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# **Wine Tourism and Cellar Door Grant**

## Grant program guidelines round 2

June 2019

Opening date:	1 July 2020
Closing date and time:	5.00pm ACST on 30 September 2020
Commonwealth entity:	Wine Australia
Enquiries:	If you have any questions, please contact Wine Australia, Wine Tourism and Cellar Door Grant, (08) 8228 2000 Email: <a href="mailto:cellardoorgrants@wineaustralia.com">cellardoorgrants@wineaustralia.com</a> Questions should be sent no later than 9 September 2020.
Date guidelines released:	1 February 2020
Type of grant opportunity:	Demand Driven

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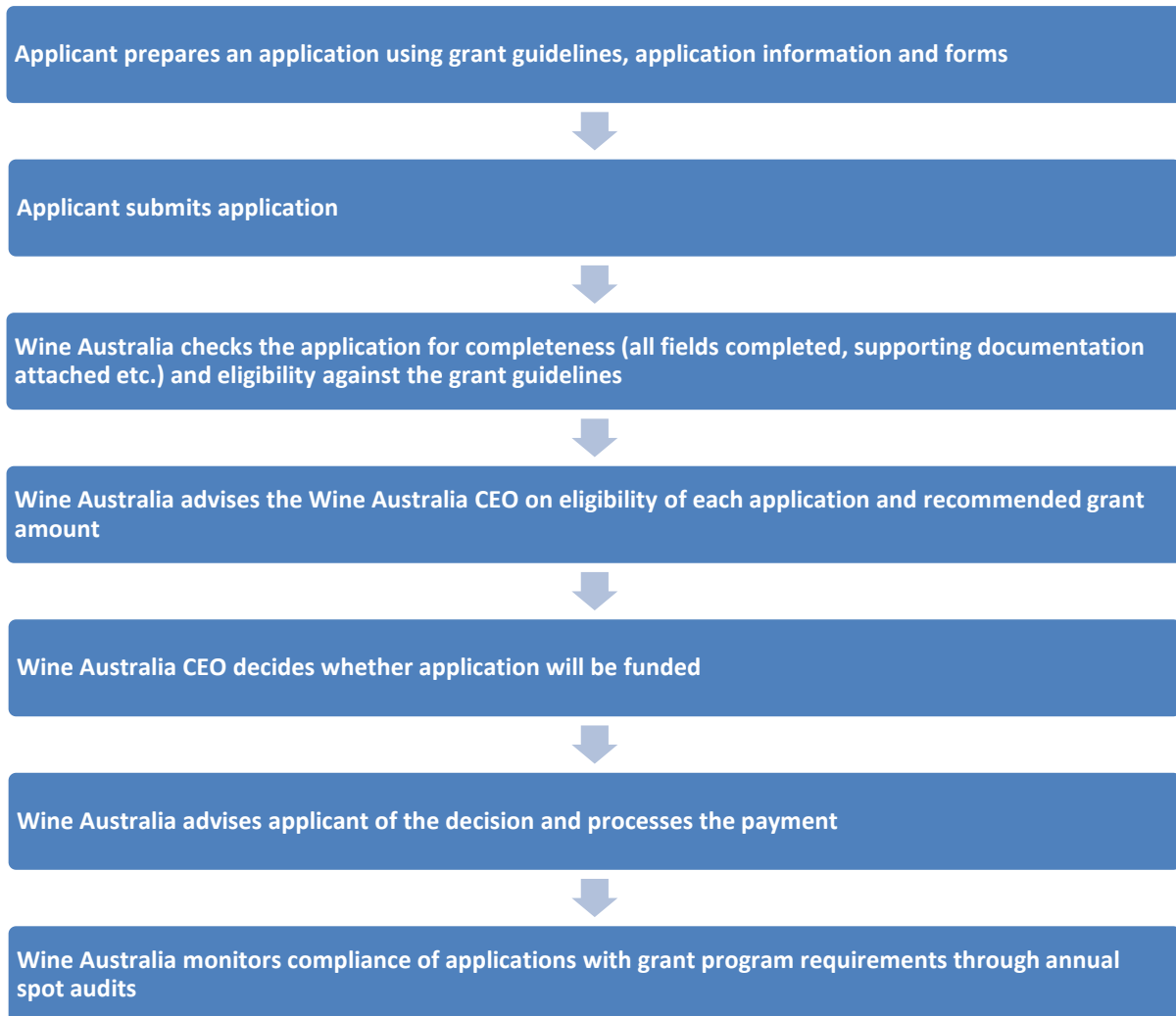
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## Wine Tourism and Cellar Door Grant

Figure 1 Grant program process flowchart



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## Wine Tourism and Cellar Door Grant

### 1 Program overview

The Wine Tourism and Cellar Door Grant program (the program) has been introduced to support *producers* who add value by encouraging visitors to *wine* regions. *Wine producers* will be able to access an annual grant reflective of their eligible *physical cellar door* sales.

