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Oral Questions

IMPACT OF WHOLESALE LIQUOR PRICING CHANGES ON WINE INDUSTRY

D. Eby: After promising there would be no changes, the Attorney General and the Premier have suddenly decided to change wholesale pricing for alcohol in this province. It sounds dry, but these changes are threatening small businesses across the province in every sector of the industry while they wait for the Attorney to push the button. Everybody knows there are serious problems with this reform. In fact, the *Vancouver Sun*'s wine columnist just called this initiative "a wholesale mess."

Can the Attorney General explain why she seems intent on creating instability in a very important industry in British Columbia?

Hon. S. Anton: As members of this House will know, the liquor policy review undertaken by the Parliamentary Secretary for Liquor — who we wish well and hope that we see back in the House soon — was one of the most successful public engagements that government has ever embarked upon. It received wide-scale response and enormous consumer interest.

The question of wholesale price, of course, relates to the issue of a level playing field. There's been extensive consultation with industry, webinars put on by our staff. People understand the concept now for the first of April, and it's a good system that levels the playing field for everyone.

It is too bad that the members opposite can't get on board with the liquor policy review. Perhaps they don't like that there's liquor sales now at farmers markets.

Perhaps they're not happy that pubs and their local Legions can have kids in there joining their parents for dinner. They may not be happy with those changes, but British Columbians are.

Madame Speaker: The member for Vancouver–Point Grey on a supplemental.

D. Eby: You can see why industry is frustrated. The minister has no idea what she's talking about. We're talking about wholesale price changes, which has nothing to do with farmers markets.

The minister's rushed changes have been a disaster for small wineries in this province. It's gone so far that a small winery, Okanagan Crush Pad, actually apologized to their customers for the minister's actions. They said the Attorney General had created great uncertainty that could mean "life or death" for their small business. Does that sound like good consultation?

Why is the Attorney General intent on undermining small family-owned businesses in this province?

Hon. S. Anton: We have been in constant communication with the wine industry, which does a terrific job in British Columbia in building an industry and building a wonderful product which is appreciated through British Columbia, through Canada and, indeed, around the world, and we thank them for that.

The regime for local British Columbia wine is only improved by the constant interest in government in supporting the B.C. wine industry in terms of.... We have a wonderful industry, and we want to tell people that.

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I know that the members opposite are unhappy. I think they're probably unhappy with the fact that there's a happy hour now — that you can change your liquor prices during the day. You couldn't do that before. They're probably unhappy that they go to big events where you don't have to be confined in a little beer garden to drink your beer.

They may not like those changes, but members of the public do. This liquor policy review and the changes to liquor policy in British Columbia are positive for consumers, positive for producers and positive for British Columbia.

WHOLESALE LIQUOR PRICING CHANGES AND RELEASE OF REPORT

C. James: Many in the industry suspect that the government's rushed reforms are being driven by a secret Ernst

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and Young report on liquor pricing. Now, I say "secret" because we've FOI'd that

report, and so have many others in the industry, and the government has flatly refused to release it. It looks to everyone in the industry like this government is actually taking advice from an accounting firm, a secret report they won't release, instead of relying on advice from B.C.'s wine, spirits and beer industry.

My question is very straightforward. To the Attorney General, why is this report being kept secret?

Hon. S. Anton: On the first of April we do indeed begin the new wholesale pricing regime. That means that instead of having a series of discounts, price, price off and so on — a very complicated system — what we have now is a single system that applies to all purchasers. Every purchaser, whether you be an LRS, a rural agency store or a government store, you will all pay the same wholesale price for your liquor — your wine, your beer, your spirits.

Everyone will pay the same on April 1. That's the change that's coming. That level playing field has been sought by industry for some time now. That's what we are delivering.

Madame Speaker: Victoria–Beacon Hill on a supplemental.

C. James: A very straightforward question to the minister. Will the minister release the report?

Hon. S. Anton: As I mentioned, we have been in very close contact working with the industry both on the retail, on hospitality and on different forms of retail. We are working closely with the industry.

People understand. Our stakeholders understand the changes that are coming on April 1. They understand that the overall price of the product will be roughly the same on April 1 as it is on March 31 — minor adjustments but roughly the same price. They understand that.

They've asked for a level playing field. This is the level playing field, along with all the other changes that we are making in the liquor industry in British Columbia to support consumers, to support producers in British Columbia. People are very supportive of these changes. As I said, the largest public engagement government has ever entered into.

