

# CHAPTER 1

## INTRODUCTION

### Terms of reference

1.1 On 15 May 2008 the Senate, on the motion of Senator the Hon Richard Colbeck, referred the following matters to the Committee for inquiry and report by 24 June 2008:

- (a) the effectiveness of the Government's proposed changes to the alcohol excise regime in reducing the claims of excessive consumption of ready-to-drink alcohol beverages;
- (b) the consumption patterns of ready-to-drink alcohol beverages by sex and age group;
- (c) the consumption patterns of all alcohol beverages by sex and age group;
- (d) the impact of these changes on patterns of overall full strength spirit consumption, including any increased consumption of standard drinks of alcohol;
- (e) the evidence underpinning the claims of significant public health benefit in the increase of excise on this category of alcohol;
- (f) applicability of incentives to encourage production and consumption of lower alcohol content beverages;
- (g) the modelling underpinning the Government's revenue estimates of this measure;
- (h) the effectiveness of excise increases as a tool in reducing the levels of alcohol-related harm;
- (i) the empirical evidence on which the Government's decision to increase the excise on ready-to-drink alcohol beverages was based; and
- (j) the effect of alternative means of limiting excessive alcohol consumption and levels of alcohol related harm among young people.

### Conduct of the inquiry

1.2 The inquiry was advertised in *The Australian* and posted on the Committee's website calling for submissions by 30 May 2008. The Committee also wrote to relevant organisations and individuals to notify them of the inquiry and to invite submissions. The Committee received 37 public submissions as listed in Appendix 1. The Committee also received one confidential submission.

1.3 The Committee conducted public hearings in Canberra on 11 and 12 June 2008. Witnesses who appeared before the Committee are listed at Appendix 2.

1.4 The Committee's inquiry dovetailed with its inquiry into the Alcohol Toll Reduction Bill that reported on 18 June.<sup>1</sup> Many of the issues and background discussed in the report on the Bill are common to this inquiry, including strategies being implemented by government, COAG and Ministerial Council initiatives.

### **Acknowledgments**

1.5 The Committee thanks those who assisted with the inquiry, many of whom had very recently assisted with the Alcohol Toll Reduction Bill inquiry.

### **Structure of the report**

1.6 Chapter two introduces the background to the inquiry, terminology used in the report and the measure of the excise increase applied to spirit-based ready-to-drink alcohol beverages. Chapter three provides an investigation of the data on consumption patterns and evidence supporting the measure. Chapter four highlights the main issues raised during the Committee's consideration of the inquiry. Discussion of the individual terms of reference has been incorporated into the chapters.

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1 Available at: [http://www.aph.gov.au/senate/committee/clac\\_ctte/alcohol\\_reduction/index.htm](http://www.aph.gov.au/senate/committee/clac_ctte/alcohol_reduction/index.htm).