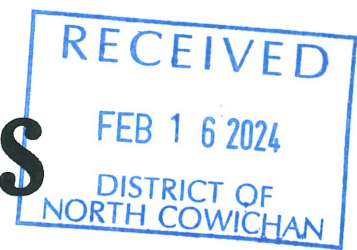


# Save BC Restaurants



We write to you on behalf of BC restaurants and ask that you read this letter and the attached menu carefully.

Last month, the BC Restaurant and Foodservices Association and Restaurants Canada launched the 'Save BC Restaurants' campaign. Many elected officials have already engaged with us, either by attending our January 24th town hall, or by sharing the campaign's 'Unhappy Hour' menu on social media.

If you aren't familiar with the campaign, **please keep reading.**

In British Columbia, restaurant bankruptcies have gone up by **48%** over the last ten months and as of today, **over 50%** of foodservice and hospitality businesses are currently unprofitable – a near five-fold increase compared to pre-pandemic.

The Save BC Restaurants campaign and Unhappy Hour menu seek to highlight these types of challenges while offering straightforward solutions that can be implemented today.

We want to be very clear about something: **This is not an attack on government.**

The Provincial Government has been a great friend to our sector; implementing wholesale liquor pricing, capping delivery fees, and providing grants to allow businesses to survive during the early days of the pandemic.

Likewise, we've seen municipalities across BC take big steps in the right direction by committing to timely licensing approvals, making it easier to build or adjust patios, and dedicating resources to engaging with the hospitality sector.

We believe that government can play a key role in delivering a better future for BC restaurants and those who depend on them.

We hope the enclosed menu can be a resource for you. In it, we've included statistics that can be used to guide your stakeholder conversations and policy ideas for you to bring to your Council and public service leadership.

Please take the time to read the Unhappy Hour menu and identify sections of the 'Takeaway Menu' that you believe could be implemented in your municipality.

We would love to discuss the campaign further with you. If you are interested in getting involved, please send an email to [info@bcrfa.com](mailto:info@bcrfa.com) and we can set up a meeting in the coming weeks.

Yours sincerely,

**Ian Tostenson**

President & CEO, BC Restaurants and Foodservices Association

**Mark von Schellwitz**

Vice President - Western Canada, Restaurants Canada

# Save BC Restaurants

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British Columbia is home to over 15,000 restaurants and foodservice vendors. Those businesses employ over 185,000 workers across the province.

Restaurants are at the heart of every community in this province. Their \$18 billion in annual sales play a key role in supporting BC workers, families, and vital industries such as agriculture, transportation, and tourism.

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Long-term impacts from the COVID-19 pandemic and out-of-control cost increases has meant that it is 'unhappy hour' for BC restaurants, leaving many businesses, and those relying on them, struggling to make ends meet.

We don't want this to be the last call for BC restaurants.

With fair and sensible policy change, government can play a key role in turning the tables. We've prepared this menu to outline the issues facing restaurants today and the steps that can be taken to address them.

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# Unhappy Hour

WHAT SORTS OF CHALLENGES ARE CURRENTLY IMPACTING BC'S RESTAURANT AND FOODSERVICE VENDORS?

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## Today's Specials

THE LARGEST ISSUES FACING RESTAURANTS TODAY

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*Acute, Continued Labour Shortages*

*Supply Chain Disruptions*

*Large Pandemic-Related Debt Levels*

*Skyrocketing Inflationary Cost Pressures*

*Restaurant Guest Traffic Below Pre-Pandemic Levels*

*Long-term Impacts From Floods and Wildfires*

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## Quick Bites

SOME NOT-SO-TASTY FACTS

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RISK OF CLOSURE  
& UNPROFITABILITY

**50%**

Over 50% of foodservice and hospitality businesses are unprofitable, a nearly five-fold increase since 2019.

**13%**

Restaurants have seen a 13% decline in on-premise sales compared to pre-pandemic.

**48%**

Restaurant bankruptcies have increased by 48% in the last ten months.

**17%**

17% of restaurants could close within the next 18 months due to pandemic-related debt.

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DEBT  
CONCERNS

**81%**

81% of restaurants took on additional debt during the pandemic.

