



# Australian Grape and Wine Incorporated

Strategic Plan 2022-2027



## Contents

Chairman’s Statement.....	2
Our Vision .....	4
Who we are .....	4
What we do.....	4
How we do it.....	4
Role of the Board.....	5
Australian Grape & Wine staff.....	5
Operating environment.....	5
We can’t lose sight of the growth goals of Vision 2050.....	8
A framework for resource allocation.....	9
Strategic objectives of Australian Grape & Wine.....	10
1. Supporting Demand Growth .....	10
2. Maintaining our Licence to Operate .....	11
3. Effectively Representing and Advocating for our Sector.....	12
4. Fostering an Appropriate Regulatory Environment.....	13
5. Reposition “Wine Brand Australia” as the world leader in wine industry environmental management and sustainability.....	13
Key performance indicators.....	14
Review .....	16

## Chairman's Statement

I am pleased to present the 2022-2027 Strategic Plan for Australian Grape and Wine Incorporated (Australian Grape & Wine). This plan will guide our work over the next five years as we respond to current challenges while striving to meet the ambitious long-term targets outlined in Vision 2050.

While Vision 2050 provides a long-term strategic framework for our organisation, this plan acknowledges the reality that over the next five-years grape growers and winemakers will face an unprecedented suite of significant challenges. Much of this relates to China's decision to impose trade-prohibitive import duties on Australian bottled wine imports in 2021, which is leading us towards a period of sustained oversupply, with downward pressure on grape and wine prices. In addition, grape and wine businesses are dealing with the ongoing flow-on impacts of Covid-19 and geopolitical upheavals, which are creating uncertainties for the global economy, shipping and logistics, and our ability to source labour in vineyards, wineries and cellar doors Australia.

It is essential that Australian Grape & Wine does everything it can to help grape and wine businesses navigate the immediate and uncertain period ahead. Our response needs to be clear, coordinated and multifaceted, with a primary focus on growing demand at home and abroad.

Internationally, we must focus on growing exports across a more diverse array of markets, while increasing our appeal to consumers in a competitive global trading environment. This may come through promotions, the development of new products and improving our understanding of what consumers want. We also need to make it easier to export by working with the Australian Government and overseas governments to encourage better trade and market access through bilateral Free Trade Agreements and supporting efforts to reduce other trade barriers. Furthermore, we do everything we can to support the international rules-based trading system.

While the category-growth projections in the Australian market are relatively flat compared to some export markets, Australia is still our largest single market, and we cannot be complacent. There is opportunity to increase market share by recapturing demand from other alcohol beverage categories and from imported products, and by enabling more businesses to attract customers to direct-to-consumer sales channels. Increasing our presence in the growing no-and-low alcohol (NOLO) category through commercially focused research and innovation and promoting regional food and wine tourism are two avenues to help drive growth in the Australian market.

While much of my attention has focused on growth opportunities, it is also imperative that we work closely with government to ensure the regulatory environment is suitable to the needs of grape and wine businesses. We need to understand consumer and government expectations and work with government to inform the design of evidence-based regulation that meets these expectations, while not imposing undue regulatory burden on grape and wine businesses, or other parts of wine supply chain. We must maintain our social licence to operate, by working with grape growers and winemakers to understand issues relating to alcohol and health, to take a salient example, and promote our work to improve Australia's drinking culture and associated health outcomes.

Australian Grape & Wine's Board has identified sustainability as a key priority for our future success, both as an opportunity to differentiate our national brand, and as a means to maintaining our social licence for generations to come. Climate change and the environment are key issues influencing purchase decisions of consumers. As an industry, we have set strong targets around net-zero emissions by 2035 and waste and recycling and we can't lose sight of these important goals, but we also need to be thinking about broader sustainability issues such as those relating to labour, diversity, ethical trading, water use and enterprise profitability.

The Sustainable Wine Growing Australia program is a key part of our strategy and it is important that it is fit for purpose and internationally recognised. High quality research and innovation will be important drivers of our ability to meet our sustainability targets while driving much needed productivity and competitiveness improvements in the years to come. Encouraging the Australian Government to maintain its commitment to matching funding for research, development and extension (RD&E) through the Rural Research and Development Corporations (RRDC) system will be vital in this context.

We also need to make sure Australia is working to protect its rich vineyard assets by ensuring appropriate investment in biosecurity at the state and federal levels of government. In the vineyard, we also know growers are concerned about their ability to maintain access to a commercially viable suite of agrichemicals in the future, along with concerns around the price and availability of water for irrigation purposes. As is the case in sustainability, RD&E will be critical to ensuring we do not lose our competitive and productive edge.

As noted, the challenges for Australian Grape & Wine and its members over the coming five years and beyond are significant, but they are not insurmountable. Strong, informed and effective advocacy must be applied to each of these challenges, with a focus on ensuring all parts of the supply-chain remain profitable and sustainable. In addition, there has never been a more important time to foster collaboration across the sector and its institutions, including Wine Australia, the Australian Wine Research Institute, state and regional wine industry associations, and critically, our members. Collaborating to crowdsource ideas and leverage scarce funding enables us to maximise our knowledge and our financial resources for the good of the sector.

