# One Grape & Wine Sector Plan

Draft open for comment by 5 February 2024

# Introduction

So much has changed since Vision 2050's publication in 2020. Our sector has faced unprecedented challenges that continue to impact grape and wine businesses all over Australia. So, how can we best refocus our collective efforts and get our sector back on track to achieve the long-term goals in *Vision 2050*? This is the driving force behind the *One Grape & Wine Sector Plan.*

Australian wine is appreciated by millions of people around the world and our sector is fundamental to the economic and social prosperity of many regional communities around the country.

The Australian grape and wine sector is resilient. Our commitment to innovation and quality, to creativity and authenticity, to conviviality and community runs within the very lifeblood of our sector. And we're stronger when we work together towards common goals rather than going it alone.

In developing the *One Grape & Wine Sector Plan*, we worked with people from across the breadth of our sector to set priorities and identify ways that we can work together towards a common goal.

While this is a *One Grape and Wine Sector Plan*, there is strength in the diversity of our sector and it's important that this Plan celebrates the differences in our sector while uniting us in our national goals. We want to acknowledge and thank the many people across the sector who had input into the development of this Plan.

The *One Grape & Wine Sector Plan* is a high-level directional strategy for the entire sector, with Australian grape and wine producers at its heart. It maps out where our sector has told us to direct our collective efforts to make the most difference in responding to recent challenges.

While there will always be more we want to do than our collective resources allow, the *One Grape & Wine Sector Plan* has confirmed where our sector has told us, as service bodies, to focus our priorities from now until 2030 in research and innovation, marketing, regulation, and our efforts in advocacy and policy. Further, consultation identified the priorities the sector wants to focus their energy, efforts and resources as well. The Plan is intended to act as an umbrella to empower our network of regional and state associations and service bodies to align our collective activities and investments – to refocus our combined efforts for the next six years.

The long-term priorities for future-proofing our sector in *Vision 2050* work towards the purpose of profitable, resilient and sustainable grape and wine businesses. The *One Grape & Wine Sector Plan* holds this as a central goal, with six enduring themes significant to the success of all businesses to provide a framework for priorities and coordination of efforts in the short term. It is a dynamic plan, intended to provide flexibility to respond to opportunities and future challenges as they emerge.

Australian Grape & Wine and Wine Australia are committed to the *One Grape & Wine Sector Plan* and in supporting our sector to achieve the priorities it has identified. By working together, we can address the challenges we face and build a stronger, more resilient, and sustainable grape and wine sector for the future.

John Hart OAM
Chairman
Australian Grape & Wine

Dr. Michele Allan AO
Chair
Wine Australia

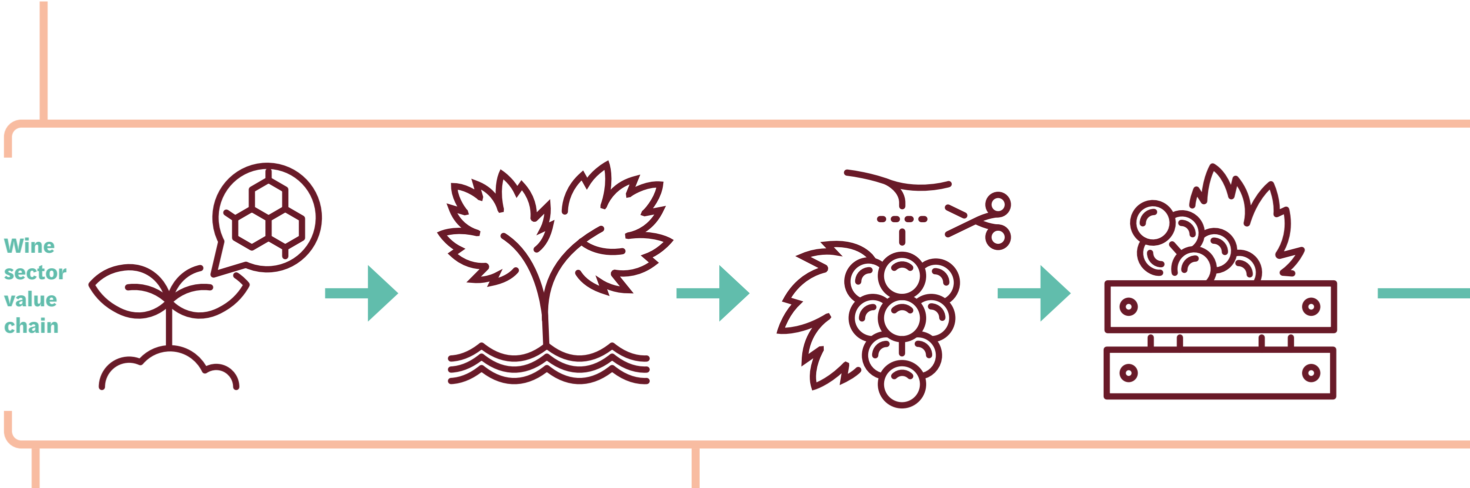
# One Grape & Wine Sector Plan

*A shared vision and a unifying strategy designed by the sector to collectively address key priorities to 2030.*

## Our place and product

By 2030, the Australian grape and wine sector will have embedded practices that safeguard our viticultural assets and increase our resilience. The latest market and consumer insights informs innovation and helps to position quicker responses in our businesses that set global benchmarks while supporting regional distinctiveness.

- Balance supply and demand
- Future proof our supply base
- Leverage information and innovation to enhance our wine
- Empower regions to empower businesses




## Our people

By 2030, the Australian grape and wine sector is an inclusive community welcoming diverse leadership that supports pathways for career longevity, and provides our people with the knowledge and skills to operate resilient businesses.

- Improve diversity and inclusion in the sector and in leadership
- Attract and retain skilled workers
- Develop skilled and capable people
- Enable practice change

## Our ESG

By 2030, the Australian grape and wine sector will have made significant progress towards being globally recognised as the world-leading sustainable grape and wine sector, and ESG practices will be embedded that strengthen the resilience, profitability and sustainability of our community.

- Implement the sector-wide ESG plan
- Adopt ESG and seek continuous improvement to practices
- Responsibly embrace ESG in our marketing
- Demonstrate ESG action for our wider communities

6 themes

23 priority areas

80 actions

The One Grape & Wine Sector Plan will be collaboratively delivered by all service bodies and grape and wine businesses.

