



Australian Government

Wine Australia

1 August 2025

The Hon Dr Jim Chalmers MP
Treasurer of Australia

Senator the Hon Katy Gallagher MP
Minister for Finance
Minister for the Public Service
Minister for Women

c/- Parliament House
Canberra ACT 2600

Dear Treasurer and Minister for Finance,

Thank you for your letter of 4 July, seeking to identify regulatory reform opportunities that will contribute to productivity growth. I am pleased to respond on behalf of Wine Australia to provide a summary of our current and proposed initiatives in this area.

The wine sector is a significant contributor to Australia's national economy

Australia's wine sector adds value to our economy, from grape and wine production to domestic sales, exports and tourism, contributing an estimated \$45 billion to the national GDP and employing 160,000 people, particularly across rural and regional areas.

The sector's operating environment has significantly impacted productivity and profitability

The years 2020 to 2025 have been particularly challenging, with several external factors impacting the sector's productivity and profitability. These have included Covid 19 and the loss of on-premise business, China's imposition of tariffs, changes in consumer behaviour, adverse weather events and a structural oversupply, as well as increasing market access requirements for sustainability credentials.

Recent regulatory achievements

Wine Australia is a statutory body covering market development, research and innovation investment and regulatory services. As a regulator, Wine Australia invests in the systems and processes required to support this function.



From 2017-20, Wine Australia managed a major IT project to develop its automated Wine Export Approval System (WALAS). The new system went live on 8 June 2020. The overall financial commitment to the project was \$4.15 million, funded out of accumulated, non-RDE levy reserves. WALAS replaced the previous 20-year-old Wine Export Approval system with a modern platform through which exporters can manage their wine exports, import certificates and payment of the regulatory fees and the Wine Export Charge.

The introduction of WALAS in 2020 has significantly strengthened and streamlined the export controls on Australian wine. It ensures that every product that leaves our shore bears correct claims about vintage variety and origin and meets the quality parameters that our trading partners expect.

Through WALAS, each year, in its administration of the export controls set out in the Regulations, Wine Australia's Regulatory Services team:

- approves 15,000+ product approvals per year;
- issues 32,000+ VI-1 Certificates per year;
- issues 18,000+ other certificates per year;
- administers 47,000+ shipping approvals per year; and
- administers circa 2,000 export licences.

Australia's regulatory framework for wine is designed to protect the reputation of our product and is recognised globally as one of the most stringent in the world. Wine Australia's role as regulator continues to have strong support from the sector and enables both a culture of compliance and the negotiation of preferential treatment for Australian wine in an international market context.

Wine remains one of the very few commodities for which an export licence and permit is required to lawfully export from Australia. Our rigorous system ensures that we uphold the reputation of Australian wine both domestically and internationally and that the authenticity, integrity and quality of our product is not compromised.

Wine Australia's regulatory framework is supported by the *Wine Australia Act 2013* and the *Wine Australia Regulations (2018)* and includes:

- administration of the export controls on grape products exported from Australia in accordance with Part 3 of the Regulations by issuing licenses, export approvals for grape products and export certificates;
- maintaining the Register of Geographical Indications and Other Terms in accordance with Part VIB of the Act;



- maintaining the Label Directory established in accordance with Division 4A of the Regulations; and
- ensuring the truth and the reputation for truthfulness of wine labels through administration of the Label Integrity Program (LIP) in accordance with Part VIA of the Act.

This regulatory framework results in positive consumer perceptions of the quality and provenance of Australian wine, which ultimately helps to achieve our other strategic objectives.

Australia's ability to demonstrate the rigour of its wine regulatory system plays an important role in reducing or eliminating non-tariff trade barriers in export markets through rebutting the need for onerous certification and analytic requirements as conditions to import.

Wine Australia also discharges its regulatory functions according to the Government's regulator best practice principles, including continuous improvement, risk management while minimising regulatory burden, and leveraging data and digital technology.

Wine Australia and the sector have come together to develop a 5-year plan to reset in the face of recent challenges

Wine Australia's recently released *Strategic Plan 2025-30*, which aligns closely with sector priorities identified through considerable sector consultation resulting in the *One Grape & Wine Sector Plan* (launched in 2024), addresses these challenges through:

- Market diversification and development
- Consumer-led product innovation
- A national extension and adoption program
- New business models to attract private investment into the sector
- Digital, data and technical transformation to improve business decision making, including in our regulatory system

Among the key challenges for Wine Australia and the sector in the area of data and digitisation are:

- the education/extension support needed to ensure uptake across a very diverse sector workforce with mixed technological literacy;
- a supply chain that lacks cohesion and data sharing across the production, transport and retail sectors; and
- inconsistent data quality and quantity that will make retrospective digitisation of record keeping difficult.



Digitisation and regulatory reform is a significant opportunity to boost productivity and profitability

The grape and wine sector has significant potential to lift both its productivity and sustainability with improved digital and data integration across the supply chain, and Wine Australia aims to support this by i) unlocking the co-investment needed to fund it, ii) building a nationally coordinated extension and adoption program that will assist with education and uptake and iii) delivering a range of related projects. There is also an opportunity to invest in Wine Australia's own regulatory systems and processes, an uplift and renewal of which will undoubtedly also produce efficiency gains and benefits for Government and the sector.

