



Convenience Industry Council of Canada: Submission on Alcohol Choice and Convenience for the People

The Convenience Industry Council of Canada is a new association that brings together retailers, distributors and manufacturers that sell products in our channel. Our mission is to advance the interests of the convenience industry through effective advocacy and education, while responding to the needs of our customers. We are proud to represent an industry that contributes over \$22 billion in taxes, employs over a quarter of a million Canadians and brings convenience to communities from coast to coast to coast. We reflect the communities we serve and offer opportunity to new Canadians.

The Convenience Industry Council of Canada wholeheartedly supports the Government of Ontario's ongoing efforts to put consumers first, and reduce regulations on the sale of alcohol in the province. There are close to 10,000 stores across the province, and CICC members are present in thousands of in thousands of communities and neighbourhoods, and often represent the primary commercial outlet for many rural and remote communities across Northern Ontario. Our retailers are the quintessential representation of small business: often operated by family units, many are owned by newcomers to Canada, and constantly facing an uphill struggle against the burdensome regulation which exacerbates the cost of doing business in Ontario.

Our distributors provide a critical link by getting goods from vendors to retailers, most importantly to remote and rural regions. Developing a strong distribution network will be critical to making an open market work. Our distributors can also assist in expanding the presence of micro and craft brewers due to their economies of scale. This would be good for Ontario's small businesses in the beer industry as well as small business operators who run convenience stores.

Our association is strongly encouraging the government to eliminate the outdated regulations that govern the sale of alcohol, and expand the retail market to include corner and convenience stores province-wide. The experience of our members who operate in Quebec has demonstrated that corner stores can and should sell beer and wine. An added benefit has been the promotion of local breweries and wineries. We could replicate this in Ontario. Just as Ontario's craft brewers want their customers to be able to buy their beer in more retail outlets, we also want to respond to the changing demands of our customers who want better access to locally made products on local shelves.

The expansion of alcohol to corner and convenience stores presents a huge economic opportunity for the convenience industry, and the province of Ontario. Based on the conversion costs of a small corner store to an agency store, our members would be likely to invest up to \$50,000 dollars and expand employment by up to 3 people per store, potentially resulting in thousands of new jobs. The transition would also result in a significant number of new capital acquisitions including refrigeration and storage units, stockroom upgrades, and additional point of sale infrastructure. A significant portion of this economic growth would be localized in the rural and remote communities discussed above, where traditional employment opportunities are increasingly limited.

Additionally, the public health concerns about the impact of expanded alcohol retail are dramatically exaggerated. There is no evidence that, when controlling for the legal drinking age, expanded retail sales of alcohol lead to an increase in the youth consumption, which is one of the common misconceptions used to argue in favour of restricting alcohol sales. There is also no clear link between expanded retail and incidents of hospitalization. Quebec, which retails alcohol in convenience and corner stores, has a lower rate of hospitalizations caused entirely by alcohol than Ontario. In fact, the province with the highest impaired driving rates in Canada is Saskatchewan, which maintains its government monopoly through the Saskatchewan Liquor and Gaming Authority.

Deregulating the sale of alcohol also puts the consumer's interests first. From 1993 – 2014, the price of alcohol in Quebec and British Columbia (which both allow the private sale of alcohol) rose below the rate of inflation, while the cost in Manitoba (which was one of the strictest alcohol control regimes in Canada) rose well above it. Some estimates suggest that the alcohol control regime artificially inflates the post-tax price of beer by as much as 50%. Eliminating outdated market regulations which restrict the sale of alcohol will open up significant new market efficiencies and allow customers to keep more money in their pockets, rather than paying to maintain a costly government monopoly.

The Convenience and Corner Store industry is also entering a period of transition. The federal government has introduced dramatic changes to the federal regulations that govern the sale of tobacco, and is rushing to implement these guidelines for political motivations, rather than giving retailers sufficient time to make the necessary adjustments. Removing outdated restrictions on the sale of alcohol would open up a significant new revenue stream for our retailers and allow them to diversify their product offerings.

Additionally, the tobacco experience demonstrates that convenience store and corner store retailers are more than capable of serving as a retail-end distribution point for a controlled substance. Canada continues to maintain one of the strictest tobacco control regimes in the world. Additionally, 75% of all lottery tickets (which also follow a control regime) sold in Canada, are sold at convenience stores. According to the Ontario government's own data, convenience and corner store operators are passing age-verification checks at a rate of 95%. As mentioned above, Ontario convenience stores are heavily regulated and are subject to some of the most punitive fines and penalties in North America. As responsible retailers, our members use age verification training programs to ensure staff are rigorous in checking for ID. In fact, the critical importance of responsible retailing is underscored by CICC's commitment to develop its own responsible retailing program for all age-restricted products. The program will be bilingual and will require that clerks be trained and certified before they are eligible for employment at one of our member's stores. The new program would ensure that convenience and corner store retailers continue to ensure that alcohol is retailed in a safe and controlled manner.

The Convenience Industry Council of Canada welcomes the Government of Ontario's initiative to put consumers first and to reduce the regulatory burden on businesses in Ontario. We are hopeful that the government will follow through on this commitment, and eliminate outdated regulations that restrict the sale of alcohol at corner and convenience stores, and we would be happy to discuss the issue further at your convenience.