XX June 2023

[name of MP etc]

Dear x,

I wanted to get in touch regarding the government’s recently announced, second largest beer tax increase in 30 years.

Following a 6.92% increase last year, the government are increasing it again this year by 6.65% - that is an increase in over 13% in two years. An increase that our small business simply cannot afford to wear the brunt of.

New Zealand’s brewing industry has been hit time and time again with price increases and shortages. Add to that the significant impact the last few years has had on the wider hospitality sector and, for small to medium size craft breweries like us this latest government tax increase could potentially be the end of the line.

Earlier this year, we have faced a CO2 crisis, immediately followed by CO2 price increases, some breweries reporting increases of up to 600%, overnight. Add to that excise tax, going up by 13% over the past two years, along with wage increases and other essential ingredient price hikes, more tax is the last thing we, as business owners, and consumers need, as we all try to navigate the current cost of living crisis.

What is even more frustrating, is that government have the discretion to not raise excise tax by CPI. We are aware that this is built into legislation, yet, even as we face current cost pressures from all sides, they do not give any consideration to this, instead they continue to add to the pressure.

In case you are not aware, let me share with you some figures:

* Expected revenue from all alcohol excise tax in the year ended 2022/23 will be $1.29b.
* The latest increase will cost Kiwi’s an extra $86m per year – including $28.9m for beer drinkers alone.

In Australia, they offer excise tax emption for small/medium breweries up the first 500,000L of beer produced and have a lower excise rate on kegged beer to support not only breweries but hospitality businesses too. Canada have capped their excise at 2% to offer businesses and consumers some relief, and in the UK they froze excise for a number of years, and have announced 10% relief for kegged beer. Simple, yet effective initiatives that support growth and innovation in their brewing sector, yet here in NZ we keep getting the same – the same increases that we have done since 1991.

Our business is a small business, we are doing our best, we add value to our local economy, we employ staff, and we are an integral part of our local community, yet we keep being kicked down and targeted with more tax.

Add to all these increases, the Health Promotion levy, and the fact we cannot claim GST back on excise, times are dire. Just remember behind every pint, can or bottle of beer are multiple people, who rely on this industry for their jobs, and to follow their passion.

We would appreciate your support in our request for tax relief and look forward t hearing from you.

Yours etc