

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

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DATE 05 November 1996

TO/DEST. Co-ordinator, Community Services Committee

FROM/EXP. Acting Medical Officer of Health

SUBJECT/OBJET **RESPONSE TO CSC INQUIRY # 25
THE PUBLIC HEALTH IMPACT OF
CHANGES IN ACCESS TO ALCOHOL IN ONTARIO**

DEPARTMENTAL RECOMMENDATIONS

That the Community Services Committee recommend Council:

1. **Recommend to the Premier, Minister of Health and Minister of Consumer and Commercial Relations that priority be given to public health and safety concerns in considering any changes to the current system of alcohol sales;**
2. **Forward this report, including letters submitted by the community, to other health units, other large municipalities and the Premier, Minister of Health, and the Minister of Consumer and Commercial Relations;**
3. **Recommend to the Premier, Minister of Health and the Minister of Consumer and Commercial Relations that any changes to the current system of alcohol sales include:**
 - a) **A broad and extensive consultation;**
 - b) **Recognition of the importance of investment in prevention, treatment and enforcement;**
 - c) **The maintenance of current taxation and price levels;**

- d) **Effective controls on the sale of alcohol to underage and intoxicated persons including mandatory skills training for staff, frequent inspection, enforcement and deterrent penalties;**
- e) **Awareness of the potential public health impact of changes in outlet density and hours of sale.**

PURPOSE

The purpose of this report is to respond to the following Councillor inquiry at the 18 April 1996 Community Services Committee meeting:

The Provincial government is moving towards policies that increase access to alcohol, including longer bar hours and privatization of liquor sales. What are the Health Department's views on the public health impact of increased availability of alcohol? What are the experiences in other jurisdictions?

BACKGROUND

Over the last fifty years in Ontario, many changes have increased access to alcohol. At present, the Ontario government is considering privatizing the sale of alcohol which could further increase access. Research shows that consumption of alcohol increases as access increases. The goals of the Ottawa-Carleton Health Department related to alcohol (as approved by Regional Council in June 1994 as part of the Alcohol Use Harm Reduction Strategy) are: i) to reduce the proportion of the population consuming an average of more than two drinks a day; and ii) to reduce the proportion of the population consuming more than five drinks in one sitting. Regulation and control of access to alcohol is one of the most powerful ways to influence alcohol consumption within a population and regulation is primarily the responsibility of the Province. This report summarizes the public health impact of potential changes to Ontario's system of retail alcohol sales and recommends that Council put forward recommendations that the Province minimize any detrimental effects that a change in policy could have on public health and safety within Ottawa-Carleton.

Abuse of alcohol is a serious public health concern in Ontario. Alcohol, more than any other substance, is directly responsible for, or implicated in, the disruption of families, friendships, household income, workplace efficiency, impaired driving, motor vehicle crashes, boating safety, suicide, assaults and accidental falls resulting in hospitalizations. In the long term, it is linked to various diseases including: a number of cancers, cardiomyopathy, liver cirrhosis, dementia, duodenal ulcers, hypertension, and pancreatitis. The most recent study conducted by the Canadian Centre on Substance Abuse estimates that alcohol costs Ontario \$2.8 billion¹. In return, alcohol provides slightly more than \$1.1 billion in direct provincial revenue².

DISCUSSION

Many changes have increased both consumer choice and the accessibility of alcohol in recent years. These include: a wider variety of beverages; self-service liquor and beer stores; longer hours; “U”-brews and home wine-making; and the expansion of Ontario winery and agency store networks. To balance these changes, Ontario has developed counter-measures to respond to and prevent alcohol-related harm. Some of these counter-measures include: the creation of the Addiction Research Foundation; community information and action programs; health promotion campaigns; addiction treatment centres; support groups for alcoholics and for children and family members of alcoholics; RIDE programs; crisis intervention services; challenge and refusal programs; and many, many health and social supports. A description of alcohol policy changes and countermeasures is included in Annex A. Ottawa-Carleton has developed a large network of community services to address alcohol problems but they are not able to meet all existing needs³.

The public health concern about further privatization of retail alcohol sales system is that removal of key elements of government regulatory control will result in an increase in alcohol consumption with a corresponding increase in alcohol related problems in the community. This report identifies elements of privatization which might lead to increased alcohol consumption. It is recommended that such elements be avoided or mitigated.

