



FOR INDUSTRY, BY INDUSTRY



Code Management Committee

ANNUAL REPORT 2021-2022

September 2022

Code of Conduct for Australian
Winegrape Purchases



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INTRODUCTION

This is the eleventh Code of Conduct for Australian Winegrape Purchases Annual Report prepared by the Code Management Committee (the Committee). This report covers the period from 1 July 2021 to 30 June 2022.

The Code of Conduct for Australian Winegrape Purchases

The Code of Conduct for Australian Winegrape Purchases (The Code) was developed as a foundation for building relationships between growers and winemakers that are fair, equitable and mutually beneficial as well as to provide a quick and cost-effective dispute resolution process. The Code sets minimum standards relating to grape purchasing including quality assessment for the purpose of affecting price, alternative mechanisms for determining price and payment terms.

Originally signed by representatives of the former Winemakers' Federation of Australia (WFA) and Wine Grape Growers Australia (WGGA) on 19 December 2008, the Code is now administered by Australian Grape and Wine Incorporated. The Code has since been subject to a review and an amended version was released in November 2020. In conducting this review, the Committee adopted a number of recommendations from the ACCC's Winegrape Market Study released in September 2019 and made a commitment to encouraging greater uptake of the Code by winemakers. The Code will be subject to another review during the 2022-2023 period.

Secretariat to the Code

The Committee appoints a Secretariat to the Code to provide secretariat services to the Code's administration and to which the Committee may delegate any of its powers or duties under the Code.

The Accord Group was the appointed secretariat for the Australian Wine Industry Code from October 2021 until October 2022.

Code Management Committee

The Code is overseen and administered by the Code Management Committee appointed by the Board of Australian Grape & Wine. The Committee held four meetings throughout the period.

The Committee consists of eight members, an independent Chair, and is supported by a Secretariat. As of September 2019 the Committee operated under an amended Terms of Reference that requires it has equal representation from both winemakers and grapegrowers. Both Riverina and Murray Valley Wine regions were invited to have representatives attend each meeting as observers.

The composition of the Committee at 30 June 2022 was:

Members	Representing	Member
Peter Hayes	Independent Chair	
Fiona Anderson	Treasury Wine Estates	Winemaker
Jim Caddy	Inland Wine Regions	Grower
Jason Duldig	Accolade Wines	Winemaker
Luke Edwards	Casella Family Wines	Winemaker
Georgie Johnston	Pernod Ricard	Winemaker
Ben Rose	Performance Viticulture	Grower
Ashley Keegan	Fabal Wines	Grower
Stuart Andrew	Winkie Heights Pty Ltd	Grower
CMC Secretariat		
Tony Battaglione	Australian Grape & Wine	
Anna Hooper	Australian Grape & Wine	
Observers		
Paul Derrico	Murray Valley Winegrowers'	
Jeremy Cass	Riverina Winegrape Growers	

The Committee's responsibilities include acting as the custodian of the Code, monitoring and assessing the Code's performance, improving the Code, facilitating resolution of disputes over winegrape prices and vineyard downgrades and rejections, and determining alleged breaches of the Code. It is required to produce an annual report to be published by 30 September each year containing:

- A description of the nature and number of disputes received;
- Any comments it wishes to make about conduct or trends in the industry;
- The number of Disputes notified to the Secretariat and/or resolved under the provisions of the Code;
- The number of Signatories who have breached the Code;
- A list all current signatories to the code and new signatories since the previous annual report.

In monitoring the Code, the Committee may recommend amendments to assist the Code's operation.

REPORT ON ACTIVITIES 2021-2022

Secretariat's Report

Enquiries

There have been two enquiries received during this period, which is less than the five enquiries received in the 2020-21 period.

Nature of Disputes

One enquiry related to a contractual dispute around non-payment of invoices. The respondent in that matter was not a signatory to the Code.

The other enquiry related to a pricing issue and a notice of dispute was issued to the winegrape purchaser in accordance with the Code dispute resolution procedure. The dispute was later withdrawn as the parties were able to reach a resolution through direct negotiations.

Requests for the Appointment of Independent Expert

There was no request for the appointment of an independent expert during this period.

Comments

This period has seen a lower level of enquiry to 2020-21, which represents a continued downward trend in activity compared to the busy periods in 2017-18 and 2018-19.

It is encouraging that we continued to receive new signatory applications from continued outreach by the Code Management Committee. The challenge remains however that we still receive enquiries relating to non-signatories in which we cannot provide direct assistance. Additional promotion of the Code and its benefits may encourage more wineries to become signatories as well as greater use of the Code's dispute resolution procedures.

The Accord Group
Code Secretariat
September 2022

Signatories to the Code

During this period, there were 8 applications to become a signatory to the Code. There is currently a total of 72 signatories.

