# Submission to the Wine Equalisation Tax rebate discussion paper

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### The Foundation for Alcohol Research for Education (FARE) provided a submission to the Treasury on the Wine Equalisation Tax rebate discussion paper, which examines the problems with the current illogical alcohol taxation system and recommends a way forward.

The Foundation for Alcohol Research for Education (FARE) provided a submission to the Treasury on the *Wine Equalisation Tax rebate discussion paper*.

The current alcohol taxation system, and in particular the Wine Equalisation Tax (WET) and accompanying rebate, is a complex arrangement that does not adequately recognise the extent of harms that result from the consumption of alcohol in Australia.

This submission looks at the broader issue of alcohol taxation in Australia to understand the purpose of the WET rebate, why it exists and whether a review of the WET rebate in isolation is likely to be effective in addressing the problems facing the wine industry. It looks at what these problems are, what contributes to the problems and recommends a way forward.

## Recommendations

FARE makes the following recommendations to the Treasury regarding the *Wine Equalisation Tax rebate discussion paper*:

1. That the Treasury recognise the inconsistencies and distortions associated with the current wine taxation arrangements and recommends that the Wine Equalisation Tax is reformed.
2. That in reforming the current wine taxation arrangements, the Treasury takes into consideration the harmful nature of alcohol and its costs to the community.
3. That the Treasury adopts sound policy principles to guide reform of the current alcohol taxation arrangements in order that a more equitable alcohol taxation system is created.
4. That the Treasury recommends that the Wine Equalisation Tax be abolished and replaced with a volumetric tax rate.
5. That the Treasury acknowledges that the Wine Equalisation Tax rebate is not meeting its original policy objectives of supporting small producers in regional and rural Australia.
6. That the Treasury recommends that the Wine Equalisation Tax rebate be abolished.
7. That the Treasury recommends that an industry assistance package should only be available to facilitate structural change within the wine industry and that it should be independent of the taxation system.
8. That the Treasury recommends that if an industry assistance package is developed, it should be provided for a finite period of time and targeted at businesses that are, or are likely to be, viable and sustainable without government support.

[view the submission](https://www.fare.org.au/wp-content/uploads/Submission-to-the-WET-rebate-discussion-paper-FINAL.pdf)

### Metadata