



# Smokes to lead sin taxes boost

**Siobhain Ryan  
 Pia Akerman**

SMOKERS stand to boost Treasury coffers by \$2 billion through a 17.5c-a-cigarette excise hike, with drinkers next in line for a new round of sin taxes.

Kevin Rudd's National Preventative Health Taskforce yesterday dramatically ratcheted up pressure on the government by pre-empting the results of its tax review and backing opposition proposals for a tobacco excise hike and a new alcohol pricing regime.

The taskforce chairman, Rob Moodie, said after the launch of the 300-page strategy that the current window for change represented "the best opportunity we've had for prevention in a generation".

More than 800,000 Australians could be saved from early deaths if the strategy achieved its targeted reduction in smoking and risky drinking rates and stabilised obesity levels.

The strategy come at a multi-billion-dollar cost to smokers and drinkers, with the first 7.5c-a-stick increase to the tobacco excise proposed as early as next year.

Professor Moodie said it made sense to start the three consecutive years of excise hikes in the coming May budget.

"There's a very large level of support for it in the community, a landslide of support, even among smokers and even among poorer smokers," he said.

By 2013, the tax per cigarette stick would rise by 17.5c above inflation, ensuring that a pack of 30 cost at least \$20.

Cancer Council Australia and the National Heart Foundation

have estimated Treasury earnings from such a strategy at \$1.97bn a year.

Health Minister Nicola Roxon yesterday refused to rule any of the proposals in or out until the government finished its consultations with the states and territories on the reform of the health system early next year.

But she acknowledged the "vitally important" need to keep people healthy and out of hospitals.

"The bottom-line answer to a question like that is we are killing people by not acting," Ms Roxon said. "There are opportunities for us to do things differently. We have preventable cancers. We have a whole range of other preventable diseases which we can reduce."

Wayne Swan said he wanted to see the results of his departmental secretary Ken Henry's long-running review of the tax system before committing to anything in the taskforce report.

"It's simply a report which the government will take on board in the budget process, but most particularly in the context of the Henry process," the Treasurer said.

After the federal budget in May, Malcolm Turnbull proposed a 3c-a-stick excise hike in place of the government's cuts to the private health insurance rebate, but failed to gain the Prime Minister's support for the measure.

The Opposition Leader estimated that his 3c-a-cigarette excise hike would raise \$1.9bn over four years, compensating the government for lost savings from scrapping its private health insurance rebate cuts.

Coalition members, including opposition health spokesman Peter Dutton, Liberal senator Alan Eggleston and Nationals whip Paul Neville, have also raised the need for a new "volumetric" tax regime for all beverages, based on alcohol strength, despite their parties' reluctance to embrace such a politically risky policy.

The taskforce report, however, puts a timeframe on pricing reform, proposing an end to cheap booze by introducing a minimum price for alcohol from 2014.

It also reignites debate about the minimum drinking age and proposes phasing out alcohol advertising to those under 25, starting with sports sponsorships, live sports broadcasts and popular youth television programs.

The strategy makes life harder for pubs, clubs and takeaway liquor stores by recommending uniform restrictions on hours of sale and the number and type of licences available as well as annual licence renewals and a system of demerits for non-compliance.

Continued — Page 5





# Tobacco, booze lead boost to sins take

From Page 1

Tobacco companies would face unprecedented sanctions, ranging from mandatory plain packaging, the regulation of cigarette ingredients and emissions, and reclassification of movies and videos based on smoking content to court action by governments to recoup the cost of treating smoking-related diseases.

The strategy, however, takes a less aggressive approach to stabilising obesity levels, allowing junk food manufacturers four years to voluntarily phase out product advertising on television before 9pm.

James Arnold, director of corporate affairs at Philip Morris, said his company would consider legally challenging any attempt to devalue its brands and intellectual property.

He said the taskforce's push for plain

packaging, out-of-sight storage of cigarettes and higher tobacco excises would not convince smokers to quit.

"Those aren't going to reduce smoking," Mr Arnold said. "Those are going to raise issues for the 3.1 million Australian adults who smoke, the 30,000 businesses across Australia that sell tobacco products, for Australia's trade partners and ultimately for the government."

Winemakers Federation of Australia chief executive Stephen Strachan said the recommendations would do little except cost jobs.

"We've made it clear that firstly any increase in tax in wine will have a significant impact on our industry, in particular on regional jobs, and call on those arguing for tax increases to demonstrate what it will do in relation to reduction in harm," Mr Strachan said.

Celebrating her 20th birthday at an Adelaide city pub yesterday afternoon, Olivia Iacobelli was more concerned about the idea of raising the drinking age from 18.

"It would be frustrating if you've waited this long — to 18 — and they went and changed it again," Ms Iacobelli said.

"We only celebrate 21sts because it's an American thing — in Australia it's all about being 18."

But the costume design student has no problems with policy discussions on changing rules for alcohol advertising, arguing the expensive marketing wasn't very effective.

"Advertising doesn't really make you want to drink anyway," she said. "If you're going to drink, you would know what you want. I don't think I've ever been influenced by an ad."



**Not influenced by ads:** Olivia Iacobelli, centre, shares a beer with Emma Brockliss, 22, and Alice De Rohan, 19, in an Adelaide hotel yesterday

**Picture:** Kelly Barnes