

Interdepartmental Committee on  
Alcohol Policy in  
Licensed Establishments

Report to Deputy Ministers



This report was submitted by Dr. Robert Strang, chair of the Interdepartmental Committee on Alcohol Policy in Licensed Establishments, to the deputy ministers of the five government departments represented on the committee on April 7, 2008.

This report is available online at [www.gov.ns.ca/hpp](http://www.gov.ns.ca/hpp).

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## *Background*

The Interdepartmental Committee on Alcohol Policy in Licensed Establishments was formed by Executive Council on January 18, 2008, to review policies governing licensed establishments in Nova Scotia as they relate to the issue of excessive and high-risk drinking. The impetus for the establishment of the committee was recent events in the downtown Halifax bar scene that raised concerns about deeply discounted drink prices (“\$1.00 a shot”) and associated advertising.

The committee was given a mandate to consult with relevant stakeholders and to provide advice on alcohol policy in licensed establishments in order to prevent and/or reduce acute and chronic health, social, and economic impacts related to alcohol. Specifically, the committee was asked to review policies related to

- discounted alcohol prices
- advertising of discounted drinks
- hours of operation/hours of alcohol sales
- training of bar staff
- training of security staff

and to provide recommendations to the deputy ministers of the five government departments represented on the committee.

The committee membership consisted of

- Dr. Robert Strang, Chief Public Health Officer, Department of Health Promotion and Protection (Committee Chair)
- Carolyn Davison, Director, Addictions Prevention and Treatment Services, Department of Health Promotion and Protection
- Dennis Kerr, Executive Director, Alcohol and Gaming Division, Department of Labour and Workforce Development
- Barbara Jones-Gordon, Executive Director, Policy Division, Department of Environment
- Cathy MacDonald, Senior Policy Advisor, Department of Tourism, Culture and Heritage
- Dale Darling, Senior Solicitor, Department of Justice
- David MacNeil, Policy Advisor, Treasury and Policy Board
- Greg Beaulieu, Corporate Secretary, Nova Scotia Liquor Corporation

## *Consultation*

Due to the limited time given to the committee to complete its work, stakeholder consultation was conducted by inviting key hospitality, regulatory, policing, and health organizations to present to the committee. Other related organizations were asked to provide written submissions. Lastly, a letter seeking input was sent to every establishment in Nova Scotia holding a liquor licence.

Appendix A lists the organizations that made presentations to the committee and the organizations and licensed establishments that provided written submissions.



## *Findings and Recommendations*

The committee received a variety of opinions on each of the five policy areas.

### *Discounted alcohol prices*

Currently, under the *Liquor Licensing Regulations* a licensee must not sell liquor for less than what it costs to purchase the liquor. In general, policing, health, and education organizations supported the establishment of a minimum drink price, while hospitality industry organizations did not. However, the Lounge and Beverage Room Association, as well as the operators of the two largest cabarets in downtown Halifax (and the two establishments who had been most visible in offering and promoting deeply discounted drinks) supported a minimum drink price. Two dollars and fifty cents was the most frequently suggested minimum price. Newfoundland, New Brunswick, PEI, Ontario, Manitoba, and Saskatchewan have regulations establishing minimum drink prices (ranging from \$1.65–\$3.35). The committee felt that \$2.50 was a good balance between the deeply discounted prices and regular drink prices, was within the range of other provincial minimum drink prices, and would be acceptable to the hospitality industry.

The committee recommends that the *Liquor Licensing Regulations* be amended to establish a minimum drink price of \$2.50 (including all applicable taxes) for a serving of beverage alcohol as follows: 12 oz. of beer, cider, or cooler; 1 oz. of spirits; 5 oz. of wine; 3 oz. of fortified wine. The regulations should also allow for pro-rated minimum prices in direct proportion to volume of liquor should the licensee sell/serve the beverage in larger or smaller volumes. The regulations should also allow for periodic adjustment of the minimum price as necessary.

The committee received some suggestions to require licensed establishments to provide non-alcoholic drinks at a lower price than the minimum drink price, but the committee did not feel that it was practical to require this through regulation. However, the committee does recommend that the hospitality industry be strongly encouraged to adopt such a policy as part of their role as a “responsible industry.”

### *Advertising of discounted drinks*

Currently, under the *Liquor Licensing Regulations*, a licensee may advertise liquor, beer, and wine, including prices and hours of operation, in any medium as long as the advertising meets a number of criteria, including that it does not “encourage people to drink liquor irresponsibly.” In general, the hospitality industry organizations did not support any

changes to existing regulations pertaining to advertising, while several health and policing organizations supported changing regulations to prevent the advertising of drink prices or even to limit advertising by licensed establishments to in-house advertising.

