National Liquor News - August 2009

Industry strongest when together

At the time of writing, the Senate is very likely to pass the RTD tax into legislation after the Coalition leadership decided to change their vote and support the tax, citing the size of the government deficit and risk of double dissolutions.

While DSICA's campaign against the RTD tax has been underway, other parts of the industry have sensibly carried on running their businesses during the Global Financial Crisis and a recession.

The public health lobby's agenda against the alcohol industry has also continued, and is gathering pace as the National Preventative Health Taskforce prepares its report on alcohol, tobacco and obesity. Any government action that results from the taskforce's recommendations will be funded through the RTD tax. Few people seem to be bothered by the unfairness that the nation's war on fat, smoking and every bit of alcohol abuse will be funded by the 10 percent of alcohol consumed in the form of RTDs.

The RTD tax campaign against has caused the wider industry some discomfort. Some parts of the alcohol industry thought DSICA should just shut up and wear it, and withdrew co-operation. Now that campaign is over, attention will shift to the Henry Taxation Review. Taxation is the key issue that all parts of the industry argue over, and cheerfully agree to disagree on - usually.

But the industry faces threats across a wide front. Our ability to responsibly market a legal product to people above the legal purchase age is increasingly questioned, and even threatened as the activists ramp up the rhetoric. I use the word rhetoric very deliberately as the so-called evidence that alcohol abuse is always and solely industry's fault is weak and self-serving.

Sports sponsorship continues to be attacked. Advertising is described as contributing to binge drinking, and Australia's collective drinking problems. The new Low Risk drinking guidelines have successfully defined at least half of Australians as risky drinkers, and as a result we can look forward to much more official disapproval and hence restrictions on outlets, hours, products, promotions, and more. This will come from all levels of government – local, state and federal.

There is continuous pressure on licensing authorities to reduce the number and density of outlets. The on-premise sector is also under intense pressure on gambling and industrial relation changes, and hard hit by a down turn in tourism.

Now the Cancer Council has jumped in and is highlighting the increased risk of cancer that alcohol brings – from the very first drop.

A key element of the attacks is to paint alcohol as the new tobacco. We are collectively described as 'Big Alcohol' as if we are one big single entity, when the reality is very, very different. In the next year, we will face a lot of pressure from a new concept named 'passive drinking', which will tally up the intangible costs of woken neighbours, abused spouses, fearful pedestrians, and neglected children. I confidently predict the announced cost of this 'passive drinking' will be headline-grabbingly huge.

I do not have an answer as to how the different parts of the industry should respond to this highly organised and relentless attack.

But I do know that all of the parts of the industry together is much stronger than the industry divided, and focused only on the short term.