

**Ministry of
Small Business and Red Tape Reduction
and Responsible for the
Liquor Distribution Branch**

**2016/17
Annual Service Plan Report**



For more information on the British Columbia
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Responsible for the Liquor Distribution Branch
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Minister's Message and Accountability Statement



Small businesses are vitally important to British Columbia, touching every sector of the economy and all regions of the province, creating jobs and helping communities thrive. Over the past year, we have continued to work with government partners to expand two important programs for B.C. entrepreneurs—BizPaL and Mobile Business Licences.

In March 2017, the province, Canada and eight B.C. partner municipalities launched a new tool within BizPaL to help restaurateurs save time and cut red tape in this heavily-regulated sector. By the end of 2016/17, 130 B.C. communities were using BizPaL due to the addition of the District of Houston signing on to the service, and three new Mobile Business Licence agreements were implemented, bringing the number of participating communities throughout the province to 83.

The province has worked closely with Small Business BC to expand its services in 2016/17, which included providing support for businesses seeking training through the Canada-B.C. Job Grant, and the province's Export Navigator pilot project, aimed at helping small businesses access new markets. B.C. also remains committed to its ongoing dialogue with the small business community through the B.C. Small Business Roundtable.

The Ministry also supported efforts to create and implement B.C.'s *Franchises Act* and Franchises Regulation to help level the playing field for small business owners and provide certainty for investors. The province developed *Franchises Act* educational materials which were translated into four languages and published online.

In 2016/17, the Ministry undertook a number of initiatives to help Aboriginal business owners succeed including developing a pilot program with the B.C. Small Business Roundtable and Junior Achievement BC to provide business and skills training opportunities to Aboriginal youth in eight communities. The province also worked with Futurpreneur Canada and the private sector to expand ThriveNorth, a program that teaches business skills to Indigenous and rural youth in northwest B.C. To help Aboriginal small business owners access services and supports available to them, the Ministry also developed resource material and worked with the Tsawwassen First Nation and shíshálh Nation to gain their participation in the BizPaL and Mobile Business Licence programs respectively.

B.C. is continuing to promote and receive red tape reduction suggestions from citizens. As of March 2017, approximately 250 suggestions to improve government programs and services have been implemented.

An area that has undergone a substantial reduction in red tape to the benefit of small businesses, citizens and government is B.C.'s liquor policy. Currently, 66 of the 73 recommendations from the Liquor Policy Review have been implemented. On January 23, 2017, one of the major steps towards enacting many of the new policies was taken when a new, modern *Liquor Control and Licensing Act* and Liquor Control and Licensing Regulation went into effect.

Some of the new policies now in place include allowing all types of businesses, including book stores and art galleries, to apply for a liquor primary licence, creating new opportunities to expand their businesses. Also, government has streamlined the liquor primary licence application process for applicants.

The *Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch 2016/17 Annual Service Plan Report* compares the Ministry's actual results to the expected results identified in the *2016/17–2018/19 Service Plan*. I am accountable for those results as reported.



*Honourable Coralee Oakes
Minister of Small Business and Red Tape Reduction
And Responsible for the Liquor Distribution Branch
June 16, 2017*

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Purpose of the Ministry

The [Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch](#) was established in July 2015 to align key government portfolios to better support B.C.'s small businesses and citizens. The Ministry is focused on increasing small business growth, the development of a modern regulatory environment for citizens and businesses, as well as a balanced approach to protecting public health and safety, providing more convenience for consumers, and streamlining regulations for the liquor industry.

The Ministry also supports government's economic strategy, [Canada Starts Here: The BC Jobs Plan](#), by providing access to tools and resources that help small businesses grow, and by leading cross-government efforts to reduce red tape that hinders economic development and makes it difficult for citizens and businesses to interact with government. The Ministry collaborates with government, industry and communities to ensure simplified processes for businesses, easy access to services for citizens, and a more competitive climate for B.C.

The effective delivery of the Ministry's mandate relies on key legislation, including: the [Regulatory Reporting Act](#); the [Red Tape Reduction Day Act](#); the [Liquor Control and Licensing Act](#); and the [Liquor Distribution Act](#). The Ministry is responsible for the Liquor Distribution Branch.

Strategic Direction and Context

The [July 30, 2015 Mandate Letter](#) to the Minister of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch outlined key expectations for the Ministry, including: the continued implementation of the Small Business Awareness Strategy; working with the LNG-Buy BC program to ensure that B.C. small businesses have an opportunity to participate in delivering goods and services to LNG projects; working with the Minister of International Trade to explore ways to increase the ability of small businesses to export to new markets; working across government to identify opportunities to reduce red tape for British Columbians; implementing the [BC Liquor Policy Review](#) recommendations; and working with the Union of British Columbia Municipalities on ways to streamline the liquor primary application process.

