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MEDIA RELEASE

Winemakers applaud Government's restraint on tax

The Winemakers' Federation of Australia says the Federal Government has shown common sense by resisting the temptation to increase taxes on wine in the Budget.

"Given the pressure they were under it would have been easy to fall back on the old mainstay of hitting predictable targets to raise money without considering the logic of such a move or the long-term consequences," said chief executive Stephen Strachan.

"Any change would have undermined the Government's own tax inquiry. Having said it wants all tax matters to be dealt with as part of the Henry Review, it would have made no sense to make changes before the review is completed."

Mr Strachan said it was important that the Henry Review also resisted pressure to make inappropriate changes to wine taxation.

"The current system is well established and well understood and our industry makes a very significant contribution to Government revenue – our wine taxes are among the highest in the world," he said.

"We have made it clear to the Government that to make changes to that system would be counterproductive as the wine industry struggles to cope with the toughest conditions in two decades.

"We have also argued strongly that wine is very different to other alcoholic drinks in the way it is produced, purchased and consumed and this has to be recognised."

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