

March 24, 2023

The Honourable Chrystia Freeland, P.C., M.P.
Deputy Prime Minister and Minister of Finance
House of Commons
Ottawa, Ontario
K1A 0A6

Support for planned annual adjustment to excise tax on alcohol products

Dear Deputy Prime Minister Freeland:

On behalf of the Ontario Public Health Association (OPHA), the Canadian Public Health Association (CPHA), and our members, we are writing to express our strong support for the federal government's [scheduled excise tax adjustment on alcohol products for April 1, 2023](#).

We are concerned, however, by both the March 22 opposition motion to cancel the scheduled excise tax increase and by comments of Liberal MP Adam Van Koeverden (Parliamentary Secretary to the Minister of Health) expressing his belief that the scheduled increase is too high. Such views among Parliamentarians represent pandering to industry and false economics, reflecting an inadequate understanding of why excise taxes exist and why they should be indexed to inflation.

In reality, a 6.3% excise tax increase will have a negligible impact: an additional cost an average of 5-10¢ for an imported six-pack of beer, 3¢ for a 750 ml bottle of wine, and 70¢ cents for 750 ml spirit of 40% alcohol. This isn't going to break the bank for either producers or consumers, and there's no reason to believe otherwise.

Proceeding with this planned excise tax increase is essential to advance public health and sound government policy-making. [Health taxes](#) – such as excise taxes on producers of alcohol, tobacco and cannabis – are win-win-win public policy measures because they save lives, prevent disease and injury, advance health equity, mobilize revenue for the general budget, and are highly cost-effective. Further, in a [published 2022 monograph](#) examining hundreds of alcohol policy publications, they concluded that there is strong evidence of alcohol tax effectiveness in reducing alcohol related harms, including adolescents and heavy drinkers.

Alcohol products bring enormous health and social costs to Canadians, and a multi-billion-dollar deficit to Canada as a whole. Government revenues from alcohol of \$10.9 billion in 2014 were outweighed by societal costs of \$14.6 billion. These losses are compounded by the reality that Ottawa left [substantial revenue](#) on the table between 1985 and 2017 by failing to index alcohol excise taxes to the cost of living.

The alcohol industry and businesses pretend to be on the side of consumers when they point to concerns about consumers and businesses struggling to afford price increases across all categories of goods and services. This is true when it comes to necessities but not at all with respect to alcohol and other health-harming substances. Giving tax breaks to industry by not carrying through with the planned excise tax increase would be a grave disservice to Canadians.

In making tax policy, it's the government's responsibility to prioritize Canadians' health and safety over industry interests. Adjusting excise tax to inflation maintains the integrity of the pricing structures in place, ensuring that the cost of alcohol stays stable in relation to other things we buy. If the government doesn't stick to this policy, it effectively lowers the cost of a product that brings [significant social and health harms](#) to individuals and collective costs to us all.

Sincerely,

John Atkinson
Executive Director
Ontario Public Health Association
www.opha.on.ca

Ian Culbert
Executive Director
Canadian Public Health Association
www.cpha.ca