In addition, government's [Taxpayer Accountability Principles](#) framework serves to support the standards of fiscal responsibility and transparency adhered to by the Ministry and informs this service plan.

British Columbia's real GDP increased by 3.7 per cent in 2016 (according to preliminary GDP by industry data from Statistics Canada), the strongest growth among provinces. Employment in B.C. grew by 3.2 per cent in 2016, its fastest annual pace since 1994. Consumer spending was strong for a third consecutive year as retail sales were supported by strong employment growth, increased tourism, interprovincial migration and low interest rates. B.C.'s housing market saw elevated levels of activity in 2016, with the highest number of annual housing starts since 1993. B.C. manufacturing shipments and exports expanded in 2016 as goods exports to both the US and the rest of the world increased.

Key elements of the Ministry's strategic context in 2016/17 are listed below:

- Small business drives job creation, productivity and economic growth. In 2015, there were approximately 388,500 small businesses operating in B.C., representing about 98 per cent of all businesses in the province. These businesses employ over a million people, generate 35 per cent of the province's GDP, and account for 86 per cent of all provincial exporters. While excellent supports already exist to support small business start-up, growth and succession

planning, there continues to be opportunities for improvement in assisting small businesses to “break out” and transform into medium or large scale enterprises.

- Citizens and businesses benefit from the Ministry’s work to reduce red tape and make government more accessible and streamlined. Regulatory reform reduces the cost and time of doing business. These savings can be reinvested by businesses and help foster economic development. The integration of the LeanBC Office into the Regulatory Reform Branch in 2016 strengthened the capacity of the Ministry to streamline access to services, a key element of government’s red tape reduction drive.
- Since 2001, the province has reduced regulatory requirements by 48 per cent and has focused its efforts on streamlining and simplifying government processes for citizens and businesses, making B.C. a national leader in regulatory reform. The evolution of regulatory reform efforts requires British Columbia to build on this solid foundation and undertake the next phase of regulatory reform that will lead to even more benefits. One example is Adopt BC Kids, a portal that allows prospective adoptive parents to submit, track and manage their adoption application online without needing to visit an office or attend a session with a social worker. Other examples include partnerships between BC Transplant, ICBC and ServiceBC to encourage more British Columbians to register for organ donation. These partnerships resulted in an 85 per cent increase in registrations in 2016 over the previous year.
- British Columbia’s liquor industry is comprised mostly of small businesses. As of March 31, 2017, there were 10,199 licensees¹, including: 6,029 restaurants; 2,257 pubs, bars and lounges; 671 private liquor stores; 348 agents; 564 liquor manufacturers such as wineries, breweries and distilleries; 227 Ubrews/Uvins; as well as 66 wine stores and 37 caterers. In addition, there are 198 government liquor stores and 226 Rural Agency Stores. Together, the industry is an important economic driver, generating \$1.1 billion in revenue and sales taxes per year and employing many of the 132,200 people who work in B.C.’s tourism industry. In 2013, the province’s liquor laws and policies underwent a comprehensive review, resulting in 73 recommendations to modernize the system in order to better reflect current lifestyles and remove barriers to growth, while ensuring public health and safety, including requiring all people who sell or serve liquor to have a valid Serving It Right Certificate, and requiring minimum drink and minimum retail prices. Implementing these recommendations remains a priority for the Ministry.
- The policy reforms undertaken by the Ministry are a response to perceived societal shifts about risks associated with liquor. A good example is the expansion of the types of businesses that may serve liquor, including art galleries. After comprehensive consultations and risk analysis, the regulation was amended and the policy was implemented.
- While red tape reduction, enhanced convenience, and improved service delivery are key goals, protecting the health and safety of British Columbians is paramount. The Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch worked closely with the Ministry of Health and the Centre for Addictions Research to develop policies

¹ Before January 23, 2017, there were 517 agent licences issued to manufacturers. As of January 23, 2017, manufacturers no longer require a separate agent licence to promote their products and the now redundant licences have been removed. This accounts for the lower overall number of licences in the province than previously reported but does not represent a drop in the total number of licensees.

and programs to safeguard people's health. Health research was incorporated into strategies for addressing health concerns, including:

- Both health and industry stakeholders played a key role in the mandatory social responsibility materials that are now required by B.C. liquor licencees;
 - Every person serving or selling liquor in B.C. is required to hold responsible beverage alcohol sales and service certification to ensure they understand their legal responsibilities; and
 - Minimum price regulations are in place for all licensed establishments and liquor retailers.
- B.C.'s liquor legislative and regulatory regime provides flexibility for businesses, reduces red tape, and supports economic growth. B.C. liquor laws have evolved from being some of the most restrictive to one of the most innovative and progressive liquor regimes in Canada.

