

Alliance for a Tobacco Free Ontario (ATFO)

2023 Ontario Pre-Budget Consultation: Recommendations to support the health of our communities and reduce the burden on the health care system

Submission to the The Honourable Peter Bethlenfalvy, Minister of Finance

Introduction:

The Alliance for a Tobacco Free Ontario (ATFO) is committed to creating a province free of commercial tobacco and youth vaping. Our members work independently and collaboratively to reduce tobacco use in Ontario.

Our recommendations:

We recommend the following steps to address tobacco usage and youth vaping in Ontario's 2023 budget:

1. Participate in the federal government's vape tax framework, to deter access to vape products among young people.
2. Implement a **cost recovery fee on the tobacco industry** to recoup the \$44 M spent annually on tobacco prevention, cessation and enforcement programs.
3. Offer **increased access to smoking cessation supports** to people in Ontario through subsidizing the cost of quit aids and offering more accessible service delivery.

Recommendation #1:

Participate in the federal government's vape tax framework

Youth vaping remains a highly problematic public health issue. Rates skyrocketed in the late 2010s¹ and despite a small decline in youth vaping rates during the pandemic, vaping among young people in Ontario have increased again.² In Ontario, the rate of current vape use among young people (15 – 24 years) is 13.4% which is almost 4 times higher than that among adults (25 years and older) at 3.5%.²

While the efficacy of vape products as tobacco cessation tools is still inconclusive, it is clear that these products have some risk and are harmful for young people who otherwise would not be using nicotine.³ Nicotine is highly addictive and alters adolescent brain development and can affect memory and concentration.⁴ Vaping liquids also contain numerous chemicals with known toxicity linked to negative health outcomes.⁵ E-liquid can negatively impact cells in the mouth, nose, lungs, heart, and blood

¹ Canadian Tobacco and Nicotine Survey. Statistics Canada, 2021.

<https://www150.statcan.gc.ca/n1/daily-quotidien/220505/dq220505c-eng.htm>

² Health Canada. Canadian Tobacco and Nicotine Survey (CTNS): summary of results for 2022.

<https://www.canada.ca/en/health-canada/services/canadian-tobacco-nicotine-survey/2020-summary.html>

³ World Health Organization. 2020. [E-cigarettes are harmful to health.](#)

⁴ U.S. Department of Health and Human Services. E-Cigarette Use Among Youth and Young Adults. A Report of the Surgeon General. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2016.

⁵ Pipe AL, Mir H. E-Cigarettes Reexamined: Product Toxicity. Can J Cardiol. 2022 Sep;38(9):1395-1405. doi: 10.1016/j.cjca.2022.08.001. PMID: 36089290

vessels.^{6,7} A research review found that teenagers who used e-cigarettes have four times higher odds of future tobacco use.⁸

Youth are very sensitive to price, and research has shown that taxes on vape products deter consumption through both reducing initiation and improving quit rates.^{9,10,11} Most Ontario youth have indicated it's easy to get access to vapes,¹² partly because the cost of entry to purchase a vape is very low. In Ontario some products sell for as low as \$6 which equates to less than half an hour of work in a minimum wage job.

Numerous jurisdictions around the world have adopted vape taxes. In Canada, all provinces except Ontario and Manitoba have their own provincial vape tax or have announced plans to participate in the federal vape tax framework. The federal collaborative mechanism is especially helpful for Ontario as it enables a quick source of revenue without any administrative burden or barriers around creating a new tax. The federal government would collect the revenue and transmit this to Ontario. According to the Ontario Tobacco Research Unit (OTRU), Ontario is estimated to gain \$49.4 million per annum in revenue through participation in the federal vape tax framework.¹³ This is particularly relevant given that Ontario's tax revenue from tobacco has decreased each year in recent years given the absence of tobacco tax increases.