Research demonstrates that the following factors directly impact the consumption of alcohol:

- i) Number and Location of Alcohol Outlets;
- ii) Ability to Restrict Access to Minors and Intoxicated Persons;
- iii) Days and Hours of Sale;
- iv) Price and Taxation Levels; and
- v) Government Revenue and the Investment in Prevention, Treatment and Enforcement.

i) Number and Location of Alcohol Outlets

When retail alcohol systems are privatized, there usually is a substantial increase in the number of retail outlets. In Alberta, the number of outlets more than doubled⁴, while in other jurisdictions, the number of outlets increased ten- to twenty-fold⁵. Several studies have found an association between alcohol outlet density, and health concerns including increased robberies, alcohol consumption, traffic accidents and homicide rates^{6,7,8,9}.

When monopolies have been disbanded in other areas of the world and replaced by a system of multiple private retailers, alcohol availability and alcohol consumption often increase substantially. Wine sales increased 15% in New Hampshire, 42% in Alabama, 75% in Montana, 137% in Maine and 150% in Idaho after retail wine monopolies were eliminated¹⁰.

In the U.S., communities are using zoning ordinances to limit alcohol outlets in their neighbourhoods. In Toronto's Parkdale neighbourhood, community groups have begun exploring ways to provide their neighbourhood with a voice in the licensing process, with a view to reducing the number of licensed establishments. While they do not yet have to deal with private alcohol outlets, they are concerned about the proliferation of licensed businesses including fast food outlets with liquor licenses.

The relationship between access to alcohol, consumption and certain alcohol-related problems is well documented in the literature. An international group of scientists recently published their findings which forecast the change in consumption rates and alcohol-related harm likely to occur if Sweden, Finland and Norway change the price of alcohol and/or make changes to the current government retail alcohol distribution systems. In all three countries, when prices were reduced and/or the monopoly was changed, consumption and alcohol-related mortality and assaults increased under all scenarios. (Annex B)¹¹

In Quebec, beer has been sold in corner stores since the repeal of prohibition and wine was gradually introduced for sale during the late 1970's beginning with domestically bottled wines. Very little research exists examining the link between alcohol availability, consumption and alcohol-related harm in Quebec. There are anecdotal accounts of violence and health problems but there are also individuals who do not see any problems with the increased availability of alcohol. In order to understand the real situation in Quebec, further studies are required, similar to those that have occurred in other areas of the world. Otherwise, alcohol-related harm can remain hidden and unrecorded.

It is recommended that Regional Council recommend to the Premier, Minister of Health and the Minister of Consumer and Commercial Relations that any changes to the current system of alcohol sales include a broad and extensive consultation.

ii) Ability to Restrict Access to Minors and Intoxicated Persons

The Health Department's Alcohol Use Harm Reduction Strategy identifies the importance of increasing healthy decision-making about alcohol use among youth and young adults. High levels of binge drinking, inexperience with handling the effects of alcohol, and higher levels of risk-taking result in motor vehicle crashes, falls, drownings, suicides, and assaults. For 15-24 year olds, about 75% of all deaths are from accidental and violent causes. An estimated 30-50% of these deaths involve alcohol¹².

The experience of the Health Department in addressing tobacco sales to minors demonstrates that despite a series of education and enforcement initiatives, over half of the retailers in a recent compliance survey were still willing to sell tobacco to minors¹³. It is likely that privately-run convenience stores would have a similar record with alcohol if they were licensed to sell it. There is indication that the current LCBO and Brewer's

Retail systems maintain an effective practice of challenging and refusing sales to minors and intoxicated people¹⁴.

It is recommended that Regional Council recommend to the Premier, Minister of Health and the Minister of Consumer and Commercial Relations that any changes to the current system of alcohol sales include effective controls on the sale of alcohol to underage and intoxicated persons including mandatory skills training for staff, frequent inspection, enforcement and deterrent penalties.

iii) Days and Hours of Sale

Days and hours of sale have tended to increase when public and private monopolies have been disbanded in other jurisdictions. For example, outlets operate seven days a week with closing hours as late as 2:00 a.m. in Alberta. Studies of days and hours of sale have found correlations with public drunkenness, crime and alcohol-related motor vehicle crashes. In Michigan, Sunday sales were positively correlated with police reports of homicide and assaults, motor vehicle crashes, workplace accidents and liver cirrhosis¹⁵. In Ontario, there is little support for extending retail hours. In a recent survey, 86% of Ontario respondents stated that beer and liquor store hours should remain the same or decrease¹⁶.