Report on Performance

The reference point for this annual report is the Ministry's [2016/17- 2018/19 Service Plan](#), which was informed in part by the July 30, 2015 [Mandate Letter](#) to the Minister Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch. In 2016/17, the Ministry successfully completed six of the 12 deliverables outlined in the Mandate Letter, the remaining six were of an ongoing nature. More detail on actions taken in response to the Mandate Letter can be found in Appendix C of this report.

Goal 1: A thriving small business sector that powers the growth of the provincial economy

Goal 2: Reduced red tape, to make it easier to interact with government and to foster economic growth

Goal 3: Modern liquor laws for citizens, industry and small business

At the end of the fiscal year, out of the Ministry's five performance measures for 2016/17, three were met or exceeded, and two were not met. The discussion section under each performance measure provides further information.

The Ministry operates under the [Taxpayer Accountability Principles](#), which strengthen accountability to the citizens of B.C. by providing a common platform of compensation and accountability across the public sector. The six principles—cost-consciousness (efficiency), accountability, appropriate compensation, service, respect and integrity—are integrated into the Ministry's operations and reflected by the goals, objectives and measures of its service plans. In 2016/17 the Ministry also worked with the Liquor Distribution Branch to ensure that the Taxpayer Accountability Principles were reflected in their operations and communications.

Goals, Objectives, Strategies and Performance Results

Goal 1: *A thriving small business sector that powers the growth of the provincial economy*

Objective 1.1: **Provide small businesses with programs, tools and supports to assist them to grow and create jobs**

Strategies

Key strategies in 2016/17 included:

- Providing tools and resources that support the start-up and growth of small businesses—through partnership, sponsorship and collaboration with organizations like [Small Business BC](#) and [Futurpreneur](#), creating networks and fostering linkages across the sector.
- Working with the Ministry of Jobs, Tourism and Skills Training to assist small businesses in communities facing transition.
- Continuing to consult and work with local governments to expand the [Mobile Business Licence Program](#), streamlining and simplifying the licensing process, making it easier to do business in B.C.
- Collaborating with federal, provincial and territorial partners to maintain and enhance [BizPaL](#) ensuring entrepreneurs can quickly access the regulatory information they need to start and grow their business.
- Increasing awareness of the availability of small business tools and resources among business owners, local governments and Aboriginal communities through implementation of the Small Business Awareness Strategy.
- Working with the [LNG-Buy BC](#) program to ensure B.C. businesses have an opportunity to participate in delivering goods and services to LNG and other major resource projects.

Performance Measure 1: Small Business BC client utilization of services

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Total number of times clients have accessed services through Small Business BC:	948,622	967,110	1,144,000	1,032,902 ¹	1,258,000 ³	1,384,000
Clients accessing services in-person	30,215	32,604	36,550	33,147	40,200	44,220
Clients accessing services by telephone	15,171	14,591	18,340	17,040	20,175	22,190
Clients accessing services by email/fax/letter	2,317	2,600	2,800 ²	3,011	3,080	3,380
Clients accessing online services	900,919	917,315	1,086,310	979,704	1,194,545	1,314,210

Data Source: *Small Business BC Annual Report*. This measure reflects the number of client interactions with Small Business BC (SBBC) in person, over the phone, by email/fax/letter or online. Access to online services is measured by Google Analytics and indicates the number of individual user sessions recorded for SBBC’s website. Data for 2016/17 has been compiled from quarterly *Small Business BC Governance Monitoring Reports* as annual reports are received by the province on July 31 of each year.

¹ Growth in the use of client services has not been in line with historical trends. External factors, such as updates to search engine algorithms, may have resulted in lower than expected online traffic to SBBC’s website.

² A reporting error existed in the 2015/16 *Small Business BC Annual Report* with the number of clients accessing services by email reported at 763 (representing only the fourth quarter’s email client interactions).

³ In 2015/16, growth in client interactions was less than anticipated, impacting future projections. The 2017/18 and 2018/19 targets will be revised in the 2018/19 service plan to reflect this.

Discussion

Small businesses are the backbone of the provincial economy but starting and growing a business can be challenging. This is why government works to ensure that small businesses are supported in their efforts to establish themselves and to grow. Small Business BC (SBBC), a not-for-profit organization, is B.C.’s premiere resources centre for business information and services related to starting, growing or exiting a small business. The Ministry funds SBBC jointly with the federal government and partners with the organization on initiatives in support of the Small Business Awareness Strategy.

