

FEATURE ARTICLE – The winemaking industry in Western Australia

A BRIEF HISTORY OF WINEMAKING IN WESTERN AUSTRALIA

The winemaking industry in Western Australia began with the planting of grape vines by the English settlers of the Swan River Colony. After the first faltering attempts, 300 cuttings were successfully planted at Hamilton Hill and later moved to the foot of Mt Eliza (Kings Park). Within fifteen years of settlement, grape vines were planted in the Swan Valley, at Australind south of Perth and Toodyay to the east, with other early vineyards established at Katanning, Glen Forrest, Bakers Hill, Armadale, Vasse and New Norcia. The prospects for winemaking were considered promising and in 1834 the first Western Australian wine was produced. By 1895 the Swan Valley, Toodyay, York and areas around Guildford and Fremantle were established winemaking centres, although a lack of consumers kept production on a small scale with just 240 hectares of vines producing 225,000 litres of wine.

The discovery of gold boosted the Western Australian population and caused rapid growth in wine production to 837,000 litres by 1905. In the 1930s, production concentrated on fortified wines, ports, muscats and sheries. The wine industry in Western Australia continued to grow despite the Depression and by 1948 the area of vines exceeded 4,000 hectares. The price of wool increased dramatically in the 1950s and many farmers in the Great Southern and South West of Western Australia abandoned their vines for sheep. Around this time, the emphasis on fortified wine production was brought into question and table wines were seen as the future of the winemaking industry. Attention was focused on the cooler regions in the south, such as Margaret River, Mt Barker–Frankland and Manjimup–Pemberton, where climate and soil conditions were considered highly favourable for the production of light, dry table wines. The birth of the Margaret River wine region occurred at a well-attended public meeting in Busselton in July 1966.

The winemaking industry in Western Australia today is a small but important contributor to the national wine industry, being recognised internationally as a producer of premium and ultra-premium wines. The industry is characterised by small family owned and operated businesses (commonly referred to as boutique wineries) which have established niche markets in Australia and overseas.

STRUCTURE OF THE WESTERN AUSTRALIAN WINEMAKING INDUSTRY

There were 78 winemaking locations in Western Australia in 2002, representing one fifth of all locations in Australia, but accounting for just 3.4% of the national grape crush. The majority (62.8%) of Western Australia's winemaking locations were relatively small in size, crushing between 50–400 tonnes of grapes.

An alternative view of the Western Australian grape-growing and wine production industries is available from the 2001 Census of Population and Housing. According to the Census, there were 1,568 persons whose main job was in the manufacturing or blending of wine and 1,660 persons whose main job was in grape-growing in 2001. This excluded casual workers, such as grape pickers and other seasonal workers, not working in those industries in the week prior to the Census. It also excluded people who worked in grape-growing and wine production as a second job.

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EMPLOYMENT IN THE GRAPE-GROWING AND WINEMAKING INDUSTRIES: WESTERN AUSTRALIA, 1996–2001

| | 1996..... | | | 2001..... | | | Change 1996–2001..... | | |
|----------------------------|----------------------|------------------------|--------------|----------------------|------------------------|--------------|-----------------------|------------------------|--------------|
| | <i>Grape-growing</i> | <i>Wine production</i> | <i>Total</i> | <i>Grape-growing</i> | <i>Wine production</i> | <i>Total</i> | <i>Grape-growing</i> | <i>Wine production</i> | <i>Total</i> |
| | <i>no.</i> | <i>no.</i> | <i>no.</i> | <i>no.</i> | <i>no.</i> | <i>no.</i> | <i>%</i> | <i>%</i> | <i>%</i> |
| Employee | 456 | 714 | 1 170 | 1 147 | 1 335 | 2 482 | 112.1 | 87.0 | 112.1 |
| Employer | 50 | 30 | 80 | 194 | 134 | 328 | 310.0 | 346.7 | 310.0 |
| Own account worker | 145 | 23 | 168 | 295 | 89 | 384 | 128.6 | 287.0 | 128.6 |
| Contributing family worker | 15 | 5 | 20 | 24 | 10 | 34 | 70.0 | 100.0 | 70.0 |
| Total | 666 | 772 | 1 438 | 1 660 | 1 568 | 3 228 | 124.5 | 103.1 | 124.5 |
| Part-time | 221 | 226 | 447 | 496 | 405 | 901 | 101.6 | 79.2 | 101.6 |
| Full-time | 438 | 542 | 980 | 1 132 | 1 147 | 2 279 | 132.6 | 111.6 | 132.6 |
| Total(a) | 666 | 772 | 1 438 | 1 660 | 1 568 | 3 228 | 124.5 | 103.1 | 124.5 |

(a) Includes a small number of persons who did not report employment status.

