

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

**2017/18 – 2019/20
SERVICE PLAN**

February 2017



For more information on the British Columbia Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch see Ministry contact information on page 17 or contact:

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Minister Accountability Statement



The *Ministry of Small Business and Red Tape Reduction and Responsible for the Liquor Distribution Branch 2017/18 – 2019/20 Service Plan* was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared.

A handwritten signature in blue ink that reads "Coralee Oakes". The signature is written in a cursive, flowing style.

Honourable Coralee Oakes
Minister of Small Business and Red Tape Reduction and Minister
Responsible for the Liquor Distribution Branch
February 21, 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 to grow small businesses, 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.¹

¹ More information about the Liquor Distribution Branch, including its *2017/18 – 2019/20 Service Plan*, is available [online](#).

Strategic Direction and Context

Strategic Direction

Premier Christy Clark's July 30, [2015 Mandate Letter to Minister Coralee Oakes](#) outlined key expectations for the Ministry, including: the continued implementation of the Small Business Awareness Strategy; working with the Minister of International Trade to explore ways to increase the ability of small businesses to export to new markets; working with the provincial Small Business Roundtable to implement its recommendations to grow small business and implement the Small Business Accord; 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.

Strategic Context

Small business drives job creation, productivity and economic growth. In 2015—the most recent year for which data is available—there were approximately 388,500 small businesses operating in B.C., representing about 98 per cent of all businesses in the province. Together, these businesses employed over a million British Columbians, generated 35 per cent of the province's GDP, and accounted for approximately 86 per cent of all provincial exporters. British Columbia's small business growth rate was 1.5 per cent in 2015, well ahead of the national average of 0.1 per cent, and second only to Newfoundland and Labrador. As the sector continues to grow, it is important to ensure that small businesses are well positioned to meet the challenges that can result from growth—including in the areas of recruitment and training—and to assist them to “break out” and transform into medium or large scale enterprises.

Businesses and citizens will also benefit from the Ministry's work to further 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 to help foster economic development. Since 2001, the Province has reduced regulatory requirements by 47 per cent and has focused its efforts on streamlining and simplifying government processes for citizens and businesses, making B.C. a national and international leader in regulatory reform. The addition of the LeanBC program to the Ministry's portfolio in May 2016 has resulted in additional capacity, tools, and resources to help cut red tape and reduce burdens faced by citizens and businesses. This helps ensure B.C. continues to be well positioned to expand regulatory reform efforts to strengthen the competitiveness and attractiveness of B.C. as a preferred place to do business.

British Columbia's liquor industry is comprised mostly of small businesses with 10,543 licensees, including: 5,946 restaurants; 2,279 pubs; bars and lounges; 671 private liquor stores; 814 agents; 501

liquor manufacturers such as wineries, breweries and distilleries; 34 catering licensees; 239 UBrew/UVins; and 59 wine stores. In addition, there are 198 government liquor stores in B.C. 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. In the fall of 2015, the Ministry undertook additional consultations with industry and other stakeholders as part of the Wholesale Pricing Review. These consultations led to additional liquor modernization initiatives and approaches. The continuous modernization of liquor laws and ongoing consultation with stakeholders remain a priority for the Ministry in the coming years.

The Economic Forecast Council (EFC) expects British Columbia's real GDP to grow by 2.3 per cent in 2017 and 2.2 per cent in 2018. Meanwhile for Canada, the EFC projects national real GDP growth of 1.9 per cent in 2017 and 2.0 per cent in 2018. As such, B.C.'s economic growth is expected to outperform Canada in the coming years. Downside risks to B.C.'s economic outlook include the potential for a slowdown in North American economic activity, ongoing fragility in Europe, slower than anticipated Asian demand (particularly in China), and uncertainty in the outlook for the Canadian dollar.

Goals, Objectives, Strategies and Performance Measures

This *Service Plan* outlines the Ministry's goals for the 2017/18 – 2019/20 fiscal years and identifies key strategies the Ministry intends to pursue to achieve them. Over the next three years, the Ministry aims to work towards achieving the following outcomes:

- 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, socially responsible liquor laws that meet the need of citizens, industry and small business

In May 2016, the LeanBC program was transferred to the Ministry of Small Business and Red Tape Reduction from the Public Service Agency to take advantage of the strong synergies between red tape reduction and the process improvement focus of LeanBC. The LeanBC team will aid the Ministry's regulatory reform efforts by undertaking key process improvements identified through consultation with British Columbians.

