

March 2021

# What We Heard:

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Expanded Activities at Class D Licensed Premises  
Consultation

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## **INTRODUCTION**

Alberta Gaming, Liquor and Cannabis (AGLC) is responsible for licensing, regulating and monitoring liquor activities in Alberta. AGLC administers the *Gaming, Liquor and Cannabis Act* (GLCA), Gaming, Liquor and Cannabis Regulation (GLCR), and related policy.

AGLC is focused on reviewing its policies to ensure they support economic development and industry growth while reflecting a commitment to public health and social responsibility. This report summarizes the results of a survey conducted with industry stakeholders regarding potential expanded activities in Class D licensed premises.

## **BACKGROUND**

AGLC regularly receives inquiries from Class D licensees (retail liquor stores) regarding what types of activities they can conduct and what is acceptable within AGLC policy. Currently, retail liquor stores may host tasting events, as well as other events such as customer appreciations, anniversaries and grand openings. Food service is common at these events.

Some stakeholders have suggested that the current policies prevent retail liquor stores from holding events that could support their business. Activities requested by retail liquor stores but not supported by current policy include:

- Restaurant-style tasting events with a full dining experience prepared by an on-site kitchen.
- Events not specifically related to the retail liquor store such as: courses, yoga classes or themed holiday events.

Retail liquor stores have suggested these and similar events would support their businesses by drawing more customers to their stores. Current policy restrictions are in place to ensure the clear differentiation between retail liquor stores and other classes of liquor licensed premises, such as bars or restaurants.

This review aligns with the government's commitment to provide effective regulation and increase opportunities for businesses.

## **METHODOLOGY**

AGLC sought feedback from a variety of stakeholders: those representing health, municipalities and liquor industry associations as well as all liquor licensed premises. Respondents were invited to participate in an online survey. The consultation occurred between February 8 and February 19, 2021.

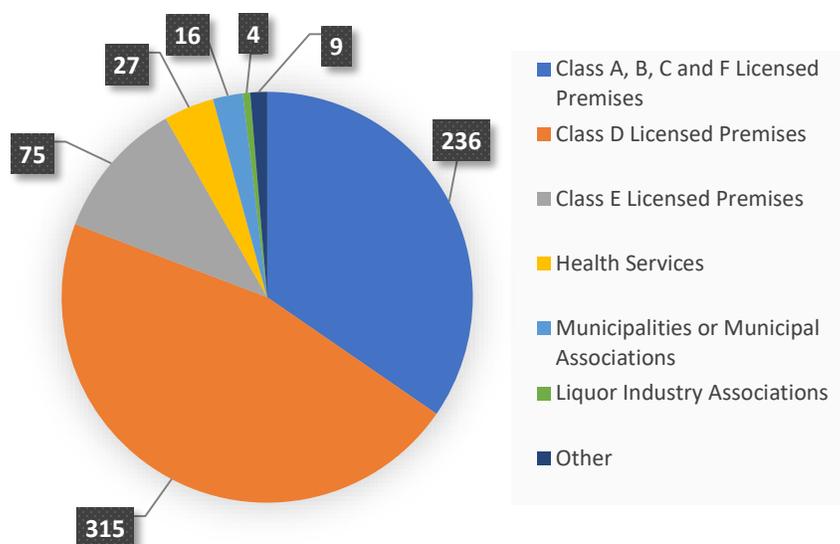
## Response rates

The following table shows the participation rates obtained for this consultation:

Stakeholder Group	Number of respondents	Percentage of responses
Class A, B, C and F Licensed Premises	236	35%
Class D Licensed Premises	315	46%
Class E Licensed Premises*	75	11%
Health Services	27	4%
Municipalities or Municipal Associations	16	2%
Liquor Industry Associations	4	1%
Other*	9	1%
<b>Totals</b>	<b>682</b>	<b>100%</b>

\* Note: Class E Licensees (manufacturers) typically also have Class A and/or D licences. Those who self-identified as “Other” but indicated that they hold Class E licences were added into the Class E category.

