


Ballabourneen ... a mouthful worth savouring

Senator John R Williams
Rural and Regional Affairs and Transport References Committees
Parliament House
Canberra 2600

Reference: Enquiry into Australian Wine Industry

Dear Senator,
Thank you for conducting this enquiry.

Ballabourneen Wine Co is a boutique wine making and distribution company located in the Pokolbin area within the Hunter Valley. It was established by my wife and I in 1993 when we bought a small property in the Lower Hunter and planted a vineyard. This was my first experience in the wine industry and it has been a learning curve ever since.

In 2008 we expanded the business by forming a new company, under the same name, in partnership with a winemaker, Daniel Binet, and we have since had seven years of continual and profitable growth. We now operate three cellar doors under different brand names within the Lower Hunter Valley, a 300 tonne winery in which we make our wines and wines for other local wine companies and distribute to Sydney, the Hunter Valley, Newcastle and the Central Coast. In addition we export our branded wine to China, Seattle and Taiwan.

The Hunter Valley is Australia's oldest and equally best known commercial wine region in Australia. If you mention "Hunter Valley" to any wine person in the world they immediately know it is in Australia. It is NSW's most popular tourist destination outside of Sydney attracting over 2 million visitations per year and generating over \$2 billion dollars for the area from the Visitor Economy.

The Hunter Valley is recognised worldwide as the home of the world's best Semillon and its Shiraz and Chardonnay rate equally well throughout the world of wine.

Our submission is focussed on the performance and service offered by the Australian Grape and Wine Authority (AGWA) and its failure to properly and fairly provide value for money and equitable recognition to the Hunter Valley wine industry in particular, and the NSW wine industry in general.

1. AGWA has consistently failed to fairly and equitably promote and market the importance, value and quality of Hunter Valley wines, nationally and internationally. As an example we attach a copy of the latest AGWA Newsletter which has no mention of the Hunter Valley in any of its items. This is not an isolated example and is a constant source of irritation. AGWA is too focussed on promoting and serving the interests of the South Australian, Victorian and Western Australian wine industry. Its location in Adelaide either forces it, or it willingly adopts a southern Australia centric culture and

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emphasis at the expense of and detriment to the other wine states and regions.

2. Two years ago Ballabourneen participated in an AGWA wine Road Show through the first and second tier wine centres in China to support our wine distributor who is based in Shanghai. AGWA had engaged Jeremy Oliver as its wine Ambassador for this campaign. Halfway through this road show Daniel Binet, our representative on the tour, was forced to complain to the organisers about the absence of any mention or tasting of Hunter Valley wines. The organisers (AGWA) reluctantly made a token effort to find one Hunter wine and tried ineffectually to make amends. This investment in time and money of ours was of little or no value to us or our distributor.
3. The perception is that AGWA is big producer, big state and big brand name centric. Whilst we can understand a strategy of focussing on established brand names and varieties, AGWA has a moral and statutory obligation to support, in a similar manner, and with similar resources, the smaller wine producers and regions within Australia. On a regular basis these smaller brands are producing award winning wines of a higher quality and in a greater range of varieties than the "name brands" will ever produce.
4. Ballabourneen, on its own initiative and at its own expense, sourced and developed a market for our wines in China. It has since attended two international wine trade shows, in addition to the above mentioned Road Show, at its own expense and with no assistance from AGWA. At both of these shows no one from AGWA made their presence known to us or offered any assistance despite our distributor advising them that we would be attending in company with other Australian wine producers.
5. Ballabourneen has not applied for or received any financial assistance for its investment in exporting to China, Taiwan or Seattle. The criteria AGWA has established to qualify for financial export assistance precludes small producers such as us from benefitting from the Export Grant Scheme. To qualify we must expend over \$20,000 within two years. This scheme requires us to expend the money and then submit an application for reimbursement and therefore does nothing to ease the cash flow strains we went through in developing this market. A more reasonable scheme would be to subsidise the exporter for a percentage of their legitimate expenditure as evidenced by proof at the time of the expenditure. I attach as part of this submission various emails I and our distributor have sent to AGWA and other parties related to this and other matters. The bigger (mainly publicly listed) wine companies can afford to be reimbursed at a later date or receive a lesser proportion of subsidy money. The industry needs a scheme that incentivises the smaller producer to establish export markets, either through its own initiatives or with the assistance and advice of AGWA. As an example of how dysfunctional the previous schemes operated we were offered the opportunity to attend an AGWA export event to China, along with a large number of other wine companies, for the princely sum of \$16,000. Not only was the figure well out of our reach but why would we want to compete

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against many larger wine companies on that tour hoping our wines would be accepted. There needs to be export programs developed specifically for the smaller producer and there needs to be a selection process to ensure that those smaller producers wishing to participate satisfy specific criteria for quality, quantity and variety. Additionally the participants in any export tour must be selected from diverse regions within Australia and not from just one or two regions from one State.

