# Alcohol taxation and the low-strength alcoholic beverage market

## Researcher

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## Summary

One of the ways for government to influence consumption of alcohol is via pricing, and a major influence in this area is taxation. The aim of this project is to provide comprehensive data on the effects of current indirect taxation on low-strength alcoholic beverages.

## Outcomes

The data contributed to the sector's ongoing alcohol taxation policy development and, in turn, was used as supporting evidence in various alcohol policy development fora, including the Australian Senate Economics Reference Committee's inquiry into the structure and distributive effects of the Australian taxation system, which reported in June 2004.

Proposed tax rates were formulated based on ADCAs policy, a pricing model was then developed linking each beverage to its taxation treatment. Data were elicited from industry peak bodies via a questionnaire, and from ABS statistics. A sales model linked sales volume for each beverage to price. The final revenue model used the proposed tax rates and outcomes for prices and sales volumes to model taxation revenue.

[view the report](https://fare.org.au/wp-content/uploads/Alcohol-Taxation-and-the-Low-Strength-Alcoholic-Beverage-Market.pdf)