The wine industry in Tasmania

A guide for investors
## The wine industry in Tasmania

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This marketing document was developed by the Department of Economic Development, Tourism and the Arts as part of the Economic Development Plan.

For further information on the plan please visit www.development.tas.gov.au

This document was developed with the assistance of consultants Sue Henderson (Wine IP Pty Ltd) and Gary Baldwin (Wine Network Consulting Pty Ltd) following industry consultation in November and December 2011.

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Key reasons for investing in the Tasmanian wine industry:

» Tasmania enjoys a temperate maritime climate, perfect for the production of premium cool-climate wines

» Tasmania is the only state in Australia that currently has a market for its total wine grape output

» Demand is increasing for cool-climate wines, particularly Pinot Noir. Tasmania is in a unique position where demand for its high-quality Pinot Noir and other premium wines exceeds its current capacity to supply

» While mainland Australian producers have faced oversupply issues and a continuing decline in return per litre in export markets since 2007, Tasmanian wine has held a return approximately 2.5 times the Australian average over this period. Domestically, Tasmanian wine has continued to sell at super-premium prices and above

» Tasmanian grapes attract a premium price in the market, consistently generating a higher average price per tonne compared to other Australian wine producing areas. The average purchase price paid per tonne of Tasmanian grapes in 2011 was $2,371. The quality of the Tasmanian product is apparent when that figure is compared to the national average purchase price of just $413 per tonne

» Land prices are lower than those in other premium Australian wine regions

» In addition to the state’s natural water resource advantage, the Tasmanian and Australian Governments are co-investing with industry to establish a number of large-scale irrigation development projects, which will double the amount of irrigable land available for production purposes

» Tasmania has an opportunity to further build on its reputation as a producer of premium cool-climate wines, and to further develop the wine industry’s links with the state’s tourism sector and the Tasmanian brand

» The state is covered by a single Geographic Indication (GI), which provides marketing and branding advantages to Tasmanian producers

» There is an opportunity to further develop the domestic market, with a focus on interstate trade and increasing brand recognition, and also to explore emerging international markets such as China, Hong Kong and Canada

» Tasmania’s climate is not predicted to change as rapidly as other Australian regions and the forecasted temperature changes are not likely to impact significantly on the state’s suitability for grape growing

» Tasmania has a reputation for producing premium food products such as salmon, dairy, fruit, vegetables and red meat. The wine industry complements this production. This creates an excellent opportunity to leverage the Tasmanian brand profile and continue to build links between the state’s gourmet food and wine industries

» As an island state Tasmania enjoys a natural biosecurity advantage. The state enjoys relative freedom from pests, diseases and weeds and is free from grape vine phylloxera.

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1. For the purposes of this document and in line with common industry understanding, ‘super-premium’ wine can be taken to mean wine retailing at A$15-$25 per bottle and ‘ultra-premium’ can be taken to mean wine retailing at above A$25 per bottle. Almost all of Tasmania’s wine falls into these categories


The wine industry in Tasmania

Tasmania is a unique island of opportunity

Tasmania is a cool-climate wine producing region, well known for award-winning Pinot Noir, sparkling wine, Chardonnay, Riesling and Sauvignon Blanc.

Tasmania is the only island state of Australia and is separated from mainland Australia by Bass Strait, a 240 kilometre stretch of water.

The state has an area of 68 330 square kilometres and 3 300 kilometres of coastline, making Tasmania approximately one quarter the size of Victoria, similar in size to Ireland and half the size of Fujian Province in China. Tasmania is a small, beautiful and pristine part of the world with unique features and rich natural resources.

The potential to produce naturally elegant wines was first noticed by George Bass, best known for the first circumnavigation of Tasmania with Matthew Flinders. Whilst sailing up the Derwent in 1802, Bass remarked in his diary that “the banks of the Derwent seemed admirably adapted for grain, vines and pasturage.”

From those early beginnings Tasmania is now home to a diverse wine region, including the Tamar Valley and north east areas, along the east coast and the Coal River, Derwent Valley and Huon/Channel districts in the south.

With a cool climate and long, sunny and dry autumns, Tasmania has ideal growing conditions for developing intensely flavoured and aromatic wines.

Tasmania enjoys a national and international reputation as a leading producer of premium cool-climate wines, winning high praise, not to mention an array of medals, from wine judges and critics alike.

The industry is seen as a priority sector with excellent growth prospects and the Tasmanian Government is interested in securing value-adding investment within the state.

## Tasmania at a glance

<table>
<thead>
<tr>
<th>Location</th>
<th>Located broadly at latitude 41-42° south and longitude 144° east and separated from the Australian continent by Bass Strait. Tasmania is a group of over 300 islands, with the main island being 315 km (180 miles) from west to east, and 286 km (175 miles) north to south.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate</td>
<td>Tasmania has a mild, temperate maritime climate with four distinct seasons, making it the ideal location for production of premium food and wine. In summer (December to February) the average maximum temperature is 21° Celsius (70° Fahrenheit). In winter (June to August) the average maximum is 12° Celsius (52° Fahrenheit) and the average minimum is 4° Celsius (40° Fahrenheit).</td>
</tr>
<tr>
<td>Government</td>
<td>Tasmania is a parliamentary democracy governed according to the principles of the Westminster System. Since 1901 Tasmania has been a state of the Commonwealth of Australia.</td>
</tr>
<tr>
<td>Population</td>
<td>At 31 March 2011, the estimated resident population of Tasmania was 510 000.</td>
</tr>
<tr>
<td>Capital city</td>
<td>The capital of Tasmania is the city of Hobart. The greater Hobart area has a population of approximately 205 000 people.</td>
</tr>
<tr>
<td>Major industries</td>
<td>Food and agriculture (including wine, dairy, salmon, fruit, vegetables and red meat), tourism, mining and mineral processing, forestry and related products, specialist manufacturing, research and science, Antarctic-related industries, building and construction, renewable energy, and information and communications technology.</td>
</tr>
<tr>
<td>Community and lifestyle</td>
<td>Tasmania's exceptional natural heritage, its diverse range of arts and cultural experiences, its lifestyle opportunities and its public spaces are advantages that help to make the state one of the world's most liveable places.</td>
</tr>
<tr>
<td>History and heritage</td>
<td>Aboriginal people are thought to have first moved onto the island 30 000 years ago during an ice age which exposed a land bridge between the island and mainland Australia. Europeans from the British Isles established a penal colony in 1803. During this time the island was called Van Dieman's Land. The transportation of convicts ended in 1853. The island was renamed Tasmania in 1856.</td>
</tr>
</tbody>
</table>
The Tasmanian wine industry – history

Early settlers identified Tasmania as suitable for wine grape production with vineyards quickly established throughout the state. By 1827 Matthew Broughton, who had a vineyard at Prospect Farm in New Town near Hobart, was advertising “grape wine made in imitation of champagne”, and other still wines from his property.

