



FOR INDUSTRY, BY INDUSTRY



Code Management Committee

ANNUAL REPORT 2023-2023

September 2023

Code of Conduct for Australian
Winegrape Purchases



CODE MANAGEMENT COMMITTEE CONTACTS

Lee McLean
Chief Executive Officer
Australian Grape and Wine Incorporated
PO Box 2414
Kent Town SA 5000

Telephone: 0418 998 749
Email: lee@agw.org.au

Anna Hooper
Australian Grape and Wine Incorporated
National Wine Centre
Cnr Botanic Rd & Hackney Rd
Adelaide SA 5000

Telephone: 08 8133 4400
Email: anna@agw.org.au

CODE SECRETARIAT

c/o The Accord Group
Level 2, 370 Pitt Street
Sydney NSW 2000

Telephone: (02) 9264 9506
Facsimile: (02) 9264 8268
Email: codesecretariat@accordgroup.com.au

Website: www.agw.org.au/industry-resources/the-code-of-conduct-for-australian-winegrape-purchases/



Contents

INTRODUCTION	4
The Code of Conduct for Australian Winegrape Purchases	4
Secretariat to the Code	4
Code Management Committee	4
REPORT ON ACTIVITIES 2022-2023	1
Secretariat's Report	1
Signatories to the Code	2
Related Work	4
Acknowledgements	4
Financial Report	5

INTRODUCTION

This is the twelfth 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 2022 to 30 June 2023.

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 several reviews and amendments and the current version is dated September 2021.

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 2022 until October 2023.

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 three 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 grape growers. 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 2023 was:

Members	Representing	Member
Peter Hayes	Independent Chair	
Fiona Anderson	Treasury Wine Estates	Winemaker
Jim Caddy	Inland Wine Regions	Grower
Danielle Arnfield	Accolade Wines	Winemaker
Luke Edwards	Casella Family Wines	Winemaker
Georgie Johnston	Pernod Ricard	Winemaker
Ben Rose	Performance Viticulture	Grower
Ashley Keegan	Fabal Vineyards Pty Ltd	Grower
Stuart Andrew	Winkie Heights Pty Ltd	Grower
CMC Secretariat		
Lee McLean	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 2022-2023

Secretariat's Report

Enquiries

There have been four enquiries received during this period, which is more than the two enquiries received in the 2022-23 period.

Nature of Disputes

One enquiry was related to a contractual dispute around a winegrape purchaser's refusal to accept winegrapes. The grower was encouraged to first attempt direct negotiations with the respondent, and they did not require further assistance beyond that point.

Another enquiry related to the quality of grapes and grading per the contract. Again, the grower was encouraged to attempt direct negotiations and no further assistance was required.

Two enquiries related to a pricing issue and notices of dispute were issued to the respective winegrape purchaser in both instances.

Requests for the Appointment of Independent Expert

There was one request for the appointment of an independent expert during this period relating to a pricing dispute. The matter concluded after the expert conducted their process and issued their determination.

Signatories

During this period, there were two additional applications to become a signatory to the Code. There is currently a total of 74 signatories.

Comments

This period has seen a slightly higher level of enquiry compared to 2021-22 but is still significantly lower than the busy periods in 2017-18 and 2018-19. It appears that disputes in the winegrape marketplace have stabilised.

It is positive that enquirers have relied on the Code Secretariat to seek general advice or assistance in the first instance of a dispute. In most cases, enquirers are encouraged to negotiate directly with the respondent and usually managed to resolve their dispute without requiring further assistance. The independent expert process has also been effective in this period as a final step under the Code to assist in resolving a pricing dispute.

The Accord Group
Code Secretariat
September 2023

Signatories to the Code

Accolade Wines
All Saints Estate Pty Ltd
Australia Food and Beverage Group Pty Ltd
Australian Vintage Limited
Balancing Heart Vineyard
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
TarraWarra Estate Pty Ltd
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.

Related Work

The ACCC recommendations from their winegrape market study released in 2019 included development 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.

During the period, Australian Grape & Wine has continued its work with AWRI delivering grape quality assessment workshops throughout South Australia. The workshops included a session on the Code. Much of this work was funded through the SA Wine Industry Development grant and that project is now complete. 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](#).

On 4 April 2022, the Australian grape and wine sector secured a \$989,000 grant from the Australian Government through the Australian Government's *Improving Market Transparency in Perishable Agricultural Good Industries* initiative. A consortium comprising Australian Grape & Wine, the Inland Wine Regions Alliance and Wine Australia secured the funding, and will jointly oversee the project, with Wine Australia as the lead deliverable agency.

The project will soon see the release of an online wine grape price indicator platform that will provide a suite of price indicators, which will help inform business decision-making. Once developed, the platform will give winegrape growers access to timely and accurate market trends so they can better understand the market. Wine Australia are also working on an industry-owned domestic sales dataset of price and volume information that will be available via the platform.

The other deliverable was to develop a partnership with ABARES to prepare and publish independent winegrape price forecasts and commodity analysis for commercial grapes based on the price indicators and other market insights. The first forecast came out in April 2023 and these reports will now be generated on a quarterly basis.

The Code committee is aware of new legislation relating to Unfair Contract Terms in standard form contracts. The Committee is committed to its role promoting fair and equitable trading practices

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 2022-23 is provided below:

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

Accord Group Fee	\$	5,000
Domain Hosting Fee	\$	28
Total	\$	5,028