The grant is part of a coordinated suite of measures developed with the Australian *wine* industry after extensive consultations on reforms to the Wine Equalisation Tax (WET) rebate arrangements. It complements the \$50 million Export and Regional Wine Support Package being implemented by Wine Australia from 2016 through to 2021. These complementary measures will align with the reduction in the WET rebate cap in 2018.

The suite of measures are the responsibility of the Department of Agriculture, Water and Environment. Wine Australia is administering the Wine Tourism and Cellar Door grants, as part of that suite, on behalf of the Commonwealth in accordance with paragraph 2.9.d of the Commonwealth Grants Rules and Guidelines (CGRGs).

### 2 Program objectives

The objective of the Wine Tourism and Cellar Door Grant is to support *producers* who add value by encouraging visitors to *wine* regions, and thereby encourage *wine* tourism.

*Wine producers* who have met the eligibility criteria at section 3 will be able to access an annual grant of up to \$100,000 (GST exclusive) for their eligible *rebatable domestic cellar door* sales. Total funding under the grant program will be capped at \$10 million each financial year.

### 3 Who is eligible to apply for funding?

To be eligible for the *Wine* Tourism and Cellar Door Grant *applicants* must:

- a. be a *wine producer*
- b. be a legal entity registered for GST and with an active ABN
- c. have made at least \$1,207,000 (GST exclusive) in sales of *rebatable wine* in the *relevant financial year*
- d. accrue *rebatable domestic cellar door sales* in excess of any such sales used to meet the \$1,207,000 (GST exclusive) threshold in the *relevant financial year*
- e. have paid the WET on all eligible sales used as part of the application
- f. have *owned or leased a physical cellar door* in Australia in the *relevant financial year*, and/or their related entity/ies have *owned or leased a physical cellar door* in Australia in the *relevant financial year*.
- g. have a liquor licence valid in the *relevant financial year*.

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## 4 What qualifies for funding

If applicants meet the eligibility criteria, they can apply for a grant payment for 29 per cent of the *notional wholesale selling price* of their *rebatable domestic cellar door sales*, provided that:

- a. such sales are not already used to meet the eligibility threshold of \$1,207,000 (GST exclusive) in *rebatable wine sales*
- b. the transaction date for such sales were within the period for which the applicant (and/or their related entity(ies)) has *owned or leased* the *physical cellar door*
- c. at least 50 per cent of the *rebatable domestic cellar door sales* used in the grant application consist of sales from the *physical cellar door* (see examples below)
- d. none of their *associated producers* have already applied for the grant in the *relevant financial year*.

Wine Australia will record and track applications, including details of *associated producers*, as they are received. If, in a *relevant financial year*, more than one *associated producer* submits an application for the grant, the first application received and considered eligible will negate the rest of the applications.

Examples of *physical cellar door sales*:

- 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*. 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*.

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### 5 How to apply for funding

#### 5.1 Application preparation

Applications are to be made in the grant application online portal which can be accessed via: <https://www.wineaustralia.com>. The grant application form is also available on the GrantConnect website.

Applications must be submitted in accordance with the instructions provided in the portal and be received by Wine Australia by the specified published deadline. All applications will be registered and acknowledged by email.

If you experience any difficulties in accessing or using the online portal you can email [cellardoorgrants@wineaustralia.com](mailto:cellardoorgrants@wineaustralia.com) prior to the application closing date to request assistance.

Wine Australia may post Frequently Asked Questions (FAQs) on the application process on the Wine Australia website.

When preparing the application, ensure that you have:

- a. read and understood the program guidelines
- b. met the eligibility criteria
- c. used the current application form
- d. provided correct financial details
- e. had an authorised person sign the form
- f. attached any required supporting documentation
- g. submitted the application by the deadline published on GrantConnect.

Any modifications to the application form – such as rewording or removing questions or sections – will render your application ineligible. Wine Australia will advise applicants if this is identified and offer an opportunity to the applicant to provide a new application without modification to the application form.

If you have questions, please read any published FAQs and/or contact Wine Australia directly.

#### 5.2 Attachments to the application

The following documents must be included with your application. They can be uploaded as attachments through the online application portal.