Numerous small vineyards were planted in the early days throughout the colony around Hobart and the Coal River Valley in the south, the east coast, and in the Tamar Valley in the north. However all these early vineyards eventually floundered and disappeared. The industry experienced a resurgence in the late 1950s. Italian immigrant Claudio Alcorso and French immigrant Jean Miguet recognised that the soils and climate in Tasmania were similar to the great grape growing regions of their homelands. They began to challenge and disprove the theory that Tasmania was too far south for grapes to ripen.

Alcorso planted grapes at his waterfront estate at Berriedale on the northern outskirts of Hobart and named his vineyard ‘Moorilla’, a Tasmanian aboriginal word for ‘a rock by the water’. Miguet planted grapes at Lalla north-east of Launceston and his vineyard, ‘La Provence’, was born. Now called Providence, it still produces excellent cool-climate wine from a range of varieties, as does Moorilla. Alcorso and Miguet’s pioneering work inspired others and some fifty years later the state is now home to over 200 vineyards, and the industry is here to stay.6

Producer/wine awards5
Some recent highlights include:

» 2011 Melbourne Wine Show – Jimmy Watson Trophy and Best Rhone Style Trophy – Glaetzer-Dixon Mon Peré Shiraz 2010, Tasmania (the first time this prestigious trophy has gone to Tasmania)
» Gourmet Traveller WINE Winemaker of the Year 2011 – Ed Carr, House of Arras, Tasmania
» Gourmet Traveller WINE Young Winemaker of the Year 2011 – Nick Glaetzer, Glaetzer Dixon Family Winemakers and Frogmore Creek, Tasmania
» Gourmet Traveller WINE Winemaker of the Year 2011 Finalist – Claudio Radenti, Freycinet Vineyards, Tasmania
» International Riesling Challenge 2011 – four trophies (Best Wine of the Challenge, Best Riesling in Australia, Best Dry Riesling and Best Tasmanian Riesling) – Waterton Vineyards Riesling 2009, Tasmania
» Decanter World Wine Awards 2011 – Regional Trophy for the Best Australian Sparkling Over £10 – Jansz Premium Rosé NV, Tasmania
» Sydney International Wine Show 2011 – Best Pinot Noir of Show Trophy – Tamar Ridge Kayena Vineyard Pinot 2009, Tasmania
» 2011 International Cool Climate Wine Show – Best Pinot Noir 2008 Trophy – Derwent Estate, Tasmania
» 2011 Churchill Fellowship – Natasha Nieuwhof, Goaty Hill Wines, Tasmania – focusing on collaborative marketing initiatives undertaken in key new world wine regions.

Tasmania is Australia’s finest cool-climate wine producing region. The Tasmanian wine industry has close linkages to the tourism sector and makes a significant contribution to the Tasmanian brand.

With only 1,514 hectares under vine, the Tasmanian wine industry is small and dynamic with great potential for growth.\(^7\)

Over the five years to 2011, average annual production in Tasmania has been approximately 7,000 tonnes.\(^8\) The state has less than one per cent of the national vineyard area and produces 0.5 per cent of Australia’s wine.\(^9\) The Tasmanian wine industry employs approximately 1,000 people.\(^10\)

Despite its size, the state is developing a well-earned reputation, both nationally and internationally, for producing high-quality wine.

Pinot Noir and Chardonnay in particular have done well in Tasmania, although other early ripening varieties have proven suitable for planting.

While vineyards are being removed in other areas of Australia and in New Zealand, the Tasmanian wine industry is enjoying strong and sustainable growth, with recent investments and awards confirming the state’s position as a premium cool-climate wine region.

Despite demonstrable geographic and style variations in viticultural areas across the island, Tasmania remains the only Australian statewide zone in its own right. This single GI gives Tasmanian producers the advantage of a united marketing approach and the wide recognition of ‘Tasmania’ as a brand and place in national and international markets.

Wine Tasmania is the peak body for Tasmanian grape growers and wine producers. Its members represent 98 per cent of total wine production in the state.

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8. ibid
The wine industry in Tasmania

Wine regions of Tasmania

While Tasmania is a single GI, there are seven distinct growing areas around the state.

<table>
<thead>
<tr>
<th>Variety</th>
<th>Bearing area (hectares)</th>
<th>Non-bearing area (hectares)</th>
<th>Yield (tonnes)</th>
<th>Percentage of yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pinot Noir</td>
<td>584</td>
<td>46</td>
<td>3 425</td>
<td>44.0%</td>
</tr>
<tr>
<td>Chardonnay</td>
<td>327</td>
<td>25</td>
<td>2 164</td>
<td>27.8%</td>
</tr>
<tr>
<td>Sauvignon Blanc</td>
<td>155</td>
<td>24</td>
<td>776</td>
<td>10.0%</td>
</tr>
<tr>
<td>Riesling</td>
<td>105</td>
<td>5</td>
<td>550</td>
<td>7.1%</td>
</tr>
<tr>
<td>Pinot Gris</td>
<td>105</td>
<td>8</td>
<td>517</td>
<td>6.6%</td>
</tr>
<tr>
<td>Cabernet Sauvignon</td>
<td>46</td>
<td>1</td>
<td>162</td>
<td>2.1%</td>
</tr>
<tr>
<td>Merlot</td>
<td>19</td>
<td>0</td>
<td>66</td>
<td>0.8%</td>
</tr>
<tr>
<td>Traminer</td>
<td>19</td>
<td>1</td>
<td>60</td>
<td>0.8%</td>
</tr>
<tr>
<td>Other varieties</td>
<td>32</td>
<td>12</td>
<td>71</td>
<td>0.8%</td>
</tr>
<tr>
<td>Total</td>
<td>1 392</td>
<td>122</td>
<td>7 791</td>
<td>100%</td>
</tr>
</tbody>
</table>

In 2011 around 32 per cent of the Pinot Noir tonnage and around 73 per cent of the Chardonnay tonnage was made into sparkling wine.12