6. It galls us to see AGWA located in the most expensive commercial areas of Shanghai, Adelaide and New York (and probably London) which is being paid for by our levies. There is absolutely no sound business reason for these offices to be located in these areas. It is a waste of our money as taxpayers. The logic of locating the AGWA offices in the centre of Shanghai instead of the Free Trade Zone still escapes us.
7. Ballabourneen sees no value from AGWA in the levies we reluctantly pay. Indeed, when we were late in submitting our return we were threatened with going to gaol. You can imagine how this drove us further from having any sympathy for or reason to co-operate with AGWA. This is an item of expenditure for which there is no invoice sent and relies upon us to remember to submit, once a year, the return. We are a small business working hard with minimal staff to make a living and unsurprisingly, we do not focus our attention on the needs of AGWA. Whilst we accept the need for the industry, including Ballabourneen, to pay levies to support the marketing, export management, research and advocacy we see minimal demonstrable benefit or return to the NSW wine industry for these levies.
8. A fairer and more transparent model for the collection and distribution of levies would be for all the levies collected from each State, apart from those required for the objectives noted above, to be spent on that State and not diverted or allocated to another State. We see no justifiable reason for levies collected from Ballabourneen to be allocated to promoting, supporting, managing or growing the wine industry in South Australia or elsewhere. We would be far more supportive of AGWA and in paying levies if we knew they were going to be directed to and benefit the NSW wine industry.
9. It is worth your Enquiry considering that part of the levies collected within each State should be allocated, in an equitable manner by AGWA, to the relevant State Government Tourism department to assist in the promotion and marketing of that States wine tourism industry. Wine tourism in NSW is one of the biggest segments of the State's tourism industry. The feeling in the Hunter is that the levies collected from NSW wine businesses are being used to grow other States wine tourism industries. It is an essential part of Tourism Australia's strategy to market and grow the inbound tourism market by promoting Australia's wine and food industries which are already accepted as world leaders in their respective and linked fields. These funds could be applied, in part, to those wine tourism regions in each State that have an established strategy for being export ready and/or having the ability to host international tourists. The other funds could be used to educate and train wine companies to become export ready and/or host international tourists. Whilst the Hunter Valley leads the wine tourism industry in NSW there are a

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number of other wine tourism regions in NSW, in addition to the Hunter, that would greatly benefit from access to additional tourism funding. A more transparent and accountable levy system has to be developed if AGWA is to have any hope of gaining the trust and support of the smaller wine industry players who make up the majority of the wine industry in Australia.

Thank you for the opportunity to submit our concerns to your enquiry and we look forward to receiving and reading the final report.

Yours faithfully,
Ballabourneen Wine Co Pty Ltd

A handwritten signature in black ink, appearing to read 'Alex Stuart', with a long horizontal line extending to the left.

Alex Stuart OAM
Director
6th May, 2015

Alex Stuart

From: Alex Stuart
Sent: Tuesday, 27 November 2012 10:26 AM
To: 'emdg.help@austrade.gov.au'
Cc: Daniel Binet; 'Peter Ting Fang Zhang'
Subject: EMDG Eligibility

Good morning,

Ballabourneen Wine Co, of which I am a director, has been exporting Hunter Valley wine under our own label to Shanghai over the past two years. Whilst the value of wine exported by us to date is about \$260,000 (approximately 4000 x 1 dozen cases) the demand from our distributor is growing and they are committing significant investment in a number of major cities to establish a presence, lift the profile and increase demand for the wines they import from Australia. We are advised by our distributor that Ballabourneen wines are his largest seller.

To date we have expended money on airfares to Shanghai, accommodation, promotional material, trade and wine show costs and Australian based costs in legal fees and finance costs.

We are now about to commit to attending a Wine Australia promotional road show through 4 first tier Chinese cities and 4 second tier cities in June 2013. This will involve additional expenditure of approximately \$10,000 in fees to Wine Australia, travel costs, accommodation and the provision of wine for the road show (free tastings).

Could you please advise me if we are eligible for financial support for our costs to date and for the costs involved in the June 2013 Wine Australia event.



