BAROSSA GRAPE & WINE ASSOCIATION 2016/17

ANNUAL REPORT
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Established in 2008, BGWA’s vision is to position Barossa as Australia’s global wine and food region, based on its story of generational endeavour, custodianship of the Barossa landscape and a strong community culture of working together.

**Wine Mission**
Barossa winegrape growers and makers continue to grow Barossa as a vibrant and highly valued region by working collaboratively to produce and market wines of excellence, renowned for exceeding consumer expectations and derived through practices that are both environmentally and economically sustainable.

**Wine Sector Values**
Commitment to:
- Maintain and nurture our culture and heritage.
- Ongoing positive positioning of Brand Barossa.
- Superior quality and best practices.
- Environmental and economic sustainability.
- Research and innovation.
- Diversity of our region and its products.
- Collaborate with our stakeholders to achieve common goals.
- Our community and our people.

**BGWA Board 2016/17**
- Linda Bowes (Chairman)
- Stefan Jury, Jones Harley Toole Lawyers (Deputy Chairman)
- James March (Chief Executive Officer)

**Grape Growing Representatives**
- Nigel Blieschke
- Tim McCarthy
- Brendyn Hueppauff
- Anthony Scholz

**Winemaking Representatives**
- Jan Angas <500 tonnes
- Fiona Donald >5000 Tonnes
- Matthew McCulloch >500 Tonnes
- Brett McKinnon >10,000 tonnes

**BGWA Staff (L-R below)**
- James March
  - Chief Executive Officer
- Annemaree Clementson
  - Communications and Marketing Projects (part-time)
- Ashleigh Fox
  - Office Manager
- Annabel Mugford
  - Strategic Operations
- Nicki Robins
  - Vineicultural Development Officer
- Brian Waples
  - Finance Manager (part-time) *not pictured*
Chairman & CEO Report: The Next Horizon

In 2008, our sights were on being Australia’s most famous wine region. Ten years on and fuelled by the success of big ideas, hard work and dedication to the task, our horizon has shifted. It has elevated; projected out and beyond Australia.

During 2017 we analysed, probed and crystallised strategies for our third management plan, from 2018-2023. That plan received strong support from members at public meetings in June and July and in direct feedback. Its vision has few words, but it is grand in ambition.

Barossa: a global brand creating enduring value for anyone connected with it.
There is enormous potential inherent in this bold and aspirational goal but it will take sustained effort, more big ideas and the collaboration that makes the Barossa brand so strong, to realise even early milestones on this global journey. Serendipitous timing of other 2017 events, improving industry fortunes and the foundation we have built over the past decade of robust governance, a high performing organisation and membership solidarity have us well equipped from the outset.

Favourable prevailing economic winds and category performance
Nationally the 2017 vintage was a record at 1.93 million tonnes and the average price of grapes again increased. It has now been on a rising trend since 2011, following a long decline since 1999.

Exports of Australian wine grew again this year – the third successive year of growth following several years of decline. China alone accounted for an additional 42 million litres of wine in 2016/17 compared with the year before, which equates to about 60,000 tonnes of grapes. This more than made up for declines in the UK market following the Brexit poll. In a good sign for premium regions like Barossa, the strongest growth is in bottled wines at higher price points, and Shiraz is the top exported variety by a long way. The Barossa also had a very good 2017 vintage both in quality and yield, which will enable winemakers to meet some of the increased demand.

The reported crush was up another 20,000 tonnes compared with 2016, while average prices rose again slightly for most varieties on top of generally significant increases last year. In total, an extra $26.5 million was paid to Barossa growers in the 2017 vintage and the total estimated value of the crop increased by over $50 million.

Demand for Barossa wine remained very strong in export markets, particularly China. Exports of Barossa-labelled wine to China grew by nearly 30% in volume in 2016/17.

More detailed information on Barossa’s supply and demand dynamics is referred to in the Grape Barossa and Wine Barossa chairman reports.
High performance: highlights in 2016/17
As in the past, our achievements have been many and varied – and all have served to advance the Barossa’s reputation and global positioning.

