



## VicHealth CEO gets it right on low alcohol products

Today's call by the head of VicHealth, Mr Todd Harper, to scrap the tax on light beer to encourage drinkers to switch to low-alcohol products, has been welcomed by the Distilled Spirits Industry Council of Australia (DSICA) as part of its ongoing campaign to reform Australia's failing alcohol tax system.

"Of course, the same arguments also apply to the tax rates for low-alcohol ready-to-drink products," said Stephen Riden, Research and Information Manager for DSICA.

"Because of the different way taxes apply to spirits and beer, low-alcohol RTDs cannot be competitively priced against light beer. So there is no incentive for manufacturers to make them, nor for consumers to buy them."

"That was the situation before the 70% tax hike last April, and it is even worse now," he said.

Mr Harper told the *Herald Sun* newspaper that "the low-alcohol market is dying in Australia. It is almost in freefall, and I think introducing an incentive for people to switch to low-alcohol products would be a positive step".

"The current system of alcohol taxation is fundamentally flawed. Alcohol products are not taxed according to their alcohol content, but rather according to how they are produced," said Mr Riden.

DSICA's submission to the *Henry Taxation Review* argues that a graduated volumetric tax system – with products taxed according to the level of alcohol they contain – is the most effective taxation system by which to reduce the alcohol abuse problem.

"It's time for alcohol taxes to be fixed so that we don't continue to create unintended social consequences. Now is the time to get this right, otherwise you'll have a legacy of bad policy for years to come," said Mr Riden.

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