

# Getting to less than 5% by 2035

**THE 2019 TOBACCO ENDGAME REPORT**

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# Canada needs to do better.

Over the past several decades, we have seen progress through smoke-free public places, tax increases, public education campaigns and other measures contributing to a dramatic decline in smoking rates. Yet, as of today, tobacco remains the number one cause of preventable disease and death in Canada. It is time to increase our collective efforts to achieve the Endgame goal of a prevalence of tobacco use of less than 5% of the population by 2035.

# The following report aims to shed light on some of the many aspects of tobacco control that need immediate attention and significant improvement if we are to eliminate tobacco use in Canada. Tobacco control goals must be aligned across the country and we need all levels of government to work toward the Endgame goal.

The federal government is to be commended for introducing plain and standardized tobacco packaging regulations in Canada, which are the best in the world, including a requirement that all packages only be sold in the slide and shell format. There are also plans for warnings on cigarettes themselves, which would be a world first. However, there are many other areas where Canada is moving too slowly and needs to act with the urgency that this issue deserves.

We are witnessing an alarming trend with youth vaping rates. Vaping products are being perceived as trendy and acceptable by youth. Inadequate advertising restrictions, inviting flavours and attractive marketing techniques have effectively placed e-cigarettes right into the hands of young Canadians. This risks undermining the potential progress that could be made.

This report has a list of policy measures that need to be enacted in order to decrease the tobacco use rate in Canada. Currently in Canada, five million people, or 16% of the population, smoke (2017). The Endgame goal is one that would translate to healthier Canadians. It would mean fewer cases of disease and death caused by tobacco. With recent research that smoking rates among youth in Canada may have actually increased, it is time for all of us to pull the alarm. We simply cannot go back in time and allow the health of our youth to be endangered. We urge governments to act now.

The goal of **“LESS THAN 5% BY 2035”** is not simply a number. It is not a tagline. It represents lives improved and lives saved. This report addresses the status of a series of measures that will contribute towards successfully getting to less than 5% by 2035.

## THE NEED

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**The Tobacco Endgame Cabinet is pleased to share the *2019 Tobacco Endgame Report: Getting to less than 5% by 2035*. The Tobacco Endgame Cabinet comprises leading experts in tobacco control, including individuals from health charities, researchers and healthcare professionals.**

**TOBACCO USE REMAINS THE NUMBER ONE CAUSE OF PREVENTABLE DEATH IN CANADA, KILLING 45,000 CANADIANS EACH YEAR.** While prevalence has declined in recent years, more than five million Canadians continue to use tobacco products. There is an urgent need for a more effective approach, as current tobacco control measures will not get us to our goal. A strong commitment to tobacco control through investment in legislation, programs and research is still needed as we continue our efforts to minimize the damage tobacco does to the health of so many Canadians.

This progress report provides an overview of the origins of the Tobacco Endgame in Canada and the progress made towards achieving the Tobacco Endgame goal of less than 5% tobacco use by 2035.

As indicated in the following report, Canada needs improvement and action on many measures. Action and collaboration are needed from all levels of government. Canada should be the world leader and be one of the first countries to achieve under 5% tobacco use by 2035.

## **BACKGROUND: ENDGAME SUMMIT TO NOW**

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**On September 30 and October 1, 2016, Queen's University hosted a summit to gain a commitment to the Tobacco Endgame goal of less than 5% tobacco use by 2035. Invited guests included tobacco control experts from cancer control, health policy, law, tobacco control, academic research, medical, economics, mental health and addiction, as well as non-government organizations (NGOs).**

The summit concluded with an agreement that an Endgame strategy for commercial tobacco is needed – and that the goal for prevalence of tobacco use of less than 5% by 2035 is supported. It was clear from the discussion at the summit that getting there will require transformative and new measures. To be successful, the Endgame strategy must contain measures that result in smoking prevention and a dramatic increase in effective cessation.

## KEY MILESTONES

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# 2017 2018 2019

Federal Minister of Health launched consultation on **FEBRUARY 21, 2017** for a new Federal Tobacco Control Strategy with the stated objective of achieving under 5% tobacco use by 2035 (the Endgame goal).

Government of Canada held The National Forum on the Future of Tobacco Control in Canada (the "Forum") in Ottawa on **MARCH 1 AND 2, 2017**. The Forum resulted in a report, which was published on **MAY 31, 2017**.

Bill S-5, which contains regulatory authority for plain and standardized packaging in Canada, received Royal Assent **MAY 23, 2018**.

