

Frequently Asked Questions for Growers

Is the winemaker you deal with a signatory to the Code?

The Wine Industry Code of Conduct is a voluntary industry-owned Code signed by winemakers. Australian Grape & Wine strongly recommends that all winemakers who purchase grapes from growers should become a signatory to the Code. A list of current signatories can be found [here](#).

Growers selling to winemakers who are not signatories should always encourage the winemaker to sign up to the Code.

What is the Wine Industry Code of Conduct (the Code)?

The Code has been developed to establish fair, equitable and mutually beneficial relationships between grape growers and winemakers.

It states that grape supply agreements must be clear, lawful and fair and sets out minimum standards that must be included. It also includes a dispute resolution process.

What can I expect once a winemaker I supply to becomes a Signatory to the Code?

Signatories must review their agreements with growers to identify inconsistencies with the Code. Within three months of becoming a Signatory, they must make a written offer to growers to amend their agreement to make it consistent with the Code. All agreements must contain a statement that the Code is incorporated into the agreement by reference and state that if there are any inconsistencies between the terms of the agreement and the Code, then the provisions of the Code will prevail to the extent of the inconsistency.

What issues does the Code cover?

The Code requires winemakers include key details in their agreements with growers, including:

- (a) the term of the agreement, including any termination provisions;
- (b) the quantity and description of the grapes (e.g. tonnage, variety, GI);
- (c) the maturity, purity and conditions standards the grapes will be assessed against, including ensuring winemakers use industry endorsed standard procedures (see [AGW's website](#));
- (d) at what point any assessments or grading will be made and when the results must be notified to the grower; and
- (e) when ownership and risk in the grapes passes from the grower to the winemaker.

The Code also states that agreements should be in writing and must not contain "unfair terms" (see more below).

What does the Code say about timing of price announcements and payment terms?

Agreements must set out the price of the grapes (eg a fixed price) or the relevant pricing mechanism (such as the "fair market price" or "weighted district average").

If the "fair market price" is used, winemakers must notify growers of their pricing by certain dates (generally in Dec and Jan each vintage, depending on the region).

Under the Code, winemakers must pay growers using the following payment terms as a minimum:

- (a) one third by the end of the month following the month of delivery;
- (b) one third by the end of June; and
- (c) the balance by the end of September

or an alternative more favourable arrangement based on average days between harvest and payment.

Where can I find further information about "unfair terms" as referred to in the Code?

The ACCC enforces consumer protection laws under the *Competition and Consumer Act 2010* including unfair contract terms. They publish information about what constitutes an "unfair term" and how they are regulated [here](#). It is now a legal requirement to ensure standard form contracts do not contain unfair terms. Any Signatories using such terms in their agreements may be in breach of both the law and the Code.

What about dispute resolution?

The Code contains a dispute resolution process which allows a grower to lodge a dispute if:

- (a) they disagree with the price offered for their grapes (if it is a variable price contract);
- (b) they disagree with how the winemaker assessed the quality of their grapes; or
- (c) they believe the winemaker hasn't followed the terms of the agreement.

To start this process, growers can contact the Code secretariat (details below) and can download a notice of dispute [here](#).

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