This measure tracks the number of annual interactions between SBBC and their small business clients, whether over the phone, in person or through SBBC’s website. The high numbers of interactions is an important indicator that small businesses are aware of and finding value in SBBC’s services.

While the unprecedented growth in client interactions seen over the last few years appears to be slowing, SBBC continues to lead the country as part of the Canada Business Network. This year, SBBC expanded its services, taking on the role of service delivery partner to assist small business employers in B.C. to recruit and retain a skilled workforce through skills training under the Canada BC Job Grant. SBBC is also providing administrative oversight of the [Export Navigator pilot](#) on behalf of the province, which is helping small businesses become export ready.

Performance Measure 2: Local governments issuing inter-municipal business licences in B.C.

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Number of local governments participating in an inter-municipal or mobile business licence agreement with neighbouring municipalities	69	73	72	83	74 ¹	76

Data Source: Ministry of Small Business and Red Tape Reduction. There are currently 14 agreements in the province with 83 participating communities. Program expansion may include the establishment of additional agreements, inclusion of additional partners and/or consolidation of existing agreements, making it easier for businesses to operate across jurisdictional boundaries.

¹ Substantial progress has been made on the implementation of additional mobile business licence agreements. To reflect this, the 2017/18 and 2018/19 targets will be updated in the 2018/19 Service Plan.

Discussion

An inter-municipal or Mobile Business Licence allows mobile businesses such as builders, plumbers and electricians to operate in multiple municipalities and regional districts with a single licence. This streamlines and simplifies the licensing process, reducing the cost for business owners, making it easier to do business in B.C. The Ministry oversees the Mobile Business Licence program, encouraging local governments to adopt this approach and assisting municipal partners with implementation.

A new agreement was launched in the Sunshine Coast in February 2016 which includes the shíshálh Nation, the first First Nation community to join a Mobile Business Licence agreement. Three new Mobile Business Licence agreements were launched in 2016/17, including Kimberley/Cranbrook, the West Kootenays and the Elk Valley. The Ministry will continue to work with local government and First Nations partners to expand the number of agreements across the province, reducing red tape and streamlining processes for business.

Objective 1.2: Ensure government considers the needs of small business in its policy and program decisions

Strategies

Key strategies in 2016/17 included:

- Working with the B.C. [Small Business Roundtable](#) through its quarterly meetings, regional consultations and Annual Report to government to identify actions and implement recommendations in support of small business growth.
- Updating and promoting the [Open for Business Awards: Best Practices Guide](#) to increase awareness of initiatives implemented by local government and First Nation communities that can help small businesses succeed.
- Working with the Ministry of International Trade to identify and implement actions which increase the ability of small businesses to export their products to new markets.

- Continuing to simplify and improve government processes and regulatory requirements with the greatest impact on small businesses.

Goal 2: *Reduced red tape, to make it easier to interact with government and to foster economic growth*

Objective 2.1: *Reduce the regulatory burden*

Strategies

Key strategies in 2016/17 included:

- Maintaining government’s commitment to a net zero increase in regulatory requirements until 2019.
- Working with ministries across government to further reduce the number of regulatory requirements and administrative burden placed on citizens and businesses.
- Updating the provincial regulatory reform policy to support the identification and elimination of unnecessary regulatory burden as part of the regulatory development and review process.
- Hosting an annual Red Tape Reduction Day in March to shine a light on government’s efforts to reduce red tape.
- Partnering with the Canadian Federation of Independent Business to highlight on-going and completed work with respect to reducing red tape for businesses in the context of Red Tape Awareness Week.
- Producing an annual report outlining government’s progress in regulatory reform and red tape reduction.

Performance Measure 3: *Government-wide regulatory requirements*

Performance Measure	2004 Baseline	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Net change in the number of government-wide regulatory requirements since 2004	197,242 ¹	173,439 ¹ -12.1% ²	-10.5% ²	170,140 -13.7% ²	0 net increase ²	0 net increase ²

Data Source: Small Business and Regulatory Reform Division, Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch.

¹ Restated as a result of the 2015/16 database verification project. The baseline decreased from 228,941 (as reported in the 2016/17 Service Plan) due to the removal of out of scope federal regulations that had previously been included in error.

² From the 2004 baseline.

Discussion

Reductions in the regulatory burden improve citizens' access to government services and enhance British Columbia's economic competitiveness by reducing the cost of doing business, generating opportunities for reinvestment and the creation of new jobs.

