

## Frequently asked questions

### Wine Tourism and Cellar Door Grants – Round 3

#### 1. Are all wine companies eligible to apply for a Wine Tourism and Cellar Door Grants?

No, the Wine Tourism and Cellar Door Grants are only available to eligible *wine producers* in Australia, selling wine domestically, and with a cellar door.

For the purpose of these grants, a wine producer is:

- (a) an entity that \*manufactures the wine; or
- (b) an entity that satisfies the following requirements:
  - (i) the entity (the first entity) supplies another entity with the \*source product from which the wine is manufactured;
  - (ii) the other entity manufactures the wine on behalf of the first entity.

Please note the \*asterisked terms' meaning is defined by the *A New Tax System (Wine Equalisation Tax) Act 1999 (Cth)*. N.b under this definition both cider and perry are included under wine.

#### 2. What are rebatable domestic cellar door sales?

**Rebatable domestic cellar door sales** relate to a wine sale that is eligible for a producer rebate and is made:

- (a) at either at a physical cellar door where the point of sale takes place in person, on the premises of the physical cellar door to the end consumer; or
- (b) online, phone or through mail order to the end consumer(s) where the final delivery address is in Australia.

You are eligible for a \*producer rebate for \*rebatable wine for a \*financial year if you are the producer of the wine and you are liable to wine tax for a \*taxable dealing in that wine during the financial year.

Please note the \*asterisked terms' meaning is defined by the *A New Tax System (Wine Equalisation Tax) Act 1999 (Cth)*.

#### 3. What is the definition of “an applicant’s related entity”?

According to the [Australian Taxation Office](#), an entity is related with another if:

- either entity controls the other entity, or
- both entities are controlled by the same third entity.

Wine Australia will record and track applications, including details of associated producers/related entities as they are received. If more than one associated producer submits an application for the grant, the first application received and considered eligible will negate all other applications submitted. The applicant company needs to be the parent entity that is used for tax purposes.

#### 4. How is the value of an individual cellar door grant calculated?

Applicants who meet the eligibility criteria can apply for a grant payment for 29 per cent of the *notional wholesale selling price* of their *rebatable domestic cellar door sales*. The value of an eligible applicant's grant will reflect the value of the *excess rebatable domestic cellar door sales* (i.e. sales above those used to meet the threshold amount) – noting that at least 50 per cent of the *rebatable domestic cellar door sales* used in the grant application must consist of sales from the *physical cellar door*. Online sales or cellar door club sales online or through push marketing are not *physical cellar door sales*.

Example:

Robin is a wine producer who owns a cellar door (that meets the criteria) in the Swan Valley. Her wine business is registered for GST, has an active ABN and a liquor licence valid in 2020–21.

In the 2020–21 financial year, Robin made at least \$1.207 million (GST exclusive) in sales of *rebtable wine* and was able to claim the full WET rebate of \$350,000. Robin also accrued \$700,000 in *rebtable domestic cellar door sales* in excess of the sales used to meet the \$1.207 million (GST exclusive) threshold in the 2019–20 financial year.

When Round 3 of the Wine Tourism and Cellar Door Grant opens, Robin may apply for a grant of up to \$100,000 (GST exclusive). Of the \$700,000 in *rebtable domestic cellar door sales*, at least 50 per cent were made at Robin's *physical cellar door*. The remaining sales were made online to Australian end-consumers. Robin chooses to use the [half retail price method](#) to determine the *notional wholesale selling price* of her *rebtable domestic cellar door sales*. This *notional wholesale selling price* figure will then be used in Robin's grant application to determine the value of her grant rebate.

On receipt of Robin's application, Wine Australia will assess her eligibility for the grant. Provided that the grant is not oversubscribed, and Robin can produce the records required to support her application, the grant will be recommended for approval and Robin may receive a grant that is equal to the full value of her eligible claim up to \$100,000 (GST exclusive).

**5. How do I calculate the *notional wholesale selling price* of *rebtable domestic cellar door sales*?**

There are two ways to calculate the *notional wholesale selling price*:

- [half retail price](#), and
- [average wholesale price](#).

Either method can be used for the cellar door grant application. Once applicants have established their *notional wholesale selling price* of their *rebtable domestic cellar door sales*, this is the figure they will need to use in the *Sales Information* section of their grant application.

Further information about notional wholesale selling price can be found under subdivision [9-B – Notional wholesale selling price](#) of *A New Tax System (Wine Equalisation Tax) Act 1999*.

**6. What happens if I am unable to submit all of the necessary evidence prior to the closing date?**

For an application to be valid it must be accompanied by **all** of the supporting documentation which includes:

- a properly completed statutory declaration,
- evidence of a lease agreement, mortgage or certificate of title **(with the map page included)** in the name of the applicant or related entity for the *physical cellar door* in which the sales occurred and,
- evidence of the liquor licence for the *physical cellar door* valid in the relevant year.

All correctly compiled supporting evidence must be submitted prior to the close of applications. Wine Australia will not accept any applications submitted after 5.00pm ACST on 30 September 2021. If you are missing any supporting documentation at this time it will render your application ineligible. Please see the checklist for the Wine Tourism and Cellar Door Grants prior to submitting your application.

