Introduction

The Australian Grape and Wine Authority is a statutory body established in 2014 to provide strategic support to the Australian wine sector.

Its responsibilities include:
- Export regulation and compliance
- Domestic and international wine promotion
- Wine sector information and analysis
- Maintaining the integrity of Australia’s wine labels and winemaking practices
- Defining the boundaries of Australia’s wine producing areas
- Assisting with negotiations with other countries to reduce trade barriers

About this guide

This Guide has been prepared to assist the Australian wine industry in understanding the regulatory requirements for the production, sale and export of Australian wine products.


Disclaimer

Information contained in this publication is correct at time of publishing and is subject to periodical updates. This is a guide only to assist new or potential exporters with the practical aspects of exporting Australian wine. The Australian Grape and Wine Authority accepts no responsibility from any error or omission in the guide. Further information should be sought from various sources and persons who may be able to offer additional assistance.
Label Integrity Program

The objective of the Label Integrity Program (LIP) is to help to ensure the truth, and the reputation for truthfulness, of statements made on wine labels, or made for commercial purposes in other ways, about the vintage, variety or the geographical indication of wine manufactured in Australia.

Who does the Label Integrity Program apply to?
- Wine grape growers;
- Manufacturers of wine goods;
- Persons who supply or receive wine goods (including a person who sells the wine goods by wholesale or retail or export);
- Agents who take possession of wine goods.

To verify labelling claims, everyone in the wine supply chain must keep an auditable trail of documents indicating the vintage, grape variety and Geographical Indication of wine or grape products that they grow, manufacture, supply or receive (regardless of whether they are acting as an agent).

The LIP prescribes what events must be recorded, but does not prescribe a form in which they must be kept.

As a guide, the Australian Grape and Wine Authority (AGWA) provides LIP statement templates and recordkeeping templates which can be downloaded from the AGWA website.

What does the LIP cover?
The LIP applies to “wine goods” which includes wine or grapes or grape extract used or intended to be used in manufacturing wine.

What is a Label Claim?
A label claim means any claim made or implied about a wine goods’ vintage, variety or geographical indication whether it be on wine labels, records, commercial documents or in advertisements.

AGWA has published a Guide to labelling with Geographical Indications to assist wine manufacturers comply with the relevant requirements.

What must be recorded?

One step back:
- The date the wine goods are received;
- The type, quantity, vintage, variety and GI of the wine goods received;
- The identity of the supplier (or in the case of a winery, the actual winery address/location).

One step forward:
- The date the wine goods are supplied;
- The type, quantity, vintage, variety and GI of the wine goods supplied;
- The identity of the customer.

A Wine Goods Supply Statement must accompany the transfer of wine goods between wine grape growers, manufacturers of wine goods and persons who supply or receive wine goods. The format of this statement is not prescribed. A standard commercial invoice would satisfy the requirements provided it includes; date of supply, identity of supplier and customer, quantity of product and the vintage, variety, and GI.

Additional assurance
In addition to recording ‘one step forward’ and ‘one step back’, in some situations it may be appropriate for receivers on wine goods to request additional assurance from their supplier, to further verify the vintage, varietal and origin claims made about it. For example, receivers might consider requesting statutory declarations from their suppliers, or require suppliers to submit to random audits. In addition, receivers of wine goods may wish to negotiate commercial terms with the supplier that require the supplier to indemnify the receiver for any loss or damage incurred by them as a result of the wine being misidentified.

What are the Penalties?
The Act provides for a penalty of two years imprisonment or a maximum fine of 120 penalty units instead of, or additional to imprisonment for failure to keep a record, keeping a false or misleading record, or for making a label claim not supported by records or for failing to provide a copy of the record when supplying wine goods.
Example Wine Goods Supply Statement

**WINE GOODS SUPPLY STATEMENT**
(to be completed and signed by the grape grower, winemaker or responsible person)

**TO:**
Customer Name  
ABN  
Address  
Phone Number  
Contact Person

**RE:**
__________________________________________ (Name of Wine Goods / Grower Code)

Under the requirements of Part VIA of the Wine Australia Corporation Act 1980:

I/We hereby declare that the ____________________________________ (Tonnes / Litres)

Of _________________________________________ (Fresh Grapes / Grape Juice / Wine)

From ____________________________________________ (vineyard ID / wine batch ID)*

Dispatched from tank number _________________________________ (juice & wine only)

Supplied to _________________________________________________ (customer name)

On _________________________________________________________ (date of supply)

Under order ________________________________ (booking / order / invoice reference #)

has the following vintage, varietal and Geographical Indication composition:

<table>
<thead>
<tr>
<th>VINTAGE</th>
<th>%</th>
<th>VARIETY</th>
<th>%</th>
<th>GEOGRAPHICAL INDICATION</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
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</tr>
</tbody>
</table>

This statement signed by me (the responsible person) is true to the best of my knowledge and belief.

Name: ___________________________  
Title: ___________________________

Signed: ___________________________  
Date: ___________________________

Please ensure that all mandatory fields (marked in red) are completed accurately by the responsible person.

*The wine batch ID MUST relate to the relevant wine processing records for Label Integrity Program traceability purposes.
Records

Records to be kept by the record keeper
(Australian Grape and Wine Authority Act, Section 39F)
- The identity of the record keeper;
- The kind of wine goods to which the record relates;
- The date the record keeper receives the wine goods;
- The identity of the person from whom the wine goods are received;
- The quantity of the wine goods received;
- The vintage, variety and geographical indication of the wine goods;
- Details of steps taken by the record keeper that changed or affected any of the following:
  - The vintage, variety or geographical indication of the wine goods;
  - The tank or other storage unit in which the wine goods were stored;
  - The volume of the wine goods stored in the tank or storage unit;
- The date the record keeper supplies the wine goods;
- The identity of the person to whom the wine goods are supplied;
- The quantity of the wine goods that are supplied;
- The vintage, variety and geographical indication of the wine goods;
- Any other details in relation to the wine goods that are prescribed by the regulations.

Records must be made within three days and retained for seven years.

Exemptions to record keeping (Section 39G)
Grape growers are considered the first link in the chain and accordingly are not required to record details of the receipt of wine goods.

Retailers are not required to record details of the supply of wine goods in the case of direct sales to a consumer. However, the following records must be kept of aggregate sales over a period not exceeding 12 months:

- The total quantity of wine goods sold during the period;
- The vintage, variety and geographical indication of the wine goods.

Identity of a person (Section 39H)
The details required to identify a person along the supply chain include a name and address sufficient to identify the person and in the case of a winery, the name and address of the winery.

Manufacturing wine (Section 39H)
In the case that wine goods are changed or affected in any way, an audit trail containing a history of the changes to the wine goods must be kept in a readily traceable record. The record must be checked for discrepancies by following the sequence of the steps recorded.

Blends (Section 39H)
In the case of blended wines from different vintages, varieties or geographical indications, the records must show what proportions of the blend are represented by each blended wine and the vintage, variety and geographical indication of each blended wine.

Grape extract (Section 39H)
Grape extract derived from grapes of different vintages, varieties or geographical indications must show the proportion of the wine goods derived from each kind of grape and the vintage, variety and geographical indication of each kind of grape.

LIP audits
You may at any time be selected for audit by a AGWA Auditor. The audit may be a cold-call or, an arranged visit, or, may be a desk audit where copies of specific records are requested for audit at the AGWA offices.

Auditors may collect samples, at audits or via email request, in order to survey compliance with the Food Standards Code (including MRLs) and to determine potential Australian exposure to wine contamination issues that arise periodically (e.g. histamine, ethyl carbamate, ochratoxin, heavy metals etc). The particular parameters to be examined will be reviewed at least annually by the Wine Industry Technical Advisory Committee.

