2024 Murray Valley Winegrowers Outlook Forum

Lee McLean – 12 June 2024

Outline of presentation

- Australian Grape & Wine
- The State of Play in the Australian Wine Industry.
  - No crystal ball gazing.
  - What is the problem we need to solve right now?
- What is Australian Grape & Wine trying to do about it?

Australian Grape & Wine

- Australia's national association of winegrape and wine producers
- We are the interface between industry and the Federal Government
  - Broker positions on issues across a diverse membership
- We build relationships
  - Political
  - Government Departments
  - Media

What do we mean by advocacy?

- We create positive perceptions about the sector
- We aim to facilitate a sustainable, business-enabling regulatory environment.

The state of play right now.

- Oversupply scenario driving immense pressure on:
  - People
  - Businesses
  - Communities
- Not confined to Australia
  - Global oversupply scenario, with contracting consumption (particularly commercial wine).
- Reputational risk
  - ESG includes the treatment of people.
  - Large volumes potentially shipped at low prices.

The critical problems.

- We need to maintain our focus on the most pressing problems at hand.
  - Improving financial viability.
  - The health of regional communities.
  - Mental Health concerns for individual farmers.
- Of course, we need to think about the medium-to-long-term, but urgent help is needed now.
- This is what we have been pushing for – with government, in the media, and in the industry.

Australian Grape & Wine's role

- Australian Grape & Wine is an advocacy body.
  - Our agenda is shaped by consultation members and the broader grape growing and winemaking sector.
- It is our job to work with government to create opportunities for a better future for our sector.
  - Regulation
  - Public policy
  - Grants
  - Funding and support.

Pre-Budget Submission (PBS)

- Every organisation has an opportunity to lodge a PBS ahead of each Federal Budget.
- We developed our PBS in collaboration with:
  - Our Members
  - Grower Groups
  - Other industry bodies.
- We took on board diverse views from these meetings, along with One Sector Plan consultations.

What was AGW asking for in its PBS?

- Three focus areas for a proposed $86 million investment – all targeted at re-balancing supply and demand.
- $30 million in a sustainability support package for vineyard owners.
- $36 million over the forward estimates in an export market driven recovery.
- $20 million in a domestic marketing campaign to drive food and wine tourism in Australia.

How did we push for the PBS?

- Engaging politically.
- Building industry awareness and backing.
- Public positioning in the media.
  - TV: Landline, Sky News, regional networks
  - Print: The Australian, regional publications, industry publications.
  - Radio: ABC Radio National, 5AA, Regional Networks.
- We raised the profile of our industry.
  - Thank you for your support.

What was the Government's response?

Absolutely nothing.

Government actions

- Stabilising the China relationship
  - Despite the rhetoric, it will not solve our problems.
- Viticulture and Wine Sector Working Group
  - Positive, but will it deliver the immediate help we know we need?
- Trade agenda
  - FTAs
  - Diversification agenda.

What's next?

- We can't ignore the likely impacts of inaction.
- Working harder than ever pre-election
  - Reality of grape growing in regional Australia.
  - Community impacts.
- Other activities to benefit growers and the sector.
  - Regulation.
  - Competition.
  - Levies.
  - SWA.

Questions?

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