
PRE-BUDGET SUBMISSION

To

**The Select Standing Committee on
Finance and Government Services**

Submitted by the

Canadian Restaurant and Foodservices Association



October 2010

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British Columbia Foodservice Industry Partnership

The Canadian Restaurant and Foodservices Association (CRFA) appreciates the opportunity to present the Select Standing Committee on Finance and Government Services with a summary of British Columbia's foodservice industry's policy priorities for the 2011 provincial budget.

The restaurant and foodservice industry is a valued contributor to communities across British Columbia, bringing jobs, investment, tourism and a focal point for people to gather. A business climate that will enable this important industry to compete and succeed should be a top public policy priority for all levels of government.

A prosperous and growing restaurant and foodservice industry is critical to future growth and job creation in every community across the British Columbia. A policy environment that solidifies a partnership between the innovative and entrepreneurial restaurant industry and government is a recipe for success. Working together we can ensure that British Columbia is known as a top of mind world class culinary destination.

British Columbia's restaurant and foodservice industry directly employs 162,700 people, generates roughly \$10 billion in annual sales and accounts for 5% of the provincial economy. Restaurants indirectly employ an additional 38,200 people who provide the wide range of products and services required by this diverse industry.

Every one million dollars in restaurant sales creates nearly 27 jobs, making these innovative entrepreneurs one of the top four job creators in British Columbia.

More than two-thirds of British Columbia's restaurants are locally owned and operated by independent entrepreneurs. These businesses are uniquely positioned to contribute to economic recovery and growth in every community across British Columbia.

British Columbia's 11,650 restaurants, cafeterias, coffee shops and bars are gathering spots for people from all walks of life. The rejuvenation of neighbourhoods is often led by the entrepreneurial restaurant and bar scene. The infusion of new activity into neighbourhoods is critical for every community to thrive.

British Columbia restaurants are a place to gather to celebrate, do business, talk politics, and spend time with family and friends. Restaurants are also one of the top three reasons for tourists to make B.C. their chosen destination. Tourism generates 18% of all B.C. foodservice sales.

Every dollar spent at a restaurant generates an additional \$1.85 in spending in the rest of the economy – well above the average for all industries. And the benefits are felt in every community, not just in major centres.

Since 1995 British Columbia's restaurant industry created one out of every sixteen jobs created in British Columbia – that's more than agriculture, forestry, fishing, mining and finance combined. The foodservice industry is currently tied with manufacturing as British Columbia's third largest private sector employer.

More than 71,000 young British Columbians work in foodservice, representing nearly one in five jobs for youth. One in three British Columbians' first job was in the hospitality industry. The restaurant industry builds future leaders.

Restaurant operators also open doors for new Canadians as they seek to establish themselves in a new country and gain experience and contacts in British Columbia's job market. In foodservice, it really is possible for a motivated employee to grow from washing dishes in the kitchen to cooking up deals in the boardroom.

Restaurateurs are proud of the opportunities they create for youth and new Canadians whether they're with their business for a year, or a career.

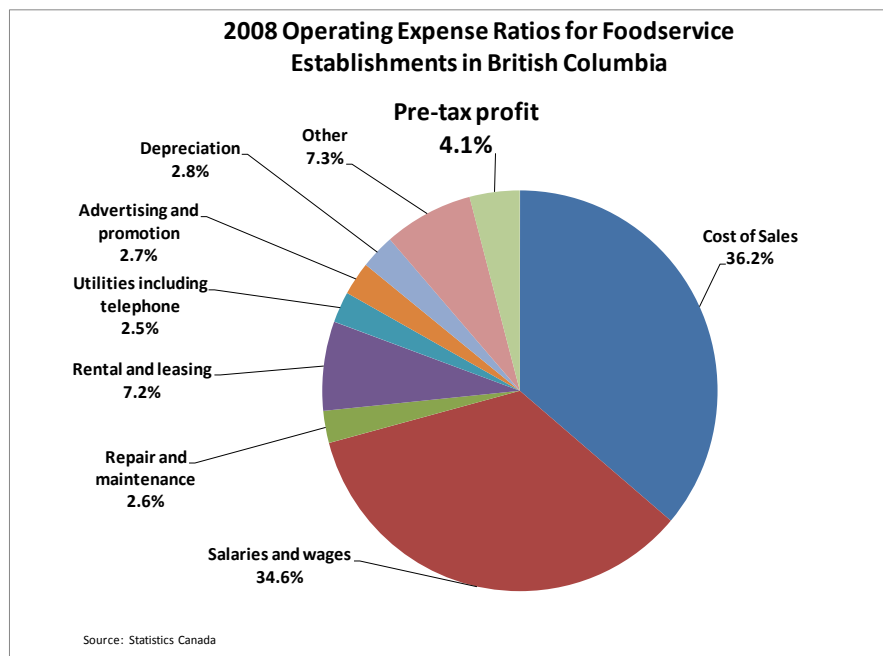
If governments truly want to help the restaurant industry to grow and prosper, it must make it a top priority through which the various tax and regulatory policies are filtered.

Current State of the Industry

Over the past decade British Columbia attracted new innovative foodservice industry entrepreneurs due to British Columbia's competitive business environment and world class talented chefs who were drawn here by British Columbia's apparent abundance of fresh locally grown and harvested food ingredients. If we want to keep them here to build on their success and talents their businesses must be profitable.

