



Australian Grape & Wine submission to:

**UK Wine Reforms Consultation -
Consultation document for the third
phase of AEUL (assimilated EU law) wine
reform.**

May 2024

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About Australian Grape & 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 6,000 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 and winegrape growing businesses. These businesses make a significant contribution to underpinning regional economies by driving growth in jobs, regional exports and food and wine tourism. 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 winegrape growers and winemakers across Australia.

Information about you

1. Would you like your response to be confidential?

No

2. Who are you responding as?

Industry (multiple businesses) - In an official capacity representing the views of multiple businesses or, trade association or, business association

3. If responding as 'Industry (multiple businesses)' in question 2, how many businesses are you representing?

More than 250

4. What is your role in the wine sector supply chain?

Trade body

5. What is the name of your business

Australian Grape and Wine Incorporated

6. Please identify if your organisation is one of the following

Micro business: 1-9 employees

7. Where does your business or organisation operate?

Rest of the world: please specify: Australia – Australian Grape and Wine has offices in Adelaide and Canberra, and represents the interests of grape and wine producers across Australia.

Carbonation of imported bulk wine

8. How likely or unlikely are you (or are those you represent) to make use of the proposed 'Carbonation of imported bulk wine' reform?

Very likely

9. If likely to make use of the proposed 'Carbonation of imported bulk wine' reform, what would this depend on?

This depends on individual company's commercial factors however Australian Grape & Wine members are very likely to utilise these proposed measures provided they are applied in a consistent and flexible manner that aligns with Australian winemaking practices.

10. If likely to make use of the proposed the changes, how long do you anticipate it would take you, or the organisation(s) you represent to implement them?

Less than 1 year

11. To what extent do you agree or disagree with the following statements

- **Carbonation of still, imported wines, should be permitted in England**
Strongly Agree
- **Still wine transformed into sparkling wine in England should show exactly where the wine used in its production originated**

Strongly Agree

12. Please briefly describe the main positive impact(s) the 'Carbonation of imported bulk wine' reform will have for you or your organisation?

Under previous regulation Australian wines imported in bulk cannot be carbonated nor can they undergo secondary ferment within the UK. This means wines must undergo carbonation or secondary ferment prior to being exported.

These changes are likely to mean that wine can be shipped in bulk and undergo carbonation or secondary ferment in the UK resulting in:

- Increased Australian investment in UK based equipment, infrastructure, jobs and UK economy.
- Reduction in carbon footprint with a shift from bottled product to bulk containers (bottled in the UK) being shipped from Australia
- Greater UK consumer choice with an potential to grow and diversify the imported Australian wine market in the UK.
- Potential efficiencies and economies of scale in shipping and transport of Australian wine to the UK

We note that where imported products were converted from one category of grape product to another within the UK (and subsequently sold in the UK or the EU), careful consideration would need to be given to how such goods would be labelled.

13. Please briefly describe the main negative impact(s) the 'Carbonation of imported bulk wine' reform will have for you or your organisation?

Refer to question 12

Sweetening and other adaptation of imported wine

14. How likely or unlikely are you (or are those you represent) to make use of the proposed 'Sweetening and other adaptation of imported wine' reform?

Very Likely

15. If likely to make use of the proposed 'Sweetening and other adaptation of imported wine' reform, what would this depend on?

This depends on individual company's commercial factors however Australian Grape & Wine members are very likely to utilise these proposed measures provided they are applied in a consistent and flexible manner that aligns with Australian winemaking practices.

16. To what extent do you agree or disagree with the following statements?

- **The sweetening and adaptation of wine in in England should be permitted.**

Strongly Agree

- **Businesses should be permitted to correct faults that have occurred during transit of imported wine**

Strongly Agree

17. Which of the following most reflects your views / the views of those you represent: (please select your most preferred option)

- **The front of pack label should indicate whether the wine has been sweetened or adapted in the UK.**
- **The back of pack label should indicate whether the wine has been sweetened or adapted in the UK.**
- **The front of pack and back of pack labels should indicate whether the wine has been sweetened or adapted in the UK.**

18. If applicable, please briefly describe the main positive impact(s) the 'Sweetening and other adaptation of imported wine' reform will have for you / your organisation?