- a. Evidence of a *lease* agreement, mortgage or certificate of title in the name of the applicant or applicant's related entity for the *physical cellar door* from which the transactions for *rebutable domestic cellar door sales* occurred
- b. Evidence of the *physical cellar door's* liquor licence valid in the *relevant financial year* of this application
- c. Completed and signed Statutory Declaration using the template provided on the online application portal.

#### 5.3 Late applications

Applications that are not received by the published closing date may not be accepted. Wine Australia may consider the submission of late applications under extenuating circumstances provided an alternative timeframe has been agreed prior to the closing date or the delay is a result of an issue with Wine Australia's information and communication technology systems. Requests for an extension of time to lodge an application must be made in writing to Wine Australia via

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cellardoorgrants@wineaustralia.com. Any decision by Wine Australia to accept or not accept a late application will be final.

### 5.4 Corrections

It is the responsibility of the applicant to ensure their application is complete and correct. Wine Australia will not accept responsibility for any misunderstanding arising from the failure by an applicant to comply with the guidelines, or arising from any discrepancies, ambiguities, inconsistencies or errors in an application.

If an applicant discovers any material discrepancy, ambiguity, inconsistency or errors in their application, they must immediately bring it to the attention of Wine Australia in writing via [cellardoorgrants@wineaustralia.com](mailto:cellardoorgrants@wineaustralia.com). Wine Australia may request clarifying information from an applicant and allow them to remedy any discrepancy, ambiguity, inconsistency or errors in an application. Wine Australia may consider information submitted by an applicant after the closing date for the purpose of resolving any material discrepancy, ambiguity, inconsistency or errors in an application. Wine Australia's decision will be final and will be made at its absolute discretion.

## 6 Program dates

One grant round will be offered each financial year, for *wine* sold in the previous financial year.

The following dates are for the second round of grants that will be offered in 2020-21 for 2019-20 expenditure.

Similar dates will be applied for subsequent rounds and be made publicly available in the first half of the 2021 calendar year.

**Table 1 Program dates**

Milestone	Anticipated date
Applications open for round 2 (2019-20 Financial Year)	1 July 2020
Applications close	30 September 2020
Decision on successful and unsuccessful applicants	9 October 2020
Applicants informed of grant decisions and letters of offer issued	14 October 2020
Confirmation of acceptance of offer by successful applicants	23 October 2020
Grant payments made	2 November 2020
Awarded grants published on GrantConnect website	16 November 2020

## 7 Program evaluation

The grant program will be subject to review in the 2020-21 financial year.

Grant monitoring will include audits of a random selection of successful applications. An external provider will be identified to conduct financial audits. Applicants must maintain financial records relevant to the application for five years after the completion of the *relevant financial year* and provide copies of those records to Wine Australia's appointed auditors if requested.



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If an audit finds the applicant inadvertently received more funding than they were entitled to in any grant year, the applicant will be required to repay the overpaid amount.

If an audit finds the applicant has received more funding than they were entitled to as a result of providing false or misleading information in the application process, the applicant and all of their current or future *associated producers* may be ineligible for any future applications under the program. Any further action against the applicant will be determined on a case-by-case basis, dependent on the audit findings.

## 8 Conflict of interest

Any conflicts of interest could affect the performance of the grant. There may be a conflict of interest, or perceived conflict of interest, if Wine Australia's staff, any member of a committee or advisor and/or you or any of your personnel:

- has a professional, commercial or personal relationship with a party who is able to influence the application selection process, such as a Wine Australia officer
- has a relationship with an organisation, or interest in an organisation, which is likely to interfere with or restrict the applicants from carrying out the proposed activities fairly and independently or
- has a relationship with, or interest in, an organisation from which they will receive personal gain because the organisation receives funding under the Program.

You will be asked to declare, as part of your application, any perceived or existing conflicts of interests or that, to the best of your knowledge, there is no conflict of interest.

If you later identify that there is an actual, apparent, or potential conflict of interest or that one might arise in relation to a grant application, you must inform Wine Australia in writing immediately. Committee members and other officials including the decision maker must also declare any conflicts of interest.

Wine Australia reserves the right to reject an application if it is not satisfied that arrangements are in place to address or manage a perceived or actual conflict of interest.

Wine Australia will maintain a register of notified conflicts of interest throughout the application and assessment process. The register will list applicants' conflicts of interest and those of the assessment panel and Authority officers. Those involved in the assessment process must sign and keep up-to-date conflict of interest declarations to ensure identification and management of any conflicts of interest.

## 9 False and misleading information

Intentionally giving false or misleading information is an offence under the *Criminal Code Act 1995* (Cth).

## 10 Confidential information

Applicants must identify information in their applications or in any supporting documents that they want treated as confidential and provide reasons for the request. Wine Australia reserves the right to accept or refuse requests to treat information as confidential.