There is wide support for this across the country and across different political ideologies. A 2022 Ipsos Reid poll found that 80% of Ontarians supported the implementation of a tax on vaping products as a strategy to reduce youth vaping.¹⁴

⁶ Ohlystov A, Samburova V. Flavoring Compounds Dominate Toxic Aldehyde Production during E-Cigarette Vaping. *Environ Sci Technol.* 2016;50(23):13080-13085. doi:10.1021/acs.est.6b05145

⁷ Chronic e-cigarette use impairs endothelial function on the physiological and cellular levels. *Arteriosclerosis, Thrombosis, and Vascular Biology.* DOI: 10.1161/ATVBAHA.121.317749

⁸ O'Brien D, Long J, Quigley J. et al. Association between electronic cigarette use and tobacco cigarette smoking initiation in adolescents: a systematic review and meta-analysis. *BMC Public Health* 2021; 21:954. <https://doi.org/10.1186/s12889-021-10935->

⁹ Stoklosa M, Drope J, Chaloupka FJ. Prices and E-Cigarette Demand: Evidence From the European Union. *Nicotine Tob Res Off J Soc Res Nicotine Tob.* 2016;18(10):1973-1980. doi:10.1093/ntr/ntw109

¹⁰ Corrigan JR, Hackenberry BN, Lambert VC, Rousu MC, Thrasher JF, Hammond D. Estimating the price elasticity of demand for JUUL E-cigarettes among teens. *Drug Alcohol Depend.* 2021;218:108406. doi:10.1016/j.drugalcdep.2020.108406

¹¹ Krishnan N, Berg CJ, Elmi AF, Klemperer EM, Sherman SE, Abrams LC. Trajectories of ENDS and cigarette use among dual users: analysis of waves 1 to 5 of the PATH Study. *Tob Control.* Published online November 25, 2022. doi:10.1136/tc-2022-057405

¹² The Wellbeing of Ontario Students. Findings from the 2021 Ontario Student Drug Use and Health Survey [2021-osduhs-report-pdf.pdf \(camh.ca\)](https://www.camh.ca/en/health-info/2021-osduhs-report-pdf.pdf)

¹³ Ontario Tobacco Research Unit (OTRU). Estimation based on Government of Quebec projections.

¹⁴ Ipsos Reid Poll. February 2022. Conducted for the Canadian Cancer Society

Recommendation #2:

Implement a cost recovery fee on the tobacco industry to recoup the government's expenditure on tobacco prevention, cessation enforcement and compliance programs.

At present, Ontario spends about \$44 million each year on tobacco control – a cost that is funded by Ontario taxpayers. Instead of burdening the public, the cost of Ontario's prevention, education, cessation, compliance and enforcement programs should be paid by the tobacco industry given the ongoing harm and cost they inflict on society. In order to make the most of the cost recovery fee, it is recommended that all government tobacco control expenditures including those granted to public health units for tobacco control be recouped from the tobacco industry. This mechanism holds the tobacco industry accountable recognizing that tobacco use remains a leading cause of death and costs the Canadian health care system approximately \$6.5 billion in direct health care costs in 2016.¹⁵

A cost-recovery fee on manufacturers of tobacco would offset the approximately \$44 million the Ontario government spends on annual tobacco control programs. We recommend this fee to be based on each manufacturer's market share. This approach has been used in the US for tobacco control since 2009, and in Canada where there are cannabis recovery fees at federal and provincial levels.

A tobacco cost recovery fee has strong public and political support. In 2021, the Liberal Party, Conservative Party and NDP all included this intervention in their election platforms. In addition, a 2022 public opinion poll conducted by Ipsos Reid found that 86% of Ontario respondents supported a measure that would make Canadian tobacco companies pay the costs of the government's programs to reduce youth smoking.¹⁴

Recommendation #3:

Increase access to smoking cessation supports for people in Ontario in order to reduce the burden of smoking related diseases on the health care system.

Tobacco use remains a leading cause of premature death and disability in Ontario. In an already overwhelmed health care system, we need to work proactively to limit and prevent the smoking-attributable burden on our system. The 2023 projected smoking-attributable health care expenditure in Ontario for individuals aged 20 and older is \$4.4 billion.¹⁶ While the share of smoking-attributable health care expenditure compared to total health care costs is declining for Ontario, it can be further reduced by increasing tobacco quit rates at a faster pace.¹⁶

¹⁵ Dobrescu A, Bhandari A, Sutherland G, Dinh T. The costs of tobacco use in Canada, 2012. Ottawa: The Conference Board of Canada 2017.

Available: https://www.conferenceboard.ca/temp/798874de-cf16-4639-b4c4-610161c64a18/9185_Costs-Tobacco-Use_RPT.pdf

¹⁶ Manuel DG, Wilton AS, Rohit Dass A, Laporte A, Gandhi S, Bennett C. Health Care Cost of Smoking in Ontario, 2003 to 2041. Toronto, ON: Institute for Clinical Evaluative Sciences; 2018.

