



## **BC ALLIANCE FOR HEALTHY LIVING SUBMISSION TO THE 2019 BUDGET CONSULTATION**

The BC Alliance for Healthy Living (BCAHL) is pleased to make our submission to the Select Standing Committee on Finance and Government Services again this year. We kindly ask members of this committee to consider a range of proposals that have the ability to reduce chronic disease by addressing risk factors common to numerous chronic conditions.

Prioritizing investment in disease prevention measures today can improve the health and wellness of British Columbians and thereby reduce demand for healthcare services in the long-term.

British Columbians who live in our poorest communities are between 24% and 91% more likely to die early from cancer (24%), respiratory diseases (53%), circulatory diseases (65%) and diabetes (91%).<sup>i</sup> These socio-economic inequities in health are estimated to increase healthcare costs by 20%.<sup>ii</sup> Improving living standards for disadvantaged citizens and communities will improve not just health outcomes but will also have a positive effect on productivity and the economy.

Future projections for chronic disease underscore the need to make prevention a priority. Projections show that if nothing changes there could be over 768,000 British Columbians with Type 2 Diabetes by 2032 and in the next ten years the number of new cancer cases is expected to rise by 75%.

With these figures in mind, the BC Alliance for Healthy Living urges members of this committee to consider the evidence-informed policy proposals below, many of which have been supported or advanced by academics and other health, business and civil society organizations in BC and other jurisdictions.

## Summary of BCAHL Recommendations:

### REVENUES:

- 1) The Ministry of Finance continue to increase tobacco taxes per carton (200 cigarettes) to a level on par with other provincial leaders in this area.
- 2) The Ministry of Finance together with the Ministry of Attorney General shift alcohol taxes so that they are based on the percentage of absolute alcohol in a standard drink in combination with a minimum unit price per standard drink.
- 3) The Ministry of Health work with the Ministry of Finance to add provincial sales tax to all sugary drinks and work with Federal/Provincial/Territorial partners to introduce a federal excise tax of at least 20% on all sugar sweetened beverages.

### INVESTMENTS:

- 4) The Ministry of Finance together with the Ministry of Social Development and Poverty Reduction work to ensure sufficient resources are allocated to reduce both the depth and breadth of poverty through the upcoming Provincial Poverty Reduction Plan.
- 5) The Ministry of Finance together with the Ministry of Health and Ministry of Municipal Affairs and Housing work collectively with BC Housing to support food security initiatives in social housing.
- 6) The Ministry of Finance work together with the Ministry of Transportation to renew funding sources available to local governments for healthier built environments and active transportation infrastructure.

### **1) BCAHL recommends that the Ministry of Finance continue to increase tobacco taxes per carton (200 cigarettes) to a level on par with other provincial leaders in this area.**

- Increasing the price of tobacco is a proven method for encouraging smokers to quit and reducing tobacco use. It is particularly effective among youth who are even more price sensitive.
- Studies demonstrate that a 10% increase in the per package cost of cigarettes reduces smoking between three and five percent.
- While BC made progress in this area by raising tobacco taxes this past April. Under current taxation levels, a carton of 200 cigarettes in BC is taxed \$55.00 which places BC below many other provinces and territories. The majority tax at a higher rate than BC creating a stronger price deterrent:

- Manitoba (Tax rate per carton = \$67.24)
- Nova Scotia (Tax rate per carton = \$64.95)
- Northwest Territories (Tax rate per carton = \$60.80)
- Yukon (Tax rate per carton = \$60.00)
- Saskatchewan (Tax rate per carton = \$59.88)

**2) BCAHL recommends that the Ministry of Finance together with the Ministry of Attorney General shift alcohol taxes so that they are based on the percentage of absolute alcohol in a standard drink in combination with a minimum unit price per standard drink.**

- BCHLA, along with agencies such as the World Health Organization and the Public Health Agency of Canada<sup>iii</sup>, have included hazardous consumption of alcohol as a key risk factor for chronic disease, because of the overwhelming national and international evidence.<sup>iv</sup>
- The potential population burden of alcohol on chronic disease will be equal or greater than that of tobacco as rates of smoking decline due to health promotion measures which have included taxation, regulation and education.<sup>v</sup>
- The conclusions from the current evidence are that the net benefits of alcohol use are outweighed by the negatives.<sup>vi</sup> Even consumption lower than ‘problem drinking’ levels – just one to two standard drinks per day over a long period - can increase risk for some chronic diseases.<sup>vii</sup>
- Between 85-90% of younger people who drink are consuming alcohol in excess of recommended guidelines set to reduce health harms.<sup>viii</sup>
- The evidence shows that increased access to alcohol (whether through pricing, increased hours of operation or number of locations) leads to public health impacts.<sup>ix</sup> Studies have shown that a 10% increase in price correlates to a 5% reduction in drinking, including for problem drinkers, but pricing is especially effective with youth.<sup>x</sup>
- Shifting the method of the Provincial liquor mark-up so that it is based on the percentage of alcohol (volumetric pricing) in the product can achieve two things: it can reduce consumption by price-sensitive consumers, such as youth, while also discouraging producers from creating higher alcohol products marketed to young adults.

