



COMMONWEALTH OF AUSTRALIA

PARLIAMENTARY DEBATES



**HOUSE OF REPRESENTATIVES**

**PROOF**

**Main Committee**

**PRIVATE MEMBERS' BUSINESS**

**Microbrewery Refunds**

**SPEECH**

**Monday, 13 February 2012**

BY AUTHORITY OF THE HOUSE OF REPRESENTATIVES

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## SPEECH

<b>Date</b> Monday, 13 February 2012	<b>Source</b> House
<b>Page</b> 182	<b>Proof</b> Yes
<b>Questioner</b>	<b>Responder</b>
<b>Speaker</b> Oakeshott, Robert, MP	<b>Question No.</b>

**Mr OAKESHOTT** (Lyne) (18:28): Madam Deputy Speaker, I have always wanted to stand up in this place and call for more beer, and that is exactly what I am doing tonight. When my Twitter account became aware that this was coming before the House, I knew I was not alone. There are many people in Australia who also want to see some changes in support of the small beer makers of Australia. Whilst I am sure there are 101 jokes that can be made about a politician standing up in an Australian parliament to do this, when you look at the detail you can see there is enormous inequity being faced by small beer makers. I would hope that this parliament in all seriousness and in detail can consider making some changes in support of small business generally but also in support of Australian small brewers in particular. The origin of this motion can be found in the very different circumstances of one small business in my hometown of Port Macquarie compared to one big business that recently got sold internationally. The aptly named The Little Brewing Co. operates in Port Macquarie's industrial area. It is an award winning family business producing craft beers of distinction. In the lead-up to last year's October national tax forum, Kylie Little, one of the co-owners, announced that she was sick and tired of being a tax collector first and a brewer second.

Unlike small wineries, small brewers do not get a significant rebate of the excise on sales they must collect. They only get \$10,000 back, which I think was introduced in 2000 during the Howard years and was at the time trying to recognise some of the inequities faced by small brewers trying to get off the ground. The excise currently, though, is holding back this business and other businesses like them. It is keeping them from growing and potentially employing new workers.

In the lead-up to last year's national tax forum as well, by comparison, the foreign-owned SABMiller announced its purchase of Fosters for more than \$10 billion. So an era of big Australian breweries is all but ended with that announcement. There are one or two that you could still argue the case might be around, but really the majority now of the large former Australian owned breweries have gone and the Australian owned beer market is the small beer market in Australia. Therefore, I would hope in policy we can consider the inequities that we place before small beer makers as compared to their multinational cousins.

In 2000 the Howard government introduced the microbrewery refund to nurture the development of small craft breweries by rebating beer excise of up to \$10,000 to brewers of less than 30,000 litres of beer a year. These levels have not moved in 12 years. The Australian Association of Microbrewers has campaigned for the rebate to be lifted to \$500,000 to match the tax rebate available to small winemakers. A 2007 study suggested this reform could in fact increase government revenue by removing a major barrier to microbrewery growth. It is understood that more than half of Australia's microbrewers are regionally located and many are major tourist attractions, very similar to wineries.

Alcohol tax was off the agenda at the national tax forum, wrongly in my opinion. That is why I have brought this motion before this House. The major parties in the Senate have previously rejected a similar motion to this. However, that motion was highly prescriptive, containing a definitive change to the rebate threshold to 300,000 litres. So, in the interests of giving the major parties and every member of parliament room to move, this is simply a call for the rebate to be significantly lifted and, hopefully, in considerations leading up to this year's budget or in any of the considerations from the Treasurer and the executive, that lift of the rebate can occur. I trust that the merit of supporting small, often regional, Australian businesses against dominant foreign-owned competitors will compel all members of this chamber and the major parties and the executive to support this motion and to get to work on developing fairer tax arrangements for microbreweries in Australia.