The hours of licensed bars and restaurants were extended in Ontario as of May 1, 1996. While it is too soon to assess the impact on public health and safety, this policy change has the potential to increase the rate of harm associated with alcohol consumption. In Ottawa-Carleton, the longer hours may keep some people from travelling across to Hull to continue drinking. Wherever they choose to drink, with extended hours, people may consume more alcohol and experience more fatigue before travelling home.

It is recommended that Regional Council recommend to the Premier, Minister of Health and the Minister of Consumer and Commercial Relations that any changes to the current system of alcohol sales include no increase in hours of sale.

iv) Price and Taxation Levels

Alcohol is “price elastic” -- as prices increase, consumption declines at a faster rate, and as prices decline, consumption increases at a faster rate, especially for youth¹⁷. Policies that set price and taxation levels are therefore essential features of a comprehensive, alcohol-control policy framework. In the U.S., researchers compared the consumption of spirits before and after tax increases in 39 states to several states that had no tax increases. Those states where taxes increased showed a significant decrease in consumption, as well as reduced mortality due to automobile crashes and liver cirrhosis¹⁸.

In Ontario, taxes account for 53% of the price of beer, 69% of the price of wine and 83% of the price of spirits. The most recent public opinion survey undertaken by the Addiction Research Foundation found that 76% of adults surveyed feel that taxes on beverages should stay the same or be increased and only 24% believe taxes should be lowered¹⁹.

It is recommended that Regional Council recommend to the Premier, Minister of Health and the Minister of Consumer and Commercial Relations that any changes to the current system of alcohol sales include the maintenance of current taxation and price levels.

v) Government Revenue and the Investment in Prevention, Treatment and Enforcement

Currently, the sale of alcohol in Ontario provides slightly more than \$1.1 billion in direct provincial revenue. Under a retail system with many private outlets, government revenue from taxation would likely be much lower. Lauzon and Bernard, two Quebec business professors, reviewed the economics of privatization in Ontario, Quebec and Alberta. They concluded that “It is very clear that exchanging reliable and relatively foreseeable revenues for the uncertainty associated with privatization would be harmful to the financial health of the province”²⁰. Increased alcohol consumption by Ontarians would require additional government investment in resources for prevention, treatment, enforcement and other countermeasures to respond to and prevent additional alcohol related harm.

It is recommended that Regional Council recommend to the Premier, Minister of Health and the Minister of Consumer and Commercial Relations that any changes to the current system of alcohol sales include recognition of the importance of investment in prevention, treatment and enforcement.

FINANCIAL IMPLICATIONS

There are no new financial implications for the Regional Municipality of Ottawa-Carleton resulting from this report.

PUBLIC CONSULTATION

A variety of community groups have been consulted in the preparation of this document, including the Substance Abuse Steering Committee of the District Health Council, Youth Services Bureau, Vanier Focus Community Against Drugs, Addiction Research Foundation, Vanier Community Services Centre, Royal Ottawa Hospital, Amethyst Women’s Addiction Centre, National Capital Alliance on Race Relations, Cumberland Township Community Resource Centre, Gloucester Centre for Community Resources, Lowertown Community Resource Centre, Nepean Community Resource Centre, Pinecrest-Queensway Health and Community Services, Somerset West Community Health Centre, Southeast Ottawa Centre for a Healthy Community, Sandy Hill Community Health Centre, Overbrook-Forbes Community Services Association, Military Family Resource Centre of the National Capital Region, Carlington Community and Health Services,

Centretown Community Health Centre, the Community Resource Centre of Goulbourne, Kanata and West-Carleton, United Brewers Warehouse Workers Provincial Board, L.C.B.O., Brewers of Ontario, Ontario Liquor Employees Union, Molson Breweries, Labatt Breweries of Canada, Hart Breweries, Copperhead Brewing Company Limited, The Wine Shoppe, London Winery Limited, Wine Rack, Mac's Convenience Stores, Quickie Convenience Stores, 7-Eleven Food Stores, Hasty Market, Winks Convenience Stores, Becker Milk Company Limited, Pronto Food Mart, Colio Wines and Inniskillen Wines.