Regards,

Alex Stuart OAM
Ballabourneen Wine Co. *Good mates making Great Wines*

www.ballabourneen.com.au

AWARDED 5 STAR WINERY – James Halliday's Wine Companion 2012
AWARDED AS 1 OF 10 DARK HORSE WINERIES TO WATCH IN 2011-12
BALLABOURNEEN SEMILLON AWARDED AS 1 OF THE TOP 40 WINES IN NSW

Have you stayed at The Dairy Cottage yet? <http://www.ballabourneen.com.au/accommodation/the-dairy-cottage.html>



Alex Stuart

From: @austrade.gov.au
Sent: Tuesday, 27 November 2012 11:44 AM
To: Alex Stuart
Subject: RE: EMDG Eligibility [SEC=UNCLASSIFIED]

Good Morning

In reply to your email we advise the following:

The EMDG scheme:

- encourages small and medium sized Australian businesses to develop export markets
- reimburses up to 50% of eligible export promotion expenses above \$10,000 provided that the total expenses are at least \$20,000
- provides up to seven grants to each eligible applicant.

To access the scheme for the first time, businesses need to have spent \$20,000 over two years on eligible export marketing expenses.

Applications for the 2011-12 grant year close 30 November, 2012.

To be eligible, the business must have:

- income of not more than \$50 million in the grant year
- incurred at least \$20,000 of eligible export expenses under the scheme (first-time applicants can combine two years expenses)
- principal status for the export business (some exceptions apply, eg. event promoters)

What can you claim?

You may claim for expenditure on specific export promotion activities undertaken during 2011-12. If this is your first grant application, you may claim expenses incurred during 2010-11 and 2011-12.

EMDG supports nine categories of promotional activities. You can claim:

Overseas representatives

- o all reasonable costs that you pay to have an overseas representative act on your behalf on a long-term basis to market/promote your product
- o the portion of the fee or expense paid to your overseas representative that relates to promotion of your Australian products. You cannot claim the costs of commission, non-promotional activities your representative carries out for you such as supplying after-sales service, post-contractual training, sourcing of products, arranging clearance, warehousing or collection of goods, importing or promoting ineligible products
- o a maximum of \$200,000 per application is claimable under this category. However, you should include all eligible expenses that you wish to claim in your application to ensure your grant is maximised.

Note: Austrade conducts detailed checks on overseas representative claims and may contact your representative by phone or in person as part of these checks. If you are claiming expenses for overseas representatives, you may be asked to provide additional supporting documentation with your application form.

Marketing consultants

- o the cost of engaging an arms-length consultant to undertake export market research or marketing activities
 - o a maximum of \$50,000 per application is claimable under this category. However, you should include all eligible expenses that you wish to claim in your application to ensure your grant is maximised.
- If you are claiming expenses under the overseas representatives and marketing consultant's categories, you must have documentary evidence that shows the role and function of the representative or consultant.

Marketing visits

- o the cost of travel during the marketing visit e.g. airfares, taxi fares, departure taxes, etc. (only 65% of first class airfares may be claimed)

o an allowance of \$300 per day while you are overseas to help defray accommodation, entertainment and living expenses.

If you are claiming expenses under the marketing visits category you must have trip reports, boarding passes, diary notes and/or other evidence which substantiate the details of the trip. (Accommodation, meals and incidental expenses, are not eligible)

Communications

o the cost of communications to promote your product e.g. fax, emails, phone

o if you do not claim your actual communication expenses, you will receive an automatic 3% addition to your grant.

Free samples

o the cost of providing free samples of the product you are promoting for export.

Note: Free samples of intellectual property or know-how are not eligible. Contact Austrade for more details.

IP registration and related insurance

o the cost of granting, registering or extending rights under foreign laws in relation to eligible intellectual property (up to a maximum of \$50,000 per application)

o the cost of obtaining insurance to protect these rights

Trade fairs, seminars, in-store promotions

o external costs directly related to participating in an international trade fair, seminar, in-store promotion, international forum, private exhibition, or similar activity.

Promotional literature and advertising

o external costs of promotional material, such as brochures, videos, advertising and website development.

Overseas buyers

o the cost of bringing potential buyers who are non-residents to Australia for an eligible export promotion purpose

o a total of \$7,500 per buyer per visit, totalling \$45,000 per application.

To be able to claim EMDG for any of the above activities:

o you must have spent the funds to seek out, create, or increase demand for your product in an export market

o you must be the intended principal in export transactions, i.e. not an agent (exemptions apply for manufacturers or Approved Body applicants, events promoters, suppliers to inbound tour operators or in situations where a company closely related to the applicant owns the product intended for export)

o the expense must have been paid by you during 2011-12 (i.e. it must be taken up as an expense in your books of account, not just in consolidated accounts or in the accounts of a related entity)

o the item paid for must have been provided to you

o you must have evidence of the expense and what it was incurred for (i.e. invoices, bank statements etc.)

