



Australian Government

Australian Grape and  
Wine Authority

## Wine Australia for Australian Wine

10 January 2017

### **Inquiry into the provisions of the Export Finance and Insurance Corporation Amendment (Support for Commonwealth Entities) Bill 2016**

*Submission to Senate Foreign Affairs, Defence and Trade Legislation Committee*

The Australian Grape and Wine Authority (trading as Wine Australia) strongly supports the *Export Finance and Insurance Corporation Amendment (Support for Commonwealth Entities) Bill 2016*.

Wine Australia is the service body for the Australian grape and wine community. Established under the *Australian Grape and Wine Authority Act 2013*, one of our statutory objectives is to promote the consumption and sale of Australian wine overseas.

To further this objective, we regularly partner with the Export Finance and Insurance Corporation (Efic) who support the growth of viable Australian wine businesses in their international operations through the provision of tailored financial solutions. The type of solutions Efic is able to provide to Australian wine producers is currently restricted by the *Export Finance and Insurance Corporation Act 1991* (Efic Act).

We have considered the proposed amendments to the Efic Act as set out in the *Export Finance and Insurance Corporation Amendment (Support for Commonwealth Entities) Bill 2016* (Bill).

We understand that the policy objectives of the two amendments proposed by the Bill are to:

- Allow Efic to offer its specialist financial capabilities in the operation and administration of Commonwealth financing programs, where there is no connection to exports.



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- Enable the Government to better support access by innovative Australian SMEs to global markets.

While Efic can already assist Australian wine companies involved in the supply chain of an export contract (for example, distribution logistics providers or bottlers), Efic cannot assist companies involved in promoting wine unless they have an export contract for which they require funding and their bank cannot assist. Similarly, Efic cannot provide support to Australian wine businesses who seek to promote export sales through investing in wine tourism in Australia.

The change in legislation would enable Efic to support wine companies looking to expand offshore, for example through a sales or distribution office, via a direct loan. In addition, the changes would allow Efic to provide assistance to companies involved in wine tourism which would ultimately help to drive wine exports.

Wine Australia fully supports the proposed amendments to the Efic Act and considers that the changes would increase its ability to effectively deliver its strategic objectives.