Liquor Distribution Branch

Ministry of Consumer and Corporate Affairs
Peter S. Hyndman, Minister

60th Annual Report

April 1, 1980 — March 31, 1981

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By Authority of the Legislative Assembly

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Liquor Distribution Branch
Ministry of Consumer and Corporate Affairs
Vancouver, British Columbia

December 31, 1981

Honourable Peter S. Hyndman
Minister of Consumer and Corporate Affairs
Parliament Buildings
Victoria, British Columbia

Sir:

I have the honour to transmit herewith the Sixtieth Annual Report of the Liquor Distribution Branch, covering the year ended March 31, 1981.

I have the honour to be,
Sir,
Your obedient servant,

R.A. Wallace
General Manager

Organization and Scope

The Moderation Act of 1921 established the provincial government in liq operations, as exclusive importer, shipper and seller of alcoholic beverages in Briti Columbia. In June of that year, the first liquor stores opened for business, under t Liquor Control Board.

The Liquor Control Board continued to be responsible for all liquor activi under Government control until 1975, when the Board as such was abolished and government liquor operations reorganized. Two branches, currently under the Ministry of Consumer and Corporate Affairs, were created to handle the separate closely related functional areas of Distribution and Control and Licensi

The purpose of the Liquor Distribution Branch is, in accordance with the Liquor Distribution Act, to provide service acceptable to consum of alcoholic beverages in British Columbia; to achieve established fina returns, to provide suppliers with a controlled access to the marketplace fair and equitable basis; and to encou moderation and maturity in the use alcoholic products.

The Liquor Distribution Bra is solely responsible for the selection, purchase, pricing and distribution of all alcoholic beverages (wine, spirits and beer) throughout the Province, in a retail store system and to license holders. The Bran handles duty-free and in-bond product and bottles its own line of private label products. All financial returns from retail liquor sales and licensee assessments are controlled by the Branch.

The Liquor Control and Licensing Branch is responsible for the receipt of applications, approval, and issuing of licenses to all liquor outlets other than retail stores i.e. hotels, restaurants, clubs, and oversees and controls the performance of these licensees. As well, the Branch licenses all wineries, breweries and distilleries the Province and their agents, and monitors and controls liquor advertising. Headquartered in Victoria, the Liquor Control and Licensing Branch has inspectio offices around British Columbia.

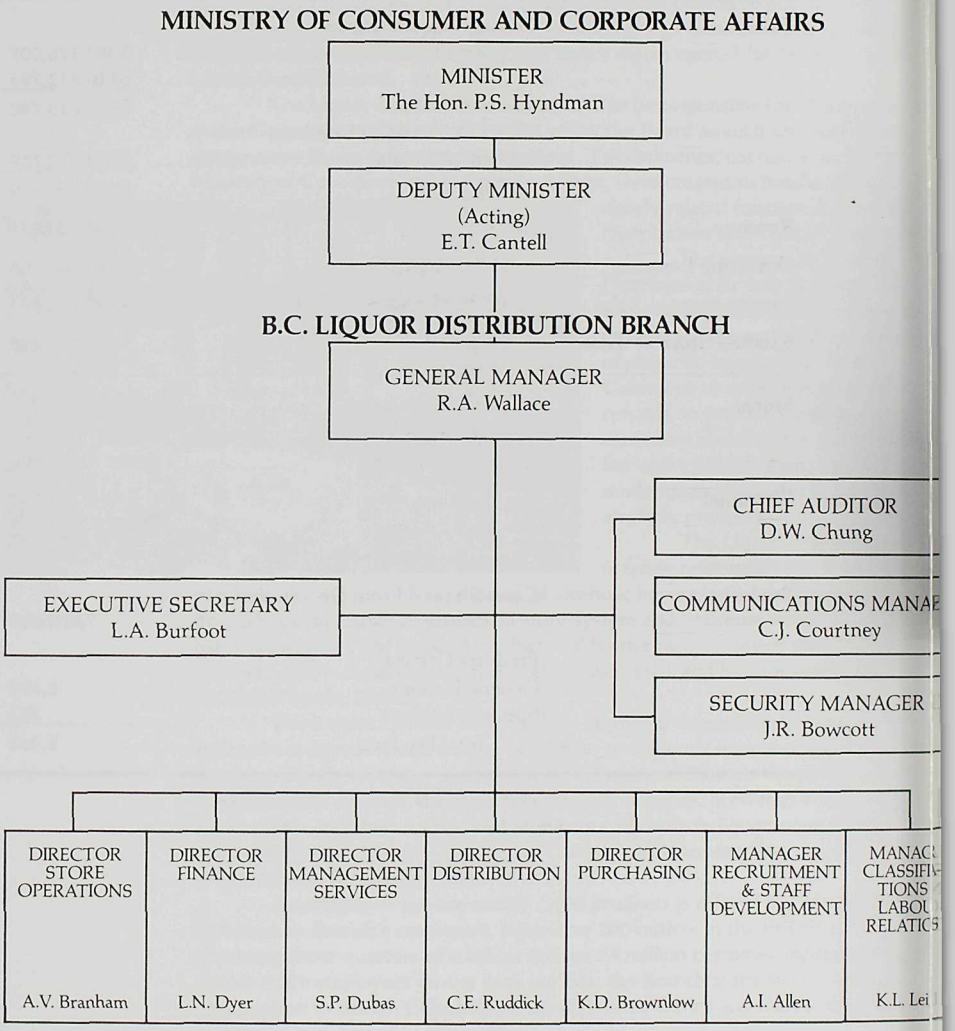
A portfolio of approximately 2,000 products is offered for sale to the Liqu Distribution Branch's customers. With over 200 outlets in the Province, sales exceeding three quarters of a billion dollars, 75 million customer contacts per year almost 3,000 employees during peak periods, the Branch is the largest retail organization in British Columbia. A ten acre Head Office and Distribution Centre complex is maintained in Vancouver.

The Year at a Glance

		Year Ending March 31, 1981
Sales	Through Liquor Stores	
	Retail	$583,176,007
	Licensee	$110,842,783
		$694,018,790
	Direct Deliveries to Licensees (Malt Liquor)	$104,772,159
	All Sales Total	$798,790,949
Revenue	Net Revenue	$280,410,866
Operating Expenses	Total Operating Expenses	$ 78,998,408
Largest Store — Sales	Central Licensee	$ 37,224,642
Smallest Store — Sales	Port Edward	$ 204,445
Stores	Government Liquor Stores	211
	Agency Stores	53
	Total Outlets	264
Personnel	Regular Employees	1,799
	Auxiliary Employees	1,491
	Total Personnel	3,290
Products	Cases Shipped From Distribution Centre	7,900,000
	Products Carried	
	General Listings	1,400
	Specialty Listings	562
	Total Products	1,962

Organization Chart

as at March 31, 1981



The General Manager's Report

A LOOK AT 60 YEARS
By Robert A. Wallace

The close of fiscal year ending March 31, 1981 marked the sixtieth year of operation for the Liquor Distribution Branch and its predecessor, the Liquor Control Board.

Over these sixty years, the history of the Branch's operations is a reflection of the many changes that have taken place in the Province of British Columbia. There have been significant shifts in public policy regarding liquor sales and consumption in response to changing societal norms and attitudes over the years.

The overall scope of operations has come a long way. In 1921, total sales through government liquor outlets was $6.4 million while for the year ending March 31, 1981, sales through liquor stores was $694.0 million. The net revenue transferred to the Province of British Columbia in the first year of operation was $400 thousand as compared to $280 million for the year under report. In 1921, there were 50 liquor stores, while in 1980/81, government liquor stores and agency stores numbered 264. There were less than 100 products available in the first year, compared to just under 2,000 listings offered by the Branch for the year ending March 31, 1981.

