Introduction

This Australian Grape and Wine Authority Strategic Plan 2015–2020: At a glance provides a high-level overview of our key investment priorities in market development, regulatory services and research, development and extension (RD&E) over the next five years to 2020. Our unabridged Strategic Plan is available online at www.wineaustralia.com.

Our investments are guided by the Australian grape and wine community’s priorities.

We have embraced the opportunity to forge a new path for integrated market development, RD&E and regulatory activities for the benefit of the Australian grape and wine sector through our Strategic Plan.

We have set an ambitious, cross-generational goal by looking ahead 30 years, reflecting the long-term cycles and nature of grapegrowing, winemaking and market development. Our longer-term goal is for Australia to be recognised as the world’s pre-eminent wine producing country. We believe that it is time to sharpen the focus on our distinctively Australian fine wines and what makes them special. Our natural endowment of diverse, unique and superior terroirs, combined with our skilled and innovative people, means that we have the capacity to be recognised as the best in the world.

Striving to achieve this ambitious, cross-generational goal will help achieve our shorter-term goal of a prosperous Australian grape and wine community. This five-year plan is Stage 1 of our cross-generational ambition.

Everything we do will be evidence-based, data-driven, consumer-engaged and market-focused. We will be commercial, relevant and accessible.

Finally, from 1 July, we will conduct many of our activities under our trading name Wine Australia. This is our long-established brand for our market development activities and our sector stakeholders have strongly supported the use of ‘Wine Australia’ for our activities.

Brian Walsh
Chair
Executive overview

Challenges

Through this five-year Strategic Plan, we are addressing two clear challenges to the prosperity of the Australian grape and wine sector.

Our first challenge: the general global perception of the quality and provenance of our wines is – in our view – less than the reality, and this translates into lower prices for our wine than are warranted. While this challenge affects the whole sector, its impact is greatest on the fine wine segment.

Our second challenge: to profitably compete in a fiercely competitive global marketplace. We must continue to improve the competitiveness of our wine offering through productivity gains, innovation, differentiation and meeting market demand.

Our priorities

Priority 1: Increasing demand and the premium paid for all Australian wine

We will address the challenge of general global perception leading to lower prices through an unwavering focus on increasing the appreciation of our distinctively Australian fine wines. We must continually invest in supporting the pursuit of excellence in viticulture, winemaking and the business of wine to better understand and express our unique terroirs and to increase the international esteem of the resulting wines.

Priority 2: Increasing competitiveness

We will address the challenge presented by the fiercely competitive global marketplace by increasing competitiveness in our vineyards, our wineries and our wine businesses. We will invest in capturing the opportunities of new technologies, understanding supply and demand, and improving performance to become more sustainable, differentiated and more competitive.

Outcomes

We will know that we are addressing and successfully overcoming these two challenges when:

• the average price per litre for Australian bottled wine exports increases to a point where it is at or near the highest average price per bottle of our global competitors by key markets, and

• through an appropriate and rigorous benchmarking exercise – and targeted RD&E – our grapegrowers and winemakers achieve a reduction in the gap between the costs of managing their vineyards and wineries and those of our competitors.

We will be accountable for these outcomes and regularly report on our progress.
Collaboration

We know that our shared goal of a prosperous Australian grape and wine community with a unity of purpose will only be achieved by working in collaboration and partnership with:

- growers and wineries
- the Winemakers’ Federation of Australia
- Wine Grape Growers Australia
- state and regional associations
- other research and development corporations
- state governments
- our research providers (including the Australian Wine Research Institute, the Commonwealth Scientific and Industrial Research Organisation, the National Wine and Grape Industry Centre, universities and state agencies), and
- Tourism Australia and Austrade.

How we support grape and wine businesses to grow, craft, market and sell great Australian wines is detailed in Figure 1.

Figure 1: How we collaborate to achieve our shared goal

AGWA is guided by:
Priority 1: Increasing demand and the premium paid for all Australian wine
Priority 2: Increasing competitiveness

Our shared goal: A prosperous Australian grape and wine community with a unity of purpose

Develop & share the knowledge & technical information to drive excellence & competitiveness

Protect the reputation of Australian wine

Sell great wines that meet global tastes

Craft great wines

Market great wines

Deliver excellent in-market engagement

Collaborating
AGWA works in partnership with wine businesses, WFA, WGGA, regional and state associations, state governments, research providers, Tourism Australia and Austrade

We will achieve this by collaborating
Becoming the wine of choice

To help Australian wine to become the wine of choice, we will undertake the four interlinked activities described in Figure 2.

**Figure 2: To become the wine of choice**

- **Use our insights and data to develop winning category strategies for Australian Wine**
- **Create marketing excellence around the Australian food and wine experience**
- **Deliver excellence and innovation in our engagement with the press and media, and**
- **Set the global benchmark for wine education delivery.**

By collaborating, Australia will be recognised as the best:

- at executing and delivering the food and wine message
- at delivering a digital and social media message
- at delivering an exciting educational message
- in-market wine destination proposition
- destination for visits and media experience
Our strategies

The 12 strategies that we will use to achieve our 2 priorities are detailed in Table 1.

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Investment, income and expenditure forecast

We were formed to improve service delivery for levy payers under a unified, coordinated strategy. Our strategy is to address the key ongoing and emerging issues facing the wine sector that are within our remit.

Of significance is the fact that funding streams are tied to certain activities, which imposes constraints on our flexibility in allocating resources.

We are committed to using our funds as effectively as possible and we are constantly seeking the best return for the wine sector’s and Australian Government’s investment.

It is important to note that AGWA’s purchasing power will contract year-on-year over the term of the Strategic Plan because the levies that AGWA receives are not indexed to the consumer price index (CPI).

Projected income

Figure 3 shows our projected income over the five years to 2020 by funding source. Levy revenue income is projected based on estimates of vintage size and the free-on-board (FOB) value of wine exports. Commonwealth matching income is estimated based on eligible RD&E expenditure. Remaining income sources are projected based on estimated activity levels.
In conclusion

Over the next five years, we are committed to delivering tangible improvements for our levy payers by increasing the demand and the premium paid for Australian wine and increasing competitiveness. We will strive to deliver on our two priorities to achieve a prosperous Australian grape and wine community with a unity of purpose.