Alcohol (Minimum Pricing) (Scotland) Bill

Alcohol Focus Scotland

Alcohol Focus Scotland is Scotland’s national alcohol charity working to reduce the harm caused by alcohol.

Introduction

1. Alcohol Focus Scotland welcomes the opportunity to respond to the consultation on the Alcohol (Minimum Pricing) (Scotland) Bill. The Bill provides an historic opportunity to put in place a policy measure that many leading health organisations including the World Health Organisation, the National Institute for Clinical Guidance and the Medical Royal Colleges believe will be effective in saving lives and reducing harm.

2. Over the last thirty years, a combination of deregulation, liberalisation of licensing laws and aggressive marketing has led to alcohol becoming more affordable and more available than at any time in recent history.\(^1\) This in turn has fuelled our consumption and as our consumption has increased, so too has the health and social harm caused by alcohol. Alcohol-related mortality has more than doubled since the 1980s and although rates began to fall slightly from 2006, the number of people who died as a result of their alcohol use increased again in 2010.\(^2\) It is important to highlight that people living in Scotland’s most deprived communities carry a disproportionate share of the burden of alcohol harm as they are 7.5 times more likely to be hospitalised for an alcohol-related condition.\(^3\) Thus the health benefits of an effective alcohol policy will be greater for those communities suffering the most harm. Put simply - alcohol policy is not an abstract discussion but a matter of life and death. Good alcohol policy saves lives, bad alcohol policy kills people.

3. In addition to the health gains, effective alcohol policy can significantly reduce the costs to the public purse of alcohol-related harm. Alcohol harm currently costs Scotland around £3.56 billion every year which equates to £900 for every taxpayer in Scotland.\(^4\) Much of this burden could be avoided if people drank less. There is extensive and robust evidence confirming that there is a consistent relationship between price and consumption (when the cost of alcohol goes down, people drink more and when the cost goes up, people drink less) and that the most effective and cost-effective way to reduce alcohol consumption in the population is controls on price and availability.\(^5\) Consequently, controls on price and availability have been identified by the World Health Organisation as one of the most effective measures that governments can implement to reduce the harm caused by alcohol - “Of all alcohol policy measures, the evidence is strongest for the impact of alcohol prices as an incentive to reduce heavy drinking occasions and regular harmful drinking. The gains are greatest for younger and
4. To date, the policy mechanism that has been used to increase the price of alcohol is taxation. More recently, minimum unit pricing (MUP) has emerged as a measure that would be complementary to duty increases and also more effective in targeting the cheapest alcohol products, which are often drunk by the most vulnerable groups in society. MUP has also come to the fore because in recent years, duty increases have not always been passed on to consumers. Some supermarkets have even advertised ‘tax busting prices’ following duty increases with the ten big supermarkets admitting to the Competition Commission that they use alcohol as a ‘loss leader’ to drive footfall.

5. As MUP is a relatively new policy measure, the estimates of the potential health gains come primarily from econometric modelling studies. Modelling the effects of a policy is a recognised tool that is used regularly by governments to estimate the effects of new policies. For example, modelling was undertaken to estimate the effects of a minimum wage prior to adoption of the policy. However, since the Health and Sport Committee last considered MUP in 2010, new findings of an evaluation of minimum pricing schemes in two Canadian provinces await publication in the Lancet. The findings show that minimum pricing has reduced alcohol consumption by between 3% - 5%.

6. A combination of the significant evidence base linking alcohol price, consumption and harm, the growing interest in implementing a pricing measure that specifically targets the cheapest products, and concerns that retailers don’t always pass on duty increases, has resulted in governments in a number of jurisdictions actively exploring MUP. In the UK, Northern Ireland has recently consulted on this issue, Ministers in Wales have indicated their interest in implementing MUP and a number of local authorities in the North of England are seeking to introduce MUP through local bye-laws. Internationally, governments actively considering MUP include the Republic of Ireland, Australia and New Zealand.

7. Scotland was the first country in the UK to ban smoking in public places and the health gains in terms of lives saved were apparent within one year of implementing the policy. Introducing MUP will embed Scotland’s reputation as a pioneer in public health policy and by taking robust action on price as part of a comprehensive alcohol policy, Scotland will begin to stem the tide of health and social harm caused by alcohol thus enabling the country to reach its full potential.

Advantages of Establishing a Minimum Unit Price for Alcohol

8. **Lives Saved** - The best available evidence indicates that MUP will be effective in reducing overall alcohol consumption which will in turn,
reduce alcohol related harm. In Scotland, alcohol kills three people every day and Scotland has gone from having one of the lowest liver cirrhosis mortality rates in Western Europe in the 1950s to having one of the highest. Excessive alcohol consumption is now one of the biggest public health problems Scotland faces with doctors reporting a significant increase in the number of men and women in their late twenties and early thirties presenting with end stage liver disease, something completely unheard of thirty years ago. According to the modelling work undertaken by the University of Sheffield, it is estimated that upon achieving full impact, a minimum price of 45p per unit would save approximately 225 lives per year. At a minimum price of 50p per year, this figures increases to 520 lives per year.