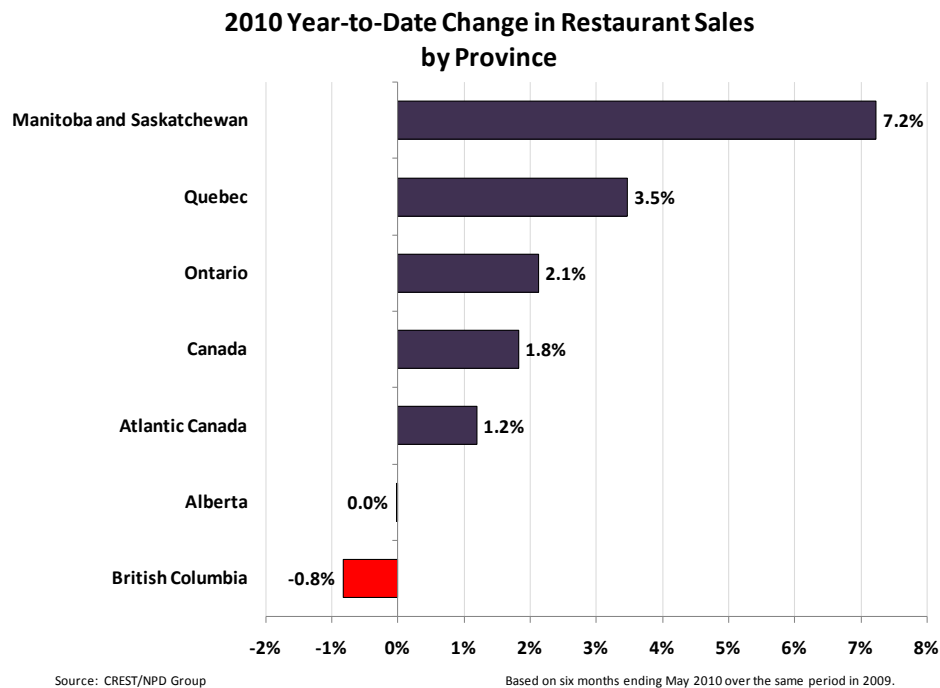
Over the past few years the industry faced significant increases in food, energy and labour costs. While the industry was absorbing these costs increases, consumer confidence eroded resulting in lower sales and declining profitability forcing operators to reduce staff hours and lay off staff to stay in business.

In part because foodservice is such a labour-intensive industry, and in part because the foodservice industry already pays 25% more in taxes than the average industry (Ernst & Young 1993), British Columbia's operators survive on razor-thin margins. On average, the British Columbia foodservice industry's net income before taxes is less than the average wage in the province. British Columbia's foodservice industry pre-tax profitability has declined from 4.9% in 2001 to 4.1% in 2008. Despite improving industry sales in recent years, costs have increased by a larger margin, making British Columbia's foodservice industry the fourth least profitable in Canada. Operators are hard-pressed to absorb business input and wage cost increases. It is equally problematic to pass on new costs to consumers, who continue to be highly sensitive to menu price increases.



While 2009 was challenging for the economy as a whole it was particularly devastating for the foodservice industry. In fact, British Columbia’s foodservice industry suffered through its worst year of the past decade year in 2009 with a significant decline in sales and a reduction in the number of foodservice establishments.

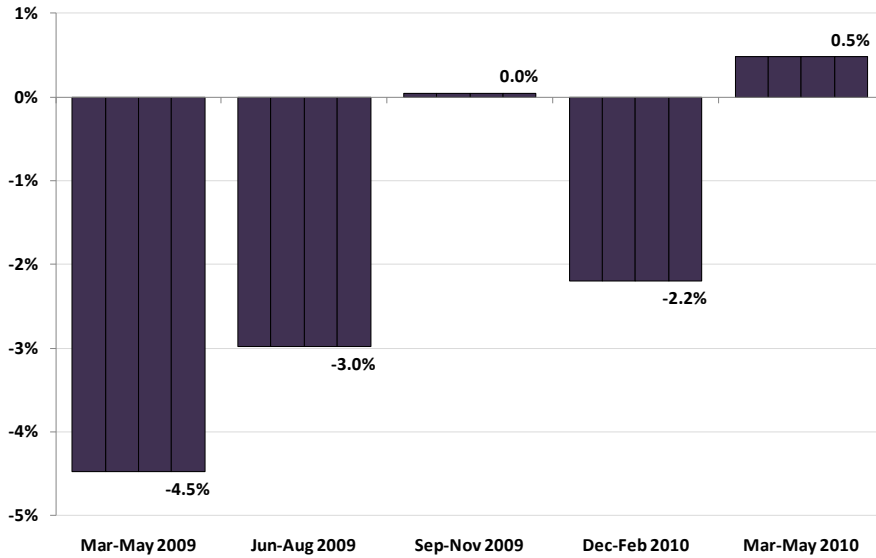
Unfortunately, despite hosting the Olympics, sales in the first half of 2010 did not bounce back as quickly as they did in other Canadian jurisdictions. In fact, sales declined by .8% over the same six month period in 2009.



