REGIONAL MUNICIPALITY OF WATERLOO

OFFICE OF THE REGIONAL CLERK

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alPHa

April 15, 2010
P16-80

Linda Stewart, Executive Director
Association of Local Public Health Agencies (alPHa)
2 Carlton Street, Suite 1306
Toronto, ON M5B 1J3

Dear Ms. Stewart:

Re: The Healthy Choice for Our Community – Public Liquor Control Boards

Please be advised that the Council of the Regional Municipality of Waterloo at their regular meeting held on April 14, 2010, approved the following motion:

> **THAT the Region of Waterloo, as the Board of Health, send a copy of this report to the Minister of Finance, supporting the government's current direction not to privatize the Liquor Control Board of Ontario (LCBO);**
>
> **AND THAT a copy of this report be sent to the Minister of Health and Long Term Care, Minister of Health Promotion and to the Association of Local Public Health Agencies (alPHa). [PH-10-013]**

Please accept this letter for information purposes only. If you have any questions about this report, please contact Dr. Liana Nolan, Commissioner/Medical Officer of Health at 519-883-2240.

Please forward any written responses to this letter to Kris Fletcher, Director, Council & Administrative Services/Regional Clerk.

Yours truly,

S. Natolochny

Stevie Natolochny (Mrs.)
Council/Committee Support Specialist

SN/tp

cc: Dr. L. Nolan, Commissioner/Medical Officer of Health

784991

REGION OF WATERLOO

PUBLIC HEALTH
Healthy Living, Planning and Promotion

Report: PH-10-013

TO: Chair Sean Strickland and Members of the Community Services Committee

DATE: April 6, 2010 **FILE CODE:** P16-80

SUBJECT: **THE HEALTHY CHOICE FOR OUR COMMUNITY – PUBLIC LIQUOR CONTROL BOARDS**

RECOMMENDATION:

THAT the Region of Waterloo, as the Board of Health, send a copy of this report to the Minister of Finance, supporting the government's current direction not to privatize the Liquor Control Board of Ontario (LCBO);

AND THAT a copy of this report be sent to the Minister of Health and Long Term Care, Minister of Health Promotion and to the Association of Local Public Health Agencies (alPHa).

SUMMARY:

The Waterloo Wellington Local Health Integration Network area has higher alcohol consumption rates for youth and adults compared to the provincial averages.[1 2] In general, increased levels of alcohol consumption are associated with increased levels of alcohol-related traffic crashes, drowning, falls, fires, suicide, homicide, sexual assault and other violence, and social issues including family disintegration and financial hardships.[3]

Region of Waterloo Public Health has a clear mandate to promote the health of the community, through development of healthy public policies related to the use of alcohol and other substances. Currently, the provincial government is looking at privatizing government assets such as the provincial Liquor Control Board of Ontario (LCBO). Research from Alberta and British Columbia's experiences of privatizing liquor control boards (total privatization and semi-privatization, respectively), clearly shows that the health, social, and economic costs of privatizing alcohol sales, exceed the revenue gained from additional alcohol sales. Provincial liquor control boards manage alcohol access and availability, thereby limiting the alcohol-related harms and associated costs. Furthermore, results of a public survey indicate that the majority of the public in Ontario (80%) believed that the number of places where they could buy alcohol were 'about right'. [4]

In 1996, Regional Council supported a previous Public Health recommendation to oppose the privatization of the provincial liquor control. In 2010, Public Health continues to identify a government controlled public liquor board as the best option for the health and well-being of the community and asks Regional Council to once again support this recommendation.