Australian Grape & Wine needs to increase its membership and revenue in the years ahead to enable it to effectively undertake this work on behalf of the sector. But, to attract new members tomorrow, the organisation needs to achieve results today. The five strategic objectives underpinning this strategic plan will guide Australian Grape & Wine and its staff in their day-to-day work and ensure the organisation is focusing on the critical needs of the sector over the coming five years. Of course, we will need to be flexible to address issues as they emerge, but I am confident this plan strikes the right course to tread over the challenging years ahead.

A handwritten signature in black ink, consisting of a stylized, cursive 'J' followed by a long horizontal line that extends to the right.

**John Hart OAM**  
Chairman

## Our Vision

The vision of Australian Grape & Wine is to -

*Lead and represent a united, sustainable, dynamic and internationally renowned Australian grape and wine sector.*

## Who we are

Australian Grape & Wine is Australia's national association of grape and wine producers. It is a declared winemakers' and wine grape growers' organisation under Section 5A and 5B of the *Wine Australia Act 2013*. Funded through voluntary membership fees, Australian Grape & Wine has a responsibility to develop strategy, implement policy and advocate on behalf of the sector.

## What we do

Australian Grape & Wine will work to create a political, social and regulatory environment across the production and supply chain that facilitates:

- profitable and sustainable grape and wine businesses in both the domestic and export environment;
- vibrant rural and regional communities; and
- the world's leading grape and wine sector in environmental management.

## How we do it

As the national association for Australia's grape and wine producers, Australian Grape & Wine will lead and represent the sector's interests by:

- Brokering policy positions that:
  - recognise the diverse interests of sector, garnering strong support from businesses;
  - are based on sound evidence; and
  - garner wide-spread support from across the grape and wine sector.
- Advocating policy positions with governments and the community;
- Building productive relationships with a range of stakeholders, including:
  - Members of the Government and broader Federal Parliament;
  - Members of the Commonwealth public service;
  - State and territory members of parliament and officials<sup>1</sup>;
  - Members of Australian Grape & Wine;
  - State and regional wine industry associations;
  - The media;
  - Other representative bodies in the alcohol beverages sector and supply chain; and
  - The grape and wine sector more broadly.
- Building capacity to respond to issues across the sector by developing strategies and providing services and information to members and other industry participants.

---

<sup>1</sup> Note that Australian Grape & Wine works closely with relevant state wine industry associations when engaging state governments.

## Role of the Board

The Board sets the strategic direction and priorities for Australian Grape & Wine. It will:

- evaluate future policy proposals;
- champion the sector and play a leadership role during advocacy activities; and
- be a strong advocate for Australian Grape & Wine and its policies with other members of the grape and wine sector, particularly in relation to their representative committees (small, medium and large winemakers, and the vignerons committee).

## Australian Grape & Wine staff

Australian Grape & Wine staff will develop and promote sector policies, positions and key priorities with government/s, the media and sector members. Australian Grape & Wine staff will facilitate a culture that:

- engages openly, regularly and collaboratively with members and stakeholders;
- seeks modern, creative and innovative approaches to problems;
- is transparent, honest and engenders trust (internally and externally);
- embraces continuous improvement in internal business practices;
- is accountable to the Board and members through regular communications and reports; and
- is focused on outcomes for the benefit of sector members.

## Operating environment

Australian grape and wine businesses will experience a range of challenging dynamics within the operating environment over the course of this strategic plan. While the points raised in this section relate to current issues, we assess that most will likely be sustained for the coming 3-5 years and should be drawn upon to inform the formation of this plan's strategic objectives.

### **China's import duties will significantly distort supply and demand dynamics.**

The decision in 2021 by China's Ministry of Commerce (MOFCOM) to impose dumping and countervailing duties, equating to a total of more than 218 per cent for some exporters, has made what was once a \$1.2 billion export market for Australian wines unviable. As a result of China's actions, demand for wine and, flowing on from this, wine grapes, has fallen sharply with prices collapsing in some areas during the 2022 vintage, particularly for red varieties. Those growers without contracts have limited options and are in the process of making difficult business decisions. The record-breaking 2021 vintage has added to the challenge, with excess wine in tank, barrel and bottle tilting the balance further to the supply-side and dampening prices.

While the election of the Albanese Government in May 2022 may improve the bilateral relationship<sup>2</sup>, and progress may be made in Australia's World Trade Organization (WTO) dispute settlement case against China over the course of this plan, we do not expect conditions to improve dramatically in the near term.

We assess that even if progress is made bilaterally and even with a 2022 vintage closer to the long-term average and well-below that of 2021, the fall in grape prices, difficulty in moving stock offshore, high costs of production due to labour and logistics costs, will lead to high stock-to-sales ratios for 2023. This will put added price pressure on growers in 2023 and potentially

---

<sup>2</sup> Note that this is not a criticism of the Morrison and Turnbull Governments, but is a reflection of the deep-seated hostility held by China towards the coalition over recent years.

beyond. There is real potential for economic damage to be felt across the rural and regional communities in which our wine regions are located as a result of this oversupply scenario. We fear that many grape and wine businesses could be driven to insolvency. There may be a need for industry and government to work together over the course of this strategic plan to help grape growers to adjust to this situation. Better market information will be helpful, but targeted assistance relating to financial counselling, training and education and the sustainable removal of vineyard infrastructure may also be required.