Since the early years, the employees of the Branch have worked very hard to achieve the continuing and, at times, conflicting objectives of providing a high level of customer service, while meeting revenue targets; making beverage alcohols available yet acknowledging the social responsibility of their use; and utilizing innovative and modern merchandising methods within a highly regulated system.

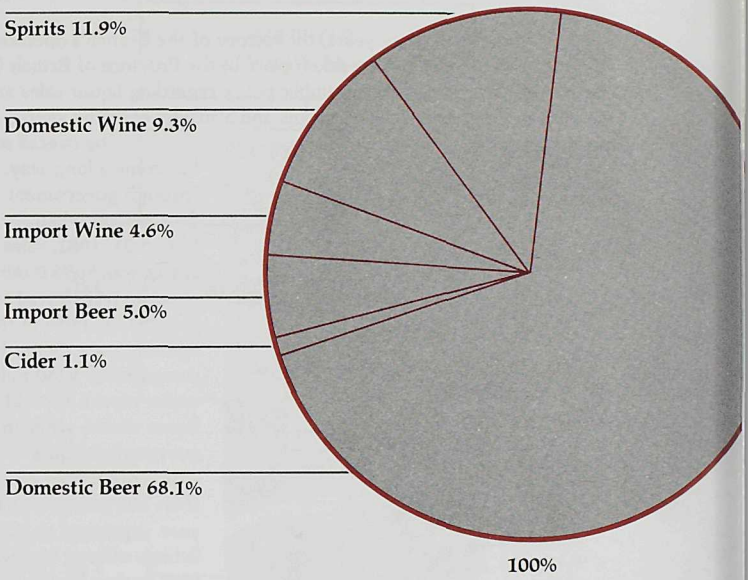
The Liquor Distribution Branch today is a consumer oriented progressive retail organization, responsive to its "shareholders", the general public of B.C.

In 1980/81, the Branch opened the largest retail liquor store in the Province (the "flagship" Cambie store in Vancouver), continued to service customers during the disruptions of a long labour dispute at domestic breweries, introduced a sophisticated Financial Information & Control System, made a commitment to proceed with a satellite Distribution Centre in the Interior, doubled the number of specialty products offered, developed a modern laboratory and analysis facility, and continued the aggressive upgrading program for stores throughout B.C., among many other new and established programs.

I take this opportunity to recognize the contribution and hard work of all past employees, with a special thank you to all the staff who helped achieve our objectives for the period reported in this sixtieth Annual Report to the Minister.

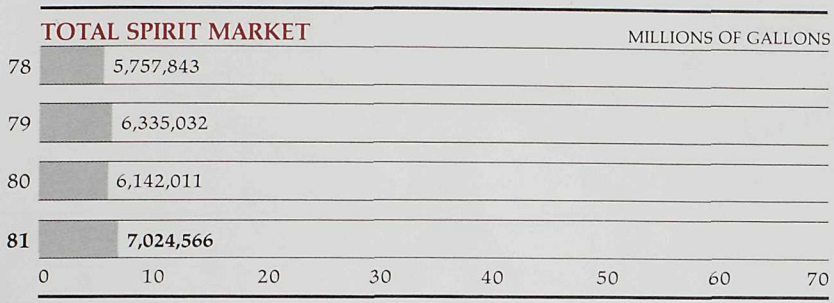
Total Liquor Consumption

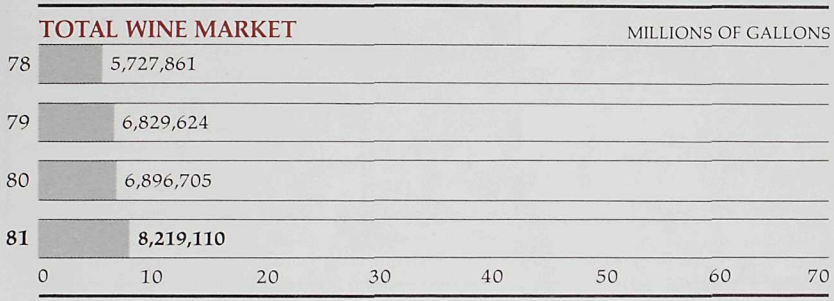
YEAR ENDING MARCH 31, 1981
(Based on Imperial Gallons)

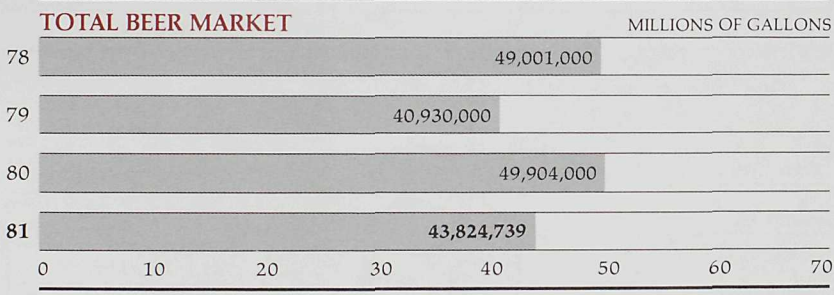


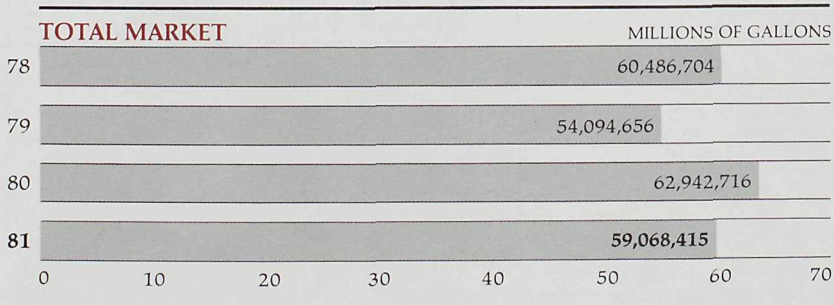
Volume Sales

YEAR ENDING MARCH 31
(Based on Imperial Gallons)









Retail Price Breakdown

Examples as at March 31, 1981

Note: Product categories not shown also have unique price structures.

BRITISH COLUMBIA TABLE WINE

750 ml bottle

Prime Cost from Supplier **$2.20**

Freight **.01**

Federal Excise Tax **.21**

Federal Sales Tax **.28**

LDB Markup **1.25**

Provincial Sales Tax **.28**

Total Cost to Consumer **$4.23**

IMPORTED TABLE WINE

750 ml bottle

Prime Cost from Supplier **$1.46**

Freight **.46**

Federal Import Duty and Excise Tax **.34**

Federal Sales Tax **.21**

LDB Markup **2.48**

Provincial Sales Tax **.35**

Total Cost to Consumer **$5.30**

DOMESTIC SPIRITS

710 ml bottle

Prime Cost from Supplier **$1.94**

Freight **.01**

Federal Excise Tax **1.87**

Federal Sales Tax **.46**

LDB Markup **4.72**

Provincial Sales Tax **.63**

Total Cost to Consumer **$9.63**

IMPORTED SPIRITS

710 ml bottle

Prime Cost from Supplier **$1.96**

Freight **.25**

Federal Import Duty **1.95**

Federal Sales Tax **.47**

LDB Markup **5.32**

Provincial Sales Tax **.70**

Total Cost to Consumer **$10.65**

Tia Maria
THE COFFEE LIQUEUR
LE LIQUEUR DE CAFE
HYSTER
40
ASSEMBLY
HYSTER
40
30
WAJAX

Comparative Classification of Sales

	1981	1980
Spirits		
Canadian	$286,177,989	$230,297
Imported	102,679,627	85,392
	$388,857,616	$315,689
Wines		
British Columbia	$ 71,454,773	$ 47,782
Other Canadian	1,250,591	1,616
	72,705,364	49,399
Imported Wines	82,069,194	68,687
	$154,774,558	$118,086
Malt Liquor (Beer)		
Canadian	$224,031,023	$213,424
Imported	24,680,167	9,273
	$248,711,190	$222,697
Cider		
Canadian	$ 5,313,643	$ 3,486
Imported	112,084	99
	$ 5,425,727	$ 3,586
Total Liquor Sales	$797,769,091	$660,059
Non-Alcoholic Sales	1,021,858	872
All Sales — Total	$798,790,949	$660,932
Less Direct Deliveries to Licensees (Malt Liquor)		
Canadian	$104,772,159	$ 95,315
Liquor Distribution Branch Sales	$694,018,790	$565,617