In the case of wine producers, auditors will ask to see evidence of the systems implemented to control the incidence of agricultural chemical residues in finished wine. Lack of satisfactory evidence will result in a higher level of sampling.

It is expected that manufacturers and exporters will retain at least two samples of each product registered for export for at least six months after bottling, or three months after exhaustion of stock, whichever is the earliest. Samples of each bulk wine consignment should be retained for at least six months after shipment. It is recommended that manufacturers and exporters retain samples for as long as practical.
The blending rules

Vintage
A vintage is the year in which the grapes were harvested. In the case of fruit harvested after September 1 in a calendar year and on or before December 31, the following calendar year is the effective vintage date.

Variety
Only those grape varieties recognised by one of the following organisations are permitted to be claimed on Australian wine labels:
- OIV (International Organisation of Vine and Wine);
- UPOV (International Union for the Protection of New Varieties of Plants);
- IPGRI (International Plant Genetic Resources Institute).

The OIV List of Vine Varieties and their synonyms permitted for use by Australia can be downloaded from the AGWA website.

Geographical Indication
A Geographical Indication (GI) is a word or expression used in the description and presentation of a wine to indicate the country, region or locality in which it originated or to suggest that a particular quality, reputation or characteristic of the wine is attributable to the wine having originated in the country, region or locality indicated by the word or expression.

Australia’s GIs are published in the Register of Protected Geographical Indications and Other Terms.

Below is a table that provides a summary of the blending rules. Vintages, varieties and geographical indications can only be claimed on labels which meet the definition of wine. “Wine products” cannot make any vintage, or geographical indication claims, variety claims are however permitted. Please refer to the regulations for the specific rules. Any claim must be listed in descending order of its proportion in the wine.

<table>
<thead>
<tr>
<th></th>
<th>Vintage</th>
<th>Variety</th>
<th>GI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
<tr>
<td>Multiple</td>
<td>100%</td>
<td>85%*</td>
<td>95%**</td>
</tr>
</tbody>
</table>

*Each variety named in the description and presentation must be present in greater proportion in the composition of the wine than any variety that is not named

**A maximum of three GIs can be claimed
The manufacture and labelling of wine in Australia is regulated by Federal and State laws. This Guide provides a general overview of legislative and other requirements for Australian winemakers.

Food Standard 4.5.1

Australian wine production is governed by Standard 4.5.1 of the Australia New Zealand Food Standards Code. Standard 4.5.1 applies only to the production of wine in Australia.

Definitions

Wine means the product of the complete or partial fermentation of fresh grapes, or a mixture of that product and products derived solely from grapes.

Sparkling wine means the product consisting of wine that by complete or partial fermentation of contained sugars has become surcharged with carbon dioxide. Sparkling wine may contain grape spirit, brandy and sugars. Sparkling wine must contain no less than 5 g/L of carbon dioxide at 20°C.

Fortified wine means the product consisting of wine to which has been added grape spirit, brandy or both. Fortified wine may also contain caramel.

Grape spirit means the spirit obtained from the distillation of wine or the by-products of winemaking or the fermented liquor of a mash of dried grapes and contains methanol in a proportion not exceeding 3 g/L at 20°C of the ethanol content.

Brandy means the spirit obtained by the distillation of wine in such a manner as to ensure that the spirit possesses the taste, aroma and other characteristics generally attributed to brandy, in accordance with the following requirements:

a. Brandy must be matured in wooden containers for no less than 2 years; and
b. must contain no less than 250 mL/L of the spirit distilled at a strength of no more than 830 mL/L at 20°C of ethanol; and
c. may contain:
   iv. water; and
   v. caramel; and
   vi. sugars; and
   vii. grape juice and grape juice concentrates;
   viii. wine; and
   ix. prune juice; and
   x. honey; and
   xi. flavourings; and
d. must not contain methanol in a proportion exceeding 3 g/L at 20°C of the ethanol content thereof.

Additives

A food additive is any substance not normally consumed as a food in itself and not normally used as an ingredient of food, but which is intentionally added to a food to achieve a technological function (eg, antioxidant, preservative). It or its by-products may remain in the food.

Clause 3 of Standard 4.5.1 lists the approved additives for the production of wine, sparkling wine and fortified wine.

<table>
<thead>
<tr>
<th>Additives</th>
<th>Specification Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ascorbic acid</td>
<td>Good Manufacturing Practice (GMP)</td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>GMP</td>
</tr>
<tr>
<td>Citric acid</td>
<td>GMP</td>
</tr>
<tr>
<td>Dimethyl dicarbonate</td>
<td>200 mg/L</td>
</tr>
<tr>
<td>Erythorbic acid</td>
<td>GMP</td>
</tr>
<tr>
<td>Grape juice including concentrate grape juice</td>
<td>GMP</td>
</tr>
<tr>
<td>Grape skin extract</td>
<td>GMP</td>
</tr>
<tr>
<td>Gum Arabic</td>
<td>GMP</td>
</tr>
<tr>
<td>Lactic acid</td>
<td>GMP</td>
</tr>
<tr>
<td>Malic acid</td>
<td>GMP</td>
</tr>
<tr>
<td>Metatartaric acid</td>
<td>GMP</td>
</tr>
<tr>
<td>Mistelle*</td>
<td>GMP</td>
</tr>
<tr>
<td>Potassium sorbate – sorbic acid</td>
<td>200 mg/L</td>
</tr>
<tr>
<td>Potassium sulphites</td>
<td>See S02</td>
</tr>
<tr>
<td>Sodium carboxymethylcellulose</td>
<td>GMP</td>
</tr>
<tr>
<td>Sulphur dioxide:</td>
<td></td>
</tr>
<tr>
<td>&lt; 35 g/L sugars</td>
<td>250 mg/L</td>
</tr>
<tr>
<td>&gt; 35 g/L sugars</td>
<td>300 mg/L</td>
</tr>
<tr>
<td>Tannins</td>
<td>GMP</td>
</tr>
<tr>
<td>Tartaric acid</td>
<td>GMP</td>
</tr>
<tr>
<td>Yeast mannoproteins</td>
<td>GMP</td>
</tr>
</tbody>
</table>

*Mistelle means grape must or grape juice prepared from fresh grapes to which grape spirit has been added to prevent fermentation and which has an ethanol content between 120 mL/L and 150 mL/L at 20°C.
### Processing Aids

Processing aids are substances used in the processing of raw materials, foods or ingredients, to fulfil a technological purpose relating to treatment or processing, but does not perform a technological function in the final food. The substance is used in the course of manufacture of a food at the lowest level necessary to achieve a function in the processing of that food, irrespective of any maximum permitted level specified.

Clause 4 of Standard 4.5.1 lists the approved processing aids for the production of wine, sparkling wine and fortified wine.

