

AUSTRALIAN GRAPE AND WINE INCORPORATED

2019 ANNUAL GENERAL MEETING

Minutes of the inaugural Annual General Meeting of Australian Grape and Wine Incorporated
held on Tuesday, 12 November 2019
National Wine Centre, Adelaide

PRESENT:

NAME

Dave Gordge
Colin Bell
John Angove
Victoria Angove
Sandy Clark
Tony Battaglene
Lee McLean
Sarah McLoughlin
Alison Laslett
Damien Griffante
Angie McGee
Anna Hooper
Laura Squire
Leeanne Puglisi-Gangemi
Jenny Venus
Luke Edwards
Sean Cole
Rollo Crittenden
Mark Bourne
Ashley Keegan
Will Taylor
David Travers
Jim Caddy
Bill Moularadellis
Jason Amos
Stephen Strachan
Jeff McWilliam
Ben Rose
Fiona Gordon
Lachlan Sutcliffe
Helen Strachan
Chris Pfeiffer
Ed Swift
Lynda Schenk
Andrew Ewart

COMPANY NAME

Accolade Wines
AHA Viticulture
Angove Family Winemakers
Angove Family Winemakers
Australian Grape and Wine Incorporated
Australian Grape and Wine Incorporated
Australian Grape and Wine Incorporated
Australian Grape and Wine Incorporated
Australian Grape and Wine Incorporated
Australian Grape and Wine Incorporated
Australian Grape and Wine Incorporated
Australian Grape and Wine Incorporated
Ballandean Estate Wines
BC Contracting
Casella Family Brands
CCW Cooperative Ltd
Crittenden Estate
Cuttaway Hill Wines
FABAL Group/Wines
Finlaysons
Independent Grapegrower
J&S Caddy
Kingston Estate Wines Pty Ltd
Lallemmand
Langley & Co
McWilliam's Wines Group Ltd
Performance Viticulture
Perks
Perks
Pernod Ricard Winemakers Pty Ltd
Pfeiffer Wines
Printhie Wines
Purple Giraffe
SKEW Wines

PRESENT (continued):

Craig MacDonald
Alister Purbrick
Mitchell Taylor
Mardi Longbottom
Louisa Rose
Mark Krstic
Sami Gilligan
Rob Cairns
Andrew Weeks
Kate Harvey
Liz Waters
Andreas Clark
Heather Webster
Larry Jorgensen
Robert Hill Smith
Simone Tierney

South Australian Wine Industry Association
Tahbilk Pty Ltd
Taylors Wines Pty Ltd
The Australian Wine Research Institute
The Australian Wine Research Institute
The Australian Wine Research Institute
The Wetland Vineyards
Treasury Wine Estates
Weeks Consulting Pty Ltd
Wine Australia
Wine Australia
Wine Australia
Wine Grape Council of South Australia
Wines of Western Australia
Yalumba
Zilzie Wines

Mim Pargeter

Administration Overflow, Minute Taker

1. CHAIRMAN'S WELCOME

The Chairman, Sandy Clark, welcomed Australian Grape and Wine Incorporated (Australian Grape & Wine) Life Member of the Australian Wine Industry, John Angove AM; Louisa Rose, Chair of the Australian Wine Research Institute; Andreas Clark, Chief Executive Officer of Wine Australia; and the Australian Grape & Wine Board and Committee members to the Inaugural Annual General Meeting Australian Grape & Wine.

He advised that apologies had been received from Life Members: John Pendrigh AM, Wolf Blass AM and Terry Lee OAM. Apologies and proxies were received prior to the meeting and have been recorded. The Chairman called for any apologies from the floor of which there were none.

The Chairman asked attendees if there were any changes to the Minutes of the last Winemakers' Federation of Australia Annual General Meeting, held on 13 November 2018. No amendments were noted.

It was RESOLVED that the Minutes of the 2018 Winemakers' Federation of Australia Annual General Meeting held on 13 November 2018 be accepted as a true and accurate record of proceedings.