AUDIT

The annual audit of the accounts of the British Columbia Liquor Distribut Branch was completed by the Auditor General for the fiscal year ended March 31, 1981. The Auditor General's Report on the audit is incorporated in her report to tl Legislative Assembly for this fiscal year.

Financial Statements

BALANCE SHEET AS AT MARCH 31, 1981

	1981	1980
Assets		
Current Assets		
Cash (note 2)	$ 48,354	$ 1,576,061
Accounts receivable	702,657	309,470
Inventories	28,741,009	26,244,301
	29,492,020	28,129,832
Fixed Assets, at cost (note 3)	18,795,875	11,608,624
Less accumulated depreciation	8,988,100	7,662,968
	9,807,775	3,945,656
	$39,299,795	$32,075,488
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	$34,820,388	$26,207,071
Province of British Columbia		
Working capital advance	4,479,407	5,868,417
	$39,299,795	$32,075,488

Commitments (note 5)
The accompanying notes are an integral part of these financial statements.

R.A. Wallace
General Manager

L.N. Dyer
Director of Finance

STATEMENT OF INCOME FOR THE YEAR ENDED MARCH 31, 1

	1981	1980
Sales (note 4)	$694,018,790	$565,617,
Cost of merchandise sold	370,994,246	304,899,
	323,024,544	260,718,
Provincial Malt Levy (note 4)	32,662,639	31,164,
	355,687,183	291,882,
Operating expenses (schedule)	78,998,408	69,272,
	276,688,775	222,609,
Other income	3,722,091	1,464,
Net Income	$280,410,866	$224,073,

STATEMENT OF CHANGES IN PROVINCIAL ADVANCE FOR THE YEAR ENDED MARCH 31, 1981

	1981	1980
Balance at beginning of period	$ 5,868,417	$ 6,801,
Net Income	280,410,866	224,073,
Cash payments to Provincial Treasury	(281,799,876)	(225,007,
Balance at end of period	$ 4,479,407	$ 5,868,

STATEMENT OF CHANGES IN FINANCIAL POSITION FOR THE YEAR ENDED MARCH 31, 1981

	1981	1980
Funds Derived From Operations:		
Net income	$280,410,866	$224,073,996
Add charges not involving an outlay of funds		
Depreciation	1,658,135	671,150
Net book value of fixed asset disposals	55,074	37,188
	282,124,075	224,782,334
Funds Applied To:		
Acquisition of fixed assets	7,575,328	2,288,092
Cash payments to the Provincial Treasury	281,799,876	225,007,188
	289,375,204	227,295,280
Increase (Decrease) in working capital	(7,251,129)	(2,512,946)
Working capital at beginning of year	1,922,761	4,435,707
Working Capital (Deficiency), at end of year	$ (5,328,368)	$ 1,922,761
Working Capital		
Current assets	$ 29,492,020	$ 28,129,832
Current liabilities	34,820,388	26,207,071
Working Capital (Deficiency), at end of year	$ (5,328,368)	$ 1,922,761

Notes to Financial Statements

FOR THE YEAR ENDED MARCH 31, 1981

1. SIGNIFICANT ACCOUNTING POLICIES:

Revenues and expenses are reflected on an accrual basis.

Merchandise inventory is valued at its latest landed cost. Customs and excise tax are not included in the value of inventory where payment is due upon shipment from the bonded warehouse.

Expenditures for buildings, leasehold improvements, furniture, fixtures and equipment are capitalized and are subject to depreciation on a straight line basis a follows:

Buildings	— 7½% per annum
Leasehold Improvements	— a minimum of 10% per annum or a rate sufficient to write off the cost over the remaining life of the respective lease.
Furniture, fixtures and equipment	— 25% per annum

2. CASH:

	1981	1980
Cash on hand and in banks (overdraft)	$(3,023,186)	$(2,491,8
Cash in transit	3,071,540	4,067,9
	$ 48,354	$ 1,576,0

3. FIXED ASSETS:

	1981		1980	
	Cost	Accumulated Depreciation	Cost	Accumula Depreciat
Land	$ 801,752	$ —	$ 450,752	$ —
Buildings	6,712,737	4,146,293	5,734,951	4,043,6
Leasehold Improvements	1,618,749	169,506	35,734	15,3
Furniture Fixtures and Equipment	9,662,637	4,672,301	5,387,187	3,604,0
	18,795,875	8,988,100	11,608,624	7,662,9
Net Book Value	$ 9,807,775		$ 3,945,656	

4. SALES:

Included in sales are non-alcoholic items amounting to $1,021,858 (1980 — $872,710).

Sales made directly to Licensed Establishments by authorized Brewers' agents on behalf of the Liquor Distribution Branch totaling $104,772,159 (1980 — $95,315,359) are not included in the sales reported by the Branch. The Provincial Malt Levy reported on the Income Statement represents the margin on these sales.

5. COMMITMENTS:

Employees of the Branch contribute to the Public Service Superannuation Fund 6% of their salaries for basic pension purposes, plus ½% of salaries for cost-of-living indexed increases in pension benefits. The contributions shown in the Schedule include in addition to matching employee contributions, supplementary assessments paid by the Branch to fund any deficiency in pensions for employees who retired during the year. This supplementary assessment was $1,681,585 in 1981 ($1,958,813 — 1980).

An actuarial evaluation of the Public Service Superannuation Fund was made at March 31, 1977. Details of the unfunded liability are described in the Public Accounts of British Columbia. The portion of the unfunded liability attributable to the Liquor Distribution Branch was not determined by the actuary.

The Branch maintains inventory in its bonded warehouse for which Customs and Excise tax has neither been paid nor recorded. As at March 31, 1981 the future liability for these taxes approximates $3,300,000.

In 1979, a new procedure to warehouse imported stocks by Suppliers' Agents was implemented. Under this new concept, the Branch has a contractual obligation to purchase all inventories held by the agent should he opt out of the program. The obligation of the Branch should all agents choose to terminate their contracts, totals approximately $32,000,000 as at March 31, 1981.

Total commitments to March 31, 1981 for lease of premises amount to $25,350,000. Of this $4,200,000 becomes payable during the year ending March 31, 1982.

6. COMPARATIVE FIGURES:

Certain of the 1980 figures provided for purposes of comparison have been restated to conform with the classifications used in the current year. These changes have had no effect on the net earnings.

