WETR 2009/2A4 - Addendum - Wine equalisation tax: operation of the producer rebate for other than New Zealand participants

Addendum

Wine Equalisation Tax Ruling

Wine equalisation tax: operation of the producer rebate for other than New Zealand participants

This Addendum is a public ruling for the purposes of the *Taxation Administration Act 1953*. It amends Wine Equalisation Tax Ruling WETR 2009/2 for legislative updates.

WETR 2009/2 is amended as follows:

1. Table of Contents

Omit the Table of Contents; substitute:

Table of Contents	**Paragraph**

2. Paragraph 3

(a) Omit 'and all references to the WET Regulations are to the *A New Tax System (Wine Equalisation Tax) Regulations 2000*'.

(b) After the paragraph, insert new paragraph 3A:

3A. From 1 July 2015, the term 'Australia' was replaced in nearly all instances within the goods and services tax (GST), luxury car tax and WET legislation with the term 'indirect tax zone'. The scope of the term, however, remains the same as the now repealed definition of 'Australia' used in those Acts. This change was made for consistency of terminology across the tax legislation, with no change in policy or legal effect. In this Ruling, the 'indirect tax zone' is referred to as 'Australia'.

3. Paragraph 7

Omit 'goods and services tax (GST)'; substitute 'GST'.

4. Paragraph 10A

(a) Omit the wording of the paragraph; substitute:

From 1 October 2004, the maximum amount of producer rebates an Australian producer (or group of associated producers) could claim in a full financial year was $290,000. From 1 July 2006, the maximum rebate amount for a financial year was increased to $500,000. From 1 July 2018, the maximum rebate amount was decreased to $350,000.

(b) After the paragraph, insert new paragraph 10B:

10B. From 1 July 2026, the maximum amount of rebate an Australian producer (or group of associated producers) can claim in a full financial year is $400,000, effectively offsetting WET on approximately A$1.38 million (wholesale value) of eligible sales and applications to own use per year.

5. Paragraph 16

Omit the wording of footnote 12; substitute:

> Sections 31-1, 31-2, 31-3, 31-4, 31-5, 31-6 and 31-7. See also sections 31-2.01, 31-3.01, 31-4.01 and 31-6.01 of the *A New Tax System (Wine Equalisation Tax) Regulations 2019*.

6. Paragraph 27E

Omit '*Chard Pty Ltd*'; substitute '*Chard Co*'.

7. Paragraphs 41 and 42

Omit all instances of '*NH Wines Pty Ltd*'; substitute '*NH Wines Co*'.

8. Paragraph 43F

Omit the wording of footnote 25C; substitute:

> Paragraph 1.16 of Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

9. Paragraph 57

Omit '*Wines Pty Ltd*'; substitute '*Wines Co*'.

10. Paragraphs 58, 61AM, 61AAB, 61AAD and 68D

After '*therefore*', insert a comma.

11. Paragraph 59

(a) Omit all instances of '*Vino Pty Ltd*'; substitute '*Vino Co*'.

(b) Omit '*Produce Pty Ltd*'; substitute '*Produce Co*'.

12. Paragraph 61

Omit the wording of the paragraph (excluding footnote); substitute:

> You are not entitled to the producer rebate if the purchaser quotes for the sale and indicates that it will not have a taxable dealing with the wine, by stating that it intends to:[31A]
>
> - make a GST-free supply of wine
> - sell the wine under quote, or
> - use the wine as a material in manufacture or other treatment or processing.

13. Paragraph 61A

(a) Omit '*Wines Pty Ltd*'; substitute '*Wines Co*'.

(b) After '*therefore*', insert a comma.

14. Paragraph 61F

Omit the wording of footnote 31C; substitute:

> Paragraph 1.16 of Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

15. Paragraph 61G

Omit the wording of footnote 31D; substitute:

> Paragraph 1.16 of Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

16. Paragraph 61U

Omit the wording of footnote 31I; substitute:

> Table 1.2 in Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

17. Paragraph 61AB

Omit the wording of footnote 31J; substitute:

> Paragraph 1.21 of Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

18. Paragraph 61AC

In footnote 31K, omit 'Appendix 1 of this Ruling'; substitute 'Appendix 1 to this Ruling'.

19. Paragraph 61AF

Omit the wording of footnote 31L; substitute:

> Refer to Goods and Services Tax Ruling GSTR 2003/5 *Goods and Services Tax: Vouchers*.

20. Paragraph 61AH

Omit 'dioxide for example are'; substitute 'dioxide, for example, are'.

21. Paragraph 61AO

(a) After 'therefore', insert a comma.

(b) Omit the wording of footnote 31M; substitute:

> Paragraph 1.20 of Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

22. Paragraphs 61AP, 61AQ, 61AR and 61AS

Omit all instances of '*WeFortify Ltd*'; substitute '*WeFortify Co*'.

