

To: Mayor Avis & Members of Council
FROM: Laurie Witherspoon, Treasurer
DATE: October 21, 2014
SUBJECT: Beer Store re: Impact of Communities of Deregulation of the Current Alcohol Retail System

BACKGROUND

At the October 14, 2014 Council Meeting, the letter received from Ted Moroz, President of the Beer Store was referred to the Administration & Finance Executive Committee for recommendation.

During the AMO Conference, a session was facilitated that focused on the relationship between the Beer Store and the communities it operates in across the Province. The panelists discussed the potential impact that deregulation of the current alcohol retail system would have on municipalities, police services and public health units. The Ontario Convenience Store Association is asking to allow the sale of liquor in over 10,000 locations across Ontario.

RECOMMENDATION

The Administration & Finance Executive Committee recommends that the correspondence dated September 15, 2014 from The Beer Store re: Impact on Communities of Deregulation of the current alcohol retail system be received and that no further action be taken.

Council Approval of This Report Will Agree to the recommendation of the Administration and Finance Executive Committee that the correspondence dated September 15, 2014 from The Beer Store re: Impact on Communities of Deregulation of the current alcohol retail system be received and that no further action be taken.

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September 15, 2014

Roy Avis, Mayor
Town of Fort Frances
320 Portage Avenue,
Fort Frances, ON
P9A 3P9

SEP 22 2014

Your Worship:

On behalf of The Beer Store, I want to thank you for your participation in the recent Association of Municipalities of Ontario's 2014 Conference in London. We were very pleased to support the event and help bring together the Conference's 1800 delegates to discuss AMO's role in strengthening our province.

During the Conference, we facilitated a breakfast panel that included London's Chief of Police Bradley Duncan, Peterborough Medical Officer of Health Dr. Rosana Pellizarri and environmental consultant Usman Valiante. The session focused on the relationship between the Beer Store and the communities it operates in across the province. The panellists discussed the potential impacts that deregulation of the current alcohol retail system would have on municipalities, police services and public health units.

This discussion took place in context of calls by the Ontario Convenience Store Association to allow sale of liquor in over 10,000 locations across Ontario. Panellists concluded that the Beer Store's commitment to communities results in:

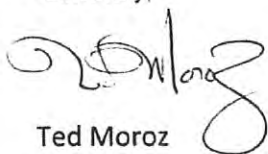
- \$40M in annual savings to municipalities as a result of the Beer Store recycling program;
- Cost-savings to policing as a result of the Beer Store's investment in security and staff training; and
- Prevention of underage drinking and other public health challenges that would increase should the retail system be de-regulated.

The Beer Store helps Ontario achieve all of this while also maintaining the lowest beer prices in Canada. A recent report by Navigant Economics, which analyzed the price of beer in Ontario's Beer Store and Quebec grocers for the entire 2013 calendar year, found that even though Ontario beer taxes were nearly double those in Quebec, the Beer Store's average retail price was still lower. When prices before government taxes were examined the study found average Ontario prices – for 6, 12 and 24-packs – were 18 percent lower in the Beer Store.

That is further evidence that deregulation of the alcohol retail system would increase prices for consumers – which is exactly what happened when Alberta and British Columbia deregulated their retail systems.

We thank you for your participation in the AMO Conference and we look forward to working together in the future to keep your community safe, clean and liveable.

Sincerely,



Ted Moroz
President