



Australian Grape and Wine

**Submission to Joint Standing Committee on
Treaties - Aus UK wine Agreement**

March 2019



Introduction

Australian Grape and Wine Incorporated (Australian Grape & Wine) welcomes the opportunity to provide comment to the Joint Standing Committee on Treaties (JSCOT) regarding the inquiry into the *Agreement on Trade in Wine between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland* (London, 18 January 2019).

Australian Grape and Wine

Australian Grape & Wine is Australia's national association of winegrape and wine producers. Our activities focus upon the objective of providing leadership, strategy, advocacy and support that serves Australian wine businesses now and into the future.

We represent the interests of the more than 2,500 winemakers and 5,000 winegrape growers working in Australia. Our role is to help forge a political, social and regulatory environment - in Australia and overseas - that enables profitable and sustainable Australian wine businesses. These businesses make a significant contribution to growing regional economies by driving growth in jobs, regional exports and food and wine tourism.

Australian Grape & Wine's voluntary membership represents over 75% of the national winegrape crush. We represent small, medium and large winemakers and winegrape growers from across the country. Policy decisions by the Australian Grape & Wine Board require 80% support, ensuring no single category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant industry benefit. In practice, most decisions are determined by consensus.

Australian Grape & Wine is recognised as a representative organisation for winegrape and wine producers under the *Wine Australia Act 2013*, and is incorporated under the *SA Associations Incorporation Act 1985*. We work in partnership with the Australian Government to develop and implement policy that is in the best interests of winemakers and winegrape growers across Australia.

Australia UK wine Trade

The UK remains a critically important market for Australian wine. It is the world's sixth largest wine market, and Australia's number one export destination by volume. It is also Australia's third largest export destination by value, with \$389 million worth of Australian wine exported to the UK in the 12 months to December 2018.

Australian Wine Exports to United Kingdom

Market Size	
Volume	246 ML
Value	AU\$389 Million (fob)
Unit value	AU\$1.58 / litre (fob)
Share of Australian export volume	28.90%
Share of Australian export Value	13.80%
Growth	
1 year volume growth rate	10%
1 year value growth rate	12%
1 year unit value growth rate	2%

Source: Wine Australia, AUSTRALIAN WINE EXPORT MARKET SNAPSHOT - UNITED KINGDOM - year ended December 2018

Agreement on trade in wine between Australia and the United Kingdom (UK)

Australian Grape and Wine welcomes the *Agreement on Trade in Wine between the Government of Australia and the Government of the United Kingdom of Great Britain and Northern Ireland* (the Agreement). The Agreement provides a crucial mechanism for continuity of trade in wine between Australian and the UK.

The Agreement mirrors provisions we have held for many years within an existing agreement between Australia and the European Community on Trade in Wine, providing greater certainty of market access for Australian wine exporters and allowing for a smoother transition when the UK formally separates from the European Union (EU).

Australian Grape & Wine worked closely with the Australian Government to ensure this agreement came to fruition. With the outcome of Brexit shrouded in so much uncertainty, it is great to see this Agreement providing us with a greater possibility of assured access, maintaining access to this vital market for the Australian wine Sector.

Although, there will be still be challenges for exporters in the immediate post-Brexit environment, this deal will significantly help the Australian wine sector during this turbulent time and provides advantages to Australian wine exporters that most of our competitors will not enjoy.

Australian Grape & Wine will continue to work with the Australian Government before and after Brexit to make sure the interests of Australian wine sector are considered.



FOR INDUSTRY, BY INDUSTRY

As reflected in the Hansard speeches we believe this is a non-controversial agreement and encourage all political parties to get behind it to ensure its implementation. We would gladly provide further information to the JSCOT should it be required.

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