

Bil Iechyd y Cyhoedd (Isafbris am Alcohol) (Cymru)
Public Health (Minimum Price for Alcohol) (Wales) Bill
Ymateb gan Yr Athro Stockwell
Response from Professor Stockwell



Canadian Institute for Substance Use Research
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November 27, 2017

Dr Dai Lloyd
Chair, Health, Social Care and Sport Committee
National Assembly for Wales
Cardiff Bay
Cardiff, CF99 1NA

Dear Dr Lloyd,

Re: Public Health (Minimum Price for Alcohol) (Wales) Bill.

Thank you for inviting my comments on this important proposed new alcohol and public health legislation. My experience has been principally around evaluating the impact of changes in the minimum price rates applied by Canadian provincial government monopolies, describing the ranges of minimum pricing policies used and analysing them from the perspective of public health. Much of the proposed Bill concerns enforcement practices of which I have some limited local knowledge. In May 2016, the British Columbia's government Liquor Distribution Branch (LDB) applied its minimum pricing regulations explicitly for the first time to private liquor stores along with a system of warnings and fines. Prior to that, minimum prices for applied in government liquor stores and only in theory to private liquor stores which we found in price surveys would be often non-compliant. We did a small evaluation (as yet unpublished) of this new policy which may be relevant to the Welsh situation. It uncovered the fact that the LDB relied heavily on information provided by competitors i.e. if one outlet broke ranks and priced too low, their competitors were naturally keen to draw this fact to the attention of the enforcement agency. The point of this is to suggest that in the regulations thought is given to adequate enforcement structures as well as enabling and encouraging information from the public and from industry members if they see a failure to comply with the new Bill.

In reading your draft Bill (I am no lawyer) I noted a few things. Firstly, the formula for calculating the appropriate price is incredibly elegant and that should aid interpretation and compliance. I think it will also be necessary to provide some kind of app for people to make these calculations - and perhaps a regularly updated and searchable website with information on most commonly available brands.

I notice also how carefully the Bill is worded to stop loopholes such as bulk discounting, multi-buy and other schemes offering alcohol along with other goods as part of a package discount. I expect there may be problems with enforcement of this in practice with questions about what would be the applicable price for the other product if it was not sold with alcohol. Supposing the product was unique and not otherwise available for sale? How would one determine its usual price?

It may be obvious in the UK context, but is it worth stipulating that the minimum price applies to the final retail price inclusive of all sales and other taxes? In Canada we have the bizarre situation that all prices are quoted in retail outlets before such taxes are applied so we would



not make the assumption that it applies to the final price. I wonder though if some retailers might try to claim they misunderstood the Bill in this regard?

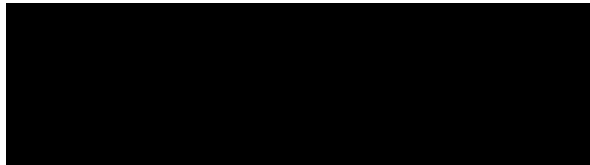
I notice some exemptions include products which are at least occasionally used as alcoholic drinks even if they are not intended to. Cooking wine is a good example. Here we also have medicinal alcohol or "rubbing alcohol" which is sometimes purchased and consumed after being mixed with soft drinks to disguise the flavour and make it more drinkable. It may complicate things too much but you might like to consider including some of these other products and consider ways in which access to them might be limited e.g. if they are available for sale in a department store for the general public then the MUP would apply because risk of misuse is high. If sales of the product are limited to people in a recognised business (e.g. restaurants, food manufacturers) then the lower price could apply. I would note that we have a small problem here with the misuse of non-beverage alcohol, I believe more so than you do in the UK, possibly because we cannot buy products like white cider at ridiculously low prices! However, we have collected evidence that using these products is a last resort for a few people who would mostly use less harmful strategies when they cannot afford alcohol.

I notice the fine is stated as £200 although this might be varied in the future. This strikes me as an incredibly small fine if it were to be applied to a chain of stores where the potential for a mistake to reach many customers is much larger. I recommend consideration is given to varying the fine according to different categories of alcohol suppliers. I also recommend that consideration be given to a system of warnings in the first instance as the legislation is enacted and that repeated offences attract higher fines on a sliding scale.

I may have missed it, but I don't see reference to linking the MUP to the cost of living. This is a really important aspect. A few Canadian provinces (e.g. Ontario) ensure their minimum prices are updated annually. I would recommend if possible updating the MUP quarterly so it doesn't attract so much attention each time it is changed and is routine. Failure to adjust values with inflation will obviously reduce floor prices in real terms and put upward pressure on consumption and, in turn, alcohol-related problems.

