



Thursday, September 3, 2015

## To Members of the Australian Wine Industry

### Wine Industry agrees on tackling wine sector downturn

**The wine industry came together in Adelaide on Friday, August 28, to discuss the urgency for industry reform and agreed on next steps for how representative organisations can contribute to a return to profitability**

More than 40 wine industry leaders from across Australia met at *Grape & Wine 2015*, an initiative that was established after a meeting of state and national chairs of various wine organisations held in November 2014.

*Grape and Wine 15* included representatives from all states and many regional associations, growers, winemakers and service providers.

To meet challenging growing and trading conditions faced by the industry, the leaders engaged in discussions about how to guide the industry to a return of sustainable profitability.

The meeting agreed that:

- A return to profitability requires a national response from all levels of industry representation and consensus on what must be done.
- There are a number of factors and influences that will need to be addressed to enable the industry to return to profitability. Among the range of issues considered, three key underpinning themes emerged. These were a need to address:
  - supply related issues;
  - demand related issues; and
  - capabilities of businesses, organisations and individuals across the industry.

The meeting acknowledged that the structure and relationships between the various wine industry representative organisations are one of the mechanisms that can contribute to addressing these issues and help move the industry towards a more sustainable & profitable position. It was agreed that a strong collective voice from industry was an important part of the solution.

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The meeting discussed and agreed on a core set of guiding principles that should shape future representative organisational structures. Central to these core principles were a need for:

- a voice for all industry;
- clarity around the roles and responsibilities of all organisations in the representative structure;
- inclusive, transparent and evidence-based decision making;
- a strong focus on industry engagement and communication; and
- a consumer-centred approach.

The leaders supported a plan to progress discussions, actions and outcomes.

This plan involves:

- Engaging with the wider industry on the discussions and outcomes of *Grape and Wine 15*. Information about the discussions and points of agreement will be shared with the whole industry.
- Tasking the working group for *Grape and Wine 15* (a group of some nine representatives from across Australia who managed the organisation of *Grape and Wine 15*) to undertake further analysis of other governance structures and models and to develop specific options for consideration and further discussion towards the end of 2015; and to then
- Re-convene participants from *Grape and Wine 15* to take next steps based on the working group's input.

With considerable work still to be done, the meeting delivered a valuable first step in agreeing the key issues and how representative organisations can contribute to addressing and resolving the issues that should enable individual wine sector businesses to more actively manage their pathway to profitability.

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