

Australian Medical Association Limited

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**AMA**

06/50

Mr Alistair Sands
Secretary
Senate Economics Committee
PO Box 6100
Parliament House
CANBERRA ACT 2600

Dear Mr Sands

Thank you for the opportunity to make a submission on the *Customs Amendment (Fuel Tax Reform and Other Measures) Bill 2006 and three related bills*. I understand that the Committee is considering these bills only in relation to alcohol taxation and the likely consumer, social, economic and industry effects. This submission will limit its contribution to the public health impact of alcohol taxation.

The Australian Medical Association's (AMA) current Position Statement on *Alcohol Consumption and Alcohol-Related Problems* states:

The AMA believes that the enormous social and financial costs borne by the Australian community as a consequence of the hazardous consumption of alcohol demands that consumers receive a clear price signal when purchasing alcohol in any form. The AMA therefore, calls for state and federal government taxes to directly reflect the total volume of alcohol in the product. Such measures should encourage a shift to the consumption of products containing less alcohol per unit volume. The AMA would oppose any tax system that does not directly reflect the volume of alcohol in the product as this creates a 'window' through which alcohol may be purchased cheaply, potentially encouraging excessive consumption.

In view of this, the AMA would support a review of the alcohol taxation system that addresses the inconsistencies of the current system and provides incentives for the manufacture and consumption of lower strength alcoholic beverages.

However, alcohol taxation itself needs to be considered as part of a broad based approach to alcohol misuse management that includes detection, treatment and rehabilitation. The AMA contends that, in view of the significant individual and community costs associated with alcohol misuse, health and social considerations should always outweigh industry and economic concerns.

I wish you well with your inquiry

Yours sincerely

Dr E Robyn Mason
Secretary General

2 June 2006

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