It is usual for customers to require that wines are sweetened prior to bottling, however this is not allowed under current UK regulations. As a result, wines must be sweetened prior to export, which significantly increases the potential for spoilage during the long voyage from Australia to the UK. It is possible that liberalisation of these requirements would therefore further limit spoilage of wine being shipped long distances. .

The reform ought to liberalise arrangements such that Australian wines can be sweetened in the UK and this would further allow for similar potential benefits as outlined in question 12.

We note a number of bilateral trade agreements that prevent the parties from requiring a supplier to disclose an oenological practice on a wine label, except to meet a legitimate human health or safety objective. The UK should consider these obligations in relation to any potential labelling requirements.

19. If applicable, please briefly describe the main negative impact(s) the 'Sweetening and other adaptation of imported wine' reform will have for you/ your organisation?

Refer to Question 18

Producing wine from imported grapes or grape must

20. How likely or unlikely are you (or are those you represent) to make use of the proposed 'Producing wine from imported grapes and grape must' reform?

Very unlikely

21. If likely to make use of this proposed 'Producing wine from imported grapes and grape must' reform, what would this depend on?

22. To what extent do you agree or disagree with the following statements (Strongly agree, agree, neither

agree nor disagree, disagree, strongly disagree, don't know).

- Wine made in England should be permitted to be produced from imported grapes or grape must.
- Wine should be labelled with 'made from grapes imported from X'.
- Wine should be labelled with 'made from grape must from X'.

23. If applicable, please briefly describe the main positive impact(s) the 'Producing wine from imported grapes or grape must' reform will have for you/ your organisation?

24. If applicable, please briefly describe the main negative impact(s) the 'Producing wine from imported grapes or grape must' reform will have for you/ your organisation?

British Wine

25. How likely or unlikely are you (or are those you represent) to make use of the proposed 'British Wine' reform?

Very unlikely

26. If likely to make use of the proposed 'British Wine' reform, what would this depend on?

27. To what extent do you agree or disagree with the following statements (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know).

- The removal of the term 'British Wine' to refer to 'other fermented beverages'.
- The term 'British Wine' should be used for all types of wine made in England.
- The term 'British Wine' should be used only for wines made in England from grapes grown in England.
- The term 'British Wine' should not replace what is currently considered 'English Wine'

28. If applicable, please briefly describe the main positive impact(s) the 'British Wine' reform will have for you/ your organisation?

29. If applicable, please briefly describe the main negative impact(s) the 'British Wine' reform will have for you/ your organisation?

No and Low alcohol wine and changing the minimum alcohol content of wine

30. How likely or unlikely are you (or those you represent) to make use of the proposed 'No and Low

alcohol wine and changing minimum alcohol content of wine' reform?

Very likely.

31. If likely to make use of the proposed 'No and Low alcohol wine and changing minimum alcohol content of wine' reform, what would this depend on?

This depends on individual company's commercial factors however Australian Grape & Wine members are very likely to utilise these proposed measures provided they are applied in a consistent and flexible manner that aligns with Australian winemaking practices.

Reform ought to encourage production of low and no alcohol wine within the UK, thus encouraging innovation, meeting consumer demands, and promoting a reduction in the consumption of alcohol that is consistent with the pursuits of the World Health Organization, and the United Nations' Sustainable Development Goals.

This would require the current 20 per cent maximum ABV reduction to be removed (Appendix 8 of retained Commissions Delegated Regulation (EU) 2019/934) and require the adoption of defined terms for low and no alcohol wines, with it recommended that such terminology be consistent with that of the EU.

Compliance with differing wine labelling laws in export markets presents significant market access challenges for wine exporters. Every labelling change pertaining to wine globally represents a risk that additional trade barriers will ensue, and that additional costs will be incurred. Accordingly, in further developing the reforms the subject of the consultation, the UK Government ought to have consideration to how inconsistencies with laws pertaining to wine labelling in key global markets could be avoided. To that end, it is recommended that regulation / terminology be consistent with that of the EU, which allows dealcoholized products to be marketed as "wine", provided that the mandatory terminology (i.e. "de-alcoholised" or "partially de-alcoholised" as the case may be) is used to label and present the product.