## Our markets

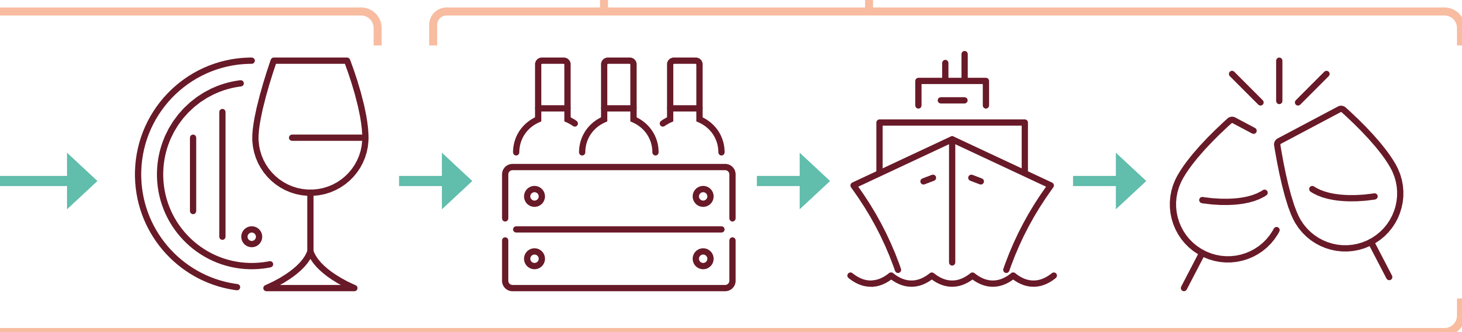
By 2030, the Australian wine sector will elevate its profile internationally and maintain its domestic market through collaborative efforts, innovative marketing, embracing consumer trends and maintaining a steadfast commitment to quality.

- Maintain and grow our domestic market
- Diversify and intensify our international markets
- Increase the image and consumer sentiment towards our wine
- Improve international market access

## Our consumers, customers and community

By 2030, the Australian wine sector is adaptive and responsive to the needs of our consumers, customers and community. Keeping our focus on our consumers will help us transition to a more sustainable sector.

- Respond to our customers and consumers across the value chain
- Advocating for our grape and wine community



## Our systems

By 2030, the Australian wine sector is set on a transformative journey, embracing cutting-edge technologies, digital practices and data-driven strategies to enhance efficiency, quality, profitability, competitiveness and connectivity guided by innovation and fueled by a commitment to excellence.

- Unlock opportunities for investment
- Embrace digital, data and tech transformation
- Enable end-to-end data models
- Ensure access to information
- Ensure the integrity and quality of our products

*See the "Our strategic themes and actions" section for detail.*

# Contents

# Our sector

*Australia is renowned internationally for having one of the most diverse and dynamic wine scenes in the world. Our expansive continent is home to 65 wine regions extending from Margaret River in Western Australia on the west coast to Hastings River in New South Wales on the east coast, from Tasmania in our south to South Burnett in Queensland in our north. Each region has its own individual strengths and challenges. Despite our differences, our sector has found success in the past through collaboration and innovation.*

## Our sector at a glance

**6000+**
winegrape growers

**2000+**
wineries

**65**
wine regions

**100+**
winegrape varieties

**200+**
years of viticulture history

**146,244**
hectares under vine

**163,790**
direct and indirect, full- and part-time jobs

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**1.78 million**
tonnes of grapes crushed annually
10-year average to 2023

**5th**
largest wine producing country by volume

**6th**
largest wine exporter by value

**80%**
of wine consumed within Australia is Australian

**$1.13 billion**
winegrape crush on average annually
10-year average to 2023

**1.25 billion**
litres of wine produced on average annually
10-year average to 2023

**59%**
of Australian wine produced is exported to 112 markets

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**5.5 million**
domestic and international tourists visited wine regions
in the year to end September 2020

**$45.5 billion**
contributed to the Australian economy
in 2019

**3%**
of the value of Australia's agricultural exports

Data sources: Australian Wine Sector at a Glance (Wine Australia, February 2023), Economic Contribution of the Australian Wine Sector 2019 (AgEconPlus and Gillespie Economics, 2019), National Vineyard Scan (Wine Australia, 2019), OIV (2022), Australian Wine Tourism Snapshot (September 2020), Export Report (Wine Australia, September 2023), Agricultural Commodities Outlook (ABARES, September 2023), Production, Sales and Inventory Report 2021–22 (Wine Australia, 2022)

Today, more than 100 winegrape varieties are grown over 146,244 hectares by around 6000 winegrape growers. These growers work with distinctive environments to produce on average 1.78 million[1] tonnes of fruit rich in local characteristics that an estimated 2000 wine producers crush to craft on average 1.25 billion litres[2] of wine each year that captivates palates of consumers worldwide.

On the global market, Australia accounts for around five per cent of the world's wine production and is the world's fifth largest wine exporter by volume and sixth largest by value[3]. Around 59 per cent of Australia's wine production is exported. Within Australian agriculture, wine accounts for 3 per cent of the value of all agricultural exports and was valued at $1.79 billion in the year ended September 2023.

In our own backyard, the sector plays an integral role in the economic and social prosperity of regional communities, and it's a source of pride and part of the local identity. Wine at its core is an agricultural product, but unlike most agricultural products it is value-added in the regional communities it is grown in. Contributing $45.5 billion to the Australian economy[4], Australian grape and wine businesses support the employment of more than 160,000 people across the country, attracting visitors to our regions' vibrant tourism and hospitality sector, with benefits flowing to service providers and other businesses. This helps our regional communities thrive. In the year ended September 2020, a year impacted by pandemic travel restrictions, it is estimated that there were 5.5 million visits to wineries from domestic and international travellers who spent a total of $5.9 billion in Australia on their travels[5].

It is the people from grape and wine businesses that are central to the character and success of our regions. And the wine sector is an employer of people in a broad section of roles within regional communities, including viticulture, oenology, engineering, food sciences, business, hospitality, marketing, tourism and many more. The size and type of businesses within the sector also ranges from multi-national, publicly owned companies to family-owned operations run by just a few staff.

1 10-year average to 2023
2 10-year average to 2023
3 OIV 2022
4 Economic Contribution of the Australian Wine Sector 2019 (AgEconPlus and Gillespie Economics, 2019)
5 Australian Wine Tourism Snapshot (September 2020)

# Sector bodies supporting the success of the grape and wine sector

- 1 national statutory authority for the sector (Wine Australia)
- 1 national representative organisation for winegrape and wine producers (Australian Grape & Wine)
- 15+ State and Federal Government agencies with grape, wine and/or wine business relevant services
- 7 state grape and/or wine associations
- 70+ regional grapegrower and/or wine associations, including Australian Commercial Wine Producers and the Inland Wine Regions Alliance.
- 10+ other supporting services bodies across research, suppliers, and more.

