

SCOTCHMANS HILL

BELLARINE PENINSULA
ESTABLISHED 1982

15 July 2020

To Whom it May Concern,

I am writing to express my support and encouragement for the Australian Government and in particular Minister for Trade, Tourism and Investment, Mr. Simon Birmingham, for pursuing an Australia - United Kingdom Free Trade Agreement. As a regional winery, based on the Bellarine Peninsula of Victoria, Scotchmans Hill have enjoyed the benefits of Free Trade Agreements (FTA) with China (ChAFTA) as well as the broader Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). I must admit I was surprised an agreement did not already exist between Australia and the United Kingdom given our strong connection not just recently but across centuries of support for each other. FTA's provide Australian businesses with a competitive advantage when entering a market as well as having the added benefit of increasing government to government relations between the two countries involved and bringing increased commercial awareness of Australian products in the destination market through the promotion of the FTA mechanisms.

Established in 1982, Scotchmans Hill is located in the heart of the Bellarine Peninsula in Victoria. A producer of premium cool maritime climate wines, Scotchmans Hill has been the leading local winery for over thirty years and is rated among James Halliday's Top 100 Australian Wineries. It employs over 50 staff and is the largest on the Bellarine Peninsula, with labels that include Cornelius, Scotchmans Hill, Mount Bellarine, Swan Bay and the Hill. The immaculately maintained vineyards overlook Port Phillip Bay, and the wines are a true reflection of this environment. The Bellarine Peninsula originally occupied by the Indigenous Clans of the Wathaurong, is located South-West of the city of Melbourne (just on a 90 minute drive or can be reached directly by ferry from the Docklands in Melbourne) and is surrounded by Port Phillip Bay, Corio Bay and Bass Strait.

When considering Australia-United Kingdom FTA discussions, I encourage review of the following points highlighting the importance of the Australian wine sector to the proposed agreement;

- NIA (National Intelligence Agency) states that the UK is Australia's top wine export market by volume and third largest market by value. In the 12 months to December 2018, Australia exported 246 million litres of wine to the UK, with a value of \$389 million.
- The UK market is 'critically important' for Australian wine, we make up a total of 7% of wine imports into the UK.
- The UK is also an important hub for Australian wine exports to Europe. Approximately 80 per cent of wine shipped to the UK is unpackaged (bulk), which is

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bottled in market and distributed across the EU. The value of unpackaged wine exports to the UK grew by 27 per cent to \$214 million in the 12 months to December 2018.

- International Trade Map puts Australia to be the fifth largest importer of wine into the United Kingdom behind Spain and New Zealand, this FTA would only strengthen this position and make Australia a strong contender against Italy and France (top two leaders of wine production and exporters into the United Kingdom).
- Parliament of Australia website highlights that, “Australian wine has been a market leader in the UK over the past decade. One in five imported bottles of wine consumed in the UK is from Australia. The UK is currently Australia’s third most valuable wine export destination.”
- UK wine market even though very significant for Australia is also a difficult one due to significant retail competition with similar/no to low tariff wines from the EU resulting in low margins and fierce competition between global wine producers. An FTA will need to address these issues to make Australian wine competitive and accessible to the wider UK consumer market.

I believe that by signing the Australia – United Kingdom Free Trade Agreement, the Australian wine sector will flourish through increased export revenue and in turn jobs. Our industry has a long history of investing back into our business’s and with the majority of Australian vineyards regionally located, the positive impact for job creation out of metropolitan regions is one I am particularly excited about through ongoing export development through Free Trade Agreements. The wine industry will also benefit for ongoing diversification of export markets; we encourage the government and Minister Birmingham to continue to develop policies to aid our ability to diversify export markets.

Yours Sincerely

Peter Yeoman
Chief Executive Officer

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