

## Submission to the Ministry of Finance

### *Liquor Licence and Control Act, 2019: Proposed Regulations*

July 19, 2021

Thank you for this opportunity to comment on proposed changes to regulations under the *Liquor Licence and Control Act*. We are writing to summarize the points made at our July 5 meeting. Our comments pertain to the following items in the consultation paper:

- 4.1: Retail – permissible hours
- 4.2: Retail – grocery
- 4.3: Retail – beer pricing
- 5.1: Social responsibility

We also have feedback about the government’s recent decision to permanently extend measures that were implemented in response to the COVID-19 pandemic.

#### *Permissible hours*

We see no problem with moving permitted hours of sale for alcohol retail to regulation from its current place in the AGCO Registrar’s policy. However, we have concerns about permanently expanding hours of sale by two hours, to 7:00am – 11:00pm. Epidemiological research has consistently shown that extending the hours when alcohol is sold (both on- and off-premise) is associated with increases in motor vehicle accidents, assaults and violent crime, and hospitalizations.<sup>1</sup> Extensions of as little as one to two hours have been observed to result in these harms.<sup>2</sup>

#### *Grocery*

We are pleased that current requirements for alcohol to be sold in contiguous aisles will be retained, but concerned about the proposal to allow cross-promotion of food and other products in those aisles. We understand that energy drinks and “products that promote immoderate consumption” would not be cross-promoted under this proposal, but as mentioned at our meeting, we believe that this nonetheless would contribute to the normalization of alcohol. We also strongly caution against allowing grocery stores to offer discounts on cross-promoted foods, contingent on purchasing alcohol. (Please see the section on pricing below.)

We are alarmed that the sole rationale offered for this proposal is “reducing red tape.” Per the definition of this idiom, the implication is that these regulations are excessive and unnecessary. There may well be regulations under the LLCA that meet this definition, but that is not the case here. We will return to this point below, in the conclusion.

## *Beer pricing*

Scientific evidence has conclusively shown that the most important policy lever impacting alcohol-related harm is price.<sup>3</sup> Ontario has historically had a strong alcohol pricing system. To further strengthen it, we have recommended that the province close loopholes to minimum prices and ensure that minimum prices are applied across all beverage types and sales channels. Those loopholes have until now been limited in scope; to extend them would be ill-advised. We remind you that decreases in the price of alcohol are associated with increases in alcohol-attributable morbidity and mortality, lower life expectancy and an increase in impaired driving and related injuries and fatalities.<sup>4</sup>

## *Social responsibility*

We remain unsure as to the rationale for changing regulations to allow non-licensees to advertise alcohol. We understand that they would be required to advertise in accordance with the Registrar's Standards, which ensures regulation of advertising content. However, a key concern is an expected increase in advertising volume. Exposure to alcohol promotion and sponsorship is associated with earlier initiation to drinking among youth; it is also associated with increased consumption and harm, especially among young people.<sup>5</sup> To the extent that this regulatory change would lead to an increase in advertising, it can be expected to increase alcohol-related harm.

## *Permanent extension of pandemic-related measures*

We also wish to reiterate the risks of making pandemic-related changes to takeout and delivery rules permanent. This unprecedented increase in alcohol availability is certain to have public health consequences.\* Equally alarming, this policy seems to have unintentionally fostered the creation of a new, unregulated retail channel. Some restaurants and bars are marketing themselves as "bottle shops," and anecdotally, it appears that some are selling alcohol outside of permissible hours and/or below the minimum price.

As you know, we had advocated for the temporary pandemic-related exemptions to be allowed to lapse as scheduled, with supports in place for the affected businesses. We understand the need to support the hospitality industry, but it would be difficult to overstate the potential health impact if, in addition to this exponential increase in alcohol availability, Ontario fails to apply existing regulations on price and hours of sale across retail channels.

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\* In British Columbia, the partial privatization of alcohol sales and resulting increase in retail density were associated with significant local increases in rates of alcohol-related mortality. For every 20% increase in private stores, alcohol-related deaths increased by 3.25%.<sup>6</sup> It is also important to note that the expansion of beer and wine sales to grocery stores in Ontario in 2015 has already been associated with an increase in emergency department visits attributable to alcohol<sup>7</sup> and that alcohol costs Ontario \$5.8 billion per year in healthcare, criminal justice, lost productivity, and other direct costs.<sup>8</sup> This number may currently be even higher, since alcohol-induced mortality increased in 2020.<sup>9</sup>

## *Concluding comments*

We understand that the government must strike a balance between considerations of public health and economic development. We also acknowledge that some of the regulations governing alcohol sales date back to the 1920s and can be streamlined without issues. But problems arise when a business lens is applied to alcohol regulations without the acknowledgement that alcohol is no ordinary product and has direct effects on population health. Measures that may seem reasonable from a business perspective are not necessarily appropriate for a product that comes with inherent health risks and causes significant harm, even at lower levels of consumption. (Scientific evidence of this is substantial and continues to grow; [recent research](#) links *moderate* drinking to 1 in 7 of all new cases of cancer.) Cross-promotion, increased hours of sale, and especially alcohol discounts are examples of measures that must be viewed through a public health lens. Ontario's regulations around alcohol availability and price are not red tape. Treating them as such will inevitably increase the health, social, and economic costs associated with alcohol-related harms.

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For more information please see the [CAMH Alcohol Policy Framework](#).

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