



REPORT FOR ACTION

Public Health Implications of the Proposed Increase in Access to Alcohol in Ontario

Date: July 5, 2019

To: Board of Health

From: Medical Officer of Health

Wards: All

SUMMARY

The Ontario Budget, released April 11, 2019, reiterated or proposed changes to how alcohol is sold across the province. This report examines the implications of these changes and responds to the Board of Health's request for a report with recommendations related to the expanded availability of retail sales and extended hours for the sale and consumption of alcohol in the City of Toronto.

The Government of Ontario's changes to how alcohol is sold include: to expand retail alcohol sales to convenience and big box stores, to allow certain providers to serve alcohol starting at 9:00 a.m., to allow permits for "tailgating" at eligible sporting events, and to allow municipalities to designate public areas for alcohol consumption. The Province also recently announced plans to continue expanding alcohol sales in grocery stores and through Liquor Control Board of Ontario (LCBO) "Convenience Outlets" by year-end. Finally, Ontario's Special Advisor for the Beverage Alcohol Review released a report outlining recommendations for retail alcohol expansion that includes working with public health experts to mitigate the social costs related to alcohol.

There is evidence that increasing access to alcohol, through greater retail availability and longer hours in which alcohol is sold, is associated with increased alcohol consumption and higher rates of alcohol-related harms. Overall, the proposed provincial changes significantly challenge efforts to promote responsible drinking, to protect the public's health and safety, and to address the potential economic costs of alcohol consumption.

This report recommends that the Medical Officer of Health work with the City Manager to review the implications of provincial regulatory changes related to increased alcohol access on City services and policies, such as the Municipal Alcohol Policy, and determine appropriate actions. This will support the City's ongoing efforts to promote responsible alcohol consumption. It also recommends the Province consult with local public health units, including Toronto Public Health, and that this report be provided to the Ontario Ministry of Finance as input into their approach to increase access to alcohol, as well as to other relevant organizations for use in updating their programs

and policies to support the incorporation of additional measures to mitigate the social and health harms associated with increased alcohol availability.

RECOMMENDATIONS

The Medical Officer of Health recommends that the Board of Health:

1. Request the Medical Officer of Health to work with the City Manager to review the implications of provincial regulatory changes related to increased alcohol access on City policies and services and determine appropriate actions.
2. Request the Minister of Finance to include local public health units, including Toronto Public Health, among the public health experts consulted on how to mitigate the social costs of increased alcohol access as recommended in the report by Ontario's Special Advisor for the Beverage Alcohol Review.
3. Forward this report to the Ontario Ministry of Finance as input into their proposed approach to increase access to alcohol, which includes working with public health experts to mitigate the social costs of increased alcohol access, as recommended in the report by Ontario's Special Advisor for the Beverage Alcohol Review.
4. Forward this report to the Alcohol and Gaming Commission of Ontario, the Ontario Public Health Association, the University of Toronto, Ryerson University, York University, the Ontario College of Art and Design University, Centennial College, Humber College, Seneca College, and George Brown College for consideration in their programs and policies.

FINANCIAL IMPACT

There is no financial impact associated with this report beyond what has already been approved in the 2019 Operating Budget for Toronto Public Health.

DECISION HISTORY

At its April 8, 2019 meeting, the Board of Health reaffirmed its June 7, 2011 call for a provincial alcohol strategy and requested the Medical Officer of Health report at its June 10, 2019 meeting with recommendations related to the potential increase in access to alcohol, including extended sale and service hours and retail expansion.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.HL4.4>

At its February 26, 2019 meeting, City Council adopted a member motion requesting provincial regulatory changes to allow Liquor Sales License holders to sell and serve alcohol starting at 9:00 a.m. on Saturdays and Sundays.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.MM3.6>

COMMENTS

This report responds to the Board of Health's request for a report back with recommendations related to the impact of proposed changes to alcohol regulation outlined in the 2019 Ontario Budget (released on April 11, 2019), including changes to hours for alcohol sale and service for Liquor Sales License holders and retail alcohol expansion into convenience and big box stores.¹

Alcohol Consumption Trends and Costs

Alcohol is a depressant drug that affects thinking, behaviour, and other physiological functions.² Alcohol consumption remains a leading risk factor for acute harms (e.g. violence, injury, suicide, poisoning) and chronic diseases such as alcoholic liver disease and cancer, as well as fetal alcohol spectrum disorder.^{3,4}

