

28 August 2015

Issues Paper – Addressing Alcohol Related Harm
Legislation, Policy and Programs
Justice and Community Safety Directorate

Via email: ACTLiquorReview@act.gov.au

The Winemakers' Federation of Australia has developed this submission to assist the ACT Government in its consideration of issues related to addressing alcohol-related harm. In responding we have focused solely and specifically on the measure relating to limiting the economic availability of alcohol through taxation and pricing policies. To this end we have attached our recent submission to the Federal Government's Review of Taxation and have summarised our views below on taxation and on minimum pricing.

As the peak industry association representing over 2,500 winemakers across Australia, we are committed to working with governments to put in place sustainable tax arrangements that are both fair and supportive of the commercial aspirations of individual businesses and which encourage productive and profitable endeavour for the industry as a whole.

The Australian wine industry takes seriously its responsibilities to the community on minimising harm associated with risky or inappropriate use of alcohol. To this end the industry actively promotes a message of moderation, adopting the National Health & Medical Research Council's (NHMRC) definition on moderate consumption.

Messages on moderation are communicated through initiatives such as labelling on wine bottles which advise against any consumption of alcohol during pregnancy (done in association with DrinkWise) and advice and resources for wineries to support cellar door staff training on standard tasting pours. All wine labels are required to carry a logo showing the number of standard drinks in the container of wine sold (be it cask or bottle) and this helps consumers to make informed decisions about the amount of alcohol they are consuming. WFA promotes responsible marketing of alcohol, directing its members to conform with the Alcohol Beverages Advertising Code.

Wine and taxation

WFA advocates for no increase to the level of wine tax revenue, no reforms to wine tax arrangements that are driven by social policy objectives and a differentiated tax rate for wine from other alcohol categories. These positions have the support of industry and are detailed in the submission we provided the Federal Government's Review of Taxation (attached).

We do not believe there is a case to increase the level of wine tax revenue to achieve a reduction in alcohol-related harm. Chapter 3 of our submission to the Federal Government's Review of Taxation (attached) details our arguments. It is important to note that Australia is already making progress towards a more moderate drinking culture by pursuing a range of long-term and targeted educational and cultural change activities aimed at specific at-risk population cohorts.

The Australian Bureau of Statistics (ABS) have recently reported that Australians are drinking less alcohol overall than any time in the previous 50 years. The latest data shows that for 2013-2014, across all alcoholic beverages, there were 9.7 litres of pure alcohol available for consumption in 2013-14 for every person in Australia aged 15 years and over. This is 1.7% less than the amount in 2012-13 (9.9 litres) and is the lowest level since the early 1960s.

On the broader issue of wine tax structure, our consultation with industry has confirmed mixed views on the optimal tax platform for the Australian wine sector with opinions heavily dependent on the various models and portfolio weightings of the individual businesses. As such, WFA does not hold a position on the preferred structure for wine tax.

Minimum pricing

It is important to note that in the absence of minimum pricing, Australians continue to make good progress towards a more moderate drinking culture. The recent ABS data concluded that Australians are drinking less alcohol overall than any time in the previous 50 years. Similarly, the 2013 National Drug Strategy Household Survey concluded that fewer people were drinking quantities of alcohol that exceed lifetime risk and single occasion risk guidelines and that fewer 12–17 year olds were drinking alcohol. It also found that the proportion of abstainers had significantly increased since the 2010 survey (from 64% to 72%).

WFA notes that there is a body of research that concludes “at risk” drinkers are not price sensitive and that there are more effective policy options for governments to consider to reduce misuse among at-risk cohorts. Further, minimum pricing would impact a high proportion of responsible consumers and introduce a significant market distortion.

The Federation has previously made submissions to the former Australian National Preventive Health Agency (ANPHA) which conducted an Issues Paper process in 2012 on “*Exploring the Public Interest Case for a Minimum (Floor) Price for Alcohol*”. This submission is attached by way of further background.

We commend these positions to you and welcome the opportunity for direct dialogue.

To contact WFA, please email Melissa Cheesman-Faull, General Manager, Government Relations at Melissa@wfa.org.au or phone 08 8133 4312.

Yours sincerely,



Paul Evans
Chief Executive

Attachments:

1. WFA Submission to the Federal Government’s Review of Taxation, June 2015.
2. WFA Submission to the Australian National Preventive Health Agency (ANPHA) Issues Paper *Exploring the Public Interest Case for a Minimum (Floor) Price for Alcohol*. 2012