To: All Medical Officers of Health and Boards of Health in Ontario

From: The Ontario Public Health Association Alcohol Work Group

Date: May 30, 2017

**Briefing Note**

**Modernization of Alcohol Sales in Ontario**

Since early 2014, the Ontario government, led by the Ministry of Finance, has taken calculated measures to rapidly and fundamentally transform the retail sale and distribution of alcohol. By July 1st, 2017, 206 grocery stores will be authorised to sell alcohol; up to 450 authorisations for grocery stores are planned. Other changes to alcohol distribution have taken place including VQA wine sales at Farmers’ Markets and the introduction of the LCBO's e-commerce and delivery platform.

This briefing note outlines the key public health concerns related to the government's approach to alcohol retail sales and distribution, highlights the lack of provincial leadership to address the potential harms of increased access to alcohol, and documents the actions that have been taken to date by the government and public health units.

**Public Health Concerns**

Alcohol use remains a leading preventable cause of morbidity and mortality in Ontario. Four-in-five adults in Ontario have used alcohol in the past year and more than 1-in-6 of all drinkers are exceeding Canada's Low-Risk Alcohol Drinking Guidelines. Alarmingly, nearly 1-in-10 alcohol users report weekly sessions of binge drinking. Alcohol is also causally related to chronic disease and injury. For example, nearly three thousand cases of cancer are attributable to alcohol use in Ontario (about 2 to4 percent of all new cancers). Alcohol harms extend beyond the user and impacts family, friends, working relationships, and communities. Addressing the harms of alcohol use has major implications for police, EMS, and fire services, the health care system, and public health. It is estimated that Ontario incurs a net loss of $456 million from alcohol-related health care and enforcement costs relative to alcohol revenue.

Research has long established that increasing access to alcohol will lead to an increase in alcohol use and misuse. It is reasonable to be concerned that actions by the Ontario government to increase access to alcohol may directly contribute to increases in alcohol-related morbidity and mortality in Ontario. The potential harms from alcohol were, in fact, anticipated by the government in its 2015 Budget, wherein the Ministry of Finance committed to work with the Ministry of Health and Long-Term Care to develop initiatives to support the safe consumption of alcohol.

Since the December 2015 announcement of the government’s plan to create a province-wide alcohol policy, work on the policy has been stagnant and the government has yet to produce or communicate any comprehensive approach to address the harms of increasing access to alcohol. As shown below, the government has had no such issues in advancing its alcohol modernization agenda and since 2014 has taken calculated steps to rapidly increase the availability of alcohol in Ontario including changes made at the LCBO, AGCO, The Beer Store, farmers' markets, breweries, and winery retail stores.