Alcohol consumption patterns in Ontario are concerning. Although men consume more alcohol than women, women drinkers are consuming nearly 90% more alcohol today than two decades ago.⁵ In Canada, the number of hospitalizations due to alcohol consumption has been shown to be higher than hospitalizations from heart attacks, and the economic cost of alcohol exceeds tobacco, cannabis, opioids, and all illicit drugs.^{6,7} Hospitalizations due entirely to alcohol in Toronto increased 14% between 2015 and 2017 (from 170 to 193 per 100,000 persons).⁸ In 2014, alcohol consumption cost Ontario \$1.5 billion in healthcare expenses and \$1.3 billion in criminal justice related expenses.⁷

The alcohol policy changes examined in this report are preceded by retail expansion efforts that started in 2014 with farmers' markets, and followed in 2015 with grocery stores. More recent changes include the lowering of the minimum price of beer (less than 5.6% Alcohol by Volume), freezing of the annual increase in the provincial beer tax, and extending retail hours on Sundays.

Despite the concerning alcohol consumption trends, ongoing action to increase access to alcohol in Ontario and an April 2019 Toronto Board of Health recommendation for a provincial mitigation plan, the Province lacks a comprehensive strategy to address the health and social harms of alcohol use.⁹ As such, the recently announced measures to increase access to alcohol can be expected to further increase health and social harms, in addition to economic costs related to healthcare and criminal justice.

Increasing Alcohol Retail Availability

As of 2018, there were 2,336 retail access points for alcohol in Ontario. In Toronto, there are 298 such points which includes 90 LCBO stores, 66 The Beer Store locations, 45 wine retail store/kiosks, and 44 grocery stores located across the city.¹⁰ Other retail formats include duty-free stores, on-site brewery and distillery stores, the LCBO online store, farmers' markets, commercial liquor delivery services, and direct sale by Ontario wineries.^{11,12}

On June 6, 2019, the Province announced that 87 additional grocery stores will start selling wine, beer and cider, raising the number of grocery stores selling alcohol in

Ontario to 450, the maximum amount permitted under the Master Framework Agreement that the Government of Ontario signed with The Beer Store in 2015. In addition, the LCBO announced plans to open 210 additional "LCBO Convenience Outlets" by the end of 2019.¹³

In the 2019 Ontario Budget,¹ the Province reiterated its plan to expand alcohol retail sales to convenience and big box stores in Ontario. There are approximately 9,000 convenience stores in Ontario.¹⁴ There is evidence that increasing privatization of alcohol retail sales and increasing access to alcohol overall, including by expanding retail availability, is associated with increased alcohol consumption and alcohol-related harms.⁹

The recently released report, 'The Case for Change: Increasing Choice and Expanding Opportunity in Ontario's Alcohol Sector', from the Ontario Special Advisor for the Beverage Alcohol Review includes recommendations to inform the provincial government's proposed retail alcohol expansion.¹⁵ These recommendations include taking a phased approach, as well as working with public health experts to ensure that retail alcohol expansion does not lead to increased social costs. The Medical Officer of Health recommends that local public health units, including Toronto Public Health, be among the public health experts providing consultation to the Province and that additional mitigation measures be included to decrease the risk of social and health harms from increased alcohol access. To inform municipalities, the Province, and other organizations, the Ontario Public Health Association (OPHA) has developed a list of potential measures to mitigate the harm of alcohol retail expansion. These measures are outlined in Attachment A.¹⁶

Extending Alcohol Sale and Service Hours

Until recently, the permissible sale and service hours for Liquor Sales License holders (e.g. bars, restaurants) were 11:00 a.m. to 2:00 a.m. (the next day) every day, with the exception of New Year's Eve where alcohol may be sold and served until 3:00 a.m. (on January 1).

In current practice, temporary extensions (for earlier start or later closing times) are often granted on a venue/event basis, city- or province-wide, for events of significance. These extensions provide a balance between enabling extended hours for the sale and service of alcohol, while pre-emptively addressing potential health and public safety issues by planning and mobilising resources. For example, on New Year's Eve, City divisions and partners collaborate to provide free public transit, extend hours of public transit service, deploy additional R.I.D.E checks, and increase media messaging on responsible drinking. The potential for public nuisance is also limited because of the temporary nature of the extension.

