

MEDIA STATEMENT

Health agency stumbles over evidence for wine tax rise

The Winemakers' Federation of Australia has questioned an Australian National Preventative Health Agency suggestion to lift the wine tax when the agency's own report cites there's inconclusive evidence to do so.

Federation Chief Executive Paul Evans said while the Federation shared the community's concern about alcohol-related harm, the ANPHA report failed to come up with clear evidence to support lifting the wine tax.

"This is yet again a simplistic response to a complex problem," Mr Evans said.

"The wine industry is already doing it tough and an increase in taxation at this time is the wrong approach.

"The report brushes over disputed research over whether or not at-risk consumers are price sensitive and this is a significant issue because lifting the tax penalizes everyone including the majority of responsible drinkers and the local Australian wine industry – winemakers and grape growers.

"The history of previous increases to alcohol taxes shows that lifting the wine tax would simply result in a volume and profit transfer from local Australian winemakers and grape growers to foreign-owned multinational beer and spirits producers.

"The agency has assumed that if you raise the price of cheaper alcohol through higher taxes you will have a proportionate decrease in alcohol-related harm and this is also disputed theory.

"The alternate view is that drinkers suffering addiction or those who consume at risky levels will simply transfer their poor drinking behaviors to other substitutes."

A study released in 2012 on youth drinking in Australian and New Zealand suggested significant price increases would not deter young people from binge-drinking behavior:

Australian and New Zealand students were happy to pay higher prices for the same number of drinks, and would simply buy more if the strength of the alcohol was reduced. In fact, even when the cost was increased by up to 25 per cent, there was still no significant change in buying behaviour.

Increasing cost of alcohol won't stop youth drinking, AUT University, Associate Professor Andrew Parsons, March 2012

“Just because some wine is sold at a low price doesn’t necessarily mean it is being irresponsibly consumed. As recent data from the Foundation for Alcohol Research & Education indicates, daily average consumption of the cheapest form of wine – cask wine – is less than regular-strength beer which remains the most misused alcohol product in terms of volume and how it is consumed.

“Following extensive consultation and an expert review of the Australian wine sector last year, the Federation developed its own reform agenda for wine taxes as part of a broader blueprint to restore profitability to Australian wine businesses. We will continue to work with government and government agencies to ensure responsible measures are put in place.”

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