### **3) BCAHL recommends that the Ministry of Health work with the Ministry of Finance to apply the provincial sales tax to all sugary drinks and with Federal/Provincial/Territorial partners to introduce a federal excise tax of at least 20% on all sugar sweetened beverages.**

- Sugary drinks are the single largest contributor of added sugar in the Canadian diet.<sup>xi</sup> The World Health Organization (WHO) and the Heart and Stroke Foundation have recommended limiting added sugar to no more than 5 to 10% of total daily caloric intake or about 100 to 200 calories per day<sup>xii</sup>. Added sugars provide extra calories but few or no nutritional benefits and are linked with a growing number of health problems.<sup>xiii</sup>
- More than for any other food, rigorous scientific studies have demonstrated that overconsumption of sugary drinks is linked to heart disease, diabetes and hypertension in individuals with healthy weights.<sup>xiv</sup> In addition, excessive consumption raises the risk of obesity and all the associated health risks correlated with obesity.
- British Columbians drink large quantities of sugary drinks. Consumption for British Columbians between the ages of 1 and 18 years averages 250 mls of sugary drinks per day<sup>xv</sup>. However, averages are misleading as a significant number of Canadians rarely drink any. Canadian data indicate that 600 mls was the average volume consumed by those aged 14 to 30 years who reported drinking a SD the previous day.<sup>xvi</sup> For those aged 31 to 50 years of age, volumes averaged over 500 mls. Even at age 71 years and above, those who drank sugary drinks consumed volumes in excess of 300 mls per day.
- In keeping with the ideal that the provincial sales tax should be applied to non-essential items to fund services for citizens, BCAHL recommends applying the provincial sales tax to sugary drinks since they are not essential groceries and as they do exert cost pressures on the healthcare system.
- Over the longer term, BCAHL supports a federal excise tax of at least 20% on sugar sweetened beverages as this would relate to portion size, remove the incentive for discounted super-size servings and would be significant enough to have an impact on consumption.
- Research has shown that taxes included in the shelf price have a greater impact on consumption than taxes applied at the register.<sup>xvii</sup>
- Taxation of sugary drinks, like tobacco taxes, should be designed to reduce consumption among those who consume to excess. Revenues collected from additional sales taxes also provide an opportunity to target health program funding to initiatives such as

healthy school food programs, fruit and vegetable subsidy programs for those with low incomes and enhanced physical activity programming.

#### **4) BCAHL recommends that the Ministry of Finance together with the Ministry of Social Development and Poverty Reduction work to ensure sufficient resources are allocated to reduce both the depth and breadth of poverty through the upcoming Provincial Poverty Reduction Plan.**

- Income security is a serious concern to BCAHL because it is a strong predictor of health outcomes. In BC, those in the lowest income quintile have twice the risk for heart disease and diabetes.<sup>xviii, xix, xx, xxi</sup>
- In BC, it has been estimated that the government pays from \$2.2 to \$2.3 billion on the direct cost of poverty. However, the cost of inaction is higher and British Columbians currently pay is estimated to be between \$8.1 and \$9.2 billion to maintain the status quo.<sup>xxii</sup>
- Inadequate family income can take a substantial toll on the health of children and establish a negative trajectory for life-long health outcomes. According to First Call's 2017 Child Poverty Report Card, "153,300 or 1 in 5 [BC children] – are growing up in poverty, including half of all children in lone-parent families, most of them female-led." Compared to other provinces, British Columbia has the highest percentage of children living with inadequate family incomes. In 2015 18% of BC children were living in low-income families. A higher proportion of the Aboriginal families have low incomes which leaves 31% of Aboriginal children who are off-reserve living in poverty. The rate of poverty among new immigrant children is 45%. Benefits targeted to low income families with children can help to break the cycle of disadvantage.
- Income assistance rates should adequately support those who are experiencing financial emergencies or face barriers to income through long-term unemployment. The rate increase introduced last year provided much needed relief. Moving ahead, BC can build a stronger system of support for persons with disabilities, special needs, children at risk, and seniors by ensuring that income assistance rates are based on, and keep pace with, the actual cost of living. As a starting point we'd like to see the strategy look at gaps and see policy responses that are designed to address real life challenges. For example:
  - On food security, the income assistance rates do not provide enough to purchase a healthy diet. According to research by Provincial Health Services Authority: in 2015, the average monthly cost of healthy groceries to feed a family of four was \$974 (\$1,032 in Northern BC)
  - On affordable housing, income assistance rates should be informed by data on real market costs of rental housing – according to the Canadian Housing Mortgage Corporation, the BC average rental ranged from \$924 for a bachelor

suite up to \$1379 for 3-bedroom suite in 2016 (and this is much higher in Vancouver)