Accolade Wines
All Saints Estate Pty Ltd
Australia Food and Beverage Group Pty Ltd
Australian Vintage Limited
Balnaves Vineyard Services Pty Ltd t/as Balnaves of Coonawarra
Berton Vineyards
Bleasdale Vineyards Pty Ltd
Brown Brothers Milawa Vineyard Pty Ltd
Calabria Family Wines Pty Ltd
Campbells Wines Pty Ltd
Cape Jaffa Wines
Casella Wines Pty Ltd t/as Casella Family Brands
Cheviot Wine Group
Colbinabbin Estate Vineyard Management Pty Ltd
Constellation Australia Limited
Coonawarra Jack P/L
Cumulus Wines Pty Ltd
d'Arenberg Pty Ltd
Difabio Estate Wines Pty Ltd
Domain Chandon Australia Pty Ltd
Dorrien Winemaking
Down to Earth
Eagle Bay Brewing Co
Eden Road Wine Company t/as Eden Road Wines
Feathertop Winery
First Creek Wines
Fleurieu Vintners Pty Ltd t/as Boar's Rock
Four Winds Vineyard
Fowles Wine
Fox Gordon Pty Ltd
Gemtree Vineyards Pty Ltd
Green Door Wines
Growers Wine Group
Hallman Pty Ltd T/as Eden Hall Wines
Heartland Wines Pty Ltd
Henry Holmes Wines Pty Ltd

Henschke
Hill River Estate Wines (formally Ramco Wine Group)
J & M Innes Pty Ltd
Jeir Creek Wines (Aug 2022)
Kirrihill Wines Pty Ltd
La Kooko Wines (Margaret River Wine Solutions) (Aug 2022)
Lark Hill Wine Co
Limestone Coast Wines Pty Ltd
Monalto
Nashdale Lane Wines
Oakridge Wines Pty Ltd
Obelisk Wine Co
Paradigm Hill
Pernod-Ricard Winemakers
Pipers Brook Vineyard
Rathbone Wine Group Pty Ltd
Rusden Wines
Samarkan Pastoral Co Pty Ltd t/as Coombe Farm
Seppeltsfield Wines Pty Ltd
Serafino Wines
Shaw and Smith Pty Ltd
Shaw Family Vintners Wines
Shingleback Wine Pty Ltd
Sirromet Wines
Smallwater Estate
Tahbilk Pty Ltd on behalf of The Tahbilk Group
Tinja Pastoral/Lowe Family Wine Co
Tinlins Wines Pty Ltd
Treasury Wine Estates
Trentham Estate
Tyrrell's Vineyards Pty Ltd
Vineyard 28
Voyager Estate (WA)
Wirra Wirra Vineyards
Yalumba Wine Company
Zilzie Wines Pty Ltd

A register of signatories is now maintained on the Australian Grape and Wine website.

The period saw a steady increase in the number of signatories from 63 to 71 and Australia's five largest wineries by grape intake are all signatories. Eleven of the top 20 wineries by grape intake are signatories. Australian Grape and Wines estimates that 60-70% of Australian winegrapes processed are done so by Code signatories, and that this percentage is closer to 75% if only wineries above 10 000 tonne capacity are considered.

Related Work

The ACCC recommendations extended beyond the Code to the provision of supporting material that will improve transparency in both pricing mechanisms and in how quality assessments for the purpose of affecting price or rejection decisions are conducted.

Australian Grape & Wine has continued its work with AWRI developing better resources to define best practice winegrape quality assessment for the purposes of affecting price. Much of this work was funded through the SA Wine Industry Development grant. Australian Grape & Wine would like to acknowledge the South Australian Government for this support. Australian Grape & Wine has now added a new section to their website dedicated to the Code which hosts all resources relating to the Code. These are available via the following [weblink](#).

AWRI are also in the process of developing protocols for sampling in vineyards, weighbridge and wineries including protocols for the assessment of material other than grapes (MOG) and pest and disease. A series of regional workshops relating to winegrape quality assessment were scheduled for 2021 however all but one had to be deferred until 2022-23 due to Covid related cancellations.

On 4 April 2022, the Australian grape and wine sector secured a \$989,000 grant from the Australian Government to build an online wine grape price indicator platform that will improve market transparency and inform business decision-making. Once developed, the platform will give winegrape growers access to timely and accurate pricing information so they can better understand the market.

A consortium comprising Australian Grape & Wine, the Inland Wine Regions Alliance and Wine Australia secured the funding through the Australian Government's *Improving Market Transparency in Perishable Agricultural Good Industries* initiative, and will jointly oversee the project, with Wine Australia as the lead deliverable agency.

There are three deliverables:

- An interactive digital analytics platform displaying a comprehensive set of wine grape price indicators that can be freely accessed online.
- An industry-owned domestic sales dataset of price and volume information on wholesale wine sales that is surfaced through the platform.
- A strategic partnership with ABARES to develop a process for ABARES to prepare and publish independent Winegrape price forecasts and commodity analysis for commercial grapes based on the price indicators and other market insights.

Acknowledgements

The Code Management Committee members would like to acknowledge the support and cooperation throughout the year of:

- The Accord Group
- Australian Grape and Wine Incorporated
- ACCC
- AWRI
- Wine Australia

Financial Report

The financial report for 2021-22 is provided below:

FINANCIAL REPORT FOR CODE OF CONDUCT FOR YEAR END 30 JUNE 2022

Accord Group Fee + Code Website hosting fee	\$	5,000
Domain Hosting Fee	\$	185
Total	\$	5,185
