

Harms and costs of proposed changes in how alcohol is sold in Ontario

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The Ontario government recently announced its intention to change how alcohol is sold, starting in early 2026, which will include allowing pricing competition among stores and authorizing an additional 8500 privately run convenience, grocery, and big box stores to sell alcohol (<https://news.ontario.ca/en/release/1003988/ontario-consumers-will-be-able-to-buy-beer-cider-wine-and-low-alcohol-ready-to-drink-beverages-at-convenience-grocery-and-big-box-stores>). These changes will result in a 289% increase in the number of alcohol stores in Ontario ($n = 2935$ in March 2023, per the Liquor Control Board of Ontario [<https://aem.lcbo.com/content/dam/lcbo/corporate-pages/about/annual-report/LCBO-FY2023-Annual-Report-ENGLISH.pdf>]), will likely reduce the price of alcohol, and will represent the biggest shift in decades with respect to how alcohol is sold in Canada.

Extensive international evidence suggests that these proposed changes will lead to greater alcohol use and associated harms, which include deaths, emergency department visits, hospital admissions, interpersonal violence, and chronic disease.¹ Analyses of previous deregulations of alcohol policy in Canada support this conclusion. In 2002, British Columbia removed restrictions on the number of privately operated stores that could sell alcohol, resulting in a 34.4% increase in such stores by 2008. Analyses of this change found that every 20% increase in the number of private retail stores per 1000 people was associated with 0.48% and 3.25% relative increases in per-capita alcohol consumption and alcohol-related deaths, respectively.^{2,3} Between 1985 and 1994, Alberta privatized all alcohol stores and increased the number of stores and their hours of operation. These changes were associated with substantial increases in the volume of spirits sold and population-level rates of death by suicide, but no changes in fatal motor vehicle collisions.⁴ In 2015, the Ontario government allowed grocery stores to begin selling alcohol, with 450 stores ultimately introducing sales. An analysis of the first 2 years after this change found that emergency department visits owing to alcohol increased by 6% more over time in regions with a grocery store selling alcohol than regions without.⁵ In 1978, Quebec allowed grocery stores to begin selling wine, which an analysis suggested led to a 10% increase in per-capita wine sales.⁶

In the proposed plans for Ontario, all new stores will be privately operated. Canadian and international evidence suggests these stores confer greater potential risk than government-

Key points

- The government of Ontario recently announced plans to improve “convenience and choice” for consumers starting in early 2026, by expanding alcohol sales into 8500 new privately operated stores and decreasing the price of alcohol.
- Alcohol currently results in an estimated 17 000 deaths in Canada annually and creates a larger health system burden and overall cost to society than any other substance.
- The proposed changes represent the most substantial alcohol deregulation policy in Canada in decades, and a large body of Canadian and international research cautions that these changes may lead to increased alcohol consumption and associated harms.
- We propose instituting mitigation policies at the provincial and federal level — including strengthening minimum pricing on alcohol, mandating warning labels on all alcoholic beverages, and increasing access to screening and treatment for alcohol use disorders — in anticipation of potential harms and costs related to the policy change.

operated stores, owing to longer hours of sale and less attention to preventing sales to underage or intoxicated people.⁷

The Ontario government also plans to allow pricing competition among stores, which is anticipated to reduce the price of alcohol. Robust international evidence shows that higher alcohol prices are associated with reduced use and harm.¹ Specific to Canada, in 2010, the government of Saskatchewan increased the minimum unit price of alcohol, and a subsequent analysis found that every 10% increase in the price of alcohol reduced alcohol consumption by 8.43%.⁸

Excess alcohol consumption is a large and growing burden in Canada. According to a Canadian Substance Use Costs and Harms study (CSUCH; <https://csuch.ca/explore-the-data/>), in 2020 in Ontario, alcohol had a greater health system burden and societal cost than any other substance and was the second leading cause of death after tobacco. Alcohol was estimated to cause 6201 deaths, 258 677 emergency department visits, and 47 526 hospital admissions, and cost society \$7.1 billion. In 2023, the Canadian Centre on Substance Use and Addiction released new guidance on alcohol and health (<https://www.ccsa.ca/canadas-guidance-alcohol-and-health>), which found that there is no level of safe alcohol consumption and

that each additional drink confers an increasing risk. Alcohol consumption is causally related to chronic liver disease and several types of cancer, including breast and colorectal cancer, and most of these harms occur in people who do not have an alcohol use disorder. Alcohol causes indirect harms, such as interpersonal violence and alcohol-impaired driving. Collectively, after adding up government revenue from alcohol sales and societal harms and costs, Ontario lost \$1.9 billion in 2020, or \$0.34 for every standard drink sold in the province.⁹

The proposed changes in Ontario may disproportionately affect systematically disadvantaged groups. Alcohol pricing has larger effects on consumption in people with lower incomes. Moreover, alcohol stores in Ontario concentrate in lower-income regions, a disparity that will likely increase, given the location of Ontario's convenience stores.¹⁰ Allowing more ubiquitous alcohol sales will also make it harder for the estimated 18.1% of people with current or histories of alcohol use disorders to avoid cues and inducements to purchase alcohol.¹¹

Several evidence-based interventions can be implemented by the government of Ontario, the federal government, and health system planners to partially mitigate the potential effects of the proposed alcohol deregulation. First, Ontario currently has policies that ensure a minimum price for alcohol, which rises with inflation. Harms from allowing pricing competition between stores could be partially mitigated by ensuring that competition cannot lead to ultracheap alcohol sold below set minimum prices. Efforts should be made to further increase the minimum price by both the federal (higher excise taxes) and Ontario governments. Second, emerging evidence suggests that placing enhanced warning labels on alcoholic beverages increases consumer awareness of alcohol-related harms, may reduce alcohol consumption, and has equity implications in that the heaviest drinkers are exposed to the highest volume of warning labels.¹² Warning labels fall under federal, provincial, and territorial jurisdiction, and we propose that all levels of government mandate enhanced warning labels on all alcohol beverages. Third, the federal government should urgently review and update regulations on alcohol marketing in Canada. Current regulations on alcohol marketing in Canada were last updated in 1996, and in 1997, responsibility for regulatory compliance was transferred to a self-regulatory industry group, meaning that rules for alcohol marketing in Canada essentially pre-date the Internet.¹³ Finally, concerted efforts across health systems are needed to improve screening for alcohol-related problems and increase uptake of evidence-based therapy (currently, less than 2% of patients receive indicated

evidence-based pharmacotherapy) to help reduce the burden of alcohol harms and mitigate some of the potential increases in risk from the proposed changes.¹¹

The World Health Organization specifically lists restrictions on alcohol availability and alcohol price as 2 of the 5 “best buys” for reducing harm from alcohol (<https://www.who.int/publications/i/item/WHO-NMH-NVI-17.9>). Although current evidence cannot precisely quantify the harms that may arise from the planned changes in Ontario, a public health imperative exists for the government to consider changing course, and for other levels of government and health system planners to implement mitigation strategies.

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