Twelve letters were received from organizations during the consultation process. The majority supported the directions proposed in the report. Suggestions or concerns raised during the consultation have been incorporated into the report. These include a discussion of the research available for Quebec and the recent findings of an international scientific panel for the Nordic countries.

Agencies who work with children, youth and families and who see the impact of substance abuse are concerned about initiatives that would make alcohol more widely available throughout Ottawa-Carleton. One letter was also received from the Head Office of Quickie Convenience Stores. As an organization, they recognise the importance of legislation to regulate retail alcohol sales. They do not however, agree with the research findings presented in the report. In response, the Health Department has re-examined the studies and concluded that the data cited is reliable and should be taken into account before changes are made to Ontario's retail alcohol system.

CONCLUSION

The provincial government has declared its interest in divesting its involvement in retail alcohol sales. A review of the research literature and community input indicate that such action by the province may have an impact on health and safety factors in Ottawa-Carleton. The Health Department has, therefore, put forward a series of recommendations for Regional Council to consider making to the province. These recommendations are applicable to any system of retail alcohol sales. Furthermore, in order to increase support for Council's recommendations to the Province, it is recommended that this report, including letters submitted by community members, be forwarded to other health units, other large municipalities, and the Province.

*Approved by
Geoff Dunkley*

ANNEX A**Alcohol In Ontario: Changes, Responses and Trends**

<i>Changes Increasing The Accessibility of Alcohol</i>	<i>Responses and Trends to Limit the Health, Financial, and Human Costs of Alcohol</i>
<ul style="list-style-type: none"> • Bars open in universities and colleges; • Increase in beverage choices; • Move to self-service liquor and beer stores; • Promotion of extra-strength beers; • “U”-brews and home wine making; • Expansion of Ontario winery and LCBO agency store networks; • Introduction of “happy hours” and the expansion of on-site promotion of alcohol; • Longer hours; • Increased number of sports venues where alcohol can be consumed in the stands; • Introduction of credit cards and debit cards for the purchase of alcohol; • Increased sponsorship and promotion activities by producers; and • Recent options to increase media advertising of alcoholic beverages. 	<p>Prevention Responses</p> <ul style="list-style-type: none"> • Creation of the Addiction Research Foundation; • Community-based information & action programs; • School and workplace campaigns about drinking-related issues; • Server Intervention programs; • Challenge and Refusal programs at the point of sale; • Social Marketing Campaigns & counter advertising <p>Treatment and Intervention Responses</p> <ul style="list-style-type: none"> • Increased numbers of addiction treatment facilities; • Expansion of the number of A.A. and other self-help groups; • Increased help for children and other family members of alcoholics; • Increased crisis intervention services; • Many other health, social and recreational services that strengthen and support communities; • RIDE programs operated by the police; <p>Trends</p> <ul style="list-style-type: none"> • Price and taxation levels increasing with the Consumer Price Index over the last decade; • Ageing population; • Increased public awareness of inappropriate drinking-related to work, leisure, sports, home life and other venues; • Expanding consumer consciousness with regard to health, diet and fitness.

This table builds on the work of Dr Norman Geisbrecht, Senior Research Scientist with the Addiction Research Foundation in his article Proposed Privatization of Retail Alcohol Sales in Ontario: Health, Social, Economic and Safety Implications December 1, 1995.

Annex B**Four Scenarios And Their Consequences, Sweden, 1995**

The following chart outlines the expected changes in consumption and alcohol-related harm for Sweden under four scenarios.

