



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



## **THE SENATE**

**EXCISE TARIFF AMENDMENT (2009  
MEASURES NO. 1) BILL 2009 [NO. 2]**

**CUSTOMS TARRIFF AMENDMENT (2009  
MEASURES BILL NO. 1) BILL 2009 [NO. 2]**

**Second Reading**

**SPEECH**

**Thursday, 13 August 2009**

BY AUTHORITY OF THE SENATE

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## SPEECH

**Date** Thursday, 13 August 2009  
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**Questioner**  
**Speaker** Eggleston, Sen Alan

**Source** Senate  
**Proof** No  
**Responder**  
**Question No.**

**Senator EGGLESTON** (Western Australia) (1.06 pm)—The government claims that the alcopop tax was introduced to reduce binge drinking in teenagers, but, as I have said many times, if the government were genuine in this endeavour, rather than an increase in tax focused on a preferred drink of young people, the broader issue of alcoholism in the Australian community would have been addressed.

If a tax were introduced, I would suggest a volumetric tax be put in place on alcoholic drinks, whereby drinks would be taxed according to the percentage of alcohol they contain. A low-alcohol content drink would have a low tax and would thereby be cheaper, and a high-alcohol content drink would have a high tax and would thereby be more expensive.

**Senator Cormann**—Hear, hear!

**Senator EGGLESTON**—Thank you very much, Senator Cormann, for agreeing with that proposition. There is no doubt at all that alcoholism in Australia has a huge impact on our society. There is a horrendous social cost and also a huge cost to industry in this country. The social costs include: the impact on families of domestic violence, marital disharmony and breakdown; a huge cost to the social services budget in looking after people claiming social security as a result of breakdowns in marriages, unemployment; and so on. Then there are the long-term and more subtle effects such as underachieving children who are the victims of alcoholic parents and broken marriages.

As we know, there is a huge impact of alcoholism in Indigenous communities. We have read about what has been happening in the Northern Territory and in the north of Western Australia, in towns like Fitzroy Crossing, Halls Creek and Kalumburu, over the last year or so. Alcoholism is in fact wrecking those societies. I have attended three or four public meetings in Halls Creek over the years I have been in the Senate to discuss possible solutions to the problems alcohol has caused in the Indigenous population of that town. Until recently there was no good news, but when I was in Halls Creek in July I was told by the police that the ban on takeaway alcohol had resulted in a marked decrease in charges for domestic violence and assault. That is some progress but more is needed from government to solve the sad impact of alcohol on Indigenous people.

Many years ago I attended a seminar that BHP ran in Port Hedland, where alcohol was labelled the biggest drug problem in Australia and was said to cause a huge cost to industry as a result of workplace and other injuries, loss of time at work and decreased efficiency, as well as domestic and social problems outside the work environment. According to the Alcohol and Other Drugs Council of Australia, the carnage left by alcohol misuse is staggering. Statistics show that around one-third of Australians put themselves at risk of alcohol related harm—such as premature death or disability—in the short term from events such as road injury, violence and assault on at least one occasion in their lives. Almost 10 per cent of the population consumes alcohol in a manner that puts them at risk of long-term harm such as cancer, cirrhosis of the liver, cardiovascular disease, organic brain syndrome and psychiatric illness. It is estimated that nearly five per cent of the total injury and disease burden in Australia is attributable to alcohol. That in turn means that there is an enormous cost to health services. Alcohol is the major cause of drug related death among young Australians. Elevated blood alcohol levels are implicated in one-third of all road traffic accidents, which speaks for itself.

If we are to deal effectively with the problem of binge drinking and alcoholism, then the government has to be serious about finding solutions. The cost of alcohol to consumers is an important factor in curbing excessive drinking, and tax is a very significant factor in the cost of drinks. I believe that a volumetric tax is the most obvious way to use this fact in reducing the consumption of alcoholic drinks in Australian society and thereby mitigating, if not substantially reducing, the social consequences of alcoholism in Australia. Last year in Scotland, the government recognised this and announced a plan to introduce a standard price per unit of alcohol consumed in Scotland—in other words, a volumetric tax. This was done to tackle the \$3.5 billion cost of alcohol abuse to the community at large in Scotland.

Similarly, in 1999, pivotal research by Curtin University of Technology in Perth, which conducted a study into cask-wine drinking patterns in the Northern Territory, found that, with the introduction of a surcharge, average consumption of alcohol was significantly reduced. The implications of that should be obvious to anyone who gives it any consideration

whatsoever. The price of low-alcohol beer would be substantially lower than the price of a glass of cask wine and that in turn would significantly reduce the level of excessive drinking in our society.

**Senator Cormann**—But that would require a hard decision!

**Senator EGGLESTON**—That would require, as Senator Cormann said, a hard decision and a commitment to a socially-effective policy, which is glaringly absent in the planning of the Rudd government. Clearly that social objective is not on the radar of the Rudd government and, instead, this measure is just designed to raise revenue for the high-spending Rudd government.

The AMA has for years supported the concept of the introduction of a volumetric tax on alcohol, as has the Productivity Commission, the Australian Council of Social Service, the National Centre for Research into the Prevention of Drug Abuse, the Salvation Army and the Alcohol Advisory Council of Western Australia. The Rudd government must be aware of the positions of these bodies, of the extent of the damage alcoholism causes on an ongoing basis in the Australian community and of the need for the federal government to develop a strong, broad policy profile to counter these problems. Accordingly, I call upon the Rudd government to demonstrate some leadership in dealing with the problem and the horrendous consequences of alcohol abuse in this country.

While any serious attempt to counter the problem of alcoholism in Australia would include education, law enforcement, industry involvement and rehabilitation services, a very important part of any solution has to be the introduction of a volumetric tax on alcoholic drinks so that there is a cost incentive to encourage drinkers to move to low-alcohol drinks across the board.

Mr Acting Deputy President, I think you will agree it is a dreadful indictment of the record of the Rudd government that, while pretending to be an administration which is concerned about dealing with the social problems of the community in general and Indigenous people in particular, and in spite of the benefits it has been demonstrated a volumetric tax on alcohol would bring, no plan has been announced to introduce a volumetric tax on alcoholic drinks. For this omission the Rudd government must stand condemned for its hypocrisy.