On **MAY 31, 2018** a new federal tobacco strategy was announced, committing to reaching less than 5% tobacco use by 2035, with a total commitment of \$330 million over five years to help reach the goal, beginning in 2018-19.

Federal Notice of Intent to regulate advertising for vaping products was issued on **FEBRUARY 5, 2019**.

Final regulations for plain and standardized tobacco packaging and a ban on slim cigarettes announced **MAY 1, 2019**.

## ENDORSEMENT OF ENDGAME GOAL

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In order to achieve the Endgame goal of less than 5% by 2035, *pan-Canadian support* is required. While the goal was endorsed by the federal government, individual provinces and territories have not yet provided endorsement.

### Federal/provincial/territorial government endorsement of Endgame goal

Fed	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL	YT	NWT	NU
Yes	No	No	No	No	No	No	No	No	No	No	No	No	No

**Action:** Alignment with the Endgame goal is critical. All provincial governments need to take stronger action steps towards achieving the 5% goal by 2035.

## TAXATION

Higher tobacco taxes are a highly effective measure to reduce tobacco use. This has been one of the most effective means of reducing youth smoking rates in Canada. The table that follows shows federal/provincial/territorial tobacco tax rates for a carton of 200 cigarettes, including federal/provincial sales taxes where applicable. There is an extensive opportunity available for significant further tobacco tax increases. Tobacco taxes have the effects of both reducing tobacco use and increasing government revenue.

In simulation modelling research conducted by the Ontario Tobacco Research Unit (OTRU), increasing tobacco taxes had the greatest independent predicted decrease in smoking prevalence by the year 2035 (from 12.9% to 10.1%). Increasing tobacco taxes is critical in reducing tobacco use rates.

The tobacco industry is now receiving \$2 billion per year in incremental revenue through substantial price increases of \$15.00 per carton in 2014 to 2018 (first half) inclusive. That the tobacco industry can increase its prices to such an extent demonstrates the viability of tobacco tax increases by governments.

### Federal/provincial/territorial tobacco tax rates for a carton of 200 cigarettes

Fed	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL	YT	NWT	NU
28.22	55.00	50.00	60.59	68.19	44.37	29.80	61.73	59.53	66.13	59.49	60.00	60.80	60.00

The relative affordability of tobacco should not be overlooked when considering tobacco tax increases, as average disposable income for Canadians may increase even more than the price of tobacco. Affordability can be expressed as the amount of labour required to purchase a fixed amount of tobacco. This impact is even more pronounced among youth due to lower wage levels. Alberta and Quebec have the most affordable cigarettes in Canada ([Campaign for a Tobacco-Free Alberta, 2018](#)).



## SELECTED TOBACCO CONTROL MEASURES

The Endgame Summit considered measures that could have significant impact on rates of tobacco use. The following table indicates whether action has been taken regarding certain measures.

### Measures and actions

Tobacco Control Measure	Action
<b>Plain and standardized packaging</b>	On May 1, 2019, the federal government published final regulations for plain and standardized appearance, including a ban on slim cigarettes, effective Feb. 7, 2020 at the retail level with a further two year transition for the slide and shell format.
<b>Enhancing package health warnings</b>	On Oct. 26, 2018, the federal government announced a consultation for the next round of package health warnings that included larger warning size for many product categories and a measure to require a health warning directly on individual cigarettes. New warnings are not expected to appear on packages until 2022 at the earliest.
<b>Minimum legal age of 21</b>	No action
<b>Regulation of tobacco industry pricing to prevent undermining of tobacco taxation.</b>	No action
<b>Preventing contraband</b>	Some provincial governments have implemented additional measures. While Ontario has adopted a series of recent measures, contraband in Ontario is much higher than in other provinces.

Tobacco Control Measure	Action
<b>Product regulation</b>	Federal legislation extended the ban on flavours including menthol in cigarettes and most cigars to also ban menthol and cloves in all tobacco products, effective Nov. 19, 2018. (Seven provinces previously had flavoured tobacco legislation.)
<b>Aligning tobacco supply with public health goals. The following potential measures were raised for discussion at the Summit: financial penalties on tobacco companies for failing to meet tobacco reduction targets; a non-profit enterprise with a public health mandate; an ever declining sinking lid on the volume of tobacco allowed to be sold in Canada each year; a cap and trade system; a moratorium on new tobacco products.</b>	No Action
<b>18A classification for depicting smoking in movies</b>	No Action

## INVESTMENT IN TOBACCO CONTROL

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It is well established that sustained, well-funded tobacco control programs reduce tobacco use. The U.S. Centers for Disease Control and Prevention (CDC) in 2014 recommended best practices for comprehensive tobacco control programs for U.S. state governments that vary by state and that range per capita from C\$9.00 to C\$19.63 per year (exchange US\$1.00 = C\$1.33).

