



**PARLIAMENTARY SECRETARY  
LIQUOR POLICY REVIEW (September 2013)**

**To: John Yap  
Parliamentary Secretary to the Minister of Justice for Liquor Policy Reform**

On behalf of the British Columbia Wine Institute, please accept the following recommendations for modernizing BC's liquor laws as per your August 06, 2013 letter and Liquor Policy Review Terms of Reference.

In addition to the background, we have listed our recommendations within the context of the review's guiding principles and mandate.

**BACKGROUND**

**BC Wine Institute (BCWI)**

Since 1990, the BCWI has played a pivotal role in marketing and growing BC's wine industry from a vision to a multi-faceted, internationally recognized niche region producing premium wines and providing quality wine tourism experiences.

We have 137 member wineries representing all of the large, 20 of 24 medium and more than 110 small wineries, in all viticultural areas of the Province.

BCWI members represent over 95% of wine production in the Province and we have a grapegrower representative on our Board of Directors. We have a very strong and supportive membership base and a great sense of community and common effort in advancing our industry.

**Economic Impact of the BC Wine Industry**

The BC Wine Industry's \$2.0 billion economic impact is a significant driver to the BC economy.

- For every bottle of wine produced in the Province, there is \$42 of economic impact generated.
- More than 10,000 people in virtually every region of the Province have jobs in BC as a result of the wine and grape industry.
- British Columbians enjoy more than 234 million glasses or 47 million bottles of British Columbian produced wine each year.
- BC welcomes over 800,000 visitors every year through the wine economy, that is more than the Province drew for the 2010 Winter Olympics in Vancouver.
- The BC Wine Industry generates \$476 million in tourism and tourism employment related economic impact.
- More than \$298 million in Federal and Provincial taxes and liquor board markup is generated by the wine industry in BC each year. In taxes alone, the BC Wine Industry contributes \$222 million.
- For every additional \$1 million in winery sales revenue in British Columbia, the BC economy will increase elsewhere by approximately \$3.3 million.

# British Columbia's Wine Economy

RIPE. ROBUST. REMARKABLE.



Source: 2013 Report, Canada's Wine Economy - Ripe Robust Remarkable, Commissioned by the Canadian Vintners Association, the Winery & General Alliance of Ontario, the BC Wine Institute and Winery Association of Nova Scotia. [www.canadianvintners.com](http://www.canadianvintners.com) [www.amebc.org](http://www.amebc.org)

Source: Canada's Wine Economy - Ripe Robust Remarkable (March 2013)

Please click here to view a [larger image of the above graphic](#).

## Direct Value of the BC Wine Industry

It has been demonstrated that a sale of a bottle of wine manufactured through the local wine industry contributes 16.5 times that of an import product manufactured outside of the country.

### Direct Value Added per Litre Contribution in Dollars (Comparative Overview)

	British Columbia 2009
BC VQA wine	14.02
Domestic wine industry	8.48
Foreign wine imports	0.85

Source: British Columbia Wine Industry Economic Impact Study (November 2011)

## RECOMMENDATIONS

### Ensure there is a sustainable liquor manufacturing sector

BCWI requests that current policies specific to the BC wine industry that are key to the viability of both growing Government revenues and preserving our competitiveness to imports in the market and key to the industry's viability be maintained including direct delivery, etc.

#### *BC Liquor Distribution Branch (LDB) Stores*

While LDB support for the BC VQA wine category has been positive to date, we believe there are additional opportunities to assist in increasing BC VQA market share.

### Government revenue is maintained or increased

#### *Ad Valorem Markup*

BCWI's position is to maintain an *Ad Valorem* pricing and not adopt a flat tax markup. *Ad Valorem* is fair and consistent, and has the advantage of generating more revenue as the price of the wine increases.

#### *Provincial Sales Tax*

The Provincial sales tax on retail liquor sales today is 10%. This includes all wine products and we ask that Government streamline the Provincial sales tax on BC VQA wine to 7% to match other BC agricultural product (and mirror tax structures in other provinces such as Ontario (13%)).

### Be evidence-based and transparent

#### *LDB Shelf Price Transparency*

BCWI asks the LDB to move taxes and any other associated fees from the shelf price to the till.

**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**

#### *Mandated Minimum Pricing*

The BCWI requests that Mandated Minimum Pricing for wine be updated and future minimum price increases are indexed, as is currently done for other non-wine liquor products (eg. spirits).

**Recognize the importance of jobs and investment in the hospitality, tourism and agrifoods sectors, in support of the BC Jobs Plan; Create a licensing system that responds to emerging marketplace realities and reflects current lifestyles and societal values**

*British Columbia Wine & Culinary Centre (BCWCC)*

BCWI requests continued support for the BCWCC concept as an innovative and sustainable business initiative to provide the local wine, food and agri-tourism producers and suppliers with a year round facility designed to promote, showcase, celebrate and encourage visitors to explore what the Province has to offer from a wine and agri-tourism perspective.

*BC VQA Wine Store Licenses*

BCWI requests the activation of current dormant Off-site Store Licenses as additional BC VQA Wine Store Licenses.

BCWI supports Government's request to expand the current limitation of BC VQA Wine Stores to sell only BC VQA Wines to include other BC agri-food value-add products including certified 100% BC produced alcohol such as fruit wine, cider, beer, etc.

*Agricultural Land Reserve (ALR) Liquor Licensing*

The BCWI recommends that the Agricultural Land Commission develop policy to permit winery Food Primary Licenses in the ALR provided they are ancillary to the winery and are restricted to alcohol products made in BC from 100% BC agricultural products.

*BC Wines Sampling and Sales at Farmers' Markets*

BCWI advocates that 100% BC produced wines be sold at a British Columbia Association of Farmers' Markets (BCAFM) authorized farmers' markets.