OPERATING EXPENSES FOR THE YEAR ENDED MARCH 31, 1981

	Warehouse	Retail Store	Administrative	1981 Total	198(Tota
Salaries and Wages	$3,313,005	$41,372,999	$ 5,550,621	**$50,236,625**	$44,774
Superannuation Fund	150,165	1,887,045	1,912,730	**3,949,940**	4,067
Unemployment Insurance	43,051	540,996	66,267	**650,314**	500
Canada Pension	39,487	496,216	60,782	**596,485**	518
Dental and Extended Health	38,236	480,485	58,855	**577,576**	474
B.C. Medical	22,721	285,527	34,975	**343,223**	306
Long-Term Disability	21,692	272,597	33,391	**327,680**	326
Workers' Compensation Board	19,701	247,574	30,325	**297,600**	313
Group Insurance	11,009	138,345	16,946	**166,300**	150
Rents	238,329	4,432,345	—	**4,670,674**	3,951
Freight to Stores	—	4,170,616	—	**4,170,616**	3,159
Data Processing	—	—	3,163,638	**3,163,638**	1,585
Sundries	390,742	629,628	1,187,013	**2,207,383**	2,174
Depreciation	372,812	720,815	564,508	**1,658,135**	671
Light, Water and Fuel	107,085	847,390	—	**954,475**	998
Store Wrapping Supplies	—	821,875	—	**821,875**	649
Repairs and Maintenance	94,977	464,617	229,994	**789,588**	768
Travelling	—	291,480	424,942	**716,422**	630
Agency Commissions	—	701,868	—	**701,868**	480
Printing and Stationery	29,530	274,336	331,139	**635,005**	375
Bank Charges	—	—	318,312	**318,312**	299
Telephone and Telegraph	1,401	128,477	177,454	**307,332**	244
Property Charges	221,984	57,765	—	**279,749**	260
Litter Act — Container Disposal Cost	—	—	229,630	**229,630**	1,247
Staff Benefits	1,763	30,445	107,554	**139,762**	78
Postage and Express	—	42,501	—	**42,501**	54
Insurance	—	—	45,700	**45,700**	35
Municipal Business Taxes	—	—	—	—	178
	$5,117,690	$59,335,942	$14,544,776	**$78,998,408**	$69,272

WINES OF
BRITISH COLUMBIA
Italy
Italy

Staffing Summary

Establishment of Regular Positions

Department/Division	Posit
General Manager	
Communications	
Store Operations	
Administration	
Stores	1
Finance	
Management Services	
Distribution	
Purchasing	
Personnel	
Audit	
Security	
	1

Finance

The year 1980/81 was of singular significance in the Finance Department. It marked the introduction of a computerized General Ledger and a unique Stores Data Collection System, which combined to form the Financial Information and Control System (F.I.C.S.). In addition, a new and greatly expanded Budgeting and Financial Analysis System was introduced, an integrated Accounts Payable System implemented and an automated Customs Documentation System designed. The resulting major changes in tasks and responsibilities necessitated reorganization of the Department into a number of divisions.

CONTROLLER

The Management Sciences of America computerized package was chosen as the General Ledger vehicle. The control and maintenance of that system became the responsibility of the newly created Financial Reporting section. In order to integrate Accounts Payable with that system, a Disbursements Accounting section was formed to process all invoices and control payments. An extensive training program was undertaken so that existing staff could make the transition from manual to computerized accounting. During this fiscal year, the responsibility for product pricing was transferred from the Purchasing Department to the Cost Accounting section of the Controller's Division.

RETAIL ACCOUNTING AND ADMINISTRATION

The voluminous transaction-posting originating with over 200 Branch outlets flowed into the Stores Data Collection System, a main responsibility of this Division. The system includes monitoring the processing of entries into the financial accounts. Data collected in this "front-end" system continued as the prime source of statistical data reported to all levels of management. Various administrative functions were assigned to this Division, including the Branch insurance program, store imprest bank accounts, manuals and procedural instructions, claims and accounts receivable procedures and maintenance of computer records for each of the products listed by the Branch.

BUDGETS AND FINANCIAL ANALYSIS

This newly established Division successfully designed, developed and implemented a formal operating, capital and man-year budget system. The introduction of the "Authority for Expenditure" concept established the control and evaluation of capital expenditures prior to acquisition. Various periodical budget reports were published on a timely basis to advise senior management of the status of sales, operating and capital expenditures and manpower consumption pertaining to their area of responsibility, with variances analyzed and explanations provided. The Division provided financial analysis and recommendations to senior management on a request basis on all Branch activities having financial implications.

Management Services

CORPORATE SYSTEMS

Fiscal year 1980/81 saw several significant changes within this Division of t Management Services Department.

The acquisition of new computer hardware to support the growing system function within the Branch necessitated the construction of and move to a new dat centre at the Head Office complex. Among other equipment, four computer systen continued to operate 24 hours a day by a team of data processing staff.

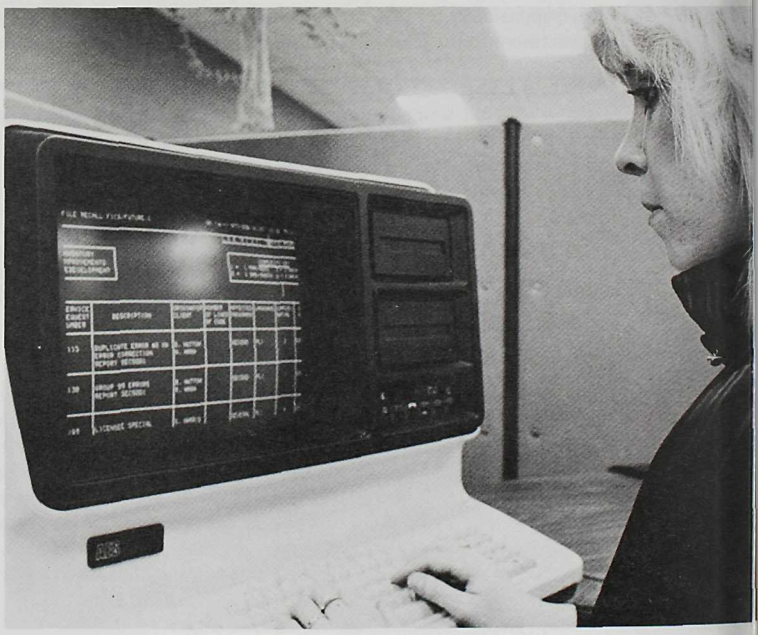
In October, 1980, a new computer-based ordering system came on-line for licensees in the Greater Vancouver Regional District, providing improved service le for commercial accounts.

The fully automated Financial Information and Control System (F.I.C.S.) w implemented to handle the 20,000 data transactions daily from the store system.

The 1981/82 fiscal year will see further innovation in the Corporate Syster area; with a planned organizational chart to include regularization of current staff; t establishment of an on-site "Problem Centre" staffed by British Columbia Systems Corporation personnel; and the visible development of a production schedule for Senior Management use.

SUPPORT SERVICES

A word processing centre was established as a support service to all Departments within the Branch, utilizing several systems.



INDUSTRIAL ENGINEERING

The Industrial Engineering Division continued to provide service to management in such areas as construction, space planning, materials handling, productivity systems and cost analysis. During this period, the Division helped implement an On-Line Order Entry System for Licensees, completed a major Cafeteria renovation project, completed facilities for a Satellite Distribution Centre at Lake City (Burnaby), and completed a variety of other Branch projects.

MARKETING RESEARCH AND CORPORATE PLANNING

In response to very diverse functional areas, during the course of the fiscal year the Division completed several market analyses with sales forecasts in connection with store location, relocation, conversion and sizing decisions. In fulfilling its mandate as a marketing research entity, the Division continued to provide sales and other information to in-house personnel as well as to external parties. A direct result was the publication of the first issue of the Quarterly Market Review midway through the year. Compiled from the large data base and showing statistical trends within product groups, the publicly distributed report is unique in Canada among provincial liquor authorities. Another on-going role was the monitoring and evaluation of sales and specific market changes, such as the impact of the new Cambie specialty store. As a corporate planning function, the Division was responsible for the further development, implementation, integration, and evaluation of the Branch Business Plan. Finally, as a general research department, several policy and position papers were prepared at the request of senior management.