| Organisation type | Wine Australia Act (2013) | | Government | | Sector | | |
|---|---|---|---|---|---|---|---|
| **Deliverable responsibilities** | **Wine Australia** | **Australian Grape & Wine** | **Federal Government** | **State Governments** | **Regional associations** | **State associations** | **Other** |
| **Sector consultation and strategy development** | ● | ● | ● | ● | ● | ● | |
| **Marketing** | ● | | ● | ● | ● | ● | ● |
| **Advocacy** | | ● | | | ● | ● | ● |
| **Policy** | | ● | ● | ● | ● | ● | ● |
| **Funds research and innovation** | ● | | ● | ● | | | |
| **Conducts research and innovation** | | | | ● | | | ● |
| **Facilitates extension and adoption of research** | ● | | | ● | ● | ● | ● |
| **Market insights** | ● | | ● | ● | | | |
| **Regulation/compliance** | ● | | | | | | |
| **Trade and market access** | ● | ● | ● | ● | | | ● |
| **Professional and leadership development** | ● | ● | | | ● | ● | ● |
| **Administers grants** | ● | | ● | ● | | | |
| **Tourism** | ● | | ● | ● | ● | ● | ● |
| **Biosecurity** | ○* | ● | ● | ● | | | ● |

*funds biosecurity research, innovation, extension and adoption

Note: This chart aims to broadly demonstrate the deliverable services across different service bodies. However, where multiple organisations have been clustered this is less accurate as some may deliver services that others do not.

The grape and wine sector is supported by a number of service bodies. It's a complex environment, involving a range of different types of organisations including government departments and agencies, member-based organisations, educational institutions and research organisations. Some have a body of paid staff while others are managed by volunteers.

The individual roles of these bodies differ, but the single point of commonality is that they exist to support the success of the sector. These service bodies provide the supporting mechanisms for business success and broad strategy, but it remains up to individual businesses to choose their path forward.

## Australian Grape & Wine

Australian Grape and Wine Incorporated (Australian Grape & Wine) is Australia's national representative association of winegrape and wine producers, as declared in the *Wine Australia Act 2013* and incorporated under the *SA Associations Incorporation Act 1985*.

Australian Grape & Wine's role is to help forge a political, social and regulatory environment – in Australia and overseas – that enables profitable and sustainable Australian grape and wine businesses. To do this, Australian Grape & Wine's activities focus upon the objective of providing leadership, strategy, advocacy, and practical support.

Australian Grape & Wine can use certain levers to influence national government policy and decision making. Policy advocacy involves working to achieve change in a particular area by seeking to influence public policy – including laws, regulations and government practices. Australian Grape & Wine represents the grape and wine sector's interests through brokering and advocating policy positions based on sound evidence with sector-wide support.

Other levers available to Australian Grape & Wine include making regular representations to parliamentarians and departmental officials, public relations campaigns to shape public opinion, grassroots campaigns that empower members to become advocates, coalition building and collaborating with other related industries, pursuing legal action when necessary to challenge laws that are detrimental to the sector, and participating in trade associations at national and international levels to influence trade agreements, tariffs and regulations.

Policy decisions taken by the Australian Grape & Wine Board require 80 per cent support, ensuring no single representative category can dominate the decision-making process and guaranteeing policy is only determined if it provides significant benefit to the sector. In practice, most decisions are determined by consensus.

Australian Grape & Wine is funded by its members through membership fees.

## Wine Australia

Wine Australia is an Australian Government statutory authority, meaning that it is established by legislation for a specific public purpose. Wine Australia is established under section 6 of the *Wine Australia Act 2013* (Cth). Wine Australia's activities help foster and encourage profitable, resilient and sustainable Australian winegrape and wine businesses.

Wine Australia's functions are prescribed by section 7 of the Act. Among other things, these functions include:

- coordinating or funding grape or wine research and development activities
- facilitating the dissemination, adoption and commercialisation of research and development results
- promoting the consumption and sale of grape products, both in Australia and overseas
- controlling the export of grape products from Australia
- implementing, facilitating and administering programs – as directed by the Minister for Agriculture, Fisheries and Forestry – in relation to wine and international wine tourism, and services, products and experiences that complement international wine tourism, and
- administering grant programs in relation to wine as directed by the Minister for Agriculture, Fisheries and Forestry.

Importantly, Wine Australia has a Statutory Funding Agreement with the Commonwealth, entered into under the Act, which prohibits Wine Australia from engaging in "Agri-Political Activities" and acting as an "Industry Representative Organisation" – meaning that Wine Australia cannot advocate on behalf of the sector, or engage in any form of internal or external political influencing.

For more information on the functions and powers of Wine Australia, please refer to the Act, which can be found here[6] and the Wine Australia Regulations 2018 (Cth) which can be accessed here[7].

Wine Australia is funded by a combination of levies, charges and cost-recovery fees paid by the sector, the Australian Government (in matching levy funds for research, development extension and adoption activities) and through user pays charges. These levies and charges are collected and used to fund Wine Australia's activities, consistent with the Wine Australia Act. The levies collected for Wine Australia are compulsory. The levies are not indexed and as a result, the capacity for investment has been declining as global costs of business rise.

As an organisation funded by the sector and the Australian Government, Wine Australia undertakes broad consultation to ensure that activities are guided by the vision, goals and priorities of the sector. Wine Australia's five-year Strategic Plan is set by its Board, who are appointed by the Australian Minister for Agriculture, Fisheries and Forestry and governed under the Act.

6 https://www.legislation.gov.au/Series/C2004A02362
7 https://www.legislation.gov.au/Details/F2021C00790

## Broader sector service bodies

Among the other service bodies and agencies for the sector are some encompassing vastly different activities, but also some overlapping roles and interests.

State and regional associations play a vital role in representing the local interests of the wine regions they represent and in delivering locally tailored information to support producers in the regions. The associations form a critical network around Australia, helping to connect national and government agencies to producers while providing a voice and strategic direction for their regions.

Specific to the inland regions are Australian Commercial Wine Producers (ACWP), a member-based organisation that advocates the interests of large commercial wine producers, and the Inland Wine Regions Alliance (IWRA), a coalition representing growers from Australia's largest production wine regions – Riverland, Murray Darling, Swan Hill and Riverina.

There is also a network of agencies and organisations that deliver other critical services to the sector, including government agencies, research organisations, educational institutions, and professional bodies.

Adding to the complexity of the system is the different way each organisation delivering services is funded: some agencies are funded through taxes; associations collect levies from members based on production while others through set membership fees, and some bodies through fees for services.

The *One Grape & Wine Sector Plan* is a national plan and therefore prioritisation must be given to areas of common interest that will help drive the collective sector towards profitable and sustainable businesses. However, state and regional associations will be responsible for supporting local priorities that may not be incorporated into the *One Grape & Wine Sector Plan*.

## Existing plans and activities

The *One Grape & Wine Sector Plan* focuses on where the sector has advised its preferences for where collective efforts should be made until 2030 for the most impact in recovering from recent challenges and towards the goals of *Vision 2050*. However, there are also existing sector plans and activities that are underway towards achieving *Vision 2050* and the *One Grape & Wine Sector Plan* has provided scope to align activities with these long-term, collaborative efforts.