In Canada, governments could fully fund tobacco control strategies through a cost recovery fee on the tobacco industry, as the federal government and several provinces are now doing for cannabis (see box). With the tobacco industry now receiving \$2 billion per year in incremental revenue through price increases of \$15 per carton in 2014 to 2018 (first half) inclusive, the tobacco industry can certainly afford to fully reimburse governments for strategy costs.

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### CANNABIS COST RECOVERY FEES AS EXAMPLE

**The federal government has adopted an Annual Regulatory Fee on the cannabis industry to recover Health Canada's cannabis-related costs (e.g., enforcement, public education). Several provinces, including Manitoba and New Brunswick, have also done so for cannabis. As indicated in the table, no federal/provincial/territorial government has yet done so for tobacco. In the U.S., a national cost recovery fee has been in place since 2009 to recover the cost of the FDA's tobacco control budget.**

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## Federal/provincial/territorial per capita investments in tobacco control for fiscal 2016-17

Fed	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL	YT	NWT	NU
<b>Per capita funding, not including cessation products<sup>1</sup> (\$ per person)</b>													
1.04	1.03	1.55	0.35	2.45	3.58	2.07	n/a	0.47	0.59	1.01	6.53	n/a	n/a
<b>Per capita funding, including cessation products (\$ per person)</b>													
1.04	5.57	2.09	0.69	n/a	n/a	3.56	n/a	0.52	0.59	n/a	7.87	n/a	n/a
<b>Fee on tobacco manufacturers to recover strategy costs</b>													
No	No	No	No	No	No	No	No	No	No	No	No	No	No

## Tobacco control budgets for federal/provincial/territorial governments

Fed	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL	YT	NWT	NU
<b>Funding not including cessation products (\$ million)</b>													
37.60	4.88	4.27	0.41	3.23	50.06	17.20	n/a	0.07	0.56	0.53	0.25	n/a	n/a
<b>Funding including cessation products (\$ million)</b>													
37.60	26.45	6.57	0.80	n/a	n/a	29.60	n/a	0.08	0.56	n/a	0.30	n/a	n/a

Under the federal government's new tobacco strategy announced in 2018, ongoing funding for the strategy will be \$60 million per year (\$1.63 per capita), not including an additional \$6 million for contraband-related enforcement.

<sup>1</sup> For funding not including cessation products, in some provinces (AB, QC, NS, NL) some or all enforcement costs are not included; NS does not include some funding included in a health promotion budget; NL does not include work of the regional health authorities.



## ELEMENTS OF A COMPREHENSIVE CESSATION STRATEGY

- Expand and systematize cessation programs
  - Community, workplace, clinical settings
- Establish accountability frameworks
  - Federal and Provincial Ministries of Health, through the Tobacco Control Liaison Committee or other mechanism, should collaborate to develop a roadmap to expand and fund community, workplace and clinical smoking cessation programs to Endgame scale.
  - Each Ministry of Health should create a smoking cessation accountability framework for its healthcare system and related transfer payment agencies as part of the cessation program framework.
  - Pan-Canadian research funding agencies together with the Tobacco Control Liaison Committee should collaborate in the development of a research road map, as well as a strategy for the funding required to support research in support of the Endgame goal.
  - The Federal Minister of Health should provide bi-annual reports to Parliament on the status of smoking cessation across Canada.



Mock-up of plain and standardized tobacco packaging.

## TOBACCO RETAIL REFORM

Tobacco is widely available in Canada, with most Canadians having access to it 24/7 and at convenient locations. Reduction in the availability of tobacco retail outlets is necessary in Canada, including moving towards a retail system where tobacco is only sold from tobacco-only stores and where stores are given public health obligations. As indicated in the table below, no government has yet adopted a strategy to reduce the number of tobacco retailers, though some jurisdictions outside of Canada have done so (e.g., San Francisco, New York City, Philadelphia, France).

In Canada to date the sale of tobacco has been banned in some specific locations, such as pharmacies or universities/colleges, depending on the province/territory. For cannabis, most provinces have specified that cannabis may only be sold in stores that only sell cannabis and cannabis-related products. A similar approach should be implemented for tobacco.

