Alcohol etc. (Scotland) Bill

Canadian National Alcohol Strategy Advisory Committee (NASAC)

Thank you for inviting the Canadian National Alcohol Strategy Advisory Committee (NASAC) to comment on the Alcohol Etc. (Scotland) Bill. As co-chairs of the NASAC, we applaud the Scottish Parliament on its efforts to address problem drinking, and welcome the opportunity to provide our views on the Bill.

International research evidence clearly shows that increasing the price of alcohol is one of the most effective ways of controlling consumption, and, by extension, many types of alcohol-related harms (Babor et al., 2003; Toumbourou et al., 2007; Wagenaar, et al., 2009). It was the strength of this evidence that led the National Alcohol Strategy Working Group (NASWG) to include several significant pricing recommendations in the first Canadian National Alcohol Strategy (NAS) in 2007 (NASWG, 2007). Among other things, the NAS calls for all jurisdictions to implement minimum social reference prices for alcohol and index them to inflation. Some provincial jurisdictions have already moved to implement these recommendations. For example, Ontario, our most populous province, introduced minimum prices for spirits, wine and beer in 2007 and has recently announced that these will be indexed to inflation annually beginning in July 2010.

Alcohol control policy in Canada is mainly administered at the provincial and territorial level and significant variation exists in how these jurisdictions manage alcohol. At the outset, we should say that Canada has some of the strictest alcohol control policies in the world. For example, all jurisdictions maintain government monopolies over the wholesale distribution of alcohol, and all but Alberta are also heavily involved in retail sales. In addition, Canada has some of the highest alcohol taxes and prices in the world and many jurisdictions have other pricing policies designed to affect alcohol-related harms, including minimum social reference prices. Unfortunately, no Canadian jurisdiction that we are aware of has systematically evaluated the effectiveness of their minimum pricing policies in reducing problem drinking, even though some have had these policies in place for many years.\textsuperscript{1} With this context in mind, we will now answer the specific discussion items included in your letter.

1. The advantages and disadvantages of establishing minimum alcohol sales price based on unit of alcohol

In our view, the main advantage of establishing minimum prices for alcohol is that they may better target heavy drinkers (see below for a summary of some of the research linking minimum prices to heavy drinking). Increasing the price

\textsuperscript{1} A member of the NASAC, Dr. Tim Stockwell, Director of the Centre for Addictions Research of British Columbia at the University of Victoria, has submitted a grant proposal with others to retrospectively study the effects of Canada’s minimum pricing policies on consumption and harms, but we are still awaiting a decision on funding at this time.
of alcohol products is one of the most effective ways of controlling consumption and harms, but these policies are extremely unpopular because they are perceived to “punish the many for the sins of the few.” Although compelling arguments exist for why pricing policies are not as blunt as many believe (Cook, 2008), one of the main advantages of minimum prices is that they may better target problem drinkers, thus sparing light and moderate drinkers from paying significantly more for their alcohol.

The main disadvantage of minimum pricing policies is that they are likely to be regressive in the sense of placing greater burden on those with limited incomes who are frequent heavy drinkers. We feel this is a valid concern and one that should be addressed by governments to ensure adequate funding for treatment and other social services—especially for economically and socially marginalized populations. A second disadvantage of minimum prices is that they will have differential effects on alcohol producers, and businesses focused at the value-end of the alcohol price spectrum may object to the policy as being unfair.

2 The level at which a proposed minimum price should be set and the justification for that level

Although very little systematic research exists to address this question, the work of Murphy and MacKillop (2006)—which looks carefully at alcohol demand functions for college students in the US—suggests that prices above $1.50 (US) per standard drink begin to exert a downward influence on alcohol consumption by young adults. These researchers write: “Demand for alcohol was initially inelastic across low prices but became highly elastic as price increased. Specifically, mean consumption was approximately 7 drinks when price was $0.25 or less per drink and remained high (5 or more drinks) at prices up to $1.50 per drink, then decreased linearly as price increased. Mean consumption decreased by approximately 1.5 standard drinks per dollar price increase in the $1.00 to $4.00 price range. Average consumption was less than 2.5 standard drinks when drink price was $4.00 and less than 1 standard drink at prices greater than $6.00.” (Murphy & MacKillop, 2006:223-224). They also found that the demand functions of heavy drinkers were different than those of light drinkers, as shown in Figure 2.

![Figure 2](image-url)
Figure 3 depicts the percentage of students who said they would engage in risky drinking (five or more drinks) at 14 levels of price. From these data it appears as though price begins to have an effect on risky drinking among US college students above $1(US) per standard drink with the effects most pronounced at prices above $2.50(US). Of course, the effect of price on levels of drinking will be dependent on many factors including income, culture, economic conditions, where the alcohol was being sold (e.g., in a bar or from a store), etc., so these findings will not apply universally. However, the methods used by these authors could be replicated in other places and with other populations to characterize alcohol demand functions and determine the appropriate minimum prices to reduce problematic drinking.