<table>
<thead>
<tr>
<th>Processing Aids</th>
<th>Specification Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activated carbon</td>
<td>GMP</td>
</tr>
<tr>
<td>Agar</td>
<td>GMP</td>
</tr>
<tr>
<td>Alginates, calcium and potassium salts</td>
<td>GMP</td>
</tr>
<tr>
<td>Ammonium phosphates</td>
<td>GMP</td>
</tr>
<tr>
<td>Argon</td>
<td>GMP</td>
</tr>
<tr>
<td>Bentonite</td>
<td>GMP</td>
</tr>
<tr>
<td>Calcium carbonate</td>
<td>GMP</td>
</tr>
<tr>
<td>Calcium tartrate</td>
<td>GMP</td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>GMP</td>
</tr>
<tr>
<td>Cellulose</td>
<td>GMP</td>
</tr>
<tr>
<td>Collagen</td>
<td>GMP</td>
</tr>
<tr>
<td>Copper sulphate</td>
<td>GMP</td>
</tr>
<tr>
<td>Cultures of micro-organisms*</td>
<td>GMP</td>
</tr>
<tr>
<td>Cupric citrate</td>
<td>GMP</td>
</tr>
<tr>
<td>Diatomaceous earth</td>
<td>GMP</td>
</tr>
<tr>
<td>Dimethylpolysiloxane</td>
<td>GMP</td>
</tr>
<tr>
<td>Egg white</td>
<td>GMP</td>
</tr>
<tr>
<td>Enzymes</td>
<td>GMP</td>
</tr>
<tr>
<td>Gelatine</td>
<td>GMP</td>
</tr>
<tr>
<td>Hydrogen peroxide</td>
<td>GMP</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Processing Aids</th>
<th>Specification Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ion exchange resins</td>
<td>GMP</td>
</tr>
<tr>
<td>Isinglass</td>
<td>GMP</td>
</tr>
<tr>
<td>Lysozyme</td>
<td>GMP</td>
</tr>
<tr>
<td>Milk and milk products</td>
<td>GMP</td>
</tr>
<tr>
<td>Nitrogen</td>
<td>GMP</td>
</tr>
<tr>
<td>Oak</td>
<td>GMP</td>
</tr>
<tr>
<td>Oxygen</td>
<td>GMP</td>
</tr>
<tr>
<td>Perlite</td>
<td>GMP</td>
</tr>
<tr>
<td>Phytates</td>
<td>GMP</td>
</tr>
<tr>
<td>Plant proteins permitted as processing aids under clause 3(a) to Standard 1.3.3</td>
<td>GMP</td>
</tr>
<tr>
<td>Polyvinyl polypyrrolidone***</td>
<td>GMP</td>
</tr>
<tr>
<td>Potassium carbonate</td>
<td>GMP</td>
</tr>
<tr>
<td>Potassium ferrocyanide**</td>
<td>0.1mg/kg</td>
</tr>
<tr>
<td>Potassium hydrogen carbonate</td>
<td>GMP</td>
</tr>
<tr>
<td>Potassium hydrogen tartrate</td>
<td>GMP</td>
</tr>
<tr>
<td>Silicon dioxide</td>
<td>GMP</td>
</tr>
<tr>
<td>Thiamine chloride +</td>
<td>GMP</td>
</tr>
<tr>
<td>Thyamin hydrochloride +</td>
<td>GMP</td>
</tr>
</tbody>
</table>

* Cultures of micro-organisms means yeasts or bacteria (including yeast ghosts) used in wine manufacture with or without the addition of any one or more of thiamine hydrochloride, niacin, pyridoxine, pantothenic acid, biotin and inositol.

** If potassium ferrocyanide has been used as a processing aid in the manufacture of a wine, sparkling wine or fortified wine, the final product must have residual iron present.

+ Thiamin chloride and thiamin hydrochloride may only be added to wine, sparkling wine and fortified wine to facilitate the growth of micro-organisms.

*** Wines destined for the EU which have been treated with PVPP should have a residue not exceeding 100mg/L PVPP.
## Wine Composition

<table>
<thead>
<tr>
<th>Analytical Parameter</th>
<th>SPECIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>Minimum</strong></td>
</tr>
<tr>
<td>Alcohol</td>
<td>4.5%</td>
</tr>
<tr>
<td>Wine Sparkling Wine</td>
<td>4.5%</td>
</tr>
<tr>
<td>Fortified Wine</td>
<td>15%</td>
</tr>
<tr>
<td>Methanol</td>
<td></td>
</tr>
<tr>
<td>White Wine &amp; White Sparkling Wine Other products</td>
<td>3 g/L of ethanol</td>
</tr>
<tr>
<td>Sodium Chloride</td>
<td>1 g/L</td>
</tr>
<tr>
<td>Potassium Sulphate</td>
<td>2 g/L</td>
</tr>
<tr>
<td>Phosphorus</td>
<td></td>
</tr>
<tr>
<td>Volatile Acidity</td>
<td></td>
</tr>
<tr>
<td>Cyanides</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td></td>
</tr>
</tbody>
</table>
Wine Labelling

Wine labels are governed by a number of different Federal and State legislation including:

- Australian Grape and Wine Authority Act 2013 and Regulations
- Food Standards Code
- National Trade Measurement Regulations 2009
- Competition and Consumer Act 2010
- State Consumer Laws

Example Australian Wine Label

**BRAND NAME**
Brand names should not mislead as to the origin, age or identity of the wine.

**VOLUME**
Mandatory. Must be 3.3mm in height. May be presented on the front or back label.

**DESIGNATION**
Mandatory. Must convey the true nature of the food, for example the word “wine” or the variety.

**COUNTRY OF ORIGIN**
Mandatory. Wording is not defined, for example, “Wine of Australia” or “Product of Australia”.

**ALCOHOL CONTENT**
Mandatory. Wording is not defined. Tolerances vary between products.

**ALLERGENS**
Mandatory. Sulphites in concentrations above 10ppm and processing aids including milk and egg must be declared.

**VINTAGE**
The harvest year. Vintage claims are optional but must be 85% if claimed.

**REGION (GI)**
GI claims are optional but must be 85% if claimed. Multiple GI claims are acceptable but must be 95% and listed in descending order.

**VARIETY**
Variety claims are optional but must be 85% if claimed. Multiple variety claims are acceptable but varieties must be listed in descending order.

**NAME AND ADDRESS**
Mandatory. The name and street address of responsible entity – must not be postal address only.

**LOT NUMBER**
Mandatory.

**STANDARD DRINKS**
Mandatory. Labels must declare the number of standard drinks it contains. “Contains approx x.x standard drinks” or logo acceptable.
Mandatory Labelling Requirements – Australia

Designation (Name of Food) (Food Standard 1.2.2)
The Food Standards Code requires an appropriate name or description of the food on a label. There are no prescribed names but the food must convey the true nature of the product.

Use of the names “Wine”, “Sparkling Wine”, “Fortified Wine” and “Brandy” must meet the conditions outlined in the Food Standards Code and listed above under winemaking.

Wine products are defined as food containing no less than 700 mL/L (70%) of wine as defined in the Standard, which has been formulated, processed, modified or mixed with other foods such that is not wine. “Wine product”, however, may not be sufficient to convey the true nature of the product. It is strongly advised that wine products with added water, colours etc, be labelled as a “Wine Based Beverage”.

Exported wine products are not permitted to claim a vintage or geographical indication on labels.

Alcohol Statement (Food Standard 2.7.1)
An alcohol statement is mandatory in foods containing more than 1.15% alcohol by volume expressed as X% alcohol by volume or words and expressions of the same or similar effect. The tolerance for the labelling of wine and sparkling wine is 1.5% while fortified wine must be within 0.5% tolerance.

An alcoholic beverage which contains more than 1.15% alcohol must not be represented as a low alcohol beverage.

Volume Statement (National Trade Measurement Regulations)
Wine in standard size containers (as defined in the World Wine Trade Group Labelling Agreement), is exempt from the general requirement that measurement markings must appear on the principal display panel.

Accordingly, Australian wines may indicate the volume on any label; however, exporters should be aware of the “single field of vision” concept applicable in World Wine Trade Group member countries and the European Union.

The statement of quantity must be:
· of at least the prescribed minimum character height (refer to the table below);
· close to the name or brand of the product;
· at least 2 mm from the edges of the package;
· at least 2 mm in any direction from any graphics or written copy;
· in metric units and in clear English;
· clear and stamped or printed in distinct colour contrast to the background graphics.

(Refer to National Trade Measurement Regulations for further information).