In Canada tobacco companies continue to provide a wide variety of promotional payments and incentives to tobacco retailers.

### Government strategies to reduce the number of tobacco retailers

Fed	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL	YT	NWT	NU
<b>Strategy to reduce number of tobacco retailers</b>													
No	No	No	No	No	No	No	No	No	No	No	No	No	No
<b>Ban all promotional relationships between tobacco manufacturers and retailers</b>													
No	No	No	No	No	No	No*	No	No	No	No	No	No	No

## **SMOKE-FREE PLACES**

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**Smoke-free places are a critical piece in eliminating effects of second-hand smoke, reducing exposure to smoking behaviour and helping people who smoke quit as well as reduce their overall cigarette consumption. In Canada we have made substantial progress over the past 30 years in creating many smoke-free spaces. This includes a ban across Canada of smoking in workplaces, seniors' homes (with some smoking room exceptions), bars and restaurants. There is room for improvement and innovation when it comes to smoke-free places.**



There is still room for improvement in many settings, including in social housing, hospitals (including all grounds) and universities/colleges (including all grounds).

### Why do these matter?

- Social housing: Tenants in social housing have limited means, and many people in social housing have chronic diseases that make them extra vulnerable to second-hand smoke. People in social housing are often not there by choice and it should be a safe place to breathe for all residents.

- Hospitals: Hospital grounds that are 100% smoke-free encourage cessation among patients, including patients for whom cessation is critical to successful recovery. Moreover, such policies encourage cessation among hospital staff.
- Universities/colleges: More than half of Canadians aged 25 to 64 have attended either university or college. Most who attend are between the ages of 18-25. Policies for 100% smoke-free campuses not only provide protection from second-hand smoke, but also discourage tobacco use among youth.

### Social housing, hospitals and university/college smoke-free bans

Fed	BC	AB	SK	MB	ON	QC	NB	PEI	NS	NL	YT	NWT	NU
<b>Social housing</b>													
N/A	No	No	Yes	No	No	No	No	No	No	St. John's- Yes	Yes	No	No
<b>Hospitals (including grounds)</b>													
N/A	No	No	No	No	Yes	No	Yes	Yes*	No	Yes	No	No	Yes
<b>Smoke-free university/college grounds (province-wide)</b>													
N/A	No	No	No	No	No	No	No	No	No	No	Yes	No	No

**PROGRESSIVE MEASURES** In 2018, the city of Halifax adopted a bylaw to prohibit smoking on all municipal property, including streets and sidewalks, except for designated smoking areas (of which there are approximately 60 in the city). More than 80 university and college campuses are now 100% smoke-free indoors and outdoors. To date only Yukon has required this by legislation.



## THE NEED FOR ACTION IS URGENT

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**Federal, provincial and territorial governments in Canada need to act urgently to reduce tobacco use in order to achieve the Endgame goal of “less than 5% by 2035”. Governments need to adopt effective comprehensive strategies with interim targets, careful monitoring and feedback loops to correct their plans if they get off track.**

