

Wine Australia fact sheet

Industry Growth - A story of achievement



Although a relatively young country, Australia has a wine sector with an impressive history of achievement and innovation going back more than two centuries.

The first vines were carried ashore by the sailors of the First Fleet in 1788 and despite some early setbacks due to Sydney's humidity and rainfall, a successful vineyard was established at Parramatta by a German settler, Philip Schaffer, in 1791. It was Schaffer, not colonial sheep breeder John Macarthur as often suggested, who made the very first Australian vintage in 1795. However, Macarthur's Camden Park property in New South Wales certainly became the largest and best known early vineyard.

Another early influential figure in the fledgling Australian wine sector was viticulturist James Busby. Busby had lived near Bordeaux in France before immigrating to Australia in 1824 and was soon appointed to run an agricultural school which specialised in viticulture. In 1830, Busby took the first cask of wine made from the school's vineyard to England where it was pronounced by the palates of the time as "very promising".

In 1831, Busby undertook a three month tour of Spain and France and returned with a collection of 543 vine cuttings (362 of which survived) and

started the first source block in Sydney's Botanic Gardens, along with duplicate blocks in Victoria and South Australia.

Virtually every variety now recognised by the world's wine drinkers – from Shiraz and Cabernet to Riesling and Muscat – was launched from these blocks. By the 1850s large areas of vineyard were being developed in Victoria, NSW and South Australia.

It was South Australia which became the wine State from the 1880s onwards, largely due to the intervention of a vine aphid, phylloxera, in Victoria and New South Wales. The pest was inadvertently introduced to Australia on planting material after it had destroyed most of the vineyards in the United States and France. South Australia escaped the infestation due to a far-sighted quarantine policy that continues to this day.

With the Victorian and NSW wine industry battling for survival, South Australian growers seized upon the natural benefits of phylloxera free environment and a Mediterranean climate, to become the national headquarters of the industry. The Barossa, settled by Silesian families such as the Gramps (Orlando) and Seppelts and Englishmen such as Smith (Yalumba) and Burge, counted for more than half of production. Other major South Australian vineyards and

wineries included Penfolds in Adelaide and Hardys, south of Adelaide near McLaren Vale.

Until the 1940s, Australia's wine sector rode on a wave of tariff protection known as Imperial Preference, which saw its wines shipped to London and other parts of the Empire instead of their French or Spanish competition.

This ended after World War II, around the same time that an influx of south European refugees to Australia brought a taste for wine along with their exotic food. Australia had been predominantly a fortified wine producer but the demand for table wine swung the industry around and it was soon making sparkling wines, "clarets" and "hocks".

An oversupply of red wine in the 1970s and early 1980s, caused by a preference for white wines including Chardonnay, led to vine pulls as well as vineyard and winery closures. This made the industry realise that a reliance on a small domestic market would always cause cyclical booms and busts.

In the early 1980s, the influential Masters of Wine visited Australia's wine regions for the first time and their glowing praise led to a love affair between England and Australian wine which continues to this day.

The phenomenal success of this export industry can best

be understood statistically – as recently as 1986, imports of wine to Australia exceeded exports. By 1991 the industry was exporting \$200 million worth of wine and in 1999 the figure had leapt to \$1 billion. By 2004, Australia's annual export figure had topped \$2.7 billion.

The United Kingdom continues to be our biggest customer purchasing 43% of our exported wine in 2004-2005. The UK's wine lovers have graduated from Australian Chardonnays to Shiraz and Cabernet, to the point where Australia is now the number one imported wine in the UK (off-trade).

The USA market has also grown rapidly in recent years to about \$1 billion annually, taking 40% of export production in 2004-2005. Other nations to embrace the fruit driven wines of Australia are Canada, New Zealand, Ireland, Germany, Japan and Scandinavia.

In a global scene, Australia is now the fourth largest wine exporter after France, Italy, Spain and our wines are exported to more than 100 countries.



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What is the secret to this incredible success, which now drives many regional centres in Australia and employs tens of thousands of people? Initially, the appeal was the simplicity of Australia's varietal labelling, the straight-forward, uncomplicated styles and the value for money promise – as well as the honesty of the winemakers who were happy to meet consumers and share their wines.

In more recent years, the appeal has been boosted by a broader interest in Australia and the opportunity to travel and learn more about the diversity of wine styles and regions that Australia has to offer.

With much of Europe still to learn about Australian wine and a rapidly growing Asian economy on their doorstep, Australia's grapegrowers and winemakers have numerous opportunities to find new customers and share the joy of drinking Australian wine.

Further reading:

A Concise History of Australian Wine by John Beeston

A history of the Australian wine industry 1949-1994 by James Halliday



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