**20%**

20% of businesses are struggling to repay pandemic-era loans.

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LABOUR  
SHORTAGES

**80%**

Restaurants are operating at an average of 80% capacity leading to longer service times.

**20,000**

There are currently 20,000 vacancies in the restaurant and foodservice sector, the highest rate in BC.

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**Save BC Restaurants**



# Unappetizers

A CAREFULLY CURATED SELECTION OF CONCERNS FROM ACROSS BC.

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## COST INCREASES

### **Supply Management Price Increases**

Increased prices on supply managed goods such as chicken make it harder to provide affordably priced, local food.

### **Commercial Landlord Rent Increases**

Unrestricted rent increases from landlords risk pricing restaurants out of long-established locations.

### **Ever-Increasing Property Taxes**

As commercial properties pass taxes on to tenants, establishments have to eat the cost of property tax increases.

### **Skyrocketing Transportation Costs**

Food and supply transportation costs have led to expensive bills for diners and slim margins for restaurants.

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## PATRON & STAFF RETENTION

### **Availability of Affordable Housing**

A lack affordable housing in many communities has made it harder for businesses to find local workers.

### **Access To Ridesharing Services Across BC**

Rideshare services are vital for businesses that serve alcohol, yet these services are not yet allowed in many regions.

### **Parking Fees**

Increases in fees have disincentivized patrons from traveling to eat in neighbourhoods with paid parking.

### **Crime and Safety Challenges**

Theft, vandalism, and employee safety have become regular concerns for countless establishments around BC.

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## COMPLIANCE & ENFORCEMENT

### **Long, Unclear Wait Times for Licenses and Permits**

Opaque, long, and costly waits for municipal licensing and permits for minor changes have become the norm.

### **Inconsistent Compliance Policies**

Confusion around jurisdiction and enforcement put strains on businesses looking to comply with rules and regulations.

### **Inspection Duplications**

Poor record keeping and overzealous enforcement has led to cases of duplicate inspections, wasting public resources.

### **Punitive, Overzealous Bylaw Enforcement**

Many establishments are hit with expensive fines for minor infractions despite a willingness to comply with bylaws.

### **Complex Approvals for Patios**

Despite their popularity and easy implementation many municipalities put up needless roadblocks to patios.

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## RESTRICTIONS

### **Out-Of-Date Liquor Laws**

Many establishments need to put significant resources into compliance with strange, out-of-date policies.

### **Natural Gas Restrictions**

Municipal restrictions on natural gas limit the ability of restaurants to prepare dishes requiring an open flame.

### **Proposed Torch Bans**

Possible bans on butane torches could mean an end for dishes such as aburri or crème brûlée.

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# Save BC Restaurants

## Entrées

THESE AREN'T DAILY SPECIALS, THESE ARE DAILY STRUGGLES FOR RESTAURANTS AROUND BRITISH COLUMBIA

### Struggling To Make Ends Meatloaf

**Cost:** 35% of restaurants are losing money

A one-time classic that's barely holding it together. Slices are becoming thinner and thinner with each passing day.

**Policy Pairing:** Provide rental assistance and offer rebates for energy, packaging, and municipal taxes.

### Labour Shortage Ribs

**Cost:** 20,000 job vacancies in the restaurant sector

A difficult dish to make, mostly thanks to the restaurant sector having the highest job vacancy rate in Canada.

**Policy Pairing:** Implement a 'Jobs Now' program and call for a dedicated stream for tourism and hospitality workers.

### Deep-Debt Pizza

**Cost:** 81% of restaurants took on pandemic-related debt

Layered with financial burdens, every piece is topped with loans and impossible repayment schedules.

**Policy Pairing:** Establish a Provincially-led, targeted debt relief program.

### Regulatory Jumble-aya

**Cost:** Months of delay and lost revenue

A veritable mess of permitting complexity, inconsistency, and uncertainty makes this a tough dish to stomach.

**Policy Pairing:** Appoint roundtables and work with industry to understand policy impacts prior to implementation.

## Desserts

NOTHING SWEET OR JUST ABOUT THESE

### Break-Even Crème Brûlée

**Cost:** 17% of restaurants are just breaking even

This dessert isn't the only thing cracking: there has been a five-fold increase in unprofitability compared to pre-COVID.