<table>
<thead>
<tr>
<th>Area</th>
<th>Bearing area (hectares)</th>
<th>Yield (tonnes)</th>
<th>Percentage of yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tamar Valley</td>
<td>473</td>
<td>2 649</td>
<td>34.0%</td>
</tr>
<tr>
<td>East Coast</td>
<td>264</td>
<td>1 480</td>
<td>19.0%</td>
</tr>
<tr>
<td>North East</td>
<td>251</td>
<td>1 402</td>
<td>18.0%</td>
</tr>
<tr>
<td>Coal River Valley</td>
<td>237</td>
<td>1 325</td>
<td>17.0%</td>
</tr>
<tr>
<td>Derwent Valley</td>
<td>84</td>
<td>468</td>
<td>6.0%</td>
</tr>
<tr>
<td>Huon / Channel</td>
<td>70</td>
<td>390</td>
<td>5.0%</td>
</tr>
<tr>
<td>North West</td>
<td>14</td>
<td>78</td>
<td>1.0%</td>
</tr>
<tr>
<td>Total</td>
<td>1 392</td>
<td>7 791</td>
<td>100%</td>
</tr>
</tbody>
</table>

Yield by wine growing area – 2011 vintage 13

Tasmania is currently home to over 200 vineyards, 160 licensed wine producers and 29 wineries.14

12. ibid
Major investors

Despite its small size, Tasmania’s suitability for producing premium cool-climate wine has attracted a number of local, national and international businesses to invest in operations in the state. Major producers include:

Bay of Fires Wines
Owned by Accolade Wines, recently acquired by Champ Equity, Bay of Fires Wines has a vineyard, winery and cellar door at Pipers River. Accolade Wines also owns the premium sparkling wine producer House of Arras which sources fruit from vineyards across Tasmania.

[Website links]

Frogmore Creek
Frogmore Creek expanded through the purchase of the Roslyn Estate Vineyard in 2009 and the acquisition of neighbouring Meadowbank Estate in 2010. In addition to the Frogmore Creek label, Frogmore Creek produces and markets the Meadowbank Estate, 42 Degrees South and Storm Bay labels.

[Website links]

Jansz Tasmania
Part of the South Australian-based Hill-Smith Family Vineyards, Jansz produced Tasmania’s first sparkling wine made according to the traditional méthode champenoise and is one of only a few Tasmanian companies specialising solely in sparkling winemaking.

[Website link]

Josef Chromy Wines
The Josef Chromy cellar door, recently expanded restaurant and function centre, vineyard and state-of-the-art winery are part of a 61 hectare estate at Relbia, near Launceston. Josef Chromy Wines produces the Zdar, Josef Chromy and Pepik labels.

[Website link]

Kreglinger
Encompassing the Kreglinger, Pipers Brook, Ninth Island and Norfolk Rise labels, Kreglinger Wine Estates was established as a wholly owned subsidiary of Belgian based G & C Kreglinger. Its operations in Tasmania commenced following the 2001 acquisition of majority ownership of the Pipers Brook Winery.

[Website link]

Shaw + Smith
Adelaide Hills winemaker Shaw + Smith purchased the Tolpuddle vineyard in the Coal River Valley in 2011 and is set to make single vineyard Chardonnay and Pinot Noir from their 2012 vintage.

[Website link]

Tasmanian Estates
Brown Brothers of Milawa, Victoria, one of Australia’s most recognised and respected wine businesses, purchased the then-named Tamar Ridge Estates in 2010. Tasmanian Estates now operates almost 400 hectares of vineyards in the state.

[Website link]

Winemaking Tasmania
Winemaking Tasmania provides expert contract winemaking services from its Cambridge winery, which is outfitted with the very best winemaking and monitoring equipment. Wines produced by Winemaking Tasmania have consistently received national and international recognition.

[Website link]
The wine industry in Tasmania

Value proposition

Tasmania has clear potential to become the most productive and distinctive cool-climate wine producing region in Australia.

Climate

Tasmania has a temperate maritime climate. It is constantly cooled by prevailing westerly winds off the Southern Ocean, creating conditions that are generally free from extremes in temperature.

Mild spring and summer temperatures with warm autumn days and cool nights allow grapes to ripen slowly on the vine, resulting in maximum varietal flavour development and the retention of high natural acidity.

Given their similar latitudes and relative proximity, it is worth noting that Tasmania’s climate is very similar to that of parts of New Zealand. New Zealand has become a successful ‘new world’ wine producer, with soaring industry growth rates and a reputation for premium quality cool-climate wines, particularly Sauvignon Blanc.

Tasmania lies at a similar southern latitude to famous wine-producing regions in the northern hemisphere including Bordeaux (France), Chianti (Italy), the Willamette Valley, Oregon (USA) and the Niagara Peninsula (Canada).

January temperatures
Mean daily temperatures in degrees Celsius

Source: ‘Tasmania Wine and Gastronomy Map’ ©2009 Martin von Wyss, vW Maps Pty Ltd. Vineyard locations (represented by dots) provided by VineFinders
**Growing degree days**

This graph provides a comparison between growing degree days (GDD) for Tasmanian regions and a range of world wine regions. GDD is defined as a seven month sum above 10 degrees Celsius base temperature, October to April inclusive in the southern hemisphere, and April to October in the northern hemisphere.

The graph shows the similarity between Tasmanian wine producing regions and world renowned cool-climate regions such as Champagne and Cote de Nuits (Burgundy) in France and Marlborough in New Zealand.

Data shown in the graph was prepared by Dr Andrew Pirie, M ScAgr PhD.

**Climate change**

Projected temperature changes for Tasmania are less than the Australian and global average changes, and are much less than predicted changes in some individual regions of the globe. This is partly due to the Southern Ocean storing the excess heat and thus moderating the future Tasmanian climate.\(^{15}\)

In *Wine, Terroir and Climate Change*, eminent West Australian agronomist, Dr John Gladstones states that “Any warming will increase the likelihood of viticulture spread polewards and to higher altitudes, and such vineyards may be needed to maintain cool-climate wine styles in their purest forms”.

This could be interpreted as meaning that many premium wine producers in areas currently considered cool will need to shift to even cooler climates. Tasmania is an obvious destination for consideration.

Recent investors in the Tasmanian wine industry, Brown Brothers and Shaw + Smith, have indicated that the future impact of climate change was a key driver for their investment in Tasmania.