In January 2015, government extended its commitment to a net zero increase in regulatory requirements until 2019 while at the same time, putting greater emphasis on economic development outcomes and qualitative performance measures that focus on the quality and impact of regulatory amendments.

Over the longer term, the province has reduced the regulatory burden by 48 per cent compared with the 2001 baseline, and by 13.7 per cent compared with the 2004 baseline. The province reduced the number of regulatory requirements by over 3,000 during the 2016/17 fiscal year, reaching the lowest point since 2001, when tracking of the regulatory requirements count began. Our goal is to ensure that every single regulatory requirement in B.C. is necessary, meaningful, and serves a purpose.

The most significant decreases in the regulatory requirements count in 2016/17 related to changes in the *Motor Vehicle Act*, which decreased the regulatory requirements count by over 1,000 and the new *Societies Act*, which decreased the count by over 700. Regular review of statutes, regulations, and associated policies and forms ensures an up-to-date body of legislation which makes provincial laws easier to understand and to follow.

Performance Measure 4: National recognition for reducing red tape

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Canadian Federation of Independent Businesses Grade for Reducing Red Tape	A	A	A	A	A	A

Data Source: Canadian Federation of Independent Business's *Red Tape Report Card*.

Discussion

Since 2012, the Canadian Federation of Independent Business (CFIB) has published an annual *Red Tape Report Card*, which grades the red tape reduction efforts of Canada's federal, provincial and territorial governments. The CFIB criteria for assigning a letter grade include: whether the jurisdiction has made reducing red tape a priority; whether the growth in regulations is being measured, constrained, and publicly reported on; and whether additional initiatives are being implemented to maintain momentum on streamlining government regulation. The B.C. government has made cutting red tape a priority and the CFIB's ranking is an independent confirmation of the successes to date in this area. B.C. received its sixth "A" grade from the CFIB in January 2017, and is the only province to maintain this result. This measure represents our commitment to continue to lead the country in reducing the burden of regulations on citizens and businesses.

Objective 2.2: Make government services more accessible and easier to use

Strategies

Key strategies in 2016/17 included:

- Supporting ministries with implementation of the regulatory and service improvements suggested through the [Reducing Red Tape for British Columbians](#) public engagement initiative.
- Simplifying and improving government processes and regulatory requirements with the greatest impact on small businesses, including continued work on sector streamlining projects.

Goal 3: Modern liquor laws for citizens, industry and small business

Objective 3.1: Modern liquor laws, policies and tools that meet the needs of citizens, industry and small businesses

Strategies

Key strategies in 2016/17 included:

- Rewriting the *Liquor Control and Licensing Act (LCLA)* to support citizens, industry and small businesses through more efficient, seamless, fair, and convenient liquor licensing.
- Bringing the new LCLA into force with a completely new regulation, ensuring that only those items requiring regulatory oversight were included.
- Conducting further consultations with licensees, Union of British Columbia Municipalities (UBCM), local government, First Nations, industry, small businesses, and police towards streamlining application processes, modernizing liquor laws and policies, and ensuring a vibrant liquor industry.
- Developing regulations to bring the *Special Wine Store Auction Act* into force; this provides authority for Liquor Control and Licensing Branch (LCLB) to conduct an auction to determine eligibility for grocery stores to apply for a limited number of licences to sell 100% B.C. wine on grocery store shelves.²
- Reviewing the licensing requirements for liquor manufacturers and rules respecting on-premises consumption.
- Implementing the remaining recommendations of the 2013 Liquor Policy Review, while continuing to balance public safety and public interest.

² The Regulations were deposited February 18, 2016.

Performance Measure 5: Implementation of the Liquor Policy Review recommendations

Performance Measure	2014/15 Actual	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Number of Liquor Policy Review recommendations implemented by government.	N/A ¹	39	69	66	73	N/A ²

Data Source: Liquor Control and Licensing Branch.

¹ This was a new performance measure as of 2015/16.

² Implementation will be completed in 2017/18.

Discussion

In the fall of 2013, Parliamentary Secretary John Yap conducted a review of provincial liquor policies in order to provide recommendations on how they can be modernized. Based on extensive consultation, the resulting Liquor Policy Review made 73 recommendations to change British Columbia’s liquor laws so that they reflect current lifestyles, encourage the growth of small businesses and our economy, address calls for consumer convenience and continue to safeguard health and public safety. Government subsequently committed to implementing all 73 recommendations. This measure tracks progress towards that goal.

To date 66 of the 73—or 90 per cent—of the recommendations from the Liquor Policy Review have been implemented. Many of the remaining recommendations require significant policy development and more consultation with industry or other levels of government.