Property Planning and Developmen

A planned program to upgrade the overall store system was carried out during the year by the Property Planning and Development Division of the Management Services Department. The section carried out project coordination including site selection, lease negotiation, interior store design, materials handling, fixtures design, space planning, store safety and security, project cost control, advertising, tendering, and local community liaison. The new store designs incorporated many innovative techniques into the Branch's retail outlets for improv customer services such as energy conservation features, climatized unloading facilit heated entry vestibules, revamped checkouts, and individual store decors, often incorporating the history or industry of the local community.

Among the elements of the program were store fixtures designed this Division and custom-made for the Branch, for example the continuous fl beer racks. The new internal sign program for customer information wa built around a two-colour theme for policies and products. The store exteri sign program was virtually completed by year-end.

Whenever feasible, the life of existing stores in good locations was extended by making them more functional, with increased capacity for products. Rejuvenation of older facilities was accomplished by new heating and air-conditioning systems, improved staff facilities end aisle displays, wire wine islands, meeting rooms, better parking and truck acces During 1980/81, major renovations were done on 6 stores, including 3 conversions self-serve. New premises were completed in 12 locations, with 4 of these additions the overall store system.

In mid year, the Branch opened the largest self-serve store in B.C. (and the largest in Canada), a unique 22,000 square foot specialty outlet at 39th and Cambie, on Vancouver's south slope. Featuring many innovative marketing an merchandising techniques and offering the full range of wines, spirits, and beer, th new concept Cambie store displays wines by country and region of origin and hous separate temperature and humidity controlled room for vintage and rare wines.

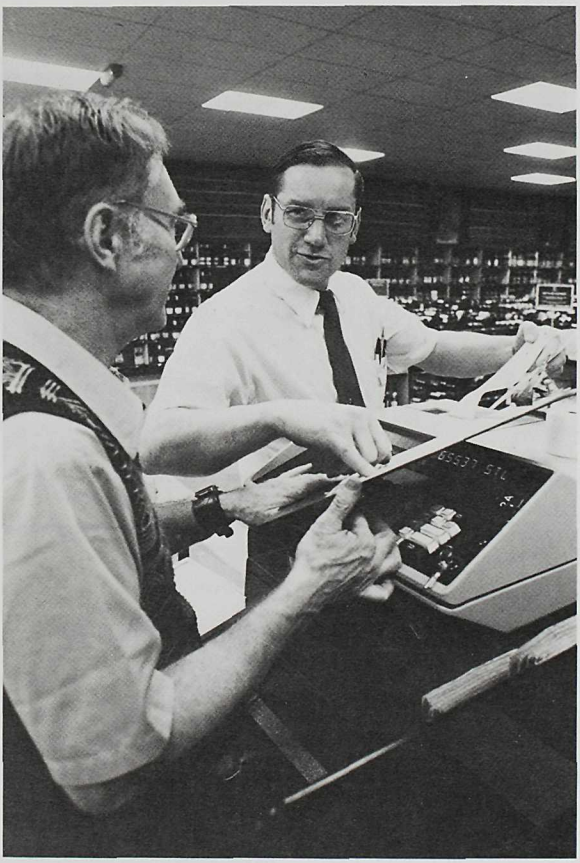
PREMISES OPENED

Store Location	Completion Date	Project Features
Tahsis Chalet Plaza, Tahsis	April 30, 1980	Replacement and conversion to self-serve
Kerrisdale 2060 West 41st Avenue, Vancouver	September 2, 1980	Major renovation
Broadway & Maple 2020 West Broadway, Vancouver	September, 1980	Major renovation
Creston Valley Creston Valley Mall, Creston	September 18, 1980	Replacement and conversion to self-serve
Creston Canyon Canyon Street, Creston	September 18, 1980	New conventional "convenience"
Hope 770 Fifth Avenue, Hope	October 15, 1980	Major renovation and conversion to self-serve
Quadra & Hillside 2670 Fifth Street, Victoria	October 31, 1980	New
Westview 770 Westview Shopping Centre North Vancouver	November, 1980	Major renovation
Prince George Hart Hart Shopping Centre 3825 West Austin Road, Prince George	November 6, 1980	Replacement
Oliver 329 First Avenue, Oliver	December 1, 1980	Major renovation and conversion to self-serve
McBride Robson Valley Centre, McBride	December 3, 1980	Replacement and conversion to self-serve
Lougheed Plaza 9638 Cameron Street, Burnaby	December 5, 1980	New
Whistler Whistler Town Centre, Alta Lake	December 11, 1980	Replacement from trailer
39th & Cambie 5555 Cambie Street, Vancouver	December 13, 1980	New, Specialty
Nanaimo Terminal Park 1533 Estevan Road, Nanaimo	January 12, 1981	Replacement
Radium Highway 95, Radium	February 12, 1981	Replacement
Cassiar Connell Drive, Cassiar	February 19, 1981	Replacement and conversion to self-serve
Castlegar 1101 Fourth Street, Castlegar	March 17, 1981	Major renovation and conversion to self-serve

Personnel

REORGANIZATION

At the end of this fiscal year, further reorganization took place in Personn a part of the reorganization within the Ministry, dividing Personnel Services for th Branch into two separate functional areas: Recruitment/Staff Development and Labour Relations/Classifications/Administration.



RECRUITMENT/SELECTIC

Area Managers and Store Managers as well as Department supervisors became increasingly invol in and more knowledgeable of the selection process. Regular positions fil during the year totalled 164, with 1,1 auxiliary/statutory term employees hi

STAFF DEVELOPMENT/ TRAINING

Leadership was provided to internal training sessions including th P.O.S. (Point of Sale) and the F.I.C.S. (Financial Information and Control System) programs, and for a variety c specialized technical/supervisory programs in the Distribution Centre. addition, administrative services were provided for the 3,635 employees attending 63 courses on a wide variet topics, including Stress, Labour Relati Grade 12 Equivalency, and Safety. Th Cashier Retraining Program was introduced during this year with new policy and procedures developed in conjunction with Store Operations st Revision continued on the "Handbook New Employees", and "Supervisory Handbook", for completion in the nex fiscal year. An audio visual orientatio program was produced for use in new employee training.

LABOUR RELATIONS

Continued improvement in overall Labour Management Relations was noted in this fiscal year. This improvement was due in large part to a general increase in management skills, as well as greater familiarity by the bargaining unit with the Collective Agreement signed in 1979. During the summer, the Branch was indirectly involved in a labour dispute between the Brewery Workers and their employers — Molson, Labatt and Carling O'Keefe Breweries. The Branch premises were picketed by the Brewery Workers, and a Cease and Desist Order was obtained from the Labour Relations Board. When the Brewery Workers' Union refused to comply with the order, it was subsequently filed as a Court Order, and when this too was defied, the Branch sought and was granted leave to sue for damages. This suit is presently still under judicial review. During the year, Labour Relations training modules were presented to the majority of liquor store managers and well received. The overall improvement in labour/management relations was in part attributed to greater understanding by first line managers of the Labour Relations process.

SAFETY

There were 30 Workers' Compensation Board inspections, of which 10 resulted in no written orders. One order was disputed, with the order subsequently being withdrawn. All other orders were either complied with or, where major structural change was involved, were included in renovation plans with a notice of compliance issued. Seven Occupational Environment Branch orders were written against the Liquor Distribution Branch in this fiscal year. Notices of compliance have been filed on all orders.

