



30 January 2017

Senate Select Committee on Red Tape  
PO Box 6100  
Parliament House  
CANBERRA ACT 2600  
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Dear Sir/Madam,

We would like to take this opportunity to introduce our company and to provide a brief submission for the Senate Select Committee on Red Tape's inquiry into the effect of red tape on the sale, supply and taxation of alcohol.

#### About Gruppo Campari

Gruppo Campari ("Campari") is a major player in the global beverage sector, trading in over 190 nations around the world with leading positions in Europe and the Americas. The Group was founded in 1860 and today is the sixth largest company worldwide in the premium spirits industry. The Group's portfolio, with over 50 brands, spans spirits, the core business, in addition to wines and soft drinks. Internationally-renowned brands include American Honey, Aperol, Appleton Estate, Campari, Cinzano, Frangelico, Glen Grant, SKYY Vodka and Wild Turkey Bourbon. Headquartered in Sesto San Giovanni, Italy, Campari owns 18 plants and 2 wineries and has its own distribution network in 19 countries. The Group employs around 4,000 people and the parent company, Davide Campari-Milano S.p.A., is listed on the Italian Stock Exchange.

Our Asia Pacific head office, established in 2010, is located in Sydney. In Australia, we have experienced rapid growth over the past six years and our company now employs more than 150 people and is in the top 10 alcohol beverage companies in the country. To support our growth in the Asia Pacific region, in 2013 we invested \$20 million in a production facility in Victoria.

#### Alcohol Excise Tax

We strongly support a volumetric tax system for all alcohol products sold in Australia.

Alcohol taxation has been the subject of extensive discussion and debate for many years and is in urgent need of reform to facilitate fair and vibrant competition within the industry sector. The current excise tax regime is both inequitable and inefficient, with more than 16 different tax rates across two tax systems (excise tax and wine equalisation tax (WET)). The introduction of volumetric tax for all alcohol products sold in Australia would provide a simple and fair tax regime for all industry participants and, importantly, transparency for the Australian public.





It is also worth noting that the Henry Tax Review stated that the 'current tax and subsidy arrangements for alcohol ... are complex and have conflicting policy rationales' and recommended a volumetric tax regime for all alcohol products 'regardless of place, method or scale of production.' The report also claimed a 'common volumetric tax on alcohol would better address social harm ... [and] by removing the distinction between different manufacturing processes, the compliance and administrative cost of the existing excise system would be reduced.' A volumetric taxation regime for all alcohol sold in Australia will simplify the current complex and inequitable system.

#### Excise Tax Settlement and Payment

With a turnover greater than \$2 million per annum, Campari Australia is not eligible for the small business entity concessions for the settlement and payment of excise tax. Therefore, we are required to lodge an excise return and pay excise duty on a seven (7) day settlement period.

This requirement places an administrative and compliance burden on our business in terms of both financial and human resources and is not in general keeping with the traditional end of month payment cycle observed by many businesses in Australia. We therefore ask the Committee to recommend extending the settlement and payment period to monthly, rather than weekly, for alcohol companies.

#### Responsible Service of Alcohol Certification

Responsible Service of Alcohol (RSA) certification is mandatory for anyone involved in the sale, supply or service of alcohol on licensed premises. We believe this mandatory certification is a positive initiative as it assists people working in the industry to both understand and comply with liquor laws in addition to providing strategies to minimise alcohol-related issues such as intoxication.

However, currently some States will not accept RSA certification obtained outside of their respective jurisdiction. For companies such as ours who have employees involved in the sale, supply or service of alcohol on licensed premises across several Australian jurisdictions, this means the respective employees are required to hold multiple RSA certifications. We believe this is an unnecessary duplication and an administrative and compliance burden on our business in terms of both cost and time completing multiple courses comprising of essentially identical content. We request the Committee recommends a nationally-recognised RSA Certification that is valid across all jurisdictions in Australia.

#### Container Deposit Scheme (Container Deposit Levy)

Both South Australia and Northern Territory have a Container Deposit Scheme (CDS) in place which imposes a container deposit levy (CDL) on the majority of beverage containers. The New South Wales government is introducing a CDS in 2017 and it is likely the ACT government will introduce a similar scheme shortly after. In addition, both the Queensland and Western Australian governments have announced their intentions to introduce a CDS in 2018.





Although the New South Wales government has stated it will work with the South Australian and Northern Territory governments to agree a national “on-pack refund statement”, at this stage it is not known whether this will be achieved prior to introduction, bearing in mind changes will need to be made to existing legislative instruments to accommodate any agreement(s). It is also not known whether the Queensland and Western Australian governments will adopt agreement(s) made between the New South Wales, South Australian and Northern Territory governments.

We appreciate the various State and Territory governments require time to introduce applicable legislative instruments and for the administrative and infrastructure requirements to be in place to ensure the successful operation of a CDS from commencement. However, from a beverage supplier perspective, the staggered introduction and not knowing at this stage if there will be a nationally-consistent approach for an “on-pack refund statement”, potentially presents significant administrative and compliance burdens for suppliers. In this regard, we request the Committee recommends a national approach for an on-pack refund statement along with a nationally-consistent transition period.

#### Future Consultation

Campari Australia is keen to participate in future stakeholder engagement on red tape reform and would be grateful if further advice regarding the release of information and call for submissions could be directly to me personally. Details as follows:

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If you require any further information in regard to the above, please do not hesitate to contact me.

Yours sincerely

DAVID HALLIDAY  
Managing Director – Australia, New Zealand & Pacific Islands

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