



The Costs of Substance Abuse in Canada 2002: Backgrounder

In 1996, the Canadian Centre on Substance Abuse (CCSA) released the first-ever comprehensive estimate of the social costs of substance abuse in Canada (*The Costs of Substance Abuse in Canada: A Cost Estimation Study*). The study was based on data collected for the year 1992 and estimated the costs of substance abuse in Canada to be \$18.45 billion. The study was made possible by the development of reliable cost estimation guidelines through a series of meetings of international experts hosted by CCSA. There has been no comprehensive study of the social costs of substance abuse in Canada since 1996 and the data on which that study was based are now more than 10 years old.

The new study (*The Costs of Substance Abuse 2002*) was launched by CCSA in 2003 with the support of a partnership of various provincial and federal organizations. The project was carried out by a multidisciplinary working group of scholars from various institutions led by Dr. Jürgen. Rehm from the Centre for Addiction and Mental Health. The new study uses data from 2002 and so closes a 10-year statistical gap. The new study also benefits from advances in cost estimation methodology that can produce more reliable interpretations of the data.

The current study also draws on new sources of information that paint a more complete picture of the social costs of substance abuse in Canada. For example, this study contains more data on the effects of second-hand smoke than were available when the 1996 study was conducted. As well, CCSA commissioned a special study after the 1996 cost study to provide improved estimates of the proportion of crime attributed to substance abuse. The new estimates have been incorporated into this study.

What is a “cost study”?

There are various kinds of cost studies. *The Costs of Substance Abuse in Canada 2002* is a cost-of-illness study presenting “aggregate costs”, which are calculated by looking at all the external costs of substance abuse and comparing them with a hypothetical situation where no substance abuse exists.

Another kind of cost estimate is the “avoidable cost”, which makes an important distinction between all costs generated by substance abuse and the portion of those costs that could be avoided by establishing appropriate policies and programs. With the assistance of an international group of experts, Health Canada has coordinated the development of International Guidelines for the Estimation of Avoidable Costs of Substance Abuse, which were completed in December 2005. These guidelines will be publicly available in both official languages in spring 2006.

The current study contains the kind of data that will eventually allow us to identify avoidable costs, but it also stands on its own as a way of understanding the overall scope and magnitude of the social costs associated with tobacco, alcohol and illegal drugs. This understanding is essential if we expect governments and stakeholders to give substance abuse issues a place of importance on the public agenda. Together with an analysis of avoidable costs, this study can help decision-makers to better determine where to direct their resources for maximum effectiveness.

Canadian Centre on Substance Abuse

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However, the current study does not measure the impact of substance abuse on government expenditures and revenues and it is not a cost-benefit or cost-effectiveness analysis of substance abuse programs.

Biographical notes

Dr. Jürgen Rehm, Senior Scientist and Co-Head, Section Public Health and Regulatory Policies, Centre for Addiction and Mental Health

Dr. Jürgen Rehm is the principal investigator for *The Costs of Substance Abuse in Canada 2002*. Dr. Rehm conducts research focusing on substance use and abuse epidemiology, addictions policy, and economic evaluations. In the past 10 years he has over 300 peer-reviewed publications, and has received more than 40 grants involving several million dollars in funding.

Michel Perron, Chief Executive Officer, Canadian Centre on Substance Abuse

Michel Perron is CCSA's chief spokesperson for *The Costs of Substance Abuse in Canada 2002*. He was appointed Chief Executive Officer in 1999 and is responsible for the strategic vision, direction and day-to-day leadership of CCSA, Canada's national addictions agency.

Michel has led CCSA through a critical growth phase, in terms of both size and mandate, and was among the first to champion the need for the National Framework for Action to Reduce the Harms Associated with Alcohol, Other Drugs and Substances in Canada, an initiative that is now underway across Canada. Under his leadership, CCSA has continued to expand its focus and reach, and continues to solidify its position as a key national resource on substance abuse issues.

The Costs of Substance Abuse in Canada 2002: Highlights is available at: www.ccsa.ca

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