Submission to the Joint Standing Committee on Treaties on the *Protocol to the 2007 World Wine Trade Group Agreement on requirements for Wine Labelling concerning Alcohol Tolerance, Vintage, Variety, and Wine Regions (Brussels, 22 March 2013)* tabled on 11 February 2014.

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Introduction

I am making this submission to the Joint Standing Committee on Treaties (the Treaties Committee) on behalf of the Winemakers Federation of Australia (WFA) concerning the Protocol to the 2007 World Wine Trade Group Agreement on requirements for Wine Labelling concerning Alcohol Tolerance, Vintage, Variety, and Wine Regions (Brussels, 22 March 2013) tabled on 11 February 2014.

Background

Australia has been an active participation in the World Wine Trade Group (WWTG) since it came into existence some 15 years ago. This group is an informal grouping of industry representatives and government officials from eight wine producing countries (Argentina, Australia, Canada, Chile, Georgia, New Zealand, South Africa and the United States).

The Winemakers Federation of Australia have represented the Australian wine sector since the inception of the WWTG and are strong supporters of its efforts in liberalising trade in wine. Two previous Treaty level agreements have been negotiated in this group, delivering millions of dollars in cost savings to its members.

Article 13.1(a) of the *2007 WWTG Agreement on Requirements for Wine Labelling*, which came into force for Australia on 1 June 2012, obligated the Parties to negotiate towards an additional agreement on wine labelling. The Protocol is a result of these negotiations. The Protocol is intended to complement the WWTG *Agreement on Mutual Acceptance of Oenological Practices,* which entered into force for Australia on 1 March 2005, and the *2007 WWTG Agreement on Requirements for Wine Labelling.* The Protocol provides for labelling obligations that are outside the scope of these earlier Agreements.

The purpose of the Protocol is to facilitate trade in wine between the signatories by obligating signatories to accept each other's wine labelling requirements for accuracy in labelling the **alcohol content**, **wine vintages, grape varieties and wine regions**. Australia is a major beneficiary of the Protocol as many of the WWTG participants currently do not recognise Australia's labelling requirements for vintage, variety and wine region claims.

WWTG markets alone account for over 39 per cent of Australia's wine exports, with sales of wine to WWTG markets worth $742 million in the 2011-12 financial year. This agreement will have particular benefits for exporters of Australian wine to the United States (Australia's second biggest market by volume).

The Protocol will facilitate trade in wine between signatories by providing a consistent approach to wine labelling. Australian winemakers will not be required to modify their current labelling practices, but the Protocol means that existing Australian labelling requirements on alcohol tolerance, vintage, variety, and wine regions will be recognized by other signatories.

The Protocol would have no effect on imports of wine into Australia as Australia already accepts the wine labelling requirements of the other Parties for vintage, variety and regional labelling claims. Australia's existing alcohol tolerance parameters, specified in the Australia New Zealand Food Standards Code Standard 2.7.1, are currently more flexible than the alcohol tolerance parameters of other Parties to this Protocol (with the exception of New Zealand, which maintains the same alcohol tolerance requirements as Australia). In practice, this means that Australia already recognises the alcohol tolerance, vintage, variety and regional claims of the signatories. The existing wine labelling regulations will continue to apply for wine produced and/or sold in Australia.

There are no foreseeable costs associated with this Protocol for Australia (including for the Australian Government, the State and Territory Government or the Australian wine industry). The benefits from the agreement, although not quantified at this time, are likely to be in the range of several million dollars.

Conclusion

This agreement will benefit the Australian wine sector, enhance export capability and create no new obligations on producers or consumers in Australia. Winemakers Federation of Australia is a strong supporter of this agreement and commend it to the Treaties Committee.