Earlier Start Time for Alcohol Sale and Service

As a result of proposals in the 2019 Ontario budget, the hours of sale and service of alcohol were recently changed to start at 9:00 a.m. (from 11:00 a.m.) and end at 2:00 a.m. the next day, on all days, for Liquor Sales License holders, Special Occasion

Permit (SOP) holders, and wineries, cideries, breweries and distilleries with “by the glass” licences.^{1,17}

Evidence indicates that longer hours during which alcohol is sold is associated with increased alcohol consumption and higher rates of alcohol-related harm.¹⁸⁻²⁰ In the long term, the increase in alcohol consumption may increase the risk of alcohol-related chronic disease. Canada's Chief Public Health Officer recently expressed concern with the social acceptance of alcohol consumption and highlighted the role of social acceptance in our collective underappreciation of the wide range of alcohol-related harms in her 'Report on the State of Public Health in Canada 2018: Preventing Problematic Substance Use in Youth'.⁴

There are some considerations for the City of Toronto from implementation of an earlier start time (from 11:00 a.m. to 9:00 a.m.). For example, event organisers with Special Occasion Permits or Caterer's Endorsements obtained from the Alcohol and Gaming Commission of Ontario (AGCO), must also meet terms outlined in the City of Toronto Municipal Alcohol Policy (MAP) to be approved for a City permit for hosting an event on City property where alcohol is served.²¹ The MAP promotes the health and safety of participants through a responsible, managed approach to the serving and consumption of alcoholic beverages. The City has chosen to include terms in the MAP that go beyond those required by the AGCO. For example, free drinking water must be available to participants, and the latest closing time for alcohol service is 1:00 a.m. This report recommends that the implications of the recent provincial regulatory changes on policies such as the MAP, as well as other City policies and services, be reviewed to determine appropriate actions. This may include the incorporation of additional public health mitigation measures to manage and reduce risks (e.g. enhanced security), to support the City's ongoing efforts to promote responsible alcohol consumption.

Later Closing Time for Alcohol Sale and Service

In addition to an earlier permissible start time, the 2019 Ontario Budget stated that the Province will consult further on measures related to the additional extension of hours; the expected change is to extend closing hours past the current permissible time of 2:00 a.m. There is evidence that later closing times are associated with heavy drinking and acute harms, including violence and injury.²²⁻²⁵ There are also implications for public nuisance issues such as noise, public intoxication, and other crowd-related issues.

As noted above, there is an existing mechanism to allow the temporary extension of closing times (for alcohol sale and service) that also protects public health and safety and minimises public nuisance. Given there is an existing mechanism in place, the benefit to extending the permissible closing time beyond 2:00 a.m. for Liquor Sales License holders on a permanent basis is unclear.

Additional Regulatory Changes Announced in the 2019 Ontario Budget

In addition to the changes discussed above, the 2019 Ontario Budget¹ proposed seven more regulatory changes affecting alcohol sales, including the following (see Attachment B for the full text version):

- Creating a new "tailgating" permit for sporting events, including professional, semi-professional and postsecondary sporting events;
- Permitting municipalities to designate public areas for the consumption of alcohol (i.e. to allow public drinking);
- Eliminating prescribed serving sizes for "by the glass" licences for wineries, cideries, breweries and distilleries serving at manufacturing sites;
- Allowing advertising for "happy hour";
- Pausing the annual increase to the Wine Tax;
- Reducing the cost of beer at the Royal Canadian Legion halls; and,
- Allowing casinos to advertise complimentary alcohol.

The Ontario Public Health Association (OPHA) has prepared an assessment of these proposals, including potential implications and considerations for municipalities.¹⁶ Toronto Public Health is in agreement with OPHA's assessment.

Several of the regulatory changes noted in this report have implications for services provided by municipalities, agencies and postsecondary institutions; therefore it is recommended that this report be forwarded to these groups for consideration in their programs and policies to support the incorporation of additional measures to mitigate the social and health harms associated with increased alcohol availability.

To better understand the health impacts of these regulatory changes, Toronto Public Health will explore opportunities to enhance surveillance for substance use and related harms. Toronto Public Health will continue to monitor this issue and other developments related to these changes in general, and advise the Board of Health as necessary.

Conclusion

Overall, the multitude and pace of the proposed changes to alcohol regulation outlined in the 2019 Ontario Budget challenge efforts to promote responsible drinking and to address the potential economic cost of alcohol consumption. Given the Ontario context, including increasing levels of alcohol consumption, and lack of a comprehensive provincial alcohol harm mitigation strategy, there is a high likelihood that these changes will negatively impact public health and safety.

