



RTD Tax will still be a failure second time around

A second attempt by the Federal Government to permanently raise the tax on ready-to-drink (RTD) alcohol products only highlights the complete failure of the tax hike to reduce youth binge-drinking or raise the promised tax revenues.

“The original Bill was rejected by the Senate in March. This re-hashed version should be rejected again for the simple reason that more than a year on it has had no positive impact on the drinking habits of Australians,” said Mr Stephen Riden, Research and Information Manager for DSICA.

“In these difficult economic times it is appalling that hundreds of thousands of Australians who responsibly enjoy the convenience of a rum and coke or gin and tonic in a can will continue to be slugged by a massive tax increase that has completely failed to address binge-drinking and underage drinking in our communities,” he said.

DSICA congratulated the Coalition and Family First Senators who made the right decision in March because they understood the serious consequences of this poorly conceived tax grab.

“The Senate rejected the Government’s assertion that binge-drinking can be addressed through a narrowly-focused tax on one type of alcohol product,” Mr Riden said.

Mr Riden noted the Government’s own Treasury papers acknowledge substantial substitution to other forms of alcohol. “All sensible Australians know that this tax grab has simply shifted purchasing behaviour and has had no impact on dangerous or risky drinking.”

DSICA will continue to present the case for the introduction of a volumetric approach to alcohol taxation, where products are taxed according to their alcohol content, not the process by which they are produced.

“This tax will worsen the anomalies of the current alcohol taxation system. DSICA looks to the Henry Review to overhaul the current system and a rational approach to alcohol taxation be introduced,” Mr Riden said.

“Only when this failed social experiment has been abandoned can all sides of politics come together with health groups and the alcohol industry to develop a meaningful and comprehensive strategy to address alcohol misuse in the community,” he concluded.

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