

Proposal for notice under the Wine Act 2003

Summary of submissions

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1. Introduction

Proposal for notice under the Wine Act 2003: submissions summary

Public consultation on the proposal for a Wine Notice under the Wine Act 2003 (the Notice) closed on 6 June 2019. The Ministry for Primary Industries (MPI) alerted key stakeholders of the consultation process for the notice before consultation began.

The consultation document *Draft Wine Notice: Export Requirements Exemption for Wine Intended for Consumption during Transit* sought feedback whether to issue the exemption under s39(1)(d) to exempt airlines who carry wine produced in New Zealand from export requirements set under the Wine Act 2003, where this wine is intended for consumption during transit by passengers or crew.

You can find a copy of the Notice here:

<https://www.mpi.govt.nz/news-and-resources/consultations/wine-notice-export-requirements-exemption-for-wine-intended-for-consumption-during-transit/>

Consultation on the proposal was web-based, available publicly on the MPI website and submissions could be made via email, post or hand delivered mail.

Seven submissions were received, representing various groups, including Government authorities, industry body and wine companies.

Submissions on the notices proposals were received from the following:

- 2 from Government departments;
- 1 from a peak industry body;
- 4 from wineries;

This paper presents a summary of the submissions made to MPI. In making the summary, MPI has grouped submissions received about the same or similar topics and/or issues and put them into a table according to those issues. A summary of 'common themes' considered by MPI when finalising the notice is also provided in this document.

If you would like more details or information on specific submission/s or topics, please send an email to MPI at email address wine.query@mpi.govt.nz stating the submitter reference in the Notice.

2. Acronyms and abbreviations

The following is a list of commonly used acronyms and abbreviations in the summary of submissions.

Acronym/abbreviation	Meaning
EERs	Export Eligibility Requirements
OMARs	Overseas market Access Requirements
The Act	The Wine Act 2003
WECS	Wine Export Certification Service (who manage sensory testing on behalf of MPI)
WSMPs	Wine Standards Management Plans

3. Common themes

Number	Topic (or Issue)	MPI response
1.	Any changes to excise?	<ul style="list-style-type: none">These queries were directed to NZ Customs to advise
2.	Not fair to the industry / special treatment to Air NZ to allow this exemption	<ul style="list-style-type: none">MPI notes some of the comments relate to discontent with the 'status quo'. Whilst this is not part of the consultation, we have noted these.
3.	Reputation / negligible impact	<ul style="list-style-type: none">Noted
4.	Scope of provision	<ul style="list-style-type: none">Exemption provision under the Act s39(1)(d) is limited to wine for consumption during transit as a passenger or crew by sea or air on a vessel or aircraft leaving New ZealandInternational lounges and any wine loaded as cargo are not able to be includedThe Notice will be amended to reflect this

4. Summary of submissions

Submitter Reference	Notice / Clause	Summary of Submission / Proposal	MPI Response
Wine Company (01)	Wine Notice	<ul style="list-style-type: none"> Comment regarding Air NZ exclusive supply agreements 	<ul style="list-style-type: none"> Comment is not relevant to the consultation
Wine Company (02)	Wine Notice	<ul style="list-style-type: none"> Query related to excise 	<ul style="list-style-type: none"> This query was directed to NZ Customs to advise
Wine Company (03)	Wine Notice	<ul style="list-style-type: none"> Support Notice as drafted 	<ul style="list-style-type: none"> Noted
Wine Company (04)	Wine Notice	<ul style="list-style-type: none"> Will this mean that Air NZ will be exempt from paying the levy? 	<ul style="list-style-type: none"> Please refer to notes in section 5 regarding points for clarification
		<ul style="list-style-type: none"> Comment regarding the WECS (wine assurance) system 	<ul style="list-style-type: none"> This comment is not relevant to the consultation Please refer to notes in section 5 regarding points for clarification
		<ul style="list-style-type: none"> Strong objection to this Notice 	<ul style="list-style-type: none"> Noted
Wine Company (05)	Wine Notice	<ul style="list-style-type: none"> No detrimental effects on quality/perception of NZ wine due to selection process Supported the Notice 	<ul style="list-style-type: none"> Noted
Government Department (06)	Wine Notice	<ul style="list-style-type: none"> Proposal does not address wine exported as cargo rather than for in-flight consumption 	<ul style="list-style-type: none"> Exemption provision under the Act s39(1)(d) is limited to wine for consumption during transit as a passenger or crew by sea or air on a vessel or aircraft leaving New Zealand International lounges and any wine loaded as cargo are not able to be included The Notice will be amended to reflect this
Wine Company (07)	Wine Notice	<ul style="list-style-type: none"> Query related to excise 	<ul style="list-style-type: none"> This query was directed to NZ Customs to advise

Submitter Reference	Notice / Clause	Summary of Submission / Proposal	MPI Response
		<ul style="list-style-type: none"> EER exemption allows ease of business for small wineries; greater participation in Air NZ programme; increase range available to consumers 	<ul style="list-style-type: none"> Noted
		<ul style="list-style-type: none"> Winery also exempt from EERs (no WSMP), thus cost reduction; Supported the Notice 	<ul style="list-style-type: none"> MPI agrees
Peak Industry Body (08)	Wine Notice	<ul style="list-style-type: none"> EE system that is robust, trusted and administratively fair is of high important to members EERs generally supported when introduced, now felt by some to be no longer necessary Those companies that want to see the EERs removed will see this as special treatment/commercial advantage 	<ul style="list-style-type: none"> Noted
		<ul style="list-style-type: none"> EER regime is a principle cause for the imposition by MPI of the levy on exported wine 	<ul style="list-style-type: none"> Please refer to notes in section 5 regarding points for clarification
		<ul style="list-style-type: none"> Definition of 'Export' – all wine loaded onto an aircraft in NZ for transportation to a point outside NZ, whether or not it is consumed during the flight Airline's International Lounge' is not defined, definition is suggested Flying of wine to the international lounge cannot apply to the exemption, it is an export Appropriate measures to be in place to oversee compliance with the Notice 	<ul style="list-style-type: none"> Exemption provision under the Act s39(1)(d) is limited to wine for consumption during transit as a passenger or crew by sea or air on a vessel or aircraft leaving New Zealand International lounges and any wine loaded as cargo are not able to be included The Notice will be amended to reflect this NZ Customs will not allow wine to be loaded as cargo without a permit

5. Clarification on points raised in the submission which were outside the scope of the submission

- The levy to MPI:
 - The MPI levy is only paid by exporters if they export over 200,000 L per annum (July to June).
 - MPI expects that levy paying wine companies, whose wine is exported by a third party, would make a commercial decision about how and when this levy is passed on.
- The system:
 - The sensory (WECS) system is part of how MPI monitors compliance with NZ Grape Wine Export Eligibility Requirements Notice.
 - This is supported by the Wine E-Cert system for batch and consignment management.
 - Meeting export eligibility requirements allows NZ wine to be exported to another Country, without export eligibility approval, access would be denied.
 - The system also assists in upholding the reputation of the NZ wine industry as requested by Industry when the Wine Act was consulted.
 - The last consultation with industry indicated the sensory assessment is supported by industry until a suitable replacement option is formulated
 - WSMPs are how Winemakers demonstrate compliance with the Wine Act for domestic production.
 - Export eligibility requirements or Overseas Market Access Requirements are additional, however are covered as part of the Wine Standards Management Plans verification process if a Company makes wine for export.