Given this, in the short-term, our objective is to sell 130 million litres of red wine formerly destined for the China market into new or existing markets without cannibalising price or market share of Australian wine. There is no single market or easily found collection of markets that can soak up the excess supply in the short-to-medium term, but it is clear that we need to focus our efforts on growing demand across a more diverse array of export markets.

Unlike many of our key competitors, Australia's export success story has not been driven by subsidies, or a comparatively lower cost base. Science, innovation, and collaboration have driven our rise to becoming the world's fifth largest wine exporting nation. These drivers must continue to be central to our philosophy and efforts.

It is critical that government and industry investment is targeted and coordinated to ensure we get maximum benefit from market diversification activities. This requires a clear overarching strategy that addresses the key issues around where to target market promotion and marketing and where we invest in medium-to-long-term market-access efforts which aim to improve the regulatory environment for businesses in established and emerging markets. We must act now, build our evidence base to inform the strategy, undertake feasibility work, and re-assess the strategy based on our feedback mechanisms. We are pleased to note that through the assistance provided by the Agribusiness Expansion Initiative, this work is well underway. In addition, we must continue to focus our efforts on supporting the negotiation of high-quality, comprehensive Free Trade Agreements (FTA) to open opportunities for grape and wine businesses.

Market diversification may be geographic or demographic and requires new strategies that better understand consumer drivers, identify opportunities, product development and improved access to markets. While there is a short-term imperative, a long-term strategy is essential. As an industry, we have an opportunity to re-think the Australian wine brand, drawing upon our environmental credentials and our strategic aim to become the world's leading wine industry in environmental management.

### **The global economic situation is unsettled**

The impacts of the COVID-19 pandemic and associated control measures are likely to remain for some time. Hard line COVID-19 responses to the omicron variant have sent a shockwave through the Chinese economy and added pressures on international supply chains and logistics, slowing both China's growth and global growth. We are seeing these pressures playing out in the form of delays, limited availability and rapidly increasing costs in shipping and logistics services. Year-to-date (January-March 2022) Baltic Panamax index values, a benchmark for the price of moving dry bulk commodities by sea, are about triple the level they were during the same period in 2019. The supply chain issues that have reverberated globally go far beyond higher freight rates, however, as container shortages and widespread shipment delays cascade downstream through many sectors. In particular, interruption in shipments of computer chips and machine parts threatens farmers' ability to maintain and run production equipment, while delays in shipping of fertilizer and other inputs could impact production. All of these issues are compounding the supply-demand imbalances playing out in our sector.

After reduced economic growth in 2020, global GDP rebounded sharply in 2021, spurring consumption and trade. According to the United Nations Conference on Trade and Development,

global trade value reached a record \$28.5 trillion in 2021, up 25 percent from 2020 and up 13 percent from 2019. Agricultural commodity prices have been trending up since the second half of 2020, fuelled by strong global import demand (especially from China), smaller world supplies due to Northern Hemisphere droughts in 2021, and tightening stocks in major exporting countries.

These developments occurred as world economic growth rebounded from pandemic-curbing measures. Crude oil and natural gas prices began to surge, reflecting the economic recovery. High energy prices increased the costs of fertilizers, other inputs, and transportation. Russia's attack on Ukraine has disrupted Black Sea agricultural exports, pushing prices higher, and exacerbating high energy and fertilizer costs. Trade policies in response to the market volatilities caused by the war, especially export restrictions, are further boosting food prices. All this is contributing to inflationary pressures across a range of economies, including in Australia, causing central banks to pursue interest rate increases in response.

### **Geopolitical fissures are stressing the international trading system**

It is important to note that in this era of Covid-19, post-global financial crisis politics and geopolitical turmoil, we are seeing increases in nationalism in some countries and a general decrease in trust and belief in international institutions such as the WTO. While Australia is a G20 economy with significant influence as a middle-power, we are not powerful enough to dictate the terms of our international engagement. Therefore, it is imperative that we work with the Australian Government to support the international rules-based trading system, as this is our best opportunity to shape the rules of the road when it comes to our future trading opportunities. We can do this through actively engaging in the WTO or through regional forums such as APEC and issuing supportive statements about relevant issues.

### **A potentially seismic shift in Australian politics could create uncertainty**

The 2022 federal election saw a major shift in the primary vote away from the two major parties towards independent candidates and the Greens. While at the time of writing it is too early to say what this will mean for our sector over the course of this strategic plan timeframe, it seems likely that the larger cross-bench could lead to uncertainty and require significant pragmatism and compromise from the Albanese Government. Further to this, the new Government will have to manage a challenging set of economic circumstances, with immediate issues like inflation, relatively low growth in wages, and a very tight labour market likely to put pressure on people's cost of living.