Proposed: Victoria Angove

Seconded: Andrew Weeks

All in favour – carried unanimously

2. REPORT FROM CHAIRMAN AND CHIEF EXECUTIVE

The Chairman presented a brief report on the achievements of the Winemakers' Federation of Australia and Australian Grape & Wine over 2018-19 year. He noted that:

- The most important event was the formation of Australian Grape and Wine Incorporated, with the amalgamation of the Winemakers' Federation of Australia and Australian Vignerons, and that the challenge now lay in growing and developing the organisation.
- A 30-year industry strategy is currently being developed in a partnership between Australian Grape & Wine and Wine Australia.
- Challenges moving forward include increasing Australian Grape & Wine's vigneron and winemaker membership, with industry currently representing the interest of more than 2,500 winemakers and 6,000 grape growers, and 75% of the national wine grape crush.
- Senator the Hon Bridget McKenzie is the new Minister for Agriculture and our relationship with her is being developed.
- The excellent Executive Team led by Tony Battaglene, whose commitment and output juggling many different roles and responsibilities is truly amazing, will continue to carry out the organisation's mission, well supported by Lee McLean, Damien Griffante, Ali Laslett, Anna Hooper, Laura Square, Angie McGee, Nikki Zorzi and Sarah McLoughlin, who were all thanked and acknowledged.
- Changes to the Board membership over the past year include welcoming Rob Cairns, Mary Hamilton, Byron Hodgkinson, Rollo Crittenden, Jeff McWilliam and Leeanne Puglisi-Gangemi, with Robert Hill-Smith returning to the Board. They replaced Angus McPherson, Mitchell Taylor, the late Colin Campbell OAM, Matthew Stanton, David O'Leary, Darren DeBortoli and Corinna Wright.
- The Chairman registered special thanks to Angus McPherson for his support, guidance and expertise over a considerable number of years.
- The deaths of two of our greatest supporters and contributors in Colin Campbell OAM and Dr Tony Jordan OAM were recorded with great regret.
- Col Campbell was loved and respected by all. He was a long serving Board member of the Winemakers' Federation of Australia and Australian Grape & Wine and a Life Member of our Association. Col was awarded an Order of Australia in 2018. He was a Board member of North East Tourism, Vice Chairman of the Rutherglen Wine Festival Committee, the inaugural Victorian Legend of the Vine in 2014 and a relentless advocate in Parliament House, Canberra.
- Tony Jordan was another giant of our great industry. Starting as a Lecturer of the then Riverina College in the early 1970's, he established a consulting company, Oenotec, in 1978 with Brian Croser, CEO of the new Moet Hennessy Enterprise, Domaine Chandon, CEO of the combined Domaine Chandon Cape Mentelle and Cloudy Bay enterprise, re-establishing Oenotec in 2000, a wine judge, former President of the Australian Society of Viticulture and Oenology, President of the Yarra Valley Winegrowers Association, on the Board of Wine Australia for six years, awarded Life Membership of the Australian Wine Industry, with Wine Australia inaugurating the Dr Tony Jordan OAM Award for the most Outstanding PhD Scholarship student.

The Chairman then invited Tony Battaglene to report on Australian Grape & Wine's activities and outcomes over the past year.

The Chief Executive Officer, Tony Battaglene, thanked Sandy Clark for his kind words. He presented a report highlighting the key achievements and issues for the industry and the organisation over the past twelve months. He noted that:

- The amalgamation of the Winemakers' Federation of Australia and Australian Vignerons officially took place on 1 February 2019. It had proceeded smoothly, thanks to the diligence and good work from all staff, in particular, Angie McGee and Sarah McLoughlin. The merger was well received politically and improved the strength of advocacy with the Federal Government.
- Australian Grape & Wine continues to enjoy great support from all sides of politics.
- Key challenges over the last year have included a strengthened anti-alcohol movement, which is making a strong push for prohibition, their ultimate objective being to drive all alcohol producing companies out of business.
- The 2018 decision to mandate pregnancy labelling has involved an enormous amount of work, spearheaded by Lee McLean. It has demonstrated the growing rise and power of State Governments to influence the regulatory environment within Australia, and in particular their preference for popular solutions to attack both wine and other alcohol beverages sectors. There has been extraordinary regulatory overreach by Food Standards Australia and New Zealand (FSANZ) for mandatory pregnancy labelling, which has involved Australian Grape & Wine in a long, protracted, campaign with Ministers, State and Federal bureaucrats and the agency itself.
- The ACCC Market Study into the sector was one of the first major tasks to tackle as a united body. Australian Grape & Wine has managed to obtain a balance between the competing interests of the grape growers and winemakers, buyers and sellers. The work modifying the current Code of Conduct will evolve to provide better market information and an increased understanding of fair and unfair contract terms, which will ultimately lead to better commercial relationships within the sector.
- Market access has continued to be a major plank in the organisation's strategy, with the Australian Government taking action against Canada through the World Trade Organisation. The next hearing is scheduled for November, however, changes to regulation in the provinces had already occurred, making it a more equal playing field within Canada.
- The organisation's efforts to retain the grape variety Prosecco for use by Australian producers continue strongly with a high level of support from both sides of Australian politics.
- Steady progress is being made in biosecurity and enhancing industry's security of supply through investment and increased education.
- The issue of Container Deposit Schemes is likely to expand beyond South Australia and requires strong advocacy to maintain the status quo.
- Several reviews have emerged including a \$100 billion Agriculture industry inquiry, modernisation of the R&D system, inquiry into regional Australia, inquiry into Foetal Alcohol Spectrum Disorder, EMDG schemes, the ACCC inquiry as well as the organisation's annual Pre-Budget Submission.
- The Federal Government's discussion paper released in September to review R&D Corporations, has risks and opportunities for the sector. A key element posed in the paper was the ability to develop and deliver effective advocacy for the agricultural sector to promote industry's interests and priorities. One opportunity is to identify how that funding model can be leveraged to increase our advocacy and policy development activity, however, there is a threat posed whereby the Minister is keen to reduce the number of RDCs through amalgamation.
- Insights from industry on the current and future priorities for industry will underpin our future vision of ensuring a profitable industry and continue to build industry's social and cultural acceptance with the Australian community and advocacy with government.
- Australian Grape & Wine has committed to reviewing its governance structure within the first three years of operation.

- Tributes were made to Peter Wall AM, Colin Campbell OAM and Dr Tony Jordan OAM who had each contributed greatly to the industry.
- The Committees of the Board were thanked for their hard work, diligence and support over the past year, in particular Angus McPherson who had been a great tower of strength and support.
- Thanks was also extended to Chairman, Sandy Clark, who had provided brilliant leadership and wise counsel which had contributed to the strength of the organisation.
- The Executive Team were also thanked for their magnificent performance whilst under relentless pressure.

3. MEMBERSHIP COMMITTEE REPORTS

The Chairman thanked Tony Battaglene for his address and invited the Chairs of each of the Membership Committees to address attendees.

Ed Swift, on behalf of the Small Winemakers' Membership Committee

Ed Swift presented a report highlighting the key achievements and issues for the Small Winemakers' Membership Committee over the past 12 months. He noted:

- 2019 had been a year of change with the bedding down of the amalgamation of Winemakers' Federation and Australian Vignerons, which has enabled a collaborative industry approach.
- The topics covered from the Small Winemakers' table varied from water, research and development, biosecurity and ongoing work around the FASD program. The ACCC's Wine Market Study has left many questions for Australia's small winemakers to discuss into the future. These include payment terms, being one that tops the list, as well as the importance of working with the other Committees and the Executive on reviewing the voluntary Code of Conduct to enable those changes.
- The potential impact of mandatory pregnancy labelling had also been a well-discussed topic with many small winemakers concerned at the potential cost impost, the amount of valuable label space it will occupy as well as the potential for regulatory creep once the mandatory labelling issue is resolved. The lack of industry consultation and involvement also raises concerns.
- The continued discussion of the inclusion of wine bottles in the South Australian Container Deposit Scheme also concerns those on the Small Winemakers' Committee. The conversation in relation to recycling must be grounded in evidence and not side tracked with emotion and/or politics, and the work being undertaken by Australian Grape & Wine in advocating for the status quo is heavily supported.
- The first round of the Wine Tourism and Cellar Door Grant closed at the end of October, with many small winemakers submitting applications. There was a high level of concern at the over-subscription of the grants, particularly the impact on those who submitted and had banked on the full amount of their claim being paid. The longevity of these grants remains a concern.
- The Small Winemakers will continue to support the good work being done in the trade and market access areas, with specific focus on the ongoing Australian/EU FTA trade negotiations and the need to protect the right to continue to use the grape variety name Prosecco.
- Wine Equalisation Tax was not a priority this year, however it will return as an issue in the future to be addressed.

