

A submission to the BC Standing Committee on Finance and Government Services regarding the 2015 BC Budget

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The **Centre for Addictions Research of BC (CARBC)** (1) at the University of Victoria (www.carbc.ca) was established in 2003 with a \$10 million endowment from the BC Addictions Research Foundation. The Centre's mission is to be an internationally recognized centre dedicated to the study of psychoactive substance use and addiction that supports community-wide efforts to promote health and reduce harm. It has been host to several interdisciplinary research programs with faculty, staff and graduate students from many schools/departments including psychology, sociology, health information sciences, community medicine, nursing, economics, political science, geography and anthropology. Understanding the harms associated with alcohol use and policy responses to these have been major research priorities for the Centre.

14 October, 2014

Summary

Minimizing the availability of low priced alcohol protects public health and safety, government revenues and Canadian industries. Minimum prices for alcoholic beverages in British Columbia are lower than in most other provinces and have not kept pace with inflation. The 2014 BC Government Review of liquor laws specifically recommended updating and increasing minimum alcohol prices and linking these to beverage strength (2). While other measures that will increase alcohol availability and generally lower prices have been implemented, key minimum pricing recommendations have only been implemented in bars and not in the much larger liquor store market.

It is recommended that as a matter of urgency

- x minimum prices and markups for alcohol in BC are adjusted to give consumers incentives for purchasing lower alcohol products in liquor stores,
- x minimum prices for liquor store sales are set at a minimum of \$1.50 per Canadian standard drink (equals 17.05 mL of pure alcohol),
- x minimum prices in bars and restaurants are set at a minimum of \$3.00 per Canadian standard drink ie is linked directly to alcohol content, and
- x minimum prices be regularly adjusted to keep pace with inflation.

An info graphic illustrating the concept of minimum pricing as a public health strategy and some key research findings is attached.

Submission

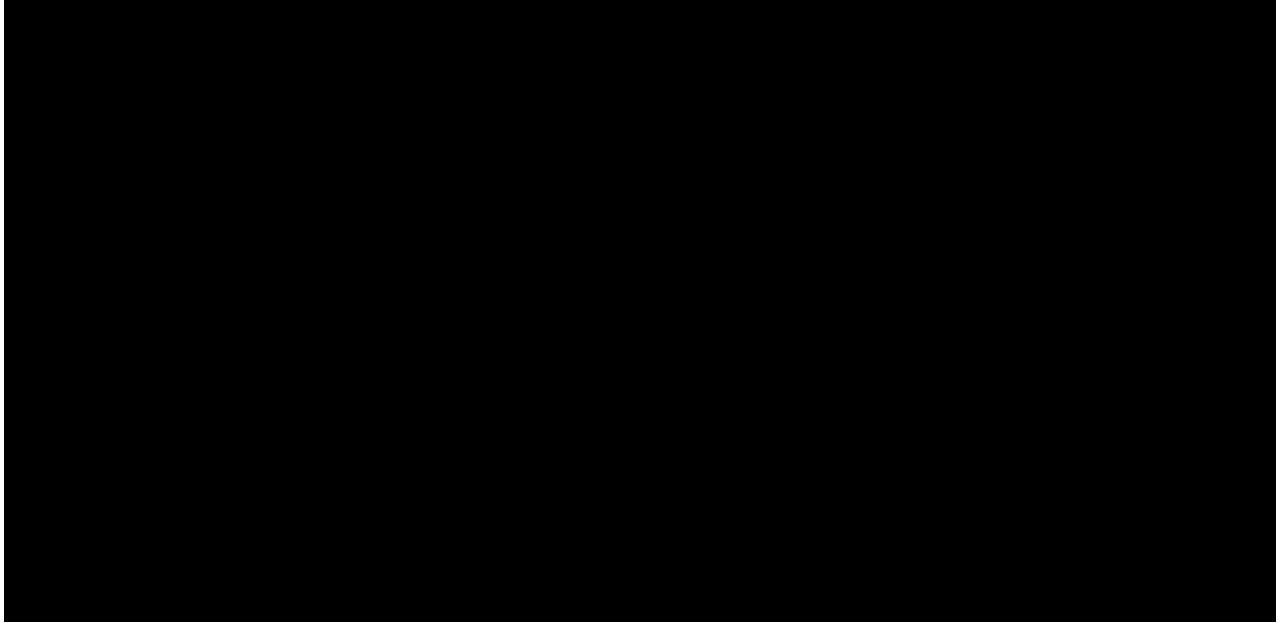
In January 2014 the BC government issued a landmark report on BC's liquor laws, the culmination of an extensive consultation exercise led by the Honourable John Yap MP (2). The major objectives of the Review were to modernize BC's liquor laws while maintaining or increasing government revenues and protecting public health. The BC Government has publicly endorsed all 73 recommendations, most of which will increase the availability of alcohol and thereby risk increasing alcohol-related harms in the community. However, three recommendations (#16, 17 and 18), if implemented effectively, can ensure that other major objectives of the review will still be achieved, i.e., protecting both government revenue and the public's health. Each of these recommendations is concerned with extending and updating minimum alcohol prices both in bars and liquor stores.

