

## **National Liquor News – July 2010**

### **ABS statistics confirm what the industry knew**

The Australian Bureau of Statistics recently released its yearly data on apparent alcohol consumption. Unfortunately and unavoidably, the latest release describes 2008-09, which is almost a year past, but still of great interest to the industry and to politics in general.

The headline figure that the media seized was the 30% decline in RTD consumption, which was greeted with enthusiasm by the preventative health industry as proof that the 2008 RTD tax increase had worked to reduce underage drinking.

While the RTD category had declined, there is absolutely no evidence has shown that underage drinking has decreased in the two years since the 70% tax increase in April 2008.

The Minister for Health herself said that the ABS data did not give any age data. I think that if there was any research about what products were now favoured by underage drinkers, we would certainly have heard about it.

There was very slight - 0.14% - decline in overall consumption in that year. However, this figure is somewhat suspect because the ABS does not include cider in its calculations. Consumption of cider is growing very strongly now and it is taking market share. The drop in per capita consumption was larger – 2.3% - but 2008-09 was the GFC years. Alcohol consumption always declines to a degree in recessions.

The ABS data shows that - as DSICA warned throughout our campaign - the RTD tax would simply cause substitution from RTDs into other products. The ABS has simply confirmed officially what DSICA has known for a long time. It certainly was not news to the alcohol industry, which had known about the substitution to other types of alcohol drinks for more than a year.

The RTD tax could only ever have been successful if there are underage drinkers who blankly refuse to drink any other type of alcohol product. These very fussy underage drinkers imply do not exist, and at its heart the RTD tax is a failure at reducing underage drinking.