Advancing the Tobacco Endgame: Evidence and Progress

alPHa Board Meeting
April 24th, 2015
Robert Schwartz
Overview

- OTRU work in previous year – recap
- Ontario – important measures, but still incremental
- Developments in Ontario, Canada and Beyond
- Minimum Age Legislation as an opportunity
- The contraband question
OVERVIEW OF ONTARIO CONTEXT THAT REQUIRES THINKING ABOUT ENDGAME
Current Smoking (Past 30 Days), Ages 12+, Ontario, 2000/01 to 2013

Percent

23 21 20 20 19 18 18 18 18 17

Ontario Tobacco Research Unit
WHO Framework Convention on Tobacco Control and MPOWER

MONITORING tobacco use and prevention policies

WARNING about the dangers of tobacco

ENFORCING bans on tobacco advertising, promotion and sponsorship

PROTECTING people from tobacco smoke

RAISING tobacco taxes

OFFERING help to quit tobacco use

WHO, 2013. MPOWER In Action: Defeating the global tobacco epidemic
SimSmoke model predicted smoking prevalence, for both sexes, ages 15-85, with and without MPOWER policies, Ontario, 2012-2046

ENDGAME THINKING IS MAINSTREAM
alpha Board Motion

“That the alpha Board of Directors supports the vision of a tobacco-free Ontario; and further that the Board supports in principle activities that contribute to the realization of the vision of a tobacco-free Ontario.”

Passed September 27, 2013
The Endgame

- U.S. Surgeon General (by the next generation)
- New Zealand (by 2020)
- Canadian Public Health Association
  - Pan-Canadian smoking prevalence rate of <1% by 2035
  - Intermediate targets:
    - Reaching a 50% reduction in the number of smokers by the year 2020
    - A further 50% reduction in the number of youth aged 12-19 years who smoke by the year 2020
Objectives of the Report

- To provide an overview of interventions that go beyond MPOWER
- To review the evidence for selected novel interventions and assess their potential impact on tobacco-related behaviours in the Ontario context
HIGH LEVEL RUN-THROUGH OF THE REPORT

Matrix, p. 58
How can we do better? Tobacco Endgame Measures

- Reducing Outlet Density
- Plain Packaging
- Dramatic Tax Increases; Price Controls
- New Regulatory Models
  - Designated Retail Outlets
  - Comprehensive Regulatory Agency
  - Regulated Market Model
  - Non-Profit Enterprise
- Performance Accountability, Nicotine Reduction, Tobacco-Free Generation, Smokers’ Licence
# Spectrum of Tobacco Control Interventions

<table>
<thead>
<tr>
<th>Ontario (current)</th>
<th>MPOWER</th>
<th>MPOWER Plus</th>
<th>Evolutionary</th>
<th>Revolutionary</th>
</tr>
</thead>
</table>
| Smoke Free Strategy Evaluation Report | • Monitor tobacco use and prevention policies  
• Protect people from tobacco smoke  
• Offer help to quit tobacco use  
• Warn about the dangers of tobacco  
• Enforce bans on tobacco advertising, promotion and sponsorship  
• Raise taxes on tobacco | Interventions recommended in the WHO FCTC that are not included in MPOWER | Interventions which are akin to what is currently being done in Ontario but may go beyond FCTC’s recommendations or have not been attempted at a provincial level | • Interventions which may be very different from what is currently being done in Ontario  
• May be controversial  
• May have a significant impact on reducing smoking-related behaviours more rapidly than other interventions  
• May have a potential role in an endgame for tobacco control |
QUICK REVIEW OF FOUR ENDGAME MEASURES

Reducing Outlet Density
New Regulatory Models
Tax and Price Measures
Plain Packaging
Questions

1. How persuasive is the existing evidence?

2. What additional evidence would be useful for putting this in front of policymakers?

3. What is the feasibility of adopting and implementing: political, economic, administrative feasibility
Three Paths to Reducing Outlet Density pp. 13-17

Restrict Sales in More Outlet Types

- Other provinces (e.g., NS, QC): Colleges and universities, recreational facilities, gaming facilities, bars and restaurants

Zoning

- California and Minnesota prohibit sale within certain distances of schools, parks …

Licensing

- High cost of licensure, threat of license loss with breach of conditions, moratorium on new licenses and phased reduction in number of licenses
- Ontario: licenses from $50 to ~$400
- South Australia: Number of licenses decreased (-23.7%) in 3-years after fee increased from A$12.90 to A$200; mostly in venues with low sales volume
Evidence for Reducing Outlet Density

- Tobacco retail density is associated in cross-sectional studies with:
  - Positive attitudes and intentions towards smoking among youth (Chan 2011, Loomis 2012)
  - Smoking initiation among youth (Adams 2013, McCarthy 2008)

- Alcohol retail density is associated with increased consumption and alcohol related harms

- Little direct evidence on changes in tobacco-related outcomes following a change in retail density
Designated retail outlets

- distinctive set of stores with a monopoly on distribution (wholesale or retail sales) (Chaiton 2013)

Comprehensive regulatory agency

- comprehensive, coordinated oversight from supply to sales, with overarching mandate to reduce harms associated with tobacco use (Ashley 2013)
Regulated market model

- sole buyer of tobacco products from for-profit manufacturers and importers, who would compete for tender share (Borland 2012)

Non-profit enterprise with public health mandate

- agency with monopoly control over supply, manufacture, product attributes, promotion, pricing, and distribution (Callard 2005)
Evidence for New Regulatory Models

- Hints from literature on privatization
- Hungary currently moving to DRO in order to decrease initiation
- Little relevant direct evidence
Evidence from Alcohol for New Regulatory Models

- Government control of alcohol retail sales rated most effective (3+) in review (Babor 2010).

