

National Liquor News - November 2012

ANPHA takes sensible course on minimum pricing and wine tax reform

The rejection of alcohol minimum pricing by the Australian National Preventative Health Agency is very welcome but not in the end particularly surprising; the case for a system of regulating minimum prices is looking increasingly weak internationally, and the idea certainly has many drawbacks.

DSICA has always believed that the minimum price regulation would not stop at one single minimum price for all products. Instead it would quickly change into having different minimum prices for different product categories as the anti-alcohol movement shifts its targeting from one 'problem product' to the next. It was RTDs a couple of years back, now it is cask wine, soon it will be something else, quite possibly cider. Each 'problem product' would require its own (much higher) minimum price.

In my last column, I argued that a slow process of de-normalising drinking was the medical temperance movement's long-term goal. Minimum pricing would have certainly been a very strong element of that because, irrespective on whatever effect it had on the heaviest and most harmful drinkers, it would have priced a great many quite moderate drinkers away from drinking any amount at all. This would shrink the drinking population quite nicely from perspective of the anti-alcohol NGOs, so don't expect calls for minimum pricing to go away for long.

ANPHA's other recommendation - that the Government should instead reform wine taxation and bring wine into the same excise system as beer and distilled spirits - makes it increasingly difficult for Australian Governments to ignore changes that tax experts, the Henry Tax Review, the entire health sector, the beer sector, the distilled spirits sector, and even Treasury Wine Estates and Pernod-Ricard are calling for. The wine excise tax would act effectively as a minimum price, and it would be a far more equitable system, ending tax discrimination between wine beer and spirits drinkers.

DSICA argued precisely these points to ANPHA in its submission, and wine tax reform has been a long-standing policy goal for many years. Now we only need the Australian Government to grasp the opportunity the ANPHA report presents.