



strokefoundation

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Mr Russell Campbell
General Manager
Small Business Tax Division
The Treasury
Langton Crescent
PARKES ACT 2600
wineequalisationtax@treasury.gov.au

Level 7
461 Bourke Street
Melbourne
VIC 3000 Australia

T +61 3 9670 1000
F +61 3 9670 9300

Call StrokeLine
1800 STROKE (787 653)

E admin@strokefoundation.com.au
www.strokefoundation.com.au

ABN
42 006 173 379

To whom it may concern

Re: Wine equalisation tax rebate, discussion paper

The National Stroke Foundation (NSF) welcomes the opportunity to provide feedback on the proposed **wine equalisation tax rebate** discussion paper. For any queries on this submission please contact NSF Policy and Advocacy Director Rebecca Smith on rsmith@strokefoundation.com.au or 03 9918 7217.

The NSF supports and endorses the National Alliance for Action on Alcohol's submission on the wine equalisation tax rebate discussion paper. In addition to that submission, the NSF would add some further information relevant to stroke and cardiovascular disease raised by the Australian Chronic Disease Prevention Alliance (ACDPA).

Excessive alcohol consumption is clearly associated with an increased risk of stroke^{i,iii}. Evidence relating to moderate alcohol consumption on stroke is less consistent although some evidence indicates low levels of consumption (1-2 standard drinks per day) may reduce the risk, particularly for ischaemic stroke.^{iv}

There is evidence linking heavy drinking with stroke in younger adults, as well as a link between long-term heavy drinking and stroke. Binge drinking is also associated with an increased risk of stroke.^v

In addition, there is clear evidence of a link between alcohol consumption and high blood pressure (hypertension), which is a major risk factor for stroke.^{vi}

Alcohol price is a key determinant of alcohol consumption levels and of the harmful use of alcohol.^{vii}

There is strong and consistent evidence that higher alcohol prices decrease both alcohol consumption and alcohol related harms while lower prices increase them. This effect is seen in overall consumption as well as in heavy or problem drinkers, and in harms to the drinker as well as to others.^{viii} It has been estimated that a price increase of 10 per cent reduces overall alcohol consumption by an average of 5 per cent with the demand for wines and spirits being more responsive to price than the demand for beer.^{ix}

Younger people amongst whom the risk of alcohol-related harms is particularly high are especially responsive to alcohol prices.^x Increased alcohol prices have been shown to reduce the proportion of young people who are heavy drinkers, to reduce underage and binge drinking, to delay intentions among younger teenagers to start drinking and to slow progression towards drinking larger amounts.

In line with the ACDPA, the NSF recommendations are:

- Australia's alcohol taxation system needs to be reformed to minimise alcohol-related harms.
- All alcohol products sold in Australia should be taxed on the basis of alcohol content through the introduction of a volumetric excise duty.
- Changes to tax levels should not allow prices for alcohol products to decrease, other than for low alcohol products.
- Modelling should be used to establish appropriate levels of taxation across beverage types to discourage harmful consumption and encourage safer consumption patterns.
- A minimum price per unit of alcohol (per standard drink) should be introduced to reduce substitution effects and to minimise the impact of alcohol discounting on consumption levels.
- The current Australian practice of adjusting excise taxes every six months in line with the CPI should be continued, so that alcohol prices are maintained in real terms.
- A proportion of alcohol tax revenue should be used to fund alcohol prevention and treatment programs and other costs arising from alcohol related injury and disease.
- The alcohol taxation system should be continually monitored and evaluated with research into potential improvements.

ⁱ Ronksley PE, Brien SE, Turner BJ, Mukamal KJ, Ghali WA. Association of alcohol consumption with selected cardiovascular disease outcomes: a systematic review and meta-analysis. *BMJ* 2011;342:d671.

ⁱⁱ Reynolds K, Lewis B, Nolen JD, Kinney GL, Sathya B, He J. Alcohol consumption and risk of stroke: a meta-analysis. *JAMA* 2003 Feb 5;289(5):579-88.

ⁱⁱⁱ Truelsen T, Gronbaek M, Schnohr P, Boysen G. Intake of beer, wine, and spirits and risk of stroke : the copenhagen city heart study. *Stroke* 1998 Dec;29(12):2467-72.

^{iv} National Health and Medical Research Council. Australian alcohol guidelines: health risks and benefits. Commonwealth of Australia; 2001.

^v National Health and Medical Research Council *ibid*.

^{vi} Single E, Ashley M, Bondy S, Rankin J, Rehm J. Evidence regarding the level of alcohol consumption considered to be low-risk for men and women. Commonwealth of Australia; 2000.

^{vii} Babor TF, Caetano R, Casswell S, Edwards G, Giesbrecht N, Graham K, et al. Alcohol: No Ordinary Commodity - Research and Public Policy. Oxford and London: Oxford University Press; 2003.

^{viii} World Health Organization. WHO expert committee on problems related to alcohol consumption. Technical Report. Geneva: World Health Organization; 2007.

^{ix} Gallett CA. The demand for alcohol: a meta-analysis of elasticities. *Australian Journal of Agricultural and Resource Economics* 2007;51:121-35.

^x Roche AM, Bywood PT, Borlagdan J, Lunnay B, Freeman T, Lawton L, et al. Young people and alcohol: the role of cultural influences. Adelaide: National Centre for Education and Training on Addiction; 2007.