While caterers and foodservice establishments in the downtown core of Vancouver and Whistler did record business during the 17 days of the Olympics, the reality is that the vast majority of British Columbia’s foodservice establishments did not see an increase in business as a result of the Olympics. Customers stayed home for the Olympics or directly took part as one of the thousands of spectators celebrating in downtown Vancouver or Whistler. Hopes that the Olympics would help save most restaurateurs from an extremely difficult year did not materialize.

Year over year sales in the December 2009 – February 2010 period declined by 2.2% and only marginally improved by .5% in the March 2010 – May 2010 time period. One must keep in mind that these sales statistics are prior to the negative impact on sales of the July 2010 HST implementation and the September 20th implementation of the new .05% drinking driving penalties.

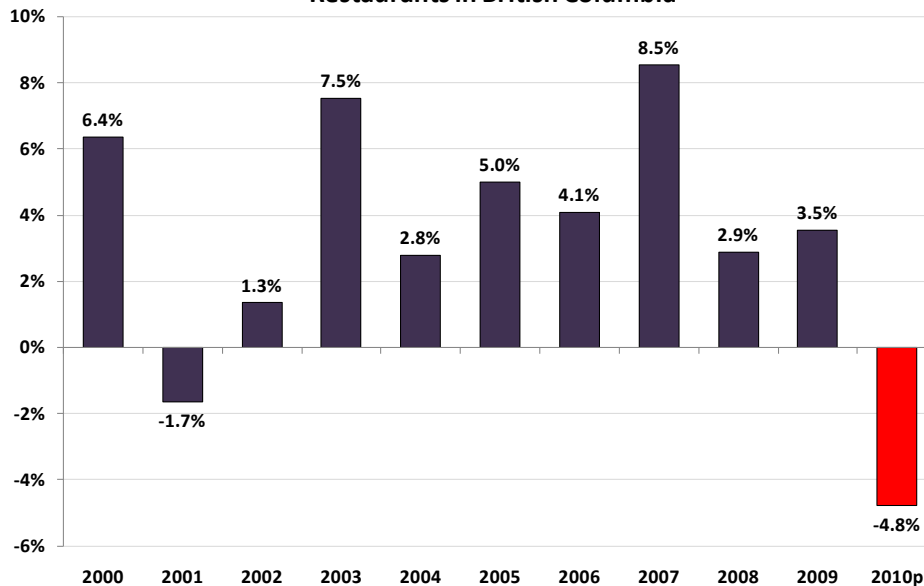
Year-over-Year Change in Restaurant Sales British Columbia



Source: CREST/NPD Group

The first half of 2010 also marks the first time since 2001 where the industry suffered a decline in employment. In July 2009 British Columbia’s foodservice industry employed more than 172,000 British Columbians. Since that time the industry has lost more than 10,000 jobs as current employment in the industry is just over 162,000 employees. Hourly restaurant employment declined by 4.8% in the first months of 2010 compared to the first six months of 2009.

Year-over-Year Change in Employees Paid by the Hour at Restaurants in British Columbia



Source: Survey of Employment, Payrolls and Hours, Statistics Canada

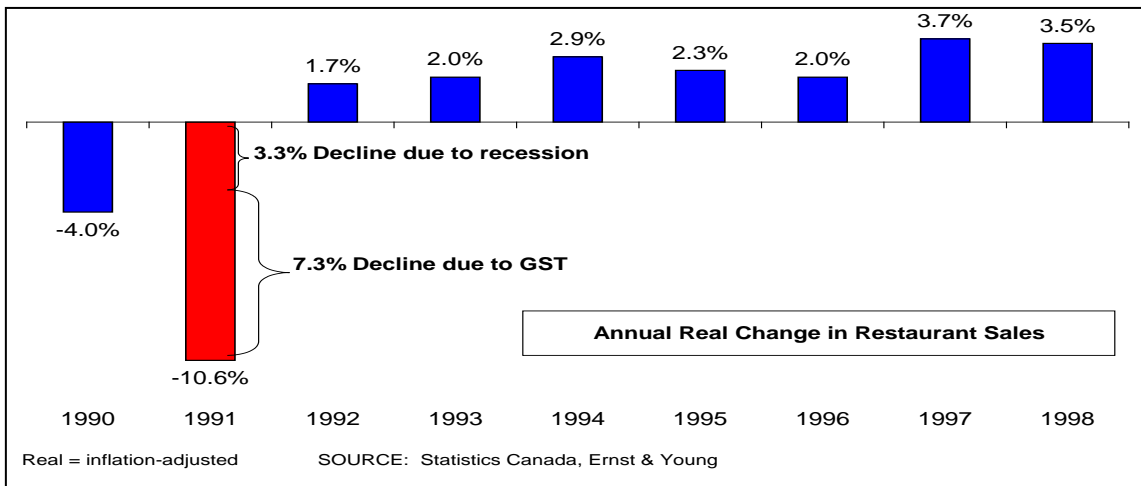
p - preliminary. Based on year-to-date July 2010 over the same period in 2009.

The implementation of HST on July 1st and the new .05% drinking driving penalties on September 20th are leading to even further declines in industry sales and employment.