# Refocusing our strategic agenda

Our sector is resilient and no stranger to challenges, however the perfect storm of issues we've encountered since *Vision 2050* was published in 2020 is unprecedented. These major changes have impacted everyone in our community and were the impetus behind the decisions of Australian Grape & Wine and Wine Australia's Boards to prompt the *One Grape & Wine Sector Plan*.

It was estimated that our national wine stock-to-sales ratio in 2022-23 for red wine is 2.57, 45 per cent above the 10-year average, and white wine is 1.49, much closer to its 10-year average of 1.35. In storage is 2.2 billion litres of wine, with an estimated 500 million litres of this an accumulated surplus. Business support for the sector in the form of information, data, and tools for business decision making, is critical to the foundation of the *One Grape & Wine Sector Plan* and the six themes presented acknowledge the different functions that are critical for business and the sector's success.

## An opportunity to revise and reset

To quote *Vision 2050:* "To avoid the mistakes of the past, our strategies must not make the same mistakes of oversupply, by pursuing volume over quality, and short-term growth strategies. We must also ensure our strategies build resilience to enable grape and wine businesses to withstand external market shocks including currency fluctuations and global trade tensions."

We have an opportunity to revise and reset now to get the sector back on track towards the goals set in *Vision 2050*. This will require our sector to work collaboratively, think innovatively and be responsive and adaptive to market changes that will be ongoing.

This *One Grape & Wine Sector Plan* is an exploration of the current sentiment in the sector and how everyone in the sector, from service bodies to individual businesses, can work together and get the sector to where it wants to be.

# What we heard

The challenge of attracting new people, retaining skills and talent

Enhancing the quality, value and image of our wine

The need to address the supply/demand imbalance in a measured and strategic way

The need for timely, high-quality data to make informed business decisions

## Consultation

In developing the *One Grape & Wine Sector Plan*, it was critical to consult as widely as possible. We worked closely with the state and regional associations from all around Australia to consult with people from across our value chain from July to October 2023. This encompassed:

- 1 national survey with 400+ responses
- 17 workshops with 500+ participants, and
- 42 indepth interviews.

The workshops conducted in partnership with state and regional associations, and with Australian Grape & Wine's Research Advisory Committee, were run in every state except Queensland (who provided written submissions) and in several regional areas, including the inland wine regions. A briefing was also provided to the Wine Industry Suppliers Association. These workshops were attended by more than 500 people across large and small wine businesses, grapegrowers, researchers, representative bodies, suppliers and government representatives.

Detailed written submissions were received and along with the survey results and workshop discussions incorporated into the resulting themes and actions outlined in the *One Grape & Wine Sector Plan*.

This Plan is a direct result of what we heard, what the sector told us of its goals, and where the sector's service bodies and grape and wine businesses should direct their energy.

While the Plan will never be able to reflect the detail of all the different ideas and goals of our multifaceted sector, what became apparent throughout consultation is that wine businesses of all different sizes and locations have more in common than they have in difference.

Each region has its own challenges and strengths, and it is balancing these alongside our immediate challenges with our long-term vision that will provide support the sector desires.

Product innovation to meet consumer demand

The importance of ESG and sustainability

Furthering Australian wine's presence both internationally and domestically

Robust systems and processes to underpin our sector's success

# Our strategic themes and actions

***The One Grape & Wine Sector Plan has six enduring themes that work together to support our grape and wine businesses and provides a framework for priorities and coordination of efforts.***

***These themes feed into the long-term vision and goals for our sector as set out in Vision 2050 and are designed to be dynamic, with associated priorities and actions. The initiatives called out in each theme are a reflection of what the sector informed us to prioritise in our consultations.***

# Our people

*By 2030, the Australian grape and wine sector is an inclusive community welcoming diverse leadership that supports pathways for career longevity, and provides our people with the knowledge and skills to operate resilient businesses.*

Without our people, there is no grape and wine sector. The sector employs people across the value chain in a variety of roles, all with a passion for the product – from grape to glass – and in fostering our community's long-term success.

A dynamic and forward-thinking wine sector is built on our ability to attract and retain talent.

Effective leadership and a skilled workforce drives innovation, quality, and competitiveness on a global stage. And an inclusive sector benefits from a broader range of perspectives and experiences, enhancing social equity, eliminating biases, and ensuring representation and equal opportunities for all.

The wine sector is facing an increasing amount of uncertainty in terms of climate change and market conditions on top of labour shortages and rising costs. These issues are not unique to wine and not unique to Australia. The existing knowledge, as well as the new skills needed, to manage grape and wine businesses are complex and people need to be supported to adapt.

## Improve diversity and inclusion in the sector and in leadership

We will work together to support the advancement of talent at all levels and in all regions. We will ensure inclusivity and opportunity across our programs, and encourage and support our people across age, gender, First Nations, culturally and linguistically diverse persons, LGBTQIA+ and people with disability. This will enhance the sector-wide credentials as an employer of choice for all and contribute to a stronger grape and wine community.

***To do this, we will:***

1. Continue to deliver and evolve mentoring and leadership programs across the length and breadth of the sector while prioritising equality of opportunity measures aimed at strengthening diversity and inclusion perspectives.
2. Foster sector-wide collaboration and co-development of programs, practices and policies along the value chain, to demonstrate and deliver improved diversity, inclusion and leadership outcomes.

## Attract and retain skilled workers

We will attract a new generation workforce with a range of skills that are needed for both the unique requirements of viticulture and wine, but also in emerging technologies and in adapting to future needs.

***To do this, we will:***

1. Proactively demonstrate career pathways to attract and retain people with a diverse range of skills to work in and with the sector.
2. Strengthen our advocacy and policy positions to support our workforce needs.

# Develop skilled and capable people

Across the value chain, our people will be supported to develop skills needed in grape and wine businesses today and for the future. We will support our people in their pursuit of skills and knowledge with access to skills development and, critically, mentoring so that the strong existing knowledge of our people is a solid foundation for future growth.

***To do this, we will:***

1. Continue to facilitate and build on programs that foster mentoring, development, networking and leadership opportunities at a national and regional level.
2. Collectively promote career development opportunities to engage, retain and share knowledge from among our people across age, gender, First Nations, culturally and linguistically diverse persons, LGBTQIA+ and people with disability.

# Enable practice change

Knowledge is available to enable and empower the sector to make informed decisions. We will support access to knowledge and insights in a variety of ways to strengthen the competitiveness and resilience of our sector. We will encourage the adoption of best practice in our vineyards, wineries and along the value chain, and support decision making.