The committee was not able to achieve consensus on this issue, with some members taking the position that no changes to existing regulations were required as the adoption of minimum drink prices would end the advertising of discounted drink prices. Other committee members took the position that the advertising of drink prices by licensed establishments should not be permitted, as there were concerns that advertising drink specials—even at the new minimum drink price—could still be an inducement to over-consumption. The committee did not support limiting advertising by licensed establishments to in-house advertising in isolation of broader limits to alcohol advertising in general, an issue that was beyond the mandate of the committee.

The committee agreed that the problem with advertising that was within the committee's mandate was the aggressive advertising of deeply discounted drink prices by a small number of establishments. The committee unanimously recommends that the issue of advertising by licensed establishments should be closely monitored to see if the establishment of minimum drink prices ends this practice. If it does not, then further compliance/enforcement or regulatory steps may be required.

#### *Hours of operation/hours of alcohol sales*

Currently, under the *Liquor Licensing Regulations* hours of operation for licensed establishments are as follows:

Lounge (437 licensees): Monday to Saturday, 10 am–2 am; Sunday, noon–2 am

Beverage room (14 licensees): Monday to Saturday, 10 am–2 am; Sunday, noon–2am

Cabaret (10 licensees): Monday to Saturday, 11 am–3:30 am; Sunday, noon–3:30 am

Class A club (397 licensees): Monday to Sunday, 10 am–2 am

All licences have an additional one-half hour “drink-up” period before closing is required. During that time no alcohol can be sold nor can any customers be admitted.

These hours of operation have been established for a number of years (in particular cabarets have had 3:30 closing since the 1970s), with the

exception of the 2007 regulatory change that moved Class A clubs and beverage rooms from a 1:00 am to a 2:00 am closing.

The committee heard a variety of opinions on this issue, with policing and health organizations generally supporting reduced hours of operation and hospitality industry organizations supporting current hours or even asking for deregulation. There was no clear evidence presented that linked recent changes in the hours of operation of licensed establishments in Nova Scotia, in particular Class A clubs, with province-wide concerns regarding over-consumption of alcohol and public safety. However, there is reliable information that, given the number of overall liquor licences and cabaret licences in downtown Halifax, as well as the capacity of these establishments, hours of operation may be contributing to public safety concerns in this area. The overall density of alcohol outlets itself also appears to be a contributing factor to public safety concerns.

The committee was in agreement that provincially regulated hours of operation for licensed establishments not be changed at this time. However, the committee was also in agreement that, due to circumstances of establishment density and capacity, a municipality may wish to address hours of operation through municipal by-law.

### *Training of bar staff*

The It's Good Business—Responsible Beverage Service Program has been a required educational component for all new liquor licensees in Nova Scotia since 1995. Originally developed by Health Canada in the early 1990s, the program is currently co-owned in Nova Scotia by the Nova Scotia Department of Health Promotion and Protection (HPP) and the Nova Scotia Tourism Human Resources Council (NSTHRC). Program delivery is mandated by the Nova Scotia Utility and Review Board for all licensees receiving a new licence or a transferred licence or who are found to be conducting business contrary to the Nova Scotia *Liquor Control Act*. The NSTHRC is responsible for conducting all training sessions, for securing program partners and sponsors, and for the development and quality of facilitators. Licensees are granted six months from their licence approval to complete a five-hour manager session, develop in-house policies and guidelines, and ensure that a minimum of 70 per cent of the frontline staff complete the three-hour server training program. Server training is available online through the NSTHRC website.

The NSTHRC and HPP have been working together to initiate a process for updating the program (and to make recommendations for related policies) with industry partners. A literature review of bar server intervention best practices is currently under way, and a terms of

reference for an advisory committee (under the co-leadership of NSTHRC and HPP) has been drafted. Stakeholders were consistently supportive of updating and strengthening the requirements for server training.