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Water availability

A key component of sustainable viticulture is the availability of reliable water supply for irrigation and/or frost protection at key phases in the growing season. Tasmania’s most significant natural resource advantage is water. Tasmania has 12 per cent of Australia’s total water resource on less than one per cent of Australia’s total land area and its average annual water run-off is almost twice that of the Murray Darling Basin in South Eastern Australia. Tasmania does not have the water supply constraints experienced in other parts of Australia and much of the world.

An ongoing priority in Tasmania is the completion of major irrigation schemes with the potential to double the water available for irrigation. The Tasmanian and Australian Governments have committed $220 million to develop irrigation schemes with at least 95 per cent reliability of water supply, in partnership with local communities around the state. Private sector investment of up to $80 million is also anticipated. This will double the amount of irrigable land available for production purposes.

The irrigation projects are supported by the Tasmanian Government’s Wealth from Water Pilot Program which aims to assist farmers and potential investors to develop their irrigation businesses and help make the transition to growing the high-value crops best suited to their area. The pilot is pioneering new ways for providing soil, climate and enterprise suitability information, as well as market and business planning support. The potential for growing grapes in the Meander Valley and Southern Midlands is being investigated as part of this pilot. With further funding, additional regions of Tasmania will also be investigated.


Soil

Tasmania’s diverse landscape offers great potential for viticulture development. It is dominated by dolerite-capped mountains that shelter the state’s wine regions from prevailing winds and rainfall.

The soils under greatest viticultural development in Tasmania are the brown and red soils derived from both dolerite and basalt.

The brown soils on dolerite offer stony, shallow, free-draining and warm soils suitable for long, warm ripening. Brown soils from both sandstone and windblown sands also appear to be highly suitable because of free drainage and warmth. Soils on deeply weathered tertiary clays and soils on steeper sunny aspects above the Permian rocks also offer potential.

More information (including soil maps) is available from the Department of Primary Industries, Parks, Water and Environment at: www.dpipwe.tas.gov.au

Land availability and affordability

Currently, only 0.06 per cent of the available agricultural land in Tasmania is planted to grapevines.16

In addition to available land around the state’s established wine producing areas, the large-scale irrigation projects currently under development in Tasmania will deliver water to an increased area of the state.

Access to water may present opportunities for viticulture in areas of the state not previously considered for such development.

The cost of purchasing land in Tasmania is low when compared to other wine producing regions of Australia or New Zealand. While land costs can vary considerably across the state, potentially suitable land can be found from as little as around $5 000 per hectare.17

17. Wine Tasmania, email correspondence, 23 January 2012
Biosecurity
As an island state, Tasmania has a clear biosecurity advantage. Tasmania’s biosecurity system is at the very core of the Tasmanian brand, as its natural environmental values and quality produce rely upon the state’s relative freedom from pests, diseases and weeds.

Integrated pest management systems are commonly implemented by Tasmanian viticulturists. This ensures effective spray regimes, with applications kept to a minimum. Tasmania is free from grape vine phylloxera.

Research and development
Australian Wine Research Institute
Australia’s leading wine research organisation, the Australian Wine Research Institute (AWRI) established a Tasmanian ‘node’ in collaboration with the Tasmanian Institute of Agriculture in 2008 – the first time the AWRI has expanded outside of its South Australian headquarters. Research focuses primarily on the two key wine products created in Tasmania: Pinot Noir and sparkling wine.

www.awri.com.au

Industry Development Officer
With the support of the Tasmanian Government, Wine Tasmania has engaged an Industry Development Officer since 2009. The Officer is an employee of the Tasmanian Institute of Agriculture (TIA) and is embedded in industry through Wine Tasmania and directed by the wine sector.

Key activities undertaken by the Industry Development Officer include:

» providing strategic and practical advice to potential vineyard investors

» identification of infrastructure development necessary to achieve industry growth targets including quarantine, vine improvement and testing

» provision of strategic industry information to government and industry bodies at state and federal levels

» ensuring that industry’s investment in research and development delivers real benefits to the Tasmanian wine industry at the vineyard and winery level.

Infrastructure
Transport and travel
Tasmania has well-developed transport systems encompassing sea, land and air travel. The state’s transport systems provide fast and efficient links between the major Tasmanian centres, mainland Australia and international markets.

Each week approximately 600 flights carry passengers and airfreight into, and out of, the state. Qantas, Jetstar, Virgin Australia and Tiger Airways fly into the state from many mainland capitals including direct flights from Sydney, Melbourne and Brisbane.

A dedicated freight rail system provides important transport for bulk freight. There is a network of public transport servicing and connecting the urban areas of Hobart, Launceston, Devonport and Burnie.

Tasmania has a comprehensive road system linking all of its major cities and towns, which provides access to rural areas suitable for viticulture. The short distance between major centres and rural areas allows commuting with minimal traffic congestion.

The state possesses four deep-water sea ports located in Hobart, Burnie, Devonport and Bell Bay. There are regular shipping services linking Tasmania to Europe, North America and Asia via other Australian ports.

The two passenger, vehicle and freight ships, Spirit of Tasmania I and II provide daily sailings across Bass Strait, linking the north west coast city of Devonport to the Port of Melbourne.
Energy options
Tasmania’s energy network complements the state’s natural environment.

The majority of Tasmania’s energy is supplied by renewable hydro-electricity.

An undersea power cable linking Tasmania with Victoria has provided further competition to the Tasmanian energy market and allows electricity to be exported during high-priced peak demand periods, while still meeting the needs of electricity customers in Tasmania.

The connection of a gas pipeline from mainland Australia has introduced natural gas and natural gas-generated electricity to Tasmania. This provides greater choice, flexibility and reliability of energy supply to a multitude of customers and can be used to supplement the hydro-electricity system.

The development of wind farms on Tasmania’s coast has the potential to add a further 500 megawatts of installed energy capacity and will place Tasmania at the forefront of renewable energy developments.

These projects continue to guarantee Tasmanian companies and residents a safe, clean and reliable energy source. Importantly, the supply of energy to Tasmania has never been interrupted by industrial action.

Sensing Tasmania (SenseT)
The SenseT project will see the development of a sensor network across Tasmania for live, online climate monitoring. The network will mesh together historical, spatial and real-time data and make it available through the web. SenseT has potential application in viticulture through localised weather observations and tools to minimise weather-related risk.