23. Paragraphs 61AT, 61AU and 61AV

Omit all instances of '*OwnGrape Pty Ltd*'; substitute '*OwnGrape Co*'.

24. Paragraph 61AW

Omit '*GWP Ltd*'; substitute '*GWP Co*'.

25. Paragraph 61AAF

In footnote 31N, omit '*Treasury Laws Amendment (2107 Measures No. 4) Act 2017*'; substitute '*Treasury Laws Amendment (2017 Measures No. 4) Act 2017*'.

26. Paragraph 61AAJ

Omit the wording of footnote 31R; substitute:

> Paragraph 1.68 of Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

27. Paragraph 61AAK

Omit the wording of footnote 31S; substitute:

> Subsection 20(5) of the *Treasury Laws Amendment (2017 Measures No. 4) Act 2017*. Refer also to Earlier producer rebate amounts.

28. Paragraph 61AAS

(a) Omit 'characteristics for example will'; substitute 'characteristics, for example, will'.

(b) Omit the wording of footnote 31V; substitute:

> Refer to paragraph 1.75 of the Explanatory Memorandum to the Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

29. Paragraph 61AAW

Omit the wording of footnote 31W; substitute:

> Subsection 20(5) of the *Treasury Laws Amendment (2017 Measures No. 4) Act 2017*. Refer also to Earlier producer rebate amounts.

30. Paragraph 61AAY

In footnote 31X, omit 'of the*Treasury*'; substitute 'of the *Treasury*'.

31. Paragraph 61ABC

Omit the wording of footnote 31Y; substitute:

> Refer also to Earlier producer rebate amounts.

32. Paragraph 61ABE

Omit the wording of footnote 31AC; substitute:

> For example, grape wine labels are governed by the *Wine Australia Act 2013* and Regulations, the *Australia New Zealand Food Standards Code, National Trade Measurement Regulations 2009*, the *Competition and Consumer Act 2010* and state consumer laws.

33. Paragraphs 61ABK

Omit the wording of footnote 31AD; substitute:

> Paragraphs 19-5(7)(b) to (f) inclusive.

34. Paragraph 61ABN

Omit the quote; substitute:

> … includes the following or any combination of the following, namely, any letter, word, name, signature, numeral, device, brand, heading, label, ticket, aspect of packaging, shape, colour, sound, or scent.

35. Paragraph 61ABY

Omit the wording of footnote 31AH; substitute:

> For further information refer to IP Australia (July 2026) Trade marks, accessed 8 July 2026.

36. Paragraph 61ACB

Omit the wording of footnote 31AI; substitute:

> Paragraph 1.37 of Explanatory Memorandum to Treasury Laws Amendment (2017 Measures No. 4) Bill 2017.

37. Paragraphs 61ACE, 61ACF and 61ACG

Omit all instances of '*Comon Wines Ltd*'; substitute '*Comon Wines Co*'.

38. Paragraph 63B

Omit the wording of footnote 33B; substitute:

> Sections 19, 20 and 21 of *Treasury Laws Amendment (2017 Measures No. 4) Act 2017*.
> Refer also to Earlier producer rebate amounts.

39. Paragraph 63C

(a) Omit the wording of the paragraph (excluding footnote); substitute:

From 1 July 2018 to 30 June 2026, the maximum amount of producer rebate for a financial year is $350,000. The maximum entitlement for associated producers **as a group** is $350,000 for each financial year.[33C]

(b) After the paragraph, insert new paragraph 63D:

From 1 July 2026, the maximum amount of producer rebate for a financial year is $400,000. The maximum entitlement for associated producers **as a group** from 1 July 2026 is $400,000 for each financial year.

(c) In new paragraph 63D, after 'for each financial year', insert new footnote 33D:

[33D] Subsections 19-15(2) and (3). Refer to paragraphs 66 to 66C of this Ruling for a discussion about when producers will be associated.

40. Paragraph 66

Omit the first list point; substitute:

you are 'connected with' each other (you are connected with each other if you would be 'connected with' each other under section 328 125 of the *Income Tax Assessment Act 1997* (ITAA 1997) if subsection 328 125(8) of the ITAA 1997 were omitted[36]), or

41. Paragraph 66A

Omit the wording of the paragraph (excluding footnote); substitute:

You are an associated producer if each of you is under an obligation (formal or informal), or might reasonably be expected to, act in accordance with the directions, instructions or wishes of the same third entity in relation to your financial affairs.[36B]

42. Paragraph 66B

Omit the wording of the paragraph (excluding footnote); substitute:

Further, you (first producer) are an associated producer of another producer (second producer) if you are under an obligation (formal or informal), or might reasonably be expected, to act in accordance with the directions, instructions or wishes of a third producer and the third producer is under an obligation (formal or informal), or might reasonably be expected, to act in accordance with the directions, instructions or wishes of the second producer in relation to their financial affairs.[36C]

43. Paragraph 66C

Omit 'producer(s)'; substitute 'producers'.