REPORT:

The Issue

In his March 5, 2010 speech to the Canadian Club[a], the Finance Minister confirmed that the provincial government continues to examine the possibility of privatizing the Liquor Control Board of Ontario (LCBO). Privatization of liquor control boards contradicts the research produced by the World Health Organization[5], The National Alcohol Strategy Working Group[6], and the Centre for

a Available at: http://www.fin.gov.on.ca/en/media/2010/sp0305-canclub.html#100305

Addiction and Mental Health[7] that states public liquor control board systems are an effective means of controlling alcohol consumption and an important component for reducing alcohol-related harm in society. Privatizing liquor sales contributes to increased alcohol consumption through longer hours of sales and increased density of outlets selling alcohol.[8]

Region of Waterloo Public Health has a clear mandate to work on the issue of healthy alcohol policy. The Ontario Public Health Standards (2008) require Public Health to provide policy makers with the information required to enable them to amend or develop new policies having an impact on the prevention of injury and substance misuse.

Locally, our alcohol consumption rates are higher than the provincial average.

- The 2009 Ontario Student Drug Use and Health Survey[9] indicates that hazardous drinking[b] among students Grades 7-12 was higher in the Waterloo Wellington LHIN area (32.6%) than the provincial average (27.5%).

- Adult alcohol use in the Waterloo Wellington LHIN area was significantly higher than the province in the following areas:[10]
  - exceeding drinking guidelines (31% vs. 23%),
  - hazardous drinking (23% vs. 13%),
  - one or more dependence symptoms (12% vs. 6%)
  - one or more alcohol-related problems (29% vs. 20%)

Background

Decades of research link alcohol consumption to an increased risk of injury, chronic disease, and higher health and social costs:

- Alcohol is the third highest risk factor[c] contributing to the national burden of disease, even after the health protective factors of alcohol for coronary heart disease are subtracted[11]
- Alcohol is causally related to over 65 medical conditions[12]
- Even one to two drinks per day can increase risk of illness (liver disease, some types of cancer); and the risk level is related to how much alcohol is consumed over the years[13]
- Increased levels of alcohol consumption are associated with increased levels of alcohol-related traffic crashes, drowning, falls, fires, suicide, homicide, sexual assault and other violence, and social issues including family disintegration and financial hardships[14]
- In 2002, alcohol (a legal substance) [15]
  - accounted for $14.6 billion of the health and social costs in Canada
  - cost the Canadian economy $7.1 billion in lost productivity due to illness and premature death
  - cost $3.3 billion for direct health care and $3.1 billion in law enforcement
  - cost every living Canadian $463

Exclusively Government Controlled Provincial Liquor Boards – The Best and Most Responsible Choice for Alcohol Sales in Ontario

Research indicates that when alcohol sales are privatized[d] alcohol-related harm and associated costs increase. By managing alcohol access, provincial liquor boards reduce the alcohol-related harms that would otherwise occur.[16]

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b Hazardous drinking is defined as a pattern of drinking that increases the likelihood of future medical and physical problems.

c After tobacco and high blood pressure

d As seen in British Columbia and Alberta when they semi- and privatized alcohol sales.

The Impact of Privatization

Provincial liquor boards have intrinsic controls that are effective in managing alcohol-related harm by: [17]

- Restricting physical availability of alcohol through hours of sale and density/number of outlets
- Consistently training employees about their responsibilities to uphold the law
- Social responsibility programs for protecting and educating the public (e.g., posters and other educational materials)
- Maintaining rigorous enforcement levels re: refusal of sales to under age youth and intoxicated customers
- Setting minimum prices (since research shows that price affects consumption levels)[18]

Private, non-government alcohol sales' systems result in:

- Weakening of the intrinsic controls as stated by MADD Canada[19]
  - more stores selling alcohol
  - longer hours for selling alcohol
  - increased sales to underage and intoxicated individuals
  - no controls over alcohol pricing;

  along with increased consumption rates
- Less accountability for upholding social responsibility programs[20]
- Increased government investment for training and monitoring of all retail locations to ensure compliance with the law[21]
- Strong incentives to deregulate alcohol controls and focus on the business side at the expense of public health and safety considerations.[22]

Arguments have been made that privatizing liquor sales would increase revenues. The National Alcohol Strategy states that for every dollar made on alcohol, two dollars are lost on productivity or spent on health care, law enforcement, and the other costs of alcohol related harm.[23]

This is not the first time that Ontario has considered privatization of the LCBO. Previous Ontario governments have reviewed the evidence and decided it was in the best interests of Ontarians to maintain public control over alcohol sales through the LCBO. Furthermore, when surveyed, the majority of the public (80%) believed that the number of places where they could buy alcohol was 'about right'.[24]

The National Impact

Privatization or semi-privatization of the control of alcohol sales in other provinces has negatively impacted the health and health behaviours of Canadians.