Many thanks again for requesting my input. I hope some of these points may be of use. Please do not hesitate to contact me for any further information about our research on minimum prices in Canada.

Sincerely,



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Additional information



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December 5, 2017

Dr Dai Lloyd
Chair, Health, Social Care and Sport Committee
National Assembly for Wales
Cardiff Bay
Cardiff, CF99 1NA

Dear Dr Lloyd,

Re: Canadian evidence examining associations between minimum price changes and levels of alcohol related harm

Please find enclosed/attached some copies of published papers on this topic. These papers focus primarily on British Columbia where my research base is located. Please note that minimum prices have been in operation here for at least 30 years. They have not kept pace with inflation and have only occasionally been adjusted. Our research has examined short and longer term impacts each time a minimum price for a particular beverage is increased. Alcohol industry critics of our research have pointed out that over much of the period we look at, alcohol consumption and related harm has increased despite our having minimum pricing. This criticism indicates a complete lack of understanding of what our research achieved as we simply demonstrated an inverse association between price and harms – for most of the time the value of minimum pricing has declined in British Columbia resulting in increased consumption and related harm. This research was primarily funded by a peer reviewed grant I obtained with a team of other researchers from the US and UK from the Canadian Institutes of Health Research. We also published three papers examining the experience of Saskatchewan where there was an especially sudden change in minimum pricing policy that presented more a clear-cut natural policy experiment. Note that this resulted in estimates of higher impacts on alcohol consumption than in British Columbia.

Please find below a list of the papers (from oldest to newest) provided with comments (**) about their contribution.

1. Hill-McManus, D., Brennan, A., Stockwell, T., Giesbrecht, N., Thomas, G., Zhao, J., Martin, G. and Wettlaufer, A. (2012) Model-based appraisal of alcohol minimum pricing in Ontario and British Columbia: A Canadian adaptation of the Sheffield Alcohol Policy Model Version 2. Technical Report, Centre for Addictions Research of BC, University of Victoria, British Columbia, Canada. See: Services Society by the Centre for Addictions Research of BC, University of Victoria, BC.

<https://www.uvic.ca/research/centres/cisur/assets/docs/report-appraisal-alcohol-minimum-pricing.pdf>

** The Sheffield University modelling team collaborated with us to generate estimates of the potential benefits of introducing minimum unit pricing into Canadian provinces. Of note is that their estimates are highly conservative in comparison with the empirically derived estimates of actual impacts each time minimum price rates have been adjusted in British Columbia.



2. Stockwell T, Auld MC, Zhao JH, Martin G. (2012) Does minimum pricing reduce alcohol consumption? The experience of a Canadian province. *Addiction*, 107(5): 912-20.
<http://onlinelibrary.wiley.com/doi/10.1111/j.1360-0443.2011.03763.x/epdf>

** This paper examined a long time series of precise alcohol sales data for different beverage types across 89 areas of British Columbia to examine how this changed each time the minimum price of a particular beverage increased. Note that the overall trend in consumption is both up and down, more recently it has been up reflecting increasing privatization of the liquor market in this province. Nonetheless significant and measurable downward impacts on consumption are detected each time the minimum price increases in real terms. On average, a 10% change in minimum price is associated with an opposite effect on per capita consumption of 3.4%.

3. Stockwell, T., Zhao, J., Martin Stockwell T, Zhao J, Giesbrecht N, Macdonald S, Thomas G, Wettlaufer A. (2012). The raising of minimum alcohol prices in Saskatchewan, Canada: impacts on consumption and implications for public health. *American Journal of Public Health*. 102(12): e103-10, <http://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2012.301094>.

** This paper documents a sudden impact on consumption when a policy quite similar to Minimum Unit Pricing is introduced overnight. A 10% change in average minimum pricing was associated with an opposite effect on per capita consumption of 8.4%. Consumers also shifted to lower strength beer and wine. The government owned alcohol distributor collected more revenue after the policy was introduced.

4. Stockwell, T., Zhao, J., Martin, G., Macdonald, S., Vallance, K., Treno, A., Ponicki, W., Tu, A. & Buxton, J. (2013). Misleading UK alcohol industry criticism of Canadian research on minimum pricing. *Addiction*, 108(6) 1172 <http://onlinelibrary.wiley.com/doi/10.1111/add.12178/pdf>.

** This paper explains how industry criticisms of our research were deliberately misleading and did not reflect the methods we used or conclusions reached.

