

WINEMAKERS' FEDERATION OF AUSTRALIA
INCORPORATED

FAXED
9.6.2000

8 June 2000

Review of General Tariff Arrangements
Productivity Commission
PO Box 80
Belconnen ACT 2616

Dear Sir

Thank you for the copy of the draft report on the Review of Australia's General Tariff Arrangements. The report is an excellent one and we would support your recommendations. The Winemakers Federation of Australia support the earliest possible removal of general tariffs. The early removal of the remaining general tariffs will enable a quick improvement in the competitive position of the Australian wine industry, and we would support fast-tracking the removal of non-sensitive tariffs in the event of tariff reductions being delayed.

I would like to draw to your attention that the Winemakers Federation of Australia Executive Council has taken a policy position of zero tariffs on all import tariffs on wine and brandy and inputs. The import tariff for wine and brandy is currently 5%, although a countervailing duty applies to imports of subsidised brandy from France.

I would note that the Department of Foreign Affairs has taken the position that the removal of wine and brandy tariffs may be a useful bargaining chip in the context of multilateral negotiations with European Union and indeed, it is clear that the United States are not prepared to go for zero for zero tariffs until other countries lower their rates to their level.

However, from the Australian industry perspective we are happy to support the removal of these tariffs, along with the other tariffs that we highlighted in our previous submission to you, as they are providing a competitive disadvantage to our industry.

Of key concern to the industry, are tariffs on oak barrels and coopers products; agglomerated cork; and stainless steel. WFA estimate that in 2000 the cost of tariffs to the Australian wine industry could be around \$5 million. The import tariff on stainless steel in 2000 is estimated to cost the industry around \$1million and the tariffs on cork and oak a further \$3million.

Yours sincerely,



Tony Battaglione
Director
Canberra Wine Bureau