

WINE TASMANIA

ASSISTING TASMANIAN VIGNERONS
TO BE RECOGNISED AS WORLD LEADERS.

STRATEGIC PLAN 2019–2021

RELEASED: JULY 2019





OUR VISION:
**TO GROW TASMANIA'S
REPUTATION AS A
BENCHMARK WINE
REGION OF WORLD
RENOWN.**

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INTRODUCTION

Wine Tasmania's Strategic Plan is focused on maximising the opportunities for Tasmanian wine producers, driving the value and increasing price points of Tasmanian wine, and supporting the profitability of individual wine businesses. It builds on the strong and growing demand for Tasmanian wine, which is resulting in market-led growth and visitation to the island's cellar doors. The Strategic Plan is regularly reviewed by the Wine Tasmania Board, in consultation with members, to ensure it remains relevant.

OUR KEY RESULT AREAS

Wine Tasmania is a market-led organisation, undertaking marketing and promotional activities, driving sustainable production and representing the wine sector through advocacy and issues management. Its Strategic Plan is built around the following four themes:

- 1 >>** The current highly competitive global market demands a differentiated and collegiate approach by Tasmanian wine producers.
- 2 >>** The profitability, productivity and performance of Tasmanian vineyards and wine businesses need to be improved to build global competitiveness.
- 3 >>** In order to meet the challenges of a highly competitive market, Tasmanian wine producers need to increase and encourage visitation and sales through a differentiated offering at their cellar doors and vineyards.
- 4 >>** Small to medium sized, time-constrained wine producers require support to evolve their business capabilities.

As shown in the table over the page, Tasmania outperforms the rest of the country's wine regions, particularly in terms of its value. However, Tasmania also has higher costs of wine production, significant vintage variation from year to year, and profitability is particularly challenging. Wine Tasmania's key focus is driving the demand, value and price points of Tasmanian wine to support the profitability of individual wine businesses.

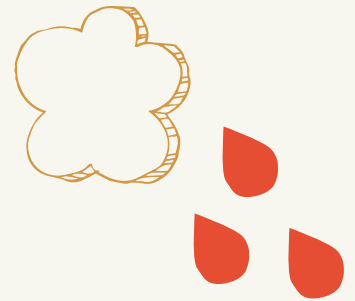
MEASURES OF SUCCESS

| Measure ¹ | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|--|---------------------------------------|--------------------|--------------------|--------------------|
| Economic contribution of the Tasmanian wine sector | N/A | \$115M/year | +10% | +10% | +10% |
| Direct employment | N/A | 2,063FTE | +10% | +10% | +10% |
| Average value of Tasmanian wine (domestic - off-premise)** | \$22.62/bottle (Aus-\$11.48/bottle) | \$22.44/bottle (Aus-\$8.13/bottle) | +5% | +5% | +5% |
| Average value of Tasmanian wine (export) | \$13.66/L (Aus - \$5.48/L) | \$14.39 (Aus - \$5.63/L) | +3% | +5% | +8% |
| Average value of Tasmanian wine grapes | \$2,707/T (Aus - \$526/T) | \$2,977/T (Aus - \$609/tonne) | +3% | +3% | +3% |
| Visits to Tasmanian cellar doors | 21% of visitors (262,332) +22.5% | 22% of visitors (289,519) +10% | 23% of visitors | 24% of visitors | 25% of visitors |
| Availability of Tasmanian wine (rolling five year average)* | 953,117 9LE (816,975 9LE) | 1,172,283 9LE (886,900 9LE) | +10% | +10% | +10% |
| Visits to Wine Tasmania website (sessions) | 117,800 | 156,477 | 175,000 | 200,000 | 230,000 |
| VinØ Best Practice Management Program participation (percentage of production) | 17 (25%) | 23 (50%) | (60%) | (70%) | (80%) |

* 9 litre equivalents (9LE)

** Note, this is based on available off-premise data, and does not capture the retail value of Tasmanian wine, such as sales through cellar door and direct.