This report has outlined opportunities to mitigate the public health and safety concerns related to increasing access to alcohol. This includes incorporating additional strategies to decrease the risk of social and health harms into the proposed provincial approach. It also includes reviewing the implications of these changes for City services and policies, such as the Municipal Alcohol Policy, in order to determine appropriate actions that may include incorporating additional public health mitigation measures. It is expected that collectively, these actions will contribute to minimizing the impact of the proposed changes to the health and safety of Toronto residents.

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SIGNATURE

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ATTACHMENTS

Appendix A - Measures to Mitigate the Harm of Alcohol Retail Expansion
Appendix B - Changes to Alcohol Regulation in the 2019 Ontario Budget

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Appendix A - Measures to Mitigate the Harm of Alcohol Retail Expansion

The following is a list of measures to mitigate the harm of alcohol retail expansion as proposed by the Ontario Public Health Association (OPHA) in their Preliminary Assessment of Alcohol Regulations Proposed in the 2019 Ontario Budget.¹⁶

- Expanding slowly, with careful attention to evaluating the impact, and addressing health and safety issues.
- Ensuring adequate funding for the Alcohol and Gaming Commission of Ontario such that it has sufficient capacity to enforce the *Liquor License Act* and regulations in the expanded private retail environment as well as new oversight responsibility inherent with other regulation changes.
- Requiring municipal government endorsement of a retail sales license, including the posting of a public notice of a licence application, to ensure that new access points are in the interest of the community.
- Requiring a site and community safety assessment of new retail access points.
- Requiring minimum site safety and security measures for new retail access points (e.g. interior and exterior lighting, video monitoring). The Registrar's Standards for Cannabis Retail Stores may be a starting point for convenience stores selling alcohol.
- Requiring the same operating parameters as grocery stores that are licensed to sell alcohol, including (a) minimum age of 18 years and SmartServe Training for staff involved in selling or sampling alcohol, (b) prescribed hours of sale, (c) rules for the display of product including securing product outside of prescribed sale hours, (d) restrictions on marketing and financial inducements including agreements with manufacturers and the exchange of loyalty points as payment for alcohol, (e) wholesale purchase from the LCBO, (f) price structure, (g) restrictions on product format and alcohol content (e.g. sales of spirits are not permitted), and (h) posting of signage related to *Sandy's Law*.

Appendix B - Changes to Alcohol Regulation in the 2019 Ontario Budget

Excerpt 1 taken from 2019 Ontario Budget

Early wins for the people

As the government continues to develop a plan for alcohol reform, it is listening to the people of Ontario and moving forward with a number of initiatives to improve consumer choice and enable opportunities for businesses in the near-term by:

- *Creating a tailgating permit for eligible sporting events. Eligible events would include professional, semi-professional and postsecondary sporting events. This change will allow Ontario sports fans to participate in legal tailgating events similar to those permitted in many U.S. states.*
- *Introducing legislation permitting municipalities to designate public areas, such as parks, for the consumption of alcohol. Ontario would be joining other provinces, including British Columbia, Alberta and Quebec that provide a similar authority to municipalities.*
- *Providing flexibility for wineries, cideries, breweries and distilleries to promote their products at manufacturing sites by removing the prescribed serving sizes for “by the glass” licences.*
- *Extending hours of alcohol service at licensed establishments — including bars, restaurants and golf courses — to a 9:00 a.m. start, seven days per week. Hours of alcohol service will also start at 9:00 a.m. for “by the glass” licences, and Special Occasion Permits. The government will continue consulting further on measures related to the additional extension of hours.*
- *Changing advertising rules to allow for “happy hour” in Ontario. This would allow licensed establishments to advertise their promotions as they do in British Columbia and Alberta.*
- *Introducing legislation to pause the previous government’s changes to the Wine Tax, which was scheduled to increase on April 1. The proposed change would leave more money in the pockets of Ontario wine consumers.*

These changes are expected to be in place by summer 2019.

In addition, the Province is evaluating ways to reduce the cost of beer at the Royal Canadian Legion halls by fall 2019.

Excerpt 2 taken from 2019 Ontario Budget

In addition, the government will begin allowing casinos to advertise complimentary alcohol. This change will level the playing field for Ontario casinos and enable them to compete more effectively with those in the United States.