IMPACT OF WHOLESALE LIQUOR PRICING CHANGES ON WINE INDUSTRY

S. Chandra Herbert: Only the Liberals would think a happy hour that actually led to increasing the price of beer would make people happy. B.C.'s public liquor stores don't regularly stock Okanagan Crush Pad's wine, but private wine stores in B.C. do. They carry their wines year-round, and those sales help the winery stay in business.

But under this government's reforms, John Clerides, a local wine seller in my constituency, on Davie Street, for over 20 years is now being told his licence is worthless. If he wants to upgrade to a new cold beer and wine store, he'll have to close his store and leave the community, because there's already a cold beer and wine store across the street.

Why is the Attorney General telling a strong local businessman that he has to close down his business?

Interjections.

Madame Speaker: Members. Members, the Chair will hear the answer and the question.

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Hon. S. Anton: Of course, I totally reject the proposition in the question. We do like to support all of our retail people in British Columbia. As I said, the wholesale price will apply to everyone, whether you be a wine store, a private liquor store, a rural store or a government store. Everybody is paying the same price. This is the piece of work that's changing on the first of April.

This is at the same time with allowing some liquor outlets to open in grocery stores. Imagine. We're going to allow wine on shelves of grocery stores. [Applause.]

Thank you. That was the clap I was looking for the first time. You forgot.

These are the changes that consumers in British Columbia have asked for. These are the changes that government is making. It is very positive in British Columbia and very well received.

K. Conroy: Well, B.C. wineries across the province certainly aren't feeling the love and support that the Attorney General is talking about. Al and Marleen Hoag, who own and operate Skimmerhorn Winery and vineyard in Creston, say the Attorney General's changes have been very poorly rolled out and impossible to understand. They say: "An apology for this blunderous situation is owed to all stakeholders."

Will the Attorney General take their advice and the advice of the people across the industry, slow down, actually really consult transparently with the wineries and get this done right?

Hon. S. Anton: The House should know that government has consulted extensively with the wine industry. It's an extremely important industry in British Columbia, and I bet pretty much everybody in this House appreciates the products made by the B.C. wine industry. They are fantastic products. They are enjoyed in British Columbia, as I said, and they are enjoyed around the world, because they're terrific, prize-winning products produced by wineries in British Columbia.

We in government support those wineries. We have consulted them regularly throughout the changes that

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are being made. They continue to be supported in British Columbia because they do such a great job for us. These, along with all the other changes that we're making — to improve service, to improve quality, to improve customer satisfaction with liquor in British Columbia — are very good changes.

JUSTICE MINISTER COMMENTS ON WHOLESALE LIQUOR PRICING CHANGES

S. Simpson: On July 23, 2013, I asked the Attorney General in estimates whether it was the government's intention to go to one wholesale price for liquor. The minister's response was: "The question of one wholesale price did get assessed at the time, and the assessment concluded that there would be significant impacts. There would be winners and losers. It would have been extremely disruptive to the industry and very complicated, so the decision was made not to go there." That's what the minister said in July.

Unfortunately, the minister has chosen to ignore that advice from her staff, and consequently, we have the mess that we have today. When the minister clearly knew in July 2013 that this was a bad idea, why does she persist in trying to go there today?

Hon. S. Anton: As I said earlier, we started on.... In fact, I think government started on thinking that this might be rather minor changes to liquor, and it turned out that we have changed many things in the liquor industry in British Columbia — in consumption, in sale, in hospitality. All of these things are to improve the consumer experience.

I haven't mentioned health and safety, and I'll mention it right now. That has always been at the forefront of the work that we do. Everything that we do has health and safety in mind.

These come out of a very extensive policy review. They come out of very extensive consultations — the desire for a level playing field in British Columbia. These are very good changes indeed.

Madame Speaker: Vancouver-Hastings on a supplemental.

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S. Simpson: In July, when the minister said this would be extremely disruptive to the industry and very complicated and they weren't going there, she said at that time that there was an assessment done that drew her to that conclusion.

Will the minister release that assessment? If she won't release Ernst and Young, release the assessment that said: "This is a bad idea. We know it's a bad idea, but somewhere someone is getting paid off."

Hon. S. Anton: I have no idea what the member is alluding to. He might stand up and say so. He might go outside and say so, but that is a preposterous remark, and it deserves no response.