- As emphasized by the BC Poverty Reduction Coalition, “the current welfare rate of \$710 is only 43% of the poverty line leaving the 190,000 people on income assistance in a constant state of deprivation, stress and mere survival.” BCAHL supports the BC Poverty Reduction Coalition’s recommendation to base income assistance rates on the Market Basket Measure to ensure that people can live with dignity.
  - Calculated by Statistics Canada, the Market Basket Measure represents a basic standard of living and is based on the actual cost of purchasing shelter (including utilities), a nutritious diet, clothing and footwear, transportation costs, and other necessary goods and services. Currently, this ranges from \$1477 to \$1669 a month in BC for a single person and from \$2953 to \$3337 for a family of four depending on the size of their community.
- BCAHL also supports increasing earning exemptions so that income and disability assistance recipients can gain the benefits of employment and work experience with transitional support.
- When it comes to earned income, British Columbians employed full time should earn enough to afford healthy basic needs including safe, adequate shelter, healthy food, household amenities, childcare, clothing, transportation and recreation. BCAHL supports regular, predictable raises in the minimum wage and indexing the minimum wage to inflation so that work provides a path out of poverty.
- Continue to enhance and build on the Single Parent Employment Initiative. Use the lessons from this model to inform the development of transition supports for other populations.
- Recognizing that Income Assistance is just one policy lever, and that other policy levers are needed to reduce poverty among low income citizens who are employed, BCAHL would also encourage the BC government to consider using GST credits, climate action tax credits and child benefits as targeted measures to lift people out of poverty.

## **5) BCAHL recommends that the Ministry of Finance together with the Ministry of Health and Ministry of Municipal Affairs and Housing work collectively with BC Housing to support food security initiatives in social housing.**

- The availability and affordability of healthy foods determine the relative food security of households and communities. This can have a tremendous impact on health as food

insecurity is associated with elevated risk for diet-related chronic diseases such as type 2 diabetes, hypertension and heart disease.

- An initiative based within social housing sites provides a way to reach and address food security issues within households that are vulnerable to hunger and that are otherwise difficult to reach.
- Food security pilot projects in social housing have included community kitchens and gardens, mobile produce markets and buying clubs as well as food skills classes. Although these have only been available in a few sites, a BC Housing report found that where food programs were offered on-site, the participation rate was up to 50% of the tenant population. Error! Bookmark not defined.
- Based on research that has been done on food security in social housing, program evaluations, studies on the benefits of food security for vulnerable populations, and the frontline experiences of and observations from housing providers, the outcomes from increased levels of food security benefit both tenants and housing providers.
  - Outcomes for tenants include: better physical and mental health; increased feelings of security, self-determination, and autonomy; decreased behavioural issues; decreased hospitalization; strengthened capacity to focus on other aspects of their lives; and improved child development and adolescent well-being. Error! Bookmark not defined.
- Given the success of food security pilot projects in reaching populations at risk of hunger and the proven health benefits to adults and children, BCAHL recommends that funding be provided to expand food security initiatives in social housing across the province.

## **6) The Ministry of Finance work together with the Ministry of Health, and the Ministry of Transportation to invest in healthier transportation systems including a provincial active transportation strategy and fund.**

- BCAHL has worked with other partners to develop a positive, shared vision for a transportation system that supports healthier communities. The 'Communities on the Move' Declaration has been endorsed by 133 organizations – including representation from seniors and students, people with disabilities, urban municipalities and towns, villages and regional districts across the province as well as business associations, cycling groups and environmental and health organizations.
- The benefits of public transit and active transportation investments are multiple - and come from increases in physical activity and accessibility, and reductions in traffic congestion, injuries, localized air pollution and greenhouse gas emissions that contribute to climate change. These benefits align with multiple government priorities and commitments to addressing climate change, affordability and disease prevention.