***To do this, we will:***

1. Continue co-design of extension and adoption activities with the grapegrowing and winemaking community and incorporate feedback and measurement loops for continuous improvement.
2. Foster improvement in messaging of, and access to, outcome-focused resources, knowledge and information across the sector and with other agricultural industries on key topics identified by the sector.
3. Continue investment in outcome-based activities, long-standing areas to support future resilience, and enhance adoption and practice change in sector-identified issues.

# Our consumers, customers and community

*By 2030, the Australian wine sector is adaptive and responsive to the needs of our consumers, customers and community. Keeping our focus on our consumers will help us transition to a more sustainable sector.*

Understanding the changing tastes, preferences, and consumption habits of consumers is central to realising market opportunities for Australian wine.

We are at the forefront of a rapidly evolving consumer landscape and our approaches need to flex with and adapt to changes. Consumer patterns can be an indication of new product or category opportunities. For example, the rise of no and low alcohol products, and the shift in our major markets towards drinking less volume but spending more, are indications of a shift towards more health-conscious consumption patterns.

Working with our customers across the value chain is essential to securing access to consumer behaviour data and insights, allowing better connection to and understanding of the end consumer. Taking these insights and providing innovative solutions to fulfil consumer needs is critical for individual businesses and the sector as a whole.

Domestically, major retailers play a pivotal role in the value chain and collaboration is integral to domestic market development. Internationally, our relationships with the trade are critical to supporting the promotion of Australian wine overseas.

An essential part of the sector's engagement is its commitment to the wider community and fostering a sense of local pride.

To facilitate our sector's relationships from consumer to customer and community we need clearly defined roles and responsibilities and a strong evidence-base to underpin regulatory requirements and effective advocacy.

# Respond to our customers and consumers across the value chain

We will strengthen our relationships across the value chain both domestically and internationally to draw information and insights into the changing nature of our customers. This will support consumer-led innovation to maintain relevance of the Australian wine category and enable effective promotion of Australian wine at a business and sector level.

***To do this, we will:***

1. Collaborate across the sector to share consumer preference data for the development and dissemination to the sector, and to inform business decision making.
2. Enhance research and innovation with continued co-design and with insight of consumer needs in product and category development – from grape to glass.
3. Seek to align our product innovation with consumer insights to draw new customers away from our competitors.

# Advocating for our grape and wine community

We will highlight the critical importance of grape and wine businesses to the Australian economy and the socio-economic prosperity of regional communities across Australia. We will communicate our roles clearly and frequently to promote understanding and collaboration across the sector, and ensure each sector participant understands they have agency to contribute to driving better results. We will work together to continuously articulate the threats and opportunities across the sector and improve the flow of evidenced-based information to underpin effective advocacy on issues such as the sector's regulatory settings.

***To do this, we will:***

1. Develop sound, evidence based socio-economic and policy solutions, informed by sector-wide consultation, to problems facing our customers and communities.
2. Engage with regulatory bodies to ensure competition laws are adhered to and ethical and responsible business practices are upheld across the sector.
3. Continually promote and contextualise the roles and responsibilities of each service body in the sector.

# Our place and product

*By 2030, the Australian grape and wine sector will have embedded practices that safeguard our viticultural assets and increase our resilience. The latest market and consumer insights informs innovation and helps to position quicker responses in our businesses that set global benchmarks while supporting regional distinctiveness.*

Our sector prides itself on its regional distinctiveness. The unique environments found across our expansive continent of wine have influenced the ways in which our sector has, and continues to, innovate.

Our dynamic product offering caters to a multitude of different preferences and is a clear strength for our sector. While we should celebrate this strength, it is not without challenges for our businesses that need to be addressed. A responsive and adaptable approach is necessary to support our grape and wine businesses as they manage competition from international products, and as purchasing trends change in our markets towards both Australia's products and the broader wine category's products.

The challenge that resonated across almost all consultations was that of the supply–demand imbalance. It is clear that the sector seeks support and identifies this as an area for immediate priority. In addition to supporting a resolution for this through exploring optimised practices that improve responsiveness to change, a desire to see production aligned with market demand was an area of critical focus.

Throughout the *One Grape & Wine Sector Plan* consultations, enhancing product quality and showcasing regional distinctiveness was at the heart of the sector's aspirations. There's a collective will to ensure that "place and product" remain central to the sector's growth strategy, with a clear focus on quality, sustainability, diversity and best practice innovation.

With growth also comes a need to safeguard our assets. Healthy vine material, managing pests and diseases and biosecurity remain important and risks need to be carefully managed. This is everyone's responsibility, and the sector needs to embed practices that enhance our defences and protect vine health.

## Balance supply and demand

We recognise that supply and demand imbalance is determined by market forces and no one institution can influence or solve it. All service bodies have a role to play in helping the sector respond to the imbalance in supply and demand, through concerted effort and considered advocacy to address short term challenges with long term objectives.

***To do this, we will:***

1. Expand the provision of data, information and tools to inform business decisions and support action for sustainable future planning.
2. Continue to support market intensification and diversification for Australian wine, based on greater understanding of consumer and market appetite.
3. Advocate for assistance to support business adaptation or for a smooth transition towards exit.
4. Support the development of best-practice tools that minimise vineyard inputs and address risks during periods of imbalance, such as biosecurity and waste.
5. Develop policy positions that seek the removal of distortions to improve market signals and support of sustainable infrastructure planning.

# Future proof our supply base

We recognise that changing consumer preferences necessitate adaptation and will seek greater alignment between production and market demand. We recognise that our climate is expected to continue to change and present challenges in managing our vineyards. We will explore avenues to grow demand, will seek options that provide greater flexibility in our viticultural response times and safeguard our vineyards for the future.

***To do this, we will:***

1. Improve our knowledge of the sector's supply base, understand what varieties are grown where, to enable a strategic examination of the relationship between supply and demand and inform our sector's decision making.
2. Build resilience in our vineyards through the exploration of new and evolved planting material – including varieties, clones and rootstocks – that support adaptation to the challenges of climate change and are adaptable to changing consumer preferences.
3. Safeguard our viticultural assets through the provision and use of high quality, healthy vine materials, maintaining the national grapevine collection, and by managing biosecurity at all points that present risks.
4. Continue the improvement of our management of existing vineyard pests and diseases and those that are projected to be of influence with climate change to protect the health of our vines.
5. Continue to provide transparent data and analysis of trends to support earlier decision making from the vineyard through to sales.
6. Co-design policies to drive equitable benefit across the value chain to support growers and wineries.

## Leverage information and innovation to enhance our wine

We will seek to better align viticultural and winemaking innovation with consumer insights to create new products that people want to buy. By harnessing opportunities to improve the quality of our products, we will improve our competitiveness as a category and capture market-share from other alcohol beverage categories.

