

MEDIA RELEASE

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ALCOHOL TAX A MISSED OPPORTUNITY TO REDUCE ALCOHOL HARMS

Leading Australian health organisations are disappointed that today's Henry Review recommendation to tax alcoholic drinks on the basis of their alcohol content has not been accepted by the Government.

The new National Alliance for Action on Alcohol (NAAA) strongly supports the Henry Review recommendation that "a volumetric tax on alcohol would better address social harm" by pricing alcoholic beverages on an increasing scale, by alcohol percentage per litre, with capacity for special targeting of particularly risky products.

Co-Chair of the NAAA and Victorian Health Promotion Foundation (VicHealth) CEO, Todd Harper said that increasing price is a proven strategy to reduce health problems caused by alcohol.

"The Henry Review's recommendation to reduce alcohol harms was an important step in the right direction so it is very disappointing the Government has not acted on this recommendation," he said.

Mr Harper said the Henry Review got it right when it described our current taxes on beer, wine and spirits as "incoherent."

Professor Mike Daube, Chair of the NAAA and President of the Public Health Association of Australia (PHAA), said, "The Government's response to the Henry recommendation is disappointing, especially with the rationale that there is a wine glut. We have cask wine being promoted at \$2 a litre – cheaper than some bottled water – but drinks industry lobbying has obviously won this round," Professor Daube said.

"Even so, the Henry recommendation itself is a vital step forward, especially following the Government's very positive initiative on tobacco tax. Now that a recommendation for volumetric tax has come from the Government's two key reports both on tax and health, I believe that its introduction is inevitable before long. It is simply not responsible to allow alcoholic products to be as cheap as soft drinks," he said.

Mr David Templeman, CEO of the Alcohol and other Drugs Council of Australia said the Government's failure to accept the Henry Review recommendation on alcohol taxation is most unfortunate.

"We can only hope that Government now focuses on other Preventative Health Taskforce recommendations such as reforming alcohol advertising, licensing, labelling, and community education," Mr Templeman said.

The NAAA will continue to push for much-needed reforms to alcohol taxation.

Australian Drug Foundation CEO John Rogerson said: “We will continue to argue that in the interests of the community, we need reforms to alcohol tax to ensure we reduce alcohol harms, particularly among young people,” he said.

“Taxation of alcohol should be based on the principle that alcohol is not an ordinary commodity – it is a product responsible for violence, addiction, accidents, ill-health and death. The evidence shows that a price increase of 10 per cent reduces consumption by an average of 5 per cent,” said Mr Harper.

“The need for action is significant, given that alcohol causes more than 3000 deaths in Australia every year and costs the economy \$15 billion dollars,” he said.

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NOTES TO EDITORS

As of April 2010, the **National Alliance for Action on Alcohol** consists of 27 organisations from across Australia:

Alcohol and Other Drugs Council of Australia (ADCA), Alcohol Education and Rehabilitation Foundation (AERF), Alcohol Policy Coalition (Vic), Australian Drug Foundation (ADF), Australasian Faculty of Public Health Medicine (AFPHEM), Australian Medical Association, Australian Health Promotion Association (AHPA), Australian National Council on Drugs (ANCD), Australian Research Alliance for Children and Youth (ARACY), Cancer Council Australia, Cancer Council Victoria, Diabetes Australia, Kidney Health Australia, National Drug Research Institute (NDRI, Curtin University), National Heart Foundation, National Indigenous Drug and Alcohol Committee (NIDAC), Public Health Advocacy Institute (WA), Public Health Association of Australia (PHAA), Royal Australasian College of Physicians, Telethon Institute for Child Health Research, Turning Point Alcohol & Drug Centre, VicHealth and university groups.