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 of cost-consciousness (efficiency), accountability, appropriate compensation, service, respect, and integrity are integrated into the Ministry's operations and reflected through the goals and objectives of this *Service Plan*.

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

- Provide tools and resources that assist the start-up and growth of small businesses—through partnership, sponsorship and collaboration with organizations like [Small Business BC](#), [Women's Enterprise Centre](#), [Junior Achievement BC](#) and [Futurpreneur](#), creating networks and fostering linkages across the sector.
- Work with the Minister of State for Rural Economic Development, and the Ministry of Jobs, Tourism and Skills Training to assist small businesses in communities facing transition.

- Continue 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.
- Collaborate 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.
- Increase 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.
- Work with the Ministry of International Trade and Jobs, Tourism and Skills Training to implement actions that increase the ability of small businesses to export their products to new markets.

Performance Measure 1: Small Business BC client utilization of services

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Total number of times clients have accessed services through Small Business BC:	1,144,000	1,258,000	1,384,000	1,384,000
Clients accessing services in-person	36,550	40,200	44,220	44,220
Clients accessing services by telephone	18,340	20,175	22,190	22,190
Clients accessing services by email/fax/letter	2,800	3,080	3,380	3,380
Clients accessing online services	1,086,310	1,194,545	1,314,210	1,314,210

Data Source: Small Business BC Governance Monitoring Report.

- This measure, reported to the Ministry on a quarterly basis, 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.

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 resource 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 such as the delivery of the Canada-BC Job Grant program, the Export Navigator Pilot and support of the annual Small Business Month awareness campaign.

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

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

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Number of local governments participating in an inter-municipal or mobile business licence agreement with neighbouring municipalities	73	74	76	78

Data Source: Ministry of Small Business and Red Tape Reduction.

- There are currently 11 agreements in the province with 73 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.

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 significantly reduces administrative burden for local governments and reduces the red-tape associated with the traditional licensing process lowering costs for business owners and makes it easier to do business in B.C. The Ministry oversees the Mobile Business License program, encouraging local governments to adopt this approach and assisting municipal partners with implementation.

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

Strategies

- Work 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.
- Update and promote 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 grow and succeed.
- Support youth and Aboriginal entrepreneurship initiatives in concert with Junior Achievement BC, the Small Business Roundtable, and the [Community Future Development Corporation of Central Interior First Nations](#).
- Continue 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

- Maintain government’s commitment to a net zero increase in regulatory requirements until 2019.
- Work with ministries across government to implement the new regulatory reform policy to ensure regulatory burden is identified and reduced early in the regulatory development process.
- Host an annual Red Tape Reduction Day in March to highlight government’s efforts to reduce red tape.
- Partner with the Canadian Federation of Independent Business for Red Tape Awareness Week each January to highlight both ongoing and completed work with respect to reducing red tape for businesses.
- Produce 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	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Net change in the number of government-wide regulatory requirements since 2004	197,242 ¹	-12.1% ²	0 net increase ²	0 net increase ²	0 net increase ²

Data Source: Ministry of Small Business and Red Tape Reduction.

¹ In 2015, the 2004 baseline was re-calculated from 228,941 to 197,242 as the result of a database verification project.

² From the 2004 baseline.

Discussion:

Government has extended its commitment to net zero increase in regulatory requirements until 2019, and continues to closely monitor changes in regulatory requirements. In addition, the renewed approach to regulatory reform puts greater emphasis on changes that make interactions with government easier for citizens and businesses by addressing red tape irritants, improving processes, and providing easier access.

Performance Measure 4: National recognition for reducing red tape

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Canadian Federation of Independent Businesses Grade for Reducing Red Tape	A	A	A	A

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

Discussion:

Each year, the Canadian Federation of Independent Business (CFIB) publishes a 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 publically 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. is the only Canadian jurisdiction to have received an "A" grade from the CFIB to date, and this measure represents our commitment to continue to lead the country in reducing the burden of regulations on citizens and businesses. B.C. is also acquiring international acclaim for its rigorous, long-standing approach to regulatory reform and its efforts on the process improvement aspects of red tape reduction.

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

Strategies

- Oversee assessment and implementation of ideas suggested through the [Reducing Red Tape for British Columbians](#) public engagement exercise and the Help Cut Red Tape button.
- Simplify and improve government processes and regulatory requirements with the greatest impact for citizens and businesses.
- Support ministries with service improvements through delivery of the refreshed LeanBC program, with a particular emphasis on those improvements that align with reducing red tape.