**Breakdown of respondents by category**



## CONSULTATION FINDINGS

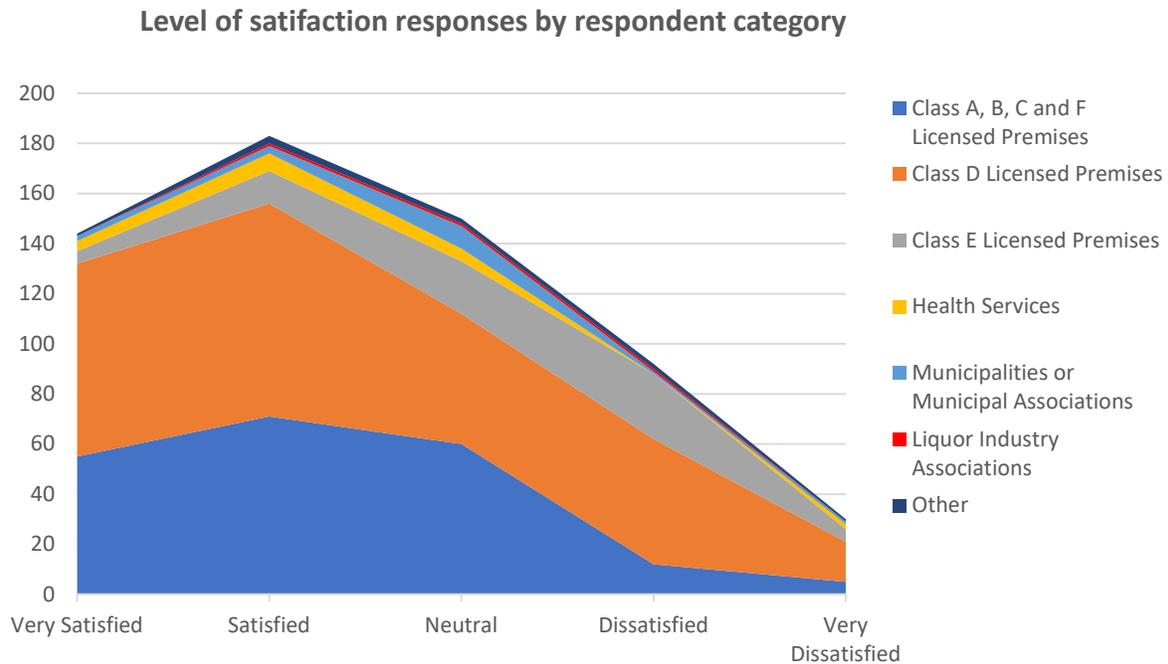
The survey opened with questions to categorize respondents. The remainder of the survey focused on the following topics:

1. Level of satisfaction with current policies;
2. Support for expanding the types of activities within retail liquor stores;
3. For those in support of expanding activities within retail liquor stores, the types of activities respondents would support;
4. Determining risks with expanding activities within retail liquor stores; and
5. Determining benefits associated with expanding activities within retail liquor stores.

## Level of satisfaction with current policies

Respondents were asked to rate their satisfaction with current policies concerning activities within retail liquor stores. Potential responses varied from Very Satisfied to Very Dissatisfied.

Five hundred ninety-nine responses were received, while 83 respondents chose not to answer the question. Four hundred seventy-seven respondents were neutral, satisfied or very satisfied with the current policies respecting the types of activities permitted in retail liquor stores. See below for a breakdown of the responses.



## Support for expanding the types of activities within retail liquor stores

Respondents were asked whether they felt policies concerning activities within retail liquor stores should remain the same or be expanded (“continue as is” or “be amended to expand activities”). Respondents were asked to select the option that best aligned with their organization’s view related to current retail liquor store policies.

Five hundred ninety-five responses were received while 87 respondents chose not to answer the question. The table below shows responses by sector:

Stakeholder Group	Continue as is		Amend to Expand	
Class A, B, C and F Licensed Premises	136	66%	69	34%
Class D Licensed Premises	151	52%	137	48%
Class E Licensed Premises	16	26%	45	74%
Health Services	16	89%	2	11%
Municipalities or Municipal Associations	10	71%	4	29%
Liquor Industry Associations	0	0%	3	100%
Other	2	33%	4	66%
<b>Totals</b>	<b>331</b>	<b>56%</b>	<b>264</b>	<b>44%</b>

Out of the 595 responses to this question, 56 per cent (331 respondents) chose “continue as is.” The other 44 per cent (264 respondents) supported “amend to expand activities permitted.”

### Types of activities respondents would support

Respondents who supported expanded activities were asked what types of activities would be of interest. One hundred seventy-one respondents provided a response. The most commonly-suggested opportunities are listed in the table below.

Most frequently mentioned expanded activity suggestions
<i>Eliminate prohibition on full-kitchen/catering for liquor tastings.</i>
<i>Permit full meal pairings for appreciation events.</i>
<i>Allow cross-promotion between a liquor store and a commonly-owned but separate business.</i>
<i>Allow on-site liquor service and consumption.</i>
<i>Permit patios for on-site consumption.</i>
<i>Permit cocktail classes and pop-up markets.</i>

### Determining risks with expanding activities within retail liquor stores

Respondents were asked whether they felt there were any risks associated with expanding permitted activities in retail liquor stores.

Four hundred sixty-eight responses were received while 214 respondents chose not to answer the question. Overall, 203 respondents indicated there were risks associated with expanded activities in retail liquor stores; 265 respondents indicated there were no risks associated with expanded activities in retail liquor stores.

