

## Canadian Alcohol Policy Evaluation (CAPE) 3.0

### Results from Newfoundland and Labrador

The Canadian Alcohol Policy Evaluation (CAPE) provides rigorous assessments of how well each level of government in Canada is implementing policies proven to reduce harm from alcohol use. This is the third edition of the CAPE project; a project which has a track record of strengthening Canada's response to alcohol harm. Policy data for CAPE 3.0 were collected between June 1 and December 1, 2022.

#### Why it Matters: Annual alcohol consumption, harms and costs in NL

##### Alcohol consumption, 2020/2021

NL: 540 standard drinks per person aged 15+

Canada: 487 standard drinks per person aged 15+

Source: Statistics Canada. Table 10-10-0010-01 Sales of alcoholic beverages types by liquor authorities and other retail outlets, by value, volume, and absolute volume.

##### Alcohol health harms, 2020

24,026 ER & hospital visits in NL

357 deaths in NL

Source: Canadian Substance Use Costs and Harms. [www.csuch.ca](http://www.csuch.ca)

##### Alcohol deficit, 2020/2021

+ \$296M alcohol revenues

- \$351M alcohol harm costs

= -\$54M total alcohol deficit

Which is equal to -\$0.22 per standard drink sold.

Sources:

- Statistics Canada. Table 10-10-0010-01 Sales of alcoholic beverages types by liquor authorities and other retail outlets, by value, volume, and absolute volume.
- Canadian Substance Use Costs and Harms.
- Statistics Canada. Table 10-10-0012-01 Net income of liquor authorities and government revenue from sale of alcoholic beverages (x 1,000).

#### What can be done: an alcohol policy approach

Evidence-based alcohol policies are the most effective way to reduce harm from alcohol. The scores presented in this summary represent the degree to which best practice policies have been implemented.

## CAPE 3.0 results: how does NL compare?

- BC: 36%
- AB: 34%
- SK: 36%
- MB: 44%
- ON: 40%
- QC: 42%
- NB: 35%
- NS: 38%
- PE: 37%
- NL: 41%
- YT: 33%
- NT: 32%
- NU: 34%

## NL's CAPE Scores: What's Possible?

If Newfoundland and Labrador implemented all the best existing policies across Canada's provinces and territories, their score could change from 41% (F) to 80% (A-). If we graded NL against best existing policies across provinces and territories, their score would still only be 51% (D-).

## CAPE policy domains: do they all have the same impact?

The 11 policy domains in this assessment form part of a comprehensive and synergistic approach to preventing and reducing different types of alcohol harms. Policies examined fall under provincial or territorial control, and each domain reflects the current evidence and is weighted based on its effectiveness and scope of reach. This results in a ranked order from one (i.e., highest overall impact) through 11 (see next page). However, all the domains are necessary to create a health-focused alcohol policy environment. To read more, see Project Methodology.

## What NL is doing well: Selected examples

### Policy domain 1: Pricing & Taxation

NL has minimum prices in place for all alcohol sold and some of the highest off-premise minimum prices in Canada. Off-premise minimum prices are indexed to inflation, although not automatically, and are tied precisely (e.g. \$/L ethanol) to ethanol content for high strength beer.

### Policy domain 2: Physical Availability

NL has legislated powers to set population-based limits on outlet density for all premises, although none currently in place. No home delivery of off-premise alcohol is allowed and while on-premise alcohol takeout and delivery is permitted, there is a defined food component required that is set in regulation.

### Policy domain 10: Alcohol Strategy

NL has a fully funded and endorsed standalone alcohol action plan, developed independently of industry, that includes recommendations for key areas such as pricing and physical availability. The 5-year plan incorporates implementation assessment and is led by a provincial working group.

## Where NL needs work: Selected examples

### Policy domain 1: Pricing & Taxation

On-premise minimum pricing in NL is not indexed to inflation or tied to ethanol content. Off-premise minimum pricing is only tied precisely (e.g. \$/l ethanol) to ethanol content for high strength beer; indexation is not automatic. Alcohol is not taxed at a higher rate relative to other consumer goods.

