

1 June 2026



HM Revenue & Customs

Via email: alcoholvaluation@hmrc.gov.uk

To HM Revenue & Customs

Re: Submission to HM Revenue & Customs: Evaluation of Alcohol Duty Reforms

Australian Grape and Wine Incorporated (AGW) welcomes the opportunity to contribute to the UK Government's Evaluation of Alcohol Duty Reforms. As Australia's national association of winegrape and wine producers, we represent the interests of the more than 2,000 winemakers and over 5,000 winegrape growers working across Australia's 65 wine regions. AGW has a strong interest in alcohol duty settings that affect access to the UK market, which remains a key export destination for Australian wine. We support evidence-based, proportionate policy approaches that balance public health objectives with economic sustainability and trade considerations.

AGW acknowledges that there is some recent data related to reduction in overall alcohol consumption volumes in some markets, including the UK. However, these trends are complex and influenced by multiple factors beyond taxation policy alone. Global evidence suggests a broader shift in consumer behaviour, including moderation, premiumisation, and increasing demand for lower-alcohol products. In parallel, Australian wine exports to the UK have declined in recent years due to a range of market dynamics, including changing consumer preferences and broader trade conditions. It is therefore important that observed changes in consumption or product mix are not attributed solely to duty reforms.

From a policy perspective, AGW does not support taxation as a broad or primary mechanism to address alcohol-related harm. While taxation can influence price, it remains a blunt instrument that does not effectively target harmful patterns of consumption. Instead, it risks disproportionately impacting moderate consumption and responsible producers, including those exporting to the UK. Evidence-based harm reduction is better achieved through targeted interventions, education, and culturally informed strategies that address the underlying drivers of misuse.

The current duty framework has introduced additional challenges for wine businesses. Strength-based taxation has increased complexity across production, labelling, and export processes. For many Australian producers, especially small and medium-sized enterprises, these changes have generated additional compliance costs and administrative burdens, while also affecting price

**FOR INDUSTRY,
BY INDUSTRY**

**Australian
Grape and Wine Inc**

Postal Address

PO Box 2414
Kent Town SA 5071

Adelaide

Level 1, Industry Offices
National Wine Centre
Botanic Road
Adelaide SA 5000

T +618 8133 4300

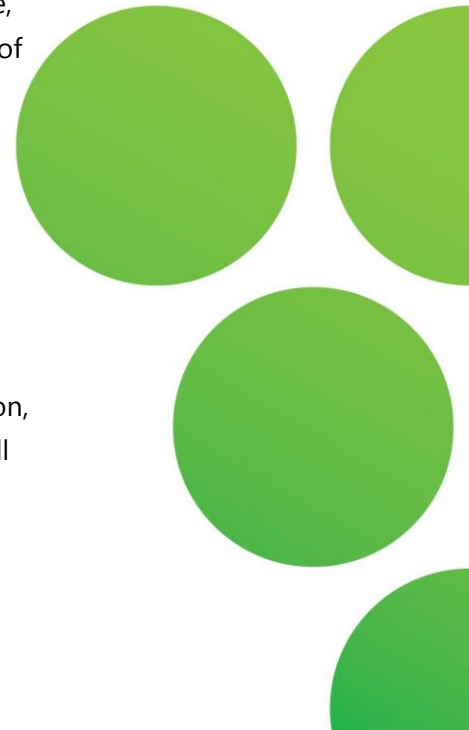
Canberra

Level 1, The Realm
18 National Circuit
Barton ACT 2600

T +61 2 6198 3461

ABN 45 903 873 163

E info@agw.org.au
W agw.org.au



competitiveness in the UK market. This occurs at a time when the global wine sector is already facing significant pressures, including rising input costs, supply chain disruptions, and intensifying international competition.

Recent analysis by Wine Australia indicates that the average alcohol content of Australian wine exports to the UK has shown a gradual downward shift. It is important to note that this downward shift had commenced prior to the implementation of the new duty measures in 2023. While it could be argued that the continuation of this trend since 2023 could suggest some responsiveness to the changing taxation settings, it is critical to recognise that such changes are also driven by evolving consumer preferences and product innovation, rather than fiscal policy alone. The interaction between market demand and supply-side adaptation should therefore be carefully considered when evaluating the effectiveness of duty reforms.

In light of these considerations, AGW encourages the UK Government to adopt a balanced and evidence-based approach in its evaluation. Policymakers should recognise the limitations of taxation as a standalone tool and ensure that measures to address alcohol-related harm are targeted, proportionate, and grounded in behavioural evidence. At the same time, it is important to account for the economic and trade impacts of duty settings on international partners and producers who contribute to the diversity and competitiveness of the UK wine market.

AGW remains committed to constructive engagement and welcomes continued dialogue to support policy outcomes that achieve public health objectives without imposing unnecessary burdens on responsible producers and global trade.

Kind regards



Lee McLean
Chief Executive Officer

References:

- Wine Australia (2025), *Levels of alcohol in Australian wine exports to the UK shift downwards as excise duties increase*, Market Bulletin Issue 331. Available at: <https://www.wineaustralia.com/news/market-bulletin/issue-331>
- Wine Australia (2025), *Australian Wine Export Report (MAT December 2025)*. Available at: <https://www.wineaustralia.com/getmedia/485e12bd-3376-4215-9c10-8d388cfbba94/MI-Export-Report-MAT-December-2025.pdf>