



New beer-based RTD the consequence of 70% tax hike: DSICA

The growing range of ready-to-drink (RTD) alcohol products exempt from the Federal Government's 70 per cent tax hike demonstrates yet another unintended consequence of this poorly conceived tax hike on 'spirit-based' RTDs.

The Distilled Spirits Industry Council of Australia (DSICA) notes that while products such as Bolt are not produced or marketed by its members, they highlight the ridiculous situation in which alcohol products that look, taste and contain the same amount of alcohol are taxed at completely different rates.

DSICA's Information and Research Manager Stephen Riden said it made no sense to tax alcohol according to its manufacturing process and not its alcohol content. "We have a situation where 'wine-pops', infused beer and now 'malternatives' are taxed at significantly lower rates than a can of bourbon and cola. Fundamentally alcohol is alcohol, and these are all pre-mixed products.

"This shift to production of beer-based ready-to-drink products is directly related to the Government's narrowly focused tax grab," Mr Riden said.

"These other types of RTDs have been available in Australia for some time and it was obvious that companies would move to take advantage of the very different tax rates created by the Government.

"Also, we have already seen companies increase their marketing efforts around cider to fill the void created by the increased taxation and hence prices of spirit-based RTDs.

"If the Government was serious about addressing problem drinking it would do away with this narrow, ill-conceived tax trial and start taxing products on the amount of alcohol they contain. Australia's public health groups have consistently called for such a measure.

"The Government's so called 'alco-tax' has shown time and time again to have created more unintended social and health problems than it was designed to address in the first place."

"A recent report on total sales of alcohol does not include any information regarding alcohol abuse, which remains a problem despite the RTD tax trial."

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