

## **Estimates – 13/10/10**

### **Cellar door subsidies**

**Mr VENNING:** My question to the minister, as you would expect, is in relation to cellar door and cellar door subsidy. I refer to Budget Paper 2, page 8, and the Treasurer's statement that the cellar door cap will be reduced from \$521,000 to \$50,000 per producer to target smaller producers. Has any modelling been done to calculate the effect this reduction will have on the industry in general, product pricing and its competitiveness in the various markets? If so, what was the conclusion of that modelling?

As a personal explanation, when I first heard of this measure in the budget speech I thought it would affect only the so-called big boys, but it would appear now, as this is sinking in, that it is going to affect a lot more than the big boys. In fact, some of our greatest tourist wineries are going to be severely affected, because many of them are 60 per cent reliant on cellar door and mail order. It is not very hard to get up over that magic figure, so I would appreciate your explanation.

**The Hon. M.F. O'BRIEN:** It is not my portfolio area. It has not come out of any of my budget lines, but I take on board your comment. We have recently convened what I hope is a more streamlined and more focused South Australian Wine Industry Council. It was raised at that first meeting, and I have asked industry to come back to me with observations and comments. It is not a budget line that I can discuss, because I am not the responsible minister but I have noted your question.

**Mr VENNING:** That is with the Treasurer, I suppose.

**The Hon. M.F. O'BRIEN:** And the Minister for Consumer Affairs.

**Mr VENNING:** Thank you.