Objective 3.2: Promote safe establishments and safe communities, while minimizing the health and social harms of alcohol

Strategies

Key strategies in 2016/17 included:

- Working to prevent underage drinking, the over-consumption of liquor, overcrowding or unsafe conditions in restaurants, bars and pubs, the misuse of non-beverage products containing alcohol, and to minimize the potentially negative impact of liquor sales on neighbourhoods and communities.
- Continuing to raise public awareness about safe alcohol consumption through education campaigns such as Alcohol Sense, the mandatory display of education materials, and developing an in-person educational program for licensees.
- Carrying out inspections of licensees to ensure that they comply with their licence requirements.
- Ensuring prevention of the sale of alcohol to minors.
- Where necessary, taking enforcement action to ensure that licensees comply with B.C.’s liquor laws.
- Administering legislation and regulations that provide the framework for a vibrant and responsible liquor industry that meets the needs of British Columbians and its visitors.

Performance Measure 6: Rate of liquor establishment compliance with ID-checking requirements

Performance Measure	2014/15 Baseline	2015/16 Actual	2016/17 Target	2016/17 Actual	2017/18 Target	2018/19 Target
Percentage of inspections of liquor establishments (stores, food primaries and liquor primaries) where the establishments are found to be in compliance with ID-checking requirements.	67.9	82	73	81	76	80

Data Source: Results for this measure are based on records kept by the Liquor Control and Licensing Branch, Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch. Liquor establishments include: liquor stores (whether private or government-operated or appointed), grocery stores selling wine on their shelves, manufacturers with on-site stores and liquor primary and food primary establishments (e.g. bars and restaurants). Special occasion licences are not included. In 2016/17, this measure was adjusted to include only the results of random inspections (as opposed to intelligence-based inspections), as random inspections provide results that are more representative of real-world compliance rates. The current forecast and targets were revised to reflect the adjustment in the [Ministry's 2017/18 – 2019/20 Service Plan](#).

Discussion

Preventing the sale of liquor to minors is a key public safety priority for government, given the potentially devastating consequences of underage drinking. It is also against the law to sell, serve or supply liquor to a minor. The Minors as Agents Program (MAP) was launched in 2012 and involves employing minors to test whether licensees and their staff are selling to minors. The program initially targeted liquor stores and was expanded in 2012 to include food primaries (e.g. restaurants) and in 2013 to include liquor primaries (e.g. bars). In 2016/17, this measure began tracking compliance of a broader set of liquor establishments (e.g. grocery stores selling wine on their shelves, manufacturers with on-site stores) in addition to liquor stores.

The MAP has been very effective in raising the rates of liquor store compliance with ID checking requirements. Prior to implementation of the MAP, ID checking compliance was as low as 30 per cent. While the current focus of the program is on randomized inspections, during the initial years of the program, the Ministry included both random inspections and inspections of establishments that were the subject of complaints and information obtained in the community about high risk activities where there is a greater likelihood of a sale to a minor. In 2016, a review of this performance measure resulted in a recommendation to separate random and intelligence-based inspections to ensure more accuracy in measuring. The Ministry has made that change and also tracks inspections by geographic area, to ensure the program covers all areas of British Columbia.

Financial Report

Discussion of Results

This Discussion of Results reports on the Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch financial results for the year ended March 31, 2017 and should be read in conjunction with the Financial Report Summary Table provided below.

Operations

In 2016/17, as a result of prudent financial management, the Ministry realized a surplus of \$49,000 before the adjustment of prior year accruals.

Financial Report Summary Table

	Estimated	Other Authorizations ¹	Total Estimated	Actual	Variance ²
Operating Expenses (\$000)					
Small Business and Regulatory Reform	3,096	0	3,096	3,075	(21)
Liquor Control and Licensing	1	0	1	1	0
Executive and Support Services	765	0	765	737	(28)
Sub-Total	3,862	0	3,862	3,813	(49)
Adjustment of Prior Year Accrual³	0	0	0	(10)	(10)
Total	3,862	0	3,862	3,803	(59)
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)					
Liquor Control and Licensing	318	0	318	303	(15)
Executive and Support Services	1	0	1	0	(1)
Total	319	0	319	303	(16)

¹ "Other Authorizations" include Supplementary Estimates, Statutory Appropriations and Contingencies. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.

² Variances of a business line's Actual results from Total Estimated are considered material if they exceed 5%. The Ministry experienced no material variances from Total Estimated Budget in 2016/17.

³ The Adjustment of Prior Year Accrual of \$10,000 is a reversal of accruals in the previous year.

Appendix A – Contact Information and Hyperlinks

Minister’s Office

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To contact a specific person or program in the Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch, please refer to the [B.C. Government Directory](#).

