

# Carrathool Shire Council

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20 September 2011

Tax Forum  
Treasury  
Langton Crescent  
PARKES ACT 2600

Dear Sir/Madam,

## **SUBMISSION RE TAX FORUM 4-5 OCTOBER TO CONSIDER RECOMMENDATIONS OF HENRY TAX REVIEW – VOLUMETRIC TAX ON WINE**

I am writing in response to the proposed introduction of Volumetric Tax on wine. In simple terms, such a tax would have a deleterious effect on regional wine industries and subsequently the regions in which they exist.

The Riverina is one of Australia's prime agricultural producers with the wine industry making a significant contribution. Like other agricultural industries, the wine industry is facing significant challenges including access to water and long term water security, concerns associated with climate change, and the current strength of the Australian dollar. Additionally, the wine industry is being challenged by imported surplus wine further undermining the local industry.

Introduction of a volumetric tax and/or a removal of the Wine Equalisation Rebate will have a negative impact from the grower through to producer and retail outlets. In regional communities this level of impact is directly experienced by all sectors of the community having flow on effects with unemployment, impacts on the economy and ultimately, loss of critical service providers such as health and education.

Carrathool Shire Council, as do many LGAs, works closely with its community to address the real social issues associated with alcohol misuse. Taxation will do little to address these real, underlying social issues and in some instances will simply compound them by placing enormous stress on regional employment and trade.

Carrathool Shire Council writes in support of the vibrant wine industry in our region and urges the Federal Government to reject the Volumetric Tax proposal.

Yours faithfully

KEN CROSKELL  
GENERAL MANAGER