Minimum print sizes depending on the largest dimension of the container are also mandatory. In the case of a bottle, this is the bottle height in millimetres. For a cask, it is the measurement of the longest edge. For a standard 750mL wine bottle, the minimum character height is 3.3mm.

<table>
<thead>
<tr>
<th>Largest package dimension</th>
<th>Minimum print height</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;120mm</td>
<td>2.0mm</td>
</tr>
<tr>
<td>120–&lt;230mm</td>
<td>2.5mm</td>
</tr>
<tr>
<td>230–&lt;360mm</td>
<td>3.3mm (standard 750mL bottle)</td>
</tr>
<tr>
<td>&gt;360mm</td>
<td>4.8mm</td>
</tr>
</tbody>
</table>

Country of Origin (Food Standard 1.2.11)
A country of origin statement is mandatory. The name of the country is the only mandatory word, eg, “Wine of Australia” or “Australian Wine”. This statement must be separate from any geographical indication claim and cannot be incorporated with a state or region.

Under Regulation 19 of the Australian Grape and Wine Authority Act a blend of grapes that is produced in more than one country must be identified on the label with the larger percentage of the blend first and, the actual percentage of the blends. For example: “PRODUCT OF AUSTRALIA 90%; NEW ZEALAND 10%”.

The 85% rule does not apply to country of origin and any percentage of imported wine in a blend must be stated.

Name and Address (Food Standard 1.2.2)
The name and business address of either the Australian vendor, manufacturer, packer or importer must be placed on the label. The address must show the road or street number (if any), road or street name, suburb, town, State/Territory (or Postcode). Postal addresses, (eg. PO Box or RSD numbers), cannot be used instead of a physical address.

An address that includes, or implies, a geographical indication could be misleading in cases where there is no other information to clearly identify the source of the wine. The Australian Grape and Wine Authority Act provides a specific exemption where a registered GI is included in a winery’s address. Care should be taken, however, to ensure that the label address is not misleading as to the source of the wine. Registered Geographical Indications in label addresses can only be used if such use is both true and necessary.
Standard Drinks (Food Standard 2.7.1)
A standard drink is the amount of beverage which contains 10 grams of ethanol, measured at 20°C. The formula for the calculation is: container volume (litres) x % alcohol/vol (mL/100mL) x 0.789 (specific gravity of ethanol) = the number of standard drinks.

For example, a 750mL bottle which is 14% alc/vol would be calculated:

\[0.75 \times 14 \times 0.789 = 8.28\]

rounded to one decimal place = 8.3 standard drinks.

The statement should be worded “Contains approx 8.3 standard drinks”. Alternatively, the approved logo may be used.

Allergens Statement (Food Standard 1.2.3)
From 20 December 2002, all food, including Wine and Wine Product, labelled on or after that date must carry an allergen declaration. The prescribed substances are: cereals containing gluten and their products; crustacea and their products; egg and egg products; milk and milk products; nuts and sesame seeds and their products; peanuts and soybeans and their products; added sulphites in concentrations of 10mg/kg or more; royal jelly; bee pollen; and propolis.

The following legal additives and processing aids for wine and wine products are listed as allergenic substances under the Food Standards Code:
- Added sulphites (such as SO2/PMS) in concentrations of 10mg/kg or more (preservative);
- Casein and potassium caseinate (fining agent);
- Egg white (fining agent) (including Lysozyme);
- Milk and evaporated milk (fining agent);
- Nuts (such as non-grape derived tannin that may be made from chestnuts).

The Food Standards Code was amended on 28 May 2009 exempting isinglass (fish) for labelling in wine and beer.

Declaration statement
The actual wording of the statement is not prescribed. As a guide, FSANZ has advised that:
- the law requires a statement to the effect that the substance IS in the product, or has been used in manufacture;
- the law is not met by wording/statements such as “may contain fish or milk product”;
- the statement may be in textual form or the substance(s) simply named in a list of ingredients;
- code numbers may be used instead of the substance name, if listed in Standard 1.3.1;
- where there are added sulphites in concentrations of 10mg/kg or more, allergens labelling requirements are met by claiming “contains sulphites”, without necessarily having to name the actual sulphites used.

The following examples are deemed acceptable:
- Produced with milk;
- Contains/produced with milk product;
- Produced with milk. Traces may remain;
- Produced with milk products. Traces may remain.

The appearance of words such as “casein” on its own is not considered appropriate as few consumers would know what they are without clarification.

Source of additives
Be aware that some allergenic substances can come from obscure sources. For example, some caramels are produced from wheat (gluten), and some “technical” corks may be manufactured using casein-based glues that may leach into the product.

At the time of purchase, wine manufacturers are advised to seek written advice as to the source of any additives, processing aids or packaging or other products that potentially could be the source of allergenic substances. Sources of allergic substances could include failure to adequately clean production machinery, failure to adequately segregate allergenic substances in storage or on the production line, accidental or subversive addition of substances, or the failure of suppliers to identify such substances in their products.

Vintage, Variety and Geographical Indication (Regulations 20, 21, 22)
Vintage, variety and Geographical Indication claims are optional; however, if they are claimed Australian blending regulations apply. Refer to the Blending Rules for further advice.

Vintages, varieties and geographical indications can only be claimed on labels which meet the definition of wine. “Exported wine products” cannot make any vintage or geographical indication claims.

Geographical indications of the European Union cannot appear on Australian labels regardless of the context in which they may be used. For a list of European Geographical Indications refer to the list in the Register of Protected Geographical Indications and Other Terms.

For assistance refer to the Guide to Labelling with Geographical Indications.
Lot Number (Food Standard 1.2.2)
Lot marking is primarily required for the purpose of trace back in the event of a recall for health or safety reasons. If a product is not lot marked then all product carrying the same label may be compulsorily recalled by health authorities instead of just the affected production run.

The format is not prescribed and need only have meaning to the manufacturer. It may be placed anywhere that will be visible after finished packaging, and is often stamped on the bottle at the time of bottling. A lot mark usually commences with the letter L (mandatory for the European Union market) and is often followed by the year and date of packing (for example, L9330 could mean the 330th day of 1999).

Additional Labelling Information

Labelling Item Position
The Food Standards Code does not prescribe where the mandatory information must appear nor does it specify minimum print heights. All mandatory information must be legible and prominently displayed such as to afford a distinct contrast to the background.

Language
The labelling of mandatory information must be in English. Any information in other languages must not negate or contradict the information in English.

Brand Name
Brand names (or any other name) should not mislead as to the origin, age or identity of the wine. If a brand name (or business name) contains a registered geographical indication it can only be used on the label when the wine has been sourced from the relevant GI.

Regulation 17A of the Australian Grape and Wine Authority Act allows for the co-existence of Australian geographical indications and trademarks which were registered by IP Australia prior to the registration of the geographical indication. Refer to the Guide to Labelling With Geographical Indications for further information.

IP Australia administers Australia's IP rights system, specifically patents, trade marks, designs and plant breeder's rights. Trade mark registration can be applied for through the IP Australia website. The website includes a search facility which lists trade marks already registered or those pending registration (Class 33 applies to wine). If you are planning to export you may also need to register the trademark in each country or region.

Bar Codes
Bar codes are not required by law or regulated as to size or placement. They are, however, increasingly required by wholesalers and retailers in Australia and overseas.

The 13-digit EAN (European Article Number) is the most commonly used in Australia and Europe and the only one now accepted in Canada. The USA accepts both EAN and the 12-digit UPC (Universal Product Code). The EAN system can read UPC, but the reverse does not apply.

For further information regarding either system contact GS1 Australia.