Source: ABS data available on request, *Census of Population and Housing*.

The total number of Western Australians whose main job was in grape-growing or wine production increased by 124.5% between 1996 and 2001. During this period, the number of employers in both grape-growing and wine production more than tripled (increasing by 310.0% and 346.7% respectively), while the total number of employees in the two industries more than doubled (increasing by 112.0%). In 2001, over 70% of persons working in Western Australia's grape-growing and wine production industries worked full-time — up from 68% in 1996.

WESTERN AUSTRALIA'S WINE-PRODUCING REGIONS

The wine-producing regions of Western Australia are defined by the Australian Wine and Brandy Corporation Act which sets out wine zones, regions and sub-regions based on Australian Geographical Indications. There are five wine zones in Western Australia — Greater Perth, Central Western Australia, South West Australia, West Australian South East Coastal and Eastern Plains, Inland and North of Western Australia. These zones are further broken down into nine regions — Perth Hills, Swan District, Blackwood Valley, Geographe, Great Southern, Manjimup (proposed), Margaret River, Pemberton (proposed) and Peel, which are the focus of this article. See Appendix for a map of wine zones in Western Australia.

FACTORS AFFECTING WINEMAKING

There are many factors which influence winemaking activity. Wine is an agricultural product that is vulnerable to the forces of nature and the resulting seasons and weather. Unforeseen events such as the recent drought can have a dramatic effect on the winegrape harvest. The nature of the wine production cycle means that there is a lag of four to six years between the planting of vines and the production of wine from those vines. Despite careful planning, this can lead to periods of shortage and surplus as suppliers try to predict and match future demand. Together with the changing preferences of wine consumers, this makes it difficult for winemakers to make successful production decisions. External forces such as the state of local and overseas economies, changes to legislation and regulations and changes in market structure can also influence the success or failure of winemakers.

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VINES AND GRAPE PRODUCTION

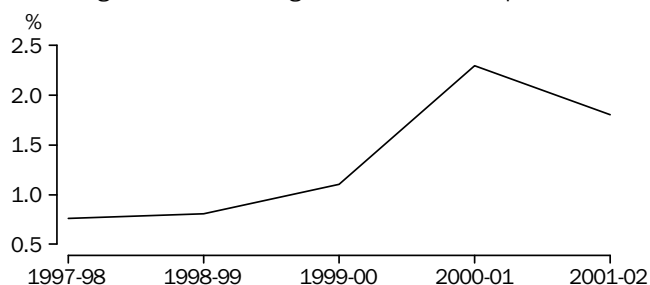
Season 2002 was described by the Australian Wine and Brandy Corporation (AWBC) as challenging for Western Australia's winegrape growers, with below average temperatures throughout the growing season and water restrictions limiting irrigation during summer. Harvest was delayed due to cool and wet spring weather, but the long, mild and dry summer provided favourable ripening conditions, resulting in high quality fruit with excellent flavour concentration.

The total area of vineyards cultivated in Western Australia in season 2002 was 11,381 hectares, an increase of 4.2% on season 2001. The total area of vines planted to white grape varieties increased by 5.2% while the total area planted to red grape varieties increased by 3.7%.

Grape production for winemaking rose by 3.3% to 63,559 tonnes in season 2002. The increase was entirely due to a rise in the production of red grapes for winemaking, up by 13.4%, while the production of white grapes for winemaking fell by 7.8%. The major grape varieties produced for winemaking in season 2002 were Cabernet sauvignon (14,080 tonnes produced), Shiraz (13,718 tonnes), Chardonnay (8,444 tonnes), Semillon (6,029 tonnes), Sauvignon blanc (5,948 tonnes) and Merlot (5,613 tonnes).

Despite an increase in the volume of grapes produced, the gross value of grape production in Western Australia in 2001–02 was 5.0% lower than in the previous year (down from \$102.2 million to \$97.1 million) — partly reflecting a decrease in the price paid for wine grapes. Over the five years to 2001–02, however, the value of Western Australia's grape production almost tripled (increasing by 194.2%). During this period, the value of grape production as a proportion of the total value of agricultural commodities produced in Western Australia increased from 0.8% to 1.8%.