- With the small winemaker businesses making up the bulk of this sector, the Committee is looking to identify ways to increase its membership of Australian Grape & Wine, in order to increase participation of active financial members thereby sharing the load from the few to the many.
- Thanks were given to those members who go above and beyond by committing time to participate at the Small Winemakers' Membership Committee table on all issues. The Committee today proposed changes to its membership structure in order to simplify its composition, through geographical and gender diversity, and now consists of highly engaged and experienced small businesspeople which will have a positive impact for the Small Winemakers.
- The Committee were all saddened by the passing of Colin Campbell OAM who had made a significant contribution to the Committee and more broadly to the whole wine industry, which is unlikely to be surpassed, nor is his legendary ability to advocate on our behalf in Canberra. We wish the Campbell family all the best as they tackle the future without Col.
- Thanks and appreciation was given to all the staff of Australian Grape & Wine, in particular to Alison Laslett, for their dedication and hard work on behalf of industry.

Helen Strachan, Large Winemakers' Membership Committee

Helen Strachan, Chair of the Large Winemakers Membership Committee presented a report highlighting the key achievements and issues for her Committee over the past 12 months.

She noted that:

- The amalgamation between grape growers and winemakers is very positive and puts industry in the best possible shape to face the current challenges together.
- It has been a challenging year dealing with pregnancy labelling, the potential of the Container Deposit Scheme (CDS) incorporating wine bottles in South Australia and potentially nationally, and the ACCC's focus on the industry. Whilst there is a lot of goodwill towards the industry, and a high understanding that we represent a significant economic and social value through our contribution of \$45.5 billion to the economy and a significant number of jobs, there is a heightened regulatory focus which indicates that significant challenges lie ahead in order for industry to maintain its social license to operate. Advocacy is imperative in order to maintain and enhance industry's relationship with government to ensure we continue to inform them on issues for industry and to continue to be heard.
- The ACCC Market Study has involved significant time and effort to ensure they understood the intricacies of the industry, and whilst many issues were understood, many weren't. The collective desire is to ensure that profitability across the industry continues, not the profitability of winemakers at the expense of growers or vice versa. The new Code of Conduct currently being developed will need the full support of industry with a large signatory listing, to ensure it is a Code of Conduct which actively works for industry in order to avoid a mandatory Code of Conduct being imposed on the sector. On behalf of the Large Winemakers, Ms Strachan implored that its development and implementation be strongly supported.
- Australian Grape & Wine had also worked with the South Australian Wine Industry Association on the potential Container Deposit Scheme changes, which highlighted the need for a focus on waste generally, but also to maintain wine bottle exclusion from any amended CDS and not part of the litter stream, through a focus on tangible facts and historical data.

- With regard to pregnancy labelling, most wineries adopted the voluntary inclusion of the Drinkwise pictogram several years ago, however, the Industry's opposition to the proposed introduction of a mandatory pictogram with a mandatory health warning label in large red font separated from everything else, is a priority for Australian Grape & Wine to ensure a sensible outcome.
- Minimum Unit Pricing introduced in the Northern Territory in 2019 remains a focus to ensure it is not introduced elsewhere.
- Industry levies for Biosecurity and Research & Development will also continue to be a focus to ensure funds are being used to support both.
- The 30 year National Strategy currently being developed will assist in propelling industry into the future. This is particularly important with the Government's \$50m package ceasing in June 2020, and support of this Strategy once released will be paramount. Thanks were given to those who contributed to the consultation process.
- Thanks was also extended for the work of Australian Grape & Wine in keeping industry informed of regulatory changes, to ensure industry retained the right to sell wine domestically and internationally without significant impacts from international and domestic regulation.
- The National Wine Foundation has been pivotal to the success of the DrinkWise Foetal Alcohol Spectrum Disorder (FASD) program with its contribution of \$400k over two years.
- The introduction of the Diversity and Equality Charter – this now has 260 signatories and thanks were given to Alison Laslett for her efforts in this area.
- With many current and emerging challenges, Ms Strachan urged all attendees to ensure industry is unified, maintaining strong relationships with Wine Australia, supporting initiatives undertaken by Drinkwise and supporting ABAC's excellence in marketing regulatory work to further enhance the goodwill of our industry.
- Thanks were given to the other Large Winemakers' Committee members, Casella Wines, Accolade and Treasury Wine Estates, particularly to Angus McPherson for his excellent contribution in the past to the Committee, and the Board.
- Thanks were also given to the Chairman and the Australian Grape & Wine Executive Team, particularly Tony Battaglene, for all of their efforts over the past year.

