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Government's RTD tax windfall must be spent on real solutions

The $424 million collected from the 70% tax hike on Ready-to-Drink (RTD) alcohol products over the past 12 months must be directed towards real solutions to combating alcohol abuse now that the Australian Government has decided to keep the revenue.

"The Parliament today passed legislation enabling the Government to retrospectively keep the extra revenue it has collected. We fully support this move and hope the money is now used to develop real solutions to alcohol abuse, rather than unjustified restrictions on the responsible majority of drinkers," said Stephen Riden, Information and Research Manager for the Distilled Spirits Industry Council of Australia (DSICA).

"It is important to note that this legislation only legitimises the money the Government has collected to date. It does not mean the 70% tax hike has ongoing approval by the Parliament," Mr Riden said.

DSICA has consistently gone on record as saying it didn't want a refund but would rather see the money invested in a comprehensive strategy to address alcohol misuse. "We would also like to work with the Government on more effective solutions to alcohol abuse," he added.

"The Council will be watching with interest to see how the Government uses the money raised from this tax grab. DSICA members would have donated their tax refunds to community-based organisations concerned with alcohol harm minimisation," he said.

At this stage the Government has only committed $54 million over two years to its national binge-drinking strategy, which is less than what it collects in four days ($15 million a day) through alcohol taxation.

"Despite the Government's plans to place the ineffective and unfair RTD tax back on the parliamentary agenda, it should scrap the tax and treat alcohol as alcohol through a graduated volumetric tax," Mr Riden said.

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