Additional information about the Ministry’s programs and services is available on the Ministry’s website at www.gov.bc.ca/sbirt.

Appendix B – List of Crowns, Agencies, Boards and Commissions

[Liquor Distribution Branch](#)

Appendix C – Minister’s Mandate and Actions Summary

In the [Premier’s July 30, 2015 Mandate Letter](#) to the Minister of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch, the Ministry received direction on strategic priorities for the 2016/17 fiscal year. These priorities and the Ministry’s resulting actions are summarized below:

Mandate Letter Direction	Ministry’s Action
1. Balance your ministerial budget in order to control spending and ensure an overall balanced budget for the province of British Columbia.	<p>Completed</p> <p>The Ministry balanced its budget in 2016/17. This will be verified by Public Accounts, which will be released in summer 2017.</p>
2. Complete the implementation of the recommendations of the report by Parliamentary Secretary John Yap to ensure British Columbians consumers continue to benefit from these reforms through enhanced competition and increased retail choice.	<p>Ongoing</p> <p>To date, 66 of the 73 recommendations have been implemented (90 per cent complete).</p> <ul style="list-style-type: none"> • Recommendations were prioritized in terms of time, feasibility, as well as greatest impact for the public. • A completely new <i>Liquor Control and Licensing Act</i> (LCLA) and Liquor Control and Licensing Regulation (LCLR) were brought into force effective January 23, 2017. • The Ministry designed and established an in-person educational outreach program in LCLB. • The Ministry rolled out new materials for licensees to post that are focused on the message of moderation and direct the public to more information on the low risk drinking guidelines. • In addition to creating new policies and laws, the Ministry fundamentally transformed its business processes, streamlining applications and simplifying business forms.
3. Work with the UBCM on ways to streamline the liquor primary application process.	<p>Completed</p> <ul style="list-style-type: none"> • The Ministry and UBCM members worked collaboratively to create a new parallel process for liquor primary applications. • The streamlined process was implemented when the LCLA and LCLR came into force January 23, 2017.
4. Provide an update to Cabinet on the impact of liquor reforms by December 31, 2015.	<p>Completed</p> <ul style="list-style-type: none"> • An update was provided to Cabinet on September 30, 2015. • An update was provided to Caucus on January 15, 2016.

<p>5. Continue to implement the Small Business Awareness Strategy to ensure small businesses are aware of the tools and resources available to them in order to grow their businesses.</p>	<p>Ongoing</p> <p>The Ministry has delivered on a significant number of accomplishments to March 31, 2017 in meeting this mandate letter commitment. Specific examples of key accomplishments include:</p> <ul style="list-style-type: none"> • Launched the pilot BizPaL Restaurant Bundling Checklist. • Continued to distribute a Welcome Package in collaboration with the Ministry of Technology, Innovation and Citizens’ Services. A total of 28,495 new business registrants received the Welcome Package in fiscal year 2016/17. • The Ministry participated in numerous trade show events including the Small Business Information Expos. The Ministry also participated in Small Business BC’s MyBizDay event in Victoria on November 9, 2016. • Successful delivery of Small Business Month (October 2016). • The second and third regional small business consultations of 2016 were hosted by the Small Business Roundtable. An Aboriginal entrepreneur leadership panel discussion was held as part of the winter Roundtable meeting on January 31, 2017. The session was attended by several First Nations leaders representing all regions of the province. • The Premier’s People’s Choice Award was presented to Sea to Sky Air in Squamish. 699 nominations were received by Small Business BC from 72 communities for the 2017 Awards and winners were announced on February 23, 2017 in Vancouver. • In 2016/17, the Ministry updated and developed key small business information resources, including: <ul style="list-style-type: none"> ○ Small Business ministry websites. ○ An Aboriginal Small Business Resources hand-out. ○ Small Business Profile and Quarterly reports (developed in partnership with BC Stats).
<p>6. In advance of the possible introduction of a Franchises Act in the province, undertake a consultation with the franchise community to determine if it is</p>	<p>Completed</p> <ul style="list-style-type: none"> • The Ministry developed plain language educational materials which were made available online, accessible from the Small Business page

