Senator Anne Rushton & To whom It may concern,

Please find enclosed submission for consideration on the recent WET rebate discussion.

Frankland Estate is a small family wine producer in the Great Southern region of Western Australia. We are isolated and run a very small cellar door selling less than 2% of our wines, we sell half our wine through wholesalers within Australia and 40% of our wine through 16 export markets. We own vineyards, winery and bottling facility.

It is our belief that exporting wine is imperative to bringing the underlying health of the industry back to its feet and progress to a rebate free healthy industry as it was before the unsustainable tax incentivised plantings of the 1990’s.

* It is our belief that WET reform will assist the underlying health of the industry going forward. It is imperative that bulk and unbranded wine is not applicable for WET rebates and the implementation of this part of WET rebate reform should start immediately.
* As a company we will not be effected by the rebate dropping initially to $350,000 but will be effected when it drops to $290,000 this will in turn affect our ability to invest in our markets and return to being profitable. Reducing WET rebate will only initially assist the big producers. I therefore ask the WET rebate levels be maintained until there is better underlying health of the industry.
* I ask that consideration be given that WET rebates to stay at $500,000 but made up of domestic and export eligibility. A model as an example would be $290,000 WET rebate on domestic sales and $210,000 WET rebate be given to export sales. (either as an export development type grant or as a dollar for dollar contribution or 29c in the dollar contribution to costs incurred when developing export markets). This would be similar to export marketing grants available to EU producers.
* Most importantly i would ask that significant consideration be given to the $50Mil being considered to Wine Australia. I ask that this be allocated to individual producers through export development grants similar to that of the existing EDG’s for new businesses (or as per example above).
* Export markets have changed significantly and established exporters have seen very turbulent global markets declining long established “traditional” markets such as America. It would also be fair to suggest that Wine Australia did a very poor job of marketing the countries wines over the past 15 years and I strongly believe the best people to market the diversity of Australian wine is the individual producers. We need producers back on aeroplanes in developing markets selling their own products. Wine Australia have an existing marketing fund and need to prove they have made better use of this before taking additional grower money. They also do not represent unique dynamic growers from all regions.

I appreciate you considering the above.

Kind regards

Hunter Smith

Owner/Director

*Hunter Smith*

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