



HEALTH OFFICERS COUNCIL OF BRITISH COLUMBIA

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The Honourable Chrystia Freeland, P.C., M.P.

Deputy Prime Minister and Minister of Finance
House of Commons
Ottawa, Ontario K1A 0A6

RE: Support for planned annual adjustment to excise tax on alcohol products on April 1, 2024.

Dear Deputy Prime Minister Freeland,

Health Officers Council (HOC) of BC, a Society of public health physicians in BC with over 130 physician members, is writing to express our strong support for the federal government's scheduled 4.7% excise tax adjustment on alcohol products for April 1, 2024. This recommendation is consistent with HOC's Position Statement on Alcohol, Objective 2.3 "Index all alcohol prices annually to inflation, including minimum prices." The full statement can be found at <https://www.healthofficerscouncil.net/positions-and-advocacy/publications/alcohol/>.

Health Officers Council is concerned by calls from the alcohol industry to stop indexing alcohol excise tax to inflation annually. This comes after the federal government decided to cap the indexation at 2% last year, well below the inflation rate.

If the government fails to adjust excise tax to inflation, alcohol becomes less expensive and consumption increases. Alcohol related harms are directly related to consumption.

Consumption of alcohol results in **over 800,000 emergency room and hospital visits and 17,000 deaths across Canada every year** (Canadian Substance Use Costs and Harms, 2023). Government revenues from alcohol of \$13.5 billion in 2020 were outweighed by healthcare, lost productivity, criminal justice and other direct costs of \$19.7 billion: a deficit of almost \$6.2 billion (Canadian Alcohol Policy Evaluation, 2023). These losses are compounded by the fact that the government missed out on substantial revenue between 1985 and 2017 by failing to index alcohol excise taxes to the cost of living.

Proceeding with this planned excise tax increase is essential. Health taxes – such as excise taxes on producers of alcohol, tobacco and cannabis – are win-win public policy measures because they save lives, prevent disease and injury, advance health equity, and are highly cost-effective. Further, in *Alcohol: No Ordinary Commodity*, a 2022 book by an international group of addiction scientists examining hundreds of alcohol policy publications, the authors concluded

that there is strong evidence of alcohol tax effectiveness in reducing alcohol related harms, including adolescents and heavy drinkers.

The scheduled 4.7% excise tax increase in adjustment for inflation will have a negligible impact on both producers and consumers: an additional cost of 4¢ for an imported six-pack of beer, 3¢ for a 750 ml bottle of wine, and 19¢ for 750 ml bottle of 40% spirits.

Health Officers Council of BC urgently requests the Canadian government prioritize the well-being of people in Canada by implementing the scheduled excise tax adjustment on alcohol products and thereby maintain the alcohol industry's contribution that partially offsets the health and social costs caused by their products.

Yours sincerely,



Dr. Ingrid Tyler
Chair, Health Officers Council of BC

cc: Honourable Mark Holland, P.C., M.P., Minister of Health
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