**Policy Pairing:** Appoint in-government hospitality experts to ensure the sector's needs meaningfully inform policy.

### Struggling To Stay A-Float

**Cost:** 48% increase in restaurant bankruptcies in 2023

An offering that looks sweet at first but one sip of this and you'll find yourself drowning.

**Policy Pairing:** Increase thresholds for the Small Business Tax and Employer Health Tax.

## Cocktails

BITTER AND TOUGH TO SWALLOW

### "Dude, Where's My Livelihood?"

**Cost:** Restaurants and suppliers impacted by disasters

Flooding and wildfires are dealing a blow to communities across BC, restaurants and workers are paying the price.

**Policy Pairing:** Invest in resiliency infrastructure and dedicate resources to support impacted establishments.

### The Closing Time

**Cost:** Liquor serving establishments are struggling

An unpleasant goodbye. This drink will leave you with a nasty hangover and with nowhere to go tomorrow night.

**Policy Pairing:** Actively find ways to celebrate BC's world-renowned culinary and beverage culture.

An automatic increase in carbon taxes will be added to the bills of each restaurant regardless of size or ability to pay.



# Save BC Restaurants

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# Takeaway Menu

WE KNOW IT'S EASY TO POINT OUT PROBLEMS. THESE ARE STEPS THAT GOVERNMENTS CAN TAKE.



MUNICIPAL



PROVINCIAL

## APPROVALS & CULTURE SHIFT

### Clearly Define Approval Times

Allow businesses to properly plan expansions and openings with clarity on approval times for licensing and permitting.

### Hire Experts & Appoint a Minister of Hospitality

Appoint individuals within government whose role is to engage with, and develop policies to support the hospitality sector.

### Streamline Permanent Patio Approvals

Make it easier for establishments to transition temporary patios into permanent features, consider a '3 day approval' system.

### Collaborative Compliance Achievement

Direct enforcement agencies and staff to work with establishments to achieve compliance prior to issuing fines and penalties

## TAXES & PREMIUMS

### Sensible Changes to Employer Health Tax & Small Business Taxes

Raise EHT payroll threshold for small businesses to \$1.5M and increase small business income tax threshold to \$750K.

### Freeze WorkSafeBC Premiums

Offset increases in business costs by either freezing WorkSafeBC premiums or offering a rebate.

## COST RECOVERY

### Oppose Price Increases for Supply Managed Goods

Make it more affordable for BC restaurants to buy local by opposing increases on supply managed goods such as chicken.

### Natural Disaster Support Program

Dedicate more resources to restaurants and foodservice vendors impacted by natural disasters such as flooding or wildfires.

### Rebates for Energy, Packaging, Rent, and Municipal Tax Hikes

Consider rebates to assist with offsetting costs of some of the most quickly rising expenses.

### Offset Licensing and Permitting Costs

Keep licensing and permitting costs sustainable for businesses, ensure costs are offset with faster approval times.

### Provincially-led Debt Relief

Support businesses struggling with pandemic-era debt through a Provincially-led debt relief program.

## STAFFING

### Implement a Provincial 'Jobs Now' Program

Offset the costs of hiring new staff with the development of a BC 'Jobs Now' program based off the Alberta model.

### Tourism & Hospitality Stream for Foreign Workers

Start filling the 20,000 hospitality worker gap by implementing a dedicated stream for tourism and hospitality workers.

## LIQUOR

### Harmonize Liquor Licensing

Fix compliance issues by harmonizing liquor laws between levels of government or bringing licensing under one jurisdiction.

### Implement Ontario-Style Single Licensing System for Liquor

Tie licensing to individuals and businesses, not property. Implement a 'trusted owner' single license system.

### Initiatives to Celebrate BC's Culinary & Beverage Culture

Help BC's struggling producers of wine, beer, and spirits by celebrating our province's longstanding beverage culture.

Save BC Restaurants

# Save BC Restaurants

Save BC Restaurants is an initiative of the BC Restaurant & Foodservices Association and Restaurants Canada



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# Save BC Restaurants

Scan below for a digital version of this menu:

