



31 January 2017

Senate Select Committee on Red Tape
PO Box 6100
Parliament House
Canberra ACT 2600

Inquiry into the effect of red tape on the sale, supply and taxation of alcohol

The Public Health Association of Australia welcomes the opportunity to make a submission on the effect of red tape on the sale, supply and taxation of alcohol.

The Public Health Association of Australia Incorporated (PHAA) is recognised as the principal non-government organisation for public health in Australia and works to promote the health and well-being of all Australians. The Association seeks better population health outcomes based on prevention, the social determinants of health and equity principles. PHAA is a national organisation comprising around 1900 individual members and representing over 40 professional groups.

We believe that issues relevant to the current inquiry have been considered in recent consultations and inquiries in which the PHAA has participated. On that basis, we provide as appendices submissions from the PHAA (alone or in collaboration with other organisations) to the following consultations and inquiries:

1. Competition Policy Review (submissions to the draft and final reports)
2. Senate Standing Committees on Economics Inquiry into personal choice and community impacts
3. Re:think Tax Discussion Paper
4. Senate inquiry into the need for a nationally-consistent approach to alcohol-fuelled violence.

We request that the Committee consider the evidence detailed within these submissions as part of the current inquiry. This covering letter is not intended to replicate the detail of the attached submissions; rather, we will draw attention to relevant key messages that are discussed in greater detail in the appendices.

Alcohol is “no ordinary commodity”

Alcohol has been described by leading experts as “no ordinary commodity” on the basis of the substantial health and social harms associated with alcohol use which are experienced by the drinker and others.¹ For example:

- Alcohol causes 15 deaths and 430 hospitalisations each day across Australia.²
- Alcohol use was responsible for 5.1% of the burden of disease in Australia in 2011, making it the third most burdensome risk factor for Australians’ health.³

- Alcohol plays a role in more than 200 different chronic health problems, including cardiovascular disease, cancers, diabetes, nutrition-related conditions, cirrhosis, and overweight and obesity.⁴
- It is estimated that 3,208 cancers in Australian adults in 2010 could be attributed to long-term chronic use of alcohol.⁵
- Alcohol use during pregnancy is a leading cause of preventable birth defects, including Fetal Alcohol Spectrum Disorders (FASD).⁶
- Over a million children (22% of Australian children) are estimated to be affected in some way by the drinking of others, and over 10,000 Australian children are in the child protection system because of a carer's drinking.⁷
- Alcohol is a significant contributor to family and domestic violence in Australia.⁸
- Drink-driving is a major factor in a substantial proportion of road fatalities and critical injuries.⁹

The diverse and significant harms associated with alcohol contribute very substantial costs to governments, including costs from services provided by hospitals, emergency departments and ambulances; policing and law enforcement; treatment and support services; and child protection agencies.^{10,11} The costs associated with alcohol harms need to be considered and recovered, if only in part.

In light of alcohol's potential to cause harm, there are important considerations when assessing possible 'red tape' to ensure that any recommendations for change are in the public interest and will reduce, rather than increase, alcohol-related harms.

Appropriate regulation to protect public health and safety should not be dismissed as 'red tape'

Governments have a number of important roles in regard to the health and safety of citizens. Governments have a duty to enable people to lead healthy lives and ensure that all citizens within the community have the full opportunity to reach their potential. In executing this duty, governments and associated agencies develop policies and processes to regulate the sale, supply and taxation of alcohol. Alcohol policy development should be informed by the best available evidence about what will work to prevent and reduce alcohol-related harms, and, consistent with the position of the World Health Organization's Director General, "...must be protected from distortion by commercial and vested interests".¹²

Evidence-based policy which has an important role in preventing and reducing health and social harms from alcohol should not be dismissed as 'red tape'. Rather, efforts should be directed to improving and strengthening policy, based on the best available evidence, to ensure it is as effective as possible in minimising harms from alcohol.

Addressing 'red tape' should not be prioritised over other important policy reforms

There is overwhelming consensus from leading Australian and international health authorities that alcohol taxation, when used to increase the price of alcohol, is one of the most effective policy interventions to reduce the level of alcohol consumption and related problems.

Comprehensive reform of the alcohol tax system is urgently required, and has been considered by a number of previous national reviews and consultations, including the 2009 Henry Tax Review and the 2015 Re:think Tax Discussion Paper. The Henry Tax Review described the alcohol tax system as “incoherent” and the Wine Equalisation Tax (WET) in particular as “not well suited to reducing social harm”.¹³

Australia’s alcohol taxation system is not reflective of the harms caused by alcohol and there is an urgent need for comprehensive reform with the objective of reducing harm and promoting a safer drinking culture. There is broad agreement that the current approach to alcohol taxation in Australia is complex and change is needed.

On this basis, it would seem a significant missed opportunity to consider possible ‘red tape’ issues associated with alcohol taxation in isolation from consideration of the broader reforms urgently needed. We caution against prioritising ‘red tape’ considerations over important evidence-based policy reforms which would make a real difference to improving the health and safety of the Australian community.

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