

## **Wine Makers Furious at Two Tax Increases in One Month**

New Zealand wineries and grapegrowers are furious that the government has announced yet another tax increase on wine, the 2<sup>nd</sup> in just one month.

Industry anger follows the decision by the government to increase the ALAC (Alcoholic Liquor Advisory Council) levy as from 1 July, less than a month after the government increased the excise on wine.

The increase in the ALAC tax lifts the ALAC levy payable on table wine by 14% to 4.93 cents per litre, while the tax on fortified wine also lifts by 14% to 8.04 cents per litre. The increase follows an increase of 5 cents per litre in the excise payable on table wine on 1 June, while the excise on fortified wine lifted 25 cents per litre at that time.

“We complained about two tax increases in one month last year, and now it has happened again. One tax increase is bad enough, but two in a month just adds insult to injury. It is simply not fair” said Philip Gregan, Chief Executive Officer of New Zealand Winegrowers.

Mr Gregan said the higher taxes would be a direct cost to winemakers. “These tax increases will be paid for by wineries as it is not possible in our highly competitive wine market to pass the costs on to consumers. For the 500 small and medium sized wineries operating in New Zealand and the hundreds of grape growers supplying them that means reduced profitability and that is bad news for them and the regions in which they operate.”

The combined cost of the tax increases amounts to around \$3 million per annum. Total taxes paid on New Zealand wine now amount to \$100 million a year, excluding GST and all the normal taxes paid by other goods in New Zealand.

e n d s

*For further information contact:  
Philip Gregan  
CEO  
New Zealand Winegrowers  
Mob: 0274964564*