This may create uncertainty for our organisation and our members, but there is also opportunity to ensure we build relationships with what a broader range of parliamentarians, and potential to drive positive outcomes with their assistance if we can pitch the right policies.

### **Consumer trends are evolving, with a greater emphasis on social licence issues**

The demands of consumers are driving significant changes in how businesses operate and what governments do, in a policy sense, to address voter concerns. For example, we are seeing increased interest in sustainability issues in significant wine markets such as Scandinavia and Canada, which is leading retailers and governments to pursue higher standards on things such as recycled glass content than we have seen in the past. Sustainability themes are likely to continue to put pressure on governments and retailers over the course of this strategic plan's timespan.

In addition, alcohol and health issues are being put under the microscope by an increasingly coordinated and well-funded network of public health bodies.

We have seen major pushes to encourage population wide policy interventions through the WHO, and instances of significant policy interventions in markets such as Ireland, which is considered by public health advocates to be at the vanguard of so-called progressive, anti-



alcohol policy globally. We should expect to see examples such as these highlighted by health advocates in Australia over the next five years.

## We can't lose sight of the growth goals of Vision 2050

By 2050, our vision is for the sector to show 3% compound annual growth in unit value (\$15 billion industry<sup>3</sup>) with the total wine sector and associated tourism contribution to the Australian economy of over \$100 billion. It is important to note that this growth target was predicated on ongoing access and growth in the China market, which as noted above, has now effectively closed. Given this, we should temper our growth ambitions and work towards a \$12 billion industry by 2050.

While we are tempering our ambitions to reflect the prevailing conditions, the options to achieve these growth objectives remain the same. They require us to:

- Sell more wine domestically
- Sell more internationally by repositioning Wine Brand Australia internationally
- Develop new products
- Reduce costs/improve efficiency
- Produce less grapes/wine (industry shrinks by volume).

### 1. Sell more wine domestically

Imported wine makes up around 20% of the domestic market. This is primarily white wine from New Zealand and European sparkling. However, innovative products and the growth in craft beer and spirits categories are taking market share from wine. Key potential responses to this are:

- A domestic marketing campaign aimed increasing wine tourism and buying local.
- Responding to changing consumers preferences for NOLO beverages, by working to develop healthy, lifestyle-focused products with innovating marketing and packaging.
- Research into lower alcohol red wine to complement recent New Zealand Research.
- In the medium term, to promote international tourism and expand the fulfillment aspect through enhanced tourism experiences and enabling sales in their home countries.

### 2. Sell more wine internationally

Market diversification is the key to our sustained success. International markets offer greater growth opportunities than the Australian market, even given the competitive nature of the global wine trade and the current geopolitical and trade tensions we are experiencing.

Key responses to this objective include:

- Working with the Australian Government to encourage the negotiation of high-quality, comprehensive FTAs.
- Leveraging limited funding remains critical, particularly given Federal, state and territory governments are all focused on diversifying opportunities. This requires coordination.
- Developing an overarching brand strategy, which will drive investment.<sup>4</sup>  
Targeted and collaborative market promotion and development and activities.
- Improving market access arrangements to unlock potential growth.

---

<sup>3</sup> Total sales of Australian wine.

<sup>4</sup> This overarching brand strategy should incorporate the repositioning of wine brand Australia, with an overarching focus on our commitment to environmental management and sustainability.

### 3. Develop new products

Developing new products is a key strategy to grow both export and domestic markets. The key elements here will be to:

- Identify market opportunities on a collective basis (although product development is essentially an individual company responsibility);
- Respond to consumer demand for sustainable wines and health products;
- No-and low alcohol (NOLO) products are a major growth opportunity. The South Australian Government in partnership with AWRI, Wine Australia and Australian Grape & Wine has partnered in a \$4.8m project to enhance capability in this area.
- Other grape and wine-based products are a major potential source of demand growth.

### 4. Reduce costs

- Cost reduction will improve profitability of grape and wine businesses. This will be done through reduction in red tape; streamlining of industry bodies and efficiency in service delivery; enhanced production techniques in the vineyard and winery through RD&E; and removing of regulatory impediments to trade.
- There are significant potential improvements to lower costs for grape growers, by improving access to agrichemicals and harmonising international maximum residue limits.

## A framework for resource allocation

Failure to make progress in each of these areas, will require government and businesses to contemplate a smaller industry, potentially assisted by government adjustment assistance, and likely creating considerable stress across rural and regional Australian wine communities.

Each of the five pillars requires different strategies, but all require a common framework to ensure coordination of activities and prioritisation of scarce resources. The Australian Government's Agri-Business Expansion Initiative, which aims to help Australian farming, forestry and fishing exporters to expand and diversify their export markets, is a key part of this strategy, but by no means the entire story. Critical to long term success is cooperation between the grape and wine sector (to ensure our priorities are identified and supported); Austrade (to deliver targeted advice and trade missions to help exporters grow in existing and new markets); Wine Australia (to ensure existing levy funds are spent efficiently in those markets; research is targeted to meet consumer demands and provide efficiency in production and good export regulation); the Department of Agriculture, Fisheries and Forestry (DAFF) (to ensure to ensure technical and scientific support can produce real outcomes in key international forums) and the Department of Foreign Affairs and Trade (DFAT) (to ensure we can reduce market access barriers).

