



ALLIANCE OF BEVERAGE LICENSEES
FOR A RESPONSIBLE LIQUOR INDUSTRY

March 15, 2020

The Honourable John Horgan
Premier of British Columbia
West Annex, Parliament Building
Victoria, BC
V8V 1X4

Dear Premier Horgan,

Re: Crisis in BC's Restaurant and Hospitality Sector

I want to first commend you and your government for the job you are doing during the COVID-19 crisis. In particular, Dr. Bonnie Henry has been a calming and objective source of information.

I know you and your government are aware of the economic and social importance of our 13,000 restaurants, bars, and the 180,000 employees that work in them. BC's craft beer and wine industries also play additional important roles in the vibrancy, innovation, and economic impact of our industry and the province. Collectively, these businesses are at risk as a result of this crisis.

Unfortunately, the COVID-19 virus threat has driven double-digit declines in both sales and guest-count in our industry. Open Table, a North American reservation company, is reporting that BC is down 33% in the last week. This was before the many company corporate work at home initiatives, the loss of cruise ships, and general tourism declines that are materializing.

The loss of this revenue means private and franchisee restaurants and bars have between 30 and 90 days before closing permanently due to bankruptcy from lack of cash flow.

The economic and social carnage that will occur when this starts to happen is unimaginable.

Premier Horgan, we are writing in hopes that government can find a way to provide relief in areas that have huge negative cash flow consequences on our sector.

We would respectfully request consideration and action as follows:

1. Delay the next minimum wage increase on June 1, 2020 and raise it when industry is showing solid signs of stability.
2. Allow businesses to defer the Employer's Health Tax which is crippling both in their ability to pay based on sales and based on their lack of cash to pay.
3. Allow deferred payments on PST.
4. Work with municipalities to delay any property tax increases at this time.
5. Consider extending reasonable payment terms for industry liquor purchases from the Liquor Distribution Branch.

Our industry has never faced this type of crisis before. We are working hard on public messaging to shore up confidence, but to no avail.

It is our sincere hope that we can work with your government to find material and hard-hitting measures to ensure this industry survives. It will require bold moves to help industry restore itself.

Thank you in advance, Premier Horgan.

Sincerely



Ian Tostenson, CEO
British Columbia Restaurant Association



Jeff Guignard, Executive Director
Alliance of Beverage Licensees



Ken Beattie, Executive Director
BC Craft Brewers Guild

Cc

Hon. Carole James, Minister of Finance
Hon. Harry Bains, Minister of Labour
Hon. Adrian Dix, Minister of Health
Hon. Lisa Beare, Minister of Tourism, Arts and Culture.
Trevor Hughes, Deputy Minister of Labour