32. To what extent do you agree or disagree with the following statements (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know)

- **There is a need to change the rules to encourage no and low alcohol wines to be produced and/or marketed in England.**
 - Strongly agree
- **'Partially de-alcoholised' or 'reduced alcohol wine' should be produced and / or marketed in the UK**
 - Strongly Agree
- **For wine to be considered as 'partially de-alcoholised' or 'reduced alcohol wine' it has to have had at least 30% of alcohol removed from their original alcohol level**
 - Disagree
- **Wines that are marketed as 'partially de-alcoholised' must have an actual alcohol content of 8.5% or less**

- Strongly Agree
- **No and low alcohol wine products should be allowed to be marketed as wine**
 - Don't know
- **Wine that is 4.5% abv should always be considered wine, even if it does not have a Geographical Indication**
 - Strongly agree
- **It should be permitted to import No and Low alcohol wines to the UK**
 - Strongly agree

33. To what extent do you agree or disagree with the following statement (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don't know)

- **Labelling rules should be flexible to support a diversity of imports needed to meet growing demand for no and low wines**
 - Strongly agree

If you either selected disagree or strongly disagree in the previous question, please briefly explain why

It is unclear to us at this stage the implications of a 30% minimum reduction of alcohol content for 'partially de-alcoholised' or 'reduced alcohol wine'. A number of countries are still establishing requirements for this beverage category and Harmonisation of such requirements will be vital to ensuring we limit trade barriers.

The adoption of defined terms for low and no alcohol wines is beneficial in terms of providing consumers with certainty/clarity. It is recommended that such terminology be consistent with international relations in particular the EU.

34. If applicable, please briefly describe the main positive impacts) the 'No and Low alcohol wine and changing the minimum alcohol content of wine' reform will have for you / your organisation?

Reform ought to encourage production of low and no alcohol wine within the UK, thus encouraging innovation, meeting consumer demands, and promoting a reduction in the consumption of alcohol that is consistent with the pursuits of the World Health Organization, and the United Nations' Sustainable Development Goals.

35. If applicable, please briefly describe the main negative impacts) the 'No and Low alcohol wine and changing the minimum alcohol content of wine' reform will have for you / your organisation?

Compliance with differing wine labelling laws in export markets presents significant market access challenges for wine exporters. Every labelling change pertaining to wine globally represents a risk that additional trade barriers will ensue, and that additional costs will be incurred. Accordingly, in further developing the reforms the subject of the consultation, the UK Government ought to have consideration to how inconsistencies with laws pertaining to wine labelling in key global markets could be avoided. To that end, it is recommended that regulation / terminology be consistent with that of the EU, which allows dealcoholized products to be marketed as "wine",

provided that the mandatory terminology (i.e. “de-alcoholised” or “partially de-alcoholised” as the case may be) is used to label and present the product.

New arrangements for recording approved oenological practices and processes

36. How likely or unlikely are you (or are those you represent) to make use of the proposed ‘New arrangements for recording approved oenological practices and processes’ reform?

37. If likely to make use of the proposed ‘New arrangements for recording approved oenological practices and processes’ reform, what would this depend on?

38. To what extent do you agree or disagree with the following statement (Strongly agree, agree, neither agree nor disagree, disagree, strongly disagree, don’t know).

- **This proposal will reduce admin burden for my business.**

39. If applicable, please briefly describe the main positive impact(s) the ‘New arrangements for recording approved oenological practices and processes’ reform will have for you/ your organisation?

We encourage approval of additives and processing aids, rather than oenological practices.

We support system that encourages implementation of a less restrictive approach akin to that of Australia, where good manufacturing practice (GMP) is encouraged in relation to additives and processing aids - GMP being use of the smallest amount to achieve the desired result.

We would also welcome the UK’s accession to the Agreement on Mutual Acceptance Oenological Practices, which would mean that the UK would recognise wines produced in World Wine Trade Group member countries, and would enable UK-produced wines to be accepted on the same basis. Mutual acceptance would reduce the need for those in third countries to rely upon a database of oenological practices and processes such as this one.

40. If applicable, please briefly describe the main negative impact(s) the ‘New arrangements for recording approved oenological practices and processes’ reform will have for you/ your organisation?

Contact

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