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WINE TAX REFORM SENSIBLE: DSICA AGREES WITH ANPHA

Today's report from the Australian National Preventative Health Agency (ANPHA) rejecting minimum pricing and instead recommending wine to be taxed on the same basis as beer and spirits is the most sensible course, according to the Distilled Spirits Industry Council of Australia (DSICA).

DSICA has strongly opposed minimum pricing on the basis that it is regressive and will be ineffective at reducing harmful drinking. Wine taxation reform has been a long-standing goal of DSICA.

"Bringing wine into the excise tax system and taxing it on the volume of alcohol will end discrimination between drinkers of different products, which sees distilled spirits drinkers paying 14 times more alcohol tax than cask wine drinkers," said DSICA spokesman Stephen Riden.

"DSICA has always campaigned on the common sense policy that 'alcohol is alcohol is alcohol'. It has the same effect no matter how it is made, and all alcohol products should be taxed on the same basis – how much alcohol is in the bottle. Such a reform is an essential first step to the broader changes recommended by the Henry Tax Review.

"Beer and distilled spirits are taxed on the amount of alcohol they contain (but at different rates). In contrast, wine is taxed on the basis of its wholesale value.

"The health sector's concern at very cheap alcohol is only in relation to wine, and wine in Australia can be very cheap when it has been over-produced in relation to demand. These low wholesale prices means very little tax is paid as the tax is based on wine's value, not its amount of alcohol. Some wine pays no tax at all.

"ANPHA has judged that taxing wine on the same basis as beer and spirits – on the amount of alcohol – will in effect create a minimum price, which will be determined by the tax rate on the alcohol contained in that wine," Mr Riden concluded.

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