



Media Release

Senator Mathias Cormann

Shadow Parliamentary Secretary for Health Administration

09/0211/M

11 February 2009

Show us the evidence tax hike is working Minister!

The Rudd Government is yet to provide any evidence that its steep tax increase on one alcohol product category has helped address at risk drinking Shadow Parliamentary Secretary for Health Administration Mathias Cormann said.

“A reduction in sales of a now more highly taxed and more expensive alcohol product was entirely predictable and indeed predicted,” Senator Cormann said.

“Such a reduction in sales in one product category doesn’t prove a reduction in at risk drinking or of harm from at-risk drinking,” he said.

“We need a Senate inquiry to get to the bottom of some of the issues the Government continues to refuse to address publicly.

“That is why today I’ve given notice of a Senate inquiry into the ‘Alcopops Legislation’ and a number of related issues (Terms of Reference attached).

“We had to force the Government every step of the way to provide answers to some of the most basic questions, including the question of how much additional revenue had been raised as a result of the Government’s increase in the tax on alcopops.

Some of the outstanding information demanded by the Senate includes:

- What tax revenue has been collected on beer, cask wine, bottled wine, cider, spirits, and “other excisable beverages”, ie ready-to drink beverages (‘alcopops’).
- What evidence the government has collected regarding reduction in risky or high risk drinking and/or at risk behaviour among a range of demographics;
- What evidence has the government, including the Australian Institute of Health and Welfare, collected regarding those alcohol products most likely to be associated with low risk, risky and high risk drinking among different age and gender categories.

“It was about time the Government introduced this legislation given that it has been in effect without endorsement from Parliament for nearly a year,” Senator Cormann said.

“With a 19 March deadline for Parliament to deal with this, time was clearly running out for the Rudd Government.

“Given this tax has now been in effect for nearly a year, the Senate does have the opportunity to inquire into the impact it has had before making a decision,” Senator Cormann said.

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Notice of motion for a Committee Reference

Senator Cormann

I give notice that on the next day of sitting I shall move—That—

(1) The Excise Tariff Amendment (2009 Measures No. 1) Bill 2009 and the Customs Tariff Amendment (2009 Measures No. 1) Bill 2009 be referred to the Community Affairs Committee for inquiry and report by 13 March 2009, together with the following matter:

The impact of the tax on ready-to-drink alcoholic beverages, the so-called 'alcopops' tax, since its introduction on 27 April 2008, with particular reference to:

- (a) the revenues raised under the alcopops tax measure;
- (b) substitution effects flowing from the alcopops tax measure;
- (c) changes in consumption patterns of ready-to-drink alcoholic beverages by sex and age group following the introduction of the alcopops tax;
- (d) changes in consumption patterns of all alcoholic beverages by sex and age group following the introduction of the alcopops tax;
- (e) any unintended consequences flowing from the introduction of the alcopops tax, such as the development of so called 'malternatives' (beer-based ready-to-drink beverages);
- (f) evidence of the effectiveness of the Government's changes to the alcohol excise regime in reducing the claims of excessive consumption of ready-to-drink alcohol beverages;
- (g) any evidence of changes to at risk behaviour or health impacts (either positive or negative) as a result of the introduction of the alcopops tax,;
- (h) comparison of the predicted effects of the introduction of the alcopops tax, with the data of actual effects, with a particular focus on evidence (or lack thereof) collected by the relevant department; and
- (i) the value of evidence based decision making in the taxation of alcoholic products.

(2) In conducting its inquiry, the committee must take evidence from:

- (a) Alcohol and other Drugs Council of Australia
- (b) National Drug Research Institute;
- (c) Winemakers' Federation of Australia;
- (d) Independent Distillers Australia;
- (e) Australian Institute of Health and Welfare;
- (f) Public Health Association of Australia;
- (g) Australian Hotels Association;
- (h) Distilled Spirits Industry Council of Australia;

- (i) Australian Drug Foundation;
- (j) National Drug and Alcohol Research Centre;
- (k) Australian Medical Association;
- (l) Australasian Associated Brewers;
- (m) Department of Health and Ageing; and
- (n) Preventative Health Taskforce.