Continuous improvement and innovation
These achievements attest to how your organisation is continually pushing the boundaries, trying out new ideas and leading the way for the Australian wine sector. For example, this year we:

- Extended the Barossa Wine School to Taiwan – one of Australia’s most exciting and high value export markets
- Introduced tours hosted by Barossa Wine School educators at the Barossa Vintage Festival and Barossa Wine Chapters Auction leading to increased event sales and bidding
- Broke new ground in delivering a consumer insight capability program called ‘Creating Consumer Value’, providing participants with the requisite skills, knowledge and networks to thrive in rapidly evolving high-value global markets
- Participated in a geo-fencing trial with Vinehealth Australia to reduce the biosecurity risk posed by vineyard visitors
- Expanded the network of the Sustainable Australia Winegrowing program to more Barossa growers

The Barossa Grounds project is now in its tenth year and continues to grow and evolve. In 2016/17 it became the model for a $5.3 million Wine Australia flagship research project into the influence of “terroir” on Australian Shiraz – indicating the high regard it is held in outside the region.

We’ve retained an active involvement in the Barossa Water Allocation Plan renewal process and are contributing to the initial stages of consultation by the Department of Environment, Water and Natural Resources on behalf of members. More information will be distributed to the community as this process is formalised by the Department.

Expanding our global reach
Barossa’s footprint now extends directly to the USA, France, Germany, the UK, China, Hong Kong and Taiwan, with Barossa Wine School and other BGWA activities in all these markets in 2016/17.

We also extended our reach without leaving home – via the Barossa Wine Chapters Auction, which in 2017 took a giant step towards the goal of becoming a truly international, highly prestigious event. The addition of live streaming from the auction event enabled bidding to take place from around the world, and was especially popular in Hong Kong where a preview to the auction was hosted in collaboration our auctioneer partners, Langton’s East Asia.

This year saw a 25% increase in sales revenue and a 100% clearance rate for live auction lots, which Langton’s attributed to: the rarity of lots offered, big bottles, back vintages, Riesling as a key focus, the dynamic and exciting live auction environment and the new seal of provenance offering traceability.

Identifying and developing longer-term opportunities
Working with the state government on entry to the Texas market was an important step in our North American strategy. James March attended TexSom in August, as part of a USA market familiarisation trip, and BGWA sponsored a TexSom International Awards Judges dinner hosted by James Lindner, which was themed “Barossa’s Old Vine Heritage”.

Another first was regional participation in the Great Wine Capitals Global Network events held in Porto, November 2016 and Bordeaux, June 2017. Adelaide, South Australia joined the GWCGN last year and BGWA has been taking an active role in network activities commensurate with our vision of Barossa – a global brand. Complementing South Australia’s membership, Barossa joined the Wine Origins Alliance, a network of 23 worldwide wine regions such as Champagne, Bordeaux, Napa Valley and Porto, all supporting the importance of location and protection of wine place names.

These two networks have helped Barossa establish new relationships and friendships in the global marketplace. The sharing of knowledge and experience, as well as identifying common causes for collaboration, serves to take us from our own backyard to a truly international view of the world.

Underpinning our success
Following last year’s consultation with members, BGWA formally signed a long-term lease for The Barossa Cellar in February. The Barons of Barossa set an ambitious fundraising target and are well on the way to achieving this with a range of local community and industry support, hoping to begin construction before the calendar year ends. Timing of this opportunity could not have been better giving BGWA the opportunity to move to a purpose-built new home and the region a showcase facility in keeping with our aspirations.

This year we completed the levy renewal process, securing funding for the next five years at a level to resource the first stage of our next horizon strategy.

BGWA’s current financial performance continues to be solid, responsible and effective. Levy revenue of $750,000 was leveraged and supplemented through grants to achieve a total budget of over $1.6 million. The final position after expenditure on operations, projects and services was a small surplus of under $5,000. Net assets remain at just over $1 million.
BGWA is a growing and dynamic organisation. This year Finance and Risk was reconvened as a standing board sub-committee chaired by Matt Alexander, to give added, independent scrutiny and advice on identifying, mitigating and managing the risks that come with expanding horizons and new ventures.

**Acknowledgements**

Ultimately, it is our staff team who turn opportunities and ideas into reality, strive for engaged member interaction and deliver on services and performance. Each year the team seems to take on yet more challenges and still come up smiling.

