

Where ON needs work: Selected examples

Policy domain 1: Pricing & Taxation

Level of minimum pricing in ON is lower than recommended for all alcohol sold. Off-premise minimum beer prices are exempt from indexation and minimum pricing is only tied precisely (e.g. \$/L ethanol) to ethanol content for high strength beer. On-premise minimum pricing is not indexed or tied to ethanol content.

ON Minimum Pricing in 2021/22

Note: Price per standard drink for a common container size and beverage strength, expressed in 2021 dollars.

Off-premise (e.g., liquor stores)

Recommended minimum price: \$1.83

Actual prices:

- x Beer: \$1.06
- x Wine: \$1.54
- x Spirits: \$1.63
- x Coolers: \$1.30

On-premise (e.g. restaurants, bars)

Recommended minimum price: \$3.66

Actual prices:

- x Beer: \$2.00
- x Wine: \$1.92
- x Spirits: \$1.97
- x Coolers: \$1.43

Policy domain 2: Physical Availability

Density limits do not apply to all premises in ON and there are only voluntary restrictions on outlet placement to which the LCBO outlets adhere. Hours of sale extend longer than recommended across all premises. ON permits alcohol home delivery, including by a third party (e.g. Uber Eats).

Policy domain 3: Control System

Less than 2% of off-premise retail outlets in ON are government owned and run. There are no policies prohibiting online sales or alcohol sales alongside other goods and services. The alcohol retailer, LCBO, reports to the Ministry of Finance and does not include health and safety in its mandate.

Steps ON can take to improve their CAPE policy scores

The policy domains below are listed in order of impact based on their effectiveness and scope

Note: Grade ranges: A+ = 90-100%; A = 80-89%; A- = 70-79%; B+ = 60-69%; B = 50-59%; B- = 40-49%; C+ = 30-39%; C = 20-29%; C- = 10-19%; D+ = 0-9%; D = 0-9%; D- = 0-9%; F = 0-9%.

ON's CAPE 3.0 Score: 40% (F)

Policy domain 1: Pricing & Taxation

Score 37% (F)

Recommendations

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- x Increase legislated minimum prices to a rate per standard drink (e.g. 17.05mL pure alcohol) of at least \$2.04* for alcohol sold at off-premise retail outlets and \$4.07* for alcohol sold at on-premise establishments, after taxes (*2023 price); extend automatic indexation to include off-premise alcohol and beer sold off-premise; tie minimum prices for all alcohol sold precisely to ethanol content (e.g. \$/L ethanol) rather than to broad strength categories.
- x Update general alcohol prices annually to ensure that all keep pace with Ontario inflation, increase alcohol sales taxes, and tax alcohol at a higher rate than other consumer goods.
- x Set off-premise minimum retail markups to be at least 100% of the landed cost across all beverage types and set on-premise markups at or above the off-premise retail price.

Policy domain 2: Physical Availability

Score 43% (F)

Recommendations

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- x Reduce existing density of off-premise outlets. Strengthen density limits for off-premise outlets and introduce density limits for on-premise establishments. Introduce placement limits for all premises.
- x Reduce and legislate maximum trading hours allowed per week: restrict alcohol sales before 11:00am and after 8pm (off-premise retail outlets) and 1am (on-premise establishments). Prohibit on-premise alcohol takeout. Prohibit alcohol home delivery, including by a third party, from all premises.

Policy domain 3: Control System

Score 24% (F)

Recommendations

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- x Appoint a health and/or safety-focused ministry to oversee alcohol distribution/retail. Require a government wholesaler or equivalent fee between the producer/manufacturer and retailer in all cases.
- x Increase the current 22.9% proportion of government-owned and operated off-premise retail outlets and move towards a full government monopoly. Prohibit alcohol sales beyond traditional channels such as in-7 eleven convenience and grocery stores, in other establishments such as spas

Policy domain 10: Alcohol Strategy
Score 17% (F)

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