

MEDIA RELEASE

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NATIONAL ALLIANCE CALLS FOR ALCOHOL TAX OVERHAUL

Leading Australian health organisations have today called for a uniform tax on all alcohol, based on its alcohol content. This could raise tax revenue by nearly \$500 million, while reducing costs to the health system.

The National Alliance for Action on Alcohol (NAAA), formed in March this year with 27 initial member organisations, strongly supports a push to apply a volumetric tax scheme to alcoholic beverages on an increasing scale, by alcohol percentage per litre.

Victorian Health Promotion Foundation (VicHealth) CEO and co-convenor of the NAAA, Todd Harper, said alcohol taxation was a proven strategy to reduce alcohol consumption and associated health issues.

“It makes sense that tax should increase for products with higher alcohol, which of course create more health problems in the community. 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,” Mr Harper said.

Professor Mike Daube, Chair of the NAAA and President of the Public Health Association of Australia (PHAA) said the latest research showed a volumetric approach to alcohol taxation would deliver health benefits to Australia.

“The existing alcohol tax system is a mess and urgently needs an overhaul. Currently, taxation of beer and spirits is based on the volume of alcohol, but wine is taxed on the value of the product. This means that cheap bottled wine and cask wine, which is just as alcoholic as other wine, has only one-tenth of the tax applied to it and is therefore more likely to be drunk at harmful levels,” Professor Daube said.

“Cask wine is being advertised at \$2 a litre. This means that wine is effectively as cheap as soft drinks – sending out a deeply worrying message to our kids.”

A new report from the National Drug and Alcohol Research Centre, published in the *Medical Journal of Australia* today, estimates that a volumetric tax scheme would increase annual tax revenue by \$492 million a year. This system would result in a 2.8 per cent decrease in alcohol use in the community.

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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.

Professor Daube, said: "We hope that following the Henry Review the Government will sort out our bizarre alcohol tax system in the Budget, and channel the extra revenue into alcohol prevention and treatment, as recommended by the National Preventative Health Taskforce".

ENDS

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.

MEDIA CONTACTS

Todd Harper, CEO VicHealth, Professor Mike Daube, President PHAA