Adaptive, flexible and innovative workforce
Tasmania has a strong agricultural tradition with skilled and innovative primary producers and service providers.

The Tasmanian workforce is readily able to adapt to meet demand and can offer investors stability, with an excellent industrial relations record.

Tasmanian training providers work with local industry to ensure that industry training needs are met. They actively design national and international training programs for accreditation and ensure that high-demand skills are created within the state.

Government support
Through the Tasmanian Government’s Economic Development Plan, the wine industry has been identified as a priority sector with excellent growth prospects. Government is keen to work with potential investors to secure value-adding investment for the wine industry within the state.

Invest Tasmania
In 2011 Invest Tasmania was established within the Department of Economic Development Tourism and the Arts to drive investment attraction and facilitation within the state. Invest Tasmania will provide tailored assistance to suit the specific requirements of potential investors.

www.investtasmania.com.au

Tourism Tasmania
Quality food and wine is an important part of the Tasmanian visitor experience.

Tourism Tasmania offers support to the wine industry through promotion of cellar door sales and wine businesses throughout the state, and integration of wine into the Tasmanian brand through Tourism Tasmania’s consumer messaging.

www.discovertasmania.com
www.tourism.tas.gov.au

Department of Primary Industries, Parks, Water and Environment
The Department of Primary Industries, Parks, Water and Environment is responsible for the sustainable management and protection of Tasmania’s natural and cultural assets for the benefit of Tasmanian communities and the economy.

The department’s activities inform the use and management of Tasmania’s land and water resources, and protect and promote its natural, built and cultural assets. The department is also responsible for delivering the services that support primary industry development and for the protection of the state’s relative disease and pest-free status.

www.dpipwe.tas.gov.au

Tasmanian Institute of Agriculture (TIA)
TIA is a joint venture between the University of Tasmania and the Tasmanian Government.

TIA has a state, national and international mandate. At the state level, TIA works closely with its partners in government and industry to improve the performance of Tasmania’s agricultural sector, across all industries and value chains. At a national level TIA shows leadership in research excellence and partners strategically with many other organisations around Australia. Internationally TIA is rapidly increasing its research portfolio, influence and student numbers.

www.tia.tas.edu.au

Industry support
Wine Tasmania
Wine Tasmania is the peak body for Tasmanian grape growers and winemakers. It focuses on building the profile and market for Tasmania’s premium cool-climate wines. Wine Tasmania’s mission is to assist its members to be recognised as world leaders in the sustainable production of premium cool-climate wine.
Wine Tasmania represents more than 98 per cent of Tasmanian wine grape production, with more than 90 state-wide industry members and 34 associated member businesses.

More information about Wine Tasmania, including its 2011-2013 Strategic Plan, can be found at: www.winetasmania.com.au

The Tasmanian brand
Tasmania is a unique location with a pristine natural environment. It is globally recognised as a desirable tourist location of historical and environmental significance and as a producer of high-quality food and wine.

Tasmania is an island of difference. Its people are resourceful; applying the kind of creativity that arises from geographical isolation to their business activities, scientific research and artistic endeavours.

Tasmanian companies are world leaders in many areas of specialisation, including large-scale, high-speed catamarans, marine evacuation gear, high-performance radio antennae and aquaculture equipment. The common thread is quality as the over-arching competitive advantage.

The state is a natural larder with clean air, unpolluted water and rich soils giving rise to the production of 100 varieties of specialty cheeses, as well as other dairy products, rock lobsters, oysters, scallops and abalone, Atlantic salmon, beef, premium beers, leather-wood honey, mineral waters, fine chocolates, fresh berry and stone fruits, apples, vegetables and, of course, award-winning cool-climate wines.

Other export products include essential oils such as lavender, pharmaceutical products and premium wool sought after in Europe and Asia.

Due to its single GI, the Tasmania wine industry has chosen to work with the strengths of the total geographical position as its ‘regional hero’ brand message. Consequently the focus is on marketing the whole state, avoiding any fragmenting of its marketing that would weaken its brand messages, for example using sub sets of smaller wine regions and valleys. This enables its wine to be marketed with a single, powerful and cohesive message.

Tasmania is increasingly recognised as a producer of the highest quality Pinot Noir in Australia. This is fundamental to its differentiation from other wine producing areas. It will be difficult for other wine regions in Australia to consistently replicate the quality of Tasmanian Pinot Noir.

Tasmania will also continue to build a reputation for production of premium sparkling wine, Chardonnay and aromatic whites such as Riesling and Pinot Gris. However the number one goal is to be recognised as the best producer of quality Pinot Noir as it will hold a higher value cachet in the global marketplace.


Testimonials
The Tasmanian wine industry is increasingly attracting national and international media attention. Independent acclaim from influential global commentators has included the following endorsements:

“Tasmania … The epicentre of Australian Pinot Noir”
James Halliday, Australian Wine Companion.

“Tassie has long rated with me as one of the best places, if not the best, in Australia for Pinot Noir”
Huon Hooke, leading independent wine writer.

“Tasmania is rapidly becoming Australia’s Little Champagne”
Anthony Rose, The Independent (UK).

“The wines reflect the pristine atmosphere of the Island”
Jancis Robinson OBE MW (UK).

“Tasmania offers some of Australia’s finest Pinot Noirs, Rieslings with more finesse than anything grown outside Germany’s Mosel; Sauvignon Blancs that are challenging New Zealand’s best”
Tom Stevenson, wine writer (UK).
The market for Tasmanian wines

Tasmania is in a unique position where demand for its high-quality Pinot Noir and other premium wines exceeds the current capacity to supply. Furthermore, Tasmanian grapes and wine tend to fetch higher average prices compared to that of other Australian wine producing regions.

While mainland Australian producers have faced oversupply issues and a continuing decline in return per litre in export markets since 2007, Tasmanian wine has held a return approximately 2.5 times the Australian average over this period.²⁰

Global trends for cool-climate wines
Consumption of cool-climate wine styles at super-premium and ultra-premium prices is growing in the established markets of the United Kingdom, United States of America, Canada, Scandinavia, Hong Kong and Singapore. For example, sales of Pinot Noir in the USA are achieving rapid growth in an otherwise flat market. Sales are estimated at one million cases per annum and this represents annual growth of 30 per cent, which is a very strong performance. Sales of other cool-climate wines, such as sparkling wines and Pinot Gris are also trending upwards at super-premium and ultra-premium price points.²¹

There is currently a limited supply of cool-climate Pinot Noir from Burgundy, Oregon and New Zealand to meet global demand. The growth of cool-climate wine sales, especially Pinot Noir, represents an opportunity for the Tasmanian wine industry in the global marketplace.²¹

Speaking at the 8th International Cool Climate Symposium for Viticulture and Oenology held in Hobart in February 2012, world-renowned wine commentator Jancis Robinson OBE MW confirmed these trends. She remarked that more ‘refreshing’ wines, such as those generally produced in cool climates like Tasmania, are easier to match with food and are in growing demand right around the world.