In Alberta,

- In the fiscal 1993/1994 years when alcohol sales were privatized, alcohol consumption increased while rates in British Columbia, Ontario, and Quebec declined according to Statistics Canada[25]
- Researchers have concluded that privatization was associated with increases in suicide mortality rates in the province of up to 52%[26]

In British Columbia,

- Following the partial privatization of retail alcohol sales in 2002, the number of liquor stores increased from 786 in 2002 to 1,294 in 2008[27]

- British Columbia's per capita consumption level was on par with the national consumption level between 1998 and 2001, but has been consistently higher than the national average since 2002.[28]
- Based on official sales records between 1998 and 2008, alcohol consumption rates increased by 16% per capita during that time. By comparison, alcohol consumptions rates per capita across Canada were 9.3% during that time.[29]
- The number of deaths attributed to cirrhosis of the liver (one of the most accurate indicators of alcohol-related health harms) increased 38.7% between 2002 and 2007. This is more than four times the increase in rate of deaths from all causes during the same time period.[30]
- By 2014, the BC Centre for Disease Control and the Centre for Addictions Research of British Columbia, estimate that BC hospitalization rates caused by alcohol use will surpass those caused by tobacco use.[31]

The International Impact

MADD Canada (2009) reports that *"one need only look at the experiences in other countries to see the negative impact of increased alcohol availability."* As cited in MADD Canada (2009): [32]

- In Finland, reductions in alcohol prices in 2004 were followed by increases in alcohol-related mortality of 16% among men and 31% among women.
- In Western Australia and Iceland, an overall increase in alcohol-related problems (violence, impaired driving) was found with longer hours of sales.
- In the United Kingdom in 2007/2008, there was a 69% increase in alcohol-related hospital admissions compared to 2002/2003.[e]

The Role of Public Health – Call to Action

The local, provincial, national, and international statistics presented here highlight the enormous cost of alcohol. The Ontario Public Health Association and other national organizations working on alcohol issues have spoken out against privatization of the LCBO. It is essential that policy-makers are made aware of the serious negative impacts of alcohol on individuals, communities, and society, and the evidence for effective policy controls (e.g., government controlled provincial liquor boards).

Public Health plays a key role in a comprehensive approach (prevention, harm reduction, treatment, criminal justice, and advocating for healthy public policy) to reduce risk of injuries and chronic disease related to alcohol.

Based on strong evidence in favour of public control over privatized alcohol distribution and sales, we urge the provincial government to retain full control of the LCBO.

CORPORATE STRATEGIC PLAN:

This report meets Corporate Strategic Objective #1 under Focus Area 3.
Focus Area 3 – Support safe and caring communities that enhance all aspects of health.
Objective 1 – Improve health by reducing or preventing the environmental and social conditions or behaviours that lead to poor health and/or disparity.

FINANCIAL IMPLICATIONS:

NIL

OTHER DEPARTMENT CONSULTATIONS/CONCURRENCE:

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e National Health Service. (2009). *Statistics on Alcohol: England 2009.* UK: The Health and Social Care Information Centre.

NIL

ATTACHMENTS

Appendix A – References
Appendix B – OPHA 2010 Submission to the Minister of Finance

PREPARED BY:

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APPROVED BY: *Dr. Liana Nolan*, Commissioner/Medical Officer of Health

Appendix A - References

[1] Paglia-Boak, A., Mann, R.E., Adlaf, E.M., & Rehm, J. (2009). *Drug use among Ontario students, 1977-2009: Detailed OSDUHS findings. (CAMH Research Document Series No. 27).* Toronto, ON: Centre for Addiction and Mental Health.

