

leadership

strategy

advocacy

superior

**Submission to the Department of
Agriculture and Water Resources:
Organic Orders Review**

20 February 2017

wfa

Winemakers'
Federation of
Australia

1. Winemakers' Federation of Australia

The Winemakers' Federation of Australia (WFA) is the national peak body for Australia's winemakers. Our objective is to represent the interests of Australian wine producers of all sizes on national and international issues affecting the Australian wine industry, through a single organisation.

Government recognition of WFA as a representative organisation is on the basis WFA represents the entire Australian wine industry, including members and non-members. WFA is recognised as a representative organisation under the *Australian Grape and Wine Authority (AGWA) Corporation Act*. WFA is incorporated under the *SA Associations Incorporation Act 1985*.

WFA voluntary membership represents around 80% of the national wine grape crush. WFA represents small, medium and large winemakers from across the country's wine-making regions, with each having a voice at the Board level. WFA Board decisions require 80% support so no one category can dominate the decision-making process. In practice, most decisions are determined by consensus. WFA works in partnership with the Australian Government and our sister organisation, Australian Vignerons (AV), to develop and implement policy that is in the wine industry's best interests.

WFA's activities are centred on providing leadership, strategy, advocacy and support that serves the Australian wine industry now and into the future.

We welcome the opportunity to provide input into this process as it is of great importance to the Australian wine industry.

2. Organics and the Australian wine industry

Australian organic wine is a category that is and has been growing for some time now. A number of Australian wine businesses utilise organic practices across the vineyard and winery.

Industry market research has shown that unlike broad environmental or ethical label claims on wine, certified organic claims have greater potential to demand a premium price. Consumers are willing to pay a premium for certified organic wine products. Despite this, a number of those utilising organic practices do not become certified as the commercial risks such as disease pressure and ensuring supply, complexity and cost of audits and added compliance burden make it potentially less viable.

For Australian organic wine, export markets are much larger and more valuable than the domestic market. There is significant interest in organic wine in a number of existing and emerging key export markets. Our most valuable export markets include the European Union (EU), United States (US), Canada and China.

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3. Proposed Options and achieving the intended outcome.

The intended outcome of the Departments review, as stated in the consultation paper is to:

“...Improve access for Australian organic products into premium markets, and increase the competitiveness of the Australian organics sector.”

The four proposed options to achieve this outcome are outlined as:

Option 1: Keeping the status quo

Option 2: Selected recognition of other countries’ standards

Option 3: Removing certification requirements for organic exports

Option 4: Replacing the National Standard with AS 6000-2009

None of these options will be effective in achieving the intended outcome for organic wine. Under all of these options organic wine producers supplying to multiple markets will still be required to comply with multiple certification requirements, many of which will audit the same content, in order to export organic wine.

What is needed to achieving the intended outcome in the wine industry is a single Australian standard for organic wine which can be utilised to meet international market requirements through recognition of equivalence by key international markets.

In order to achieve this, the department should negotiate equivalency agreements as a matter of urgency with the EU, US, Canada and China.

4. Conclusion.

The current organic framework in Australia is overly cumbersome and does not support ease of export to high value markets. The proposed options do little to rectify this. In order to genuinely improve Australian organic exports access and competitiveness, the Australian government needs to provide a framework which supports a single Australian Standard that our key export markets will accept as meeting their requirements.

We are highly supportive of efforts to improve organic wine export market access and welcome further dialog, which aims to achieving this outcome.

5. Contact

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