- Systematic review: median increase of 44.4% in per capita alcohol consumption in jurisdictions where alcohol sales were privatized.

- Swedish study of re-monopolization: decreases in hospitalization, alcoholism, alcohol-induced psychosis, falls, suicides, and vehicle crashes.
Raising Taxes and Pricing Policies

Price elasticity for cigarettes is -0.4 (Chaloupka 2012, IARC 2011, WHO 2011)

- 10% price increase → 4% reduction in consumption
- 125% price increase → 50% reduction
- 200% price increase → 80% reduction

Ontario

- 5% tax increase = 20,000 less smokers (out of 2.1 million smokers) (SimSmoke Ontario calculation)

France and South Africa

- Tripled the cigarette prices over 15-year period → halved cigarette consumption by 2011 (Jha & Peto 2014)
Figure 4. Changes in the Inflation-Adjusted Price of Cigarettes and in Cigarette Consumption in France and South Africa.
Evidence for Pricing Policies

Little evidence about minimum pricing
- U.S. regions requiring retailers to charge a minimum mark-up after taxes had lower average prices than regions without MPLs (Tynan 2013)
  - poor enforcement and compliance;
  - minimum mark-up requirements that are lower than typical free-market mark-up;
  - laws in 18 of these states that permit cigarette companies to offer promotional incentives to retailers.

Maximum pricing laws (Gilmore 2010)
- Cap on the pre-tax cigarette manufacturers’ price
- Used successfully in other sectors (e.g., utilities) to protect consumers from companies with monopoly powers and little competition
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Plain Packaging

- Recommended by
  - WHO FCTC Articles 11 and 13
  - Scientific Advisory Committee
  - Tobacco Strategy Advisory Group

- Australia: all cigarettes manufactured and sold must have plain packaging effective December 1, 2012
Plain Packaging: Early evidence after policy introduction

Decreased product appeal

- Observational study of outdoor patio patrons (Zacher 2014)
  - Number of packs clearly displayed on tables decreased by 15%
  - Proportion of packs oriented face-up declined (85.4% vs 73.6%)
  - Proportion concealed by other items increased (4.4% vs 9.5%)
- Respondents smoking from plain packs perceived lower quality and less satisfying (Wakefield 2013)

Impact on smoking behaviours

- Prevalence of active smoking at outdoor patios declined (8.3% vs 6.6%) (Zacher 2014)
- Quitline call volumes increased 78% in the first 4 weeks (Young 2014)
Questions

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ONTARIO RECENT PROGRESS TOWARD ENDOGAMES?
## Ontario moving to Endgame?

<table>
<thead>
<tr>
<th>Measure</th>
<th>Likely Effect</th>
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<tbody>
<tr>
<td>5% Tobacco Tax Increase</td>
<td>Negligible</td>
</tr>
<tr>
<td>Patio &amp; Playing Field Ban</td>
<td>Nice but no dice</td>
</tr>
<tr>
<td>Flavour Ban</td>
<td>Helpful, but</td>
</tr>
<tr>
<td>Hookah Inspection</td>
<td>Not really</td>
</tr>
<tr>
<td>Sales on Campuses</td>
<td>Hmmmm</td>
</tr>
<tr>
<td>E-cigarette measures</td>
<td>Well…</td>
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Endgame Initiative Developments

- OTRU Stakeholder Endgame meeting
- TOPHC Workshop
- Canadian National Endgame Initiative
- Increasing attention in publications and in conferences
OPPORTUNITY FOR QUICK WIN?
Raise Minimum Age to 21? (from IOM Report)

- 90 percent of people who have ever smoked daily first tried a cigarette before 19 years of age

- Nearly all others who ever smoked daily tried their first cigarette before the age of 26
Modeled Effects of Raising MLA

Raising the MLA will lead to approximately a 3 percent decrease in smoking prevalence for an MLA of 19, a 12 percent decrease for an MLA of 21, and a 16 percent decrease for an MLA of 25.
The Contraband Question

To what extent will tobacco endgame measures result in a substantial shift to contraband?

To debunk the myth, we assessed findings from the literature, and analyzed data on tobacco taxes and contraband in Ontario and Canada.
Debunking the tax-contraband myth

Does increasing tobacco tax necessarily increase contraband?
International Experience

Tobacco tax increases reduce tobacco use and increase tobacco revenues, even when small amount of accompanied contraband.

Many of the small proportion of smokers who move to contraband return to legal tobacco within a short period of time.
What about Ontario?

Ontario has the lowest tobacco tax rate in Canada and the highest contraband use.

Why?

Easy access, insufficient enforcement and penalties, organized criminal activity and misconceptions about “legal” purchase of cigarettes from First Nations’ Reserves.
Can Ontario learn from Quebec?

Quebec has both increased taxes and invested heavily in anti-contraband measures.

Decreased contraband tobacco use substantially and increased revenues while first maintaining and then raising tobacco taxes.
Contraband threat conclusion

- Effective anti-contraband measures are feasible
- Not all smokers willing and able to access contraband routinely
- Tobacco is not alcohol. 2015 is not 1918.