The committee unanimously recommends that

1. The NSTHRC, in partnership with the HPP, continue to move forward to update the current It's Good Business—Responsible Beverage Service Program through a stakeholder engagement process.
2. The program update include
  - i. a stakeholder advisory committee
  - ii. a formal review of current program content from both licensee management and employee perspectives, across a sample of licensed establishments, for impact and gaps
  - iii. a formal review of current program policies from both licensee management and employee perspectives, across a sample of licensed establishments, for impact and gaps
  - iv. a scan of current practices elsewhere
  - v. a summary of relevant empirical literature related to best practices
3. The NSTHRC, HPP, and stakeholders review and make recommendations regarding the updating of policies related to the implementation, such as
  - i. requirements and time lines for certification and recertification
  - ii. placing the requirement for training on the individual employee, rather than the licensee
  - iii. systems required (e.g., database) to implement policy changes

#### *Training of security staff*

Currently, there are no regulations or standards for security staff working in licensed establishments. However, the Department of Justice is in the process of developing private security legislation that would establish standards of training and practice for all private security staff, including those working in licensed establishments (security staff means “bouncers” and not regular “door staff”). This legislation would apply only to a licensed establishment that makes the decision to use security staff. In addition, the Department of Labour and Workforce Development’s *Violence in the Workplace Regulations*, which were approved April 4, 2008, will also apply to liquor licensees.

Where stakeholders provided a position on security staff training, it was supportive of mandatory training but also very clear in the need to allow operators to determine the need for security staff vs. regular door and serving staff.

The committee does not feel that any recommendations on the training of security staff are required, given the Department of Justice initiative and the *Violence in the Workplace Regulations*. However, the committee does recommend that a clear process to engage liquor licensees in order to clearly communicate the upcoming regulatory changes regarding security staff training be developed jointly by the Departments of Justice and Labour and Workforce Development.

#### *Additional recommendations*

A number of issues (drugs, gangs, general decreased respect for authority) were presented to the committee as contributing to public safety concerns in downtown Halifax; however, little substantive evidence was given to support these claims. Therefore, the committee was unable to make any recommendations regarding any of these issues.

One issue that was consistently noted by hospitality industry stakeholders was the lack of taxi service in downtown Halifax late at night and how this may be contributing to public safety issues and drinking and driving. The committee recommends that the deputy ministers bring this to the attention of the Mayor of Halifax Regional Municipality.

The committee heard concerns about the need for the Alcohol and Gaming Division to have greater capacity to inspect licensed establishments and enforce the *Liquor Licensing Regulations*. The committee recommends a review of the staffing requirements of the Alcohol and Gaming Division.

## *Summary of Recommendations*

1. The *Liquor Licensing Regulations* should be amended to establish a minimum drink price of \$2.50 (including all applicable taxes) for a serving of beverage alcohol as follows: 12 oz. of beer, cider, or cooler; 1 oz. of spirits; 5 oz. of wine; 3 oz. of fortified wine. The regulations should also allow for pro-rated minimum prices in direct proportion to volume of liquor should the licensee sell/serve the beverage in larger or smaller volumes. The regulations should also allow for periodic adjustment of the minimum price as necessary.
2. The hospitality industry is strongly encouraged to provide non-alcoholic drinks at a lower price than the minimum drink price as part of their role as a “responsible industry.”
3. The issue of advertising by licensed establishments should be closely monitored to see if the establishment of minimum drink prices ends the practice of aggressive advertising of deeply discounted drink prices. If it does not, then further compliance/enforcement or regulatory steps may be required.
4. Provincially regulated hours of operation for licensed establishments should not be changed at this time; however, due to circumstances of establishment density and capacity, a municipality may wish to address hours of operation through municipal by-law.
5. The Nova Scotia Tourism Human Resource Council (NSTHRC), in partnership with the Nova Scotia Department of Health Promotion and Protection (HPP), should continue to move forward to update the current It’s Good Business—Responsible Beverage Service Program through a stakeholder engagement process. The program update should include
  - i. a stakeholder advisory committee
  - ii. a formal review current of program content from both licensee management and employee perspectives, across a sample of licensed establishments, for impact and gaps
  - iii. a formal review of current program policies from both licensee management and employee perspectives, across a sample of licensed establishments, for impact and gaps
  - iv. a scan of current practices elsewhere
  - v. a summary of relevant empirical literature related to best practices

The committee further recommends that the NSTHRC, HPP, and stakeholders review and make recommendations regarding the updating of policies related to the implementation, such as

- i . requirements and time lines for certification and recertification
  - ii. placing the requirement for training on the individual employee, rather than the licensee
  - iii. systems required (e.g., database) to implement policy changes
6. The Departments of Justice and Labour and Workforce Development should develop a clear process to engage liquor licensees in order to clearly communicate the upcoming regulatory changes (*Violence in the Workplace Regulations*; private security guard legislation) regarding security staff training
  7. The deputy ministers should bring to the attention of the Mayor of Halifax Regional Municipality the strong concerns identified through our consultations regarding the lack of taxi service in downtown Halifax late at night
  8. A review of the staffing requirements of the Alcohol and Gaming Division to inspect licensed establishments and enforce the *Liquor Licensing Regulations* should be undertaken.

