# Submission to ANPHA on the Draft Report: Exploring the case for a minimum floor price for alcohol

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### FARE’s submission to the Australian National Preventive Health Agency (ANPHA)'s draft report Exploring the public interest case for a minimum (floor) price for alcohol recommends that ANPHA put forward a comprehensive alcohol pricing reform agenda for the Australian Government, which includes immediately removing the Wine Equalisation Tax (WET) and further consideration of a minimum floor price for alcohol.

FARE’s submission to the Australian National Preventive Health Agency (ANPHA)'s draft report *Exploring the public interest case for a minimum (floor) price for alcohol* recommends that ANPHA put forward a comprehensive alcohol pricing reform agenda for the Australian Government, which includes immediately removing the Wine Equalisation Tax (WET) and further consideration of a minimum floor price for alcohol.

## Recommendations

1. The conclusion that “a minimum price for alcohol should not be introduced nationally at this time” is supported, as reforming the Wine Equalisation Tax (WET) should be prioritised for alcohol reform in Australia.
2. Further analysis is required on the regulatory options for a minimum price for alcohol in Australia, including consideration of constitutional issues, International Trade Law obligations and National Competition Policy implications of a minimum price.
3. ANPHA should include the new evidence on the effectiveness of alcohol minimum pricing policies in Canada when developing its final advice to Government on a minimum price for alcohol.
4. ANPHA should strengthen its conclusion on the Wine Equalisation Tax (WET), by clearly stating that the WET should be reformed as a matter of urgency.
5. The WET should be replaced with a volumetric tax rate set at $29.05 per litre of pure alcohol and the WET rebate should be abolished, with any wine industry structural adjustment package being assessed separate to the alcohol taxation regime.
6. ANPHA should specify the way that wholesale alcohol sales data is collected, reported and made publically available.
i. All states and territories should mandate the collection and reporting of alcohol sales data at least annually. At a minimum, wholesale producers and licensees should provide sales data on beer, wine (including bottled and cask), spirits (including premix spirits) and cider separately. Postcode data should be provided by all producers and licensees to enable mapping of per capita consumption;
ii. The Australian Bureau of Statistics (ABS) should be appropriately resourced to receive, collate and report on jurisdictional alcohol sales data including calculating and mapping per capita alcohol consumption for each jurisdiction. The data should be published in a national annual publication; and
iii. Alcohol sales data must be made publically available in a format which can be easily accessed, used and analysed by policy makers and researchers.
7. ANPHA should provide advice to Government on the need for a comprehensive framework on alcohol pricing reform.
8. ANPHA should provide advice that a staged approach to comprehensive alcohol pricing reform is needed in Australia. This staged approach should include:
i. Immediately replacing the WET with a volumetric rate of taxation;
ii. Begin working with the state and territory governments to mandate the collection of alcohol sales data to be used in prioritising further reform;
iii. Within one year, begin to address the current gaps in alcohol pricing policies; and
iv. Develop and implement a longer term plan for alcohol pricing reform in Australia based on public policy principles.
9. Ensure that a long term alcohol pricing policy addresses the principles identified in the submission, including:
i. Alcohol pricing must be applied according to the volume of alcohol within products and their potential to cause harm;
ii. The policy relevant social costs of alcohol consumption must be used to inform alcohol taxation rates and prices;
iii. Alcohol pricing policies must minimise distortion that may encourage harmful consumption of alcohol;
iv. Revenue collected from alcohol pricing policies should be used to pay for the costs incurred by Government to address alcohol-related harms;
v. Alcohol pricing policies must ensure the cost of alcohol is relative to incomes and Consumer Price Index (CPI) increases;
vi. Alcohol pricing policies must aim to increase the floor price of the cheapest alcohol products; vii. Alcohol pricing policies must ensure harmful discounting by industry does not occur and minimise loopholes; and
viii. Alcohol pricing policies must be administratively efficient.

[view the submission](/wp-content/uploads/Minimum-Price-Submission-December-2012-FINAL.pdf)

### Metadata