## 7. What are the most important things to know about the statutory declaration?

The [statutory declaration](#) must be completed by one of the following officeholders in your business:

1. the Managing Director
2. the Chief Executive Officer
3. Registered Company Secretary
4. the company's Director
5. the Chief Financial Officer
6. the sole trader or partner

The second and third pages of the statutory declaration template lists the people before whom a statutory declaration can be declared. The document must be witnessed by one of those persons and their capacity (job title) must be written too. Please ensure you review the sample statutory declaration template before you submit your application.

## 8. What happens if the grant applications received by Wine Australia total a payable amount over \$10 million?

If the total value of all eligible applications exceeds the \$10 million program cap in any one year, the value of individual grants will be reduced proportionally and be applied at a consistent rate for all approved applicants (see Section 13 of the guidelines).

For example, if there were \$11 million worth of eligible applications in a single financial year, the program would be oversubscribed. All eligible grants would therefore be reduced from their eligible application amount. In this example, an applicant who would otherwise be eligible for \$100,000 (GST exclusive) would receive \$90,910 (GST exclusive) or an applicant who would otherwise be eligible for \$30,000 (GST exclusive) would receive \$27,273 (GST exclusive).

## 9. What are deemed *physical cellar door sales*?

If applicants meet all of the eligibility criteria, they can apply for a grant payment of 29 per cent of the *notional wholesale selling price* of their *rebatable domestic cellar door sales* provided that at least 50 per cent of the cellar door sales used in the application occurred at the *physical cellar door*. *Physical cellar door sales* are defined as a sale of the producer's *rebatable wine* made where the point of sale takes place in person, on the premises of the *physical cellar door*, to the end consumer. Examples of *physical cellar door sales* are:

- Example 1: Michelle purchases a dozen bottles of *wine* on the premises of a *physical cellar door* but organises for that *wine* to be shipped to her home address in Sydney. This would be deemed a *physical cellar door sale*.
- Example 2: Paul purchases a bottle of the *producer's wine* in person at a *physical cellar door* and carries that bottle away from the premises. This would be deemed a *physical cellar door sale*.
- Example 3: Annie visits a *physical cellar door* and samples the *producer's wine*. She does not purchase any *wine* at the *physical cellar door* but takes away a mail order form. Annie completes and mails the order form to the *physical cellar door* two weeks later. This is not a *physical cellar door sale*.
- Example 4: Ashley becomes a member of a *wine producer's wine club* online after previously visiting the *producer's physical cellar door* and purchases *wine* online from a member offer. This is not a *physical cellar door sale*.

Example 5: Greg visits a *wine producer's* website and purchases the *producer's wine* online. Greg has never visited the *wine producer's physical cellar door*. This is not a *physical cellar door sale*.

Example 6: Louise visits a *producer's physical cellar door* and pays the nominal tasting fee to sample the *producer's wine*. This tasting fee is not a *physical cellar door sale*.

Example 7: Steve purchases 10 dozen bottles of *wine* at the *physical cellar door* for his restaurant that is located onsite. This is not a *physical cellar door sale*, as the sale is not to the end consumer.

**10. When I'm calculating my eligible *rebatable wine* sales, can I count all eligible cellar door sales made from 1 July 2020 towards the total, or must I wait until after I have maximised my Wine Equalisation Tax Rebate (rebatable sales of \$1,207,000) before I can count the cellar door sales?**

Applicants will need to have made at least \$1,207,000 in sales of *rebatable wine* before being eligible for the Wine Tourism and Cellar Door grant. *Rebatable wine* is any wine or sale that is eligible for a *producer rebate* as described under Division 19 of *A New Tax System (Wine Equalisation Tax) Act 1999*.

The \$1,207,000 figure can be comprised of any *rebatable wine* sale and does not need to be calculated as cumulative sales from 1 July 2020.

Applicants may decide to use sales other than eligible cellar door sales to reach the threshold figure and allocate all *rebatable domestic cellar door sales* towards their Wine Tourism and Cellar Door Grant application. Applicants will need to have paid the WET on all sales used as part of the application.

**11. If the grant application is successful, what can I spend the grant funding on?**

The Wine Tourism and Cellar Door Grants are simply an additional tax reform measure and are not intended as a project grant. Therefore, Wine Australia does not place any restrictions or direct successful grantees on how they can allocate their funding. No acquittal or reporting on the grant payment will be required.

**12. When does Round 3 of the Wine Tourism and Cellar Door Grants open?**

Round 3 of the Wine Tourism and Cellar Door Grants open on Thursday 1 July 2021 and close at 5.00pm ACST on Thursday 30 September 2021 and relate to wine sales made in the 2020–21 financial year.

**13. How do I apply for a Wine Tourism and Cellar Door Grant?**

Applications must be made through the Enquire grant application portal which can be accessed [here](#). Applications must be submitted in accordance with the instructions provided in the portal and be submitted to Wine Australia by 30 September 2021.