Ineligible expenses

As EMDG is designed to assist export marketing, it does not support expenses incurred for product development, production, distribution or certification.

Also, you cannot claim expenses that:

o were incurred by a related business entity

o relate to business with Democratic People's Republic of Korea (DPRK) (North Korea), Iran and New Zealand

o are not promotional

o were incurred by you when you were not a resident of Australia

o relate to after-sales activities

o have or will be subject to reimbursement by a third party (other than EMDG)

o relate to an illegal or unlawful activity

o are commissions or discounts

o are in payment of an Australian tax, levy or charge (except Australian departure tax)

o relate to any form of pornographic material with a classification equivalent to the X-rating for films.

Note: The eligibility of cash payments is limited to \$10,000 per application.

We hope this assists.

Yours faithfully

| Senior Grants Auditor

Export Market Development Grants (NSW & ACT)
Australian Trade Commission (Austrade)
Level 23, 201 Kent Street, Sydney NSW 2000
GPO Box 5301, Sydney NSW 2001

| www.austrade.gov.au

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From: Alex Stuart
Sent: Tuesday, 27 November 2012 10:26 AM
To: EMDG-Help (Sydney)
Cc: Daniel Binet; Peter Ting Fang Zhang
Subject: EMDG Eligibility

Good morning,

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Regards,

Alex Stuart OAM
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w www.ballabourneen.com.au

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Alex Stuart

From: Peter Ting Fang Zhang
Sent: Wednesday, 5 December 2012 8:37 PM
To: Alex Stuart
Cc:
Subject: Wine Australia road show 2013
Attachments: roadshow 2013(1).xls

Dear Alex,

I like to present here a team road show with Wine Australia in 2013.

As you know, wines sales in China have been dominated by French wines (70%). Australian wines are fighting against the rest of the world for the remaining 30%.

No individual Australian winery is capable of Marketing and promotion strongly in China to combat against that.

The idea of joining wine Australia is to market and promote Australian wines as a whole country (region) to establish its own position in China market. (Potential push for more of Government funding for chinese wine market)

2013 is the 2nd year that Wine Australia conduct such an event and I strongly suggest that we all join in together.

I have attached a time table and all associated cost for you to discuss. Please comment ASAP so I could arrange everything early.

I would like to provide 3 staffs for this wine show to help you. (they will be acting as translator, promoter and organizer, one for each winery).

I will do my best to go with you to all 6 cities.

I would like to request your full support that all of you share the cost of this wine show include the cost for the 3 staffs from Canvaloc. (I calculated about A\$8,000 each for you for 6 cities)

Let me know if you need to discuss. Please let me know if you have any other concerns.

Looking forward to a successful marketing event.

best regards,

peter zhang
Director
Canvaloc Corporation P/L

Wine Australia Road Show 2013

Dates and cities:	
20th May 2013:	QingDao City (QD)
22nd May 2013:	Hangzhou City (HZ)
24th May 2013:	KunMing City (KM)
27th May 2013:	Guangzhou City (GZ)
29th May 2013:	Shanghai City (SH)
31st May 2013:	Beijing City (BJ)
Cost for two Booths (share with Ballabourneen, Stanley Lambert, Yangarra together) for all 6 cities @A\$10,800	
rate 6:3, = RMB 68,040	
Idea of sharing booth to represent different wine regions in Australia Hunter, Barossa, McLaren Vale);	
notes:	
1, Calculation based on one person from each winery and one person from Canvaloc to work with each winery, total of 6 people;	
2, Canvaloc provide one staff each for the winery (translator and booth helper) with winery cover the cost of domestic air ticket, accomadation and food cost;	
3, No wages to be paid to canvaloc staffs;	
4, no accomadation needed for canvaloc staffs in SH;	
4, Each winery would cover own sample wines that would be used during the road show; (cost price for the wines reimbursed to canvaloc)	
5, Canvaloc would arrange for transporting all wines to each city and cover all related delivery costs;	
6, Canvaloc is responsible for registration, booking, correspondant and all related matters during the road show;	
7, calculate @RMB 500 per Domestic transfer ticket per person, subject to bookings. Usually could get down cheap once we book early flight;	
8, calculate @RMB 500 per person per night accomadation(4+star), subject to bookings, usually could get budget cheap if booking early;	
9, calculate @RMB 200 per person per day as food and beverage cost;	

10, any additional persons to join would be on own expenses;

11, estimate three sample wines per vintage to be used per city; any new wine vintage need to be brought over or pre arranged by each winery from Australia;