This year we particularly acknowledge Annabel Mugford and Annemaree Clementson, who have both decided to pursue their own ‘new horizons’ in early 2017-18. Annabel is stepping down from full time employment but will continue project managing the Barossa Wine School and the Barossa Wine Chapters Auction on a part time consultancy basis. And, after taking Barossa’s online brand and presence to a highly regarded position, Annemaree will focus on her own digital communications consultancy business. Annabel and Annemaree have both made very significant contributions to BGWA and we wish them ongoing success as they move on to future ventures.

We’d also like to acknowledge the tireless contributions of Ashleigh, Brian and Nicki towards achieving such a full and positive set of outcomes from the Operational Plan. The region is well served by such a dedicated and committed team of professional staff.

It was another full year of robust debate and considered decision-making for the board. For his always engaged and measured contribution, thanks go to Matthew McCulloch who stepped down from the board last December. To all board members who apply themselves with diligence and care to make decisions that advance the interests of our collective membership, we offer our thanks of behalf of the region.

And finally, thanks and appreciation go to our hard working and dedicated committee members and other volunteers, and to our sponsors, A.P. John Coopers and Multi-Colour Barossa, and partners across the region and within government.

**The Next Horizon – Barossa: First**

“The best way to predict your future is to create it.”

Abraham Lincoln

The significant lift in our global positioning calls for a strategy that does more than just advertise the Barossa name in a fleeting media article; it must create an enduring emotional connection with all who have a touchpoint with the Barossa Brand.

This is the aim of our Next Horizon strategy – Barossa: First.

It is based on the premise of Barossa being ‘First...’ across a range of key values, features and benefits, and culminates in ‘Homecoming’ – the biggest ever collaboration of the global Barossa community convening on home soil for the first time in 2020.

The strategy is powerful, imaginative and has relevance and opportunity for every one of our members, as well as for our stakeholder co-investors. It paints an exciting future and we look forward to your active participation and contribution. Thank you for your ongoing support.

Linda Bowes, Chairman & James March, CEO
BAROSSA — AUSTRALIA’S GLOBAL WINE & FOOD REGION

PHASE (I)  First 3 years – Brand Building
- Big Ideas / Chapters

PHASE (II) Next 3 years – Strategic Implementation
- Members / Stakeholders / Markets

PHASE (III) How Far Can We Radiate? Amplification
- New Audiences / New Platforms / New Technology
BGWA’s Commitment to Members

Through leadership, innovation and action we are committed to creating value for every Barossa grape grower and winemaker:

• by standing within the Barossa wine community as the beacon for collaborative investment and the enabler of collective action

• by being the catalyst for curating, nurturing and sharing an ideal of what Barossa should stand for in the world of wine

• by creating and supporting collaborative story-telling and market development opportunities

• by amplifying the voice of individual members, leveraging collective scale to lobby with greater effectiveness on their behalf on industry and government policy issues

• by acting as an industry intelligence agency, gathering and sharing knowledge that enables best practice grape growing and wine production and enhanced business capabilities.

For more information on benefits of BGWA membership, please view the Barossa Grape & Wine Member Prospectus, Summary of Member Benefits and Levy information via the following link: www.barossa.com/about-bgwa

“Working together under the Barossa banner with the support of BGWA at VinExpo Hong Kong was great for our business. Being aligned to brand Barossa makes what we do at Schild instantly relevant to a large audience of international buyers. It also positions us as a premium / high end producer which supports premium pricing strategies and better returns. And as a grape grower member, we were able to list fruit for sale on barossa.com from which we fielded inquiries and made a number of sales in 2017.”

Casey Mohr, CEO, Schild Estate

Barossa grape growers must adapt to changing weather patterns, emerging technologies and evolutions in viticultural practices. We need to be proactive in responding to these challenges, and BGWA has been a valuable resource for many growers who have integrated learnings from the workshops and information-sharing sessions into their vineyard management plans. Growers are encouraged to put concerns and ideas forward on a regular basis, giving us confidence the BGWA has a good understanding of the region and the issues facing businesses like ours. We make an effort to play an active role in BGWA because this is our livelihood. If brand Barossa has a strong voice and a clear strategy, everyone in the local wine community will reap the rewards.