Goal 3: Modern, socially responsible liquor laws that meet the needs of citizens, industry and small business

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

Strategies

- Continue the work required for completion of the Liquor Policy Review initiative, such as the review of the current penalty schedule under the Liquor Control and Licensing Regulations.
- Continue to modernize and streamline B.C.'s liquor laws, while continuing to balance public safety and public interest considerations.
- Enhance technological capabilities and resources to improve public and industry access to e-services, such as the ability to apply for a liquor licence online.
- Improve service levels and timelines for processing of liquor licences.

Performance Measure 5: Implementation of the Liquor Policy Review recommendations

Performance Measure	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Number of Liquor Policy Review recommendations, implemented by government.	69	73	N/A ¹	N/A ¹

Data Source: Liquor Control and Licensing Branch.

¹Implementation 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 consultations, the resulting Liquor Policy Review (LPR) made 73 common-sense 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. The recommendations have been implemented over the past three years in a manner that meets the needs of industry and Government. As each recommendation is considered for implementation, further consultations are undertaken to ensure the new policy/law adequately addresses the current issues.

Concurrently with the Liquor Policy Review implementation, the LCLB is focusing on other areas of transformation and modernization to ensure its service delivery is as effective as possible. Some examples of this include: being an active member of the C & E Cross-Government Secretariat; examining options for a significant update to the Licensing and Compliance IT system to enable electronic applications; and making extensive revisions to the Terms and Conditions Handbooks and the LCLB website to improve service delivery. Additionally, in the fall of 2015, government consulted

with stakeholders as part of the Wholesale Pricing Review, which resulted in additional modernization initiatives around beer mark-up and sales proceeds remittance.

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

Strategies

- Work 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.
- Continue to raise public awareness about safe alcohol consumption through education campaigns such as the mandatory display of Alcohol Sense education materials in licensed establishments and liquor retail stores.
- Deliver new programs to ensure public safety—for example, an in-person educational program for licensees to help them achieve success in complying with the requirements of their liquor licence, and a new, dedicated liquor inspector position serving the manufacturing sector.
- Carry out inspections of licensees to ensure that they comply with their licence requirements.
- Where necessary, take enforcement action to ensure that licensees comply with B.C.’s liquor laws.
- Administer legislation and regulations that provide the framework for a vibrant and responsible liquor industry that meets the needs of British Columbians and visitors.

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

Performance Measure	2014/15 Baseline	2016/17 Forecast	2017/18 Target	2018/19 Target	2019/20 Target
Percentage of inspections of liquor establishments where the establishments are found to be in compliance with ID-checking requirements.	67.9	73	76	80	85

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), 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 have been revised to reflect the adjustment.

Discussion:

It is against the law to sell, serve or supply liquor to a minor. Preventing the sale of liquor to minors is also a key public safety priority for Government, given the potentially devastating consequences of underage drinking.

Under the authority of the *Liquor Control and Licensing Act (LCLA)*, the Ministry launched a Minors as Agents Program (MAP) in 2012, which includes employing minors to test whether licensees and their staff are selling to minors. The MAP has been very effective in raising the rates of compliance with ID checking requirements. Prior to implementation of the MAP, compliance was as low as 30 per cent. The program initially targeted only liquor stores, but was expanded in 2012 to include all types of licensed establishments, and public and private liquor stores.

Resource Summary

Core Business Area	2016/17 Restated Estimates ¹	2017/18 Estimates	2018/19 Plan	2019/20 Plan
Operating Expenses (\$000)				
Small Business and Regulatory Reform	3,096	3,096	3,124	3,124
Liquor Control and Licensing	1	1	1	1
Executive and Support Services	765	765	767	767
Total	3,862	3,862	3,892	3,892
Ministry Capital Expenditures (Consolidated Revenue Fund) (\$000)				
Liquor Control and Licensing	318	187	187	187
Executive and Support Services	1	1	1	1
Total	319	188	188	188

¹For comparative purposes, amounts shown for 2016/17 have been restated to be consistent with the presentation of the 2017/18 Estimates.

*Further information on program funding and vote recoveries is available in the [Estimates and Supplement to the Estimates](#).

Appendices

Appendix A: Ministry Contact Information

Hon. Coralee Oakes

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

Additional information about the Ministry's programs and services is available on the Ministry's [website](#).