The harm associated with alcohol consumption in British Columbia is substantial. The BC Vital Statistics Agency identified 18,752 alcohol-related deaths over the ten-year period between 2002 and 2011 er3rm

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and teenagers (3). The trend in alcohol-related hospital admissions has been upwards in contrast to a downward trend for tobacco-related illnesses (see Figure 1 below)

Figure 1. BC Hospitalization Rates caused by Alcohol and Tobacco



Source: BC alcohol and other drug monitoring project (www.AODmonitoring.ca)

Eliminating cheap alcohol can simultaneously reduce serious alcohol-related harms, help stabilize local markets and protect government revenues. To date, some limited implementation of the minimum pricing recommendations has occurred. A three dollars per "drink" (12 ounces of beer,ss

3. Setting minimum bar prices to three dollars per standard drink instead of per “serve” as at present. This would mean that the minimum bar price for 12 ounces of 8% alcohol/volume beer would be proportionately higher than for 12 ounces of 5% alcohol/volume beer.
4. Adjusting minimum prices with the cost of living at least annually, ideally

illustrated in the Table below. This shows how unlike other provinces the minimum price per standard drink is at a constant of \$1.38 for beers between 3.5% and 5% strength and then rises to \$2 for high-strength beer. Saskatchewan is the only other province in which high-strength beer has a higher minimum price than others.

Similar minimum price incentives favouring high strength products also apply in BC for coolers, wines and spirits, see:

<http://www.carbc.ca/Portals/0/PropertyAgent/558/Files/343/PriceIncentive.pdf>.

Table 1: A comparison of provincial minimum prices per standard drink (17.05 mL of ethanol) for 341mL bottles of beer (includes sales taxes), August 2014

Province	3.5% alcohol beer		5% alcohol beer (standard strength)		8% alcohol beer	
	On premise	Off premise	On premise	Off premise	On premise	Off premise
QC	n/a	\$1.37	n/a	\$1.05	n/a	\$0.68
BC	\$5.01	\$1.99	\$3.51	\$1.39	\$2.07	\$0.87
MB	\$3.63	\$1.38	\$2.54	\$1.38	\$1.59	\$2.00
SK	\$3.22	\$2.26	\$2.25	\$1.55	\$1.41	\$1.62
ON	\$3.23	\$1.71	\$2.26	\$1.22	\$1.41	\$1.13
NB	\$2.06	\$1.64	\$1.44	\$1.15	\$0.90	\$0.71

Comprehensive analyses of all relevant published articles show that a 10% increase in the price of all alcoholic drinks leads to a 4% to 5% reduction in their consumption (9). However, it is not necessary to increase prices across the board to obtain public health benefits. In BC, higher alcohol content drinks tend to be less expensive than

impacts on alcohol attributable hospitalisations. *Am J Public Health*. 2013:e1-e7. Epub April 18, 2013.

7. Stockwell T, Zhao J, Giesbrecht N, Macdonald S, Thomas G, Wettlaufer A. The raising of minimum alcohol prices in Saskatchewan, Canada: impacts on consumption and implications for public health. *Am J Public Health*. 2012 Dec;102(12):e103-10. PubMed PMID: 23078488. Epub 2012/10/20. eng.

8. Brennan A, Stockwell, T., Hill-McManus, D., Giesbrecht, N., Thomas, G., Zhao, J., Martin, G., & Wettlaufer, A. Model-based appraisal of alcohol minimum pricing in Ontario and British Columbia. Victoria, BC: Centre for Addictions Research of BC, University of British Columbia. 2014. (CID 3 BDC 0004 TjE00437W7-31CH-1