



Media Release

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Not Too Late for Government on RTD Tax Trial – New Chairman of Distilled Spirits Industry Council

The new Chairman of the Distilled Spirits Industry Council of Australia (DSICA), Mr Michael McShane, today called on the Federal Government to withdraw its ill-conceived tax trial on Ready-to Drink products before its unintended consequences caused real harm to the community.

As a father of two teenagers and a former policeman, Mr McShane has experienced the alcohol industry from all sides.

The side he is focused on today involves his appointment as Chair of the peak industry body for the distilled spirits industry and his role as Managing Director of Brown-Forman Australia – the producer of products such as Jack Daniel's, Southern Comfort and Finlandia Vodka.

Mr McShane said he was keen to see a comprehensive approach to tackle the issue of problem drinking. "Even if the data shows that binge drinking among young people is actually reducing, there are still too many people drinking to get drunk," he said.

Mr McShane said that as the new Chairman of DSICA, he was keen to work with the Government, independent Senators and the Australian Greens to bring about real solutions to problem drinking levels among Australia's youth.

"However, the proposed legislation to increase the tax just on RTDs that is yet to be – and may never be - passed as law by the Parliament, has done nothing to decrease alcohol abuse by young people," Mr McShane said. "In fact, there are many unintended consequences that may have made the problem worse."

Mr McShane said that market data and anecdotal reports from bottle store managers showed that, since the tax trial started two months ago, consumers had simply moved to other forms of alcohol such as spirits, beer and cheaper and stronger products such as cask wine, which has twice the alcohol and less than half the tax of RTDs. "The Government needs to take stock of the situation and look at the facts," he said.

"Problem drinking is a complex social and cultural issue. While there is no single, simple solution, DSICA is committed to creating an informed political and social environment that educates consumers about moderate alcohol consumption and encourages responsible community attitudes towards alcohol."

Mr McShane replaces the outgoing Chair, Ms Eleanor Craig who was Managing Director of Diageo Australia.

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