Best Before Date
A Best Before Date is mandatory on products with less than two years' shelf life. Standard 1.2.5 of the Food Standards Code defines the "best before" date as: "The date which signifies the end of the period during which the intact package of food, if stored in accordance with any stated storage instructions, will remain fully marketable and will retain any specific qualities for which express or implied claims have been made."

The date must appear in the format "Best Before Dec 12" (or) “Best Before 12 12" and the label must include a statement of any specific storage conditions required to ensure the food will keep for the specified period. In the case of wine and wine product, this normally would only apply where plastic or other non-glass packaging is used and where a limited shelf life (less than two years) is likely. However, if the description and presentation of the wine claims or implies certain qualities (such as freshness, drink whilst young etc.) then a “best before” date is required unless any such claims would remain valid for at least two years.

Carton Labelling
The Food Standards Code requires that all mandatory information for a wine label be re-produced on the outer carton if the product is to be offered in the carton to consumers (for example, a three-bottle presentation pack) as a consumer unit.

Under Trade Measurement (Pre-packaged Articles) Regulations, a trader who packs goods that may be resold at other outlets is required to mark the packs with their name and address or the name and address of the person for whom the goods are packed. The business address or registered business address should be used; a Post Office box number alone is not sufficient. The total volume of the inner packages or the number of packages and the volume of each (for example, 12 x 750mL) also must appear.
Cleanskins
It is not legal to sell or export wine without all mandatory items appearing on the label.

Within Australia unlabelled bottles cannot be sold at retail to the public, but unbroken cartons can be sold if the mandatory information appears on the carton in an acceptable form. Mandatory warning declarations including allergens (which includes sulphites), however, must appear on every bottle.

Health Claims
Under Food Standards Code 1.1A.2, a health claim must not be made in respect of alcoholic beverages.

Maps
Maps appearing on labels, brochures and advertising etc., form part of the description and presentation of the wine. If a geographical indication is named or referred to on a map, and the wine is not sourced from that GI, then it is a false or misleading label claim.

Organic Wine
The manufacture and labelling of organic wine, whether relating to vineyard practices and/or manufacturing practices, is not specifically regulated in wine law. Certification for organic claims can be made by any of the many private organisations that perform this function.

These organic organisations are authorised by the Australian Quarantine and Inspection Service, primarily for the purpose of export certification of agricultural products. Such certification is mandatory as part of the export approval process for all export wine claimed as ‘organic’, ‘bio-dynamic’, ‘biological’, ‘ecological’ or by any other word of similar indication.

Even if no sulphur dioxide has been added, care must be taken in claiming the wine is “sulphur or preservative free”, as sulphur dioxide can be produced by yeast. “Preservative free” should only be claimed if there are no quantifiable levels of sulphur dioxide in the wine.

Register of Protected Geographical Indications and Other Terms
The Register of Protected of Geographical Indications and Other Terms is divided into four parts:

Part 1 – Australian Geographical Indications, foreign country Geographical Indications and translations of those Geographical Indications and any conditions of use applicable to those indications.

Part 2 – Traditional expressions in relation to wines originating in a foreign country and any conditions of use application to those indications.

Part 3 – Quality wine terms for wines originating in Australia and any conditions of use application to those indications.

Part 4 – Additional terms and any conditions of use application to those terms.

Pregnancy Warning
The Winemakers’ Federation recommends that all Australian winemakers include a voluntary pregnancy warning on labels of wine sold in Australia. This initiative is not mandatory but is highly recommended. Further information can be found on the WFA website: www.wfa.org.au/labelling
Exporting

Under Australian Grape and Wine Authority Regulations, all wine shipments over 100 litres require export approval.

The purpose is to protect the reputation of Australian wine by assisting operators in the Australian wine sector to comply with international regulatory requirements; monitoring compliance with relevant elements of Australian law; and investigating breaches when detected.

The approval process includes the following steps:

- Licence to Export
- Product Registration
- Export Permit

Licence to Export

The Regulations require exporters of grape products to be licensed where individual shipments exceed 100 litres. Before granting a licence to export, AGWA considers each application against a set of criteria, specified in Regulation 5(3).

Licences are not transferable and any change in the licensee’s circumstances must be advised to AGWA as soon as practicable. Licences are renewable annually subject to the payment of the renewal fee. Licence application fees are not refundable in the event that the applicant subsequently withdraws the application or AGWA decides not to grant the application.

The regulations provide for the suspension or cancellation of a licence for breaches of the regulations or in other prescribed circumstances.

A licence application can be completed online on the AGWA website. Allow five days for processing your licence.

Licence Criteria:
1. Financial standing of the applicant;
2. The applicant has a place of business in Australia;
3. The applicant is able to obtain grape products;
4. Any matters that may affect adversely the export trade;
5. Any other matters relating to the promotion of Australian wine;
6. Whether the applicant has had a licence cancelled;
7. Whether a related company has had a licence cancelled.

Product Registration

Products must be registered with AGWA prior to export. In order to obtain approval a Continuing Approval Application for each product must be forwarded to AGWA. The application requires analysis details for each wine and the compositional details of the vintage, variety and geographical indication of the wine. Registered products are issued a Continuing Approval Number.

Export Permit

Exporters must submit a Shipping Application for each consignment of wine leaving Australia that is in excess of 100 litres. The shipping application notifies AGWA of the intention to export and should be lodged 10 days before the date of departure.

The application includes all shipping details as well as a list of products with their Continuing Approval Numbers. If the export complies with all necessary requirements, AGWA will issue an Export Permit Number. The permit number is required to obtain the EDN (Exit Declaration Number) from the Australian Customs Service.

Shipping Exemptions

The Regulations allow for specific exemptions to the general conditions of export under legislated circumstances. Shipments over 100 litres require an Export Permit, however, exporters are exempt from the requirement to be licensed when one of the following conditions are met:

- Shipments under 100 litres – defined as a consignment from 1 exporter, or 1 or more related exporters; on 1 ship or aircraft; to a single port of discharge; whether or not to 1 consignee;
- Contained in the personal luggage of a traveller;
- For the household of an individual who is moving house;
- For display at a trade fair or comparable event;
- For a scientific or technical purpose;
- For diplomatic or consular establishments as part of the duty free allowance of the establishment;
- For victualling supplies that are held on board a means of international transport;
- Commercial samples for a prospective buyer.

A Shipping Exemption Form needs to be submitted in order to obtain an Export Permit. Exporters will need to supply supporting documentation including Commercial Invoice/Purchase Order etc.
VI1 Certificates

Wine exports to the European Union (EU) require a VI1 certificate. VI1 Certificates are issued to exporters after an Export Permit has been granted.

When a Shipping Application is submitted, exporters must provide a VI1 Certificate of Analysis for each product. The analysis can be obtained from any NATA-accredited laboratory approved by AGWA. Information and charges are obtainable from the individual laboratories.

Two original VI1 Certificates are issued to the exporter five days after the date of departure or on or before the departure date in the case of exports by airfreight. The original certificates must then be forwarded to the EU agent.

VI1 Exemptions

VI1 Certificates are not required for shipments in the following circumstances:

- Consignments less than 100 litres;
- Personal luggage of travellers – 30 litres;
- Private individual to another – 30 litres;
- Private individuals moving house;
- Trade fairs (samples should be marked “Sample Only – Not for Re-Sale”);
- Scientific of technical purpose – 100 litres;
- Consular establishments;
- Ship stores.

VI1 Analysis

The following analytical parameters are required for VI1 analyses:

<table>
<thead>
<tr>
<th>Analytical Parameter</th>
<th>Packaged</th>
<th>Bulk</th>
</tr>
</thead>
<tbody>
<tr>
<td>Density</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total alcoholic strength – % v/v</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual alcoholic strength – % v/v</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total dry extract – g/L</td>
<td>•</td>
<td></td>
</tr>
<tr>
<td>Total acidity – g/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volatile acidity – meq/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Citric acidity – g/L</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sulphur dioxide – mg/L</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Bulk Wine Exports

It is no longer a requirement to provide evidence of consignee quality management systems in order to approve shipments of bulk wine.

