Griffiths & Micallef Pty Ltd t/a

Faber Vineyard

233 Haddrill Road

Baskerville WA 6056

6 October 2016

Submission to Australian Treasury re WET rebate

* We believe that the WET rebate provides a justifiable exemption from wholesale sales tax applied to wine for those “small” wine businesses who have made substantial direct investment in a rural area. We believe this is justified due to the multiplier effect of our investment. We grow or purchase grapes and then valued add by manufacturing wine, packaging that wine, then marketing the finished product either direct to consumers, via domestic agents or by export. Our businesses – vineyards, wineries and cellar door outlets – in regional areas provide the foundation for further business opportunities in the fields of tourism and industry services.
* Hence the WET rebate should be directed to those businesses with a direct investment in a regional area
* Should all business receive a rebate? We believe that the rebate should be by way of encouragement/reward for those businesses whose level of production precludes them from achieving any significant economies of scale, yet who must compete against all businesses regardless of capacity
* Businesses should not use the rebate to create a business model that would not exist but for the rebate. Wine business that do not own their own brand would fall into this category

Of note we believe that the following options should be strongly considered:

1. That all cellar door sales (not internet sales) generated from a regional cellar door sales receive the WET rebate
2. Other direct sales up to the maximum limit of the existing rebate be rebateable
3. Wholesale sales, where all of those wholesale sales do not exceed the existing rebatable level be eligible for the WET rebate provide the total rebate (including direct sales) does not exceed the existing rebate level.
4. Wineries whose wholesale sales exceed the current rebatable level of WET receive no rebate on any wholesale sales regardless of the level of direct sales which are rebatable.

We support the position advocated by Wine WA in its submission to the Australian Treasury

Kind regards



John Griffiths, Director