Andrew Weeks, Vignerons' Committee

Andrew Weeks, Chair of the Vignerons' Committee presented a report highlighting the key achievements and issues for his Committee over the past 12 months. He noted that:

- The whole of industry body is working as a genuine whole of industry body, and recognises the efforts of those in both the winemaking and grape growing fields who took the leap of faith to make the amalgamation happen.
- Whilst many issues such as pregnancy labelling, container deposit schemes, negotiating Free Trade Agreements and wine and health do not directly impact grape growers, the knowledge and understanding gained in these areas was insightful as impact on one area of the industry ultimately impacted the whole of industry.
- It was pleasing to see the growing concern about the importance of biosecurity to industry, and the heightened level of work currently being undertaken to address it, and to further expand industry's resources and commitment in this area.
- The need for constant engagement and awareness of the use of agrichemicals in grape growing, particularly in North America and the EU in the last twelve months receiving growing public backlash against many of the options, is important.

- The price of water will continue to be extremely challenging for many winemakers and grape growers both in and outside the warm inland regions, which will be a strategic concern for the wine industry in coming seasons.
- The outcomes of the ACCC's Market Study have created a genuine whole of industry commitment to dealing with their concerns to ensure the utmost is done for the entire sector to maintain industry control.
- The amalgamation has been a positive one, which has already navigated through some potentially difficult issues. Whilst there will be always be differences of opinion, the Board will continue working for the good of the entire sector.
- The strong and continued support of the Wine Grape Council of South Australia is appreciated, and essential that support is expanded nationally through engagement with all regions to harness the intellectual capacity, listen to the opinions of a diverse and disparate wine sector, ensuring that our best endeavours are used to serve everyone in the best way possible. It is incumbent on all in the organisation to work in this regard to expand our membership nationally.
- Thanks were given to the Vignerons' Committee for their support in the first year of operation and into the future.
- Thanks was also given for the efforts of Tony and Sandy for their leadership throughout the merger process, and its smooth transition, as it was considered that it was not only their commitment and leadership but their personalities that had enabled it to happen.
- Recognition of the commitment of the entire Board was given as was thanks for their input to working as a whole of industry body.
- Recognition and thanks were also given to the staff of Australian Grape & Wine for the quality and quantity of work undertaken, noting that whilst there remained multiple challenges to overcome, he remained positive about the way Australian Grape & Wine is working.

Alister Purbrick, Medium Winemakers' Membership Committee

Alister Purbrick, Chair of the Medium Winemakers' Membership Committee presented a report highlighting the key achievements and issues for his Committee over the past 12 months. He noted that:

- It had been an honour for him to have been part of the inaugural Winemakers' Federation of Australia Board in 1990 which brought all the winemakers together, and now the inaugural Australian Grape & Wine Board 29 years later, which brings the whole industry together. He welcomed John Angove AM to the meeting who had served on that inaugural Board with him.
- It was very positive to see the creation of a body that truly represents the national interest of the entire wine industry with the grape growers, winemakers, contract bottlers and contract winemakers. He echoed the comments of the Chairs of the other Membership Committees on last year's progress. There is still more work to be done to represent the whole industry, from a vineyard owner and winemaker membership perspective, which is a challenge that the Australian Grape & Wine Board and the talented Executive Team are up for.
- The new Board has worked very constructively and cooperatively since its first meeting on 5 March 2019. Whilst there are bound to be issues on which grape growers and winemakers and members of each of the Committees may not always agree on, the goodwill, trust and discussion when there is an impasse needs to be focussed on the best medium to long term interests of the entire industry in order to reach a consensus position.