¹ References: Wine Tasmania Vintage Survey, Wine Australia Wine Grape Dispersion Report, Wine Australia, IRI MarketEdge, Tourism Tasmania Tourism Visitor Survey



TASMANIA'S WINE SECTOR

The Tasmanian wine sector conservatively contributes more than \$115M to the state's economy, placing it in the state's top ten sectors². The sector's contribution encompasses agriculture (vineyards), manufacturing (wineries) and tourism (cellar door and wine tourism expenditure by inbound visitors). The Tasmanian wine sector directly supports 2,063 Full Time Equivalent positions, which represents 10% of total employment in the agriculture, forestry and fishing sector in Tasmania.

The Tasmanian wine sector is leading the country's wine regions in terms of positioning, value and reputation, with demand continuing to outstrip supply. The focus by Tasmanian wine producers on quality, innovation and collaboration, supported by Wine Tasmania's market-led approach, has resulted in widespread recognition of Tasmania's wine globally.

This recognition has led to some of the highest prices in the country being paid for Tasmania's wines and wine grapes, ensuring that Tasmanian wines continue to be in strong demand and resulting in increased visitation to Tasmania and its cellar doors. Importantly, this interest is encouraging ongoing investment and growth by both new entrants and existing Tasmanian wine businesses.

All Tasmanian wine produced is in the niche premium wine sector retailing above \$15 equivalent. This segment represents just 7% of Australia's total wine production, but 28% of its value. Tasmania's total wine production represents less than 1% of the total national wine grape production, but 10% of the premium wine segment.

Tasmania has 160 individual licensed wine producers throughout the state, with vineyards covering more than 2,000 hectares. Over the past five years, vineyard plantings in Tasmania have grown by more than 25% and continue to grow strongly. In addition to the significant increase in vineyard plantings, significant expansion by existing wine producers and external investors has included new processing facilities (wineries), packaging / bottling, cellar door, restaurant and tourism infrastructure.

The Tasmanian wine sector continues to be an important and growing contributor to trade and the economy, regional employment, tourism and the overall Tasmanian brand.

WINE TASMANIA

Wine Tasmania is the peak body representing Tasmanian wine producers, with a focus on assisting them to be recognised as world leaders in the sustainable production of premium cool climate wine. It is an independent, non-profit organisation, financed by its member businesses, with additional funding sourced from corporate partners and project-based, ad hoc grants, including from Government.

Since its incorporation as a company limited by guarantee in 2006, Wine Tasmania has established itself as the authoritative voice for Tasmania's wine producers; garnered strong membership support, representing approximately 98% of total production; and progressed a significant number of initiatives on behalf of the Tasmania wine sector across its four key result areas.

² Reference: Economic impact of the Tasmanian wine industry 2018, Professor John Mangan, University of Queensland

OUR ORGANISATIONAL STRUCTURE

The state-wide business employs a full time CEO and Technical & Extension Officer and a casual Project Officer. The organisation is overseen by a seven-member Board of Directors consisting of four industry directors and three independent directors, one of which is also the Chair.

GUIDING PRINCIPLES OF THE WINE TASMANIA BOARD

In developing and reviewing Wine Tasmania's Strategic Plan and activities undertaken by Wine Tasmania, the Board will ensure all activities contribute to an increase in strategic impacts, are implemented competently, reach the greatest number of people possible and have a high impact on those people involved. The Board will also recognise that activities will only be undertaken where there is an identified gap to be filled, with a beneficial impact on wine producers and where those activities can be leveraged and maximised, including through strategic partnerships.