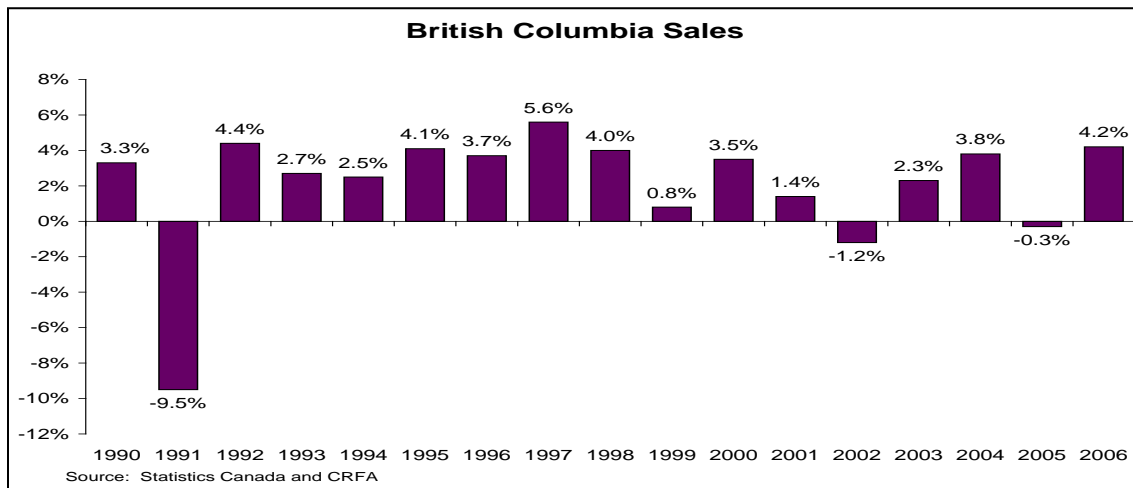
The Problem with HST and the Foodservice Industry

Over the years CRFA and British Columbia's foodservice industry have consistently informed the Provincial Government of the unique negative impact HST would have on British Columbia's industry. While harmonization may benefit certain capital intensive industries, it negatively impacts British Columbia's labour-intensive foodservice industry for a number of reasons. HST has created a new provincial restaurant meal tax in British Columbia while the industry's closest competitor remains completely tax exempt.

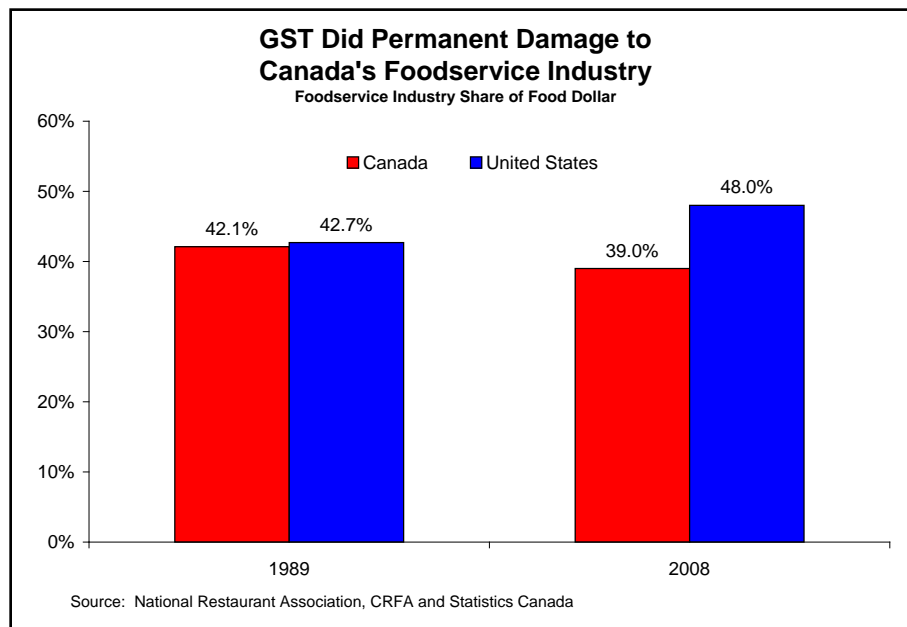
The year the GST was introduced, the Canadian foodservice industry suffered the single greatest decline it has ever experienced. In 1991, the industry recorded a 10.6% drop in real foodservice sales of which 7.3% was directly due to GST implementation.



In British Columbia, sales dropped 9.5% in 1991, but recovered more quickly than in other provinces where provincial sales tax was added to restaurant meals as well as the GST, compounding the damage.



The effect of the GST, however, was not simply a one-time event. Because the industry's closest competitors -- prepared meals available in grocery stores -- remain tax-exempt, the foodservice industry's share of the food dollar declined as well. The Canadian foodservice industry's market share was at a high of 42% in 1989. Through the 1990s, market share declined to a low of 36.7% in 1993, and has yet to return to 1989 levels. By contrast, the foodservice industry's market share in the United States has steadily risen from 42% in 1989 to 48% in 2008. GST has distorted the marketplace.



The perverse effect of the GST continues to be felt in the industry as price-sensitive consumers are confronted with what appears to be a deliberate government policy aimed at favouring one part of the food industry over another. The restaurant and foodservice business is one of the most labour-intensive industries, yet job creation in our sector is deliberately stifled by the un-level playing field hardwired into the GST.

*“The restaurant and foodservice industry was placed in a uniquely unfavourable position as a result of the introduction of the Goods and Services Tax. In contrast to virtually all other sectors of the economy, the industry was made subject to the GST, while its closest competitor, food consumed at home, was zero-rated. Thus, federal sales tax reform not only raised the price of restaurant and catered meals, but also lowered the cost of eating at home (by eliminating previously hidden FST in basic groceries).” **

* Ernst & Young, The Impact of GST on Restaurant & Foodservice Sales, 1992.

