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FARE'S calls for wine tax increase rejected

The Winemakers' Federation of Australia has rejected calls by the Foundation for Alcohol Research and Education (FARE) to increase wine taxes.

Federation Chief Executive Paul Evans said FARE's claims were unhelpful at a time when the Australian Government and Parliament have committed to working with the wine sector on a recovery plan.

"The Government's WET rebate discussion paper process and the Senate Inquiry into the wine industry currently underway are opportunities to develop a sensible and informed wine tax reform plan and to fund initiatives to build demand and restore profitability," Mr Evans said.

"It is unhelpful for FARE to call out for tax increases that would severely impact regional communities and jobs that are reliant on the wine sector and wine tourism industry.

"Not only is Australian wine heavily taxed already when compared to our competitors, our tax rates need to reflect that alcohol industries are not the same and this continues to be missed by FARE.

"The Federation believes that wine should be taxed within the existing WET legislative framework and that any future changes to wine tax arrangements be made within this framework and not shifted to an excise-based approach as is the case for beer and spirits. The Federation does not advocate on how the WET should be calculated.

"The reason why wine is taxed differently and preferentially to other alcohol types is clear cut. Wine is different when it comes to our socio-economic input into regional Australia, employment footprint, contribution to export earnings, profitability and access to capital compared to the vastly different brewing and spirits industries and it is only fair that alcohol tax arrangements reflect that.

"The Federation, with the support of Wine Grape Growers Australia and state wine associations, is calling for the WET rebate to remain for branded producers but for Government to make reforms which will ensure it continues to deliver for regional communities and is returned to a sustainable financial footing.

"The WFA's proposals have been developed over two years with analysis and expert modelling and it has majority industry support.

"Speculative reports in the meantime, such as those released by FARE, need to be seen for what they are and that is detrimental to the socio-economic futures of many communities."

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