# 2015-16 Pre-budget submission

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| **Author** | Fare\_Admin |
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### This pre-budget submission for was prepared for Treasury ahead of the 2015-16 Australian Government budget. It outlines areas where immediate action can be taken to achieve budget savings and increase revenue (by replacing the Wine Equalisation Tax with a volumetric tax, and abolishing the Wine Equalisation Tax rebate), as well as areas where a modest investment (in prevention, intervention, and support services) can result in significant benefits to the community.

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## Recommendations

**Budget savings**

* Replace the Wine Equalisation Tax (WET) with a volumetric tax
Projected savings from reforming the WET: $3.4 billion over four years
a. Replace the Wine Equalisation Tax (WET) with a volumetric tax rate equivalent to the full strength draught beer rate, and implement a plan to gradually increase the tax applied until the taxation applied is set between the full strength packaged beer rate and spirits rate, making it consistent with other products of a similar alcohol content.
b. Tighten the definition of products taxed under the WET to ensure that alcohol products which imitate spirits are taxed in the same way as spirits.
c. Remove cider from the WET and tax cider using the current beer taxation arrangements, as cider has a similar alcohol content. Where cider has added flavours it should continue to be taxed as a ready-to-drink beverage (RTD).
* Abolish the Wine Equalisation Tax (WET) rebate Projected savings from reforming the WET: $1.3 billion over four years
a. Abolish the WET Rebate.

**Budget expenditure**

* Introduce a structured screening and brief intervention program for alcohol
Projected cost: $1.3 million over four years
a. Provide funding to extend the successful Women Want to Know program to support health professionals to raise awareness of the maternal health guidelines in the Australian Guidelines to Reduce Health Risks from Drinking Alcohol 2009.
b. Fund and implement a broader brief intervention and screening program in primary healthcare that raises awareness of the other guidelines in the Australian Guidelines to Reduce Health Risks from Drinking Alcohol 2009.
* Restore funding to Alcohol and other Drug Services to 2013-2014 levels
Projected cost: $510 million over four years
a. Stop further cuts to alcohol and other drug (AOD) service funding and restore funding to AOD services to 2013-14 Budget levels.
* Invest in prevention
Part of the revenue gained through alcohol taxation increases should be reinvested into independent public health organisations to provide preventative health initiatives to combat alcohol harms.

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### Metadata