

WFA Board Communiqué

November 2016

The Winemakers' Federation of Australia (WFA) held meetings of the Small, Medium and Large Membership Committees on 15 November 2016. This was followed by the Annual General Meeting (AGM). WFA then held its final Board meeting for 2016 on 16 November.

Annual General Meeting

At the AGM, it was announced that Mr Sandy Clark, former Chairman of Brown Brothers Group and Mitchelton Wines, was appointed by the Winemakers' Federation of Australia (WFA) as its new President. Mr Clark succeeded Mr Tony D'Aloisio AM, who had completed two terms as President.

It was also announced that Tony Battaglione was appointed as permanent Chief Executive after acting in the role since April 2016.

WFA BOARD DIRECTORS for 2016/17 ARE:

Small Winemakers' Membership Representatives on the Board

David O'Leary, O'Leary Walker Wines (Chair)
Redmond Sweeny, Snake & Herring (Wine Industry Association of Western Australia)
Colin Campbell, Campbell's Wines
Corrina Wright, Oliver's Taranga Vineyards
James March, Heathvale Wines Pty Ltd (Permanent Alternate)

Medium Winemakers' Membership Representatives on the Board

Mitchell Taylor, Taylors Wines Pty Ltd (Chair)
Victoria Angove, Angove Family Winemakers
Alister Purbrick, Tahbilk Pty Ltd
Bill Moularadellis, Kingston Estate Wines Pty Ltd
Darren De Bortoli, De Bortoli Wines (Permanent Alternate)]

Large Winemakers' Membership Representatives on the Board

Angus McPherson, Treasury Wine Estates (Chair)
Georgia Lennon, Accolade Wines
Helen Strachan, Pernod Ricard Winemakers
Libby Nutt, Casella Family Brands

For more details please see the Press Release issued by WFA [here](#)

WFA Board Meeting

The WFA Board meeting was held on 16 November 2016.

The key issues discussed by the WFA Board were:

- The WET Tax Rebate measures announced in the 2016 Budget, specifically:
 - the consultation program undertaken by the government in October 2016;
 - timelines for a decision.
- The on-going discussions about structural reform in the industry;
- The issues surrounding the anti-alcohol lobby and the measures that WFA is taking to combat this threat, including the WFA strategy on wine and health; and
- Market access developments

Wet Rebate Reform

WFA continues to advocate with Government to support the consensus position arrived at during the recent Wine Equalisation Tax (WET) Rebate consultations. This position will help focus the rebate on its original intent, return budget savings to the Government and reduce the incentive and opportunity to claim multiple rebates.

WFA is also working closely with the Department of Treasury to provide evidence to justify the savings we have estimated will accrue to the Budget following the phase-out of eligibility of bulk and unbranded product to receive the WET rebate.

It is clear that despite the best efforts of Minister Ruston to represent the industry's interests and amend the Budget position announced in May, we still face a considerable challenge to maintain the Cap. We understand that a decision will be made before the end of this calendar year and we will continue to advocate against the implementation of the budget position of a cap reduction to \$290,000 and eligibility restricted to businesses owning a winery.

WFA is committed to working closely with the Australian Grape and Wine Authority (AGWA) and the Government on allocation of the additional funds for marketing and regional tourism marketing funds announced in Budget 2016. WFA has appointed a small group to spearhead discussions with AGWA and are very supportive of our partnership delivering a good program that will provide growth opportunities for the sector.

Advocacy

WFA continues to strive for better coordination with members and State and Regional Associations. With the final sittings of Parliament from 21 November for a fortnight, WFA has arranged an extensive program of meetings in Canberra.

WFA is also focusing on a much stronger engagement with our membership in 2016-17. We are only as strong as our membership and while we go from strength to strength in our relationships with all political parties, we require a strong membership base to ensure we are representative.

Health strategy

A number of important developments were highlighted in the wine and health space. In particular, WFA will also continue its important work in representing the industry's interest in the important wine and health debate. The anti-alcohol lobby's' aggressive approach to remove the social acceptability of the wine industry and impose regressive policies on our sector continues. Failure to influence Government on the right of the wine sector to operate has the potential to cause much greater damage to our industry than any other Government action. It is also clear from our discussions with all political parties that policies to reduce all alcohol consumption (including wine) remain under active consideration.

The dangers are illustrated with the National Health and Medical Research Council (NHMRC) reviewing the guidelines on alcohol consumption. The appointments of the alcohol working committee contains a number of people who we most definitely would have never foreseen being appointed using the declared conflict of interest standards. This includes people who have the stated objective of reducing alcohol consumption and who have strong links to the temperance movement.

WFA will continue to advocate strongly in this area with Government and will develop talking points to help our members, State and Regional Associations to also advocate on behalf of the industry. This is a shared responsibility and unless all the industry gets engaged in this area, we will all suffer.

Pregnancy Labelling

State and Federal Health Ministers will next year consider the issue of mandatory pregnancy warning labelling on all wine products for retail sale. The industry must be able to demonstrate it is approaching 100% adoption of the current voluntary labelling as promoted by DrinkWise Australia. A mandatory labelling decision, similar to that imposed on the tobacco industry, would be disastrous for our industry, and would inevitably lead to additional onerous labeling requirements. WFA will continue to engage members and the broader industry to communicate the importance of voluntary uptake of the pregnancy label.

Market Access

The WFA Board continued to support the pivotal work undertaken by WFA to progress improved market access for Australian wine on international markets. The proposed exit of Britain from the European Union and the accession of Donald Trump to the US Presidency have added complexity to the international environment. This will continue to be a major focus for the Federation over the coming year. We have developed and enhanced our partnership with AGWA and the Australian Wine Research institute to improve capability in this area. This will enable us to deal with some of the significant risks (for example, the announcement by the Chinese government that they will require pre-market inspection of Australian wine production facilities from 1 July 2017) and take advantage of some of the opportunities (BREXIT and Free Trade Agreement negotiations with the European Union, Indonesia, India etc).

Structural Reform

The 3rd Grape and Wine Industry Reference Group meeting is scheduled for Tuesday 29 November. This is expected to develop guidance on possible next steps for structural and/or functional reform. WFA will consider the outcomes of the Industry Reference Group when available.

Strategy

With a new leadership team in place at WFA, it is timely that we review the Strategic plan and look to the future. We expect to commence this process in the New Year.

Tony Battaglione
Chief Executive