VALUE OF GRAPES PRODUCED, WESTERN AUSTRALIA,
Share of gross value of total agricultural commodities produced



Source: *Value of Agricultural Commodities Produced, Australia* (cat. no. 7503.0).

The principal wine-producing area in Western Australia is the South West Australia wine zone which accounted for 80.9% (9,208 hectares) of the total area of vines and 86.2% (54,804 tonnes) of the total grape production for winemaking in season 2002. In contrast, the Eastern Plains, Inland and North of Western Australia zone contributed 0.6% (72 hectares) of the total area of vines and 0.02% (15 tonnes) of the total grape production for winemaking in season 2002.

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Despite being the principal wine-producing area in the state, South West Australia experienced the smallest growth in total area of vines (2.8%) in season 2002. The largest growth in the total area of vines occurred in the smallest wine-producing area of Eastern Plains, Inland and North of Western Australia, up by 67.4% from season 2001. Central Western Australia was the only wine zone to record a fall in the total area of vines in season 2002, down by 4.6%.

West Australian South East Coastal experienced the largest increase in grape production for winemaking, rising by 99.3% from 304 tonnes in season 2001 to 606 tonnes in season 2002. Eastern Plains, Inland and North of Western Australia, Central Western Australia and Greater Perth zones all recorded falls in grape production for winemaking, down by 71.1%, 37.4% and 9.6% respectively from season 2001.

AREA AND PRODUCTION OF GRAPES(a) BY AUSTRALIAN GEOGRAPHICAL INDICATIONS: Western Australia

| Wine zone | Total area of vines..... | | | Grape production for winemaking(b)..... | | |
|--|--------------------------|------------|--------------------------|---|----------------|--------------------------|
| | 2001 ha | 2002 ha | Change 2001-2002 % | 2001 tonnes | 2002 tonnes | Change 2001-2002 % |
| Greater Perth | | | | | | |
| Total red grapes | 884 | 1 018 | 15.2 | 2 800 | 2 906 | 3.8 |
| Total white grapes | 805 | 837 | 4.0 | 6 032 | 5 076 | -15.8 |
| <i>Total</i> | 1 689 | 1 855 | 9.8 | 8 832 | 7 982 | -9.6 |
| Central Western Australia | | | | | | |
| Total red grapes | 67 | 61 | -9.0 | 94 | 61 | -35.1 |
| Total white grapes | 41 | 43 | 4.9 | 148 | 90 | -39.2 |
| <i>Total</i> | 108 | 103 | -4.6 | 243 | 152 | -37.4 |
| South West Australia | | | | | | |
| Total red grapes | 5 720 | 5 804 | 1.5 | 29 117 | 33 161 | 13.9 |
| Total white grapes | 3 234 | 3 403 | 5.2 | 22 990 | 21 643 | -5.9 |
| <i>Total</i> | 8 955 | 9 208 | 2.8 | 52 107 | 54 804 | 5.2 |
| West Australian South East Coastal | | | | | | |
| Total red grapes | 85 | 96 | 12.9 | 169 | 383 | 126.6 |
| Total white grapes | 37 | 46 | 24.3 | 135 | 223 | 65.2 |
| <i>Total</i> | 122 | 142 | 16.4 | 304 | 606 | 99.3 |
| Eastern Plains, Inland And North Of Western Australia | | | | | | |
| Total red grapes | 34 | 60 | 76.5 | 35 | 12 | -65.7 |
| Total white grapes | 9 | 13 | 44.4 | 16 | 4 | -75.0 |
| <i>Total</i> | 43 | 72 | 67.4 | 52 | 15 | -71.1 |
| Total Western Australia | | | | | | |
| Total red grapes | 6 790 | 7 039 | 3.7 | 32 216 | 36 524 | 13.4 |
| Total white grapes | 4 126 | 4 342 | 5.2 | 29 321 | 27 036 | -7.8 |
| <i>Total</i> | 10 917 | 11 381 | 4.2 | 61 537 | 63 559 | 3.3 |

(a) At harvest.

(b) Fresh weight.