The number of people who smoke remains high with 1.48 million Ontarians aged 12 years of age and older reporting daily or occasional cigarette smoking.¹⁷ While the smoking rates among Ontario adults continue to decline to lowest prevalence on record, an analysis of the data shows that the decrease in smoking rates observed are a result of growth in the population who report never to have smoked, not because we are seeing an increase in rates of quitting.¹⁸ Tobacco use remains a challenging addiction to overcome; however, people are significantly more likely to remain tobacco free when using evidence-based cessation support aids and services like pharmacotherapy and counselling compared to self-help efforts.¹⁹

Smoking rates remain disproportionately high within sub-groups of the population including people with lower household income, Indigenous peoples, people with mental health challenges, and those struggling with substance use disorders.²⁰ The risk factors associated with higher rates of smoking include lower levels of educational attainment, gender and sexual orientation, and employment within the trades, industry, service and sales.²¹ While Ontario offers some tobacco cessation services and supports for current smokers, there is much room for improvement.

Free NRT is available through a few smoking cessation programs offered in Ontario, but many programs require participants to have internet access and a home mailing address to register and to receive the NRT. Ontario's free primary care (pharmacist delivered) smoking cessation counselling program provides free prescription medication for Ontario Drug Benefit recipients exclusively. These program stipulations create barriers, impeding equitable access to smoking cessation services.

In numerous provinces, including BC, AB, and QC, all residents can access free NRT and prescription medications for smoking cessation.²² It is recommended that Ontario expand free primary care smoking cessation counselling beyond Ontario Drug Benefit recipients, and that nicotine replacement therapy (NRT) and prescription medication for smoking cessation be subsidized for all people in Ontario. Free access to quit aids and counselling remove any financial barriers and encourage utilization by those Ontarians who are disproportionately impacted by their tobacco addiction. Lastly, the integration of free pharmacotherapy and counselling at point of care within all primary health care settings, including physician offices, nurse practitioner-led clinics, community health centres and in all hospitals, beyond cancer care settings is recommended.

¹⁷ Statistics Canada. 2021. Table 12-10-0096-10 Smokers, by age group. Available: <https://doi.org/10.25318/1310009601-eng>

¹⁸ Physicians for a Smoke-Free Canada. March 2022. Newly released data shows quitting rates are stagnant – and most vapers are not reducing harm. Available: <https://smoke-free-canada.blogspot.com/2022/03/newly-released-data-shows-smoking-rates.html>

¹⁹ Patnode CD, Henderson JT, Coppola EL, Melnikow J, Durbin S, Thomas RG. Interventions for Tobacco Cessation in Adults, Including Pregnant Persons: Updated Evidence Report and Systematic Review for the US Preventive Services Task Force. *JAMA*. 2021;325(3):280–298. doi:10.1001/jama.2020.23541

²⁰ Chaiton M. and Callard, C. Mind the Gap: Disparities in Cigarette Smoking in Canada. *Tobacco Use Insights* 2019. <https://journals.sagepub.com/doi/pdf/10.1177/1179173X19839058>

²¹ Ibid.

²² Canadian Partnership Against Cancer. Financial coverage of smoking cessation medications in Canada, 2021. [Financial coverage of smoking cessation medications in Canada, 2021 \(pcdn.co\)](https://www.pcdn.co/financial-coverage-of-smoking-cessation-medications-in-canada-2021)

Conclusion:

Ontario is at a pivotal junction in terms of addressing the youth vaping crisis and containing health care costs. The solutions provided above have the potential to reduce youth vaping and tobacco use and their related health costs, while also raising over \$93 million dollars in annual revenue. These policy measures provide support to young people and other Ontarians who are concerned about youth vaping, provide assistance to current smokers who want to quit but need additional support, and lastly provide reposition for Ontario taxpayers who prefer the tobacco industry be held accountable for their ongoing infliction of harm.

We believe action in these areas will help reduce the prevalence of smoking and youth vaping, benefitting Ontarians now and long after the COVID-19 pandemic is behind us. For further information about these recommendations please contact Sarah Butson, Public Affairs and Policy Analyst at the Canadian Lung Association (policy@lung.ca) or Hillary Buchan-Terrell, Manager of Advocacy at Canadian Cancer Society (Hillary.buchan-terrell@cancer.ca).

This submission is endorsed by the following ATFO Members:



B R E A T H E
the lung association