WINE TASMANIA BOARD MEMBERS

MARTIN REES

Chair/Independent Director

Martin was a Partner of KPMG in Tasmania from 1989 to 2015, including Managing Partner of the Launceston office. In July 2016, he retired as Partner and moved to a part time consultancy role while furthering his career as a Board advisor, Director and undertaking new commercialisation projects. Martin's national consulting experience has involved strategic and business planning, commercialisation of IP, economic impact and financial viability assessments, commercial structuring and restructuring, business valuations and capital raising and financial analysis. Martin also advises a number of private and public sector boards including Vos Construction and Joinery Pty Ltd, Banjos Corporation Pty Ltd, St Lukes Health Insurance Ltd, Hansen Orchards Pty. Ltd, Pets Domain Pty Ltd, Australia China Business Council Ltd and St. Giles Society Ltd. Martin is a member of the Board's Finance & Audit Committee.

JEREMY DINEEN, B.AG SCI (OEN)

Member Director

Jeremy has been Chief Winemaker at Josef Chromy Wines since its inception in 2004. He has extensive experience with numerous vintages in Western Australia, McLaren Vale and the Goulburn Valley. His intimate knowledge of Tasmanian viticulture and of the complexities associated with contract winemaking was attained during five vintages at Hood Wines in Cambridge with as many as 38 vineyards under his care. In 2005 he was an inaugural participant in the Winemakers' Federation Future Leaders Program. He is an accomplished wine show judge, graduate of the Len Evans Tutorial and has a Bachelor of Agricultural Science (Oenology) from the University of Adelaide. He is past Chairman of Wine Tasmania's Technical Committee and is a member of Wine Tasmania's marketing committee.

REBECCA DUFFY

Member Director

Bec completed a Bachelor of Agricultural Science majoring in Oenology at the University of Adelaide in 1998. Following the completion of her degree, Bec worked vintages in McLaren Vale, Napa Valley and Coonawarra, before securing a fulltime winemaking position at Capel Vale in Western Australia where she spent 5 years. Rebecca returned to Tasmania in 2006 and has been the co-owner and winemaker at Holm Oak Vineyards for the past 10 years. Over this time she and her husband Tim have established Holm Oak as one of Tasmania's leading family owned wine brands. In 2015 Bec was the inaugural winner of the Owner/Operator award in the Australian Women in Wine Awards, and was named as one of WBMs 50 stars of 2015; and in 2016 Bec was named the Tasmanian winner of the RIRDC Rural Women's Awards.

NICK HADDOW

Independent Director

Nick Haddow is widely regarded as one of the best cheesemakers in Australia. Originally from Adelaide, Nick has worked throughout Australia, the UK and Europe with some of the world's leading cheesemakers since the early 1990s.



He moved to Tasmania in 2001 to make the cheese at Pyengana Dairy Company – Australia's oldest cheese producer. In 2003 he began the Bruny Island Cheese Co. which has gained a reputation for being one of Australia's benchmark producers of artisan cheese and has been recognised as such at both a local and national level on many occasions. Nick also has a very successful and high profile media career that includes his role as co-star of all series of SBS's Gourmet Farmer. He is a successful author, has been a judge at the British Cheese Awards and Chief Judge at the New Zealand Cheese Awards. He helped found the Slow Food movement in Australia and also one of the founding committee members of the Australian Specialist Cheesemakers Association in 1995. Nick travels regularly in the pursuit of flavour and gaining greater knowledge and experience. He is slightly obsessive compulsive about spreading the good word on Tasmania and the quality of life and produce that it offers, including Tasmanian wine.

SHANE HOLLOWAY
Member Director

Shane Holloway's first official foray into winemaking took place in 2001, although the seed was planted many years earlier when his family established their Adelaide Hills vineyard in 1991. A previous career path brought him to Tasmania where he took up a vintage cellarhand position to help pay the rent whilst undertaking post graduate research. Two weeks into harvest and he was hooked! From his new home base in Tasmania, Shane completed the Adelaide University post graduate degree in winemaking and embarked on vintages in the Adelaide Hills, Yarra Valley and Oregon (USA). In 2007 Shane and wife Fran Austin and their families purchased Delamere Vineyards (one of the earliest vineyards planted in the Pipers Brook area). Together, Shane and Fran are in charge of viticulture and winemaking as well as the day to day running of the business.