- Industry has many challenges to overcome such as the geopolitical issues with the US/China trade war and Brexit, which could threaten global economic security; the National Alcohol Strategy, the strength of the anti-alcohol lobby and its potentially draconian label regulations; alcohol abuse and industry's role within that abuse; the ACCC Market Study Report; the use of varietal names and the subject of international GI claims such as Prosecco and others and the taxation regime. The Australian Grape & Wine Board and Executive Team will work diligently to resolve these and other challenges over the next twelve months in order to continue to move industry forward in a positive way.
- Thanks were extended to the Chairman and Tony Battaglione and his team for their outstanding efforts over the last twelve months. Much has been achieved and each and every member of the team has made a significant contribution.
- Thanks were also offered to the talented Medium Winemakers' Committee for their advice and guidance over the last twelve months which has been greatly appreciated.

4. 2018/2019 FINANCIAL REPORT

Alister Purbrick, Chair of the Audit Committee, addressed the Financial Report, noting that:

- The Financial Reports only reflect the period 1 February to 30 June 2019 for the new merged entity.
 - The overall result is a surplus of income of \$1.525m, comprising an operating surplus from Australian Grape & Wine operations of \$78,500, plus a donation on amalgamation of net assets by the Winemakers' Federation of Australia of \$1.36m and from Australian Vignerons of \$91k. As at the end of September, the organisation's financials are stronger.
 - Total operating revenue of \$919k was made up of membership fees of \$805k, grants and funding \$50k and interest received and other income of \$65k, with the membership revenue of \$805k representing five months of combined Winemakers' Federation of Australia and Australian Vignerons membership.
 - Expenses for the period were \$841k, primarily comprising employee benefit expenses of \$478k for the transfer of all accrued staff entitlements from the Winemakers' Federation of Australia and Australian Vignerons, and the Chairman's allowances. Other expenses from ordinary activities totalled \$353k with depreciation of \$9k. The \$154k in the policy and projects area covers all work undertaken in health, market access, Wine Australia engagement, Biosecurity, Code of Conduct, Diversity and Equality in Wine and amalgamation expenses.
 - Australian Grape & Wine Board members do not receive remuneration but do claim on-ground expenses for attending meetings.
 - The inaugural Balance Sheet result for the five month trading period is a surplus of \$1.525m represented by assets of \$1.926m and liabilities of \$401k.
 - The majority of the amalgamation expenditure for the new organisation was incurred separately by the Winemakers' Federation of Australia and Australian Vignerons, however, some outstanding legal, accounting, branding and IT costs did occur post amalgamation.
 - There is a continuation of the Market Access Trade Grant provided by Wine Australia, which supports Australian Grape & Wine's vital work in assisting to reduce international trade barriers and specifically to attend OIV.
- Other costs relate to the final stage of activities under the Improving Access to the Chinese Wine Marketing Grant provided by the Department of Agriculture and Water, the resultant comprehensive plan to improve trading with China being well received by Government, which will provide a platform for future activity.

- There has also been an escalation of activities around health and health-related advocacy surrounding pregnancy warning labels, energy labelling, the National Alcohol Strategy and the reinvigoration of Alcohol Beverages Australia.
- The good work of Angie McGee in the preparation, presentation of the accounts and stewardship of Australian Grape & Wine's finances was noted.

It was RESOLVED that the 2018/19 financial statements for the five months period to 30 June 2019 of Australian Grape and Wine Incorporated be accepted.

Proposed: Sandy Clark

Seconded: Victoria Angove

All in favour – carried unanimously

5. AUDITOR'S APPOINTMENT

Perks had previously been appointed as Auditors of the Winemakers' Federation of Australia and related entities, which ultimately included the new entity, Australian Grape & Wine formed on 1 February 2019, and it was proposed that their appointment continue.

It was RESOLVED that members of Australian Grape and Wine Incorporated appoint Perks as the Auditor of the organisation and related entities for the financial year ending 30 June 2020.

Proposed: Andrew Weeks

Seconded: Ed Swift

All in favour – carried unanimously

The Chair of the Audit Committee on behalf of the Staff and the Board of Australian Grape & Wine thanked John Hill, the Audit Director at Perks, and Fiona Gordon, Audit Associate Director, and their staff for the excellent service and assistance provided to both the Winemakers' Federation of Australia and Australian Grape & Wine over the last year.