**Timeline for Ontario Government's Modernization of Alcohol Retail**

* **April 11, 2014:** The Minister of Finance [announced](https://news.ontario.ca/mof/en/2014/04/government-appoints-council-to-review-hydro-one-opg-and-the-lcbo.html) the [Premier's Advisory Council on Government Assets](https://news.ontario.ca/mof/en/2014/4/premiers-advisory-council-on-government-assets.html) (the Council) to advise the Premier on maximising the value and performance of government business enterprises and Provincial assets, including the LCBO.
* **April 27, 2016:** The government [announces](https://news.ontario.ca/omafra/en/2014/04/vqa-wine-coming-to-farmers-markets-this-may.html) that [VQA wines](http://www.vqaontario.ca/Home) will sold at farmers' markets starting May 1, 2017.
* **November 11, 2014:** The Council released its [initial report](https://www.powerstream.ca/attachments/2014-11-11-draft-report-premiers-advisory.pdf), *Retain and Gain: Making Ontario’s Assets Work Better for Taxpayers and Consumers*, which provided an assessment on the current alcohol retail landscape.
* **April 16, 2015:** The Council released its final report on **beer sales**, *Striking the Right Balance: Modernizing Beer Retailing and Distribution in Ontario*, which provided recommendations to drastically alter access to beer, including authorising up to 450 grocery stores to sell alcohol. This report is no longer publicly available.
* **April 23, 2015:** The [2015 Ontario Budget](http://www.fin.gov.on.ca/en/budget/ontariobudgets/2015/papers_all.pdf) is released with a commitment to implement the recommendations in the Council's final report on beer sales. The Ministry of Finance commits to work with the Ministry of Health and Long-Term Care to develop initiatives to support the safe consumption of alcohol.
* **May 26, 2015:** The government [announced](https://news.ontario.ca/mohltc/en/2015/05/helping-ontarians-make-informed-nutritional-choices.html) the *Making Healthier Choices Act*, which would have required, in part, the posting of **calorie information for alcoholic beverages** on menus and menu boards in restaurants, convenience stores, grocery stores and other food service premises with 20 or more locations in Ontario. The [final regulations](https://www.ontario.ca/laws/regulation/r16050?_ga=2.206543387.905037781.1493817814-541079678.1493817814) for alcoholic beverages permit a [simplified format](https://files.ontario.ca/hmca_fact_sheets_restaurants.pdf), in addition to regulations that also apply to foods and non-alcoholic beverages.
* **September 22, 2015:** The [Master Framework Agreement](http://www.fin.gov.on.ca/en/consultations/beer/agreement.pdf) was announced between the province and the private owners of The Beer Store. This agreement made some changes to the operations at The Beer Store and LCBO and was necessary for the province to begin implementing its plan for the modernization of alcohol retail sales.
* **December 15, 2015:** The government [announces](https://news.ontario.ca/opo/en/2015/12/ontario-announces-first-58-grocery-store-locations-to-sell-beer.html) the beginning of **beer sales in grocery** **stores** with the authorisation of 58 independent and large grocery stores.
* **December 18, 2015:** The government [announces](https://news.ontario.ca/opo/en/2015/12/ontario-developing-policy-to-support-responsible-alcohol-use.html) its commitment to develop a 'comprehensive, **province wide Alcohol Policy**' to support the safe and responsible consumption of alcohol.
* **February 2016:** MOHLTC leads consultation with health and other stakeholders on an alcohol policy framework with a proposed launch in spring 2016.
* **February 18, 2016:** The Council [released its report](https://www.ontario.ca/page/striking-right-balance-modernizing-wine-and-spirits-retailing-and-distribution-ontario) on **wine and spirit sales**, *Striking the Right Balance: Modernizing Wine and Spirits Retailing and Distribution in Ontario*, recommending (in part) to phase in wine and spirit sales at grocery stores in Ontario.
* **April 22, 2016:** The government [announces](https://news.ontario.ca/en/search?keywords=alcohol&page=3) the regulatory approach for the **sale cider** in grocery stores.
* **June 24, 2016:** The government [announces](https://news.ontario.ca/mof/en/2016/06/ontarios-regulation-of-sale-of-wine-in-grocery-stores.html) the regulatory approach for the **sale of wine** in grocery stores and the [availability](https://news.ontario.ca/opo/en/2016/06/cider-now-available-in-grocery-stores.html) of **ciders** in grocery stores.
* **July 26, 2016:** The LCBO [launched](http://www.lcbo.com/content/lcbo/en/corporate-pages/about/media-centre/news/2016-07-26.html) its **e-commerce platform** with delivery options available, via Canada Post. The creation of the platform was [supported](https://news.ontario.ca/mof/en/2016/07/ontario-launches-online-shopping-through-lcbocom.html) by the provincial government and the Council's recommendations.
* **October 6, 2016:** The government [announces](https://news.ontario.ca/omafra/en/2016/10/ontario-supporting-local-fruit-wine-and-cider-in-farmers-markets.html) plans to further expand and support local wine and cider sales at **farmers' markets**. This was preceded by a 2-year pilot project.
* **October 28, 2016:** The government [announces](https://news.ontario.ca/mof/en/2016/10/locations-of-wine-in-grocery-stores.html) the beginning of **wine sales in grocery stores**, with the authorisation of 67 independent and large grocers. Grocers are required to follow [requirements and regulations](http://www.agco.on.ca/en/whatwedo/beer_sales_grocerystores.aspx) that are overseen by the AGCO.
* **February 6, 2017:** A new [round of bidding](https://news.ontario.ca/mof/en/2017/02/ontario-moves-to-expand-beer-and-cider-sales-at-80-more-grocery-stores.html) opened up for 80 locations to sell beer and cider. Up to **210 grocery stores** are expected to be authorised to sell alcohol by the end of June 2017.
* **May 9, 2017:** The government [announces](https://news.ontario.ca/mof/en/2017/05/locations-of-76-new-grocery-stores-authorized-to-sell-beer-and-cider.html) that 76 additional grocery stores have been authorised for beer and cider sales as of June 30, 2017. By July 1, 2017, **206 grocery stores** will be authorised to sell alcohol.