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Applicants will be given an opportunity to not proceed further if Wine Australia refuses to treat information as confidential, so that no information an applicant considers confidential is published or shared by Wine Australia.

Applicants will be given full details regarding potential publication and sharing of information not granted confidentiality by Wine Australia.

Any information not granted confidentiality may be published or shared by Wine Australia. Confidential information may be released as required by law or parliamentary privilege.

Please also note section 15 of these guidelines – ‘Publishing information about successful applicants’.

## **11 Freedom of information**

All documents held by Wine Australia, including those relating to the Wine Tourism and Cellar Door Grant applications, are subject to the *Freedom of Information Act 1982 (Cth)* (FOI Act).

The FOI Act creates a general right of access to documents held by Wine Australia. Unless a document falls under an exemption provision, it will be made available to the public if requested under the FOI Act. For more information about the FOI process or to make an FOI request, contact Wine Australia.

## **12 Privacy statement**

‘Personal information’ means any information or opinion about an identified individual or an individual who is reasonably identifiable.

We treat your personal information in accordance with the Australian Privacy Principles and the Privacy Act. This includes letting you know:

- what personal information we collect
- why we collect your personal information
- who we give your personal information to.

‘Sensitive personal information’ is a subset of personal information and includes any information or opinion about an individual’s racial or ethnic origin, political opinion or association, religious beliefs or affiliations, philosophical beliefs, sexual preferences or practices, trade or professional associations and memberships, union membership, criminal record, health or genetic information and biometric information or templates.

Wine Australia collects your personal information, as defined in the Privacy Act, to assess your application and for related purposes. If you fail to provide some or all of the personal information requested in this form, Wine Australia will not be able to process your application.

Wine Australia may disclose your personal information to other Australian Government agencies, persons or organisations where necessary for these purposes, provided the disclosure is consistent with the Privacy Act and other relevant laws. Your personal information will be used and stored in accordance with the Australian Privacy Principles.

See Wine Australia’s Privacy Policy to learn more about accessing or correcting personal information or making a complaint. Alternatively, call Wine Australia on (08) 8228 2000.

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## **13 How applications are assessed**

13.1 All applications will be assessed for eligibility by Wine Australia. Wine Australia may seek other information and advice, as they deem applicable, relevant to the assessment of the application.

Once the total value of all eligible applications is known, the value of individual grants will be calculated and advised to the CEO of Wine Australia for approval based on total versus available according to the formula used in the event of oversubscription at 13.2.

If the total value of all eligible applications is less than the annual cap of \$10 million, the grant will be recommended for approval and the applicant will receive a grant which is equal to the full value of the applicant's eligible claims up to \$100,000 (GST exclusive).

Should the total value of all eligible applications exceed \$10 million in any one year, the value of individual grants will be reduced proportionally and be applied at a consistent rate for all approved applicants, determined by the level of oversubscription.

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).

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13.2

*Formula used in the event of oversubscription*

Step 1:

$$\frac{(\text{Total Value of Applications} - 10,000,000)}{\text{Total Value of Applications}} \times 100 = \% \text{ oversubscribed}$$

Step 2:

$$(100\% - \% \text{ oversubscribed}) = \% \text{ of payment applicants receive}$$

Step 3:

$$\text{Full amount applied for} \times \% \text{ of payment applicants receive} = \text{payment amount}$$

*Worked Example:*

$$\frac{(\$11,000,000 - \$10,000,000)}{\$11,000,000} \times 100 = 9.09\% \text{ oversubscribed}$$

$$(100\% - 9.09\%) = 90.91\%$$

$$\$100,000 \times 90.91\% = \$90,910$$

Once the CEO of Wine Australia has approved all grants, Wine Australia will issue a letter of offer for each grant, and process payments to successful applicants upon receiving their written acceptance of the offer. Grant payments will be made as a single payment. No acquittal or reporting on the grant payment will be required.

## 14 Notifying applicants of funding decisions

All applicants will receive an email notifying them of the outcome of their application and the value of the grant they will be offered in the Letter of Offer if successful, and reasons for non-funding if unsuccessful.

## 15 Publishing information about successful applicants

If successful, your grant will be listed on the [GrantConnect website](#) 21 days after the date of effect as required by section 5.3 of the *Commonwealth Grants Rules and Guidelines*. Information will include:

- name of the person or entity receiving the grant
- grant title and purpose
- amount of funding received
- funding location.

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By submitting an application for funding under this grant program, the applicant consents to this information being published on the GrantConnect website.