***To do this, we will:***

1. Seek to align our products, product quality and value in accordance with consumer and market insights to draw new customers away from our competitors.
2. Respond to customer and market insights in evolving our product and packaging for different preferences and consumption occasions.
3. Support the development of new Australian products that help us to compete in new and emerging product categories, such as no, low and mid-strength alcohol.
4. Apply new technologies across the value chain to improve competitiveness, enhance product quality and improve production efficiency and sustainability.
5. Continue to support research and innovation investments that balance immediate responses with long term innovation that will see Australia set global benchmarks.

## Empower regions to empower businesses

We recognise the nuances between our regions and business models, and the strength of a unified presence. We will seek stronger wine communities by empowering locally-driven solutions and collaboration that celebrates our differences and cohesions.

***To do this, we will:***

1. Empower regions to design local solutions for local challenges in viticulture, winemaking and business and engage with local communities.
2. Empower our regions to express distinctive regional stories, and to undertake regional marketing in alignment with a cohesive national brand.
3. Collaborate across all relevant sector bodies to devise wine tourism and other complementary plans to support diversified sector income.

# Our ESG

*By 2030, the Australian grape and wine sector will have made significant progress towards being globally recognised as the world-leading sustainable grape and wine sector, and ESG practices will be embedded that strengthen the resilience, profitability and sustainability of our community.*

The biggest trade and market access challenges facing wine producers globally are emerging as a result of increased scrutiny of environmental, social and governance (ESG) credentials. Throughout consultations for the *One Grape & Wine Sector Plan* it was clear that the sector acknowledges the growing importance of the ESG narrative in shaping consumer perceptions as well as minimising environmental harm, ensuring the sector's social licence and maintaining accountability, transparency and ethical practices.

The ESG framework is seen as not just a compliance tool, but a strategic imperative. Environmental credentials are generally seen as the starting point for implementing best practice across the value chain.

However, it was acknowledged that it's hard to be green when you're "in the red", so there is a desire for balancing ESG commitments with economic viability and business objectives. Frameworks should be integrated to simplify compliance, align with current and impending global requirements and be flexible so that it can be feasibly implemented by micro-producers or large-scale commercial operations and all players in between.

As the sector looks ahead, there's a collective will that ESG commitments are not only upheld but also effectively communicated to customers.

Furthermore, through the consultation it was clear that the sector also places priority on climate adaptation and mitigation. Climate change is already impacting our grape and wine community. Increased climate variability and more frequent weather extremes are creating an increasingly challenging environment for grape and wine production – and our climate is projected to generally get warmer and drier into the future.

Prior to the consultations of the *One Grape & Wine Sector Plan*, Wine Australia's ESG Investment Plan and the Emissions Reduction Roadmap were developed through considerable sector consultation. The priorities identified through these consultations are also reflected in the priorities in this theme.

# Implement the sector-wide ESG plan

We will take a world-leading approach to our sector's ESG credentials and support continuous improvement of our programs, including Sustainable Winegrowing Australia. We will aspire to a system that is robust for our sector's future requirements and is scalable and adaptable to support Australian grape and wine businesses of different sizes. ESG is central to our sector's integrity and will continue to foster our culture of accountability and uphold ethical standards.

***To do this, we will:***

1. Foster the ongoing evolution of Sustainable Winegrowing Australia to ensure it is fit for purpose, accessible and affordable to all producers.
2. Seek to integrate frameworks to reduce duplication and costs, and support a risk-based approach to governance that is scalable for different business sizes.
3. Clearly articulate the sector's commitment to the emissions reduction opportunities as conveyed through the Emissions Reduction Roadmap.
4. Improve the efficiency of auditing and develop systems and processes to enable the sector to measure, validate and communicate sustainability credentials through an evidence-focused certification.

# Adopt ESG and seek continuous improvement to practices

We will have the practical tools, systems and processes in place to support the sector to achieve its sustainability goals. We will continue to seek to improve sustainability practices and climate adaptive solutions for viticulture and winemaking, and measures to mitigate our impact on the climate with the intent to support the vision of being a net-zero carbon emissions sector.

***To do this, we will:***

1. Provide practical tools, training and templates required to take effective action in implementing ESG and Sustainable Winegrowing Australia in different business scenarios.
2. Provide market insights, and research that could reduce costs of compliance and support the ongoing development and improvement of best practice ESG initiatives for the sector.
3. Prioritise research, innovation and adoption activities that provide the scientific basis for activities that progress the sector's ESG goals and enhance and accelerate climate adaptive and mitigative practices.
4. Support the sector's transition to practices that lower its carbon emissions by 42 per cent as outlined in the Emissions Reduction Roadmap and reduce its waste.

# Responsibly embrace ESG in our marketing

As a sector we will collectively uphold ESG commitments and communicate this transparently and effectively to our customers. We recognise the growing importance of ESG messaging in shaping perceptions of consumers and the trade, and our responsibility for truthfulness in our communications.

***To do this, we will:***

1. Provide accurate, timely and relevant data and analysis for businesses and representative associations to enhance marketing.
2. Communicate our ESG commitments and credentials nationally and internationally in a clear and fair consistent narrative for the sector and across the value chain.
3. Ensure marketing and communications to customers are truthful, helping to maintain our sector's accountability and transparency of practices.

# Demonstrate ESG action for our wider communities

We recognise that our responsibility extends beyond our vineyards and wineries into the communities where our product is consumed. We will further recognise our role as a part of our communities and seek opportunities to be further involved in supporting uplift programs.

***To do this, we will:***

1. Develop clear and evidence-based product stewardship initiatives that meet ESG requirements and drive world-class responses.
2. Undertake ongoing assessments of scientific, community, and government positions relating to alcohol and health, and support initiatives aimed at promoting responsible drinking and community welfare programs, while asserting our right to grow, produce and sell wine as part of consumer's balanced lifestyle.

# Our markets

*By 2030, the Australian wine sector will elevate its profile internationally and maintain its domestic market through collaborative efforts, innovative marketing, embracing consumer trends and maintaining a steadfast commitment to quality.*

The Australian wine sector sees a mix of opportunities and challenges in its international markets. While there's potential for the national brand to boost Australia's reputation in the global wine market, issues like market access and competition cannot be ignored.

The domestic wine market in Australia is the single largest market for Australian wine and is crucial for many wineries. However, the consultations identified a perception among Australian wineries that there is increasing popularity of imported wines – particularly in the on-trade – and a need for action to maintain market share within the country.

The sector acknowledges the importance of market segmentation and positioning. There's a consensus of the need to tailor strategies based on specific market needs, catering to both the premium and commercial markets. Regional branding initiatives are seen as a key to highlight the distinctive characteristics of each wine-producing region.

Collaboration is seen as vital for overcoming market challenges, with prioritisation of efforts at both regional and national levels. The unified national brand is considered a potential solution to amplify Australia's presence in global wine markets, with initiatives such as regional collaborations, wine festivals, and joint marketing campaigns being actively pursued.

