



# Young drinkers, low tax push cider sales up

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SALES of traditional ciders have skyrocketed as companies have exploited the current alcohol tax system and targeted young drinkers.

Cider sales jumped 188 per cent between 2007 and 2011, according to a new report, and its lead author, Natacha Carragher, said the boom was intricately linked to the alcohol industry taking advantage of the low-taxed traditional apple and pear ciders compared with the tax on alcopops.

Since 2007 there has been a "massive marketing overhaul" of traditional cider, which is one of the lowest-taxed alcoholic beverages in Australia, said Dr Carragher, who is a researcher with the National Drug and Alcohol Research Centre.

Traditional cider is currently taxed at 23¢ a standard drink – above draught low beer (6¢), cask wine (about 8¢) and draught mid beer (20¢). Spirits, flavoured cider and ready-to-drink mixed drinks, however, are all taxed at a higher 95¢.

"This really reflects we don't have a coherent taxing system," said Dr Carragher. "Whenever you have this situation, the industry can then exploit it."

The dramatic increase of traditional cider sales is history repeating itself, she said.

From 2004 to 2007 sugary alcopops saw a 33 per cent increase in sales before the federal government boosted the tax by 70 per cent in 2008.

Professor of Health Policy at Curtin University, Mike Daube, said the explosion of "cheap and sweet" ciders was simply replacing the popularity of alcopops.

"It is absolutely clear that young drinkers are being targeted. But more worrying, they are being targeted by this amazing range of sweet, confectionery products," he said.

"Governments will be reluctant to change [the tax] because of the sheer power of the South Australia wine industry," he said.

The Distilled Spirits Industry Council of Australia is also calling for the taxation of alcohol to be "urgently" reformed.

It argues that the revised alcopops tax has not been successful in reducing overall alcohol consumption, in its submission to the Australian National Preventive Health Agency.

There are now 120 types of local and international cider available in Australia, almost double that available two years ago. In 2011, 15 per cent of people aged 18-24 said they drank cider, compared with 10.1 per cent the previous year, a Nielsen poll shows.

The owner of Moonshine Cider and Rum at the Steyne Hotel in Manly, New South Wales, Ged Dore, opened his cider bar 18 months ago. It offers 41 different-flavoured ciders in bottles and 16 types of cider on tap. He estimates 90 per cent of the ciders are traditional.

Cider now accounts for 20 per cent of all alcohol sales at his hotel, he said. While the lower tax did play a part in opening the bar, Mr Dore said that based on cider's popularity overseas, offering cider was a "natural progression" as younger people started "drifting towards" craft beers and cider.

But he is adamant the bar doesn't stock any alcopops ciders such as the flavoured Swedish cider Rekorderlig.

"We try to keep local, independent companies," he said.

