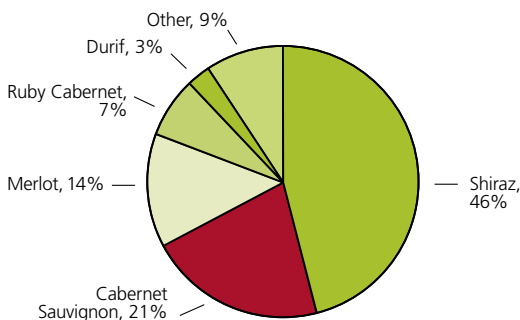




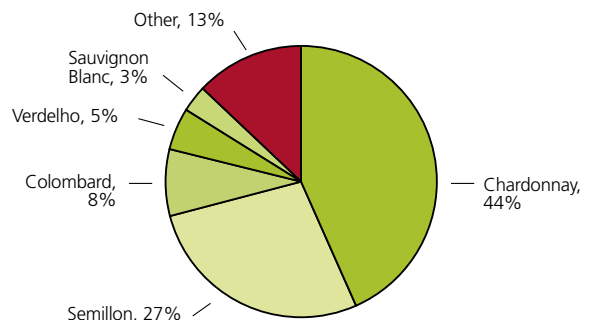
New South Wales Wine Industry Profile

- The New South Wales wine industry has been one of the State's star economic performers over the last decade, regularly setting new records in terms of production, exports, employment, investment and tourism flows. NSW is Australia's oldest wine producing State.
- Australia is ranked 12th in the world for the area of vines planted and 10th for grape production. Australia is also the fourth largest exporter of wines, supplying 111 international markets.
- NSW is the second largest wine producing State accounting for over 30 per cent of the \$5 billion Australian wine industry. The State grows 26 per cent of the industry's wine grapes and produces a third of its wine by volume. In 2006, there were 428 wine producers in NSW and the Australian Capital Territory.
- Wine production in NSW has trebled in the last decade, reaching 464 million litres in 2005. The area under vine increased from less than 15,000 hectares to over 39,000 hectares over this period.
- The value of wine exports from NSW has increased nearly seven fold over the last decade to reach \$557 million in 2004-05. Over this period, the volume of wine exported from NSW expanded almost as rapidly, from 21.5 million litres to 141.5 million litres. NSW now accounts for 21 per cent of Australia's wine exports by volume. Over half of NSW wine exports go to the United States, with other major markets being the United Kingdom, Canada, Germany and Japan. Leading the State's export charge is Casella Wines in the Riverina region with its [yellow tail]® brand – the number one wine by volume imported into the United States. Casella alone exports more wine to the US than France. It is also the number one Australian wine in Japan, Canada, Taiwan and Italy.
- NSW wine production is diverse with a similar proportion of white and red grapes crushed for wine making purposes. Shiraz is the most common red variety, while Chardonnay is the most common white variety. Other important traditional varieties are Semillon, Cabernet Sauvignon and Merlot. In recent years, exciting new varieties have been introduced, particularly in the cool climate regions, including Riesling, Pinot Grigio, Verdelho, Sauvignon Blanc, Pinot Noir, Sangiovese, Barbera, Durif and Chambourcin.
- The wine industry is of major significance to NSW regional economies. The industry comprises a number of diverse regions, all highly regarded for their distinctiveness and quality. The Riverina (around Griffith and Leeton) is NSW's most productive region, accounting for more than half

NSW red varieties



NSW white varieties



the State's wine production, followed by Murray Darling (north of Murray River, principally around Wentworth and Buronga) with around a quarter of production. Wine is also a significant industry in the Hunter region, and around Mudgee, Cowra and Orange in the State's Central West. Emerging regions include Northern Rivers, New England-North West, Hawkesbury, Southern Highlands, Shoalhaven, Canberra district, Young (Hilltops) and Tumbarumba.

