

# Wine Australia

## Media Release

16 October 2019

### **\$45.5 billion contribution supports healthy regions and jobs**

Australia's grapegrowers, winemakers and wine tourism operators contribute \$45.5 billion to the Australian economy and the sector supports 163,790 direct and indirect full- and part-time jobs, according to an independent economic report produced by AgEconPlus released today by Wine Australia.

Importantly, AgEconPlus found that the wine sector's economic contribution has grown by 13 per cent since 2015, an average growth rate of 3 per cent a year.

Wine Australia data shows that the value of exports grew even faster, growing 36 per cent between 2015–16 and 2018–19 or 11 per cent on average per year.

The study also found that, for every job generated within the wine sector, the general economy would gain an extra 1.35 jobs.

Wine Australia Chief Executive Officer Andreas Clark said that the independent economic report highlights the importance of a vibrant grape and wine sector to jobs, export earnings and the economy.

'Australian wine is grown and produced in 65 wine regions around the country and this report highlights the strong economic contribution of the Australian grape and wine sector to healthy regions and the Australian economy', Mr Clark said.

'The growth in gross output reflects the increase in demand for premium Australian wine in overseas markets.

'The average price of exports has increased by 7 per cent per year from 2015–16 to 2018–19. This contributed to an increase in total winemaking revenue to \$6.3 billion and the average winemaking sector wage to \$70,412, from \$65,000 in 2015', Mr Clark said.

The 163,790 direct and indirect full- and part-time jobs include 5,626 direct jobs in grape growing, 13,563 in wine production and 55,885 directly associated with wine tourism. Employment in the sector declined slightly by 1 per cent per year to 163,790, reflecting ongoing mechanisation in the grapegrowing and winemaking subsectors.

Wages and salaries increased by 4 per cent per year since 2015 to a combined \$12 billion and value-added increased by 3 per cent per year to \$22.5 billion.

In addition to the wine sector's direct economic contribution, the sector also makes a flow-on contribution via strong linkages to other businesses that supply goods and services required for grapegrowing, winemaking and the wine tourism experience, as well as the goods and services demanded by employees.

Wine is Australia's fifth largest agricultural export industry. In 2018, there were estimated to be 2,468 Australian wineries and total Australian wine production was 1.29 billion litres with a gross value to the winemakers of \$6.3 billion.

Winegrapes are grown in every Australian state with South Australia, NSW and Victoria being the largest wine grape producers. In 2018, there were estimated to be 6,251 wine grapegrowers with a vineyard area of 146,128 ha generating a gross winegrape sales value of \$1.11 billion.

The study found that for every additional \$1 million of gross output generated by the wine sector, the broader economy would gain an extra \$2.04 million.

For each additional \$1 million of value-add generated by the wine sector, the broader economy would gain an extra \$2.19 million.

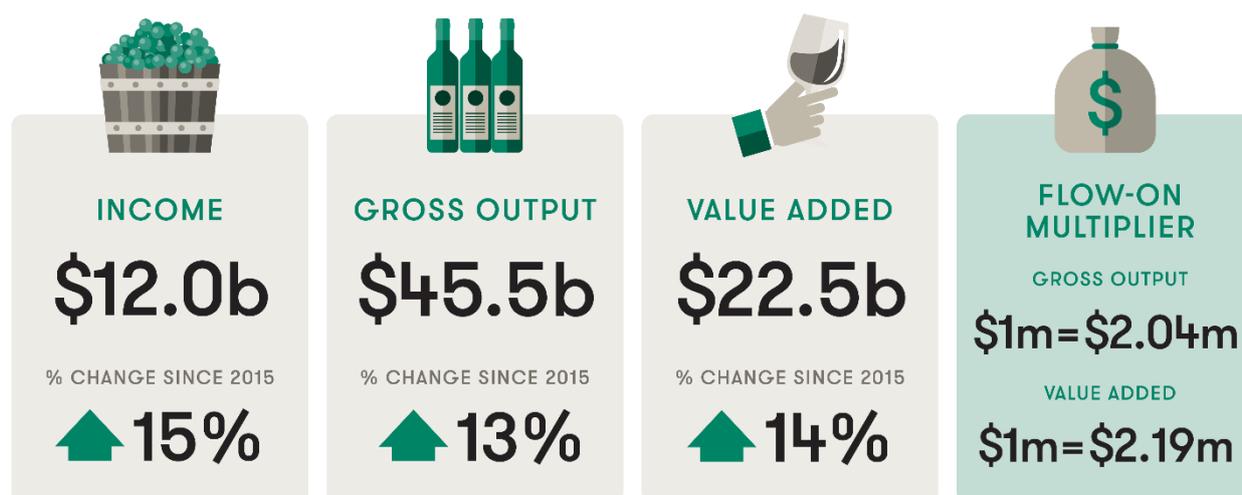
Australian wine is export oriented with more than 60 per cent of production headed for international wine markets including China, the United Kingdom, Canada and the United States of America.

The higher demand for Australian wine has also had a flow-on effect in increasing grape prices, resulting in increased total revenue for the grapegrowing sector. According to the AgEconPlus report, this has dramatically impacted the profitability of grapegrowing in Australia (\$125/ha in 2015 compared to \$1,394/ha in 2018).

The full report is available from <https://www.wineaustralia.com/market-insights/australian-wines-economic-contribution>

Wine  
Australia

## Economic Contribution Report 2019



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**About Wine Australia**

Wine Australia supports a competitive wine sector by investing in research, development and extension (RD&E), growing domestic and international markets, protecting the reputation of Australian wine and administering the Export and Regional Wine Support Package.

Wine Australia is an Australian Commonwealth Government statutory authority, established under the *Wine Australia Act 2013*, and funded by grape growers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for RD&E investments.