



## Presidents Briefing Note

### ALSA Board Meeting – December 6<sup>th</sup>, 2023

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#### GOVERNMENT

##### Alberta

The Alberta Government has been busy fighting the Federal Government and this has taken over the agenda at the Legislature.

ALSA has had ongoing discussions with the office of the Minister of Red Tape Reduction and Service Alberta, as well as Members of the Legislature.

ALSA met with Minister Dale Nally to brief him about Alberta Model of Liquor Retailing, 7-11 doing off sales and liquor on grocery shelves.

Small independent liquor stores would not be able to compete against Grocers carrying liquor on their grocery shelves. It would negatively impact the level playing field for all liquor retailers. This move to allow for more points of sale in Alberta will not bring in any more money to the Government coffers, and it would increase the costs associated with transportation for the entire liquor store industry.

##### Federal

The Supreme Court of Canada ruled against the Federal law banning single use plastics. The Federal Government will be appealing this ruling and so for now things are status quo. In the documents circulated to the Board is one pager on single use plastics for your perusal.

#### BC

The sister association for ALSA in BC, ABLE, has opposed a possible expansion of wine on grocery shelves in Coquitlam., BC. Coquitlam Council was considering an application to transfer an existing Special Wine on Shelves licenses to 1301 Lougheed Highway. Grocery wine on shelves licenses are not subject to the same provincial 1 km distance rule as LRSs and BC Liquor Stores, the proposed location is only 150 m from a private liquor store.

Council has deferred the decision on this issue at this time.

#### Ontario

Premier Doug Ford's government is preparing to change the rules on how beer, wine, cider and spirits are sold in Ontario, and there's plenty at stake — well beyond whether you'll be able to pick up a case at the convenience store.

Industry officials expect the government's moves will affect how all types of alcohol are retailed. ALSA will monitor this closely as normally changes in laws in Ontario, have an impact on Alberta.



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#### AGLC

Apparently, Over the past few years, there has been a large increase in liquor stock keeping units (SKUs) which has put severe pressure on the amount of available inventory warehouse space and the efficiency of our central warehouse operations.

AGLC is directing Connect Logistics Services (CLS) to increase long-term storage fees for the lowest performing liquor products to help manage the number of SKUs and better manage space in the AGLC warehouse.

A new storage fee category (Extra Slow Moving or ESM) will be created for low-performing SKUs that have been in inventory for 12 months and are not maintaining a rolling 12-month total of at least 100 cases in sales.

High-value SKUs with a threshold unit price of \$100 or more will be exempt from the new storage fee category to prevent penalizing these products which usually sell at a lower rate.

The new Extra Slow Moving storage rate will come into effect April 1, 2024, allowing agencies to adjust their operations. The full 2024 annual rate structure and updated Liquor Agency Handbook will be shared by Connect Logistics Services (CLS) in early December.

#### ALIC Nov. 1-2

The conference was well attended, with big representation of AGLC officials. Of Note, the newest member of the AGLC Board, Mr. Wayne Drysdell attended both days of the conference. ALSA worked with Mr. Drysdell while he was a MLA for the Grande Prairie region. ALSA had the opportunity to discuss the liquor system with him and educate him on the Alberta Model. He appreciated the opportunity to learn about the entire liquor system, This year ALIC brought in 90K , which is higher than we expected.