38.** Food- or liquor-primary licences should be available to other types of businesses, allowing a range of new establishments (e.g., spas, cooking schools, and galleries) to offer liquor to their clientele as an additional service.
- 
- 39.** Government should consult with UBCM, local governments and First Nations about streamlining the liquor application process. An applicant for a liquor-primary licence should be able to seek input from the local government or First Nation before or at the same time it applies to LCLB.
- 
- 40.** The criteria used by local governments and First Nations to evaluate an application from their community and then make a recommendation to LCLB should be determined by the local government or First Nation. This respects the role of local governments and First Nations in setting standards for assessing liquor-licence applications in their communities.
- 
- 41.** The provincial government should amend legislation so local government councils could, if they wish, give staff the authority to provide recommendations on licence applications (e.g., licence amendments involving a change in hours or capacity) directly to LCLB. This means local government recommendations would not have to be endorsed by a council resolution.
- 
- 42.** In the interest of customer service, First Nations, local and provincial governments should identify target timelines to resolve all applications related to liquor licensing.
- 
- 43.** Introduce online applications to simplify the process.

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- 
- 62.** Provide a more streamlined and time-sensitive application process to allow facilities such as ski hills and golf courses to temporarily extend their licensed area to another part of the property (e.g., a patio near a ski-hill gondola lift or a temporary patio near a golf clubhouse).
- 
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- 
- 64.** Allow hotel and resort patrons to carry liquor throughout designated areas of the hotel (e.g., carrying a glass of wine presented at check-in to the hotel room).
- 
- 65.** Extend the hours that patrons can receive liquor through room service.
- 
- 66.** Allow liquor-primary establishments to offer more liquor-free events for all-ages (e.g., music concerts).
- 
- 67.** Allow multi-use buildings (e.g., community centres) to use licensed space for non-alcohol related purposes.
- 
- 68.** Allow private and public retail liquor stores to sell growlers (refillable bottles) and operate refilling stations.
- 
- 69.** Change the regulations allowing UBrew/UVin members to change their name to Ferment-On-Premise (FOP) to be consistent with federal legislation. Establishments can continue to call themselves UBrews/UVins if they choose.
- 
- 70.** Permit the owners and family members of UBrews and UVins to own other liquor-related establishments.

- 
- 71.** Remove or streamline the requirement that changes in corporate share ownership must be reported to LCLB, provided no new shareholders are added.

*Change management*

- 
- 72.** To make the required adjustment, the Ministry of Justice should develop an effective change management plan, which should include training and professional development for staff and consideration of appropriate LCLB resources.
- 
- 73.** Ensure that these recommendations, when taken in total, represent a significant reduction in red tape for businesses in the liquor industry in B.C., to support economic development.

*October 1, 2013  
meeting with the BC  
Restaurant and Food  
Services Association*



*October 23, 2013  
meeting with the  
Thompson Okanagan  
Tourism Association*

# Appendix A:

## List of stakeholder meetings

<b>Nov. 4:</b>	<i>Tsow Tun Lelum Treatment Centre/ FN Health Authority</i>	<b>Oct. 17:</b>	<i>Mark Anthony Brands</i>
<b>Oct. 31:</b>	<i>Donnelly Group</i>	<b>Oct. 17:</b>	<i>Private Liquor Store Association</i>
<b>Oct. 31:</b>	<i>7-11 Convenience Stores</i>	<b>Oct. 17:</b>	<i>Provincial Health Officer</i>
<b>Oct. 31:</b>	<i>Container World Facility Tour</i>	<b>Oct. 16:</b>	<i>RCMP, Prince George Detachment</i>
<b>Oct. 31:</b>	<i>Loblaws</i>	<b>Oct. 16:</b>	<i>Northern Health</i>
<b>Oct. 31:</b>	<i>Costco Wholesale</i>	<b>Oct. 16:</b>	<i>Fermenters Guild of BC</i>
<b>Oct. 30:</b>	<i>The Heid Out, Kimberley and District Chamber of Commerce, City of Cranbrook, Great Canadian Liquor Warehouse, Kimberley Alpine Resort</i>	<b>Oct. 16:</b>	<i>Prince George Mayor and Regional District of Fraser-Fort George</i>
<b>Oct. 30:</b>	<i>Fernie Brewing, Columbia Valley Chamber of Commerce, BC Hotel Association, Radium Hot Springs, Boston Pizza</i>	<b>Oct. 11:</b>	<i>Centre for Addiction and Mental Health</i>
<b>Oct. 28:</b>	<i>Naramata Bench Winery Association</i>	<b>Oct. 11:</b>	<i>Molson Coors</i>
<b>Oct. 28:</b>	<i>BC Estate Winery</i>	<b>Oct. 11:</b>	<i>Canadian Centre on Substance Abuse</i>
<b>Oct. 26:</b>	<i>Courtenay Royal Canadian Legion, CV Monarch Lions Club and Evergreen Seniors Club</i>	<b>Oct. 10:</b>	<i>Sleeman Breweries Ltd.</i>
<b>Oct. 24:</b>	<i>Victoria Spirits</i>	<b>Oct. 10:</b>	<i>Pacific Western Brewing Company</i>
<b>Oct. 24:</b>	<i>Longtable Distillery</i>	<b>Oct. 2:</b>	<i>BC Hotel Association</i>
<b>Oct. 24:</b>	<i>Atomique Events</i>	<b>Oct. 2:</b>	<i>Alliance of Beverage Licensees</i>
<b>Oct. 23:</b>	<i>Artisan Distillers Guild</i>	<b>Oct. 2:</b>	<i>Herb LeRoy - Honorary BC Wine Envoy</i>
<b>Oct. 23:</b>	<i>Thompson Okanagan Tourism Association</i>	<b>Oct. 2:</b>	<i>Rogers Arena/Vancouver Canucks</i>
<b>Oct. 23:</b>	<i>Canada West Ski Areas Association</i>	<b>Oct. 2:</b>	<i>Import Vintners and Spirits Association</i>
<b>Oct. 22:</b>	<i>Everything Wine</i>	<b>Oct. 1:</b>	<i>Vancouver Coastal Health Authority</i>
<b>Oct. 21:</b>	<i>Families for Justice</i>	<b>Oct. 1:</b>	<i>BC Restaurant and Foodservices Association</i>
<b>Oct. 21:</b>	<i>Canada's National Brewers</i>	<b>Oct. 1:</b>	<i>BC Chamber of Commerce</i>
<b>Oct. 21:</b>	<i>Joey Restaurant Group</i>	<b>Oct. 1:</b>	<i>Constellation Brands</i>
<b>Oct. 19:</b>	<i>Vancouver Police Department</i>	<b>Sept. 30:</b>	<i>Association of Canadian Distillers</i>
<b>Oct. 17:</b>	<i>Container World Forwarding Services Inc.</i>	<b>Sept. 30:</b>	<i>BC Craft Brewers Guild</i>
		<b>Sept. 30:</b>	<i>Modernize Wine Association of BC</i>
		<b>Sept. 26:</b>	<i>Liquor Consultants</i>
		<b>Sept. 26:</b>	<i>B.C. Government and Service Employees' Union</i>
		<b>Sept. 25:</b>	<i>Rural Agency Store Advisory Agency</i>

**Sept. 25:** BC Healthy Living Alliance

**Sept. 25:** Union of BC Municipalities

**Sept. 24:** Campaign for Real Ale (CAMRA)

**Sept. 24:** Cactus Club Restaurants

**Sept. 24:** Earl's Restaurants

**Sept. 23:** Canadian Restaurant and  
Foodservices Association

**Sept. 19:** BC Association of Chiefs of Police

**Sept. 19:** Campaign for Culture

**Sept. 17:** MADD Canada

**Sept. 16:** Health Officers Council of BC

**Sept. 11:** Centre for Addictions Research of BC

**Sept. 11:** Royal Canadian Legion

**Sept. 11:** Victoria Police Department

**Sept. 11:** B.C. Wine Institute

**Sept. 10:** Wine Islands Vintners Association

**Sept. 9:** Island Health





# Appendix B:

## Terms of Reference

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Terms of Reference for the Parliamentary Secretary for Liquor Policy Review

### *Background*

Government regulates liquor in order to balance economic and social interests with the need to ensure public safety and the public interest.

From time to time, government reviews liquor policy to ensure that liquor policies reflect societal values and business needs as they change over time. Many liquor industry associations, local governments, citizens and interest groups have expressed interest in a liquor review and in modernizing B.C.'s liquor laws. There has not been a comprehensive policy review of liquor since 1999.

### *Purpose*

On June 7, 2013, government announced that the Parliamentary Secretary to the Attorney General and Minister of Justice for Liquor Policy Reform would lead the stakeholder consultations on modernizing B.C.'s antiquated liquor laws and recommend improvements to the minister to take to Cabinet.

This comprehensive review should consider all aspects of liquor policy including licensing, control, and LDB distribution, and must provide recommendations that:

- Create a licensing system that responds to emerging marketplace realities and reflects current lifestyles and societal values.
- Provide flexibility for businesses and remove operational barriers to help grow the economy, while protecting public safety.
- Recognize the importance of jobs and investment in the hospitality, tourism and agrifoods sectors, in support of the BC Jobs Plan.
- Ensure there is a sustainable liquor manufacturing sector.
- Provide for an efficient and effective liquor distribution system.

Governance of the Liquor Distribution Branch is out of scope of the review.

### *Guiding Principles*

Recommendations must:

- Ensure that government revenue is maintained or increased.
- Minimize health and social harms caused by liquor.
- Balance economic and social interests by ensuring public safety and the public interest of British Columbians and their communities is protected.

- Be evidence-based and transparent.
- Respect obligations under collective agreements and international and interprovincial trade agreements.

Your goals and tasks include:

1. Developing a consultation model and approach that is able to meet the objectives above. The consultation approach must:
  - Include opportunities for the public to provide input.
  - Incorporate methods to build transparency into the process.
2. Leading consultations with a broad range of stakeholders, including representatives from industry, local government and First Nations organizations, police, health and social policy associations. Consultations should be completed by Oct. 31, 2013.
3. Producing a report by Nov. 25, 2013, for Attorney General and Minister of Justice's consideration that she may take to Cabinet. The report must include the following:
  - Results from the stakeholder consultation.
  - Identification of potential opportunities and challenges.
  - Recommendations for liquor reform.

### *Reporting*

You will report to the Attorney General and Minister of Justice.

### *Support*

The budget for the review will be provided by the Liquor Control and Licensing Branch.

You will work through the deputy minister, Corporate Initiatives, and the assistant deputy ministers of the Liquor Control and Licensing Branch and the Liquor Distribution Branch, to ensure resource requirements consistent with the work plan are met. This may include obtaining policy support from Liquor Control and Licensing Branch and Liquor Distribution Branch policy divisions or other resources as needed.





Ministry of  
Justice