“As a liver specialist I see patients every day - both men and women - who should be in their prime but instead are dying as a consequence of liver failure. Liver disease is now the second commonest cause of death in under 65 year olds. However it is the young women who really shock you...... Despite its critics - of whom the most vociferous are the drinks industry - all the scientific evidence points to a policy where setting a minimum price for alcohol will be the most effective. The heaviest drinkers - those at most risk of harm - favour the very cheap drinks available such as vodka and strong cider, so a minimum pricing policy very effectively targets the problem drinker. Raising prices is never going to be popular, but something has to be done now to address this dreadful epidemic. We need to learn the lessons of history and introduce a minimum unit price for alcohol in Scotland without delay.” [Dr Alistair McGilchrist Extract from In Focus Oct 2011]

9. Reduced Harm - The introduction of MUP has the potential to show benefits within a very short time. Hazardous drinkers who are on the verge of a serious health problem, or even death, can be pulled back if their drinking is reduced. The Sheffield study indicated that a minimum price of 45p would reduce alcohol-related hospital admissions by around 1,200 in the first year, and around 4,200 per year by year ten with this increasing to 8,400 fewer hospital admissions by year ten if the minimum price was set at 50p.

10. Reduced Public Expenditure – A reduction in overall alcohol consumption will reduce levels of harm which will ease the financial burden of alcohol-related harm on the NHS, social welfare services and the criminal justice system. The Sheffield study estimated that a minimum price of 45p would save £721million in health, crime and employment costs over ten years. This figure would rise to £1.4b over 10 years, if the minimum price was 50p.

“You join the job to help people. You want to go out and help people as much as you can, so really, instead of dealing with an elderly person who’s broken their hip, dealing with their pain and getting them to hospital you spend time mopping out your vehicle because someone who has drank themselves into a stupor has vomited in the ambulance.
A lot of resources are tied up dealing with people so drunk they’re covered in their own bodily fluids.” Richard Ilderton, Team Leader Paramedic.

11. **Reduction in Health Inequalities** – Reducing the harm caused by alcohol will impact positively on health inequalities as people living in our poorer communities carry a disproportionate share of alcohol-related health and social harm. Alcohol mortality rates are six times higher in the most deprived areas.\(^{17}\)

12. **Boost the Local Economy** – Many small businesses currently struggle to compete with cheap supermarket prices. Correcting the current imbalance will make it easier for small businesses to operate within a level playing field. Hundreds of jobs have been lost in Scotland over the last two years when established off-sales operators closed citing competition from cheap supermarket prices as a causal factor. Similarly, the Scottish Licensed Trade Association (SLTA) has stated that many pubs are closing because they cannot compete with cheap supermarket prices.

13. **Curb Irresponsible Retail Practices** – Taxation by itself is not guaranteed to raise the retail price of alcohol. Many supermarkets have in the past, responded to duty increases by absorbing the cost and continuing to sell alcohol at heavily discounted prices. Supermarkets have admitted that they use alcohol as a loss leader to attract people into their stores and that they ‘recoup’ their losses through sales of other goods. This means that consumers pay for cheap alcohol by paying more for other goods in addition to having to pay for the burden that alcohol-related harm places on our National Health Service and criminal justice system.

14. **Protect Vulnerable Groups** - Minimum pricing is a more targeted policy measure than duty increases. The cheapest products are often drunk by the most vulnerable groups including dependant drinkers and young people. By impacting most on drinks like cider and vodka, MUP is likely to reduce consumption in the most vulnerable groups. To bring the price of the cheapest products e.g. white cider, up to the equivalent of a 45p minimum unit price would require a duty increase in excess of 350%.\(^{18}\)

“In my work as a general practitioner in Glasgow, I see the damage caused by alcohol abuse every day. When I ask my patients how much they drink, the reply is often: “As much as I can afford.” They are not joking.” Dr Richard Watson, Glasgow GP and Clinical Lead on Substance Misuse for the Royal College of General Practitioners (Scotland).
Disadvantages of Introducing Minimum Unit Pricing

15. Alcohol Focus Scotland is of the view that there are no major disadvantages to the introduction of MUP. An unintended consequence that has been identified is that the income raised will go to producers and retailers of alcohol rather than directly into the public purse. It is the view of Alcohol Focus Scotland that if there are concerns about this aspect of the policy, then the simple solution is to impose a levy on those who profit most from the sale of alcohol and use the income raised to prevent alcohol misuse and to deal with the harm caused by alcohol. We therefore fully support the Scottish Government’s plans to introduce a public health levy.

The Level at Which the Minimum Price should be Set

16. Alcohol Focus Scotland believes that establishing a clear mechanism to establish minimum unit pricing should be the key outcome of the legislation and that there should be provision within the legislation to enable the Scottish Government to vary the minimum unit price on a regular basis to allow consideration of any changes in consumption or levels of harm and also any market changes. The price set should be at a level that the best available evidence (including any updates of the modelling work undertaken by academics at the University of Sheffield) indicates will be effective in reducing the health harm caused by alcohol. Previous estimates have suggested that a minimum price of 45p would begin to show health gains within the first year and based on these estimates, Alcohol Focus Scotland would not want to see the price set any lower than 45p although more recent data may indicate that a higher price would be justified.

