# Australians denied millions by alcohol company tax dodge

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| **Date** | 2017-05-04 09:29:50 |
| **Categories** | Media releases |

### The alcohol industry’s aggressive and questionable tax avoidance measures are robbing Australians of millions of dollars in tax revenue.

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Ahead of this year’s Federal Budget, an analysis of 13 of the largest Australian and foreign-owned alcohol enterprises operating in Australia has uncovered highly questionable tax avoidance practices by many of the companies.

The research undertaken by the University of Technology Sydney, analysed effective tax rates and book tax gaps using Australian Taxation data for years 2013-14 and 2014-15, comparing the companies’ total Financial Statements across the period.

Commissioned by the Foundation for Alcohol Research and Education (FARE), and the Uniting Church, the research found five of the 13 companies examined (Accolade Wines Holdings Australia Pty Ltd, McWilliams Wines Group, Pernod Ricard Pacific Holdings Pty Ltd, SABMiller Australia Pty Ltd, and Treasury Wines Estate Ltd), paid no company tax.

Two companies (Asahi Holdings and Lion Pty Ltd), paid corporate income tax at a rate lower than 20 per cent, and just six of the 13 companies analysed (Beam Global Australia Pty Ltd, Brown-Forman Australia Pty Ltd, Casella Wines Pty Ltd, Coopers Brewery Ltd, Coca-Cola Amatil Ltd, and Diageo Australia Ltd), paid tax at, or near the statutory rate of 30 per cent.

Mark Zirnsak, spokesman for Tax Justice Network Australia, urged the government to stamp out the alcohol industry’s dodgy tax practices, and invest the additional revenue into Australia’s health system.

“The government must clamp down on alcohol industry tax avoidance and invest the revenue in our health system to reduce the growing burden of chronic disease,” he said.

Mr Zirnsak said that companies analysed in the study operating at a loss, received a whopping $111 million in tax benefits for the financial years 2013–14 and 2014-15, and paid a mere $1.6 million in tax over the same period.

“Not only are companies paying little to no tax, but they are receiving millions of dollars in tax benefits as well. This is a clear example of the alcohol industry’s blatant rorting of the Australian taxation system,” Mr Zirnsak said.

The wine industry stands out as making the smallest contributions of those analysed.

FARE Chief Executive, Michael Thorn says it is damning that only one wine company made any corporate tax contribution in the last two years, despite having revenues four-to-five times that of some beer companies.

“The tax dodging, on top of the lenient treatment of the wine industry under the flawed Wine Equalisation Tax system means wine companies are getting a free ride at the expense and to the detriment of ordinary Australians,” Mr Thorn said.

Mr Thorn says that replacing the way in which wine is taxed in Australia would ensure a fairer tax system where wine, which currently represents 40 per cent of all pure alcohol consumed, but only 15 per cent of alcohol tax collected, would pay for its share of the resulting alcohol harms.

“The government must put greater effort into policing and enforcing tax compliance to ensure the alcohol industry is made to pay its fair share of tax,” Mr Thorn said.

Mr Thorn says not only must alcohol tax revenue   be properly collected, it must be directed to addressing the social costs of alcohol in Australia; the 5,500 deaths and 157,000 hospitalisations in Australia each year.

“The combined social cost of both the harm from alcohol to individuals and those incurred on people around those drinking is estimated at $36 billion annually. It is therefore only right that we consider the financial contribution these alcohol corporations make, against the costs they inflict on the broader community,” Mr Thorn said.

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### Metadata