

Tax Working Group Public Submissions Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

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- [1] 9(2)(a) - to protect the privacy of natural persons, including deceased people;
- [2] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [1] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Tēnā koe

The Drug Foundation welcomes the opportunity to address alcohol tax reform. We know what an important opportunity this is. Luckily, we have been talking about alcohol tax for years, so we already have the relevant information to share with the tax working group.

Alcohol has become more affordable over the past decade and there is plenty of evidence that consumption is related to the price and affordability of alcohol. New Zealand has an 'alcogenic' environment – a situation which the Law Commission in 2010 previously characterised as the “unbridled commercialisation of alcohol”. This means New Zealand sees high alcohol-related harms that impact on individuals, families and society as a whole.

Harmful use is interconnected with some of the biggest issues facing New Zealand today, for example, poverty, family violence, mental health and homelessness. These harms are most often carried by the most vulnerable groups.

Raising the price of alcohol is one of the most (if not the primary) cost-effective ways to reduce alcohol consumption. The Drug Foundation knows that alcohol tax can play a large role in reducing these harms.

Increase the excise tax on alcohol by 50%

The 2010 Law Commission Report recommended increasing alcohol excise tax by 50% and investigating minimum pricing options. We agree with these recommendations. There is a lot of evidence to support the conclusion that increasing prices would result in a reduction of alcohol-related harms and help offset the societal costs of harmful alcohol use.

Introducing a minimum pricing scheme

Increasing excise tax alone may not significantly raise the cost of very cheap alcohol. High percentage, low cost alcohol would most likely still be available in alcohol stores. Implementing minimum pricing would achieve health goals that raising alcohol taxes alone cannot.

Minimum pricing prevents below-cost selling and the deep discounting of alcohol that some retailers engage in. The key benefits would be raising the retail price of the alcohol products that provide the cheapest forms of absolute alcohol.

Use more alcohol revenue to increase funding for education and treatment

Māori, Pacific and those living in deprived neighbourhoods are more likely to experience harm from alcohol. Services are over-extended and underfunded so people cannot get the help they need. 50,000 kiwis every year want help with their substance use, largely for alcohol, but they cannot get it.

Regardless of whether excise tax is raised, a greater proportion of the revenue from excise tax on alcohol should be used towards prevention, treatment, education and rehabilitation services.

New Zealand has not addressed alcohol pricing or tax in years. So, our previous submission on the Alcohol Reform Bill is still relevant. We have attached this to help inform your thinking about excise tax and a minimum pricing scheme.

- **Submission on the Alcohol Reform Bill (2011)** Alcohol Pricing, page 18-23.

Thank you for considering our submission. Please be in touch if you have any questions at all.

Ngā mihi,

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Ross Bell
Executive Director

The Drug Foundation is a charitable trust. We have been at the forefront of major alcohol and other drug debates for 28 years, promoting healthy approaches to alcohol and other drugs for all New Zealanders.