Our activities can dovetail with other export industries to ensure that we work synergistically to develop new markets, coordinate cross-sector research, and reduce market access barriers. An efficient, and profitable wine sector requires that all participants in the supply chain are profitable and making a fair margin. However, Australia's grape and wine sector does not operate in isolation from the rest of the world. The global wine supply and demand situation is a major determinant of wine grape pricing in the warmer inland regions. To ensure enduring profitability of the grape growing sector, Australia must invest in improved technology to ensure we can compete in terms of production efficiency with our global competitors.

## Strategic objectives of Australian Grape & Wine

### 1. Supporting Demand Growth

#### 1.1 Effectively utilise Australian Grape & Wine's role as the declared industry representative body in its engagement with Wine Australia.

To do this, Australian Grape & Wine will:

- maintain a collaborative and productive working relationship with Wine Australia;
- develop and maintain an understanding of the return on investment in RD&E;
- lead the development of national RD&E policy, ensuring projects meet sector priorities;
- work with Wine Australia and Austrade to set priorities and advise on marketing;
- ensure that the services delivered by Wine Australia meet the needs of the sector; and
- lead consultations regarding levy restructuring.

#### 1.2 Improve trade and market access outcomes for Australian wine businesses.

To do this, Australian Grape & Wine will:

- monitor proposed changes to regulations that impact domestic market access;
- work closely with Wine Australia, government and international partners to monitor and respond to key market access and trade barrier issues;
- actively and collaboratively engage with international organisations and forums including APEC, OIV, World Wine Trade Group (WWTG), International Organization of Legal Methodology (OIML), and the Codex Alimentarius Commission (CODEX);
- advocate for high quality and comprehensive trade agreements, including FTAs;
- build relationships in developing markets, including India, Korea and Japan.
- engage with government and other commodity groups to reduce non-tariff barriers, through capacity building and technical assistance.

#### 1.3 Develop and implement a market diversification strategy.

To do this, Australian Grape & Wine will:

- Promote and communicate our sustainability credentials to underpin Brand Australia
- Proactively reduce market access barriers in key markets and potential markets, in line with Australian Grape & Wine's market access strategy;
- Engage directly with India's grape and wine industry to enhance understanding and improve the domestic agri-political environment;
- Collaborate with Wine Australia, Austrade and businesses to develop markets;
- Promote research to develop new and innovative products; and
- Promote domestic tourism to recapture market share in the Australian market.

#### 1.4 Ensure efficiency in the funding, design and delivery of RD&E.

To do this, Australian Grape & Wine will:

- understand global trends and develop strategies to support industry's ability to take advantage of those trends;
- advocate in support of the RRDC co-funding model;
- constructively influence Wine Australia's five-year plan to reflect sector priorities;
- identify industry research priorities and communicate these to Wine Australia;
- influence RD&E direction with a particular regard to commercial outcomes;
- seek feedback from members about the effectiveness of RD&E; and
- encourage efficiency through national and international research collaborations.

## 2. Maintaining our Licence to Operate

### 2.1 Encourage the sustainable use of our natural resources, the protection of our environmental assets, and facilitate the credible promotion of the sector's environmental credentials.

To do this, Australian Grape & Wine will:

- set ambitious net-zero emissions targets (2035) and design a roadmap for to achieve them;
- encourage efficient use of natural resources across the sector through RD&E, best practice examples and effective communication with growers and winemakers;
- ensure grape and wine producers have access to accurate and timely information regarding availability of resources;
- provide input and oversight into Sustainable Winegrowing Australia;
- engage in national waste management issues;
- work to promote regulatory convergence on environmental policies;
- monitor and address water policy issues of national significance;
- monitor national energy issues as they relate to cost and competitiveness, and engage in with like-minded organisations to explore opportunities to improve affordability.

### 2.2 Protect our vineyard assets.

To do this, Australian Grape & Wine will:

- actively engage in biosecurity policy discussions and encourage government investment in effective initiatives and resources for the sector;
- raise industry awareness of biosecurity;
- advocate for development of quality assurance schemes;
- advocate for enhanced biosecurity surveillance capacity;
- ensure wine grape growers have access to the suite of agrichemicals required to maintain a sustainable production sector; and
- develop human capacity to improve resilience and preparedness.

### 2.3 Demonstrate our health and social responsibility credentials, promoting the moderate consumption of alcohol and effectively communicating practical and effective approaches to dealing with the misuse of alcohol to policy decision-makers.

