

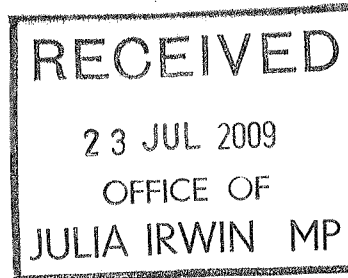


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15 JUL 2009

Mrs Julia Irwin MP
Chair
Standing Committee on Petitions
Parliament House
CANBERRA ACT 2600

Dear Mrs Irwin 

Thank you for your letter of 8 May 2009 concerning a petition to increase the microbrewery concession. I apologise for the delay in responding.

I note the taxation of alcohol falls within the scope of the comprehensive review of Australia's tax system. While the terms of reference reflect the Government's policy not to increase the rate or broaden the base of the goods and services tax the review has been asked by the Government to examine enhancing the taxation arrangements on consumption, including excise taxes.

Indeed the Review's consultation paper, released on 10 December 2008, illustrates that the review team is very much aware of issues concerning the taxation of alcohol.

Additional information, including the terms of reference and a copy of the Treasury paper, can be found on the review website www.taxreview.treasury.gov.au or by calling the information line on 1800 614 133. The review panel is scheduled to deliver its final report to me by the end 2009.

I would also note that the Government announced some measures that will benefit microbrewers in my joint media release with the Hon Chris Bowen MP, the former Assistant Treasurer and Minister for Competition Policy and Consumer Affairs of 13 May 2008 (No. 53).

In general, the measures involve allowing small business to defer the settlement of excise and excise equivalent customs duties to a monthly cycle, rather than the existing weekly cycle and making changes to tax law so that eligibility for refunds, remissions and drawbacks of excise and excise equivalent customs duty can be streamlined and enhanced. These measures will benefit a number of microbrewers that are small businesses. Consultation on draft legislation will occur in the second half of 2009.

I trust this information will be of assistance to you.

Yours sincerely

WAYNE SWAN