

Restaurant Realities: Raising Our Voice in Alberta

WHEN FOODSERVICE THRIVES, SO DO OUR COMMUNITIES

A thriving foodservice sector is critical to the wellbeing of communities across Alberta, contributing jobs, investment, innovation, tourism and spaces for people to come together. Unfortunately, many of Alberta's restaurants are struggling to survive due to a number of recent legislative and regulatory changes that have dramatically increased the cost of doing business in the province. Working together with Restaurants Canada, Alberta's next government has an opportunity to improve conditions for foodservice businesses so that they can continue contributing to healthy, vibrant communities.

KEY ISSUE

Liquor Policy: With a broad selection of alcohol products, flexible and convenient purchasing options, and the most competitive prices in the country, Alberta has long been known as the best place in Canada for liquor licensees to do business. As the only jurisdiction with a flat tax mark-up system and true wholesale pricing for licensees, the province continues to be a bright spot in the country's liquor landscape, although a few storm clouds have appeared since 2015.

In Restaurants Canada's 2017 "Raise the Bar" report card on provincial liquor policies, Alberta received a "B" — still the highest grade in the country, but a downgrade from the "B+" the province received two years earlier. Liquor markup increases and the elimination of the liquor server wage were some of the reasons the province lost points. Another was the government's cancellation of a comprehensive liquor policy review, intended to modernize Alberta's liquor policies, which was planned for 2015.

A reduction in the minimum 25-case-order requirement would also go a long way to reduce costs and break down liquor purchasing barriers for licensees. It would especially benefit smaller licensees who do not have the financial means to tie up large amounts of capital in inventory, nor the space for storing so much liquor at once. Many more licensees would direct order their higher volume liquor purchases if a reduced minimum ordering option was available, while still relying on retailers for lower volume and single bottle purchases.

Restaurants Canada recommends:

- ***Continuing Alberta's "best-in-class in Canada" liquor markup and distribution model, including its flat tax markup and wholesale pricing system.***
- ***Undertaking a comprehensive review to modernize Alberta's liquor policies, as was planned in 2015.***
- ***Reducing the minimum 25-case-order policy for small businesses who are willing to pay a service charge to offset additional delivery expenses.***
- ***Freezing liquor markup increases, as liquor prices will already be increasing annually as a result of the federal excise tax escalator.***

ALBERTA'S FOODSERVICE SECTOR AT A GLANCE

- Our industry includes 11,260 small businesses and generates \$11 billion in annual sales.
- For every dollar spent in a restaurant, \$1.85 is spent in the rest of Alberta's economy.
- With roughly 150,000 foodservice workers, our sector is the third largest employer in the province.



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