

Senate Economics Legislation Committee

Inquiry into the provisions of the Excise
Tariff Amendment Bill (No. 1) 2002 and
the Customs Tariff Amendment
Bill (No. 2) 2002

Submission No. 1

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Attachments? No Attachments



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Inquiry into Alcohol Excise Rates

The Society Without Alcoholic Trauma welcomes this opportunity to make a submission on the subject of excise rates on alcoholic beverages.

SWAT supports the principle that alcohol is a drug and is the cause of much harm in the Australian community. Whilst alcohol is a legal and socially acceptable drug, its use and abuse results in 3700 lives lost per year and costs the economy in excess of \$5B.

The imposition of excise duty on alcohol should perform two functions:

- Increase the price of alcoholic beverages, thereby reducing per capita consumption and alcohol related disease, injury and death.
- Raise sufficient revenue to compensate the taxpayer for the costs of alcohol related harm, including education and rehabilitation.

These principles have been demonstrated recently in the Northern Territory where a temporary impost of 5 cents per standard drink provided a dramatic fall in alcohol related deaths and injuries.

SWAT supports the principle that all alcoholic beverages be taxed on the basis of the alcohol content, including beer, spirits, wine and premixed wine or spirit based drinks.

SWAT supports the principle of a reduced rate for low alcohol products. SWAT supports reduced rates for **mid-strength** beverages with more than 3.0 per cent but less than 3.5 per cent alcohol by volume and **low alcohol** beverages with less than 3 per cent alcohol by volume.

There should be **no** discount for bulk containers greater than 48 litres. There should be no distinction between take away alcohol and alcohol consumed in a hotel. Estimates suggest that approximately 80% of beer is consumed in hotels from bulk

containers. It is evident that the majority of alcohol related disease, injury or death could be ascribed to this source. SWAT deplores the use of taxpayer funds to subsidise the hotel industry.

The rate of excise should be set so that the goals of reduced consumption and increased revenue are achieved.

SWAT deplores the action of those manufacturers who under state the actual alcohol content of their products as opposed to the labelled content, in order to pay a lesser amount of excise duty. Accordingly, SWAT supports the proposal to charge duty at the higher rate.

Yours sincerely,

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