

MEDIA RELEASE



16 November 2010

NATIONAL ALLIANCE SUPPORTS CALL FOR ALCOHOL-BASED TAX

An alliance representing more than 40 leading Australian health organisations has today backed the Federal Government's plan to include alcohol taxation in the Tax Summit to be held next year, and called for tax reform to reduce alcohol harms in Australia.

The National Alliance for Action on Alcohol (NAAA), formed in March, supports a push to apply tax to alcoholic drinks on an increasing scale, on the basis of the percentage volume of alcohol, with some of the revenue allocated to preventing and treating alcohol problems.

This would both reduce costs of alcohol harm to the health system and the community and fund important programs to reduce alcohol harm.

Professor Mike Daube, Chair of the NAAA, said that the current alcohol tax system was a dysfunctional mess, and the tax summit would give the Government an opportunity to act on recommendations.

"Action is urgently needed because wine is being advertised at \$2 a litre – as cheap as soft drinks and attractive to drinkers of all ages," he said.

"The Henry Review advised the Government to overhaul Australia's 'incoherent' tax system. We hope that the tax summit will result in a better and more sensible system that will play a major role in reducing the massive levels of harm caused by alcohol."

NAAA co-chair and VicHealth CEO Todd Harper added that alcohol taxation was a proven strategy to reduce alcohol consumption and associated health and community problems.

"It makes sense that tax should increase for products with higher alcohol, which of course create more health problems. Taxation of alcohol should be based on the fact that alcohol is not an ordinary grocery item – it is responsible for violence, addiction, accidents, ill-health and death," Mr Harper said.

"We hope that this public summit and debate will help sort out our bizarre alcohol tax system – which will complement the educational programs planned under the National Preventive Health Agency."

The Government's Treasury department recently costed the implementation of volumetric tax across all types of alcohol. The results showed it would bring a revenue gain of around \$950 million by 2015/2016.

A recent VicHealth Community Attitudes survey on Alcohol Policies also found two-thirds of respondents agreed that the tax rate should be set according to how much alcohol the product contains.

(continued next page)

The National Alliance for Action on Alcohol recommendations for alcohol taxation reform in Australia are:

1. Taxation of alcohol should be based on the principle that alcohol is no ordinary commodity - it is a product responsible for major harms in our community.
2. Alcohol taxation is one of the most effective ways to reduce alcohol consumption and associated harms – and is especially effective if part of a broad based health strategy.
3. The approach to alcohol taxation should be volumetric, with tax increasing for products with higher alcohol volumes.
4. The alcohol taxation system should have the capacity to target alcohol products deemed to be of higher risk or creating additional harms in the community.
5. There should be an overall increase in alcohol taxation.
6. The real price of alcohol should increase over time.
7. Changes to tax should not be designed to produce a decrease in price for alcohol products, other than for low alcohol products.
8. A proportion of alcohol taxation revenue should be used to reduce alcohol-caused harm in the community.

ENDS

NOTES TO EDITORS

As of November 2010, the **National Alliance for Action on Alcohol** consists of 44 organisations from across Australia:

Addiction Journal; Alcohol and Other Drugs Council of Australia (ADCA); Alcohol Education and Rehabilitation Foundation (AERF); Alcohol Policy Coalition (Vic) Anglicare Australia; Australian Drug Foundation (ADF); Australian Health Promotion Association; Australian Medical Association (AMA); Australasian Faculty of Public Health Medicine (AFPHEM); 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; Drug Arm; Local Government Association Northern Territory (LGANT); Kidney Health Australia; McCusker Centre for Action on Alcohol and Youth (MCAAY); National Drug and Alcohol Research Centre (NDARC); National Drug Research Institute (NDRI); National Heart Foundation; National Indigenous Drug and Alcohol Committee (NIDAC); National Local Government Drug and Alcohol Advisory Committee (NLGDAAC); Network of Alcohol and Other Drug Agencies (NADA); Public Health Advocacy Institute (WA); Public Health Association of Australia (PHAA); Queensland Network of Alcohol and Drug Agencies (QNADA); Royal Australasian College of Physicians; South Australian Network of Drug and Alcohol Services (SANDAS); Sydney South West Area Health Service; Ted Noffs Foundation; Telethon Institute for Child Health Research; The University of Newcastle; The University of Southern Cross; The University of Queensland; The University of Wollongong; Turning Point Alcohol & Drug Centre; Uniting Church in Australia; Victorian Alcohol and Drug Association (VAADA); VicHealth; Western Australian Local Government Association (WALGA); Western Australian Network of Alcohol and other Drug Agencies (WANADA), Western Regional Alcohol and Drug Centre (WRAD).

MEDIA CONTACTS

Todd Harper, CEO VicHealth on 0417 561 412

Professor Mike Daube, President PHAA on 0409 933 933