OCCUPATIONAL HEALTH

There were 264 referrals to Occupational Health in this fiscal year, a slight increase over the previous report. The Screening Committee received 11 applications of which 5 are still awaiting disposition. Of the others, 3 were accepted for transfers which occurred, 2 were rejected and one was concluded as a result of medical inability to return to any work.

Store Operations

As the major line department of the Branch, the mission of Store Operati continued to be to operate the retail store system. The effective and efficient management of that system with courteous and informed staff was the goal of Stc Operations within the overall Branch consumer service mandate.

GOVERNMENT LIQUOR STORES

The total number of government liquor stores at year-end stood at 211, consisting of 141 self-serve and 70 conventional (counter) stores.

Ten Largest Stores (by item volume, beginning with the highest ranked as at March 31, 1981):

1. Central Licensee
2. Broadway & Maple
3. Nanaimo Terminal Park
4. Campbell River
5. Richmond Brighouse
6. Fort Street
7. Victoria Drive
8. Government Street Licensee
9. Kennedy Heights
10. Robson Street

Ten Smallest Stores (by item volume, beginning with the lowest ranked as at March 31, 1981):

1. Port Edward
2. Atlin
3. Greenwood
4. New Denver
5. Pender Island
6. Lytton
7. McBride
8. Granisle
9. Gabriola Island
10. Ocean Falls

POINT OF SALE

By the end of the fiscal year, a total of 72 liquor stores throughout the Province were utilizing their new sophisticated electronic cash registers, as part of the continuing Point of Sale Project.

In the Fall, 55 stores were trained and began operation with the new cash register system. The stores receiving the new registers were mostly outside of the Lower Mainland, including the Prince George, Victoria, Fort St. John, Kamloops, Kelowna, Nelson, Powell River, Port Alberni, Campbell River, Vancouver North-Shore, South Burnaby-New Westminster, Prince Rupert, Terrace, Williams Lake, White Rock, Squamish, Haney and Lower Fraser Valley areas, as well as the 39th & Cambie outlet in Vancouver.

To the credit of the staff in these stores, the new system was so successful that 15 more stores were implemented during February and March of 1981, in the Surrey-Delta, Nanaimo, and Courtenay areas.

AGENCY STORES

The Agency store program continued to provide service in remote communities. A total of nine agencies were appointed during the year, while two were closed, bringing the total to 53.

Opened

Seton Portage	April, 1980
Mahood Lake	June, 1980
Aspen Grove	June, 1980
Gillies Bay (Texada Island)	July, 1980
Salmon Lake	August, 1980
Moyie	September, 1980
Canim Lake	October, 1980
Riondel	November, 1980
Balfour	March, 1981

Closed

Crawford Bay	August, 1980
Upper Fraser	August, 1980

During 1980/81, the Branch also signed Agency agreements which formalized the authority for operation of five retail stores at B.C.'s commercial wineries (Andres Wines in Port Moody, Calona Wines in Kelowna, Casabello Wines in Penticton, Golden Valley Wines in Westbank, and Ste. Michelle Wines in Surrey) and approved a similar on-site outlet at Park & Tilford Distillery in North Vancouver.

Distribution

The Distribution Department physically distributed all products except domestic beer which continued to be shipped directly by the breweries to governme liquor stores and licensees.

The fiscal year 1980/81 was one of significant growth in volume of alcoholi beverages distributed by the Branch. Vancouver Distribution Centre activity reache 7.9 million cases, up from 6.6 million cases in 1979/80, an increase of 20%.

During the domestic beer labour dispute in 1980, a separate and temporary distribution system was established to receive and distribute imported beer. This centre handled more than 1.4 million cases of import beer while in operation. As a result, in total, Distribution throughput exceeded 9.3 million cases in total.

The Department continued to expand two programs geared to improving service to the Branch's stores. Store delivery frequencies were increased for both Vancouver area stores and stores beyond the Greater Vancouver Regional District. Telephone ordering service replaced mail ordering for all stores in the Province, witl the exception of those stores to be supplied from the new Kamloops Distribution Centre. Improved delivery frequency and telephone ordering provides better custor service at the retail level, by giving stores improved access to Distribution Centre inventory and quicker processing of store orders.

During the year, the Branch decided to proceed with the development of a second distribution centre in Kamloops. The new Kamloops Distribution Centre is being constructed and equipped at a cost of 3 million dollars, and is scheduled for production start-up in the Fall of 1981. The centre will service 62 stores in the Kamloops, Okanagan, and Southeastern regions of the Province, and will provide telephone ordering service and opportunities for increased frequency of delivery. Th Kamloops Distribution Centre will provide much needed additional distribution capacity for the Branch. The current Vancouver Distribution Centre is fast reaching capacity, and it is expected that Kamloops will play a greater role in distribution in future years.

The BCL line of products took on a new image in 1980 with the installation a new bottle capper which automatically applies "pilfer proof" aluminum caps on the Branch's bottling line. BCL brand products continued to be popular with the consumer. The source of supply of BCL Brandy, a longtime market favourite, was switched from Portugal to France during the year.

Public carriers transferred most of the product from the Distribution Centr to the retail outlets, supplemented by a small fleet of 5 Branch trucks. The LDB truc fleet added two large power tail-gate equipped vehicles in late 1980 and three small 1 year-old vehicles were retired. The new vehicles enabled the Department to provide higher level of service to Vancouver area stores, and at the same time to reduce distribution costs.

Security

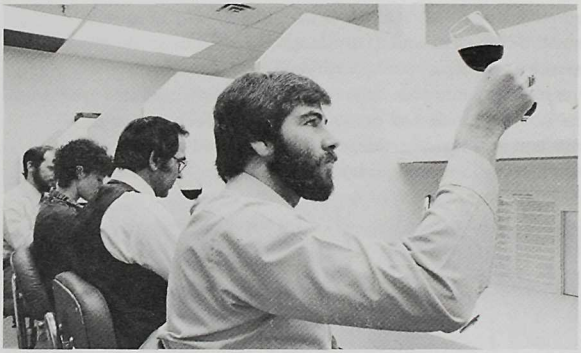
The In-House Security group completed its seventh year of operation, making significant progress since its inception. The Incident Reporting System, developed and introduced to capture all pertinent data surrounding Security related incidents anywhere in the Province, continued to generate vital information for long-term planning, development of new policies and procedures, analyzing of trends, budgeting and the measuring of stock loss. Incidents reported on included robbery; break & enter and theft; shoplifting and wilful damage. The experimental Store Security Officer Program continued during the fiscal year, to improve customer/staff relations, to curb the number of intoxicated persons served, and to reduce the number of minors attempting to purchase alcoholic products. Staff training in the Security theme of "Total Security Involvement by all Employees" continues to receive a high priority and the results very encouraging. To sustain this objective, the Division operates with four separate sections: Administrative, Uniformed Security Officers, Technical and Investigation. The development and introduction of a comprehensive Manual on all aspects of Security was undertaken, for the guidance and direction of all Branch employees.

Purchasing

The Purchasing Department continued to develop and enhance specific programs to augment the service aspect of the Department to the Branch and consumers.

LISTINGS

The Purchasing and Marketing Policy Manual was modified from its origi version, and re-published in June. The manual outlined Branch listing and delisting procedures, and specifies sales quota requirements for listed products. In addition, provided market access information t potential beverage alcohol suppliers o the Branch. Two sessions of the Listi Committee were held in the Spring a Fall, to review the Branch product portfolio, and to select new products tendered for general listing. As a resu a total of 85 new listings were added the selection of products, half of them table wines.