The Chairman thanked Alister Purbrick for his report, which had been well supported by Angie McGee.

6. WINE AUSTRALIA REPORT

The Chairman welcomed and introduced Andreas Clark, Chief Executive Officer of Wine Australia to address attendees. He spoke to his visual presentation with the following comments noted:

- Andreas thanked Sandy Clark and Tony Battaglene and his team for their efforts in building and maintaining the positive and healthy relationship between the two organisations.
- Congratulations were offered for the successful amalgamation of the Winemakers' Federation of Australia and Australian Vignerons, which will be a great advantage to the sector going forward.
- Over the last five years, work undertaken was depicted in the overall trajectory of the uplift across exports and grape prices nationally, which varied across regions, as well as the uplift from a value perspective with extraordinary growth in wines \$10 FOB and above which signals what has been achieved.

- An independent performance review was conducted last year, the outcomes of which were positive with many recommendations given which Wine Australia is steadily implementing.
- A stakeholder review was conducted which also told a positive story. The organisation is collectively committed to the ongoing work and improvements to the organisation in order for continuous improvement to occur.
- There is a lot of work occurring in the R&D space, identification of cost improvements, the national vineyard scan, agrichemicals and work around climate variability which are all major challenges for the sector, however, when implemented across businesses, will deliver results in the vineyard and the winery and will result in very tangible outcomes for those who adopt them.
- On the regulatory side, a new export approval system (WALAS) will be implemented which will enable faster export approvals, and a label directory are being developed to counteract fraudulent activity to strengthen compliance and enforce cancellation of licenses when breaches occur and dispel the misappropriation of geographical indications. Wine Australia continues to maintain its vigilance in active adherence to the rules.
- The \$50m package's marketing focussed on bigger, bolder and better through participation in the Hong Kong Wine Expo and a host of activities in China and the US which will provide enduring legacy benefits for many years ahead. A new education strategy has been developed to tell our story in order to grow wine exports and wine tourism.
- Additionally, Wine Australia invested in capability development with 'Australian Wine Discovered' as well as content capture and a market exporter tool, which will have life beyond the expiration of the \$50m package.
- Financial performance included in Wine Australia's Annual Report shows a strategic drawing down on reserves over the coming years in order to maximise investment in R&D.
- At the expiration of the export package which concludes at 30 June 2020, there is an opportunity to shift a small amount of that funding into the next financial year as two projects cross over 30 June, namely the label directory program and the tourism platform which the Minister has approved to push into the next financial year.
- Following the expiration of the package when marketing funds won't be as readily available to Wine Australia, it will respectfully request additional funding for marketing as well as identifying whether there is any appetite to review levies.
- A deep review of how Wine Australia looks from 1 July next year is currently underway, with a significant change in structure and how activities are delivered with the aim of remaining agile and creating value, however the organisation will be demonstrably different.
- The recent planning process has been very constructive and a number of key questions have been developed that will be taken to the Board for discussion.
- Workshops in conjunction with Australian Grape & Wine have occurred nationally with emerging themes being the roles of RDC's and driving adoption, biosecurity, sustainability, driving cross-sectoral collaboration with RDC's, commercialisation, enforcing regulatory compliance and marketing production.

7. THE AUSTRALIAN WINE RESEARCH INSTITUTE REPORT

The Chairman welcomed and introduced Louisa Rose, Chair of The Australian Wine Research Institute (AWRI). The following comments were noted:

- Congratulations were offered to the Australian Grape & Wine Board on the successful amalgamation, noting appreciation for the work undertaken between the two organisations.
- The AWRI provides a technical support base essential for innovation and the industry prosperity that it delivers.
- The formation of unified national sustainability program, Sustainable Winegrowing Australia, was a major achievement this year and an example of what happens when industry bodies work effectively together. The program provides a framework for all Australian grape growers and winemakers to demonstrate their sustainability credentials and it will continue to be developed with background research projects already underway, new training modules and expanded scope under construction.
- The 17th Australian Wine Industry Technical Conference was another key highlight of the year. The valuable ongoing partnership with Australian Grape & Wine to combine the Outlook Conference with the Technical Conference has ensured that the AWITC is a must-attend event for members of the wine community across the value chain.
- AWRI was also proud to sign the Australian Grape & Wine's Diversity and Equity in Wine Charter. It is a public signal of commitment to treating all people with respect and fairness, maintaining a safe work environment and promoting a culture that values diversity.
- AWRI's Managing Director, Dr Dan Johnson, is taking on a new position at Macquarie University in 2020 and the AWRI Board would like to publicly thank him for his great leadership and service to the Australian grape and wine community. A new Managing Director is currently being recruited and it is hoped that it can be finalised and announced prior to Christmas.
- Research highlights for the year will soon be published in the AWRI Annual Report, some of which are the Vineyard and Winery Practices Survey results, which allow growers and winemakers to compare their practices with the national and regional results. Work was also undertaken on enhancing fruity characters through folia sprays and exploration of the effects of aeration on wine ferments amongst many other initiatives.
- The AWRI Helpdesk responded to 1,959 enquiries, conducted 222 investigations and analysed more than 959 samples. The majority of enquiries were focussed on smoke taint, climate, sustainability, biosecurity and grapevine viruses.
- The AWRI team coordinated and delivered 75 events including roadshows, seminars, workshops, spray application workshops, smoke taint Q&A sessions and wine judging courses.
- AWRI continues to support Wine Australia's visitor program and selected events promoting Australian wine in overseas markets.
- The AWRI Commercial Services laboratories processed more than 27,000 samples. Information generated from these samples continues to build Australian wine's most powerful information databases on compositional trends.
- The industry-wide strategic planning process currently underway will provide a very important opportunity for industry to make decisions to support long-term prosperity.
- AWRI in conjunction with Wine Australia and other partners and collaborators will continue to support the innovative practices and the technical advances needed to underpin that vision.

8. DECLARATION OF AUSTRALIAN GRAPE AND WINE INCORPORATED BOARD MEMBERS FOR 2019/20

The Chairman advised the appointment of Australian Grape & Wine's Committee Members for 2019/20.

Small Winemakers' Membership Committee:

James March (Chair)	Heathvale Wines Pty Ltd
Ed Swift	Printhie Wines
Leeanne Puglisi-Gangemi	Ballandean Estate
Rollo Crittenden	Crittenden Wines
Mary Hamilton (Permanent Alternate)	Hugh Hamilton Wines

Medium Winemakers' Membership Committee:

Alister Purbrick (Chair)	Tahbilk Pty Ltd
Victoria Angove	Angove Family Winemakers
Bill Moularadellis	Kingston Estate Wines Pty Ltd
Jeff McWilliam	McWilliam's Wine Group Ltd
Robert Hill-Smith (Permanent Alternate)	Yalumba

Large Winemakers' Membership Committee:

Helen Strachan (Chair)	Pernod Ricard Winemakers Pty Ltd
	Alternate: Byron Hodgkinson)
Rob Cairns	Treasury Wine Estates
David Gordge	Accolade Wines
Luke Edwards	Casella Family Brands
	(Alternate: Libby Nutt)

Vignerons' Committee

Andrew Weeks (Chair)	Weeks Consulting Pty Ltd
Heather Webster	Independent Grape Grower
Mardi Longbottom	The Australian Wine Research Institute
Colin Bell	AHA Viticulture
Ben Rose (Permanent Alternate)	Performance Viticulture

The Chairman noted that Board appointments represent industry, not individual companies.

9. OTHER BUSINESS

The Chairman asked the meeting to now consider, and if thought fit, to pass the following resolutions as special resolutions:

- (a) To approve an amendment to the Australian Grape and Wine Incorporated Constitution at *Clause 25 – Seal* which currently reads:

"25.3 the seal must only be used with the express authorisation of the Board which must be noted in the Board Minutes."

to read:

"25.3 The seal must only be used with the express authorisation of either:
- Two members of the Board from different Membership Committees; or
- The Chief Executive and the Chairman;

and must be noted in the Board minutes."

It was RESOLVED to agree to the amendment of Clause 25.3 of the Australian Grape & Wine Constitution.

Proposed: Heather Webster

Seconded: Helen Strachan

All in favour – carried unanimously

10. CLOSE

There being no further business, the Chairman thanked everyone for their attendance and participation and closed the meeting at 5.40pm.

Signed as a correct record:

DRAFT

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Dated:

Chairman