To do this, Australian Grape & Wine will:

- Work closely with Alcohol Beverages Australia (ABA), DrinkWise to:
  - encourage responsible consumption of alcohol by those who choose to drink it;
  - understand the motivations and ambitions of public health and anti-alcohol bodies;
  - understand the data and key trends in problem drinking in Australia;
  - articulate effective, evidence-based policy approaches targeting high risk drinking;
  - advocate against ineffective and costly regulatory measures relating to alcohol;
  - promote responsible marketing of wine by actively promoting and engaging in the Alcohol Beverages Advertising Code (ABAC);
- engage consumer advocates for the sector through media and the wine trade;
- understand trends and to promote responsible consumption by younger drinkers;
- Work to influence the international policy debate as it relates to health by:
  - working with the International Alliance for Responsible Drinking (IARD) to monitor and influence global policies; and
  - proactively consulting the Australian Government in its engagement with the OECD, World Health Organisation and other UN bodies.
  - Maintaining strategic positions and influence in bodies with such as OIV and Codex.
  - Continuing to build relationships with key people in these international organisations.

### **3. Effectively Representing and Advocating for our Sector**

#### **3.1 Build Australian Grape & Wine's membership numbers.**

To do this, Australian Grape & Wine will:

- maintain relationships with members through face-to-face meetings, sector events, and open lines of communication, to demonstrate our value proposition and achievements;
- review and restructure the membership fees;
- empower existing members to promote the benefits of membership;
- communicate current issues and potential sector impacts in a timely manner;
- address threats and take advantage of opportunities in a timely manner;
- increase membership uptake in the vignerons category outside South Australia;
- increase membership in the small and medium winemaker categories;
- ensure structure of the Board represents members' views and achieves optimal outcomes for sector.

#### **3.2 Strengthen Australian Grape & Wine's reputation as the single trusted voice of Australian grape and wine producers.**

To do this, Australian Grape & Wine will:

- act with integrity and transparency in the course of our advocacy efforts;
- work collaboratively with parliamentarians and advisors across the political spectrum;
- work collaboratively with state and regional wine industry associations to leverage their relationships with local political representatives;
- build relationships with state and territory government parliamentarians;
- maintain productive working relationships with departmental officials;
- develop advocacy strategies for specific issues (e.g., alcohol and health);
- mobilise Board members and members and others across the sector to convey key messages to decision-makers and influencers, including media; and
- explore opportunities to benefit from cross-sectoral partnerships.

#### **3.3 Demonstrate the sector's contribution to the Australian economy and articulate the potential impacts of regulatory proposal to the sector.**

To do this, Australian Grape & Wine will:

- source and maintain statistics and data to support advocacy of the sector's economic contribution, including in the context of federal, state and territory electorates;
- differentiate wine from other alcohol types to maintain differential policy settings; and
- inform the public about the value of the sector through media and regional engagement.

#### **3.4 Build a reputation as an agile, flexible and effective organization.**

To do this, Australian Grape & Wine will:

- review its Constitution in consultation with members committees and determine whether amendments should be proposed to the voting members in 2022;
- review the membership fee structure and reduce the barriers to membership;
- increase staff capability;
- pursue excellence in service delivery; and
- adopt an ethic of continuous improvement and apply this to all aspects of the business.

## 4. Fostering an Appropriate Regulatory Environment

### 4.1 Facilitate a business-enabling environment that encourages fair and equitable trading conditions, and competitive and sustainable grape and wine businesses.

To do this, Australian Grape & Wine will:

- advocate for appropriate regulation based on evidence and good regulatory practice, through formal representations to Federal and State Ministers;
- demonstrate the sector's contribution to the Australian economy;
- promote fair and equitable contract terms and uptake of the Wine Industry Code of Conduct;
- promote regulatory convergence across Australian federal, state and territory jurisdictions to minimise unnecessary business costs and duplication; and
- investigate distributional impacts of alternative tax policies across business models.

### 4.2 Support a resilient network of Australian grape and wine producers and promote the importance of effective value chain relationships:

To do this, Australian Grape & Wine will:

- assess and refresh Vision 2050 to ensure it is practical and meets industry needs;
- work with Wine Australia in the development of its 5-year strategic plan, to ensure it delivers on the sector's expectations on marketing, tourism, R&D and regulation;
- promote relationships between wine grape growers, suppliers, retailers and government;
- ensure that the sector is provided with accurate and timely market information;
- promote and deliver skills development and leadership programs to industry; and
- develop opportunities for personal development and promote diversity, equality and inclusions within the sector.

## 5. Reposition "Wine Brand Australia" as the world leader in wine industry environmental management and sustainability.

### 5.1 Work with sector to reduce emissions:

To do this, Australian Grape & Wine will:

- Work with Wine Australia and the Sustainable Winegrowing Australia platform to create a 'how to' guide for growers and winemakers to help contribute to our 2035 zero emissions goals;

### 5.2 Demonstrate our environmental management and sustainability:

To do this, Australian Grape & Wine will:

- Develop industry case studies that demonstrates instances in which the sector has already taken steps to become world leading environmental and sustainability managers;

### 5.3 Market "Wine Brand Australia" as a world leader in environmental management:

To do this, Australian Grape & Wine will:

- Work with Wine Australia to develop marketing campaigns which can be rolled out to selected markets around the world which position Australia's grape and wine sector as the world's leader in environmental management and sustainability;

### 5.4 Make it easier for businesses to improve sustainability:

To do this, Australian Grape & Wine will:

- Encourage Sustainable Winegrowing Australia to develop an accreditation module to its service offer with a view to making it easier for businesses to become accredited.