	<i>Rise in Consumption</i>	<i>The Number of Alcohol-Related Deaths Increases By:</i>	<i>The Number of cases of assault increases By</i>
<i>The monopoly is abolished but prices remain unchanged</i>	1.1 drinks* per person per week	600	3,000
<i>The monopoly is retained and prices fall to Danish levels</i>	1.7 drinks per person per week	1,000	5,000
<i>The monopoly is abolished and prices fall to Danish levels</i>	2.8 drinks per person per week	1,800	10,000
<i>The monopoly is abolished and prices fall to German levels</i>	5.6 drinks per person per week	4,000	22,000

* Increases in alcohol consumption were originally calculated using the number of Litres of 100% alcohol per person over 15 years of age. These figures were translated to provide the equivalent number of standard drinks per week. One standard drink = 45 ml / 1.5 oz distilled spirits = 150 ml / 5 oz table wine = 90 ml / 3oz fortified wine = 341 ml / 12 oz beer. One standard drink contains 17 ml of 100% alcohol.

*This table is from the international study conducted by Holder et al. and referenced under footnote # 11.

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- ¹ Single et al. The Costs of Substance Abuse in Canada (highlights), Canadian Centre on Substance Abuse, 1996.
- ² Single, Eric. The Impact of Privatization. Presentation at the Information Symposium on Alcohol Privatization/Deregulation. Toronto, November 20, 1995
- ³ Alcohol, Tobacco and Other Drugs in Ottawa-Carleton. District Health Council of Ottawa-Carleton, *July 1991*.
- ⁴ As reported in Giesbrecht, N. Proposed Privatization of Retail Alcohol Sales in Ontario: Health Social Economic and Safety Implications unpublished report Dec 13, 1995.
- ⁵ MacDonald, S. The Impact of Increased Availability of Wine in Grocery Stores on Consumption: Four Case Histories,, *British Journal of Addiction* 81 (1989): 381-383
- ⁶ Wagenaar, A.C. and Holder, H.D. op. cit. 1995.
- ⁷ Parker, M. and Rebhun , L. Alcohol and Homicide: A Deadly Combination of Two American Traditions. Albany, NY: State University of New York Press. 1995
- ⁸ Bass, K. Presentation and discussions at the International Alcohol Policy Conference in Toronto, 1996
- ⁹ Statistics from the Calgary Police Force, 1993 and 1994
- ¹⁰ Wagenaar, A.C. and Holder, H.D. Changes in Alcohol Consumption Resulting From the Elimination of Retail Wine Monopolies: Results from Five U.S. States. *Journal of Studies on Alcohol*. 56(1995): 566-572
- ¹¹ Holder, H.D., Giesbrecht, N., Horverak, O., Norlund, S., Norstrom, Olsson, O., Osterberg, E. and Skog, O.J. (1995) Potential consequences from possible changes to Nordic retail alcohol monopolies resulting from European Union membership. *Addiction* (1995) 90, 1603-1618.
- ¹² Information Action Bulletin, Symposium Planning Group on Privatization, Toronto, November 1995.
- ¹³ Ottawa-Carleton Health Department. Report to Community Services Committee, April 24, 1996
- ¹⁴ Liquor Control Board of Ontario. Challenge and Refusal Report, 1994-95. Toronto, 1995
- ¹⁵ James, D. Alcohol Availability and Control: A Review of the Research Literature. Alberta Alcohol and Drug Abuse Commission: Edmonton, Alberta, 1994.
- ¹⁶ Alcohol, Tobacco, and Other Drugs: Dependence, Problems and Consequences of Use. A report of the 1994 Ontario and Other Drug Opinion Survey , by Angela Paglia, 1995
- ¹⁷ Addiction Research Foundation. Alcohol and Tobacco Taxes: A Public Health Priority. Toronto, 1992.
- ¹⁸ Cook, P.J. The Effect of Liquor Taxes on Drinking, Cirrhosis and auto accidents, pp. 255-285 in M.H. Moore and D.R. Gerstein (eds.) *Alcohol Policy: Beyond the Shadow of Prohibition*. National Academy Press: Washington, D.C., 1981.
- ¹⁹ West, P. Giesbrecht, N. and Pius, B. Alcohol Policy, Consumption Patterns, Access to Alcohol, and Harmful Effects of Drinking: Preliminary Report, 1995 Ontario Survey. Addiction Research Foundation: Toronto, 1995.
- ²⁰ Lauzon, Léo-Paul and Michel Bernard. Contribution of the Liquor Control Board of Ontario to Public Finances, and Risks Associated with Privatization. Department of Administrative Sciences, University of Quebec in Montreal. November 1995.