AGWA still retains the power to prevent shipments to offshore facilities where the standards expected by the Australian wine community have not been met.

Loading and Transportation

Bulk wine shipments are subject to loading and transportation specifications. The licensed exporter is responsible for ensuring the requirements of the Procedure for the Preparation and Transportation of Bulk Wine are adhered to. Failure to do so may result in future bulk shipments for the licensed exporter being suspended.

AGWA Auditors have the authority to audit the loading and despatch process (including the required records and retention samples) in order to ensure compliance with the procedure.
Wine Export Charge

The Wine Export Charge is payable by exporters of Australian wine, in accordance with Schedule 13 of the Primary Industries (Customs) Charges Act 1999.

The Wine Export Charge funds the market development activities of the Australian Grape and Wine Authority (AGWA), trading as Wine Australia, that are aimed at increasing the demand, sale and consumption of Australian wine both domestically and overseas.

From 1 October 2015, the Wine Export Charge will be collected by AGWA. Previously the Department of Agriculture and Water Resources has collected this charge.

The Wine Export Charge is calculated as a percentage of the free on board (FOB) sales value. The export charge rates are as follows:

<table>
<thead>
<tr>
<th>Wine free on board (FOB) sales value for the levy year</th>
<th>Levy base amount</th>
<th>Plus</th>
<th>Amount of levy payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0 to $20 million</td>
<td>-</td>
<td></td>
<td>0.20% of value</td>
</tr>
<tr>
<td>$20 million to $70 million</td>
<td>$40,000</td>
<td>+</td>
<td>0.10% of value between $20m and $70m</td>
</tr>
<tr>
<td>$70 million and over</td>
<td>$90,000</td>
<td>+</td>
<td>0.05% of value over $70m</td>
</tr>
</tbody>
</table>

For example, if the FOB sales value is $75,000, the charge payable is calculated as: $75,000 x 0.2% = $150.

Rates are current as at 1 July 2015. The Wine Export Charge excludes GST.

At the end of each quarter, AGWA will provide a Wine Export Summary to licensed exporters who have exported > $500 FOB which include the following:

- Statement of Exports (SOE) – a summarised list with the departed shipments in the quarter, with FOB and Litre totals
- Tax Invoice – a tax invoice which is calculated from the information on the SOE
- Declaration – a declaration return form

Payment of the levy falls due on the 28th day following the quarter end. Failure to make payment by the due date will result in late penalties.

Export Fees

Prices effective from 1 July 2014

<table>
<thead>
<tr>
<th>Total $</th>
<th>[GST exempt]</th>
</tr>
</thead>
<tbody>
<tr>
<td>Licence Application - Wine Grapes Levy-payer*</td>
<td>700.00</td>
</tr>
<tr>
<td>Licence Application - Wine Export Charge-payer*</td>
<td>1,084.00</td>
</tr>
<tr>
<td>Licence Renewal</td>
<td>700.00</td>
</tr>
<tr>
<td>Product Registration - Packaged</td>
<td>28.00</td>
</tr>
<tr>
<td>Product Registration - Bulk</td>
<td>62.00</td>
</tr>
<tr>
<td>Shipping Application - WEA Users [email]</td>
<td>25.00</td>
</tr>
<tr>
<td>Shipping Application - Non-WEA Users [fax]</td>
<td>48.00</td>
</tr>
<tr>
<td>VI1 Certificate</td>
<td>12.00</td>
</tr>
<tr>
<td>Export Certificate - Electronic</td>
<td>25.00</td>
</tr>
<tr>
<td>Export Certificate - Hardcopy**</td>
<td>30.00</td>
</tr>
<tr>
<td>Certificate of Origin</td>
<td>25.00</td>
</tr>
</tbody>
</table>

All fees are payable by cheque or through an established credit facility with Wine Australia.

*A Wine Grapes Levy-payer is a winemaker who is liable to pay the levy pursuant to Schedule 26 to the Primary Industries (Excise) Levies Act 1999. The Wine Export Charge is payable by a licensed exporter on wine produced and exported from Australia. Contact DAFF Levies for further information.

Note, the licence fee incorporates a $200 non-refundable processing charge.

** Fee includes 2 original copies ($1.00 for each additional copy).
Associated Exporters
An exporter may give permission to another exporter to ship their approved products by becoming associated exporters. The exporter who owns the continuing approval numbers needs to send a signed letter to AGWA on company letterhead with the following text:

I, the undersigned, hereby request that (name of Exporter) be added as an Associated Exporter.

I acknowledge that (name of Exporter) will be able to enter the Continuing Approval Numbers I provide them to their Shipping Application.

I understand this grants the Associated Exporter no additional authorisation beyond the ability to apply for an Export Permit.

This is effective immediately and will continue until otherwise notified in writing.

The associated exporter must obtain the continuing approval numbers from the owner of the continuing approval numbers. The associated exporter is not able to access any information related to the continuing approval numbers or apply for label approval.

AGWA must be advised in writing if an association is discontinued with an exporter.

Export Certificates
Some country authorities or importers require additional certification.

AGWA can provide the following certificates, stamped and signed on Australian Government letterhead.

- ChAFTA Certificate of Origin
- Certificate of Free Sale
- China Certificate of Free Sale
- South American Certificate of Free Sale
- Brazil Certificate of Origin
- Brazil Export Certificate (for wines greater than 14% alcohol)
- South African Cultivar Certificate
- Taiwan Alcohol Health Certificate

Exporters can apply for Certificates by completing the templates provided and emailing to Export Assistance for signing and stamping.

Fees are charged for issuing import certificates. Allow 48 hours for processing.

Certificate of Origin
AGWA is able to authenticate Certificates of Australian Origin for consignments which have been granted an Export Permit Number. Nevertheless, Certificates of Origin for Korea, Japan, Thailand, Philippines and Singapore need to be obtained through Australian Chambers of Commerce & Industry (ACCI).

To complete a Certificate of Origin, exporters must fill in each section of the form. Both pages of the document must be printed, with the Rules of Origin on the reverse. A signed copy should be forwarded to AGWA for authorisation. Unsigned copies will not be authenticated. Documents submitted by email must include a scanned signature from an authorised signatory of the company but exporters should check with overseas agents to confirm that a scanned signature is acceptable. Certificates of Origin must always be typed, not handwritten.

Further information on how to complete a Certificate of Origin is provided in the example on the website.

Organic Certificate
Exporters should note that grape products that claim to be ‘organic’ must comply with the provisions of the Export Control (Organic Certification) Orders issued under the Export Control Act, 1982. These orders make it illegal to export organic produce without a certificate issued by an accredited organisation that verifies the nature of the product.

Wines labelled with an ‘organic’ claim must be certified organic by an AQIS approved organic certifying organisation. The exporter must provide a copy of the Organic Produce Certificate for each shipment of an organic wine in order to receive an export permit number.

Any reference to ‘organic’, ‘bio-dynamic’, ‘biological’, ‘ecological’ or any other word of similar indication on a label is taken to be an organic claim.

Australian Standards
Wine and wine products submitted for export must comply with the Australian wine standards as set out by Food Standards Australia New Zealand in the Food Standards Code. The products need to also comply with the law of the country of destination.

The Food Standards Code includes General Standards and standards applicable to Alcoholic Beverages (Part 2.7) and Standard 4.5.1 which is a production standard applicable only to Australian wine.
Each grape product to be exported is required to meet the standards and requirements of Australian wine law unless AGWA has exercised its discretion where a conflicting importing country standard exists.