17. Experience from the Canadian provinces has shown that the level of decrease in consumption is proportional to price – a province with a higher minimum price noted a greater reduction in consumption compared with a province with a lower minimum price showing a lower reduction in consumption. The Canadian evaluation also highlighted that the price should be reviewed regularly to ensure that it is adjusted as necessary to maintain its value in line with inflation (which should be index linked). It is hoped that this new data from Canada will prove useful to the Scottish Government in considering the mechanisms that will govern the minimum pricing legislation.

Conclusion - Addressing Conflicts of Interest in Public Health Policy

18. The Scottish Government’s primary concern should be to introduce alcohol policies which are in the public health interest and will be effective in reducing the high levels of alcohol health and social harm in Scotland. Minimum unit pricing is supported by the Scottish, UK and international medical and public health community and also by the police, children’s charities and a wide section of civil society suggesting that the advantages of MUP clearly outweigh any perceived
disadvantages. Opposition to MUP arises mainly from sections of the alcohol industry particularly some of the big producers and retailers who, it could be argued, have a commercial vested interest in opposing measures which are likely to bring about a reduction in overall alcohol consumption. On the other hand, some sections of the alcohol industry support MUP including the Scottish Licensed Trade Association, the Campaign for Real Ale (CAMRA), the Federation of Licensed Victuallers Associations, the Society of Independent Brewers, Tennents, Molson Coors and Greene King.

19. Industry representatives who oppose MUP have engaged in an intensive lobbying campaign to cast doubt on the evidence base linking alcohol price, consumption and harm. Similar tactics were used by the tobacco industry for many years in their efforts to oppose controls on the price and availability of cigarettes. The main arguments put forward by the Scotch Whisky Association (SWA) which counts the big global alcohol producers amongst its membership and the Scottish Retail Consortium (SRC) which represents the big supermarkets, are that MUP is illegal; will encourage other countries to impose trade barriers on Scotch Whisky; will cost industry jobs; and will penalise moderate drinkers. As has been previously stated, the availability of cheap supermarket alcohol has already led to job losses in Scotland. In addition, decisions by global corporations to restructure their operations and move bottling plants to reduce costs and maximise profits have similarly led to job losses in Scotland. These recent job losses that have occurred have nothing to do with MUP and for at least some of them, the availability of cheap supermarket alcohol has been a contributory factor.

20. The introduction of minimum unit pricing has been debated by the Scottish Parliament for the last two years. Throughout this time, the SWA has stated that MUP will encourage other countries to impose trade restrictions which will impact negatively on overseas sales. With Scotch Whisky exports in the first six months of 2011 up 22% on the same period in the previous year, active consideration of minimum unit pricing in Scotland does not appear to be having any negative effect on an industry that is clearly in good health. In citing the potential impact on sales of Scotch Whisky abroad, the SWA is in effect suggesting that the rights of global alcohol producers to have unfettered access to overseas markets should take precedence over the health and well-being of the people of Scotland. By adopting an alcohol policy that puts the public interest first, concerns expressed by the SWA are that the Scottish Government may lead the way for other countries to follow. Alcohol Focus Scotland works closely with colleagues in other countries who share many of the alcohol problems that Scotland faces. Scotland is currently being lauded by the international public health community for seeking to introduce alcohol policies which are formulated by public health interests. There is growing recognition among public health authorities throughout the world that the harmful use of alcohol is a global public health issue of serious proportion.
There is also a growing consensus about how to prevent and reduce alcohol problems and price tops the list of effective and cost-effective policies. Consequently, many countries have taken the decision to increase the price of alcohol in order to reduce consumption and harm. The World Health Organisation has considered the extent to which governments must be mindful of the issue of conflict of interest between public health and commercial vested interests. The fifty-three Member States of the World Health Organisation's European Region endorsed the European Alcohol Action Plan in September 2011 which included a clear statement on conflicts of interest:

*The Regional Office will strengthen its processes of consultation and collaboration with NGOs and relevant professional bodies that are free of conflict of interest with the public health interest….guided by the principles that public policies and interventions to prevent and reduce alcohol-related harm should be guided and formulated by public health interests and based on clear public health goals and the best available evidence.*

21. In keeping with the guidance summarised above, Alcohol Focus Scotland is of the view that whilst commercial vested interests can be involved in the *implementation* of alcohol policy, their involvement should be confined to areas which pertain specifically to their role as producers and retailers of alcoholic beverages for example - labelling and server training. They should not be involved in the identification of public health goals to inform alcohol policy given the obvious conflict of interest and the fact that their expertise is in producing and selling alcohol and not in health.

Alcohol Focus Scotland
12 December 2011
References

2. Data from General Register Office for Scotland.
10. General Register Office for Scotland.