

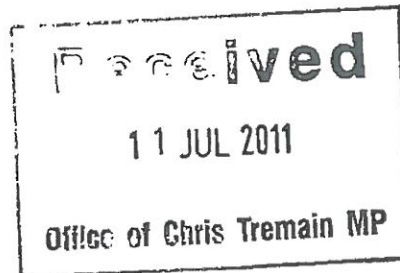


08 JUL 2011

## Office of Hon David Carter

Minister of Agriculture  
Minister for Biosecurity  
Minister of Forestry

Chris Tremain  
Parliament Buildings  
Wellington



Dear Chris

Thank you for forwarding the email of 13 June 2011 from your constituent regarding the recent changes to excise payment thresholds. In your response to your constituent you may wish to use the material I have provided below.

As you will probably know, there are approximately 700 wine producers in New Zealand. The estimated number of 350 businesses positively impacted by these changes was drawn from the Customs excise data. The Government was aware that raising the thresholds would not provide relief to all wineries, just as it didn't expect that this adjustment would solve the financial problems of the industry.

Adjusting the excise payment thresholds was an immediate step that could be taken that would provide cash flow relief for those 350 wine producers impacted by the change. It is not possible to develop policies that take account of all the different business models under which companies operate. It is regrettable that some will not benefit from these changes.

The Government remains committed to reducing unnecessary regulatory burdens to small business and values the contribution our wine industry makes to our economy.

Yours sincerely

Hon David Carter  
Minister for Economic Development