PRODUCT EVALUATION

In order to review the quality more than 1,400 new product applications, and to evaluate existing products, a laboratory and organoleptic analys facility was constructed on the mezzanine floor of the Head Office facility. A senso evaluation panel, comprised of store and office employees, meet once per week to examine the attributes of each product offered for listing by current and potential suppliers. In addition to providing the Listing Committee with an initial product acceptability concensus, the process provides an educational medium to store employees.

SPECIAL ORDERS

In addition to the product portfolio offered by the Branch, the Special Ord Division is provided to meet unique requests from consumers. A regulation amendment in September provided special order access to licensees. To respond to new market demand, a booklet was developed outlining the procedure to obtain a product which is not contained within the Branch portfolio.

NON-LIQUOR COMMODITIES

A major part of the Purchasing Department function continued to be to provide the Branch with a procurement service for all operational and capital items

Products

As of March 31, 1981, the Branch carried a total of 1,962 listings.

GENERAL LISTINGS

General listings are those products which have been made available for distribution to all Branch stores.

	Domestic	Imported	Total
Spirits and Liqueurs	364	168	532
Wines	365	416	781
Cider and Beer	65	22	87
Total	794	606	1,400

The general listings are broken down further as follows:

Domestic

Canadian Rye Whisky	119
Scotch Whisky (Canadian Bottled)	9
Bourbon (Canadian Bottled)	1
Canadian Gin	33
Canadian Vodka	54
Canadian Rum	73
Tequila (Canadian Bottled)	1
Brandy	12
Liqueurs	53
Miscellaneous Spirits	9
B.C. Wines	344
Other Canadian Wines	21
B.C. Cider	5
B.C. Beer	
Bottles — 53	
Cans — 7	60
Total	794

Imported

Blended Scotch Whisky	57
Malt Scotch Whisky	4
Bourbon and American Whiskey	2
Irish Whiskey	2
Dry Gin	8
Genever Gin	1
Vodka	5
Rum	9
Tequila	7
Brandy and Cognac	21
Liqueurs	49
Miscellaneous Spirits	3
Fortified Wines	52
White Table Wine	189
Rosé Table Wine	8
Red Table Wine	136
Sparkling Wine and Champagne	29
Sake	2
Cider	1
Beer	21
Total	606

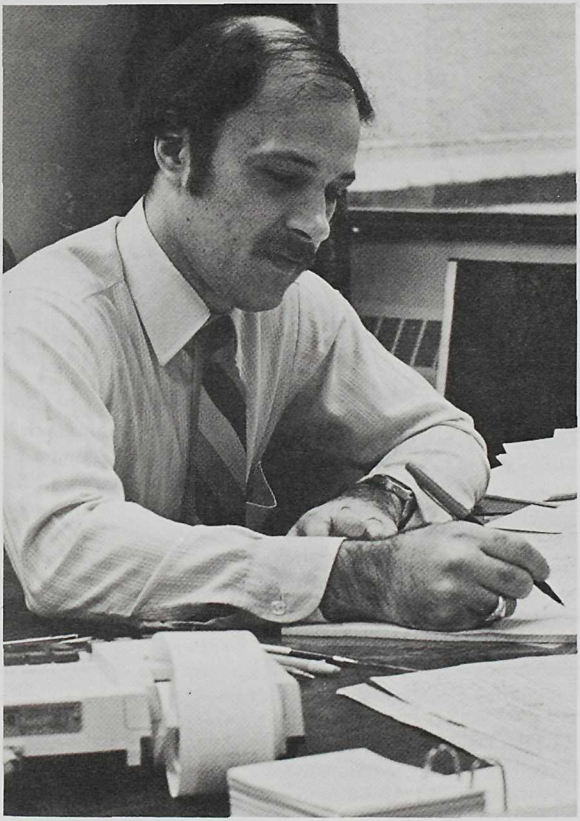
SPECIALTY LISTINGS

Specialty products include such items as rare or premium wines and spirits, unique products or products with unique packaging.

Canadian Spirits	29
Canadian Wines	13
Imported Spirits	96
Imported Wines	423
Imported Beer	1
Total	562

Internal Audit

The duties of the Audit Division were expanded to include (a) store audits (b) external audits, and (c) Head Office and warehouse audits. Store audits usually consist of a review of the financial and related operational procedures implemente store managers. During the year, the Auditors completed 133 such store audits. External audits were performed on business operations related to the Branch, for example, agency stores, import agents participating in the Agent Stocking Progran and breweries. In addition to traditional financial audits, the Auditors performed operational audits at the Head Office and distribution centres. High priority was p on the review of the financial and information systems of the Branch. T benefits expected to be realized will b systems documentation and the identification of areas requiring exter audit examinations in the future.



Efforts were concentrated or upgrading the quality of audit staff, rather than expanding the number of auditors. As a result, a competent Operational Audit section was established. The achievements of the operational auditors during the year encouraging and indicated that the A Division's contribution in meeting the needs of management will improve in 1981/82. Staff continued to be encouraged to enrol in courses leadin professional accounting designations well as other related courses. Two members of the audit staff in the Operational Audit section completed requirements to become Chartered Accountants during the year. A store auditor also became a member of the Certified General Accountants Association.

Communications

The Communications Division, responsible for public relations and information, initiated and participated in a number of programs to evaluate attitudes and earn understanding and acceptance of policies and procedures amongst customers, staff, media, suppliers, licensees, special interest groups and government. Much of the program's efforts during the year were directed at maintaining open communications prior to, during and after the eight week labour dispute at B.C.'s breweries. An average of two News Releases per month were issued in 1980/81 to announce and/or explain new stores, new products, new prices, and other details of operations. Several audio-visual presentations were developed and produced, including the Branch's orientation A-V for new employee training. Special events were planned and organized, such as a Preview Opening of the new "super-store" at 39th & Cambie in Vancouver, and the annual meetings of two national liquor board organizations. Large volumes of consumer and trade correspondence continued to be drafted, and telephone complaints and inquiries handled directly. Several information pamphlets and signs were produced for in-store information displays. A number of position papers and briefing material were developed for management on current issues. Visits to liquor stores throughout the Province were continued to establish good employee communications, and regular staff publications produced, including the *GrapeVine* bi-monthly newspaper and *Weekly News*, administrative newsletter. A prototype consumer Product Catalogue was developed and introduced internally, and a Project Team established to implement the publication early in the next fiscal year. The *Annual Report* and *Financial Statements* were prepared and produced in accordance with legislation.

Summary of Store Sales

FOR THE YEAR ENDED MARCH 31, 1981
by Electoral District

Store No.	Government Liquor Store	Total Sales
	Alberni Electoral District	
034	Qualicum	1,293,105
040	Port Alberni — 10th	3,898,700
042	Parksville	2,075,036
055	Gold River	736,423
056	Tahsis	534,419
104	Port Alberni — Northport	2,900,364
118	Tofino	650,711
157	Parksville North	2,182,847
216	Ucluelet	814,765
	Atlin Electoral District	
004	Atlin	248,285
047	Stewart	499,589
084	Cassiar	821,370
	Boundary Similkameen Electoral District	
014	Greenwood	287,156
015	Grand Forks	1,749,435
019	Keremeos	659,907
039	Penticton	3,951,780
069	Oliver	1,370,125
083	Osoyoos	1,552,744
130	Penticton Plaza	4,097,109
	Burnaby Electoral District	
121	Royal Oak	2,817,130
137	Kensington	3,161,821
203	South Burnaby	4,362,710
217	North Burnaby	6,719,490
220	Middlegate	7,218,079
224	Brentwood	4,435,707
077	Lougheed Plaza	1,519,115
	Cariboo Electoral District	
043	Quesnel	3,653,320
060	Cache Creek	830,442
063	Williams Lake	5,530,521
156	Quesnel West	1,453,335
201	Clinton	537,527
221	100 Mile House	3,027,741
	Chilliwack Electoral District	
001	Abbotsford	3,916,078
007	Chilliwack	5,492,373
057	Vedder Crossing	2,788,289