## **16 Handling applicant complaints**

Wine Australia does not have an appeal mechanism for unsuccessful applicants. If an applicant is dissatisfied with the way an application has been handled by Wine Australia, they can contact Wine Australia in writing and lodge a complaint. The complaint will be reviewed by one or more independent areas of Wine Australia.

If no resolution is achieved, the applicant can contact the Commonwealth Ombudsman. The Ombudsman will usually not investigate a complaint unless the matter has first been raised with Wine Australia and Wine Australia has been provided with a reasonable opportunity to respond.

## **17 Taxation**

Funding may have taxation implications for your organisation. Consider seeking independent taxation and financial advice from a suitably qualified professional before submitting your application. GST is payable on grants and the grant payment will include GST where applicable.

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### Glossary

<i>Associated Producer</i>	Has the same definition as that provided under section 33-1 of <i>A New Tax System (Wine Equalisation Tax) Act 1999</i> , including terms used in that definition that are defined elsewhere in the Act.
<i>Domestic</i>	In Australia or Australian.
<i>Domestic Cellar Door Sale</i>	Either a sale of the <i>producer's rebatable wine</i> made:  a) at a <i>physical cellar door</i> where the point of sale takes place, in person, on the premises of the <i>physical cellar door</i> to the end consumer(s); or  b) online, phone or through mail order to the end consumer(s) where the final delivery address is in Australia.
<i>Lease</i>	An agreement by which the <i>owner</i> of the <i>physical cellar door</i> (lessor) allows the <i>producer</i> (lessee) to use the <i>cellar door</i> , in return for a payment. This includes a 'sub-lease' and 'joint lease'. The terms of the lease must be on a commercial basis.
<i>Manufacture</i>	Has the same definition as that provided under section 33-1 of <i>A New Tax System (Wine Equalisation Tax) Act 1999</i> , including terms used in that definition that are defined elsewhere in the Act.
<i>Notional Wholesale Selling Price</i>	Has the same definition as that provided under section 33-1 of <i>A New Tax System (Wine Equalisation Tax) Act 1999</i> , including terms used in that definition that are defined elsewhere in the Act.
<i>Own</i>	Means having a legal or equitable interest in the <i>physical cellar door</i> property.
<i>Physical Cellar Door</i>	A physical structure at which consumers can sample and purchase the <i>producer's wine</i> that is:  a) open a minimum of 20 hours per week averaged over the duration of the <i>relevant financial year</i> , or part thereof if a <i>physical cellar door</i> is operational for a portion of a <i>relevant financial year</i> , and  b) within a 50-kilometre radius of the <i>producer's</i> place of production.
<i>Sales from the Physical Cellar Door</i>	A sale of the <i>producer's rebatable wine</i> made where the point of sale takes place in person, on the premises of the <i>physical cellar door</i> , to the end consumer.
<i>Place of Production</i>	a) In the context of grape <i>wine</i> :

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- i. a 'vineyard' that is a single location with a minimum of four hectares of grape vine plantings which produces a minimum of 10 tonnes of grapes per year, averaged over a three-year period immediately preceding the *relevant financial year*; or
- ii. a 'winery' which is a premise where a minimum of 20 tonnes of grapes are used in the *manufacture of wine* per year, averaged over a three-year period immediately preceding the *relevant financial year*.

b) In the context of *wine* other than grape *wine*:

- i. a single location with a minimum of four hectares of fruit or vegetable plantings which produces a minimum of 10 tonnes of fruit or vegetables per year, averaged over a three-year period immediately preceding the *relevant financial year*; or
- ii. a premise where a minimum of 20 tonnes of fruit or vegetables are used in the *manufacture of wine* other than grape *wine* per year, averaged over a three-year period immediately preceding the *relevant financial year*; or
- iii. a premise where a minimum of 3 tonnes of honey is used in the *manufacture of mead* per year, averaged over a three-year period immediately preceding the *relevant financial year*.

<i>Producer</i>	Has the same definition as that provided under section 33-1 of <i>A New Tax System (Wine Equalisation Tax) Act 1999</i> , including terms used in that definition that are defined elsewhere in the Act.
<i>Rebatable</i>	Relates to <i>wine</i> or a sale that is eligible for <i>producer</i> rebates as described under Division 19 of <i>A New Tax System (Wine Equalisation Tax) Act 1999</i> .
<i>Relevant Financial Year</i>	The Australian financial year immediately preceding the Australian financial year in which the application is made.
<i>Wine</i>	Has the same definition as that provided under section 31-A of <i>A New Tax System (Wine Equalisation Tax) Act 1999</i> , including terms used in that definition that are defined elsewhere in the Act.

## Contacts

### *Wine Tourism and Cellar Door Grant*

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