12, all cost does not include international air ticket which would be arranged by each winery separately;

13, suggest all arrive in Shanghai on 18th May 2013, and leave together on 19th May to QingDao city;

14, please arrange ticket Australia- Shanghai return;

15, arriving on 18th May in Shanghai. Please arrange return date accordingly, the road show would finish 31st May. Please advise if any alternative travel arrangements after the road show in China;

Estimate cost and time table: (RMB for 6 person)

Date/city	18 SH	19QD	20QD	21HZ	22HZ	23KM	24KM	25KM	26GZ	27GZ	28SH	29SH	30BJ	31BJ	01SH	total
airticket	0	3,000	0	3,000	0	3,000	0	0	3,000	0	3,000	0	3,000	0	3,000	21000
hotel	1,500	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	1,500	1,500	3,000	3,000	1,500	39000
food	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	18000
transportation	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	1500
samples	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	0
booth	68,040	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68040
total	70840	7300	4300	7300	4300	7300	4300	4300	7300	4300	5800	2800	7300	4300	5800	147540

Total of RMB 147,540 = A\$ 23,419

this is to be shared with Ballabourneen, Stanley Lambert and Yangarra Estate, each of A\$ 7,806.

You may include A\$ 1,000 extra for return air ticket from Australia- Shanghai, that comes A\$ 8806 for each winery for this 6 city roadshow with wine Australia.

We may select to do one wine promotion in Chengdu if we don't go to Guangzhou in between, please comment.

Alex Stuart

From: Alex Stuart
Sent: Thursday, 6 December 2012 4:21 PM
To: (Sydney)
Cc: Daniel Binet; 'Peter Ting Fang Zhang'
Subject: FW: Wine Australia

Hi
Thank you for your previous email regarding the calculation of costs for possible funding from Austrade.
Please see below comments in email below from our distributor in China. We will be attending this road show but I believe his comments are valid. If the Australian wine industry is to succeed in China against increasing international competition being funded from their governments it is hardly an equal playing field and ultimately will be to the detriment of Australian wine companies who have already staked a claim there. I can understand not wanting to financially support Australian wine companies who have no presence there but surely it makes sense to help those who have already invested and made an impression.
Is it possible both Austrade and Wine Australia could reconsider the current funding arrangement criteria?



Regards,

Alex Stuart OAM
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From: Peter Ting Fang Zhang
Sent: Thursday, 6 December 2012 2:37 PM
To: Alex Stuart; Daniel Binet
Cc:
Subject: Wine Australia

Dear Alex,

Thanks for the information. I am not quite sure how does the system working there in Australia.

The interesting part is that Australia does not provide funding in Chinese market while China market is becoming more and more important for Australia wine industry. There's more need to be done by the State or the Federal part to support wine exporting from Australia.

Other countries like France, Chile, Argentina, the government have done a lot to support their wineries exporting by organizing wine seminars, tasting etc with government funding.

If we could all come together with Wine Australia and create some impact in China Market under Australia flag, we would be able to join more wineries together and eventually try to push government funding for the wine industry exporting business in China.

In my opinion, all these kind of marketing events like seminars, wine tasting, road shows should be organized and funded by regional, state or Federal funding for wineries to attend because of strong competition from other countries.

We Canvaloc also need the wineries to come into China Market to promote your wines and Brand image with us together. And we would do our best to minimize th ecost for all of us.

Looking forward to hear from you.

regards,

peter zhang

Alex Stuart

From: Alex Stuart
Sent: Friday, 7 December 2012 12:53 PM
To: 'J.Fitzgibbon.MP@aph.gov.au'
Cc: Daniel Binet; 'Peter Ting Fang Zhang'
Subject: Export Assistance
Attachments: Joel Fitzgibbon email.pdf

Dear Joel Fitzgibbon MP,

As a resident and wine producer in your electorate I wish to bring to your attention the difficulties we, as a small producer and exporter to China, are having getting realistic and meaningful financial support through Austrade and Wine Australia to grow Australia market share of the emerging wine market in China.

Currently, as a first time applicant, we are only eligible for funding if we can demonstrate that we have spent in excess of \$20,000 within the last two years. If we were already a recipient of funding it would have to be \$20,000 over the past year.

Whilst many of the bigger wine producers have the financial capacity to easily spend \$20,000 or more on export marketing, the smaller and boutique producers find it almost impossible to commit that sum of money and survive.