JOE HOLYMAN
Member Director

Winemaker Joe Holyman grew up on a little farm near Launceston, where his father planted half a hectare of hobby vineyards. Joe's experience in the wine industry has ranged from waiting on tables to buying wine for The Wine Society's 50,000 Australian members. With a marketing course at Roseworthy under his belt, he then worked in wineries, both making and selling wine, throughout Australia and overseas. He met wife Lou while working at Cape Jaffa Wines in Robe, South Australia. In 2004 they purchased a small vineyard and cellar door in the Tamar Valley. They brought the Stoney Rise Wine Co name with them (a label Joe had created a few years before). With a focus on the health of the vineyard and a minimal approach to winemaking, Joe has a strong belief in the winemaking practices of Europe. In 2015 Stoney Rise was named Gourmet Traveller's Best Small Cellar Door Award.

GUY TAYLOR
Independent Director

Guy has over 25 years' experience in culture strategy, branding and organisational design. Before founding the US offices for Blundstone he was the co-creator of the "Who is James Boag?" campaign. He's been a strategy consultant in North America, the EU and the Middle East, has written for the Age and the West Australian and been a writer in residence at Yaddo colony in New York and the Cite des Arts in Paris. He's the recipient of a 2013 National AMI award for marketing effectiveness and a keynote presenter on brand and culture strategy to the AICD, the CSIRO and the Australian Chambers Business Congress. Guy managed the Wine Tasmania brand evolution project in 2014. Guy is a University Associate at the Australian Innovation Research Centre (AIRC) at the University of Tasmania. Guy is a member of Wine Tasmania's Marketing Committee.



OUR STAKEHOLDERS

MEMBERS

Wine Tasmania's wine producer members are its key stakeholders and all activities undertaken are designed to generate value for them. In the broader context, there are several additional stakeholders that play a role in Wine Tasmania's overall strategic direction. These stakeholders include, but are not limited to, the following:

- Targeted local, national and international wine consumers
- Wine trade, with an on-premise and specialist retail focus
- Wine writers, lifestyle, tourism, specialist and mainstream media
- Travel trade and media
- The Tasmanian Government, particularly the departments of State Growth (DSG) and Primary Industries, Parks, Water & Environment (DPIPWE), as well as local government enterprises
- Tasmanian statutory authorities, particularly Tourism Tasmania and Brand Tasmania
- Related wine, food, tourism, agricultural and trade associations including the Tamar Valley Wine Route, Wine South, the Tourism Industry Council of Tasmania, regional tourism bodies, agricultural and hospitality organisations
- Research and educative agencies, such as the Australian Wine Research Institute (AWRI), the Tasmanian Institute of Agriculture (TIA), University of Tasmania and TasTAFE
- Wine bodies including Australian Grape & Wine Inc, the statutory body Wine Australia and other state and regional wine associations

ENABLER

MANAGE WINE TASMANIA SUCCESSFULLY

Wine Tasmania's full time CEO is responsible for the day to day running of Wine Tasmania as a small business, reporting directly to the Wine Tasmania Board. The Board provides strategic input, governance and advice to the CEO on strategic direction, decision making processes, policy, operational activities, financial activities and sustainability, people/human resources, communication, governance, risk and compliance.

The Board utilises a wide range of tools and mechanisms, including:

- Strategic Plan
- Decision-making matrix map
- Board meetings / AGMs
- Annual strategic planning session
- Board Charter and Skills Matrix
- Financial reporting
- Corporate Governance protocols
- Consent to Act as a Director Form
- Risk Register
- Contracts Register
- Member Register
- Board Resolution Register
- Finance & Governance Committee
- Technical Committee
- Marketing Committee

The Board measures its performance through an annual structured review process, including measures of success articulated in this Strategic Plan, the attraction of qualified personnel, its financial position, membership attraction and retention.

OUR STRATEGIES



OUR STRATEGIES

1 >>>

The current highly competitive global market demands a differentiated and collegiate approach by Tasmanian wine producers.

