

Little, Danielle JAG:EX

From: Scott, Douglas S JAG:EX
Sent: Friday, July 25, 2014 8:34 AM
To: LCLB-ALL STAFF
Subject: Change to Minimum Prices

Hello Everyone,

I am sorry I was not able to attend the conference yesterday and thanks to those of you who were able to join in on such short notice.

To reiterate what Barry outlined yesterday, government will be announcing changes to the minimum prices this morning for draught beer and spirits announced June 20th:

- There is a new minimum price category for draught beer and cider servings of 50 ounce or greater – at \$0.20 per ounce
- B.C. is also reverting back to a \$3 per-ounce price for spirits, as announced originally.

All other minimum price levels remain the same.

The new levels for draught beer are closer to the way draught beer is currently priced around the province. The new minimum price for spirits will align the standard drink size with other provinces – in most other provinces a standard drink is one ounce rather than 1.5 ounces.

I know a number of licensees will have made adjustments to their menus and prices following the announcement in June. I'd like our focus over the next 3-4 weeks to be on ensuring licensees are aware of these changes.

We'll post a link to a new info graphic explaining the prices on our website immediately following the announcement, and updating the previous policy directive.

Below is some key information to help you answer questions related to this change:

- When Government introduced happy hours and minimum pricing in June, government said it was open to revisiting prices if they did not match British Columbians' expectations.
- Government heard, via letters and e-mails from the public and licensees, as well as through the media, that the initial minimum pricing for draft beer did not align with consumers' expectations.
- Government believes these adjustments better balance the expectations of consumers with the views of businesses and health and safety groups.
- Government welcomes feedback, and as always, individuals should feel free to write to their MLA if they have comments on these changes.

Thank you all.

Doug

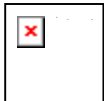
Douglas S. Scott
Assistant Deputy Minister
Liquor Control and Licensing Branch
Ministry of Justice
Government of British Columbia

From: Matters of Substance <comment-reply@wordpress.com>
Sent: Monday, July 14, 2014 2:07 PM
To: Carlson, Janice JAG:EX
Subject: [New post] Will minimum prices work to minimize harm?

carbc posted: "The recent changes to pricing rules in alcohol-serving establishments across BC have been met by applause, discontentment, indifference — and confusion. In effect, two changes were announced: the fact that restaurants and bars can now have happy hour drinkin"

Respond to this post by replying above this line

New post on Matters of Substance



[Will minimum prices work to minimize harm?](#)

by [carbc](#)

The recent changes to pricing rules in alcohol-serving establishments across BC have been met by applause, discontentment, indifference — and confusion. In effect, two changes were announced: the fact that restaurants and bars can now have happy hour drink specials, allowing them to change the price of alcoholic drinks throughout the day, and the introduction of province-wide minimum drink prices, which apply at all times, not just during happy hour.



BC's new minimum prices for standard alcoholic drinks in booze-serving establishments.

Minimum unit pricing is not a new concept. [All provinces](#), except Alberta and Quebec, have some type of minimum pricing policy. Even prior to these new changes, BC had minimum pricing policies in place in liquor stores, though prices were much lower than many other provinces. These new requirements will bring the rest of the province in line with municipalities such as Victoria, which have had minimum unit pricing policies and bylaws in bars and restaurants for quite some time to reduce violence and other late-night order problems.

While the new requirement to charge at least \$3 per standard drink may cause prices to increase at some establishments, many British Columbians will likely not notice the implementation of the minimum unit pricing—and in some instances, happy-hour specials will make booze cheaper than it was before. I can't remember a time when I paid less than \$5 for a beer at an establishment; \$3 sounds like a steal. But minimum pricing isn't really about getting "a good deal;" this bold move by the BC government is a step towards reducing alcohol-related harms in our province.

Every year in BC, there are more than [80,000](#) alcohol-related crimes, 1,800 alcohol-related deaths, and

18,000 alcohol-related hospitalizations. While many of us enjoy alcohol without incident, these staggering numbers remind us of how many of our fellow British Columbians are negatively affected by alcohol use. The introduction of minimum prices *could* reduce these numbers.

There is strong evidence that minimum alcohol pricing avoids punishing the majority of responsible drinkers while having the greatest impact on the behaviour and health of those most at-risk. Using BC hospital data, a [recent study](#) published in the *American Journal Public Health* found that for every 10 percent increase in minimum prices there was an immediate 9 percent reduction in hospital admissions for injuries and poisonings – and a similar reduction in serious illnesses caused by alcohol (such as liver cirrhosis and cancers) two to three years later. Similarly, we have found immediate and delayed effects from [minimum price increases](#) on alcohol-related deaths. Is \$3 really such a steep cost for reducing harm?