Source: Australian Wine and Grape Industry (cat. no. 1329.0)

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GRAPE CRUSH

A total of 51,246 tonnes of winegrapes were crushed in Western Australia for vintage 2002, down by 1.4% from vintage 2001. Total red grapes crushed rose by 9.9% to 28,538 tonnes for vintage 2002, driven by increases in the crushes of the red grape varieties of Merlot, up by 24.3%; Cabernet sauvignon, up by 14.2%; and Shiraz, up by 12.9%. Falls in the crushes of the white grape varieties of Chardonnay, down by 27.2%; Chenin blanc, down by 26.0%; and Verdelho, down by 24.4% contributed to a decrease of 12.7% in total white grapes crushed to 22,709 tonnes for vintage 2002.

The Margaret River wine region accounted for 44.4% (12,661 tonnes) of total red grapes crushed and 42.9% (9,749 tonnes) of total white grapes crushed in Western Australia for vintage 2002, and contributed 43.7% (22,410 tonnes) of total winegrapes crushed in the state. The Great Southern region accounted for a further 20.7% of total winegrapes crushed.

The Geographe wine region recorded the largest growth in total winegrapes crushed for vintage 2002, up by 118.3% to 5,055 tonnes. This large increase was driven by a rise of 134.6% in total red grapes crushed. Blackwood Valley also experienced a large increase in total winegrapes crushed for vintage 2002, up by 73.7% to 1,725 tonnes, driven by almost equal increases in total red grapes crushed (75.5%) and total white grapes crushed (71.1%). Several wine regions recorded falls in total winegrapes crushed for vintage 2002, the largest of these being a decrease of 48.7% in the Manjimup region. Other regions to record falls were Swan District, down by 25.2%; Pemberton, down by 18.3%; and Great Southern, down by 7.4%.

According to estimates from the Australian Regional Winegrape Crush Survey, the immediate future of the Western Australian wine industry appears positive, with the state's total winegrape crush expected to grow by 19.7% to 61,336 tonnes over the next five years. Total white grapes crushed are expected to increase by 23.3% and total red grapes crushed are also forecast to rise by 16.8% over the five years to 2007. The Manjimup region is expected to be the area of largest growth, with the total winegrape crush forecast to rise by 192.7%. Other regions expected to experience increases in total winegrapes crushed are Margaret River (40.6%), Swan District (34.3%), Pemberton (15.3%) and Great Southern (0.2%).

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WINEGRAPE CRUSH BY AUSTRALIAN GEOGRAPHICAL INDICATIONS: Western Australia

