

## **National Liquor News – December 2009**

### **Christmas wishes and 2009 in review**

The run up to Christmas is the industry's busiest time, and for many the Christmas holidays cannot come soon enough – either to achieve some vital financial targets, or to get some time away from the office.

The year saw serious attacks on parts of “the alcohol industry” by state governments, police commissioners, and the public health industry. At times the federal government also weighed in on the amount of binge drinking by young Australians, and on underage drinking.

To be fair, these state and federal governments were reacting to valid concerns about the violence and anti-social behaviour related to alcohol abuse, the high number of underage drinkers, and to some young drinkers who are abusing alcohol in quite extreme ways. The problems are quite real.

These attacks on “the industry” are largely misguided because they miss the essential point that there is no such thing – there is a collection of competing businesses, and even with the best will in the world, business competitors cannot strictly regulate each others' behaviour without falling foul of competition law. The power to regulate rests solely and properly with governments. For all the blame laid on “the industry” by state governments, the essential tools to combat these serious problems are in the hands of the states and territories, and I hope that 2010 will see more enforcement of the current regulations, rather than imposing more of the blanket bans we saw this year.

To state the blindingly obvious, taxation was a dividing issue for the industry. DSICA made its case against the RTD tax increase, as was our right and our obligation, and we ran a highly effective and professional campaign. In the end it was not successful but we made some important gains along the way.

Much more important to the whole of the industry was the Commonwealth examining all alcohol taxation as part of the Henry Taxation Review. The review is due to be released sometime near Christmas Eve and hopefully the Australian Government will undertake real reforms and put the current taxation mess on a much more rational and balanced footing. How alcohol taxes are structured is one thing; how the Commonwealth goes about funding its Budget deficit is another. Next year's Budget announcement will be an anxious time.

An unheralded step forward during this year was the change to the ABAC Scheme to include products' naming and packaging, not just its advertising. I am hopeful that this improvement will close a loophole and cut down on some the inappropriately named products on the market. Its success is dependent on retailers seeing the value of the scheme and supporting it.

I would like to wish everyone a safe and prosperous Christmas on behalf of DSICA's members and staff.