

Fixing the alcohol tax system could reduce harms, new study shows

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Increasing the cost of the cheapest alcohol could reduce an individual's consumption by as many as 11.5 standard drinks a week for low-income wine consumers, a new study has shown.

The Monash University study analysed the alcohol consumption habits of

885 Victorian households, including what they spent on alcohol and how it was taxed.

The researchers then estimated the likely effects of two other approaches to alcohol [taxation](#), concluding that these alternatives could lead to a reduction in heavy drinking compared to the existing system.

Cancer Council Victoria Chief Executive Officer Todd Harper said that increasing the price of cheap alcohol through the taxation system was one of the most effective ways to reduce alcohol-related harms, including cancer.

"Heavy alcohol consumption is responsible for major harms in our community, including cancer of the mouth and throat, bowel in men and breast in women," he said.

"Each year 3000 cases of cancer in Australia are attributed to the long-term consumption of alcohol.

"When alcohol prices are increased through taxation, consumers drink less, and reduce their risk of developing certain types of cancer."

The study, recently published in the journal *Alcohol and Alcoholism*, looked at the [alcohol consumption](#) habits of a sample of consumers in Victoria over a year.

The authors reviewed household spending on alcohol and then applied two different tax-policy alternatives: setting a minimum price of \$1 per standard drink, or taxing all products based on [alcohol content](#).

"We found that these alternative policies can lead to a reduction in [heavy drinking](#), when compared to current alcohol taxation policy," said PhD candidate in the Centre for Health Economics at Monash University,

Brian Vandenberg, an author of the paper.

In Australia the tax on wine and cider is currently based on the value of the product (known as advalorem), whereas 16 different tax rates are applied for beer, spirits and other [alcohol](#).

Provided by Monash University

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