



Mr Jason Harris
Budget Policy Division
Department of the Treasury
Langton Crescent
PARKES ACT 2600

29 January 2009

Dear Mr Harris

Pre-budget Submission 2010-11

On behalf of the Distilled Spirits Industry Council of Australia Inc (DSICA), I enclose DSICA's Pre-budget Submission (PBS) for the 2010-11 year.

DSICA is the peak body representing the interests of distilled spirit manufacturers and importers in Australia. DSICA's members account for over 80% of the spirits industry in Australia.

There are a number of key features in DSICA's 2010-11 PBS which I wish to highlight:

- **National Preventative Health Strategy:** The structure of the PBS mirrors the Key Action Areas in the Preventative Health Taskforce's *National Preventative Health Strategy* (the Strategy). The 2010-11 PBS has provided DSICA with the opportunity to outline an interim response to the relevant Key Action Areas of the Strategy.
- **DSICA alcohol tax reform proposal:** The current alcohol tax system is complex and riddled with anomalies. There is an urgent need for reform of the system and DSICA outlines its proposal for alcohol tax reform as detailed in its second submission to the Henry Tax Review in June 2009.
- **Taxation change for low and mid-strength RTDs recommended for 2010-11 Budget:** DSICA recommends that, consistent with DSICA's tax proposal, the Government amends in the 2010-11 Budget the taxation treatment of low and mid-strength Ready to Drink products (RTDs) to provide equivalent taxation as currently applies to low and mid-strength packaged beer. This is one small step that could be taken at minimal cost to move towards the broader tiered volumetric proposal DSICA outlines, and which is consistent with the recommendations made by the Strategy on alcohol taxation.
- **Evidence base:** DSICA supports the recommendation of the PHT to strengthen the evidence base as it is critical that good quality alcohol consumption data is available to frame and monitor policies and initiatives. In this regard, DSICA is disappointed that the Government took the decision in last year's Budget to cease the separate reporting of excise revenue collected on potable spirits.
- **Taxation administration of excise equivalent goods:** DSICA commends the Government on its recently announced changes to the taxation administration for imported excise equivalent goods.

These key issues are examined in detail in the enclosed PBS.

"Free The Spirit"

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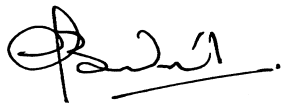
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DSICA looks forward to maintaining its ongoing dialogue with Treasury and other relevant Ministers and Government Departments regarding the recommendations in this PBS. Please do not hesitate to contact me on (03) 9696 4466 if you have any queries in relation to the enclosed Submission.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Gordon Broderick', with a horizontal line underneath it.

Gordon Broderick
Executive Director