The sector is also focused on keeping up with changing consumer preferences. Understanding and adapting to these changes is seen as crucial.

Despite the numerous opportunities available, the sector faces several challenges, including regulatory hurdles, competition, changing consumer preferences, and the complexities of global market dynamics. Moving forward, the focus is on maintaining the prominence of Australian wines in both domestic and global markets, with an adaptive and flexible approach.

# Maintain and grow our domestic market

We will strengthen efforts focused on Australia's domestic market as this remains a primary revenue source for many wineries. A drop in wine consumption coupled with perceptions of an increase in imported wine have seen the recognition of the need for a greater understanding of local trends to leverage product development and experience opportunities to reclaim wine consumers back to Australian wine.

To tackle this, the sector is looking into various strategies, including partnering with major retailers, boosting direct-to-consumer sales, and taking advantage of local events.

***To do this, we will:***

1. Seek to expand market insights on domestic sales and trends, incorporating information from major retailers.
2. Explore opportunities for partnerships with major retailers to support local promotion.
3. Explore opportunities in partnerships with tourism bodies to attract customers to regions and leverage local events.
4. Seek to develop compelling product and experiences informed by customer insights.

# Diversify and intensify our international markets

We will seek to tap into the pool of the 160 million wine consumers globally who drink wine, but not Australian wine. To do so, our sector's strategy must be multifaceted while seeking the greatest return on investment, engage in market diversification and intensification, and seek to establish and maintain strong networks for sustained and sustainable growth. We recognise the need to position Australian wine so that it can be harnessed by regions and brands, but also so that we are responding to consumer needs.

***To do this, we will***

1. Support continued intensification and diversification by leveraging best value for investments, establishing and maintaining strong in-market trade networks, and positioning Australian wine for increased marketing empowerment of brands and regions.
2. Foster a customer-led approach in improving our understanding of, and adaptation at all levels to, consumer preferences in our markets to tailor strategies and offerings.
3. Foster greater collaboration across all sector bodies to amplify collective opportunities and empower regions to lead narratives that highlight their distinctive stories.

# Increase the image and consumer sentiment towards our wine

We will apply our refreshed national brand to bring the sector together to promote Australian wine without compromising on the diverse regionality and styles that underpin our wine businesses. Regions and brands will be empowered to tell their distinctive stories.

***To do this, we will:***

1. Amplify Australia's presence in global wine markets thorough collaborative initiatives that support customer-centric design and regionally-led stories.
2. Support the sector in responding to consumer demands through identifying emerging trends and opportunities for product innovation and tailoring strategies.
3. Empower the sector in communicating their value, values and the benefits of the Australian wine sector to the trade and our value chain.

# Improve international market access

We will work together to ensure the communication of necessary information and insights to ensure our regulatory setting continues to underpin our success in markets. We will continue to facilitate the building of mutually beneficial relationships and ease technical and non-technical barriers to trade among our existing and emerging markets.

***To do this, we will:***

1. Provide information and insights to enable businesses to make better decisions relating to export diversification and comply with the regulations in each market.
2. Continue to uphold our compliance regime to protect our customers and ensure a fair trading environment for producers and exporters.
3. Seek to identify non-technical trade barriers and seek to have them removed.
4. Seek to remove or reduce tariffs through strong advocacy during the negotiation of trade agreements.
5. Leverage international forums and networks to address market access issues.
6. Strengthen our advocacy and policy positions to support our trade and market development activities.

# Our systems

*By 2030, the Australian wine sector is set on a transformative journey, embracing cutting-edge technologies, digital practices and data-driven strategies to enhance efficiency, quality, profitability, competitiveness and connectivity guided by innovation and fueled by a commitment to excellence.*

Our systems are foundations for growth, development and profitability of the sector.

The sector is going through a digital transformation that is reshaping business models and sales strategies, particularly through e-commerce and direct-to-consumer channels. The adoption of data-driven decision making is another major shift, with the sector relying more on analytics to understand consumer behavior, optimise production, and forecast market trends.

The wine sector in Australia is increasingly engaging with technologies that improve efficiency and productivity, from the vineyard all the way to sales. Innovations such as drone technology, data analytics, and digital marketing tools are becoming essential in optimising processes and enhancing product quality.

While consultations showed that a robust regulatory system remains a key focus, we heard that there is demand for streamlined systems and simplification to aid clarity, particularly related to labelling standards, export regulations, and quality control.

The sector is investing in strengthening its supply chain, exploring collaborations, technology solutions, and strategic partnerships to ensure efficiency and resilience. However, despite the enthusiasm for these modern systems, the sector faces challenges keeping pace with rapid advancements to embrace the opportunities that strong systems provide.

# Unlock opportunities for investment

We acknowledge that there will always be more we want to do than our collective resources allow and that the challenging environment means it is difficult to seek additional contribution from within the sector, therefore addressing current investment and seeking additional finance is critical to a healthy sector.

***To do this, we will:***

1. Conduct a detailed review of the current levy system structure at a national, state and regional level to assess areas for change, and coordinate an agreed policy position based on the review's findings.
2. Identify grants, unlock opportunities for co-investment and actively pursue collaboration with other agriculture sectors and the private sector.
3. Seek ways to attract additional external investment into our sector.

# Embrace digital, data and tech transformation

We recognise that digital, data and technology is changing our business from the vineyard to sales. We have an opportunity to reshape our practices with new technologies and harness reliable data to drive decision making, but the complex and changing digital landscape, along with digital literacy, costs and connectivity present barriers that must be reduced to encourage further adoption.

***To do this, we will:***

1. Collaborate to create world class digital and data systems and technology that support decision making and best-practice and are designed to be fit-for-purpose, integrated, efficient and well-resourced.
2. Work with public and private sector providers to build digital literacy and technical skills in the sector to enable greater adoption of beneficial technologies.
3. Advocate for and enable increased connectivity, and seek strategic partnerships for collaboration in technological solutions to optimise and link systems along the value chain.

# Enable end-to-end data models

We will work to facilitate better use of data to inform our businesses and will support this with rigorous standards and processes that seek to simplify reporting burdens while supporting the integrity of the sector.

***To do this, we will:***

1. Collaborate with other agricultural sectors and governments in defining data standards, compliance and processes to seek streamlined costs and reduced reporting burden.
2. Seek greater collaboration and sharing of end-to-end supply chain data to build cohesion in our systems that also improves insights and reduce costs.
3. Seek to improve our collection of ESG data to fulfil international obligations and in a scalable way to support different business models.

# Ensure access to information

We will improve the information burden across our sector, ensuring our community knows where to access relevant data, resources and information in a timely manner.