| Wine region | Total winegrape crush(a)..... | | | Estimated winegrape crush(b)..... | | | | |
|----------------------------------|-------------------------------|----------------|-----------------------|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2001 tonnes | 2002 tonnes | Change 2001–2002 % | 2003 tonnes | 2004 tonnes | 2005 tonnes | 2006 tonnes | 2007 tonnes |
| Perth Hills | | | | | | | | |
| Total red grapes | 398 | 556 | 39.7 | 556 | 242 | 254 | 256 | 257 |
| Total white grapes | 287 | 373 | 30.0 | 348 | 141 | 148 | 150 | 150 |
| <i>Total</i> | 685 | 928 | 35.5 | 905 | 383 | 402 | 405 | 407 |
| Swan District | | | | | | | | |
| Total red grapes | 1 591 | 1 217 | -23.5 | 1 420 | 1 606 | 1 810 | 2 001 | 2 169 |
| Total white grapes | 4 639 | 3 441 | -25.8 | 3 547 | 3 779 | 4 051 | 4 281 | 4 086 |
| <i>Total</i> | 6 230 | 4 658 | -25.2 | 4 967 | 5 384 | 5 861 | 6 282 | 6 255 |
| Blackwood Valley | | | | | | | | |
| Total red grapes | 560 | 983 | 75.5 | 858 | 990 | 1 111 | 1 083 | 1 058 |
| Total white grapes | 433 | 741 | 71.1 | 463 | 490 | 482 | 492 | 456 |
| <i>Total</i> | 993 | 1 725 | 73.7 | 1 321 | 1 480 | 1 593 | 1 575 | 1 514 |
| Geographe | | | | | | | | |
| Total red grapes | 1 469 | 3 447 | 134.6 | 2 495 | 2 244 | 1 931 | 1 672 | 1 675 |
| Total white grapes | 848 | 1 608 | 89.6 | 1 301 | 1 265 | 1 106 | 1 072 | 1 072 |
| <i>Total</i> | 2 316 | 5 055 | 118.3 | 3 796 | 3 509 | 3 037 | 2 744 | 2 747 |
| Great Southern | | | | | | | | |
| Total red grapes | 6 856 | 6 484 | -5.4 | 8 625 | 9 264 | 6 023 | 6 229 | 6 293 |
| Total white grapes | 4 580 | 4 109 | -10.3 | 5 663 | 6 101 | 3 996 | 4 183 | 4 326 |
| <i>Total</i> | 11 435 | 10 594 | -7.4 | 14 288 | 15 364 | 10 019 | 10 412 | 10 619 |
| Margaret River | | | | | | | | |
| Total red grapes | 10 670 | 12 661 | 18.7 | 16 491 | 17 826 | 18 214 | 17 804 | 17 642 |
| Total white grapes | 11 196 | 9 749 | -12.9 | 12 554 | 13 330 | 14 047 | 13 820 | 13 869 |
| <i>Total</i> | 21 867 | 22 410 | 2.5 | 29 046 | 31 157 | 32 261 | 31 624 | 31 511 |
| Manjimup | | | | | | | | |
| Total red grapes | 1 177 | 567 | -51.8 | 490 | 579 | 783 | 1 011 | 1 623 |
| Total white grapes | 742 | 417 | -43.8 | 406 | 455 | 694 | 1 042 | 1 257 |
| <i>Total</i> | 1 918 | 984 | -48.7 | 896 | 1 034 | 1 477 | 2 053 | 2 880 |
| Pemberton | | | | | | | | |
| Total red grapes | 2 644 | 2 409 | -8.9 | 2 586 | 2 677 | 2 723 | 2 598 | 2 457 |
| Total white grapes | 2 706 | 1 962 | -27.5 | 2 594 | 2 752 | 2 723 | 2 721 | 2 583 |
| <i>Total</i> | 5 350 | 4 371 | -18.3 | 5 180 | 5 429 | 5 446 | 5 319 | 5 040 |
| Western Australia — other | | | | | | | | |
| Total red grapes | 603 | 213 | -64.7 | 201 | 218 | 234 | 234 | 155 |
| Total white grapes | 587 | 309 | -47.4 | 280 | 286 | 294 | 264 | 209 |
| <i>Total</i> | 1 190 | 522 | -56.1 | 481 | 504 | 528 | 498 | 364 |
| Total Western Australia | | | | | | | | |
| Total red grapes | 25 968 | 28 538 | 9.9 | 33 722 | 35 646 | 33 082 | 32 886 | 33 327 |
| Total white grapes | 26 017 | 22 709 | -12.7 | 27 157 | 28 599 | 27 541 | 28 025 | 28 008 |
| <i>Total</i> | 51 985 | 51 246 | -1.4 | 60 879 | 62 244 | 60 623 | 60 911 | 61 336 |

(a) Includes tonnages crushed that were grown in winery-owned vineyards and purchased from independent grape growers, other wineries and agents.

(b) Includes tonnages expected to be sourced from the winemaker's vineyards in each year of the five year projection period and tonnages expected to be purchased by the winemaker in each year of the five year projection period, taking into account contracted fruit and expectations of what may be purchased on the spot market.

Source: Australian Regional Winegrape Crush Survey Online <<http://www.awbc.com.au/ARWCS/default.asp>>

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WINE PRODUCTION

Vintage 2002 was described by the AWBC as an excellent vintage for Western Australian wine and the best year for whites for some time. White wines were reported as demonstrating exceptional fruit characteristics and good natural acid balance. Red wines were also reported to be of high quality and showing excellent promise.

Western Australia produced 39.1 million litres of beverage wine in 2001–02, an increase of 5.2% on 2000–01. Production of unfortified wine rose by 5.3% to 39.1 million litres, accounting for almost 100.0% of total beverage wine production. Fortified wine production, however, fell by 60.0% to just 10,000 litres.

Beverage wine production in Western Australia more than tripled over the five years from 1997–98 to 2001–02, increasing by 207.6% from 12.7 million litres in 1997–98 to 39.1 million litres in 2001–02. Production of unfortified wine increased by 208.1% over the five year period and its share of total beverage wine production increased slightly from 99.8% in 1997–98 to almost 100.0% in 2001–02. Fortified wine production decreased by 66.7% over the five year period while its share of total beverage wine production fell from 0.2% in 1997–98 to just 0.03% in 2001–02.