Store No.	Government Liquor Store	Tota Sale
	Columbia River Electoral Di	
016	Golden	2,08
017	Invermere	2,32
245	Radium	92
	Comox Electoral District	
005	Campbell River	9,30
008	Cumberland	58
010	Courtenay	5,53
115	Port McNeill	1,29
128	Port Alice	50
225	Alert Bay	48
235	Comox	2,33
236	Port Hardy	2,39
	Coquitlam Electoral District	
011	Port Coquitlam	4,55
089	Prairie Mall	2,73
153	Como Lake	4,45
200	Austin Road	5,32
205	Port Moody	3,62
	Cowichan Electoral District	
012	Duncan	7,33
024	Ladysmith	1,62
067	Lake Cowichan	1,23
134	Gabriola Island	41
206	Chemainus	1,33
	Delta Electoral District	
006	White Rock	3,67
025	Ladner	2,83
098	Tsawwassen	3,86
110	Ocean Park	2,93
145	Scottsdale	4,40
241	Kennedy Heights	8,05
	Dewdney Electoral District	
027	Mission	3,63
064	Agassiz	1,41
065	Haney	6,52
	Esquimalt Electoral District	
068	Esquimalt	3,14
125	Langford	2,96
219	Colwood	2,50
229	Sooke	1,45

Store No.	Government Liquor Store	Total Sales
	Fort George Electoral District	
026	McBride	419,949
036	Prince George — 6th	3,612,620
096	Valemount	620,173
106	MacKenzie	1,522,448
114	Prince George — Hart	1,655,804
126	Prince George — 10th	6,811,915
154	Prince George — College Heights	1,399,614
239	Prince George — 20th	6,348,624
	Kamloops Electoral District	
021	Kamloops	6,136,837
079	Sahali	2,421,445
088	Clearwater	1,177,041
108	Valleyview	2,753,254
138	Barriere	571,511
139	Logan Lake	473,616
147	Westsyde	1,000,712
223	North Kamloops	4,686,169
	Kootenay Electoral District	
009	Cranbrook	3,650,121
013	Fernie	1,741,036
028	Sparwood	1,138,907
066	Kimberley	1,999,384
131	Elkford	626,808
151	Tamarack	1,776,954
	Langley Electoral District	
022	Langley	7,269,293
070	Cloverdale	3,893,600
109	Aldergrove	2,790,894
127	Fort Langley	1,577,791
149	Clearbrook	3,103,907
	Mackenzie Electoral District	
041	Powell River	5,252,446
080	Gibsons	2,243,802
082	Ocean Falls	399,392
093	Madeira Park	892,223
230	Sechelt	2,141,184
232	Bella Coola	666,543

Store No.	Government Liquor Store	Total Sales
	Nanaimo Electoral District	
033	Cavan Street	4,246,877
159	Harewood	1,999,526
243	Terminal Park	8,796,884
	Nelson - Creston Electoral District	
032	Nelson	4,112,859
075	Creston	1,731,125
207	Salmo	562,487
162	Creston Canyon	287,493
	New Westminster Electoral District	
031	10th Street	6,844,481
097	8th & McBride	4,888,057
	North Okanagan Electoral District	
062	Vernon	5,750,405
135	Polson Place	3,692,548
214	Lumby	865,901
	North Peace River Electoral District	
003	Fort St. John	6,828,679
222	Fort Nelson	2,117,368
234	Hudson Hope	477,557
	North Vancouver - Seymour Electoral District	
030	North Vancouver — 2nd	5,512,592
107	Westview	7,122,005
133	Dollarton	1,832,948
247	Lynn Valley	5,500,785
	Omineca Electoral District	
073	Burns Lake	1,319,246
081	Vanderhoof	1,203,533
091	Fraser Lake	684,563
099	Houston	1,426,306
119	Granisle	433,649
248	Fort St. James	1,046,203
	Prince Rupert Electoral District	
035	Prince Rupert	5,869,917
105	Masset	1,022,147
132	Port Edward	204,445
211	Queen Charlotte City	1,300,828

Store No.	Government Liquor Store	Total Sales
	Revelstoke - Slocan Electoral District	
018	Kaslo	548,432
045	Revelstoke	3,298,060
074	New Denver	324,482
202	Nakusp	941,475
	Richmond Electoral District	
076	Brighouse	8,283,093
085	Lansdowne	5,192,814
120	Shellmont	2,852,464
244	Seafair	3,477,757
	Rossland - Trail Electoral District	
044	Rossland	833,912
051	Trail	3,573,466
078	Castlegar	2,512,745
095	Fruitvale	616,970
	Saanich & The Islands Electoral District	
050	Sidney	4,421,825
059	Trafalgar Square	1,914,619
140	Cedar Hill	4,078,741
155	Pender Island	326,090
204	Ganges	1,640,355
242	Saanich	7,505,799
	Shuswap Electoral District	
048	Salmon Arm	2,928,754
049	Enderby	1,029,543
092	Sicamous	1,130,090
215	Armstrong	1,024,960
226	Chase	1,369,899
	Skeena Electoral District	
046	Smithers	2,318,256
052	Terrace	4,850,799
213	Kitimat	2,845,183
227	Hazelton	698,152
	South Okanagan Electoral District	
020	Kelowna — Leon	3,460,566
086	Summerland	1,358,408
103	Kelowna — Capri	5,952,383
143	Westbank	2,131,830
148	Kelowna South	3,595,267
246	Rutland	3,997,026

Store No.	Government Liquor Store	Tot Sal
	South Peace River Electoral District	
212	Dawson Creek	4,50
238	Chetwynd	1,34
	Surrey Electoral District	
116	North Surrey	4,29
122	Whalley	5,22
240	Guildford	5,33
	Vancouver Electoral District	
038	Marpole	6,43
053	Harbour Centre	2,63
054	Hastings Street	4,28
058	Hastings & Slocan	6,24
087	Victoria Drive	8,43
090	4th & Alma	6,83
094	Bute Street	4,02
100	Central Licensee	37,22
102	Dunbar	3,06
111	Commercial	6,31
112	Cardero	4,15
113	Senlac	7,22
117	Broadway & Maple	8,91
123	Kingsgate	7,56
129	Thurlow	7,20
136	Arbutus	3,17
141	13th & Granville	2,35
144	Mandarin Centre	1,09
146	18th & Cambie	3,22
160	39th & Cambie	2,92
210	Kerrisdale	3,74
233	Robson	7,62
237	28th & Main	5,50
	Victoria Electoral District	
061	Nootka Court	3,59
124	Gorge & Tillicum	7,28
142	Yates Street	3,30
150	James Bay	2,38
218	Fort Street	8,53
231	Government Street	9,00
161	Quadra & Hillside	2,25

Store No.	Government Liquor Store	Total Sales
	West Vancouver Electoral District	
072	West Vancouver	6,207,224
101	Pemberton	544,164
152	Capilano Mall	3,683,202
208	Squamish	3,013,173
228	Park Royal	7,250,455
302	Whistler	1,111,864

Store No.	Government Liquor Store	Total Sales
	Yale - Lillooet Electoral District	
002	Ashcroft	638,622
023	Lillooet	1,260,735
029	Merritt	2,185,385
037	Princeton	1,352,891
071	Hope	2,037,890
209	Lytton	340,053
	Total Sales through Government Liquor Stores	**$694,018,790**

Copies of this document
may be obtained from the
Communications Division.

Province of British Columbia
Liquor Distribution Branch

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