[2] Centre for Addiction and Mental Health. (2007). Adult alcohol use in the local health integration networks of Ontario. *CAMH Population Studies eBulletin, May/June 2007, 8(3).* Toronto, ON: Author.

[3] Babor, T., Caetano, R., Casswell, S., Griffiths, E., Giesbrecht, N., Graham, K., Grube, J., Gruenewald, P., Hill, L., Holder, H., Homel, R., Osterberg, E., Rehm, J., Room, R., Rossow, I. (2003). *Alcohol: No Ordinary Commodity – Research and Public Policy.* Oxford, UK: Oxford University Press.

[4] OPHA Endorsing Organizations (Addictions Ontario, Association of Local Public Health Agencies, Centre for Addiction and Mental Health, MADD Canada, Ontario Drug Awareness Partnership, Ontario Public Health Association, Parent Action on Drugs, Toronto Public Health. (2005). *Alcohol and Public Health: The Implications of Changes to Ontario's Beverage Alcohol System.* Toronto, ON: Author.

[5] World Health Organization. (2002). *Alcohol in Developing Societies: a Public Health Approach.* Geneva, SZ: Author.

[6] National Alcohol Strategy Working Group. (2007). *Reducing Alcohol-Related Harm in Canada: Toward a Culture of Moderation.* Canada.

[7] Centre for Addiction and Mental Health. (2004). *Retail Alcohol Monopolies and Regulation: Preserving the Public Interest.* Toronto, ON: Author.

[8] MADD Canada. (2009). *Provincial Liquor Boards: Meeting the Best Interest of Canadians (MADD Canada Policy Backgrounder).* Oakville, ON: Author.

[9] Paglia-Boak, A., Mann, R.E., Adlaf, E.M., & Rehm, J. (2009). *Drug use among Ontario students, 1977-2009: Detailed OSDUHS findings. (CAMH Research Document Series No. 27).* Toronto, ON: Centre for Addiction and Mental Health.

[10] Centre for Addiction and Mental Health. (2007). Adult alcohol use in the local health integration networks of Ontario. *CAMH Population Studies eBulletin, May/June 2007, 8(3).* Toronto, ON: Author.

[11] Babor, T., Caetano, R., Casswell, S., Griffiths, E., Giesbrecht, N., Graham, K., Grube, J., Gruenewald, P., Hill, L., Holder, H., Homel, R., Osterberg, E., Rehm, J., Room, R., Rossow, I. (2003). *Alcohol: No Ordinary Commodity – Research and Public Policy.* Oxford, UK: Oxford University Press.

[12] National Alcohol Strategy Working Group. (2007). *Reducing Alcohol-Related Harm in Canada: Toward a Culture of Moderation.* Canada.

[13] Rehm, J., Mathers, C., Popova, S., Thavorncharoensap, M., Teerawattananon, Y., Patra, J. (2009). Alcohol and global health 1: Global burden of disease and injury and economic cost attributable to alcohol use and alcohol-use disorders. *The Lancet, 373,* 2223-2233.

[14] Ibid

[15] Rehm, J., Baliunas, D., Brochu, S., Fischer, B., Gnam, W., Patra, J., Popova, S., Sarnocinska-Hart, A., Taylor, B. (2006). *The Costs of Substance Abuse in Canada 2002.* Ottawa, ON: Canadian Centre on Substance Abuse.

[16] MADD Canada. (2009). *Provincial Liquor Boards: Meeting the Best Interest of Canadians (MADD Canada Policy Backgrounder).* Oakville, ON: Author.

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[18] Liquor Control Board of Ontario. (2010) Retrieved March 25, 2010 from: http://www.lcbo.com/socialresponsibility/ourcommitment.shtml

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[25] Centre for Addiction and Mental Health. (2005). *Retail Alcohol Monopolies: Privatization, Deregulation, and Alcohol Consumption.* Toronto, ON: Author.