Australian trends for cool-climate wines
An oversupply of Australian wine and the impact of the strong Australian dollar have led to a decrease in the per litre value of Australian wine since 2007. The total sales value has fallen from $3 billion in 2007 to $1.94 billion in 2011.²²

Despite this, and consistent with global trends, demand for Pinot Noir and sparkling wine is increasing in the Australian market. For example, in the Australian retail sector, Pinot Noir represents only 6.3 per cent of all red wine sales, but sales are growing at an impressive 15.4 per cent per annum.

Growth rates of this scale have not been seen in the Australian red wine market since the emergence of Cabernet Sauvignon as a popular variety in the late 1970s.²³

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19. Sue Henderson, Wine IP Pty Ltd, presentation to Tasmanian wine producers (based on Wine Australia statistics), 14 December 2011
20. ibid
21. ibid
22. ibid
23. ibid
**Sales of Tasmanian grapes and wine**

Tasmanian grapes attract a premium price in the market. The average purchase price paid per tonne of Tasmanian grapes in 2011 was $2,371. The quality of the Tasmanian product is apparent when that figure is compared to the national average purchase price of just $413 per tonne.24

The table below compares the prices paid per tonne in 2011 for specific varieties from a number of Australian wine regions. As can be seen, Tasmanian grapes attract significantly higher prices.25

<table>
<thead>
<tr>
<th>Region</th>
<th>Pinot Noir</th>
<th>Chardonnay</th>
<th>Sauvignon Blanc</th>
<th>Riesling</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tasmania</td>
<td>$2,468</td>
<td>$2,355</td>
<td>$1,810</td>
<td>$2,195</td>
</tr>
<tr>
<td>Mornington Peninsula (Victoria, Australia)</td>
<td>$2,207</td>
<td>$1,633</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Yarra Valley (Victoria, Australia)</td>
<td>$1,481</td>
<td>$1,241</td>
<td>$893</td>
<td>-</td>
</tr>
<tr>
<td>Adelaide Hills (South Australia)</td>
<td>$1,234</td>
<td>$963</td>
<td>$1,152</td>
<td>$942</td>
</tr>
<tr>
<td>Clare Valley (South Australia)</td>
<td>-</td>
<td>$630</td>
<td>-</td>
<td>$827</td>
</tr>
</tbody>
</table>

By volume, approximately 52 per cent of Tasmanian wine is sold within the state, 40 per cent is sold to mainland Australia and the remaining eight per cent is exported internationally.26 The domestic market is therefore crucial to Tasmanian wine producers and this reinforces the industry’s close linkage with tourism.

In this regard, it is important to note that over 156,000 people visited Tasmanian wineries over the one-year period to September 2011. This represented an increase of 10.3 per cent over the previous period and was one of the fastest growing tourist activities in the state.27

Tasmania also has strength in sales in the lucrative on-premise channel, where higher margins are attainable.28 Despite producing 0.5 per cent of Australia’s wine, Tasmania has a 6.2 per cent share of Australian wine listings by region through this channel. Of Australia’s 60-plus designated wine regions, Tasmania is the sixth most listed region.29

Pinot Noir listings represent 18 per cent of all red wine listings, and the variety is Australia’s second most listed red wine after Shiraz. In terms of the number of Pinot Noir listings, Tasmania is second only to the Yarra Valley and the average price for the Tasmanian product in this channel is $61.22 per bottle. Tasmanian sparkling wines also have a strong presence on wine lists, consolidating the state’s reputation as a premium sparkling winemaking location.30

**Exports**

Total exports of Tasmanian wine by value in 2010-11 was A$4.28m. This represented an increase of three per cent over the previous year. Additionally, a further A$0.72m of Tasmanian wine blended with wine from other Australian regions was exported in 2010-11.

The average export price per litre of Tasmanian wine in 2010-11 was A$4.27 per litre. In order, the top five export markets by value for Tasmanian wine in 2010-11 were:
1. China
2. UK
3. Canada
4. USA
5. Finland

Exports of Tasmanian wine to China have been growing strongly. Other growing markets include Hong Kong, Canada, the Netherlands and Sweden.31

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27. Tourism Tasmania data, Report: Table 1 Activities Undertaken in Tasmania, Visitors Aged 14 Years and Over, Oct 2010 – Sept 2011
28. ‘On-premise’ is commonly taken to include sales at restaurants, hotels, pubs, catering and special events venues
29. Sue Henderson, Wine IP Pty Ltd, presentation to Tasmanian wine producers (based on statistics from the Wine On-Premise Australia 2011 report), 14 December 2011
30. ibid
31. All figures in this section are from the Australian Wine Export Council – Wine Export Approvals Reports 2011
The wine industry in Tasmania

Indicative timeline and cost and returns for cool-climate wine production

Timeframes for a return on investment from cool-climate winemaking differ considerably from other types of viticulture and winemaking. A number of issues impact the return on investment period. Viticulture, like all agriculture ventures, is subject to the influences of climatic events. Taking the prevailing and longer term climate change predictions into account and selecting only the most appropriate sites is therefore an important part of the investment process. Frost mitigation and irrigation where appropriate, combined with best practices in vineyard management, and seeking professional advice, are always recommended.

The graphic below illustrates the potential timelines for the establishment of a cool-climate wine producer. Note that the times indicated are a conservative estimate. With ideal conditions and/or the application of excellent viticultural practices, timelines could be accelerated:

<table>
<thead>
<tr>
<th>Activity/milestone</th>
<th>Year</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Select land</td>
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<td></td>
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<tr>
<td>Vineyard layout</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepare irrigation infrastructure</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order rootlings or planting material</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Soil analyses, deep ripping and other preparation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Install trellis including irrigation system</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plant vines</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Train vines, manage vines</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>First crop (expect 50 per cent of normal yield)</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>First wine to market</td>
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</tr>
<tr>
<td>Second and third crop (expect 75 per cent of normal yield)</td>
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</tr>
<tr>
<td>Normal crop (100 per cent yield)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High-quality crop for premium wine styles</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establishment costs by per cent of total</td>
<td></td>
<td>50%</td>
<td>20%</td>
<td>20%</td>
<td>10%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
The size of any vineyard investment will clearly be determined by any number of factors. Two indicative models are presented to assist in understanding the very basic economics of vineyard establishment in Tasmania. In both models it is assumed that the vineyard will be planted to premium varieties supported by appropriate infrastructure.32

The chosen sizes represent an ultra-premium boutique operation (10 hectares) and a medium-sized commercial venture (100 hectares).