Export Market Guide
To assist exporters navigate the maze of regulations in access to market, AGWA publishes the Export Market Guide to provide a comprehensive guide to the market and regulatory environment of over 36 key countries. The Export Market Guide is an invaluable tool for information on market size and scope, duties and taxes, wine standards, labelling regulations and other country-specific export requirements.

The Export Market Guides are available for download free of charge to all exporters and levy payers via the AGWA website at the WINEFACTS link.

To gain access you will need to complete the ‘sign up’ form on the website, and ensure that you include your exporter and levy payer ID in the appropriate field. Once your registration has been processed, you will have free access to the guides and other winefacts information.

Appeal Provision
Australian Grape and Wine Authority Regulations include appeal provisions in respect to decisions relating to export licences and export certificates.

An application may be made to the Administrative Appeals Tribunal (AAT) for the review of:
- A refusal by AGWA to grant an export licence.
- A refusal by AGWA to issue an export certificate.
- A decision of AGWA to revoke an export licence.
- A decision of AGWA to suspend or cancel an export licence.

The person making an application to the AAT for a review of a decision made by AGWA is responsible for their own costs, including legal representation if desired.
This section deals with the practical aspects of exporting in basic form. Exporters should refer to more comprehensive sources of information given the complexities of exporting.

Banks and other organisations such as Austrade and the Australian Institute of Export provide assistance to new and potential exporters.

1) Product for Export
A key element in export success is the selection of product to meet the market need. It is therefore of utmost importance that intending exporters carry out a comprehensive assessment of the market to determine consumer preferences, appropriate price points and other market information that will help establish a tentative portfolio of product for export.

The exporter should not only be concerned with price but also future availability. Nothing could be more damaging to an operation than the inability to maintain supply.

2) Packaging and Labelling
The importance of this aspect of wine exporting cannot be over-emphasised.

Most export countries have laws that govern not only the technical specifications of the wines but also how they should be packaged and labelled. These requirements are complex and are often not understood by new or intending exporters. They are set out in detail in the Export Market Guide and should be adhered to in every respect.

Until such time as a product gains consumer awareness, it is the label that does the work.

3) Pricing for Export
This is usually a daunting task for new exporters although the principle is similar to that employed in determining the domestic price. All it requires is an accurate determination of all the costs for the exporter and then to add what is considered an acceptable margin of profit.

In setting the export price the important consideration is to avoid being grossly uncompetitive at the point of sale with products of comparable quality. At the same time, the sales price should not be glaringly pitched below the competition. It is always possible to reduce a price if it is too high but difficult to raise it if too low.

Another important aspect in price setting is the margin built in for promotional activity and the agent’s commission, if it is part of the agreement. This may vary from market to market and the policy of the exporter but generally 7.5% to 10% of the FOB price is considered a reasonable margin for promotion with the agent/distributor being asked to contribute a similar amount (refer to Agent’s Remuneration below). Whatever the final decision with regard to export pricing, it should be part of a long-term strategy and kept as stable as possible over a reasonable period of time.

4) Overseas Agents/Distributors
A decision on the type of distribution most appropriate may vary from country to country but where possible should only be made following a personal visit to that country.

The most common form of distribution is to appoint an agent who is also the importer. These companies sell either directly to retail outlets or to their network of distributors who in turn sell to the retailer. Sometimes it may be in the interests of the exporter to bypass the agent/distributor and sell directly to a large retail chain, which has the ability to take up the exporter’s entire allocation of product for that market.

The decision must be made with extreme caution and only after all aspects of the commitment have been carefully looked at. A good decision is the key to success; a bad one can ruin future prospects for years.

The credentials of the overseas company should be verified either through the banking system or some other reliable source for such attributes as credit worthiness, status and above all the ability to promote sales. When entering into an agency agreement for the first time it is always advisable to introduce a termination clause to guard against unsatisfactory performance over a reasonable period, usually 12 months. A sales target is sometimes set to determine this.

5) Agents Remuneration
Agents will usually seek a commission for their services based on the FOB value of shipments. This would be in addition to their mark-up when selling to the distributor or retailer. It is advisable in any agreement to separate the commission payable from the promotional allowance and to ensure that these costs in addition to the agent’s mark-up are within reasonable limits since they must all be built into the final retail price.

It must be understood that the responsibility for the selection and appointment of an overseas agent rests entirely with the exporter. Avenues of assistance include Austrade offices overseas whose services are available at a fee.
6) Quoting for Export

The end result of pricing for export becomes the export quotation, which in effect establishes precisely what the buyer must pay for the product.

Since there is a long list of costs between the time the consignment leaves the seller's warehouse and arrives at its destination, it is the quotation that spells out who pays what.

The two most common methods of export quotations are expressed as follows:

1. **FOB** – Free on Board (Port of Shipment).
2. **CIF** – Cost, Insurance and Freight (Port of Discharge).

7) FOB

When goods are quoted FOB, it is the exporter's responsibility to deliver the consignment to the ship at the port of shipment and to bear all costs incurred in doing so. The quotation, for example, "$60.00 per carton FOB Adelaide" would include:

- a) The cost of the wine fully packaged including palletisation and the cost of packing the container;
- b) Delivery charges to the wharf;
- c) Wharf charges;
- d) Shipping agent's fees which will include costs of all documentation necessary including the Bill of Lading etc;
- e) Any other costs involved.

Delivery is said to be completed when goods are placed on board and liability ceases for the exporter when goods pass the ship's rail. The buyer is then responsible for the cost of freight, insurance and all charges thereafter until they arrive at the buyer's warehouse.

8) CIF

Under a CIF contract, the exporter's responsibility includes all the costs applying in the FOB contract plus the cost of the ocean freight and insurance with liability ceasing when the goods pass the rail at destination.

The buyer is then responsible for all costs beyond that point.

9) Pros and Cons of FOB/CIF

Buyers generally prefer to be quoted in the currency of their country or in a currency they are familiar with, on a CIF basis. This enables them to predetermine their landed costs even before the goods are shipped.

Whilst this facility may contribute towards obtaining an order, it leaves the exporter exposed to risks of any increases in the cost of freight, insurance and any currency exchange fluctuations.

It is therefore to the advantage of the exporter to commence negotiations on the basis of an FOB quote in Australian dollars and to hold that position unless it becomes absolutely necessary to give ground.

In international trading it is the practice that in an FOB contract the buyer can stipulate how the goods are to be shipped, nominate a shipping agent or shipping line, whereas in a CIF contact the seller has that prerogative.

10) Shipping

Shipping services out of Australia are generally good and it should not be difficult for an exporter to get the product transported to most countries in the world. The best course for new exporters is to engage the services of a reputed shipping agent who will take care of all the complexities of this function. See the following websites for listings of freight forwarding companies:

- [Australian Freight Councils Network](#)
- [Australian Trade and Shipping](#)
- [Logistics Association of Australia](#)

11) Payment Arrangements

Since getting paid is what export is all about, this aspect perhaps needs the closest attention.

Exporters obviously want to receive payment for their goods promptly and without risk while the buyer does not want to pay until after they have seen what they are paying for. The problem is compounded by the fact that between shipment and arrival there is a considerable lapse of time.

Three methods of payment are available and must be agreed upon by the buyer and seller.

1. **Cash up front**
   - The buyer pays for the goods prior to shipment (this does not often happen).

2. **Documentary Letter of Credit**
   - This method provides the exporter with maximum protection in that it assures them of payment provided they have complied with the 'terms' of the credit.