- Regular physical activity is a key part of a healthy life and protective factor against chronic disease. HOWEVER:
  - 1.5 MILLION British Columbians are classified as inactive (not active enough to achieve health benefits); highest at risk are new Canadians, people living in remote areas, people with disabilities, and those with low incomes and low levels of education.
  - Only 40% of children meet the daily physical activity requirements.
- The costs of inactivity are high: Excess weight costs \$612M and inactivity costs \$335M in direct healthcare costs annually in British Columbia. The World Health Organization recommends investments in active and public transportation as ‘best buys’ for governments looking to boost physical activity rates and reduce the burden of chronic disease.
- Research has shown that community planning and infrastructure has a significant influence on whether people in a community are regularly active and have healthy weights.<sup>xxiii</sup>
  - For example, a recent study in Metro Vancouver found those that took transit were 22% less likely to be an unhealthy weight and those who commuted by bike or on foot were 48% less likely.<sup>xxiv</sup>
- BCAHL recommends investing in a Provincial Active Transportation Strategy and fund that would align policy and investment in the development of local infrastructure within a larger provincial network for people to walk, bike or roll. – like the Route Verte in Quebec.
  - This would require building out professional capacity within the Ministry of Transportation.
  - Prioritize investments in walking and rolling facilities which include enhancements such as traffic-calming and safe street crossings, benches, lighting and way-finding as these are important to meet the needs of those in wheelchairs as well as the growing demands of an aging population.
  - Support Active School Travel Planning – including education and programming as well as street design and end-use facilities for healthy, active children.
- Build on BC’s success and expertise: In Vancouver and Victoria, significant investments in smart planning and infrastructure have led to substantial mode shift. Vancouver reports that 50% of trips are made on transit and by active modes. At 16% of work trips, Victoria has the highest amount of active commuting in Canada.
- Many small communities have embraced active transportation. For example, according to the 2016 census cycling is common for work trips in Ashnola (33%) and Qualicum (29%), Thompson-Nicola (21%), Revelstoke (15%), Soowahlie (14%), Quaaout (13%) and Whistler (10%).

- Cycling and walking are especially popular among young people 18-35 with 8% cycling and 10% walking to work.
- Other global leaders are spending between \$27 and \$40 per person, per year. An equivalent investment in BC would be approximately \$100M annually. Although this is a significant investment, it is not out of scale when compared to other transportation projects.
  - The amount budgeted in the Ministry of Transportation Service Plan for the BikeBC fund in 2018/19 was just \$6M for new projects.
  - In December, 2017, the Ontario government announced that it would be investing \$93 million in the coming year on cycling infrastructure in towns and cities across the province. The investment is part of Ontario's Climate Change Action Plan and is funded by proceeds from the province's cap on pollution and carbon market.
- The World Health Organization identifies evidence-based “best investments” for physical activity, which includes transport policies and systems that prioritize walking, cycling and public transport.
- As well as the return on investment in health, there are local economic benefits that can come from a Provincial Route that is attractive to visitors as well as locals. For example: tourists cycling in Oregon “generated approximately \$400 million in 2012.” Another study found that, cyclists spent a total of \$95.4 million on the province-wide Route Verte network in Quebec.
- Support is high: according to a public opinion poll conducted by Heart & Stroke Foundation of Canada in February, 2017, over 75% of residents support investing in infrastructure that makes it easier and safer for walking/biking.
- A resolution in support of a Provincial Active Transportation Strategy was unanimously passed by delegates at the Union of BC Municipalities Annual Convention this year.

In this submission we have highlighted a selection of budget measures which could be taken to reduce the prevalence of risk factors for chronic disease and improve the health outcomes of British Columbians. Population health evidence tells us that we need action on behavioural risk factors such as encouraging physical activity, reducing consumption of drinks high in sugar or alcohol and preventing smoking while also addressing the social elements of health by promoting income security and food security to bridge the gap between disease and wellness.

It is also important to recognize the linkages between good physical and mental well-being and ensure that policies and programs address the holistic needs of individuals and communities.

There are many other areas where government can take measures to improve health in BC. Within the healthcare system, there is a growing consensus that to address the current and

foreseeable chronic disease burden, it will be necessary to improve access to primary care which should be incorporating comprehensive health promotion and disease prevention.

Finally, BCAHL has long urged government to take a whole of society, whole of government and whole of person approach in addressing the prevention of chronic diseases. Only when we break down the silos within and between government and other sectors, will we be successful in truly achieving a healthy society.

## Submitted by BCAHL:

### Who We Are

Established in 2003, BCAHL represents the largest health promotion team in BC history. Our **Vision** is “a healthy British Columbia” and our **Mission** is: “To improve the health of British Columbians through leadership and collaboration to address the risk factors and health inequities that contribute significantly to chronic disease.”

### For further information please contact:

Rita Koutsodimos

Executive Director, BC Alliance for Healthy Living

Telephone: 604-629-1630

[rkoutsodimos@bchealthyliving.ca](mailto:rkoutsodimos@bchealthyliving.ca)

[www.bchealthyliving.ca](http://www.bchealthyliving.ca)

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