## Key performance indicators

Australian Grape & Wine needs to demonstrate and communicate its business proposition more effectively. Its key strength is its advocacy and policy development work, which is difficult to translate into bottom line benefits for members. Australian Grape & Wine recognises this challenge and will continue to establish and refine processes to better demonstrate value to members and the broader sector. These key performance indicators are provided at an organisational level but can be used to measure and report on performance against strategic and operational objectives.

**We will measure our success against the following Key Performance Indicators:**

Strategic objective	Key Performance Indicators
<b>1: Supporting demand growth</b>	
<b>1.1 Effectively utilize Australian Grape &amp; Wine's role as the declared industry representative body in its engagement with Wine Australia.</b>	<ul style="list-style-type: none"> <li>The next Wine Australia 5-year plan reflects the expectations of Australian Grape &amp; Wine and the sector more broadly.</li> <li>Increase investment from Government for Wine Australia.</li> <li>Make representations to the Australian Government about the importance and value of ongoing investment in RD&amp;E, and the maintenance of the industry-government co-investment model.</li> <li>Ensure Wine Australia services meet sector needs and expectations.</li> <li>Lead consultations regarding marketing and export levy restructuring.</li> </ul>
<b>1.2 Improve trade and market access outcomes for Australian wine businesses.</b>	<ul style="list-style-type: none"> <li>Domestic market access for Australian wine businesses has been improved upon compared to 2022 levels.</li> <li>Australian Grape &amp; Wine has a positive and productive working relationship with Australian Government Departments including DFAT and DAFF and continues regular engagement on trade and market access issues.</li> <li>Australian Grape &amp; Wine maintains influence and with international organisations including APEC, OIV, WWTG, OIML, and Codex Alimentarius Commission.</li> <li>Build on the FTA outcomes from the agreements with India and the United Kingdom.</li> <li>Grape and wine sector views are incorporated in negotiation of bilateral, regional and multilateral negotiations, including FTAs.</li> </ul>
<b>1.3 Develop and implement a market diversification strategy</b>	<ul style="list-style-type: none"> <li>Growth in wine exports and wine-related tourism compared to 2022.</li> <li>Demonstrated collaboration with Wine Australia, Austrade et al to develop market opportunities.</li> <li>Promote RD&amp;E to develop innovative products.</li> <li>Secure investment in new markets.</li> <li>Demonstrated promotion of domestic tourism.</li> <li>work towards an industry value of \$12 billion by 2050.</li> </ul>
<b>1.4 Ensure efficiency in the funding, design and delivery of RD&amp;E</b>	<ul style="list-style-type: none"> <li>Deliver a long-term whole of industry strategy which considers innovation needs over the coming decades.</li> <li>Ensure Australian grape and wine industry views are reflected in any review of the RRDC model, including our focus on maintaining the current industry-government co-investment arrangement.</li> <li>Seek feedback from members about their RD&amp;E priorities and formally communicate these to Wine Australia.</li> <li>Actively engage with international sector partners to encourage collaboration in research.</li> <li>Deliver skills development and leadership programs to the sector.</li> <li>Lead consultations regarding RD&amp;E levy restructuring if required.</li> </ul>