#### *NL Minimum Pricing in 2021/22*

Note: Price per standard drink for a common container size and beverage strength, expressed in 2021 dollars.

#### Off-premise (e.g., liquor stores)

Recommended minimum price: \$1.83

#### Actual prices:

- Beer: \$1.71
- Wine: \$1.72
- Spirits: \$1.47
- Coolers: \$2.12

#### On-premise (e.g. restaurants, bars)

Recommended minimum price: \$3.66

#### Actual prices:

- Beer: \$1.65
- Wine: \$1.91
- Spirits: \$2.34
- Coolers: \$1.13

### Policy domain 2: Physical Availability

The level of population based off-premise outlet density in NL is nearly 10 times higher than the recommended rate; there are no set density or placement limits for any premises. Hours of sale are not set in legislation for any premises, although they are close to recommended hours.

### Policy domain 3: Control System

Less than 5% of off-premise retail outlets in NL are government owned and run. There are no policies that prohibit online sales or alcohol sales alongside other services. The alcohol regulator/retailer, NLC, reports to the Ministry of Finance and does not include health and safety in its mandate.

## Steps NL can take to improve their CAPE policy scores

The policy domains below are listed in order of impact based on their effectiveness and scope.

Note: Grade ranges: A+ = 90-100%; A = 85-89%; A- = 80-84%; B+ = 77-79%; B = 73-76%; B- = 70-72%; C+ = 67-69%; C = 63-66%; C- = 60-62%; D+ = 57-59%; D = 53-56%; D- = 50-52%; F = 0-49%.

NL's CAPE 3.0 Score: 41% (F)

## Policy domain 1: Pricing & Taxation

Score: 39% (F)

### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Increase legislated minimum prices to a rate per standard drink (e.g. 17.05mL ethanol) of at least \$2.04\* for alcohol sold at off-premise retail outlets and \$4.07\* for alcohol sold at on-premise establishments, after taxes, and implement on-premise automatic indexation (\*2023 price); tie minimum prices for all alcohol precisely to ethanol content (e.g. \$/L ethanol).
- Update general alcohol prices annually to ensure that all keep pace with NL-specific inflation, increase alcohol sales taxes, and tax alcohol at a higher rate than other consumer goods.
- Set off-premise minimum retail markups to be at least 100% of the landed cost for each beverage type and set on-premise markups at or above the off-premise retail price.

## Policy domain 2: Physical Availability

Score: 30% (F)

### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Reduce existing outlet density of all premises, and especially off-premise outlets. Introduce density and placement limits for all premises.
- Reduce and legislate maximum trading hours allowed per week; restrict alcohol sales before 11:00am and after 8pm (off-premise retail outlets) and 1am (on-premise establishments). Prohibit alcohol takeout and home delivery, including by a third party, from on-premise establishments.

## Policy domain 3: Control System

Score: 7% (F)

### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Appoint a health and/or safety-focused ministry to oversee alcohol regulation and distribution/retail. Require a government wholesaler or equivalent fee between the producer/manufacturer and retailer.
- Increase the current 3.4% proportion of government-owned and operated off-premise retail outlets and move towards a full government monopoly. Prohibit alcohol sales beyond traditional channels such as in convenience and grocery stores, in other establishments such as spas and sporting facilities, and via online sales; phase out ferment-on-premise outlets and home-brew kits.
- Include protection of public health and safety as explicit mandate objectives for regulator and distributor/retailer; legislate earmarked funds for harm prevention, research, and treatment; require public health involvement in decision-making and legislative changes; require targeted health-focused public engagement.

#### Policy domain 4: Impaired Driving Countermeasures

Score: 71% (B-)

##### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Strengthen graduated licensing program (GLP) with stage 1 minimum of 12 months and stage 2 minimum of 24 months; implement stage 2 passenger limit. Extend zero tolerance period to all new drivers with less than 5 years' experience.
- Impose increased penalties when presence of alcohol plus another drug is detected.
- Strengthen mandatory ALS and AVI with comprehensive escalating penalties for repeat occurrences and according to BAC level; record on driver's abstracts for at least 5 years.
- Impose mandatory escalating long-term ALS for third and subsequent federal impaired driving convictions.