## *Appendix A: Stakeholder Participation*

### *Presentations*

Of the 12 stakeholder groups invited to present to the committee, 11 participated. They were

1. Tourism Industry Association of Nova Scotia – Darlene Grant Fiander, President, and Lisa Dahr
2. The Nova Scotia Tourism Human Resource Council – Darlene Grant Fiander, Executive Director, and Lisa Dahr
3. Restaurant Association of Nova Scotia – Costa Elles, President, and Gordon Stewart
4. Canadian Restaurant and Foodservices Association (Atlantic Region) – Luc Erjavec, VP Atlantic
5. Hotel Association of Nova Scotia – Mary Dempster
6. Utility and Review Board, Halifax, Nova Scotia – Roland Deveau
7. Lounge and Beverage Room Association – Martina Munden for Tom Brady
8. CDMA, QEII HSC–HI Site Chief, Emergency Department – Dr. John Ross, Chief, Emergency Department
9. Halifax Regional Police Department – Frank A. Beazley, O.O.M., Chief of Police
10. RCMP – Inspector Brad Sullivan
11. Halifax Downtown Business Commission – Paul MacKinnon, Executive Director

### *Written submissions*

Of the 28 stakeholder groups invited to provide written submissions to the committee, 16 provided submissions. Responses were received from

1. South Shore District Health Authority (#1), Bridgewater, CEO, Kevin McNamara
2. South West Nova District Health Authority (#2), Yarmouth, CEO, Blaise MacNeil
3. Colchester East Hants Health Authority (# 4), Truro, CEO, Peter MacKinnon
4. Cumberland Health Authority (#5), Amherst, CEO, Bruce Quigley
5. Pictou County Health Authority (#6), New Glasgow, CEO, Pat Lee
6. Guysborough Antigonish Strait Health Authority (#7), Antigonish, CEO, Kevin MacDonald



7. Cape Breton District Health Authority (# 8), Sydney, CEO, John Malcom
8. Capital District Health Authority (#9), Halifax, CEO, Chris Power
9. QEII Health Sciences Centre IWK Health Centre, Halifax, President and CEO, Anne McGuire
10. Council of Nova Scotia University Presidents, Chair, Dr. Tom Traves, President, Dalhousie University
11. NSCAD University, Halifax, President, Students' Union
12. St. Francis Xavier University, Antigonish, Student Union President
13. Saint Mary's University, Halifax, Students' Association
14. Road Safety Advisory Committee, Kent Speiran, Manager Road Safety
15. Truro Police, Dave MacNeil
16. New Glasgow Police, Delaney Chisholm

*Submissions from licensed establishments*

A letter was sent to all licensed establishments in Nova Scotia. Responses were received from the following:

- Lefty's Restaurant & Lounge, Upper Tantallon
- Our Friends Pub, Portland Street, Dartmouth
- St. Croix Community Club Hall
- Portuguese Social Club, [Dartmouth]
- Royal Canadian Legion, Antigonish
- Embassy Nightclub Argyle Street, Halifax
- Ross Ferry Volunteer Fire Department
- Clyde@thewitch
- Digby Pines, Digby
- Yarmouth Lions Club, Yarmouth
- Rustler's Cabaret, Truro
- The New Palace Cabaret and Halifax Alehouse, Halifax
- OPS Restaurant Group Inc., Stellarton
- Royal Canadian Legion, Liverpool
- Granite Brewery and Ginger's Tavern, Halifax
- Graton-Connor Group, Halifax
- Boomerang's Steak House, Dartmouth
- The Engine Room, Truro
- Unknown

- Dartmouth Seniors' Service Centre, Ochterloney Street, Dartmouth
- The Seadog Saloon, Shelburne
- Fundy Complex, Club 98 Lounge, Dockside Lounge, Digby
- West Side Charlies, New Minas
- Trade Centre Ltd., Halifax
- RCAF Association # 110
- Crown Jewel Resort Ranch, Baddeck
- Ponderosa, Truro
- Wentworth Recreation Centre, Wentworth
- Rylan Jack's Pub & Eatery, Upper Tantallon
- Shore Club, Hubbards
- Columbian Club of Sydney Mines, Sydney Mines
- Rodeo Lounge, Ilsley Avenue, Dartmouth
- Louisdale Lions Club, Louisdale
- Florence Fire Hall, Florence
- East Bay Volunteer Fire Department
- The Old Triangle Pub, Halifax
- Pacifico Bar, Halifax