For instructions on how to register yourself and a new organisation in the Wine Australia grant application portal, please reference the [Applicant Registration User Guide](#).

Note: If your business has previously applied through Wine Australia's online grant portal, please contact [cellardoorgrants@wineaustralia.com](mailto:cellardoorgrants@wineaustralia.com) to ensure user login credentials are linked to your business.

**14. What is the tax status of the grant?**

Wine Australia advises that applicants seek clarification of the tax implications of the grant from an accredited tax specialist. Wine Australia will pay successful grantees an amount that is inclusive of GST.

**15. When will applicants be advised of the outcome of their application?**

Applicants will be advised of the outcome of their grant application for Round 3 by 11 October 2021.

**16. Can successful applicants seek to have the grant payments made early?**

Wine Australia will endeavour to make all grant payments to successful applicants on 10 November 2021. No early payments will be made or considered.

**17. I am a cider producer. Am I eligible for the Wine Tourism and Cellar Door Grants?**

The Wine Tourism and Cellar Door grant is available for eligible *wine producers*. The definition of *wine* under section 31-A of *A New Tax System (Wine Equalisation Tax) Act 1999* is:

**Meaning of *wine***

- 1) Wine means any of these:
  - (a) \*grape wine;
  - (b) \*grape wine products;
  - (c) \*fruit or vegetable wine;
  - (d) \*cider or perry;
  - (e) \*mead;
  - (f) \*sake.
- 2) However, wine does not include beverages that do not contain more than 1.15% by volume of ethyl alcohol.

Therefore, if a cider or perry producer meets all other grant eligibility criteria, they can apply for a grant payment of 29 percent of the *notional wholesale selling price* of their *rebatable domestic cellar door sales*.

**18. I am attempting to associate my account with my organisation in the grants portal but am receiving an error message to contact Wine Australia.**

The Enquire application portal will only accept unique ABNs, therefore this error message is usually a result of an already existing company account in the system (i.e. the company has already applied for a previous grant in the portal). Please contact [cellardoorgrants@wineaustralia.com](mailto:cellardoorgrants@wineaustralia.com) to ensure your user login credentials are linked to your business.

**19. Can I start an application one day, but submit it on another?**

Yes, if you have clicked 'save' in your application, the Enquire grants portal will create a draft of your application. You can then open this application again any time from your **My Grants** menu, in the top right-hand corner of the portal. The application will be flagged as **Draft** and will still need to be submitted by the advertised closing date.

**20. Round 2 of the Wine Tourism and Cellar Door Grants reduced the physical cellar door sales eligibility criteria to 30 per cent. What is the percentage for Round 3?**

While Wine Australia acknowledges that some producers may have been impacted by continued COVID-19 restrictions across the 2020–21 financial year, the physical cellar door sales requirement for Round 3 has been reverted to 50 per cent.

**21. There are other state liquor subsidies available that have similar eligibility criteria to the Wine Tourism and Cellar Door Grants. Am I able to apply for both?**

Wine Australia advises applicants to seek clarification from the administrator of any other cellar door or tourism subsidy programs. You should not plan or make financial commitments which assume you will receive any particular level of payment. Wine Australia accepts no liability for any loss arising from the actions of an applicant who assumes any level of payment.

**22. Can I use retail sales figures in my application?**

Raw retail sales figures are not correct. The sales information provided in the application must be the *notional wholesale selling price* figures of the *rebatable domestic cellar door sales*.

There are two ways to calculate the notional wholesale price: half retail price or average wholesale price. For grape wine you can use either method. For wine other than grape wine you must use the half retail price method.

The easiest method to use is the half retail price method. To calculate the [notional wholesale selling price](#) on retail sales using this method it is simply 50 per cent of the sale price, or half retail, including WET and GST. Once applicants have established their *notional wholesale selling price* of their *rebatable domestic cellar door sales*, this is the figure you will need to enter in the Sales Information section of the grant application.

Further information about *notional wholesale selling price* can be found under subdivision [9-B – Notional wholesale selling price](#) of *A New Tax System (Wine Equalisation Tax) Act 1999*

**23. I have a restaurant/bistro located on the same site as my cellar door. Are wine sales in this restaurant classified as physical cellar door sales?**

For the purposes of the Wine Tourism and Cellar Door Grant, only wine sales that occur in the actual cellar door are deemed physical cellar door sales. Therefore, sales that occur in the onsite restaurant or bistro are not eligible under this classification of sales. These sales may contribute to your \$1,207,000 in sales of *rebatable wine* though.

**24. I have received a Wine Tourism and Cellar Door Grant in previous rounds. Am I eligible to apply again?**

Subject to all eligibility criteria of the Wine Tourism and Cellar Door Grant still being met, you can apply again for a grant in Round 3 of the program.

**25. The state I reside in is experiencing a significant period of lockdown. Are we able to complete the statutory declaration document electronically?**

Rule changes to accommodate COVID restrictions provide that:

- electronic signatures can be used
- signatories (people signing a document) and witnesses can sign in each other's presence via an audio-visual link

We suggest the location (address) of the witness still be listed on the form along with additional commentary that states "Witnessed remotely via video/audio link".