Ballabourneen, through its own efforts and without any assistance from either Austrade or Wine Australia, established its export business to China and we have exported over \$260,000 worth of Hunter Valley wine to Shanghai over the past two years. This involved a significant investment in time and money from Ballabourneen including a trip to China by Daniel Binet, my business partner and winemaker, to assist our Chinese distributor in marketing the wine and judging at the Shanghai International Wine Challenge in 2011. Daniel will also be travelling to China in May 2013 to participate in an Austrade/Wine Australia road show but, as you will see from some of the attached, this will cost us at least \$10,000 in airfares, accommodation, fees and living costs, none of which meets the funding criteria for assistance. We have no choice but be involved in this road show as we cannot afford not to be there and risk losing the investment we have already made and losing our market share we have fought so hard for but there is little equity in this arrangement.

Apart from the current system seemingly favouring the big boys it also favours those larger Australian wine producers who have no current established presence in China but wish to avail themselves of export road shows put on by Austrade and Wine Australia in the hope that they may secure a first time market. This policy ignores those smaller producers like us who are already in the Chinese market and are competing against other wine producing countries who are being substantially assisted by their governments to carve out a market for their wines. Is it not time that both Austrade and Wine Australia decided to back winners as part of their obligation to assist the Australian wine industry to fight on a level playing field for its share of the huge and emerging wine market in China instead of solely funding the players who are only now trying to break into the market or the big producers who can squeeze out or dominate the smaller producers who offer diversity and quality and not dump ordinary wines into the Chinese market?

I have attached a number of emails between our distributor, ourselves and Austrade related to this matter for your information.

I trust that the tone of this email does not appear to be from a whinging small producer who feels hard done by and looking for a free ride from Government. The opportunities presented by the Chinese wine market for Australian wine producers is enormous but it is one we will have to fight for as the entire international wine industry realises this and is fighting for its share with real and effective support from their respective Governments. Only part of the Australian wine industry is receiving similar support and I look to you for assistance so that we are all playing on a level field.



Regards,

Alex Stuart OAM
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Alex Stuart

From: Alex Stuart
Sent: Friday, 7 December 2012 10:44 AM
To: (Sydney)
Cc: Daniel Binet; 'Peter Ting Fang Zhang'
Subject: Further thoughts

Hi

I apologise if I seem to be harassing you which is not my intention but, as you are the only person I know to contact at Austrade, you are the unfortunate and sole beneficiary of my thoughts on the subject of export assistance to the wine industry.

I also confess to not having any detailed understanding or knowledge of the extent of export assistance provided to the wine industry so what I am about to outline may be already supported in one way or another.

For a small and boutique wine producer, such as Ballabourneen, that managed to create a market for its wines in China entirely through its own efforts, it has exerted a tremendous strain on our cash flow over the past 2 years. Yes, we have managed to survive and we are continuing to slowly grow the market and demand for our wines. Daniel Binet, my business partner and winemaker, has travelled to China at our expense to help promote the wine and to accept an invitation to be a judge at the Shanghai International Wine Challenge in 2011, again mostly at our expense apart from some small assistance from the wine show hosts. In my opinion both Austrade and Wine Australia and the Australian taxpayer would receive a far better return on their investment if they assisted those companies, especially the smaller ones, who have, through their own efforts, already established a presence in China but need additional support to consolidate their market position and grow the market. In other words back the winners and not spend all the money on taking wine companies to China who have no market presence but hope, on the back of Austrade and Wine Australia, attempt to find a market. This type of program introduces new Australian wine companies into the market to compete with other Australian companies who have got there under their own efforts. It also does nothing to help level the playing field against those other international wine companies who benefit greatly from their respective governments providing significant financial support.

Ballabourneen, by the time it completes its visit to China next May with Austrade and Wine Australia, will have spent somewhere between \$15,000 to \$20,000 which is a huge investment and commitment for a small wine producer that is making a success of its export efforts but could do so much better if it had effective, constructive value for money support from the Australian Government such as dollar for dollar on specified costs such as air fares, accommodation and marketing.

If you or any Austrade/Wine Australia representatives are in the Hunter in the near future I would welcome the opportunity to meet with you or them to discuss these very important issues with a view to getting some equity into the current system.



Regards,

Alex Stuart OAM
Ballabourneen Wine Co. *Good mates making Great Wines*

w www.ballabourneen.com.au

AWARDED 5 STAR WINERY – James Halliday's Wine Companion 2012
AWARDED AS 1 OF 10 DARK HORSE WINERIES TO WATCH IN 2011-12
BALLABOURNEEN SEMILLON AWARDED AS 1 OF THE TOP 40 WINES IN NSW

Have you stayed at The Dairy Cottage yet? <http://www.ballabourneen.com.au/accommodation/the-dairy-cottage.html>



Alex Stuart

From: Peter Ting Fang Zhang
Sent: Friday, 7 December 2012 11:33 AM
To: Alex Stuart; Daniel Binet
Cc:
Subject: RE: Further thoughts
Attachments: image001.jpg

Dear Alex,

Great thoughts.

