Media Release **Embargoed: 25 February 2009**

Hospital data indicate little or no change in drink-related hospitalisations since RTD tax hike

New alcohol-related hospital admission data indicate little or no change in the impact of high-risk drinking on the health of young Australians since the introduction of the Federal Government's 70% tax hike on Ready-to-Drink (RTD) products, according to an Access Economics analysis.

"If anything, hospitalisation rates of young people due to acute intoxication and harmful use of alcohol worsened in the months following the Government's tax increase on RTD products," said Director of Access Economics and Health Economist, Lynne Pezzullo.

The report compared alcohol-related hospital treatment rates from 2005 to the most recent month (up to October 2008, depending on state data).

"For females and males aged 12-24 years, the rates of alcohol-related 'separations' (end of an episode of care in hospitals) from May to June 2008 were not only higher than in previous years but also, for females, higher than earlier months in 2008," Ms Pezzullo said.

Ms Pezzullo noted that the Government's tax hike, introduced on 27 April 2008 with the aim of addressing youth binge-drinking, could worsen health outcomes, as data show a shift to other forms of alcohol which are often sold in larger containers (where consumption is more difficult to self-monitor and drinks are more at risk of 'spiking') and cheaper alternatives (where more drinks can be consumed for the same budget).

"The study also showed, based on current consumption patterns, that young people could now potentially purchase *more* standard drinks for $20 than prior to the RTD tax hike.

"Even if overall alcohol consumption across the entire population has fallen, this does not mean a reduction in risky drinking by young people. Risky drinkers are the least likely to change their behaviour due to price increases. Reductions in average consumption are more likely to be due to healthy drinkers cutting back on consumption rather than problem drinkers," she said.

The *Trends in Alcohol-Related Hospital Use by Young* report concluded:

- Data for six states show that for males and females aged 12-24 years, hospital separations per 100,000 population for alcohol-related diagnoses for May and June 2008 were higher than the same months in previous years and, for females, substantially higher than for April 2008;
- Emergency Department (ED) data for Queensland, South Australia, Tasmania, Victoria and Western Australia (NSW did not supply data due to quality concerns) show that, for males and females aged 12-24 years, ED presentations per 100,000 population for alcohol-related diagnosis were higher in May to August 2008 than for the same months in previous years; and
- Combining hospital separation and ED presentation rates for the six states show higher rates in May and June 2008 compared to previous years with females rates once again substantially higher than in the earlier months of 2008.

“If the aim is to reduce risky drinking by young people, a package of education and other policies may be more effective and less costly on society than the RTD tax,” Ms Pezzullo concluded.

The *Trends in Alcohol-Related Hospital Use by Young People* report was commissioned by the Distilled Spirits Industry Council of Australia (DSICA).

Mr Stephen Riden, Research and Information Manager for DSICA, said, “The Access Economics report reinforces the overwhelming evidence that the RTD tax hike has clearly failed as a health measure. We will be sharing these findings with key Senators.

“As the time at last approaches when the Australian Senate will finally be able to have its say on the RTD tax trial there is really only one option for such a fatally flawed piece of policy and that is to vote it down,” Mr Riden said.

“To do anything else would leave Australia with another piece of failed legislation and its myriad of unintended and often harmful social consequences.”

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To arrange an interview with Lynne Pezzullo from Access Economics please contact John Morton at Ethical Strategies on (02) 8904 7310 or 0416 184 044.

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