The following CRFA advertisement from 1991 clearly demonstrates the serious flaw in the GST that taxes the same products differently depending on where they are purchased.

TAX FREE

TAXABLE

WHAT'S THE DIFFERENCE?

If you thought that food won't be subject to the new 9% federal sales tax, you're in for a big surprise.

When the federal government promised to exempt groceries under the proposed goods and services tax it created a situation where similar and identical foods would be treated differently. Pizza, milk and chicken purchased in grocery stores would be tax free. The same products sold in school cafeterias, fast food restaurants and snack bars would be fully taxable. What's the difference?

Food is food.

Today, Canadians spend 39% of their food dollar away from home... a response to changing lifestyles and the needs of two income families. Foodservices have become an everyday necessity and a fact of life in the 1980's. Should Canadians

be treated differently because they can't return to their home or apartment for every meal? Is that fair?

Eating away from home isn't a luxury.

- 13 million Canadians eat away from home every week.
- The average expenditure in a Canadian restaurant is \$5.45 per person... a basic meal by any standard.
- Low income families, families with working women and tenants spend a higher proportion of their food dollars on restaurant meals.
- Foodservices are provided to Canadians in office, school and plant cafeterias; public and private health care facilities; snack bars and fast food restaurants; catering, take-out and home delivery; banquets and table service restaurants.

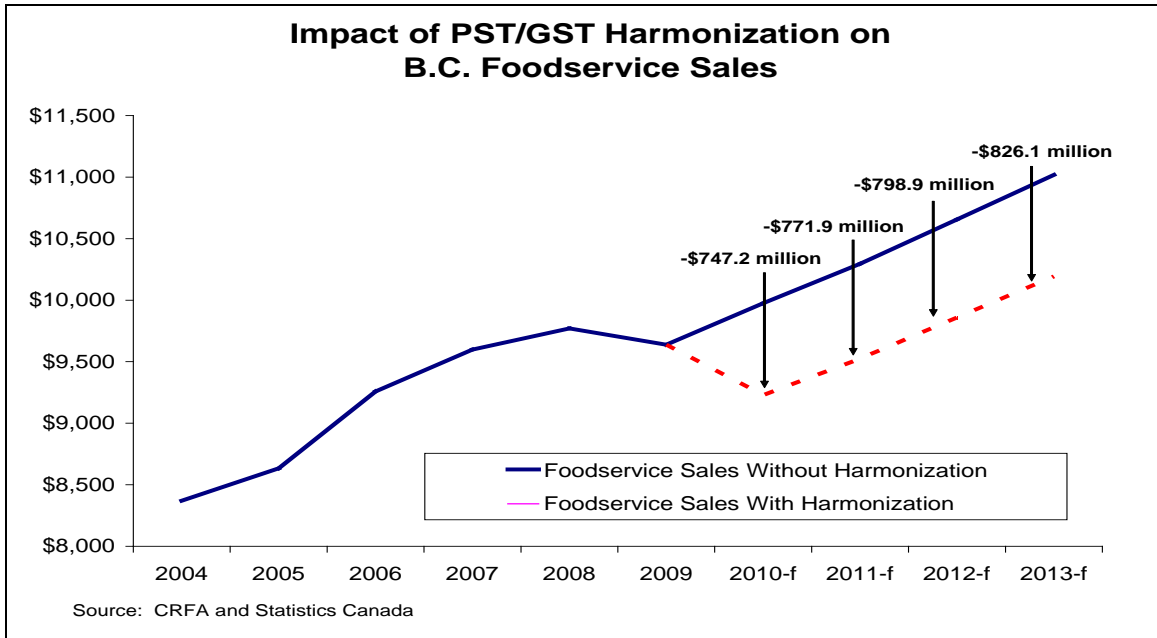
A fair sales tax system would treat all food equally.

crfa

CANADIAN RESTAURANT AND FOODSERVICES ASSOCIATION
 "A message from the 600,000 people employed in Canada's foodservice industry"

Initially, one of the biggest arguments for the GST was that it removed taxes on exports and made the Canadian industry more competitive. However, in the case of tourism, the exact opposite occurs. Visitors end up paying the GST, and Canadians can escape it by vacationing outside the country. This also negatively impacts the foodservice industry as 18%, or roughly \$1.8 billion, of foodservice sales is directly attributed to tourism.

The history of GST clearly demonstrates the negative impact this flawed consumption tax has had and continues to have on the foodservice industry. Adding a new 7% provincial tax to restaurant meals using the flawed food GST criteria as a base makes a bad situation worse for one of British Columbia's leading economic and employment generators. **An econometric model to determine the impact of harmonization on British Columbia's foodservice industry developed by CRFA and the Conference Board of Canada indicates that harmonization will cost British Columbia's foodservice industry 7.5% of sales annually, or roughly \$750 million in the first year.**



NOTE: The impact of harmonization was quantified using an econometric model of the foodservice industry developed by the Conference Board of Canada and CRFA. The model, which includes factors such as real GDP, employment and disposable income, shows that 1% increase in the price of a restaurant meal reduces foodservice sales by 1.07%. Therefore, a 7% tax on meals would reduce foodservice sales by 7.5%. This model was tested for significance and accuracy using a variety of statistical analyses.

