

National Liquor News – August 2010

Victoria Vindicates DSICA's RTD Tax opposition

One of the great myths put about by Australia's anti-alcohol campaigners is that the number of underage drinkers is increasing and Australia's underage drinking 'crisis' is out of control.

A second cherished myth is that the RTD tax has improved how underage drinkers are using alcohol and changed what they are drinking away from RTDs.

The industry's only defence against the constant repetition of these two myths are the highly credible consumption surveys repeated over several years, which enable us to track the real situation. Australia has two such surveys, funded by the commonwealth and state governments: the National Drug Strategy Household Survey and the Australian Secondary Students Alcohol and Drug Survey (the ASSAD).

The latest ASSAD survey took place in late 2008, and each state's results are now starting to be released by the state governments. Victoria's Department of Health published its report earlier this year on the survey conducted in that state between June and November 2008.

The report's summary is very clear on the impact of the RTD tax:

Despite the increase in tax on premixed spirits in April 2008, there was no change in the percentage of current drinkers preferring this beverage type between 2005 and 2008. This finding suggests that the tax increase has had little impact on current drinkers' alcohol preferences. In addition, as there was also no change in preferences for beer or spirits, the data also suggest that the tax increase did not cause students to switch their beverage preferences.

The Commonwealth Government has always argued that the RTD tax simply caused underage drinkers to reduce or stop drinking. DSICA has always argued that substitution from RTDs to other products took place among young drinkers. It appears that both sides were wrong – it was only legal age drinkers that substituted other drinks for RTDs, as the sales data demonstrated substantial shifting and apparently it was not the underage.

Further on, the Victorian Government's report is very clear about the result of this survey and the larger Australia-wide survey in 2007 regarding the rates of underage drinking:

The decrease in the prevalence of alcohol consumption found in ASSAD 2008 reflects findings reported in other Australian studies... The National Drug Strategy Household Survey found a decrease in the percentage of 14- to 19-year-olds drinking on a weekly basis between 2001 and 2007 (AIHW, 2008). The AIHW study also indicated a decreasing prevalence in drinking among 16- to 17-year-olds between 2004 and 2007.

These results come from the official surveys – just don't expect hear these findings repeated by the preventative health industry. It will only be the alcohol industry that pushes these facts out into the public debate.