WINE PRODUCTION: Western Australia(a), 1997–98 to 2001–02

| Wine type | 1997–98 | 1998–99 | 1999–00 | 2000–01 | 2001–02 | Change 1997–98 to 2001–02 |
|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------------------------|
| | '000 L | '000 L | '000 L | '000 L | '000 L | % |
| Beverage wine | | | | | | |
| Fortified (b) | 30 | 7 | 11 | 25 | 10 | -66.7 |
| Unfortified (c) | 12 692 | 20 166 | 22 189 | 37 154 | 39 108 | 208.1 |
| Gross total wine | 12 722 | 20 173 | 22 200 | 37 178 | 39 118 | 207.5 |
| Net total wine (d) | 12 717 | 20 171 | 22 199 | 39 108 | 39 116 | 207.6 |

(a) Production by winemakers crushing more than 400 tonnes annually or with sales of more than 250,000 litres.

(b) Relates only to production from unfortified wine of the same vintage.

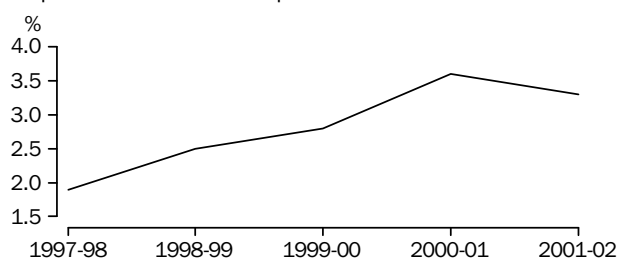
(c) For manufacturing brandy and grape spirit. Includes wine obtained from marc.

(d) Excludes grape spirit used for fortifying (assumes 95.6% alcohol by volume).

Source: ABS data available on request, *Wine and Spirit Production Survey*

Western Australia's share of total Australian wine production grew by an average of 16.0% per year from 1997–98 to 2001–02. Wine produced in Western Australia accounted for 1.9% of total Australian wine production in 1997–98, before rising to a high of 3.6% in 2000–01. Western Australia contributed 3.3% of wine produced nationally in 2001–02.

WINE PRODUCTION, WESTERN AUSTRALIA,
Proportion of total Australian production



Source: ABS data available on request, *Wine and Spirit Production Survey*.

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WINE EXPORTS

Exports of wine from Western Australia experienced significant growth over the five year period from 1998–99 to 2002–03. Total wine exported from Western Australia increased by 298.2% from 1.3 million litres in 1998–99 to 5.0 million litres in 2002–03, representing an average annual growth rate of 42.6%. The growth in exports was driven by exports of table wine, which increased by 305.2% from 1.2 million litres in 1998–99 to 4.9 million litres in 2002–03. Exports of table wine accounted for 96.9% of total wine exported from Western Australia in 2002–03.

Despite the strong growth in the quantity and value of wine exported from Western Australia between 1998–99 and 2002–03, the average dollar-per-litre value decreased by 16.7% over the same period, from \$10.77 in 1998–99 to \$8.97 in 2002–03. The movements in average dollar-per-litre value reflect recent economic conditions and in particular, the strength of the Australian dollar.

EXPORTS OF WINE: Western Australia, 1998–99 to 2002–03

| Wine type..... | Total wine..... | | | | Quantity | Value | Average dollar-per-litre value(b) |
|----------------|-----------------|----------------|-------------|--------------------|----------|--------|-----------------------------------|
| | White table | Red/rose table | Total table | All other wine (a) | | | |
| Period | '000L | '000L | '000L | '000L | '000L | \$'000 | \$ |
| 1998–99 | 609 | 599 | 1 208 | 27 | 1 269 | 13 672 | 10.77 |
| 1999–00 | 865 | 966 | 1 832 | 61 | 1 893 | 18 742 | 9.90 |
| 2000–01 | 1 610 | 1 538 | 3 148 | 108 | 3 258 | 28 161 | 8.64 |
| 2001–02 | 1 923 | 1 878 | 3 801 | 116 | 3 917 | 36 682 | 9.36 |
| 2002–03 | 1 892 | 3 003 | 4 895 | 159 | 5 054 | 45 353 | 8.97 |

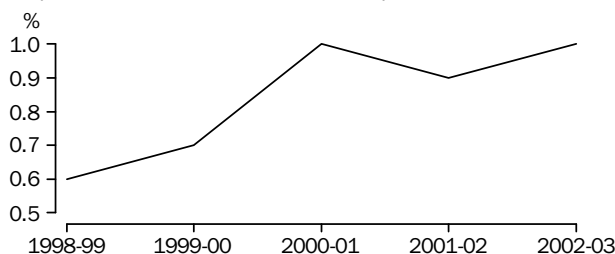
(a) All other wine includes fortified, sparkling and other wine.