44. Paragraph 66D

Omit the wording of the paragraph; substitute:

> This Ruling applies both before and after its date of issue.

45. Paragraph 66E

(a) Omit the headings; substitute:

> **Appendix 1 – Explanation**
>
> **This Explanation is provided as information to help you understand how the Commissioner's view has been reached. It does not form part of the binding public ruling.**
>
> **Rebatable wines**

(b) Omit 'regulations set out in the'.

(c) Omit 'excise/duty regime'; substitute 'excise or duty regime'.

(d) Omit the table; substitute Table 1 and caption:

Table 1: Definitions of alcoholic products for the purposes of the WET Act

Definitions	**Examples**
Grape wine *Grape wine is a beverage that:* • *is the product of the complete or partial fermentation of fresh grapes or products derived solely from fresh grapes, and* • *does not contain more than 22% of ethyl alcohol by volume.* ***Note:*** *a beverage does not cease to be the product of the complete or partial fermentation of fresh grapes or products derived solely from fresh grapes merely because grape spirit, brandy, or both grape spirit and brandy have been added to it.*	**Grape wine** Grape wine includes: • table wines (red, white and rosé) • sparkling wines • fortified wines, and • dessert wines.

Grape wine products
A grape wine product is a beverage that:
• *contains at least 70% grape wine*
• *has not had added to it any ethyl alcohol from any other source, except*
  - *grape spirit, or*
  - *alcohol used in preparing vegetable extracts (including spices, herbs and grasses) where the alcohol*
    o *is only used to extract flavours from vegetable matter*
    o *is essential to the extraction process*
	Grape wine product
	Grape wine products include (but only where they satisfy the requirements in the column on the left):
	• vermouth
	• marsala
	• green ginger wine (except green ginger wine with spirits such as scotch added)
	• wine-based cocktails and creams that do not contain the flavour of any alcoholic beverage (other than wine) whether the flavour is natural or artificial, and

<table>
<tr><th>Definitions</th><th>Examples</th></tr>
<tr><td><li style="list-style-type:circle">adds no more than one percentage point to the overall alcoholic strength by volume of the beverage
<li style="list-style-type:circle">has not had added to it the flavour of any alcoholic beverage (other than wine), whether the flavour is natural or artificial, and
<li style="list-style-type:circle">contains between 8% and 22% (inclusive) of ethyl alcohol by volume.</td><td>imitation liqueurs (wine-based) that do not contain the flavour of any alcoholic beverage (other than wine) whether the flavour is natural or artificial.
Grape wine products do not include:
wine coolers (unless they satisfy the requirements in the column on the left)
ready to drink (RTD) or designer drinks that contain a wine base (unless they satisfy the requirements in the column on the left)
RTDs or designer drinks that contain spirits (other than grape spirit), and
spirit-based (other than grape spirit) cocktails, creams and liqueurs.</td></tr>
<tr><td>Fruit or vegetable wine
Fruit or vegetable wine is a beverage that:
is the product of the complete or partial fermentation of the juice or must of fruit or vegetables, or products derived solely from fruit or vegetables
has not had added to it any ethyl alcohol from any other source except grape spirit or neutral spirit
has not had added to it any liquor or substance that gives colour or flavour except grape spirit or neutral spirit, and
contains between 8% and 22% (inclusive) of ethyl alcohol by volume or if grape spirit or neutral spirit has been added contains between 15% and 22% (inclusive) of ethyl alcohol by volume.
Note: a product is only a fruit or vegetable wine after the addition of grape spirit or neutral spirit if that product met the definition of fruit or vegetable wine before the spirit was added.</td><td>Fruit or vegetable wine
Fruit or vegetable wines include:
table wine
sparkling wine, and
fortified wine.
Fruit or vegetable wines do not include:
RTD or designer drinks that may contain alcohol fermented from fruits such as lemons, oranges, etcetera. (unless they satisfy the requirements in the column on the left).</td></tr>
<tr><td>Cider or perry
Cider or perry is a beverage that:
is the product of the complete or partial fermentation of the juice or must of apples or pears
has not had added to it any ethyl alcohol from any other source, and
has not had added to it any liquor or substance (other than water or the juice</td><td>Cider or perry include:
traditional cider and perry
draught cider and perry
dry cider and perry, and
sweet cider and perry.
Cider or perry does not include:</td></tr>
</table>

