* All labelling requirements to be within .5% alc/vol (as in most of the rest of the world) instead of the current 1.5%. This will ensure integrity in a volumetric system and raise revenue.
* A rebate set to $350,000 and indexed for those (except as in item 5 below) with vineyard and/or winery assets (e.g. personal majority control only) ownership or long term (minimum three year) exclusive leases over same. Cellar doors should be considered but would have to be owned, not leased, because they require far less outlay and capture the pointy end of the value chain only. This will ensure continuing real investment across the grape wine and tourism value chain in regional Australia.
* The rebate should wind back as companies grow – above $10 million in annual revenue, they should receive no benefit. As in any good progressive tax system, the wealthiest and largest should pay a bit more.
* The rebate should be available to those without assets (as above) who live and work in a regional area for a maximum of five tax years. After that, if they have not been successful enough to persuade a bank or investor to back them in purchasing assets, they shouldn’t continue to benefit from the rebate. This will ensure the door isn’t closed to new entrants; it will help weed out the less successful and save the taxpayer some money.
* All rebates and assets should be somehow linked or tied to an individual’s tax file number – e.g. they should not be able to operate under multiple entities or access successive rebates every five years.

While there is something here for everyone to not like, these rules would eliminate oversupply, create and sustain a market for regional investment and generational transition, create incentives to make lower alcohol wine of greater quality and replace a culture of rent-seeking with a culture of ownership and profitability for regional Australia and the Australian wine industry.

James Kellie

Owner/Winemaker