[26] Flam Zalcman, R. & Mann, R. E. (2007/2008). The effects of privatization of alcohol sales in Alberta on suicide mortality rates. *Contemporary Drug Problems, 34,* 589-609.

[27] Kendall, P.R.W. (2008). *Public Health Approach to Alcohol Policy – An Update Report from the Provincial Health Officer.* BC: Office of the Provincial Health Officer.

[28] Ibid

[29] Thomas, G., Stockwell, T., Reist, D. (2009). *Alcohol Pricing, Public Health and the HST: Proposed Incentives to BC Drinkers to Make Healthy Choices.* Victoria, BC: Centre for Addictions Research of BC.

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Appendix B – OPHA 2010 Submission to Minister of Finance, Dwight Duncan

The mission of OPHA is to provide leadership on issues affecting the public's health and to strengthen the impact of people who are active in public and community health throughout Ontario.

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January 29th, 2010

The Honourable Dwight Duncan - Minister of Finance and Chair of Management Board of Cabinet
7 Queen's Park Crescent, 7th floor
Toronto, ON, M7A 1Y7

Dear Honourable Dwight Duncan:

On behalf of the Ontario Public Health Association (OPHA), I am writing to reaffirm our position against any form of privatization of the Liquor Control Board of Ontario (LCBO). This action is in response to recent media coverage on the possible selling of Ontario government assets.

OPHA, a not-for-profit organization formed in 1949, provides an independent voice for citizens committed to improving the health of all Ontarians. Its mission is to provide leadership on issues affecting the public's health and to strengthen the impact of people who are active in public and community health throughout the province. The OPHA Alcohol Workgroup advocates specifically for policies to reduce harm caused by alcohol consumption, the prevalence and gravity of which are similar to those caused by tobacco.

As stated in our letter to Members of Provincial Parliament in December 2004, privatizing the LCBO would jeopardize public health, squander scarce public resources and, under NAFTA rules, be practically irreversible. Alcohol is an addictive drug, and its misuse generates enormous health and social costs for Ontario. Alcohol is the third leading contributor to the burden of disease in developed countries like Canada, accounting for nearly as much damage as tobacco and high blood pressure[1].

[1] World Health Organization. (2009). Global health risks: mortality and burden of disease attributable to selected major risks. Geneva: WHO

Public control over alcohol sales and distribution is one of the most effective and important tools available to curb the deaths, injuries, illness and social costs that result from alcohol misuse[1].

Ontario has considered privatization of the LCBO in the past. A report commissioned by Ontario's Ministry of Finance for the Beverage Alcohol System Review in 2005 concluded that privatization of the LCBO would likely increase alcohol consumption in Ontario by at least 10%, and that this 10% increase in alcohol consumption would act to increase alcohol's mortality burden, or deaths resulting from alcohol, by 13% [2].

There is new evidence supporting the value of a public monopoly on alcohol. A 2008 national study estimated that the privatization of alcohol sales in Canadian provinces would increase the burden due to alcohol by 8-12%. Additionally, privatization would increase alcohol-related costs by 6-12%[3]. Further, a recent study of the effects of privatization of alcohol sales in Alberta concluded that privatization was associated with increases in suicide mortality rates in the province of up to 52%[4].

Previous Ontario governments have carefully reviewed the evidence on the positive and negative aspects of the LCBO privatization proposals, including their likely impact on health and social problems, and have decided that it was in the best interests of Ontarians to maintain public control over alcohol sales through the LCBO. The evidence in favour of public control over alcohol distribution and sales has strengthened in recent years. We therefore urge your government to retain the LCBO and to acknowledge that alcohol is no ordinary commodity.

We look forward to receiving your positive response.

Sincerely,

Liz Haugh
President

c.c. Honourable Dalton McGuinty
Minister Margarett Best
Minister Deb Matthews

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[1] Babor et al. 2003. *Alcohol: No Ordinary Commodity: Research and Public Policy.* Oxford Press. WHO.
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