

Senate Standing Committee on Economics

ANSWERS TO QUESTIONS ON NOTICE

Treasury Portfolio

Budget Estimates

4 – 6 June 2013

Question: BET 41

Topic: Alcopops

Hansard Page: Wednesday 5 June 2013, Page 57-58

Senator ABETZ asked:

Senator ABETZ: I have two brief brackets of questions. First of all, on the alcopops tax. Can somebody assist us in that area—about the increased revenue, I understand.

Mr Heferen: The staff dealing with that issue will be here shortly, hopefully.

Senator ABETZ: They are in the same category.

Mr Heferen: I may be able to assist, if there was a specific question—

Senator ABETZ: News Limited reported on 27 May:

Australian drinkers have spent \$4.5 billion in "alcopop" taxes that have failed to curb teen binge drinking.

A federally-funded study to be released today reveals the tax has not dinted the number of teenagers and young people with alcohol-related injuries. Whilst I am sure that this office cannot tell us about the social impact, I was interested in the monetary impact of the alcopop taxes, as to how much extra money that has collected, given that, as a social policy, it has clearly failed, according to this study. But I would be interested in—

Mr Heferen: In the budget papers—I am looking at page 524 in statement 5, budget paper 1—I understand the excisable products—it is under excise duty: petrol, diesel, beer and then other excisable products, and other excisable beverages, in 'c'. The figure you quoted was—

Senator ABETZ: \$4.5 billion.

Mr Heferen: Yes, the estimated revenue for 2012-13 is \$900 million. For 2013-14 it is \$960 million and for 2014-15, \$1 billion. So it may have been \$4 billion over the forward estimates period. The other excisable beverages, those not exceeding 10 per cent by volume of alcohol, excluding beer, brandy and wine, sounds like it may well be the class of drink you are talking about. At this stage I could confirm that the numbers in the budget, across the forward estimates, do amount to around that order. But whether that is exclusively alcopops—Mr Brake, who has just joined us, may know.

Senator ABETZ: What I have been advised is that, whilst alcopops went down, exactly what some of us predicted, 20 per cent more in pure spirits was consumed. So whilst alcopops consumption went down, pure spirit consumption went up. As some of us who had teenage children at the time were predicting, they would simply mix their own cocktail of drinks—chances are with worse results than premixed. But if we can be advised on that, that would be very helpful.

Mr Heferen: I think at this stage we should take that on notice, and as we get a fuller complement, we may be able to come back to the committee with that. As I understand it, the question is how much in revenue has been collected from alcopops.

Senator ABETZ: Has there been an increase in revenue from the premixed drinks? Has there been an increase in revenue simply from the pure spirits?

Then we can do a comparison of the two over the last, let us say two or three years, whenever the alcopops tax was introduced, which was April 2008.

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Mr Heferen: We will take that on notice, Senator.

Senator ABETZ: Thank you.

Mr Heferen: Given that period of time, we will take that one on notice.

Answer:

The table below shows receipts from excise duty on other excisable beverages since 2007-08. Note that this does not include excise collected by Customs.

Tax receipts from excise duty on other excisable beverages

	2007-08	2008-09	2009-10	2010-11	2011-12
Receipts (\$m)	752	864	875	897	909
Growth	13%	15%	1%	3%	1%

Disaggregated forecasts for tax receipts from excise on spirits are not published. They are included in the Budget papers as a component of 'other excisable products' for excise collected by the ATO and 'excise like goods' for excise collected by Customs (see Budget Paper 1 2013-14, page 5-24, Table 7).