(b) Total value divided by total quantity.

Source: ABS data available on request, International Trade database.

Over the five years from 1998–99 to 2002–03, the volume of wine exported from Western Australia accounted for an increasing share of the total volume of wine exported from Australia, rising from 0.6% in 1998–99 to 1.0% in 2002–03. This represented an average annual growth rate of 15.2% over the five year period.

EXPORTS OF WINE, WESTERN AUSTRALIA, Proportion of the total volume of wine exported from Australia



Source: ABS data available on request, International Trade database.

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WINE EXPORTS *continued*

The United Kingdom was the major country of destination for Western Australia's wine exports in 2002–03, having received 1.7 million litres of wine, valued at \$14.3 million. Exports to the United Kingdom accounted for 33.3% of the quantity of total wine exported from Western Australia in 2002–03. Other significant export markets for wine from Western Australia in 2002–03 were the United States of America and New Zealand, having accounted for 22.2% and 8.5% respectively of the quantity of wine exported in 2002–03.

Over the five years from 1998–99 to 2002–03, Western Australia's largest growing export market for wine was New Zealand. The quantity of wine exported to New Zealand increased from 7,000 litres in 1998–99 to 431,000 litres in 2002–03. Other destinations to record large growth in the quantity of wine received from Western Australia over the period 1998–99 to 2002–03 were Canada, which rose from 26,000 litres in 1998–99 to 207,000 litres in 2002–03; and Ireland, which increased from 16,000 litres in 1998–99 to 121,000 litres in 2002–03.

TOP 10 DESTINATIONS FOR WINE EXPORTS: Western Australia, 1998–99 to 2002–03(a)

| Country of Destination | 1998–99..... | | 1999–00..... | | 2000–01..... | | 2001–02..... | | 2002–03..... | |
|--------------------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|-------------------|-----------------|
| | Quantity '000L | Value \$'000 | Quantity '000L | Value \$'000 | Quantity '000L | Value \$'000 | Quantity '000L | Value \$'000 | Quantity '000L | Value \$'000 |
| United Kingdom | 486 | 4 992 | 718 | 5 962 | 675 | 6 864 | 1 223 | 12 184 | 1 681 | 14 302 |
| United States of America | 249 | 2 508 | 377 | 3 471 | 667 | 7 707 | 830 | 9 449 | 1 123 | 11 828 |
| New Zealand | 7 | 71 | 14 | 133 | 36 | 371 | 128 | 789 | 431 | 2 078 |
| Singapore | 85 | 1 254 | 94 | 1 485 | 544 | 2 107 | 172 | 2 199 | 208 | 2 252 |
| Canada | 26 | 281 | 44 | 456 | 67 | 761 | 118 | 1 271 | 207 | 2 149 |
| Germany | 29 | 484 | 42 | 609 | 130 | 820 | 456 | 988 | 179 | 1 323 |
| Denmark | 35 | 342 | 29 | 292 | 29 | 320 | 53 | 642 | 154 | 1 203 |
| Japan | 91 | 1 021 | 117 | 1 309 | 108 | 1 383 | 131 | 1 489 | 151 | 1 571 |
| Ireland | 16 | 190 | 28 | 338 | 62 | 566 | 48 | 512 | 121 | 953 |
| Hong Kong | 35 | 392 | 64 | 585 | 77 | 850 | 110 | 1 031 | 117 | 1 072 |
| Total exports | 1 269 | 13 672 | 1 893 | 18 742 | 3 258 | 28 161 | 3 917 | 36 682 | 5 054 | 45 353 |

(a) Destinations ranked by quantity of wine received in 2002–03.

Source: ABS data available on request, *International Trade database*.

CONCLUSION

The winemaking industry in Western Australia has grown from humble beginnings to become an increasingly important industry for the state. Vineyards and wineries together with their value-added features such as restaurants make vital contributions to regional economic development through investment, employment and tourism. Although the Western Australian industry is a small contributor to the Australian winemaking industry, it is recognised as a significant producer of premium and ultra-premium wines. The industry has experienced significant increases in wine production and exports over the last five years and is one of the fastest growing winemaking industries in the country.

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APPENDIX: MAP OF WESTERN AUSTRALIAN WINE ZONES