I believe that when more wineries join together and from different region, and maybe through the help of some local MP. Australian wine industry does need that kind of help for exporting business, especially to China which is definitely the future for Australian wines.

Not to mention such high Australian dollars at present which do no good for exporting.

But all need to start now and not too late when wines from Chile, Argentina, Brazil, New York (Government brought 300 wineries together to China to establish regional office and marketing events) etc all overtaken Australian 's position in China.

People are talking about new world and old world wines in China. We don't see so much effort from supposed the leader from new world - Australia. The big portion of Australian wines in China were from Bulk exporting which in fact damage the image and brand of Australian wine, and the pricing.

The government really need to start to help to establish the position of Australian Premium wines in China to compete against other new world wines. Individual winery would have less effort and financial power to achieve this.

Wine Australia is a good platform to organize and marketing those events and seminars if more premium wines would present. A dollar for dollar is reasonable and worth to push for as a solution.

Maybe talk to Peter Frazer from Yangarra so that he could push SA state government or local MP as well? (only my thoughts)

Maybe a long way to go to achieve all these. Government has already strong presence of Austrade and wine Australia offices (from each State) in China (Shanghai). Just need to looking into wine Industry.

What is the most effective way of supporting to be able to bring Australian premium wines to be present in China market?

regards,

peter zhang

From: alex
To: @austrade.gov.au
CC:
Subject: Further thoughts
Date: Thu, 6 Dec 2012 23:44:20 +0000

Hi
I apologise if I seem to be harassing you which is not my intention but, as you are the only person I know to contact at Austrade, you are the unfortunate and sole beneficiary of my thoughts on the subject of export assistance to the wine industry.

Alex Stuart

From: Australian Grape and Wine Authority [enquiries=agwa.net.au@mail66.atl161.mcsv.net] on behalf of Australian Grape and Wine Authority [enquiries@agwa.net.au]
Sent: Thursday, 16 April 2015 3:20 PM
To: Alex Stuart
Subject: AGWA Newsletter April 2015

Australian Grape and Wine Authority E-News April 2015

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Message from the CEO

This month, Wine Australia's Regional Roadshow for 2015 started with visits to Clare, the Barossa Valley, McLaren Vale and Langhorne Creek. Over the next three months, we will be visiting 18 wine regions to provide tailored insights into each region's top markets and to discuss market development opportunities.

If you would like to participate in a free Regional Roadshow near you, [click here to register](#).

In March, 20 influential Chinese media, trade and educators participated in the fifth annual China Vintage Trip. They were delighted to experience vintage first hand at wineries in Riverina, King Valley, McLaren Vale, Barossa, Adelaide Hills and Margaret River. They have returned to China with many wonderful memories and a deeper understanding of the diversity, history and excellence of Australian wine.

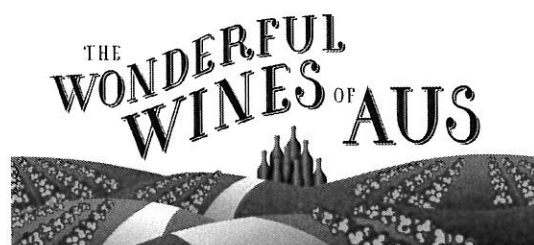
While it is early days, I'm delighted that the Australian wine community has started to reap the benefits of the Japan-Australia Economic Partnership Agreement (JAEPA). In the first two months of 2015, Australian wine exports to Japan increased in volume by 63 per cent and in value by 17 per cent compared with the first two months of calendar 2014.

Aussie Wine Month returns for the fourth year and it's not too late to get involved and register an event. This year we're extending the run of our popular City Cellar Door activation in Sydney and we've launched a new social media competition for consumers as we broaden our call for people to discover something new about Australian wine this May. See the story below for details on how you can get involved.

Cheers,
Andreas



City Cellar Door to pop-up in Sydney for Aussie Wine Month



UK/Europe: D&D joins The Wonderful Wines of Aus

Aussie Wine Month is nearly upon us and events across the country are set to promote Australia's many wines and regions during May. A perfect opportunity for wine lovers to find out more about the local drops from our 65 wine regions, Aussie Wine Month will also bring the vineyard to the city with the City Cellar Door.

[Read more](#)



China: 2015 Vintage Trip

In March, 20 trade, restaurant and media guests from China experienced grape harvesting and winemaking during a nine-day trip to the Riverina, King Valley, McLaren Vale, Adelaide Hills, Barossa and Margaret River.

