



**Senator Mathias Cormann  
Acting Shadow Minister for Health and Ageing**

**MEDIA RELEASE**

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**‘Smirnoff Platinum’ move hardly a surprise**

The Rudd Government’s supposed attempt to address at risk drinking through a steep tax increase on one alcohol product category is in tatters according to Acting Shadow Health Minister Mathias Cormann.

“Increasing the excise on one alcohol product category – so called ‘alcopops’ – by 70%, was always going to have unintended consequences,” Senator Cormann said.

“Moves by consumers to substitute other, cheaper alcohol products, including products with higher alcohol content, were as predictable as moves by the industry to develop new products as a work-around Labor’s tax slug.

“The Minister’s statements that the Government would *“not let these companies get away with this”* and pursue legislation to fix these loopholes are completely laughable, given that the Government has still not introduced legislation to validate the original 70% tax increase on alcopops through Parliament.

“It is time the Rudd Government came clean about the failure of its 70 per cent increase in the tax on ‘alcopops’.

“The increased tax on alcopops has now been in effect for more than 8 months, yet the Rudd Government continues to run for cover when it comes to answering questions about the effect of it.

“Incredibly, the Government has refused to answer the key question of how much tax has been raised so far as a result of the increase in the excise on alcopops.

“The Government’s own evidence suggests that there has been substitution of ‘alcopops’ with other alcoholic beverages, including more potent alcoholic drinks. Why is the Rudd Government refusing to release the relevant government data?

“The Smirnoff Platinum product is only one of a number of examples where industry tries to respond to consumer demand without incurring excessive taxes.

“The Government tried to mislead Australians into believing this is a health measure, when all it is, is a bad old fashioned Labor tax grab with unintended consequences, such as the development of these so called ‘malternatives’ ,” he said.

“It is time that the Rudd Government acknowledged that this tax grab has been an absolute and unmitigated public policy failure,” Senator Cormann said.

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