Proposed Wine Australia regulatory reforms to drive productivity are:

- A. Digitise record keeping for the Wine Australia Label Integrity Program.
This will result in
 - enhanced efficiency of the regulatory framework, which is now over 35 years old
 - enhanced interoperability, streamlined compliance and increased efficiency for grapegrowers and winemakers
 - enhanced integrity by tightening up traceability at the start of the supply chain, and
 - increased data availability to aid improved decision making by grape growers and wine makers.
- B. Digitise import/export certificates and enable system-to-system communication between export and import markets.
This will result in:
 - enhanced and improved collaboration with other regulators
 - automated, real-time, and more secure verification;
 - improved market access by reducing delays at ports of entry and easier compliance;
 - a more agile, trusted, and responsive trade environment, positioning exporters to better compete in global markets while enabling governments to uphold regulatory standards with reduced resourcing; and
 - lowered barrier to entry for small and medium exporters by streamlining complex regulatory processes.
- C. AI-enabled wine label checking
This will result in:
 - increased efficiency by automated checking of wine labels to ensure labelling regulations and other country-specific import requirements are met.



Further, the sunseting of the *Regulations* in 2028 provides a potential window of opportunity to update mandated record keeping requirements for improved efficiency and data collection powers. In addition to enhancing existing regulation and improving our labelling and record keeping verification and export approval processes, this could serve a number of aligned purposes, including:

- meeting multiple reporting/data collection requirements with a single input.
- ensuring the flow of supply data for the National Vineyard Register (with potential biosecurity management applications) and several other Wine Australia dashboards and resources; and
- supporting the sector's sustainability credentialling through collection of data on ESG practices.

Additional investment is required over and above the current regulatory cost-recovery structure to realise these opportunities

Given the headwinds and profitability challenges facing the sector, increases to the regulatory fees, which are required to be charged at cost recovery, would be problematic at this time. To fund the step change proposed to Wine Australia's Label Integrity Program (reform proposal A) under the current cost recovery structure would require a significant increase to fees and be a much longer-term proposition. To enable a rapid acceleration in productivity for this area, we therefore anticipate the need to seek additional support and investment through grants and other mechanisms.

We recently received support from the Department of Agriculture, Fisheries and Forestry (DAFF) for a suite of projects (including the data-related National Vineyard Register) under the *Grape and Wine Sector Long Term Viability Support* package due to reduced levies, current budget pressures and the challenging environment for the sector.

The proposed step change to Wine Australia's Label Integrity Program would build on these initiatives, providing further impact from this additional support.

Reform proposals B and C are opportunities with significantly lower budgetary requirements. These can be accommodated within Wine Australia's internal regulatory reserves, making these close to or at budget neutrality.



Time frames and next steps

We anticipate that all three projects could be completed and delivered over the short to mid term.

Reform proposal A: *Digitise record keeping for the Wine Australia Label Integrity Program*

Completion date - April 2028.

- In the next six months, we will finalise work on the National Vineyard Register Framework, including industry consultation and support for the preferred model. Budget for this MVP version of the Register is already available through the *Grape and Wine Sector Long Term Viability Support Package*
- Subject to this and to consultation with industry, the Government would insert a requirement into the Wine Australia Regulations, which sunset in April 2028, that all growers supplying grapes to a winery must have a 'National Vineyard ID'.
- Wine Australia would then develop an enhanced National Vineyard Register to managing National Vineyard IDs and maintain records.

Reform proposal B: *Digitise import/export certificates for wine record keeping for the Wine Australia Label Integrity Program*

Completion date – the next few years.

- Wine Australia would develop and implement digitised certification and interoperable systems as part of Wine Australia's Licensing and Approvals System.
- The technical aspects of this project are ICT changes that could be completed within 12 months. Total project completion times are, however, difficult to forecast because this project requires international collaboration - import markets need to be amenable to digitisation and interoperability. Discussions have already commenced with China and Brazil.

Reform proposal C: *AI-enabled wine label checking in place*

Completion date – tentatively, December 2026.

- Wine Australia would develop and implement an artificial intelligence label opinion service modelled on IP Australia's TM Checker service.
- The technical aspects of this project are ICT changes that could be completed by December 2026. There may, however, be some timing implications for this proposal if all three proposals are supported given that Wine Australia has multiple proposals involving ICT development.



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Metrics

A full regulatory impact assessment and costing needs to be completed, but all the details of Wine Australia's costs associated with the current processes are available in our [Cost Recovery Implementation Statement](#). This data and the number of approvals made and certificates issued (more than 50,000 per annum) will provide the baseline to calculate the compliance cost reductions for growers, producers and exporters and thus the productivity gains.

We look forward to taking the initiatives described above forward with the Honourable Julie Collins MP, Minister for Agriculture, Fisheries and Forestry, and in partnership with other Commonwealth agencies and our stakeholders.

Yours faithfully,



Dr Martin Cole
CEO, Wine Australia

cc:

Dr Michele Allan AO, Chair of Wine Australia
The Hon Julie Collins MP, Minister for Agriculture, Forestry and Fisheries