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Winemakers reject misguided health lobby tax bid

The Winemakers' Federation of Australia has again rejected calls from the health lobby to increase wine taxes.

Federation Chief Executive Paul Evans said the claims to hike wine taxes are misguided, based on incomplete analysis on the impact a tax hike would have on regional communities and a total lack of understanding of how the nation's wine industry is different to other alcohol products.

"Not only is Australian wine heavily taxed already when compared to our global competitors, in fact **our wine is among the highest taxed in the world today**, but the tax rates reflect that alcohol industries are not all the same and this continues to be missed by health lobbyists," Mr Evans said.

"The reason 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's only fair that alcohol tax arrangements reflect this.

"Wine must continue to be taxed within the existing Wine Equalisation Tax (WET) legislative framework and any future changes to wine tax arrangements must be done within this framework and not shifted to an excise-based approach as is the case for beer and spirits. The Federation does not advocate how the WET should be calculated.

"Speculative reports in the meantime such as those pushed again and again by the health lobby need to be seen for what they are – headline grabbers that will damage the local industry and do next to nothing for at-risk consumers. Such ill-conceived health solutions also must continue to be ignored by Government."

ABS data recently highlighted Australia was moving towards a more moderate drinking culture and Australians are heeding the responsible consumption message.

"We are making important headway," said Mr Evans. "A tax increase on wine now is only going to hurt an important Australian industry and the vast majority of responsible wine consumers. Alas the impact on heavy drinkers will be negligible because they will simply move their poor consumption behaviors on to alternate alcohol types or to illicit drugs."

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