

## **Alcohol tax reform will save lives and money**

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**8 March 2016:**

New economic modelling makes clear the substantial monetary and health benefits of a fairer alcohol tax regime and adds further weight to calls by the National Alliance for Action on Alcohol (NAAA) for an overhaul of Australia's broken alcohol tax system.

"Australia's current system for taxing alcohol is incoherent and flawed from both a public health and economic perspective: it favours the production and consumption of cheap alcohol, contributes to the growing burden of alcohol-related harms, and does not recoup the costs of these harms across the Australian community," said Dr John Crozier, Co-Chair of NAAA and Chair of the Royal Australasian College of Surgeons Trauma Committee.

The economic modelling, undertaken by ACIL Allen Consulting and commissioned by the Foundation for Alcohol Research and Education (FARE), shows that a ten percent increase to all alcohol excise, combined with changes that tax wine according to its alcohol content, would generate \$2.9 billion in revenue and result in a 9.4 percent reduction in alcohol consumption.

"This modelling demonstrates that alcohol tax reform is both an economic and health imperative, with the potential to reduce alcohol-related harms, offset the economic costs that result from these harms, and contribute to Government revenue", said Dr Crozier.

Reforming Australia's alcohol taxation regime and replacing the WET with a volumetric tax has been supported by numerous economic and taxation experts and ten separate Government reviews.

"Urgent reform is needed to address the \$36 billion in social and health costs that alcohol use causes each year," said Mr Michael Moore, Co-Chair of NAAA and CEO of the Public Health Association of Australia (PHAA).

"As the Government grapples with the challenges of a budget deficit and shortfall in government revenue, alcohol tax reform has the potential to not only reduce the economic spill-over costs from alcohol harms, but to also generate the revenue needed to finance our health, education and service systems", said Mr Michael Moore.

"It's important to remember that we're not just talking about lost tax revenue. Each year in Australia alcohol kills 5,500 Australians and hospitalises a further 157,000, exacting a substantial toll on communities and service systems. That toll could be reduced by abolishing the WET, and replacing it with a more equitable and efficient tax," Mr Moore said.

"Alcohol taxation and pricing have been shown to be the most effective policy option for reducing alcohol-related harms, particularly among heavy drinkers and young people. Alcohol taxation reform is a major public health and social policy issue in this country and urgent action and leadership is required to improve health, restore quality of life, and save lives," said Mr Moore.

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**ENDS**

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**About the National Alliance for Action on Alcohol:**

The National Alliance for Action on Alcohol (NAAA) is a national coalition representing more than 90 organisations from across Australia. NAAA's members cover a diverse range of interests, including public health, law enforcement, local government, Aboriginal and Torres Strait Islander health, child and adolescent health, and family and community services.

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