The BC government has listened to the strong research evidence supporting minimum prices and has taken a step in the right direction by implementing these prices for bars, restaurants and other establishments that serve alcohol. It is refreshing to see decisions being made will protect British Columbians while also respecting that alcohol is an important part of our culture and economy. However, in order to fully realize the harm-reduction potential of minimum pricing policies and offset the potential impact of happy hours, government needs to follow through on updating and overhauling minimum pricing in liquor stores. [According to our research](#), this will have a much larger impact on high-risk consumption and related harms.



Author: Kara Thompson, Centre for Addictions Research of BC

****Please note that the material presented here does not necessarily imply endorsement or agreement by individuals at the Centre for Addictions Research of BC**

[carbc](#) | July 14, 2014 at 2:07 pm | Tags: [alcohol](#), [Alcohol policy](#), [harm reduction](#), [minimum pricing](#) | Categories: [Alcohol blog series](#)
| URL: <http://wp.me/p3Rhri-d0>

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<http://carbc2300.wordpress.com/2014/07/14/will-minimum-prices-work-to-minimize-harm/>

Little, Danielle JAG:EX

From: Blackwell, Jay JAG:EX
Sent: Friday, July 11, 2014 2:46 PM
To: Tetzl, Raymond JAG:EX
Subject: Minimum Drink Prices in LP Clubs

Hi Ray,

I know this was a topic Doug was seeking info on immediately and so you are aware, licensees, particularly LP Clubs in the rural settings are continuing to raise concern regarding the min drink prices. Both Greg and Randy have been approached by individuals from the Royal Canadian Legions and Army, Navy, Air Force Vets Groups. Again, major concerns are that they need to raise their drink prices and these groups are continuing to see less support due to the nature of their clientele. I leave it with you to forward on to Doug.

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Again, I leave it will you to pick the best time to broach these topics.

Thanks Boss, hope you have an uneventful weekend.

Cheers,

Jay Blackwell
A/Regional Manager
Vancouver Island and Southern Interior
Liquor Control and Licensing Branch

Kamloops - (250) 828-4720
Victoria - (250) 952-5742

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Bieller, Barry JAG:EX

From: Bieller, Barry JAG:EX
Sent: Thursday, July 24, 2014 3:52 PM
To: Scott, Douglas S JAG:EX; Louie, Toby I JAG:EX
Cc: Meseyton, Robert JAG:EX
Subject: Liquor OIC material
Attachments: OIC Cover Approval minimum pricing.doc; OIC BN Variable Pricing and Min Drink Prices.docx; OIC Distribution Form variable pricing and min drink pricing.docx

Doug/Toby

Here are the documents to go with the OIC that Robert should have from Leg Counsel. Please let me know if there are any problems or need additional docs.

Barry



Ministry of Justice

OIC
Approval Form

CLIFF #: 503391

Contact: **Barry Bieller, LCLB**
 Barry.Bieller@gov.bc.ca

Signature		Date
ADM		
JAG Legislation		
Deputy Minister		
Comments:		

Pages 9 through 13 redacted for the following reasons:

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SUMMARY OF SUBJECT MATTER

The proposed regulatory change reduces the minimum price for large servings of draught beer and cider sold in bars and restaurants.

It also corrects errors in BC Reg 114/2014 deposited on June 20, 2014:

- It re-instates a section repealed in error which prohibits a licensee from using sales strategies likely to encourage intoxication and repeals a subsection dealing with minimum pricing for caterers that should have been repealed with the other caterer-related pricing provision which were repealed in OIC 375, and
- The OIC incorrectly referenced an authorization to operate a liquor store off-site as an application to do so.

ORIGINATOR (Name/Ministry/Branch/Telephone/email):

Barry Bieller

Ministry of Justice

Liquor Control and Licensing Branch

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Barry.Bieller@gov.bc.ca

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Minimum Drink Price Rationale and Background