5. Zhao, J., Stockwell, T., Martin, G., Macdonald, S., Vallance, K., Treno, A., Ponicki, W., Tu, A. and Buxton, J. (2013). The relationship between changes to minimum alcohol price, outlet densities and alcohol-related death in British Columbia, 2002-2009. *Addiction*, 108(6) 1059-1069
[URL:http://onlinelibrary.wiley.com/doi/10.1111/add.12139/pdf](http://onlinelibrary.wiley.com/doi/10.1111/add.12139/pdf). Accessed: 2013-02-27.
(Archived by WebCite® at <http://www.webcitation.org/6EkhrcmAX>).

** A large and immediate effect was detected in relation to changes in average minimum pricing having opposite effects on 100% alcohol caused deaths across 89 local areas of BC. A delayed impact after three or four years was also detected on alcohol-related diseases following changes in minimum price rates.

6. Stockwell, T., Zhao, J., Martin, G., Macdonald, S., Vallance, K., Treno, A., Ponicki, W., Tu, A., & Buxton, J. (2013). Minimum alcohol prices and outlet densities in British Columbia, Canada: Estimated impacts on alcohol-attributable hospital admissions. *American Journal of Public Health*, 103(11) 2014-2020.
<http://ajph.aphapublications.org/doi/pdf/10.2105/AJPH.2013.301289>

** A significant association was found between changes in average minimum prices in BC and opposite effects on rates of acute alcohol-related hospital admissions (i.e. injuries, poisonings). Similar to Zhao et al (2013) an association was also found between changes in average minimum price and opposite changes in rates of alcohol-related diseases.

7. Stockwell, T. (2014). Minimum unit pricing for alcohol. *British Medical Journal*, 349:g5617. <http://www.bmj.com/content/349/bmj.g5617>

** This paper is a high-level commentary and makes reference to likely reasons multinational alcohol companies oppose minimum pricing even though it guarantees increased profits to high-profile producers such as those represented by the Scotch Whiskey Association.

8. Stockwell, T., Zhao, J., Marzell, M., Gruenewald, P., Macdonald, S., Ponicki, W. & Martin, G. (2015). Relationships between minimum alcohol pricing and crime during the partial privatization of a Canadian government alcohol monopoly. *Journal of*



Studies on Alcohol and Drugs, 76(4), 628-634.

<http://www.jsad.com/doi/abs/10.15288/jsad.2015.76.628>

** Large and inverse associations were reported between average minimum alcohol pricing and some crimes. The estimates have wide confidence intervals. The direction of the relationship is more certain than its estimated level.

9. Stockwell, T., Zhao, J., Sherk, A., Callaghan, R., Macdonald, S., & Gatley, J. (2017). Assessing the impacts of Saskatchewan's minimum alcohol pricing regulations on alcohol-related crime. *Drug and Alcohol Review*, 36, 492–501. <http://onlinelibrary.wiley.com/doi/10.1111/dar.12471/epdf>

** Some short-term and delayed impacts detected on Saskatchewan crime rates following the major overhaul in minimum pricing in that province in 2010.

10. Thompson, K., Stockwell, T., Wettlaufer, A., Giesbrecht, N. & Thomas, G. (2017). Minimum Alcohol Pricing Policies in Practice: A Critical Examination of Implementation in Canada. *Journal of Public Health Policy*, 38 (1): 39-57. <https://link.springer.com/content/pdf/10.1057%2Fs41271-016-0051-y.pdf>

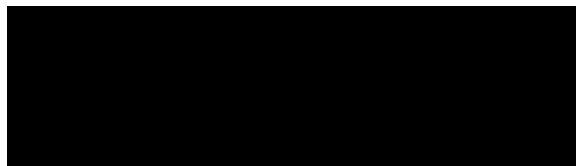
** This paper describes the diversity of how minimum pricing is applied in liquor stores and bars across Canada's 10 provinces. Wide differences are reported in terms of how comprehensive the minimum prices are, whether they are applied to bars and/or liquor stores, the level that is set and whether they are indexed to the cost of living.

11. Zhao, J., & Stockwell, T. (2017). The impacts of minimum alcohol pricing on alcohol attributable morbidity in regions of British Columbia, Canada with low, medium and high mean family income. *Addiction*, 112, 1942-1951. <http://onlinelibrary.wiley.com/doi/10.1111/add.13902/epdf>

** This paper explores relationships previously reported in study #6 above for different regions of British Columbia divided according to average household income. Larger and more significant associations are mostly found for lower income regions. It is concluded that minimum pricing as an effective method for reducing health inequalities.

Please do not hesitate to ask if you would like more information discussion of these published findings.

Sincerely,



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