The table below shows responses by sector:

Stakeholder Group	Risks		No Risks	
Class A, B, C and F Licensed Premises	72	45%	88	55%
Class D Licensed Premises	93	41%	135	59%
Class E Licensed Premises	17	35%	32	65%
Health Services	12	92%	1	8%
Municipalities or Municipal Associations	5	56%	4	44%
Liquor Industry Associations	1	33%	2	66%
Other	3	50%	3	50%
<b>Totals</b>	<b>203</b>	<b>43%</b>	<b>265</b>	<b>57%</b>

Respondents that indicated there were risks associated with expanded activities were invited to provide further comments outlining these risks. These suggestions fell into four main themes. A few responses are listed below to provide additional context.

Risk Theme	Comments
<i>Licensing Issues</i>	<p><i>"Perhaps - there may also need to be changes to the land use bylaw."</i></p> <p><i>"New licensing; Change of Use under Safety Codes Act; Requirements for additional Safety Codes (Building, Plumbing) Permits; Requirements for additional permits under Public Health Act"</i></p>
<i>Food Safety and Cleanliness</i>	<p><i>"Food service standards &amp; safety are regulated, and require trained individuals with certain qualifications and certificates. This needs to be maintained."</i></p> <p><i>"Food licences and cleanliness of the establishment are a large priority, and certain health standards should be met as a requirement for expanded permitted activity."</i></p> <p><i>"Increased food handling levels increases the level of risk."</i></p>
<i>Unequal Playing Field/Risk of Large Companies Taking Over</i>	<p><i>"Big chain stores or big box stores will have advantages over small independent stores in hosting events or activities"</i></p> <p><i>"Only big box stores would have the advantage to renovate to accommodate such changes. The cost for installing full kitchen ventilation wouldn't be an option for small to medium stores and they also wouldn't have the space to follow occupancy loads to have space to entertain a number of people."</i></p>
<i>Retail Liquor Stores have not been hit "as hard" by COVID-19 restrictions</i>	<p><i>"Why should liquor stores take business from restaurants? This will favour large businesses that can afford the extra space."</i></p> <p><i>"Restaurants are struggling to survive. Liquor stores were not hit by the pandemic to the same extent."</i></p>

## Determining benefits associated with expanding activities within retail liquor stores

Respondents were asked whether they felt there were any benefits associated with expanding permitted activities in retail liquor stores.

Four hundred sixty-eight responses were received while 214 respondents chose not to answer the question. Overall, 248 respondents indicated there were benefits associated with expanded activities in retail liquor stores; 220 respondents indicated there were no benefits associated with expanded activities in retail liquor stores.

The table below shows responses by sector:

Stakeholder Group	Benefits		No Benefits	
Class A, B, C and F Licensed Premises	66	42%	93	58%
Class D Licensed Premises	128	57%	98	43%
Class E Licensed Premises	38	78%	11	22%
Health Services	4	31%	9	69%
Municipalities or Municipal Associations	4	44%	5	56%
Liquor Industry Associations	3	100%	0	0%
Other	5	56%	4	44%
<b>Totals</b>	<b>248</b>	<b>53%</b>	<b>220</b>	<b>47%</b>

Respondents that indicated there were benefits associated with expanded activities were invited to provide further comments identifying these benefits. These suggestions fell into three main benefit themes. A few responses are listed below to provide additional context.

Benefit Theme	Comments
<i>Business Development Opportunity/Value for Customers</i>	<i>“Expanded non-restaurant activities would allow Alberta retailers to provide enhanced value to their customers.”</i>
	<i>“Increased ability to attract patrons to retail stores.”</i>
	<i>“Increased sales and revenue opportunities ... as well as an increase in ways in which local breweries, distilleries and wineries can be promoted and learned about in retail stores, bringing further awareness and benefit to this sector...”</i>
<i>Alignment with Other Licensing Classes</i>	<i>“Provides a chance to compete fairly with restaurants who can now sell and deliver liquor.”</i>
	<i>“The lines have been blurred in recent years – restaurants can sell liquor off-sales and other businesses can now serve liquor. Liquor stores should be able to do the same.”</i>
<i>Community Engagement</i>	<i>“Expanding activities to allow for greater attraction to the location would provide for greater opportunity of community engagement. As many of these businesses are family friendly and offer items beyond alcoholic beverages, allowing family oriented events would be beneficial.”</i>
	<i>“More flexibility allows for a positive community experience.”</i>

## **CONCLUSION AND RECOMMENDATIONS**

This consultation captured a variety of perspectives from stakeholders both in support of current policies remaining unchanged and those interested in seeing an expansion of activities permitted in retail liquor stores.

Overall, a slight majority favoured keeping policies as is. Those in support of expanded activities proposed a variety of alternatives ranging from expanding food service with liquor tastings to permitting on-premises consumption. Many stakeholders noted that the various classes of licences were increasingly converging with respect to the sale and service of liquor.

The most commonly expressed concern with expanding activities was related to health and safety aspects of food handling and service. Additionally, several stakeholders noted that any changes related to on-premises consumption would have implications associated with municipal bylaws and regulations.

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AGLC wishes to thank all stakeholders for their participation in the Expanded Activities at Class D Licensed Premises consultation.