[Read more](#)

There might be more rain than rainbows, but during April London diners are invited to visit the 'The Wonderful Wines of Aus' in a series of Australian-themed wine events across 10 leading London restaurants.

[Read more](#)



North America encouraged to sip, savour and explore Australian wine in May

Aussie Wine Month is hitting North America with a packed calendar of events throughout May. Wine Australia will be working with various partners to bring a dynamic mix of Australian wine experiences to excite trade and consumers, inviting them to 'sip, savour and explore Australia!'

[Read more](#)



RD&E: Climate change focus in clonal trials

Dr Michael McCarthy's latest research is testing his logistical skills as much as his scientific knowledge. As lead investigator for a major AGWA-funded project assessing clonal variability in Chardonnay and Shiraz, he has to ensure that seven trial sites across three states are picked at similar maturities and that all small lots wines are prepared using similar protocols.

[Read more](#)



UK/Europe: Australia's Majestic Wine promotion

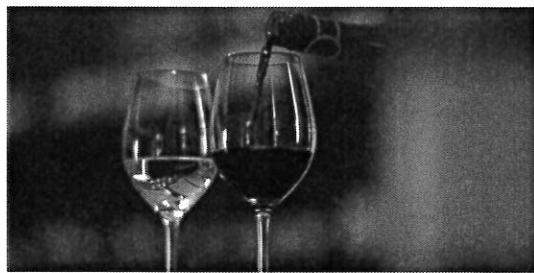
Australian wine and its exciting regional stories have taken centre stage in the UK as the focus of a six-week Majestic Wine store promotion.



China National Food and Drinks Fair, Chengdu

Wine Australia recently took part in the China National Food and Drinks Fair 2015 in Chengdu, exhibiting to an estimated 100,000 visitors over three days.

[Read more](#)



Market Access update: New Export Market Guides available

New Export Market Guides have been released for the emerging markets of Cambodia and Qatar.

The guides provide important information for current and future exporters. They are [available here](#) for levy payers and

[Read more](#)

subscribers.

In other market access news, we have recently improved the functionality of the Wine Export Approvals (WEA) database. The changes to shipping search will make it easier to find existing shipments. For more information on WEA, contact compliance@agwa.net.au.

Key Australian wine events

Aussie Wine Month by the glass competition:

Australian sommeliers, venue managers and restaurateurs are invited to get behind Aussie Wine Month, the country's biggest celebration of Australian wine which runs from 1 to 31 May, by creating an all Australian wines by the glass list throughout the month of May.

All sommeliers who enter the Australian wine by the glass promotion will be in the running to win a week-long trip to experience some of Australia's wine regions including Riverina, King Valley, Mount Benson and Langhorne Creek as part of the Trade Immersion Program (TIP) trip, which will be held in June.

We're calling on sommeliers, venue managers and restaurateurs across Australia to get behind our local wines and winemakers and come up with a creative Australian wines by the glass promotion throughout the month of May, so diners can get a chance to taste some top local drops during Aussie Wine Month.

[Enter here](#) or for more information contact: gabrielle.fittler@wineaustralia.com

Aussie Wine Month Trade competition:

This competition is open to wineries, restaurants, hotels, bars, regional associations and state tourism associations.

Being eligible to win is easy. Apart from hosting or running an event as part of Aussie Wine Month

(which includes participating in the 'Wine by the Glass' competition run as part of Aussie Wine Month), all you have to do during the months of April and May is

- promote Aussie Wine Month and your event on your website and through your digital communications; and
- promote your event on social media using #AussieWineMonth on Facebook, Instagram and Twitter.

Points will be allocated to eligible participants as follows:

- up to 30 points for advertising your event on the web;
- up to 30 points for Instagram activity promoting your event;
- up to 20 points for Facebook activity promoting your event;
- up to 10 points for Twitter activity promoting your event; and
- up to 10 points for promoting your event in your e-newsletter or mail-outs.

The winner will be the entrant that is allocated the highest number of points. The more prominent and creative the event listing and the greater the frequency of the activity, the more points will be awarded. More points will also be granted where listings demonstrate an unwavering commitment to Australian wine and to Aussie Wine Month.

The winner will be determined by an independent panel on 8 June 2015 and will be notified soon after.

*\$1000 User Pays Credit is only available to participating Wineries and Regional Associations.

Tickets to the 2016 One Day Wine School are only available to participating Restaurants, Bars and hotels. Travel not included.

[Enter here](#) or for more information contact: gabrielle.fittler@wineaustralia.com

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