The cost of land will vary significantly across the various areas within the state and land that is suitable for viticulture may be available for as little as $5 000 per hectare. However, for the purposes of these models pricing of $25 000 per hectare for the 10 hectare model and $10 000 per hectare for the 100 hectare model has been adopted.

These prices represent the potential cost of land in areas already established as premium areas for viticulture. Note that the land cost per hectare is higher for the 10 hectare model than the 100 hectare model, reflecting the general real estate trend that large land parcels are cheaper per hectare than smaller parcels.

To take advantage of only the most suitable aspects, slope, soil types and other geographical or mesoclimate features, the models assume that for every hectare of vineyard to be planted two hectares of land are purchased.

The models also include a number of scenarios for annual vineyard revenue, demonstrating the potential affect of differing yields and price received for fruit.

The assumption in both models shown below is that the vineyard is set up with a relatively standard Vertical Shoot Positioned trellis system incorporating two sets of movable foliage wires. The trellis is set at 2.4 metre spacing and the vines are 1.2 metres apart, giving a planting density of approximately 3 500 vines per hectare.

It should be noted that the models below do not include the provision of a cellar door. While a cellar door facility would obviously add costs, wine tourism and cellar door opportunities are an important part of many wine businesses in Tasmania. Cellar door facilities present an ideal opportunity to add value through the ability to directly market products and provide a sense of place.

32. Models developed by Sue Henderson (Wine IP Pty Ltd) and Gary Baldwin (Wine Network Consulting Pty Ltd)
**Model A – 10 hectare hypothetical vineyard**

<table>
<thead>
<tr>
<th>Investment required</th>
<th>Detail</th>
<th>Total costs/returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>20ha at $25 000/ha</td>
<td>$500 000</td>
</tr>
<tr>
<td>Establishment costs (including irrigation infrastructure)</td>
<td>$60 000/ha</td>
<td>$600 000</td>
</tr>
<tr>
<td>Vineyard machinery</td>
<td>$100 000</td>
<td>$100 000</td>
</tr>
<tr>
<td><strong>Total capital investment</strong></td>
<td></td>
<td><strong>$1 200 000</strong></td>
</tr>
<tr>
<td>Annual operating costs (including water)</td>
<td>$14 000/ha</td>
<td>$140 000</td>
</tr>
</tbody>
</table>

**Potential annual vineyard revenue from fruit sales – after 5 years**

| Potential annual revenue (scenario 1) | Yield 7t/ha and revenue received $2 000/t | $140 000 |
| Potential annual revenue (scenario 2) | 7t/ha and $2 400/t* | $168 000 |
| Potential annual revenue (scenario 3) | 6t/ha and $3 500/t | $210 000 |

*The average price of Tasmanian fruit from vintage 2011 was $2 371 per tonne.

**Model A – Winemaking, distribution and sales to market**

While the above table presents information related to the establishment and operation of a vineyard and sale of fruit, the information below relates to a business instead turning the fruit into wine.

Under this model, production is in the ultra-premium category and is led by Pinot Noir. It is envisaged that it will take at least six years from vineyard establishment until the launch of the first wine. There is a strong focus on distribution and supply from cellar door and in Tasmanian outlets. This is a boutique winery and very small in Australian terms.

The returns and prices outlined below assume a fully mature business operating after approximately 10 years of vineyard establishment and five years of wine production, distribution and sales. If wine was made from grapes of lesser maturity, it would not be of the quality required to command ultra-premium price-points in the market place. The potential returns are indicative only and represent an optimal situation.

Pinot Noir and Chardonnay are specifically selected as they provide the best market opportunity to build a successful sales and marketing model and to realise returns on investment. Selections of other niche varieties could come into production in a shorter timeframe, but would not significantly change the performance of the model.

Using scenario 1 or 2 from the above table, where yield is 7 tonnes per hectare, 70 tonnes of grapes would be produced. This could be made into approximately 4,550 cases of wine and, if sold at an average net return of $279.83 per case, would represent gross sales revenue of $1,273,227.35.

In determining profitability and returns one would need to deduct the cost of sales and winemaking costs. These costs can vary considerably and are therefore not included in the model.

**Assumptions**

- Sales are led by an ultra-premium Pinot Noir brand.
- Approximately 34 per cent of sales (1,525 cases) are through high-margin, direct channels (cellar door, online etc).
- Approximately 44 per cent of sales (2,000 cases) to Australian on-premise outlets and independent retailers are via an appointed distributor(s) in the eastern states.
- Approximately 23 per cent of sales (1,025 cases) to export markets, focusing on adopters of Pinot Noir in established European and North American markets and in the top three markets of Asia (China, Hong Kong and Singapore).

34. Model developed by Sue Henderson (Wine IP Pty Ltd) and Gary Baldwin (Wine Network Consulting Pty Ltd)
35. Average return per case calculated based on sales of three products through three channels: Cellar door and direct; Australian distributors and export markets. Wine Equalisation Tax and GST have not been included. Revenue is estimated for a fully mature business, operating approximately ten years from now
36. Retail selling prices assume maximum margin across the supply chain for all stakeholders, before discount and promotion
Model B – 100 hectare hypothetical vineyard

<table>
<thead>
<tr>
<th>Investment required</th>
<th>Detail</th>
<th>Total costs/returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>200ha at $10 000/ha</td>
<td>$2 000 000</td>
</tr>
<tr>
<td>Establishment costs (including irrigation infrastructure)</td>
<td>$50 000/ha</td>
<td>$5 000 000</td>
</tr>
<tr>
<td>Vineyard machinery</td>
<td>$500 000</td>
<td>$500 000</td>
</tr>
<tr>
<td><strong>Total capital investment</strong></td>
<td></td>
<td><strong>$7 500 000</strong></td>
</tr>
<tr>
<td>Annual operating costs (including water)</td>
<td>$12 000/ha</td>
<td>$1 200 000</td>
</tr>
</tbody>
</table>