It is important to note that it is not just CRFA and the foodservice industry that acknowledges the negative impact of HST on British Columbia's foodservice industry. An October 5th, 2010 paper entitled "*HST Misconceptions*" by the pro HST Business Council of British Columbia states:

" We understand that the HST does present a challenge for BC's restaurant and foodservices industry, for three reasons. First, under PST, restaurant meals were not subject to provincial sales tax (although they did attract GST); now, the full 12% HST applies to restaurant meals. Second, food bought at grocery stores is tax-free, so the disparity between the price of meals consumed in restaurants and meals prepared at home has widened. Third, because the restaurant industry's two biggest cost items are labour and food, neither of which qualifies for HST input tax credits, restaurants will see little reduction in their own costs under the new tax regime.

Taken together, these factors mean that consumers will pay higher tax-inclusive prices for restaurant meals (although not for alcohol). In this situation, and as noted by the Canadian Restaurant and Foodservices Association, at the margin consumers are expected to reallocate their household "food budgets" toward grocery stores and home-prepared meals and away from restaurant meals. This is almost certain to translate into a drop in restaurant sales post-HST, as restaurant industry representatives have stated. "

Unfortunately, initial indications are that the restaurant industry's worst fears about the HST are being realized according to a province-wide CRFA member survey and preliminary July data from Statistics Canada.

A CRFA member survey of 802 members conducted online between July 26 and 31, 2010 indicated that 72 per cent of respondents said the HST on restaurant meals has had a negative impact on business since it took effect July 1st. On average, negatively impacted respondents reported an average 10 per cent decline in sales compared to the same period last year.

The CRFA survey found that:

- only 3 per cent of respondents report the HST is having a positive impact on their business;
- 72 per cent say the HST is having a negative impact;
- 53 per cent say their customers are spending less;
- 56 per cent have fewer customers;
- 47 per cent have been forced to cut back on staff/staff hours to adjust to the HST; and
- 26 per cent have had to offer more deals and promotions to mitigate the HST fallout.

Statistics Canada recently released preliminary (not final) data on restaurant sales for July that confirms a decline in sales with full service restaurant and liquor establishment sales down 5.3% and 8.9% respectively.

Furthermore, the number of hourly employees in British Columbia fell by 6.7% in July 2010 compared to July 2009 while hourly paid employment at full service restaurants fell by 9%. These employment numbers suggest that the decline in restaurant sales is likely larger than Statistics Canada preliminary data indicates.

It is important for the Government of British Columbia to monitor the negative impact of HST on the foodservice industry and adjust policies to help minimize any decline in industry sales and reduce industry job losses.

Implementing the following non-HST specific policy recommendations will help the industry adjust to the negative impact of HST.

Policy Recommendation Summary

There are a number of actions the Government of British Columbia can take to demonstrate its policy partnership with CRFA and British Columbia's foodservice industry that will address the negative impact of HST on industry sales and employment. Our goal should be to find ways to ensure the industry does not just survive HST implementation but thrives. Implementing the following recommendations will help.

Celebrate BC Restaurant Marketing Campaign

A Celebrate BC restaurant marketing campaign can help promote our diverse world class hospitality industry and boost sales by encouraging customers to continue to eat out and celebrate.

To further encourage British Columbians to eat out the Government of British Columbia could introduce an income tax credit for dining out.

CRFA recommends that the Government of British Columbia initiate a comprehensive marketing campaign partnership with CRFA to promote British Columbia's restaurant industry and encourage British Columbians to eat out more often.

CRFA also recommends that the Government of British Columbia provide a tax credit to British Columbians to encourage them to dine out more often.

Labour Tax Credit

A labour tax incentive designed to encourage operators to retain their staff will help keep British Columbians employed.

While the Input Tax Credits (ITCs) associated with HST will help capital intensive legacy industries, they do little to help people industries, such as the foodservice industry, that cannot claim labour as a major cost input. In the case of foodservice, ITCs are of even less value as the two major foodservice industry costs, labour 35% and food 36% (which is zero rated), are not eligible for input tax credits. Members have suggested that one way to level the playing field between capital-intensive businesses that benefit significantly from ITCs and labour-intensive businesses that do not derive anywhere near the benefit from ITCs is to introduce a labour tax credit that would apply to all companies whose labour costs exceed 25%.

CRFA recommends that the Government of British Columbia introduce a labour tax credit to encourage employment and to help level the competitive playing field with more capital intensive industries who will receive far more benefit from ITCs.

Maintaining Reasonable Entry Level Wages

CRFA and British Columbia's foodservice industry appreciate the Government of British Columbia's leadership on maintaining the current minimum wage during the recent economic downturn and through the last provincial election despite considerable political pressure to increase the minimum wage to \$10.00/hour. The loss of employment the industry experienced this past year would have been considerably worse had British Columbia followed other Canadian jurisdictions in arbitrarily increasing minimum wage. It is critical to the foodservice industry and British Columbia's small business community to maintain the current minimum wage until the economy has fully recovered.

When an adjustment to minimum wage is considered it is important that minimum wage policy dictates that any increases in minimum wage are based on economic indicators such as the mid-range of the Bank of Canada's inflation target. Any increases must also be predictable and should be announced at least six months before implementation to provide businesses with ample notice for labour budgeting purposes. Also, any increases should be done in small increments to minimize the impact of sudden large payroll cost increases. It is also important to maintain British Columbia's "First Job Wage" as an incentive for the industry to hire and train inexperienced young people so they can gain valuable experience in the workplace.