<p>required and, if so, what elements they would like to see in such legislation.</p>	<p>(www.gov.bc.ca/smallbusiness) on October 4, 2016.</p> <ul style="list-style-type: none"> • The <i>Franchises Act</i> and Franchises Regulation came in to force February 1, 2017, after the franchise and legal communities were given time to learn the new law.
<p>7. Work with the LNG-Buy BC program to ensure B.C. small businesses have an opportunity to participate in delivering goods and services to LNG projects.</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • The Ministry is working with the Ministry of International Trade and the Ministry of Jobs, Tourism and Skills Training on building opportunity relationships with new sectors (e.g. aerospace, shipbuilding, etc.) and building awareness with small businesses. • The LNG-Buy BC Advocate engaged dozens of communities, industry associations and hundreds of businesses, including small businesses, promoting program activities and delivering clear, factual information regarding LNG.
<p>8. Work with the provincial Small Business Roundtable to implement the recommendations they have made to grow small business and implement the Small Business Accord.</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • Quarterly meetings have been held with the Small Business Roundtable. • The second and third regional consultations solicited feedback from over 40 meeting participants. • The Roundtable is advancing the objectives under the Small Business Accord through their sub-committee work, including the Open for Business Awards, the <i>Annual Report</i>, and awareness-related objectives. Key Roundtable priorities addressed in the past year include advocating for: improved tax competitiveness; enhancing Canada-BC Job Grant accessibility for small business; expanding broadband internet connectivity into rural and remote communities; and adding youth entrepreneurship to the K-12 curriculum. • Working with the Secretariat in the Ministry, the Roundtable leads the development of the Open for Business Awards process with local governments (including Regional Districts commencing in 2016), and production of the <i>Annual Report</i> (October 2016).
<p>9. Work with the Minister of International Trade to review and make options to Cabinet on ways to expand the LNG-Buy BC online tool to other sectors</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • The Ministry has been working closely with the Ministry of International Trade and the Ministry of Jobs, Tourism and Skills Training on the

<p>of the provincial economy.</p>	<p>LNG-Buy BC tool to help promote the visibility of over 850 B.C. small businesses (out of 1000+ businesses) to procurement opportunities.</p>
<p>10. Work with the Minister of International Trade to explore ways to increase the ability of B.C.'s small businesses to export their products to new markets.</p>	<p>Ongoing</p> <ul style="list-style-type: none"> • The Ministry launched the 12-month Export Navigator pilot project in November 2016 to help small and medium sized businesses become profitable, successful exporters by providing community-based, in-person support and by connecting them to programs and services that are specific to their business' needs. • Small Business BC is also working with economic development partners in participating communities to ensure information is coordinated and metrics are tracked.
<p>11. Make recommendations to Cabinet on ways to highlight regulatory reform and red tape reduction in British Columbia.</p>	<p>Complete</p> <p>The Minister delivered an update on cross-government Red Tape Reduction activities to Cabinet in February 2017, focusing on the Reducing Red Tape for British Columbians engagement as well as Red Tape Reduction Day 2017.</p> <p>Reducing Red Tape for British Columbians:</p> <ul style="list-style-type: none"> • Building on the <i>Red Tape Engagement Report</i> released on March 2, 2016, the Ministry continued to coordinate cross-government action on red tape reduction ideas submitted through the Reducing Red Tape for British Columbians engagement and Help Cut Red Tape Button. • As of March 2017, government implemented approximately 250 of the over 500 ideas submitted by citizens, businesses and stakeholders through the process. <p>Red Tape Reduction Day 2017: See Mandate item 12 below.</p> <p>Other Red Tape Reduction/Regulatory Reform Accomplishments:</p> <ul style="list-style-type: none"> • The Ministry continued to manage the Regulatory Requirement Count database. As of 2016/17, the regulatory requirements count was 48 per cent lower than the 2001 baseline. • The Ministry delivered the fifth <i>Annual Report on Regulatory Reform</i> in June 2016. The Report showcased government efforts to reduce the regulatory burden, provided an update on the regulatory requirements count and promoted

	<p>service enhancements delivered by ministries using Lean and other continuous improvement methodologies.</p>
<p>12. Work with all Ministries to identify opportunities to reduce or eliminate outdated regulation and reduce red tape for British Columbians. As part of this work, examine the current Regulatory Impact Assessment and consider changes to ensure regulatory impacts are identified and mitigated as early as possible in the development process.</p>	<p>Complete</p> <p>Red Tape Reduction Day 2017:</p> <ul style="list-style-type: none"> Working closely with the Ministry of Justice and other ministries across government, the Ministry coordinated a package of over 30 regulatory items for repeal on the second annual Red Tape Reduction Day on March 1, 2017. These items reduced the provincial regulatory requirements count by over 50 and resulted in service improvements for citizens and businesses. <p>Regulatory Reform Policy Refresh:</p> <ul style="list-style-type: none"> Building on work completed in fiscal year 2015/16, the revised Regulatory Reform Policy was launched in spring 2017 along with supporting checklists, implementation guides and training for policy and legislative analysts across government.