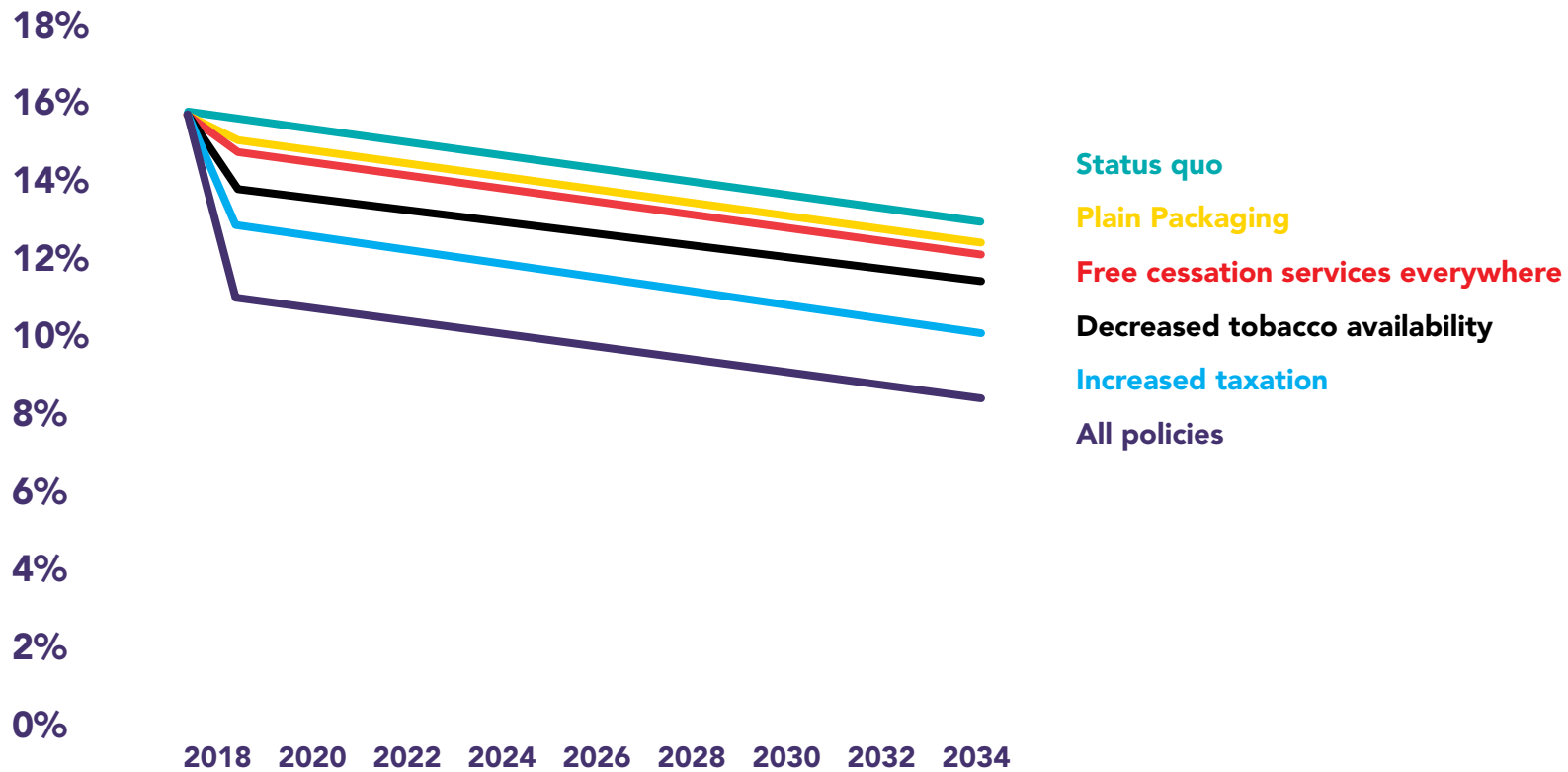
To be more effective, it is essential that governments increase the pace of legislative and regulatory action. For example, the federal government has broad regulatory authority under the Tobacco and Vaping Products Act, but the pace of regulatory action is far too slow given the nature of the tobacco epidemic. Fundamental systemic changes are needed to ensure that regulations are fast, responsive and effective, and can adapt quickly to market changes.

The Ontario Tobacco Research Unit (OTRU) has simulated what might happen in Ontario if several measures were implemented.

As shown in the graph on the next page, using an estimated prevalence of 15.5% of the Canadian population in 2018 as a baseline, OTRU projected that under the status quo, smoking prevalence would decrease to 12.9% by 2035. OTRU looked at the effect of plain packaging, free cessation services, decreased tobacco availability and increased tobacco taxation. If all of these measures were to be implemented, smoking prevalence would decline to 8.5% in 2035. OTRU concluded: “Further consideration should be given to implement more Tobacco Endgame interventions simultaneously to achieve the goal in 2035.”

# THIS IS FUNDAMENTAL. CANADA NEEDS TO STEP UP ITS GAME.

Figure 1: SimSmoke Model Predicted Smoking Prevalence, for Both Sexes, Ages 15-85, With and Without Tobacco Endgame Policies, Ontario, 2018-2035



Status quo represents the policy levels prior to the first projection year (2019)

Source: Ontario Tobacco Research Unit (2019).

## \* Notes

The following notes relate to the asterisks in the tables.

Tobacco cessation: BC, NWT and NU have programs to make bupropion (Zyban), varenicline (Champix) and NRT available to the full population, while Quebec makes these available to the full population on a prescription basis. Yukon has a program making NRT available to the full population. Manitoba has drug plan coverage for varenicline but not bupropion.

Retail reform – Quebec has a ban on incentive and promotional payments to retailers, but the measure is not fully comprehensive.

Smoke free places – PEI exempts the grounds of one hospital from the ban on smoking on hospital grounds.

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