

TO THE HONOURABLE THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES

This petition of the Australian Association of Microbreweries, representing small breweries throughout Australia, draws to the attention of the House the inconsistent and illogical treatment between small wineries with their **WET producer tax rebate** and microbreweries with their non-commercially viable **limited excise rebate**. The taxation of alcohol currently creates an unjustifiable distortion between small wineries and small breweries that is inequitable, against common sense, Government policy and distorts industry policy.

The producer rebate on WET grants small wineries the first \$1.7 million in sales WET Free (maximum \$500,000 p/year), whereas the **Excise Regulation** grants microbrewers a limited excise refund of a maximum of \$10,000 p/year and caps production at a tiny 30,000 litres p/year. Almost no microbrewery qualifies for this rebate as the average annual production for craft breweries is in the order of 150,000 litres p.a.

Microbreweries are mostly small, regional, family businesses. The inequality of alcohol taxation is depriving small breweries of **25%-30% of their annual revenue** and stifles growth. Governmental support in granting alcohol taxation equality with small wineries will create growth in the small brewing industry, regional job creation and regional tourism growth.

We therefore ask the House to modernise or update the existing provisions of the **Excise Regulation** to permit a brewer (or group of brewers) to obtain an excise refund of 60% of excise duty paid in any one financial year up to a maximum of \$500,000 p/year and that the definition of microbrewers capping production at 30,000 litres p/year be removed.