**Potential annual vineyard revenue from fruit sales – after 5 years**

<table>
<thead>
<tr>
<th>Potential annual revenue (scenario)</th>
<th>Yield /t/ha and revenue received</th>
<th>Total costs/returns</th>
</tr>
</thead>
<tbody>
<tr>
<td>(scenario 1)</td>
<td>7t/ha and $1 500/t</td>
<td>$1 050 000</td>
</tr>
<tr>
<td>(scenario 2)</td>
<td>7t/ha and $2 400/t*</td>
<td>$1 680 000</td>
</tr>
<tr>
<td>(scenario 3)</td>
<td>8t/ha and $1 500/t</td>
<td>$1 200 000</td>
</tr>
<tr>
<td>(scenario 4)</td>
<td>8t/ha and $2 400/t*</td>
<td>$1 920 000</td>
</tr>
<tr>
<td>(scenario 5)</td>
<td>8t/ha and $3 000/t</td>
<td>$2 400 000</td>
</tr>
</tbody>
</table>

*The average price of Tasmanian fruit from vintage 2011 was $2 371 per tonne37

**Model B – Winemaking, distribution and sales to market**38

While the above table presents information related to the establishment and operation of a vineyard and sale of fruit, the information below relates to a business instead turning the fruit into wine.

Under this model, production is focussed on sparkling wine. It is envisaged that it will take at least six years from vineyard establishment until the launch of the first wine. There is a strong focus on the mainland Australian market. This is a commercial winery model and is small-medium scale in Australian terms.

The returns and prices outlined below assume a fully mature business operating after approximately ten years of vineyard establishment and five years of wine production, distribution and sales. If wine was made from grapes of lesser maturity, it would not be of the quality required to command ultra-premium price-points in the market place. The potential returns are indicative only and represent an optimal situation.

Sparkling wine, Pinot Noir and Chardonnay are specifically selected as they provide the best market opportunity to build a successful sales and marketing model and to realise returns on investment. Selections of other niche varieties could come into production in a shorter timeframe, but would not significantly change the performance of the model.

Using scenario 1 or 2 from the above table, where yield is 7 tonnes per hectare, 700 tonnes of grapes would be produced. This could be made into approximately 42 000 cases of wine and, if sold at an average net return of $154.34 per case, would represent gross sales revenue of $6 482 280.39

In determining profitability and returns one would need to deduct the cost of sales and winemaking costs. These costs can vary considerably and are therefore not included in the model.

**Assumptions**

» Sales are led by a major premium sparkling brand.

» 60 per cent of production is premium sparkling sold at $33.00 RSP per bottle, 20 per cent of production is Pinot Noir sold at $34.00 RSP per bottle, 20 per cent of sales are Chardonnay at $34.00 RSP per bottle.40

» Approximately 17 per cent of sales (6 930 cases) are through high-margin, direct channels (cellar door, online etc).

» Approximately 63 per cent of sales (26 390 cases) to on-premise outlets and independent retailers via an appointed distributor(s) in all states.

» Approximately 21 per cent of sales (8 680 cases) to export markets, focussing on adopters of Pinot Noir in established European and North American markets and in the top three markets of Asia (China, Hong Kong and Singapore).

38. Model developed by Sue Henderson (Wine IP Pty Ltd) and Gary Baldwin (Wine Network Consulting Pty Ltd)
39. Average return per case calculated based on sales of three products through three channels: Cellar door and direct; Australian distributors and export markets. Wine Equalisation Tax and GST have not been included. Revenue is estimated for a fully mature business, operating approximately ten years from now
40. Retail selling prices assume maximum margin across the supply chain for all stakeholders, before discount and promotion
Licensing, investment approvals and entry to Australia

Licensing
Most wine producers and cellar doors in Tasmania operate under a ‘Special Licence’. A Special Licence authorises the sale of liquor between times and subject to conditions specified in the licence. More information is available from the Liquor and Gaming Branch of the Department of Treasury and Finance at www.gaming.tas.gov.au

Investment approvals
The Australian Government’s foreign investment guidelines recognise the substantial contribution that foreign investment has made, and continues to make, to the development of Australia. The administration of foreign investment policy is based on guidelines rather than inflexible rules. It is both practical and non-discriminatory. Proposals by foreign companies to establish new businesses may require prior approval and government notification under the Australian Government’s foreign investment policy.

More information is available from the Foreign Investment Review Board website at www.firb.gov.au

Entry to Australia
The Australian Government provides several visa options for overseas business people and investors to enter Tasmania. From short-stay visas allowing exploratory visits and business meetings all the way through to visas providing permanent residency. The Department of Economic Development, Tourism and the Arts can provide assistance. More information is available at www.migration.tas.gov.au
**Assistance for investors**

**Australian Government assistance**
The Australian Government offers a range of assistance and incentives for businesses wishing to establish in Tasmania. Incentives could include grants, tax relief or the provision of infrastructure services.

**AusIndustry**
AusIndustry delivers programs on behalf of the Australian Government to help existing and new Australian businesses innovate, grow and succeed. [www.ausindustry.gov.au](http://www.ausindustry.gov.au)

**Austrade**
The Australian Trade Commission (Austrade) is the Australian Government’s trade and investment development agency. Austrade assists Australian companies to succeed in international business, attracts productive foreign direct investment into Australia and promotes Australia’s education sector internationally. [www.austrade.gov.au](http://www.austrade.gov.au)

**Tasmanian Government assistance**
Invest Tasmania is the Tasmanian Government’s investment promotion and facilitation arm which provides free confidential services and professional advice to investors, including:

- dedicated project teams and case management
- a focus on lead projects that have the potential to transform a supply chain and that leverage Tasmania’s advantages and resource endowments
- case management and planning pre-audits to support approval processes.

Invest Tasmania’s specialist team will provide you with tailored, confidential assistance by providing information and support, which includes:

- connections with local industry associations and government departments
- information on business opportunities, investment regulations and government assistance
- insights on business costs, skills, availability, taxation and research opportunities
- expert advice on Tasmania’s industry capabilities and strengths
- site visits to identify suitable locations in Tasmania for your business
- links with potential partners
- connections with infrastructure and service providers
- information on industry strategies.

Contacts

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Web: www.dpipwe.tas.gov.au

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