#### Policy domain 5: Marketing & Advertising Controls

Score: 0% (F)

##### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Implement restrictions on advertising quantity (e.g. ad bans and volume restrictions), content (e.g. beyond CRTC rules), placement (e.g. physical location), and price-based promotions/sponsorships for all advertisers (e.g. government retailers, non-licensees/third parties) and all media types.
- Appoint independent health-focused enforcement authority to conduct mandatory pre-screening of all alcohol ads, host responsive online complaint system, and enforce penalties applicable to government and private advertisers. Set commensurate, escalating penalties for any violations; publicly list violations online with advertiser name and nature of violation.

#### Policy domain 6: Minimum Legal Age

Score: 34% (F)

##### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Increase minimum legal age to 21 for possession and purchase of alcohol; consider granting graduated access (i.e. restrictions based on alcohol strength or hours of sale).
- Require proof of age identification for anyone purchasing alcohol and 2-staged verification (i.e. when ordering and receiving order) for alcohol sales made remotely (e.g. online, via phone, etc.).

#### Policy domain 7: Health & Safety Messaging

Score: 20% (F)

### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Implement enhanced alcohol labelling as a manufacturer requirement and mandatory onsite health and safety messaging (e.g. signage, posters) in all premises. Labels, signage, and messaging should include a variety of evidence-based warning messages (e.g. cancer risk, standard drinks, national alcohol guidance, calories), be prominently displayed and accompanied by pictorials, rotate across all products, and support consumers in making informed decisions about product use.

### Policy domain 8: Liquor Law Enforcement

Score: 77% (B+)

### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Strengthen existing risk-based licensing and enforcement by conducting compliance checks at least once a year, with more frequent checks based on risk level for on-premise outlets and by conducting follow up for failed compliance within 3 months and based on severity or number of violations for all premises. Introduce dedicated police inspection program for on-premise establishments. Strengthen existing tracking by public reporting disaggregated violations with establishment name and violation type.
- Implement mandatory, evidence-based alcohol sale and service training programs with a focus on public health for all involved in the sale, service or delivery of alcohol at all premises and licensed events; require recertification at least every 2 years.

### Policy domain 9: Screening and Treatment Interventions

Note: Treatment indicators measure existence of services only, not quantity or quality

Score: 92% (A+)

### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Formally adopt the most recent evidence-based national alcohol guidance with an official statement of support.
- Provide publicly funded permanent managed alcohol programs.

### Policy domain 10: Alcohol Strategy

Score: 87% (A)

### Recommendations

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Strengthen the existing alcohol-specific strategy by including evidence-based public health policies on alcohol control system, impaired driving, minimum legal age and liquor law enforcement.

### Policy domain 11: Monitoring & Reporting

Score: 54% (D)

#### *Recommendations*

All recommended policies should be developed and implemented without alcohol industry involvement, without incorporating exceptions, and enacted in legislation or regulation where possible.

- Implement systematic and comprehensive tracking of all alcohol-related indicators (e.g. add consumption and drinking patterns, attributable hospitalizations and policy changes to existing indicators).
- Report annually on all indicators through centralized public database or reporting system (i.e., website), with tailored knowledge products or activities at least every 2 years.

#### More CAPE products:

##### Provincial/Territorial

- Other P/T Results Summaries
- Policy Domain Results Summary
- Policy Scoring Rubric
- Methodology and Evidence
- Best Practice Policy Leaders

##### Federal

- Federal Results Summary
- Policy Domain Results
- Policy Scoring Rubric
- Methodology and Evidence
- Evidence-Based Recommendations for Labelling of Alcohol Products in Canada

To learn more about the Canadian Alcohol Policy Evaluation or to join our Community of Practice, visit [alcoholpolicy.cisur.ca](http://alcoholpolicy.cisur.ca) or email [cisur@uvic.ca](mailto:cisur@uvic.ca).

#### Suggested citation

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