In order to competitively differentiate in a highly competitive market, Wine Tasmania will encourage producers to collaborate and promote the uniqueness of the brand through:

- Evolving the Tasmanian wine brand and its adoption by producers, including delivery of workshops and resources to wine producers, and integration of sustainability measures and messaging
- Positioning and differentiating Tasmanian wine in the global context and developing the awareness, promotion, value / pricing and sales of Tasmanian wine, including through regular benchmark tastings, hosting trade and media representatives, cultivating global influencers, collaborative social campaigns and developing partnerships to assist a collaborative Tasmanian presentation
- Leading collaborative promotion to position the unique Tasmanian wine brand, including through a focused communications program, promotional activities, events, trade and media engagement
- Providing and sharing relevant insights and information to assist Tasmania maximise its advantages and ensure positive policy and decisions by stakeholders, including through workshops, case studies, submissions and representations

These activities will be measured through wine value / volume growth, producer attendance at events, adoption of the brand platform, producer surveys and feedback, number and calibre of trade and media visitors, media coverage, website visitation, social media engagement, policy decisions and consultation.



2 >>>

The profitability, productivity and performance of Tasmanian vineyards and wine businesses need to be improved to build global competitiveness.

In order to build global competitiveness, Wine Tasmania will drive the profitability, productivity and performance of Tasmanian wine businesses through:

- Encouraging market-led growth, including the development and provision of information on the growth opportunity, technical, infrastructure, forecasting, financial, market, pricing and channel considerations
- Delivering a framework, tools and resources to assist the knowledge, benchmarking and decision making of Tasmanian wine businesses across business, marketing and technical topics, including through the VinØ program
- Driving targeted research and extension to assist the performance of Tasmanian wine businesses
- Providing regular information and briefings to ensure removal of any obstacles to market-led growth and encourage positive policy and decisions by stakeholders

These activities will be measured through growth in the Tasmanian wine sector, producer attendance at events, producer surveys and feedback, participation and adoption of tools such as the VinØ Program and other relevant research, development and extension projects, program audits and research funding secured.

3 >>>

In order to meet the challenges of a highly competitive market, Tasmanian wine producers need to increase and encourage visitation and sales through a differentiated offering at their cellar doors and vineyards.

Wine Tasmania will support articulation of the Tasmanian wine brand experience and direct to consumer interaction through:

- Driving targeted visitation to Tasmanian cellar doors, vineyards and key events, including through provision and promotion of wine touring information, developing partnerships to build wine into destination marketing and grow the complementary visitor experience and hosting tourism media
- Building the high quality and high value visitor experience and offering at cellar doors, through providing dedicated resources, information, training, workshops and case studies to assist wine businesses differentiate, maximise visitor yields, promote their offering, and capturing and benchmarking cellar door data
- Providing regular information and briefings to ensure removal of any obstacles to wine tourism and promotion, including through submissions, briefings and representation
- Partnerships with Tourism Tasmania, other Tasmanian offerings and experiences

These activities will be measured through growth in visitation to Tasmanian cellar doors and associated yields, distribution and depletion of the Tasmanian Wine Trails publication, wine tourism focused media coverage, website visitation, social media engagement, event visitation, and producer and consumer surveys.



4 >>>

Small to medium sized, time-constrained wine producers require support to evolve their business capabilities.

Wine Tasmania will undertake the following to assist wine producers evolve their business capabilities:

- Providing information, resources, development training, workshops, business tools, research and extension to support the profitability of wine businesses
- Partnering with complementary organisations to assist with relevant information and learnings, including through workshops, educational offerings and associate member / preferred supplier arrangements
- Promoting positive policy and support from stakeholders across aspects of wine business regulation, sector issues, priorities, activities and structures, including through submissions, briefings and representation

These activities will be measured through member retention and growth, event attendance, newsletter interest / opens, producer surveys and feedback, policy decisions and consultation.

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