<b>2: Maintaining our licence to operate</b>	
<p><b>2.1 Encourage the sustainable use of our natural resources, the protection of our environmental assets, and facilitate the credible promotion of the sector's environmental credentials.</b></p>	<ul style="list-style-type: none"> <li>• Be consulted and influential over national policy discussions relevant to the wine sector, including on container deposit schemes.</li> <li>• Work with Wine Australia and the AWRI to develop, refine and promote Sustainable Winegrowing Australia.</li> <li>• Promote sign-up to Sustainable Winegrowing Australia.</li> </ul>
<p><b>2.2 Protect our vineyard assets.</b></p>	<ul style="list-style-type: none"> <li>• Constructively engage in biosecurity policy forums.</li> <li>• Work with Vinehealth Australia, state and territory government biosecurity agencies, and the Australian Government Department of Agriculture, Fisheries and Forestry, to improve sectoral awareness of biosecurity issues via media releases, placing articles in the wine industry press and participation in industry events.</li> <li>• Work with Vinehealth Australia to respond appropriately, in a timely fashion, to biosecurity incursions.</li> </ul>
<p><b>2.3 Demonstrate our health and social responsibility credentials, promoting the moderate consumption of alcohol and effectively communicating practical and effective approaches to dealing with the misuse of alcohol to policy decision-makers.</b></p>	<ul style="list-style-type: none"> <li>• If health warnings are introduced, they provide industry certainty and have minimal costs to businesses.</li> <li>• Members are kept informed of prospective changes to health regulations and policies regularly and in a timely manner.</li> <li>• Maintain a strong and productive working relationship with key pan-industry bodies like ABA, DrinkWise Australia and IARD.</li> <li>• Australian Grape &amp; Wine has a seat at the table in policy decision making processes as they relate to alcohol and health issues.</li> <li>• Australian Grape &amp; Wine maintains good access to federal, state and territory government ministers, advisors and departmental officials.</li> <li>• Australian Grape &amp; Wine views are noted and referenced in Australian Government engagement in relevant international forums.</li> <li>• Represent the sector on the board of ABAC and council of ABA.</li> </ul>
<b>3: Effectively Representing and Advocating for our Sector</b>	
<p><b>3.1 Build Australian Grape &amp; Wine's membership numbers.</b></p>	<ul style="list-style-type: none"> <li>• Increase membership numbers from those at 30 June 2022.</li> <li>• Increase membership fee revenue by 30% on 2022 levels.</li> <li>• Maintain an accurate database of current and future members and open lines of communication with them</li> <li>• Demonstrated regular communication with members, prospective members, and state and regional wine industry associations, that explain what we have achieved and our approaches to industry issues.</li> </ul>
<p><b>3.2 Strengthen Australian Grape &amp; Wine's reputation as the single trusted voice of Australian grape and wine producers.</b></p>	<ul style="list-style-type: none"> <li>• Australian Grape &amp; Wine maintains access to relevant federal, state and territory government ministers, advisors and departmental officials.</li> <li>• Australian Grape &amp; Wine is recognised by government as a trusted, transparent and collaborative organisation to work with.</li> <li>• Australian Grape &amp; Wine positions are noted and referenced in Australian Government engagement in relevant domestic and international forums.</li> </ul>
<p><b>3.3 Demonstrate the sector's contribution to the Australian economy and articulate the potential impacts of regulatory proposal to the sector.</b></p>	<ul style="list-style-type: none"> <li>• Maintain a strong evidence base to support our positions on regulatory and policy interventions.</li> <li>• The Australian grape and wine sector's economic contribution is publicly raised by politicians in the media, public statements or by other means, and by the media in sector reporting.</li> </ul>



<p><b>3.4 Build a reputation as an agile, flexible and effective organization.</b></p>	<ul style="list-style-type: none"> <li>Review Australian Grape &amp; Wine's Constitution in consultation with members committees and determine whether amendments be proposed to the Voting Members on or about 1 November 2022.</li> <li>Increase staff capability.</li> <li>Demonstrated efforts to pursue excellence in service delivery demonstrated through membership and surveys.</li> <li>Demonstrated ethic of continuous improvement applied to all aspects of the business.</li> </ul>
<p><b>4: Fostering an Appropriate Regulatory Environment</b></p>	
<p><b>4.1 Facilitate a business-enabling environment that encourages fair and equitable trading conditions, and competitive and sustainable grape and wine businesses.</b></p>	<ul style="list-style-type: none"> <li>If new regulations are introduced, they provide industry certainty and have, on-balance, minimal costs to businesses.</li> <li>Members are kept informed of prospective changes to regulations and policies regularly and in a timely manner.</li> <li>The industry has the information it needs to make informed strategic decisions in relation to taxation.</li> <li>Ensure the sector has access to accurate and timely market information.</li> <li>Increase the number of signatories to the Wine Industry Code of Conduct.</li> </ul>
<p><b>4.2 Support a resilient network of Australian grape and wine producers and promote the importance of effective value chain relationships:</b></p>	<ul style="list-style-type: none"> <li>Assess and refresh Vision 2050 to ensure it is practical and relevant.</li> <li>Wine Australia's 5-year strategic plan reflects the sector's expectations and needs, as defined in the long-term strategy.</li> <li>Demonstrated increase in industry development initiatives.</li> </ul>
<p><b>5: Reposition "Wine Brand Australia" as the world leader in wine industry environmental management and sustainability.</b></p>	
<p><b>5.1 Work with sector to reduce emissions:</b></p>	<ul style="list-style-type: none"> <li>Development of a roadmap and 'how to' guide for growers and winemakers to start reducing their emissions footprint.</li> <li>Establishment of data systems to measure emissions over time.</li> </ul>
<p><b>5.2 Demonstrate our environmental management and sustainability:</b></p>	<ul style="list-style-type: none"> <li>Development of high-quality and compelling industry case studies that demonstrate our sector's activities and results in relation to environmental management and sustainability.</li> </ul>
<p><b>5.3 Market "Wine Brand Australia" as a world leader in environmental management:</b></p>	<ul style="list-style-type: none"> <li>Australian Grape &amp; Wine to work with Wine Australia as it develops a marketing strategy that repositions "Wine Brand Australia" as a leader in environmental management and sustainability.</li> <li>Once implemented, the perception of the Australian Grape &amp; Wine brand will be measured and reported on, with a particular focus on whether or not consumers are increasingly perceiving Australia as a leader in environmental management and sustainability.</li> </ul>
<p><b>5.4 Make it easier for businesses to improve sustainability:</b></p>	<ul style="list-style-type: none"> <li>Sustainability Winegrowing Australia develops and rolls-out an accreditation model to make it easier for businesses to become accredited under the program.</li> <li>Demonstrated uptake of the program.</li> </ul>

## Review

This Strategy will be reviewed annually with input from all membership committees.