***To do this, we will:***

1. Empower our service bodies to share relevant up-to-date information and resources as it is needed to our grapegrowers, winemakers and businesses.
2. Seek to minimise duplication while communicating regularly and effectively.
3. Seek to clarify the range of information and resources available to grapegrowers, winemakers and businesses.
4. Seek to improve our information along the value chain; from best practices in the vineyard and winery, to domestic and international market trends, business requirements, labelling and export regulations.

# Ensure the integrity and quality of our products

Regulatory compliance is recognised as a critical part to the wine sector's operations, but clarity and simplification – where possible – are sought to streamline processes. In addition to protecting the reputation of Australian wine, regulation compliance seeks to educate exporters and producers on their obligations and maintain pathways to market.

***To do this, we will:***

1. Ensure our regulatory compliance systems are fit for purpose and seek to provide additional support to clarify the needs for different businesses and markets.
2. Ensure our products and processes are proactively informed by latest market access changes and requirements
3. Work together to promote the provision of fair and equitable local trading conditions and the improvement of transparency.
4. Seek to improve ESG auditing, with systems and processes that enable the sector to measure, and validate its credentials without adding significant reporting burden.

# Plan of action to 2030

*Implementation is central to the One Grape & Wine Sector Plan's success in generating value to underpin enduring prosperity.*

*Implementation requires working together on where to start, followed by everyone making decisions on what they will do to contribute, align and support each other. Participation is an essential part of co-design. Implementation means holding ourselves accountable against our plan and being prepared to adapt.*

## Risks

Implementation has risks, many of which are beyond our control and cannot be fully mitigated.

Externally the market and regulations for our wine will continue to change, even when conditions improve. Our partners have constraints limiting their ability to collaborate at a time when our levy income is reducing in line with economic conditions. Considerations will need to be made around what needs to be done, versus what we could do. Where possible, finding support and leverage from within and outside the sector will help to manage funding risks and create opportunities for more to be done.

Implementation has internal risks. The *One Grape & Wine Sector Plan* provides the platform to mitigate these risks through the way we engage to agree, prioritise, partner and invest to realise impact.

| External risks | Description | Rating | Mitigation | Revised rating |
|---|---|---|---|---|
| **Poor economic conditions** | Short-term solution focus | High | Constrain scope, link to long term | Medium |
| **Market/regulatory changes** | Can't prioritise / adapt sequentially | High | Scan, prioritise and prepare | Medium |
| **Structural shift in demand** | Defend past / create future tension | Medium | Invest in both based on potential value | Medium |
| **Partner limitations** | Willingness / ability to collaborate | High | Strategically engage | High |
| **Reduced levy income** | Less finance available | Extreme | Prioritise, leverage, advocate and explain | Extreme |

# Governance

The *One Grape & Wine Sector Plan* has been developed for the sector, by the sector. For the first three years Australian Grape & Wine and Wine Australia have agreed to oversee the plan's governance by:

- engaging with stakeholders individually and convening annually to review progress and future activities across the sector
- establishing sector working groups for the highest priorities issues requiring collaboration
- publishing an annual review of the *One Grape & Wine Sector Plan* in collaboration with stakeholders, and
- reviewing the *One Grape & Wine Sector Plan* actions with stakeholders to ensure it remains fit-for-purpose after the third year.

# Aligning decisions and activities

Realising our *One Grape & Wine Sector Plan* priorities requires aligned decisions and activities across the sector. The following principles have been developed to assist the sector and stakeholders in decisions:

- in the interest of the Australian grape and wine sector
- focused on impact and *One Grape & Wine Sector Plan* priorities
- compliant stakeholders' scope, obligations and/or limitations
- informed by each other's plans and activities
- best use of available finances and capabilities (including collaboration and leverage), and
- contributes to a balanced portfolio (risk, impact, time to impact and distribution across sector).

Australian Grape & Wine and Wine Australia and have committed to using the *One Grape & Wine Sector Plan* priorities and principles in their own planning, decisions and reporting, and encouraging stakeholders to do so as well.

| Internal risks | Description | Rating | Mitigation | Revised rating |
|---|---|---|---|---|
| **Governance** | Oversight, unclear planning/decisions | Very high | Agreed priorities, roles and responsibilities | High |
| **Internal alignment** | Australian Grape & Wine – Wine Australia strategic operational alignment | Medium | Agreed priorities, roles and responsibilities | Medium |
| **Capacity constraints** | Finance / capability insufficient | Extreme | Prioritise, leverage and explain | Very high |
| **Systems/process changes** | Design challenges / transition delays | Extreme | Prioritise, stage changes and clear review points | Medium |
| **Stakeholder engagement** | Employees/partners/customers unengaged | Very high | Clear and sustained engagement | Very high |

# Implementation schedule

Short term ↑ … ↓ Long term

Simple ← → Complex

| | | |
|---|---|---|
| SYSTEMS<br>Ensure the integrity and quality of our products | | |
| SYSTEMS<br>Ensure access to information | | MARKETS<br>Increase the image and consumer sentiment for our wine |
| CUSTOMERS<br>Advocating for our grape and wine community | | ESG<br>Implement the sector-wide ESG plan |
| SYSTEMS<br>Leverage information and innovation to enhance our wine | ESG<br>Ensure the integrity and quality of our products | CUSTOMERS<br>Respond to our customers and consumers across the value chain |
| MARKETS<br>Maintain our domestic market | SYSTEMS<br>Unlock opportunities for investment | PLACE AND PRODUCT<br>Balance supply and demand |
| ESG<br>Responsibly embrace ESG in our marketing | | PEOPLE<br>Attract and retain skilled workers |
| PEOPLE<br>Improve diversity and inclusion in the sector and in leadership | PEOPLE<br>Enable practice change | SYSTEMS<br>Embrace digital, data and tech transformation |
| | MARKETS<br>Improve international market access | ESG<br>Adopt ESG and seek continuous improvement to practices |
| | PLACE AND PRODUCT<br>Empower regions to empower businesses | SYSTEMS<br>Enable end to end data models |
| | | PEOPLE<br>Develop skilled and capable people |
| | | PLACE AND PRODUCT<br>Future proof our supply base |
| | | MARKETS<br>Diversify and intensify our international markets |

# Acknowledgements

The *One Grape & Wine Sector Plan* would not exist without the input from the sector – this Plan is for the sector, by the sector.

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- Great Southern Wine Producers Association
- Hunter Valley Wine and Tourism Association
- Inland Wine Regions Alliance
- Margaret River Wine Association
- McLaren Vale Grape Wine and Tourism Association
- Mudgee Wine Association
- Murray Valley Grapegrowers Association
- NSW Wine
- Orange Region Vignerons Association
- Riverina Winegrape Growers
- Riverland Wine
- South Australian Wine Industry Association
- Wines of WA
- Wine Tasmania
- Wine Victoria

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