



Mooted tax change An investment in our children's future

19 January 2017: Protecting the welfare and future prosperity of vulnerable Aussie kids exposed to unacceptable levels of alcohol harm is the central focus of an innovative Pre-Budget submission lodged with Treasury today.

The proposal, which includes measures to reduce family and domestic violence and phase out alcohol sports sponsorship, would be entirely funded by modest changes to the alcohol tax system that would deliver almost \$3 billion of annual revenue to the Australian Government.

The submission has the endorsement and support of The Valuing Children Initiative, a project concerned that a failure of government has resulted in increasing rates of childhood obesity, falling levels literacy and numeracy, and chronic youth unemployment.

Each year, more than a million (one in five) Australian children are negatively impacted by the drinking of others, exposed to unprecedented levels of alcohol advertising with children also directly affected by alcohol consumption during pregnancy and the debilitating lifelong conditions that can result.

The Foundation for Alcohol Research and Education's (FARE) Pre-Budget submission 2017-18 aims to draw attention to the high cost to children of alcohol misuse, a financial burden well in excess of the alcohol tax revenue currently collected.

FARE Chief Executive Michael Thorn says the benefits of its proposal are threefold – with the costed plan providing the government with much-needed revenue, the opportunity to implement sensible and long overdue reform of the alcohol tax regime, and a meaningful and tangible way to address the harm caused by alcohol.

“The Budget should represent more than just an opportunity to demonstrate fiscal responsibility. Here the Australian Government has a chance to do much more – we’re proposing a win-win that could see an end to our broken and oft-criticised alcohol tax system, and most importantly, the opportunity to invest that revenue windfall in our children and the future prosperity of our nation,” Mr Thorn said.

Reform of the alcohol tax system, recommended by ten previous government reviews, is the cornerstone of FARE's 2017-18 tax proposal. The move would deliver \$2.9 billion annually, reduce Australia's alcohol consumption by an estimated 9.4 per cent and discourage the production of cheap low-quality alcohol in favour of higher end wine products.

The phased reform includes a step-by-step implementation plan, which would first transition the Wine Equalisation Tax (WET) to a volumetric system, then remove the WET rebate, and finally increase the excise rate on all alcohol products by a minimum of ten per cent.



Foundation for Alcohol
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To ensure these savings are wisely invested in preventive health, FARE is calling for four key policy measures to prioritise the safety and future of our children, by reducing the burden placed on young people and families from the drinking of others and helping the next generation establish healthy attitudes to alcohol.

Inappropriate alcohol sponsorship of sporting and cultural events watched by millions of young Australians would be phased out under FARE's plan, with the establishment of a \$100 million Alcohol Sponsorship Replacement Fund to allow four years for sporting codes to transition to alternative family-friendly sponsors.

More than \$25 million would go to states and territories to ensure programs to reduce family and domestic violence take a family-centred approach and include support for alcohol and drug services; and to pilot an innovative program requiring repeat alcohol-related family violence offenders to undergo two breath tests a day or wear a continuous alcohol monitoring bracelet as part of their probation requirements.

Tony Pietropiccolo, Director of Centrecare (Inc) and inspirational force behind the Valuing Children Initiative, is concerned that the nation's collective and devastating burden of alcohol harms is being borne heavily by the most vulnerable: our children.

"As a nation we should be deeply concerned that more than 142,000 children are impacted by their primary caregiver's drinking, or that the alcohol industry sees children as future customers to be targeted and groomed," Mr Pietropiccolo said.

Mr Pietropiccolo says we need more than empty platitudes from our leaders if we are to overcome these barriers and reduce these harms.

"The sad and stark reality is that the country and our children are going backwards. Witness the falling NAPLAN results, the alarming spike in childhood obesity, the growing numbers of children in state care and the nearly one in five children living below the poverty line. Government must do more than simply acknowledge this crisis. FARE's Pre-Budget submission puts forward solutions that require only modest funding, which would help secure the safe and supportive childhood our young people deserve and that the Valuing Children Initiative believes in so strongly," Mr Pietropiccolo said.

Mr Thorn and Mr Pietropiccolo are available for interview.

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The **Foundation for Alcohol Research and Education (FARE)** is an independent, not-for-profit organisation working to stop the harm caused by alcohol. Alcohol harm in Australia is significant. Over 5,500 lives are lost every year and more than 157,000 people are hospitalised making alcohol one of our nation's greatest preventive health challenges. To find out more visit www.fare.org.au.

The **Valuing Children Initiative (VDI)** aims to inspire Australians to value all children, understand that a child's wellbeing is the shared responsibility of the entire community and ensure children are at the forefront of our considerations. VCI is a joint project funded by Centrecare (Inc) and Parkerville Children and Youth Care (Inc). To find out more visit www.valuingchildreninitiative.com.au.