

National Liquor News – July 2008

Senate's RTD Inquiry

Alcohol and how Australians drink has certainly been debated in Parliament and the media over the last month.

That Australia is having a debate is welcome so long as the result is based on credible evidence and not on scare campaigns; however it is very regrettable that it took an unwarranted and narrowly focused tax hike to kick off that very valuable discussion about alcohol, its use and abuse in Australia, and what is the best way to reduce or end alcohol abuse.

The Senate has held a formal inquiry into RTDs, which included two days of hearings. What was clear from the testimony and the submissions was that the public health advocates wanted some form of volumetric taxation of alcohol, to treat all forms of alcohol on the same basis. Other submitters, including DSICA, argued against using increased taxation as a means to combat alcohol abuse because tax increases are a blunt instrument that punishes moderate – and responsible - consumers in order to hopefully deter those drinkers who abuse alcohol.

The Australian Institute of Health and Welfare (AIHW) – the Government's key adviser on health statistics and information – told the inquiry that Australians' overall drinking status had been stable over the past two decades, and that there had been virtually no change in the pattern of risky drinking over the period of 2001-2007, including amongst young Australians. The AIHW's submission also pointed out that "the increased availability of RTDs does not appear to have directly contributed to an increase in risky alcohol consumption."

The RTD tax hike continues to create all sorts of unintended consequences, not least highlighting the favourable excise rates and hence pricing of wine-based mixed drinks, with a minimum 8% alcohol content. These products did not have a significant presence in the market before the excise hike and their emergence will be the result of the Government's tax grab.

The National Health and Medical Research Council has reviewed Australia's official guidelines for low risk drinking. The Chair of the Working Committee, Professor John Currie, announced in mid-June that the new guidelines for low risk drinking will be two standard drinks per day for both men and women, and that four standard drinks is "above low risk", i.e. a binge.

These guidelines are a radical departure from the existing guidelines, and are so low that Australians will have difficulty taking them seriously. There is a real danger that, given this lack of credibility, these guidelines will discredit the government's efforts to combat alcohol abuse. To put it simply, consumer health advice has to be believable, otherwise it is disregarded.

The alcohol beverage industry objected strongly to the draft guidelines when they were released for comment last October, not least because the guidelines were based on modelling based on an average male body weight of 60kgs, and an average female body weight of 50kgs. These averages are much lower than the Australian averages of 82kg for men and 66kg for women (aged 25-34).

Another weakness of the guidelines is that the Working Committee uses hospital emergency data from nations such as Mozambique, South Africa, Mexico, India, China, and Belarus. Not much can be taken from that data and meaningfully applied to Australia.

Unfortunately, all of our objections fell on deaf ears.