When the minimum wage is next increased it is also important to introduce a "Gratuity Wage" as Ontario and Quebec have done recognizing that tipped employees are in fact not minimum wage employees as they earn far more in gratuities than wage income. These employees are often the highest paid employees in any foodservice establishment. Introducing a "Gratuity Wage" will enable foodservice operators to devote more labour budget dollars to more difficult to attract and retain "back of the house" kitchen employees such as dishwashers, cooks, and talented chefs.

CRFA recommends that the Government of British Columbia maintain the current minimum wage until the economy has fully recovered.

CRFA recommends that future minimum wage increases be based on predictable economic indicators, are announced at least six months in advance, and that minimum wage is increased in small increments.

CRFA recommends that a "First Job Wage" differential is maintained and that a new "Gratuity Wage" differential be introduced the next time minimum wage is adjusted.

Healthy Dining

CRFA and British Columbia's foodservice industry have been involved in a number of initiatives over the past few years to help make the healthy choice the easy choice for restaurant customers. While the foodservice industry makes up only a small portion of the total food industry, CRFA and the foodservice industry recognize that we have an important role to play in encouraging British Columbians to live healthier lives.

CRFA formed a Nutrition and Fitness Roundtable that brings together Canada's leading foodservice companies to explore opportunities on how the industry can work with the government and other stakeholders to educate consumers about the importance of a balanced diet and physical activity. In 2005, CRFA also implemented a Nutrition Information Program that roughly 30 chain restaurants are participating in to provide comprehensive nutrition information to their customers. Member companies are also involved in the Health Check BC healthy dining pilot program. Earlier this year CRFA also started to develop a restaurant industry "Healthy Living Strategy".

Many fine dining restaurateurs have become increasingly strong advocates of thinking globally but acting locally by supporting local farmers where possible. More must be done to encourage a consistent supply of high quality local foods and ingredients for the foodservice industry.

Restaurant operators realize that eating better is only part the solution to living more healthy lives. Foodservice companies are sponsors and promoters of physical activity both nationally and in every local community throughout British Columbia. Those foodservice industry companies and restaurant owners that are sponsoring athletes in their communities - from sponsoring local amateur sports teams to Olympic athletes -- should be recognized and rewarded for their part in encouraging physical activity.

There is an opportunity for the foodservice industry to partner with government to make healthy choices more accessible and acceptable to consumers. For example, the government in partnership with CRFA could establish a voluntary Healthy Dining Program for British Columbia restaurateurs. What the industry cannot afford are unworkable, ineffective and costly menu labeling regulations.

CRFA recommends that the Government of British Columbia and CRFA work together in developing a healthy living strategy that will make healthy choices more accessible and acceptable to consumers. Included in the strategy would be initiatives that encourage a consistent supply of high quality local healthy food and ingredients for restaurants, and a voluntary healthy dining program that would include incentives and recognition for those foodservice companies who provide healthy menu options and encourage physical activity.

CRFA strongly recommends that the Government of British Columbia reject proposals to introduce costly, ineffective and unworkable menu labeling regulations.

Liquor Policy and Pricing

For years, CRFA and British Columbia's hospitality industry have been advocating for changes to the current system of liquor pricing and taxation. The current system of liquor pricing and taxation in British Columbia is inefficient and does not serve the stakeholders, including the government, particularly well. Changes to the liquor mark-up system that will protect government liquor revenues and increase efficiencies, increase product selection, and reduce the cost of liquor products for licensees and consumers are long overdue. Alberta has a far more competitive liquor pricing system than B.C.

When any other commodity is purchased for resale to consumers, buyers receive a significant wholesale discount. Restaurant owners, however, are forced to pay full retail prices for the alcoholic beverages they sell in their restaurants. The impact of this retail pricing system is dramatic -- BC restaurateurs pay on average 20% more for wines than restaurateurs in neighbouring Alberta. Cross border smuggling of premium liquor products results in an estimated \$50-\$80 million in annual lost provincial revenue.

The most important priority for licensees with respect to liquor policy is getting access to wholesale liquor prices. LDB liquor stores sell beverage alcohol to the same consumer for considerably less than licensees, while providing far less economic benefit from the sale of beverage alcohol than licensees. Furthermore, LDB liquor stores focus their liquor listings on the retail customer, robbing licensees of products more suited to the licensee market. All licensees should receive access to wholesale liquor prices. The cost for providing all licensees with wholesale pricing could be covered by changing British Columbia's current liquor mark-up structure to a more efficient flat tax mark-up system for alcohol.

The September 20th implementation of the new .05 BAC drinking driving penalties has side swiped the restaurant industry and has resulted in a significant decline in licensed members liquor sales. The Government of British Columbia needs to initiate a marketing campaign to educate consumers that it is still possible to have a drink with dinner and be below .05 BAC.

As a first step towards flat-tax mark-ups and wholesale pricing, CRFA recommends that all licensees receive the same 16% discount private Liquor Retail Store licensees receive on their beverage alcohol purchases.