Industry Strengths

Clean and green

- NSW's climate and soils provide excellent varietal choice and consistent quality wines. This has made it a strong competitor to countries which have climate restrictions. NSW wines are renowned for their production in a clean, green physical environment. A number of wineries have taken eco-friendly viticulture techniques to another level by going organic. NSW wineries are leading the way in adopting environmental management systems, including the recycling of water and other wastes.

Innovative

- NSW is a leader in innovative wine technology ensuring cost competitive and high quality production, achieving value for money across all price points. NSW boasts state-of-the-art technology in vineyard and winemaking operations and ongoing investment in research and development. The National Wine and Grape Industry Centre at Wagga Wagga in the Riverina region conducts leading research in vine pathology, sustainable viticulture, and grape and wine quality. It recently entered into a five year, \$30 million project called "Winegrowing Futures" in partnership with the NSW Department of Primary Industries and the Grape and Wine Research and Development Corporation.

Skilled

- NSW has a deep pool of skilled viticulturists and winemakers. The State's network of education and training institutions supports the requirements of the industry. This includes technical training for vineyard and winery staff at Technical and Further Education (TAFE) colleges and advanced diploma, graduate and post-graduate courses in viticulture, oenology and rural management at Charles Sturt University in Wagga Wagga and Orange, and the University of Western Sydney at Richmond.

Export - oriented

- The Australian industry's active engagement with world markets, its commitment to developing distribution networks and effective, hands-on promotion have delivered success to industry participants. The Australian Wine and Brandy Corporation, through its export promotion arm, Wine Australia, spends about \$7 million a year on promoting Australian wines around the world in partnership with export-oriented companies. It also runs an export licensing system that underpins the Australian wine industry's international reputation for quality and consistency.

Tourism

- The NSW wine industry is becoming increasingly successful in tapping into the economic benefits of wine tourism, attracting the largest number of wine tourists in Australia. Tourism NSW estimates that around 4.1 million people visit NSW wineries each year, generating expenditure of \$353 million.

Strategic goals

- Through competitiveness in quality, price, physical resources and technology, the Australian wine industry is well on track to achieve its 30 year vision of becoming the most influential and profitable supplier of branded wines by 2025, and increasing its share of the world wine market to five per cent by 2010. Consistent with this strategy, the NSW wine industry aims to capture 40 per cent of the industry's growth to become the leading wine State in terms of size, quality, influence and profitability.

NSW Government Support

The NSW Government works closely with the NSW Wine Industry Association, regional wine associations and individual wineries, to encourage the sustainable and profitable development of the industry. This partnership works across domestic and export market development, regional branding and promotion, enterprise development, and investment facilitation.

Market development is supported through securing the biennial industry showcase, Wine Australia, for NSW for 2004, 2006 and 2008; international trade missions and market visits; and support for inbound visits from major overseas buyers.

Regional branding and promotion encompasses assistance to food and wine development groups in regional NSW, and to regional wine associations for branding activities; production and distribution of promotional collateral; and regional food and wine showcasing activities.

Enterprise development involves working with wine companies on both a group and individual basis to help them improve their business management capabilities in areas such as strategic, business and export planning, eco-efficiency, marketing and brand development, and wine tourism.

Investment facilitation includes providing financial assistance to wine companies through Government business development programs to support capital investment projects. For example, assistance to GR&R Thomas helped expand its cellar door business near Delungra, and Kladis Estate Wines was helped to expand its winery at Wandandian.

Contacts

NSW Department of State and Regional Development:
www.business.nsw.gov.au

NSW Department of Primary Industries: www.dpi.nsw.gov.au

Tourism NSW: www.tourism.nsw.gov.au

National Wine and Grape Industry Centre: www.csu.edu.au/nwgc

NSW Wine Industry Association: www.nswwine.org.au

Australian Wine and Brandy Corporation: www.awbc.com.au

Winemakers Federation of Australia: www.wfa.org.au