

## **Submission to the Premier's Advisory Council on Government Assets:**

### **The role of the LCBO in reducing alcohol-related harm in Ontario**

Alcohol, so pervasively consumed in our society, is no ordinary product. It contributes substantially to chronic disease, accidents and social problems. Research clearly indicates that public alcohol monopolies such as the Liquor Control Board of Ontario (LCBO) play an important role in reducing alcohol-related harms and corresponding societal costs.

Alcohol use is associated with a wide range of risks and harms.<sup>1</sup> It is a causal factor in more than 60 diseases and a component cause in over 200 others, including cardiovascular and liver diseases, various cancers, and mental illness. It is also a significant cause of injury and mortality from accidents, impaired driving, violence, and suicide, and alcohol use during pregnancy is a leading cause of congenital disease. These harms place a substantial economic burden on our province, including the costs of chronic and emergency hospital care, criminal justice responses, productivity losses, and more – amounting to at least \$5 billion per year in direct and indirect costs.<sup>2</sup>

Since many of the harms associated with alcohol use are preventable, alcohol-related harms can be mitigated by evidence-based policy. Over the past few decades a consensus has emerged among experts regarding the effectiveness of policies and interventions to control alcohol-related harm.<sup>3</sup> Public control of the sale and distribution of alcohol through a government agency with a social responsibility mandate – such as the LCBO – is known to play a critical role.

As the overall consumption of alcohol increases in a population, the harms from drinking also generally increase. Controlling the availability of alcohol is crucial to reducing alcohol-related harms and attendant costs. Among the most effective interventions are socially responsible pricing of alcoholic beverages, controls on the number of retail outlets and hours of sale, and measures to set and enforce a minimum legal drinking age.<sup>4</sup> These types of policies have been consistently shown to help reduce alcohol-related problems when implemented alongside other population-level and more targeted interventions. They are best implemented by a government monopoly with a social responsibility mandate. In Ontario, the LCBO performs these control functions.

Part of the LCBO's mandate is to promote social responsibility in the consumption of alcohol. Its staff is trained in responsible sales and its Challenge and Refusal program is considered exemplary. The social responsibility initiatives of the LCBO, conducted in partnership with MADD, Best Start and other stakeholders, draw attention to risks of over-drinking, drinking while pregnant, impaired driving, and other alcohol-related problems. The LCBO has also been the province's main distributor of educational materials on Canada's Low-Risk Drinking Guidelines. As such, in Ontario the LCBO serves a crucial function in keeping down avoidable alcohol-related costs.

The advantages of public alcohol monopolies like the LCBO are even more evident when we look at jurisdictions that lack them. Consistent research evidence indicates that privatization of alcohol sales results in a dramatic increase in the number of stores per capita, longer hours of sale, and lower attention to challenge-and-refusal protocols – with a concomitant increase in alcohol-related harms and associated

costs. In Alberta and British Columbia, privatization of alcohol sales resulted in significant increases in mortality rates from suicide and other alcohol-related causes.<sup>5,6</sup> In Alberta privatization was also associated with an increase in criminal offences such as liquor store break-ins and more relaxed enforcement of laws pertaining to underage purchases.<sup>7</sup> Finally, one recent study estimated that privatization of alcohol sales in Canada would result in substantial increases in the country's alcohol-attributable burden, including additional premature deaths and associated direct and indirect costs of between \$828 million and \$1.6 billion annually.<sup>8</sup>

Informed by this strong evidence base, CAMH concludes that Ontario is well served by its current alcohol retail model. Ontarians seem to agree: recent surveys show that about two thirds of adult Ontarians are supportive of the LCBO and oppose privatization.<sup>9</sup> Government decisions around alcohol should be made in the public interest and informed by a public health perspective. In order to reduce the harm from alcohol, priority must be given to evidence-based alcohol policy, which emphasizes the importance of controlling availability. We believe the LCBO provides the best means of doing so.

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**camh** The Centre for Addiction and Mental Health (CAMH) is Canada's largest mental health and addiction teaching hospital, as well as one of the world's leading research centres in this area. CAMH combines clinical care, research, education, policy development, and health promotion to transform the lives of people affected by mental health and addiction issues.

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<sup>1</sup> Babor T, Caetano R, Casswell S, Edwards G, Giesbrecht N, et al. (2010). *Alcohol: No ordinary commodity – research and public policy (revised edition)*. Oxford: Oxford University Press.

<sup>2</sup> Rehm J, Patra J, Gnam W, Sarnocinska-Hart A, Popova S (2011). Avoidable cost of alcohol abuse in Canada. *European Addiction Research* 17: 72-79.

<sup>3</sup> See Babor et al., 2010

<sup>4</sup> Giesbrecht N, Stockwell T, Kendall P, Strang R, Thomas G (2011). Alcohol in Canada: Reducing the toll through focused interventions and public health policies. *Canadian Medical Association Journal* 183: 450-455.

<sup>5</sup> Flam-Zalcman R, Mann RE (2007). The effects of privatization of alcohol sales in Alberta on suicide mortality rates. *Contemporary Drug Problems* 34: 589-609.

<sup>6</sup> Stockwell T, Zhao J, Macdonald S, Vallance K, Gruenewald P, et al. (2011). Impact on alcohol-related mortality of a rapid rise in the density of private liquor outlets in British Columbia: A local area multi-level analysis. *Addiction* 106: 768-776.

<sup>7</sup> Laxer G, Green D, Harrington T, New D (1994). Out of control: paying the price for privatizing Alberta's Liquor Control Board. Toronto: Canadian Centre for Policy Alternatives.

<sup>8</sup> Popova S, Patra J, Sarnocinska-Hart A, Gnam W, Giesbrecht N, Rehm J (2012). Cost of privatization versus government alcohol retailing systems: Canadian example. *Drug and Alcohol Review* 31: 4-12.

<sup>9</sup> Centre for Addiction and Mental Health (2013). Ontarians prefer current controls on access to alcohol. *CAMH Population Studies eBulletin* 14(2).