CRFA recommends a simpler, more transparent flat-tax mark-up system for liquor products that will allow for more government control in calculating and predicting liquor revenues and that will stop the leakage of provincial liquor revenue.

CRFA recommends that the Government of British Columbia initiate a marketing campaign to educate consumers that it is possible to have a drink with dinner and be below .05 BAC.

Energy Efficient Sustainable Restaurants

Restaurants are the retail world's largest energy user. Foodservice businesses use almost five times more energy per square foot than any other type of commercial building. There are limits to how much energy can be saved in the foodservice industry due to food safety considerations, where it is vital that food be cooked, heated, cooled and stored at the appropriate temperatures. Nevertheless, British Columbia's foodservice industry began taking measures to reduce their carbon footprint and save energy even before the green shift carbon tax initiative was implemented.

Restaurants have begun to implement a number of strategies to reduce energy consumption, including using more energy-efficient lighting, and purchasing more energy-efficient kitchen equipment such as stoves, ovens, coolers and ventilation systems.

CRFA partnered with the Green Table Network to develop a Centre for Sustainability and provide seminars on sustainable restaurant best practices at the 2008, 2009, and 2010 BC Foodservice Expos. The feature is very popular with the trade show's 5,000 foodservice industry attendees and will be featured again at the 2011 BC Foodservice Expo taking place January 30th and 31st at the new Trade and Convention Centre. Unfortunately, many independent restaurant visitors to the Centre for Sustainability stated that they could not afford the initial capital outlay to purchase some of the energy saving equipment and realize the long term savings despite existing incentives.

More needs to be done to promote foodservice industry participation in various green initiatives. One possibility is to explore the possibility of developing a leading-edge platform to distribute sustainable best practices, resources and tools that would amalgamate new and existing energy efficiency and sustainability incentive and certification programs. The program could help all foodservice operators produce measurable, verifiable GhG reductions via retrofits for direct energy reductions, as well as other marketable results to benefit their communities.

BC could also work with CRFA to develop a program to provide participating restaurants with a "**carbon rebate**". Rebates would be scaled to provide a clear incentive to all sectors, from small independents to leading multi-unit operators.

CRFA recommends that the Government of British Columbia provide restaurateurs with additional incentives to purchase new energy efficient equipment.

CRFA recommends that the Government of British Columbia work in partnership with CRFA to promote industry participation in green initiatives including a foodservice industry carbon rebate program.

Foodservice Regulation Business Lens

British Columbia's foodservice industry has been side swiped by a number of public policy initiatives in recent years and would like some cost stability when it comes to government-imposed costs. Given the low margins in the foodservice industry, many CRFA members feel that government is killing them with a thousand cuts, where each cut by itself is not fatal, but the combination of cuts can be.

CRFA and British Columbia's foodservice industry appreciated the government's first mandate initiative to reduce regulatory burden and red tape, but the foodservice industry continues to be side swiped by public policy initiatives that impede its ability to run successful businesses. HST is the obvious example of how a public policy initiative negatively impacts the foodservice industry, but there have been numerous other examples in recent years with most recent being how the industry was side swiped by the new .05 BAC drinking driving penalties.

If our industry is important to the Government of British Columbia, introducing a foodservice industry business lens process would be an important step to ensure the industry is not surprised and unintentionally side swiped by additional costs associated with various public policy initiatives.

CRFA recommends that the Government of British Columbia develop a foodservice industry business lens process that will weigh the impact of potential future public policy initiatives on the foodservice industry before implementing them.

Growing BC's Tourism Industry & Leveraging Olympic Success

British Columbia's foodservice and hospitality industry played a key role in making the Olympic and Paralympics an unparalleled success. The industry showed the world that BC hospitality is second to none. From our ethnically diverse group of world class chefs at fine dining establishments, to caterers serving thousands of visitors at hundreds of Olympic events as well feeding the athletes of the world and 25,000 volunteers, our industry performed exceptionally well. Hundreds of Vancouver and Whistler restaurants also provided a critical public service as they opened their washroom facilities to the thousands of fans and spectators from the streets regardless of whether they were customers. Most importantly, despite working long hours in difficult circumstances our staff maintained the friendly, helpful demeanor that we are known for. The world was truly impressed by what our industry had to offer. Now our challenge is to maintain the momentum of the Olympics to show the world that we are a unique, world class culinary destination.

CRFA recommends that British Columbia's world class restaurant and foodservice industry play a larger role in marketing British Columbia to the world. We are the best place on earth and also the best place to dine out. We must market British Columbia as a world class culinary destination.

Canadian Restaurant and Foodservices Association

The Canadian Restaurant and Foodservices Association (CRFA) is the largest hospitality industry association in Canada and in British Columbia. Since its founding in 1944, CRFA has grown to more than 33,000 members, including more than 4,000 British Columbia based members. Members include restaurants, quick-service establishments, hotels, caterers, institutions, educators and foodservice suppliers.

The association is funded by membership fees and non-dues income from member services and trade shows. CRFA's mission statement expresses our function: ***"To create an environment to help members in every community grow and prosper"***. Creating "an environment to help members" includes working to influence government policy in a fashion that will allow our industry to grow and employ more Canadians.

For more information about the Canadian Restaurant and Foodservices Association please visit our website at www.crfa.ca. For more information on the above submission please contact Mark von Schellwitz, Vice President, Western Canada, via email at mark@crfa.ca, or phone at 604-685-9655.