3 The rationale behind the use of minimum pricing as an effective tool to address all types of problem drinking

We should restate that, based on our knowledge of published literature, there is no direct evidence anywhere in the world that minimum pricing policies are effective for reducing harmful drinking at the population level. What does exist are a number of studies from different disciplines which suggest that increasing minimum prices may be an effective way of addressing problem drinking. A few of the most relevant studies are summarized below:

- According to Kerr and Greenfield (2007), the heaviest 10% of drinkers by volume in the US reported spending $0.79US per drink, compared to $4.75US per drink spent by the bottom 50% of drinkers. This suggests that many frequent heavy drinkers gravitate toward cheaper sources of alcohol presumably due to the high costs associated with their use patterns.

- When alcohol prices increase, drinkers tend to react by both reducing consumption and substituting cheaper products for more expensive products (Gruenwald, Ponicki, Holder & Romelsjö, 2006). Heavier drinkers tend to substitute down in price more while light and moderate drinkers tend to reduce consumption more.

- Frequent heavy drinkers are slightly less responsive to price, meaning they do not reduce their consumption quite as much as light or moderate drinkers when prices increase, but they are nonetheless still responsive to price (Wagenaar, Salois & Komro, 2009).

- Frequent heavy drinking is concentrated in the young adult population, and these drinkers tend to be more price-sensitive compared to mature drinkers due to lower average incomes and lower prevalence of alcohol

- In a unique set of studies, which carefully specify the components of individual demand functions for alcohol for different types of drinkers, Murphy and MacKillop (2006) found evidence that policies that eliminate low-cost alcohol are effective for reducing heavy alcohol use among college students (this is the research discussed in Item 2 above).

4 Possible alternatives to the introduction of a minimum alcohol sales price as an effective means of addressing the public health issues surrounding levels of alcohol consumption in Scotland

Other options may be effective in addressing alcohol-related public health issues, including increasing screening, brief interventions and referrals in the general health system and broad education and enforcement efforts to shift the culture toward safer use. However, these approaches have not been shown to be as effective as pricing interventions and they require massive investments in public resources over long periods of time to have an effect at the population level. The advantage of pricing interventions is that they are inexpensive to implement and often have immediate and very strong effects on behaviour (Wagenaar et al., 2009; Barbour et al., 2003). Further, if an increase in tax is used to raise the price of alcohol, revenues to government actually increase as a result of the policy. Under the other scenarios, government will have to increase spending significantly to bring about changes in drinking patterns.

5 The advantages and disadvantages of introducing a social responsibility levy on pubs and clubs in Scotland

Social responsibility levies are not within the expertise of the NASAC.

6 The justification for empowering licensing boards to raise the legal alcohol purchase age in their area to 21

There are arguments made for and against raising the legal drinking age. Perhaps the most persuasive argument for raising it to 21 is to ensure that full driving privileges and full drinking privileges do not coincide for young adults. This is because the risks of alcohol-related road trauma increase dramatically when young adults receive both privileges at the same time. The most persuasive argument for not raising the drinking age is based on the idea that it may be easier to enculturate safe and responsible drinking in older teenagers and young adults when the drinking age is not set so high.

We have a unique situation in Canada because three of our nine provinces set the drinking age at 18 and six have it set at 19. The table below shows the variation in risky drinking patterns and self-reported harms for these three provinces compared to the Canadian average, based on data from the 2004 Canadian Addiction Survey (CAS).
<table>
<thead>
<tr>
<th></th>
<th>5 or more drinks as usual quantity consumed</th>
<th>Weekly heavy drinking (5 or more drinks)</th>
<th>Exceeding low-risk drinking guidelines</th>
<th>Hazardous drinking (AUDIT 8+)</th>
<th>Reporting at least one harm to self in past year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Canada</td>
<td>16%</td>
<td>6.2%</td>
<td>22.6%</td>
<td>17.0%</td>
<td>8.8%</td>
</tr>
<tr>
<td>Alberta</td>
<td><strong>19.4%</strong></td>
<td>6.0%</td>
<td>22.5%</td>
<td>19.1%</td>
<td>9.5%</td>
</tr>
<tr>
<td>Manitoba</td>
<td>19.7%</td>
<td>7.1%</td>
<td>21.4%</td>
<td>18.9%</td>
<td>7.6%</td>
</tr>
<tr>
<td>Quebec</td>
<td><strong>11.3%</strong></td>
<td>6.1%</td>
<td>22.7%</td>
<td><strong>14.4%</strong></td>
<td>8.4%</td>
</tr>
</tbody>
</table>

Note: **Bolded** numbers signify that the difference between the provincial rate and the rate for all of Canada is statistically significant.

Although it is difficult to say conclusively based on this comparison since many other factors are involved, from these data it does not appear that the slightly lower drinking ages in Alberta, Manitoba or Quebec significantly increase the risk of problem drinking in those provinces.

7 **The role of promotional offers and promotional material in encouraging people to purchase more alcohol than they intended**

The role of promotional offers and material is not within the expertise of the NASAC at this time.

We thank you again for this opportunity to comment on the *Alcohol Etc. (Scotland) Bill.* Should you require further information, we would be pleased to participate in oral evidence sessions and provide further written evidence, as required.

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Appendix 1 References Cited