- The Liquor Policy Review (LPR) Report recommendations struck a balance between liberalization of the liquor laws and the need to protect public health and safety, and minimum pricing is an important evidence-based tool to maintain this balance.
- The LPR report recommendation (#16) suggested allowing happy hours but only if minimum pricing (as recommended by health advocates) was put in place.
- Several decades of international research show that increasing the price of alcohol is one of the most effective approaches for reducing over-consumption and alcohol-related harm.
(Wagenaar, Salois & Komro, 2009; Babor et al., 2010; Wagenaar, Tobler & Komro, 2010).
- A recent national study (before minimum pricing was implemented) showed BC is a bottom ranking province for liquor pricing policy, compared to other Canadian provinces.
(Murie, A., Plamondon, L., Stockwell, T., Thomas, G., Thompson, K., & Vallance, K. (2013). *Strategies to Reduce Alcohol-Related Harms and Costs in Canada: A Comparison of Provincial Policies*. Toronto: Centre for Addiction and Mental Health.
- The new minimum price levels reflect the need to protect public health and safety and are based on recommendations of health advocates, industry, and a review of minimum price levels in other jurisdictions and BC local governments.
- During Liquor Policy Review consultations, health advocates recommended pricing at the \$3.00 level per standard drink (12oz beer/cider/cooler, 5 oz wine, and 1.5 oz spirits).
- Every other province in Canada has minimum pricing in place. Some of them have been in place for a long time and the levels are currently under review.
- Four BC local governments (Nanaimo, Victoria, Vancouver, and Kamloops) already had bylaws in place imposing minimum drink pricing. These levels were significantly above the minimum provincial pricing in other provinces, and are similar to what was adopted provincially.
- During further consultations following the LPR, industry recommendations for minimum drink pricing ranged from \$2.50 to \$4.00 per standard drink.
- The new minimum pricing replaces the previous minimum price requirements, which required licensed establishments to set prices above the purchase price of the liquor from the Liquor Distribution Branch.

Bieller, Barry JAG:EX

From: Bieller, Barry JAG:EX
Sent: Monday, July 14, 2014 4:02 PM
To: Scott, Douglas S JAG:EX
Subject: minimum drink pricing
Attachments: background to min price decision.docx

Hi Doug,

Attached is Janice's backgrounder. Below are links to the 4 LPR submissions that recommend a \$3.00 minimum price. In addition, Vancouver Coastal Health and the Canadian Centre on Substance Abuse both called for increases in the minimum prices but did not specify what the higher price should be. It's possible other groups also wrote to Mr. Yap requesting the \$3.00 min price but I restricted my search to the stakeholders he met with.

<http://engage.gov.bc.ca/liquorpolicyreview/files/2013/10/Centre-for-Addiction-and-Mental-Health.pdf>

<http://engage.gov.bc.ca/liquorpolicyreview/files/2013/09/CARBC-Liquor-Submission.pdf>

http://engage.gov.bc.ca/liquorpolicyreview/files/2013/09/20130909_Island_Health.pdf

<http://engage.gov.bc.ca/liquorpolicyreview/files/2013/11/Provincial-Health-Officer.pdf>

MINIMUM DRINK PRICING PROPOSALS

JULY 17, 2014

Issue 1: Beer Pricing

Proposal:

Introduce lower minimum pricing for large serving sizes of draft beer and cider. All beer and cider products to have a minimum price of \$0.25 per ounce up to 50 oz and then shift to \$0.20 for draft serving sizes above this amount.

Implications

- Provides lower price for groups ordering pitchers, i.e. minimum prices drops from \$15 to \$12 for a 60 oz pitcher
- Will not provide a lower price for the estimated 80-85% of draft beer, which is sold in serving sizes 20 oz or less (estimate provided by LCLB inspectors)
- Few establishments sell bottled beer for less than the current minimum so little public concern with the minimum price of bottled beer being retained
- Partially consistent with some other provinces who have a lower minimum price for draft beer.
- The majority of letters received opposing the new minimum pricing and media coverage on the issue have referenced the price of pints increasing.
- Having different per ounce minimum prices within the same product category may be difficult to explain.
- Largely remains consistent with Canada's Low Risk Drinking Guidelines
- Maintaining the pricing consistency to 50 oz may alleviate some concerns from health advocates but may be offset by concerns that it will encourage patrons to order larger sizes of draft beer to maximize the amount of liquor for the price.
- The industry standard of 60 oz pitchers is inconsistent with the Branch's maximum pitcher size of 1.5 litres (approx. 53 imperial oz). The Branch can increase the maximum permitted pitcher size.

Issue 2: Spirits Pricing

Option 1 Proposal:

Minimum price of \$3.00 per ounce

Implications

- s.13
- Consistent with approach in minimum pricing schemes in other provinces
- Alcohol equivalency principle not maintained as it is not consistent with Canada's Low Risk Drinking Guidelines

- Magnifies the difference in minimum prices across product categories for the same quantity of alcohol, e.g. \$3.00 for 12 oz of beer and \$4.50 for 1.5 oz of spirits
- Magnifying differences between product categories may lead to opposition from spirits producers/consumers
- Some health advocates may favour the higher price for spirits even though the equivalency principle is not maintained

Option 2 Proposal:

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