   Overseas importers will often resist this method of payment because of the costs involved in establishing these credits which often require them to lodge a substantial portion of the value of goods with the bank providing the guarantee of payment.

   This method of payment is quite an involved one and therefore exporters without experience should
seek the guidance of their bankers prior to finalising negotiations.

3. Documentary Bill of Exchange: (commonly known as the “Draft”)
   This is in effect an order in writing from the exporter to the buyer requiring them to pay on demand or at a predetermined future date a sum of money (value of the goods) to their banker (or order) in exchange for the documents (Bill of Lading etc) that will give them title to the goods.

   When payment is required prior to delivery of the documents the Bill of Exchange is referred to as a “Sight Draft” or DIP Bill (Documents against Payment) meaning that payment is to be made immediately the Draft/Bill has been “sighted” by the buyer on presentation by the bank.

   When the seller has agreed to accept payment after delivery of the documents and consequently the goods, the transaction is referred to as a DIA Draft or Bill (Documents against Acceptance). All the buyer needs to do on presentation of the Draft is to endorse it as Accepted and sign it.

   The seller does not have the same level of protection in a DIA transaction as they would with the DIP but at least they have the buyer’s legal commitment to pay when the time is due. It is, however, a complex and costly procedure to recover the proceeds of a DIA Draft that has been dishonoured (not paid).

   New exporters would be well advised to consult their bankers on the best course suited to their individual needs.

12) Export Finance and Insurance Corporation
   The Australian Government’s Export Finance and Insurance Corporation (EFIC) provides exporters with a range of finance and insurance services including Export Payment Protection. This protects exporters against non-payment and is particularly important for wine exporters who often sell on extended payment terms.

   Further information can be obtained by contacting any of EFIC’s offices (located in all mainland capital cities) or through their website: www.efic.gov.au.

13) Export Documentation
   There are avenues of assistance that can be used to overcome a substantial part of the handling of export documentation.

   The first step is to appoint a reputable shipping/customs agent. These companies not only provide guidance on the requirements of shipping and customs documentary requirements but will also undertake to process these as part of, or additional to, their fee.

   The exporter’s bank will normally provide the necessary guidance for the documents relative to the financial aspects of the transaction.

   This will leave the remainder of the documentation to the exporter to prepare. The ultimate objective is to ensure that all export documents are not only complete and accurate but also reach the authorities or organisation they are intended for in time.

14) Documentation for Wine Exporting
   Most documents required in an export transaction will be electronic. The manner and order in which these documents are prepared may vary from company to company but generally the action taken and the flow of documents following receipt of an export order would be as follows:

   1. Check customer order to determine whether the price, packaging, delivery, payment terms etc., are as per the original negotiations;
   2. Prepare an order for the production department or supplier and await confirmation of availability of product and delivery time required;
   3. Send customer an acknowledgment of the order advising that a formal confirmation with details of shipping arrangements will follow;
   4. Contact shipping agent to book a vessel suited to the delivery requirements of the order and allowing for the time required for obtaining export approval from AGWA;
   5. When vessel details are known it will be possible to proceed with the preparation of the following documents.

      a) Confirmation of Order: Formal Confirmation of Order to the customer with as much information available about the execution of the order.
      b) Shipping Application: The procedure for completing this document is outlined earlier.
      c) VI1 Certificate (EU shipments): The procedure for completing this document is outlined earlier.
      d) ERA (Export Receival Advice): Prepare and forward to shipping company or agent. The Bill of Lading
is prepared on the basis of information contained in this document.

e) Exit Declaration Number (EDN): It is necessary to obtain a Customs EDN before a consignment can be exported. The Export Permit number is required for Customs to process the EDN.

f) Invoice/Certificate of Origin: These documents may be incorporated in one or made out separately if required by the customer. A special invoice for export should be designed. Since it constitutes the core of the export documents it is in the interests of the exporter to also make it the showpiece. Printing houses familiar with export documents can assist with the design layout. It is usual for the invoice and other supporting documents such as the confirmation of order, insurance declaration and certificate of origin to have a common design layout. An export invoice should normally carry the following information:

- Name and address of exporter;
- Name and address of buyer;
- Date, Invoice Number, Order Number;
- Name of vessel, port of shipment, port of discharge, final destination if relevant;
- Full description of goods, quantities, unit price;
- Discounts if applicable;
- Additions such as freight and insurance costs if part of the contract;
- Case marks and numbers;
- Combined country of origin statement, if required;
- Method of payment;
- Customer's Import Licence particulars, if applicable;
- Any other information called for by the customer either direct or via the letter of credit.

Some countries require these documents to be made out in a special way or on forms designed specifically for that country. It is essential these requirements be met. Some countries further require Invoices and/or Certificates of Origin to be certified or attested to by that country's Consul resident in the country of shipment, or alternatively by the Chamber of Commerce.

Wherever these requirements exist they should be adhered to exactly, particularly if they are incorporated as part of the terms of the letter of credit.

g) Packing List: If a customer calls for a packing list this document is usually made up with the same details as an invoice without the values shown.

h) Insurance Certificate/Declaration: An insurance certificate is to be provided when the exporter is required to insure the goods prior to shipment. It does not necessarily require a CIF contract for the exporter to do this. It often happens that even in a FOB contract exporters are asked to arrange insurance in which case the premium paid is shown as an addition and the Certificate of Insurance which is raised as part of the shipper's "Open Policy" is sent along with the other documents.

The insurance declaration is much the same sort of document except that the shipper's responsibility ceases when they declare the shipment and its value to the insurance company nominated by the buyer with the premium being charged to the buyer direct under their "Open Policy" with the insurer. A copy of the declaration is sent to the buyer.

6. Bill of Lading: This document is made out by the shipping company on information contained in the ERA (Export Receipt Advice). The exporter could ask for two or three original Bills and as many copies as required. For the purposes of establishing title to the goods only the original Bills are negotiable. The use of any one of these Bills causes the others to become void.

Exporters should ensure that the Bills of Lading are made out to conform in all respects to the terms of a Letter of Credit, failing which it may be necessary to negotiate the credit under what is referred to as "Reserve".

7. Bill of Exchange. This document may be prepared on a form provided by the bank. If payment is to be made on a collection basis a Bill of Exchange (Bank Draft) needs to be made out. Exporters should contact their bankers if they are in any doubt as to how the form is to be completed.
Resources & Links

Australian Grape and Wine Authority Act 2013
Australian Grape and Wine Authority Regulations
Standard 4.5.1 – Wine Production Requirements
Standard 2.7.1 – Labelling of Alcoholic Beverages and Food Containing Alcohol
Standard 2.7.4 – Wine and Wine Product
Australian Wine Industry Fortified Wine Code of Practice
WFA Wine Industry Display of Awards Code of Practice
Alcohol Beverages Advertising Code
WFA Wine Packaging Guidelines
AWRI Code of Good Manufacturing Practice for the Australian Wine Industry
WFA Bulletin – HACCP, BRC Standards and GSFI
Guide to Labelling with Geographical Indications
WFA Wine Packaging Guidelines
Export Market Guide
Register of Protected Names
Export Licences – Renewals & Applications
Continuing Approval Application
Shipping Application
Procedure for the Preparation and Transportation of Exported Bulk Wine
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Further assistance can be obtained from AGWA or at the following website:
www.wineaustralia.com

Steve Guy
General Manager – Regulatory Advice

Ivana Rudeš
Manager – Export Assistance

Australian Grape and Wine Authority
Industry House – National Wine Centre
Cnr Hackney & Botanic Roads
Adelaide SA 5000

Export Enquiries:
exports@wineaustralia.com
shipping@wineaustralia.com
certificates@wineaustralia.com

Technical Enquiries:
audit@wineaustralia.com
labels@wineaustralia.com