Definitions	Examples
or must of apples or pears) that gives colour or flavour.	• cider or perry that has had lemon, black currant or other fruit flavourings added, and • cider or perry that has had cola or other flavourings added.
Mead *Mead is a beverage that:* • *is the product of the complete or partial fermentation of honey* • *has not had added any ethyl alcohol from any other source, except grape spirit or neutral spirit, and* • *has not had added to it any liquor or substance that gives colour or flavour other than* – *grape spirit or neutral spirit* – *honey, herbs and spices, all of which can be added at any time* – *caramel, provided it is added after the fermentation process is complete, or* – *fruit or product derived entirely from fruit, provided:* o *the fruit or product has not been fermented* o *the fruit or product is added to the mead before fermentation of the mead, and* o *after the addition of the fruit or product and before fermentation the mead contains not less than 14% by volume of honey and not more than 30% by volume of the fruit or product, and* ▪ *if fruit or product is added the mead contains between 8% and 22% (inclusive) of ethyl alcohol by volume, and* • *if grape spirit or neutral spirit has been added contains between 15% and 22% (inclusive) of ethyl alcohol by volume. However, grape spirit or neutral spirit can only be added if the beverage meets the definition of mead before the grape spirit or neutral spirit is added.* ***Note:*** *If fruit or product derived from fruit is added and it contains concentrated fruit juice or fruit pulp, the proportion of fruit or product in*	**Mead** Mead includes: • honey mead • fortified mead • liqueur mead, and • spiced mead.

Definitions	Examples
the mead is worked out by assuming that it has been reconstituted according to the recommendations of the manufacturer of the concentrated fruit juice or pulp.	
Sake *Sake is a beverage that:* • *is the product of the complete or partial fermentation of rice* • *has not had added to it any ethyl alcohol from any other source, and* • *has not had added to it any liquor or substance that gives colour or flavour.*	**Sake** Sake includes: • fermented sake, and • rice wine. Distilled sake does not satisfy the definition and is not included.

46. Paragraph 68

Omit the wording of the paragraph; substitute:

> Any subsidy payable by the states or territories, or grant payable by another Federal Government agency (including payments under the Wine Tourism and Cellar Door Grants Program) is claimable from the relevant department or authority. It must not be claimed on the activity statement.

47. Paragraph 68B

Omit 'amend you net amount'; substitute 'amend your net amount'.

48. Paragraph 68F

Omit the wording of footnote 37G; substitute:

> Section 284-75 of Schedule 1 to the *Taxation Administration Act 1953* (TAA) and section 298-20 of Schedule 1 to the TAA.

49. Paragraph 69

In the heading, omit '***What happens if***'; substitute '***If***'.

50. Paragraph 69A

After 'Therefore', insert a comma.

51. Paragraph 69B

(a) Omit the wording of footnote 39B; substitute:

> Subsection 19-15(2).

(b) After '(for example', insert a comma.

52. Paragraph 70A

Omit the wording of the paragraph (excluding footnotes); substitute:

> Therefore, if you are an associated producer of one or more other producers for a financial year and the rebate claimed by the group for a financial year is more than the maximum amount of producer rebates to which the group is entitled for the financial year, and you or any other member of the group have not corrected the excess claim in the last tax period of the financial year in which the excess claim was made[41B], then the Commissioner will:
>
> - amend your net amount to include the WET payable in the last tax period of the financial year in which the excess claim was made[41C]
> - seek to recover the excess claim from the group (if appropriate), as each producer member is jointly and severally liable to pay an amount equal to the excess claim[41D], by amending those entities' net amounts in accordance with section 19-25 to include the WET payable, and
> - ensure each of the entities assessed net amounts are not amended for more than the total amount of rebate they individually claimed during the financial year.[41E]

53. Paragraph 70E

Omit all instances of '$350,000'; substitute '$400,000'.

54. Paragraph 70F

(a) Omit all instances of '$350,000'; substitute '$400,000'.

(b) Omit '$550,000'; substitute '$600,000'.

(c) Omit '$900,000'; substitute '$1 million'.

55. Paragraph 70G

(a) Omit all instances of '$350,000'; substitute '$400,000'.

(b) Omit all instances of '$550,000'; substitute '$600,000'.

56. Paragraph 70H

Omit 'tax period(s)'; substitute 'tax periods'.

57. Paragraph 73

Omit the paragraph, including heading.

This Addendum applies from 1 October 2019 (in relation to changes that reference *A New Tax System (Wine Equalisation Tax) Regulations 2019*) and from 1 July 2026 (in relation to changes made by the *A New Tax System (Wine Equalisation Tax) Act 1999* by the

Treasury Laws Amendment (Supporting Choice in Superannuation and Other Measures) Act 2026).

Commissioner of Taxation
29 July 2026

ATO references

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