# Minimum unit price on alcohol important to reduce drinking rates and improve health

|  |  |
| --- | --- |
| **Author** | Emmanuel Kuntsche |
| **Date** | 2020-01-16 14:50:54 |
| **Categories** | Policy |

### New research finds a minimum price on alcohol could dramatically reduce consumption, particularly among harmful drinkers

New research from the Centre for Alcohol Policy Research Centre (CAPR) has found that introducing a minimum unit price (MUP) of $1.30 per standard drink across Australia could dramatically reduce alcohol consumption.

Introducing a minimum unit price – already proven successful in Canada and Eastern Europe - could reduce drinking in Australia by 1.5 standard drinks per week for the population on average, and 12 drinks per week for harmful drinkers. Harmful drinking is defined as a pattern of alcohol consumption causing health problems directly related to alcohol.

The report, led by CAPR’s health economist Dr Jason (Heng) Jiang, found that alcohol affordability in Australia has remained relatively unchanged over the last 30 years. In practice, this means that alcohol prices have increased together with inflation and people’s purchasing power. This contrasts with the steady increase in alcohol-related hospitalisations, emergency department and ambulance presentations, assaults and community-based specialised drug and alcohol treatment episodes in the same period.

Australian drinkers consume 14 standard drinks per week on average. Moderate drinkers consume 4.6 standard drinks a week, while harmful drinkers consume 80.7 standard drinks a week. The study found 62 per cent of alcohol consumed by Australian drinkers was retail/takeaway regular beer and bottle wine.

Minimum unit price policies primarily affect the prices of low-cost beverages, which are almost always sold off-premise at bottle shops. This is opposite to a uniform excise tax that would increase prices of almost all beverages at pubs, restaurants and wineries as well as bottle shops substantially.

The study, published in the *Addiction,* the most prestigious journal in the field, found that:

* Introducing a MUP of $1.30 per standard drink across Australia (equal to the current floor price in the Northern Territory) could see alcohol consumption fall by 10.7 per cent (1.5 standard drinks per week) on average; 14.9 per cent (12 standard drinks per week) among harmful drinkers; and 3 per cent (0.2 standard drinks per week) among moderate drinkers
* Applying a uniform excise tax rate of $0.97 per standard drink (equal to the 2013 spirits tax rate) across all beverages could generate a similar impact to the $1.30 MUP policy, but with greater impact on moderate drinkers, and a lower impact on harmful drinkers, with an 8.8 per cent fall in consumption (0.4 standard drinks per week)
* Introducing a MUP has the potential to improve health inequalities in Australia, as it could reduce consumption particularly among harmful drinkers and lower-income drinkers, with comparatively smaller impacts on moderate drinkers and higher-income drinkers.

The findings show it’s time to have a discussion on alcohol pricing or tax reform in Australia, from which the health of all drinkers would benefit but particularly for harmful drinkers.

**The full article is available in the *Addiction* journal:** [**https://doi.org/10.1111/add.14898**](https://doi.org/10.1111/add.14898)

### Metadata