Fiona and Daniel Habermann
Successful 2017 Barossa vintage
Barossa’s 2017 vintage was harvested over a month later than in recent years, with some stand-out wines and a final yield nearly 50% above a low five-year average. In stark contrast to the previous year, the 2016 growing season was one of the wettest on record. Annual (2016) rainfall was 750mm, over 150% of the long-term average; winter was 143%, spring 198% and December 135% of average. The resulting wet soils, combined with a cooler than average spring and early summer lead to healthy canopies and a later harvest, with higher yields in many varieties.

Barossa host to SA Wine Grape Growers Summit
For the first time ever, BGWA organized and hosted the South Australian Wine Grape Growers Summit, in partnership with the Wine Grape Council of SA. This was the perfect opportunity for the Grape Barossa committee to air many of the issues arising from its 2015 Barossa Grower Survey, which revealed 30% of growers were exiting the industry now or in the next 5-10 years. Summit themes included succession planning, vineyard profitability, and the topic “Is the future of SA’s wine regions your problem?” as well a “market outlook” for the Australian wine industry from Rabobank, and a panel discussion featuring senior representatives from Treasury Wine Estates, Pernod Ricard Winemakers and Seppeltsfield.

Profitable vineyard business models
As part of the Grape Barossa committee’s goal to give Barossa growers insight into profitable vineyard business models, another project led by the committee during 2016/17 was the development of a document entitled “50 questions to ask before entering into a vineyard lease agreement”. Many BGWA members have now accessed this document, designed to assist communication between leasing parties before going to a lawyer – with the end goal of a strong lease agreement and significant savings in legal costs.

Young people in Barossa viticulture
Also in 2016, Grape Barossa’s annual dinner for “young people in Barossa viticulture” featured Pinery grain grower Derek Tiller, who presented his Nuffield Scholarship project: “Investigating structures and processes family farming businesses can utilize to ensure sound decisions are made on-farm” at a function at fermentAsian.

Our Own Backyard
Other BGWA viticultural activities in 2016/17 (detailed in Our Own Backyard) included:

- Premium, Profitable, Sustainable Barossa Growers (demonstration vineyards) project (partnership with Wine Australia);
- BVTG grower breakfast: “Is your vineyard bare? Or are you reaping the benefits of mulch & compost, and a healthy mid-row and under-vine.” (August 2016);
- Sustainable Australia Winegrowing (SAW) Barossa (partnership with McLaren Vale Grape Wine Tourism Assn);
- Restoration of native vegetation from Kaiserstuhl to the North Para River (partnership with AMLR NRM);
- “GrowCare Barossa”‘ crop watch’ email service (partnership with Magarey Plant Pathology);
- Barossa Water sources, security and allocation (liaison with RDA Barossa; and Department of Environment, Water and Natural Resources);
- The Barossa Grounds Project (partnership with Primary Industries and Regions SA);
- The Barossa Pruning Expo, featuring a pruning competition, workshops and a trade show.

Brendyn Hueppauff
Chairman, Grape Barossa

Grape Barossa Committee 2016/17
Alistair Dinnison
Daniel Habermann
Adrian Hoffmann
Brendyn Hueppauff
Tim McCarthy
Trent Reilly
Brett Thompson
Kirsty Waller
Nicki Robins (BGWA)
James March (BGWA)
Wine Barossa Report

I am pleased to report that Barossa’s exports to our top 10 markets grew by $5.4m (+5%) in value to $92.8m with the average $/litre value now $12.86/litre (+17%) compared to the previous year. Barossa’s share of Australian wine exports was 7% by value and 3% by volume. (Source: Wine Australia Wine Export Approval System 2016/17).

The BGWA 2016/17 Operational Plan continued marketing the Barossa wine region and its wine, with the goal of increasing the market value of wine made from Barossa grown grapes through more effective marketing in the region’s top five export destinations; China, USA, UK, Hong Kong and Canada, with a particular emphasis on China and Hong Kong through the Barossa Wine School program.

As illustrated in the table, China remains Barossa’s largest export market by value and volume, growing by 25% in value. Hong Kong overtook Canada to become the fourth largest market by value with the highest average $/litre of all export markets at $32.28/litre. Malaysia and the UAE entered the top 10 replacing Germany and Switzerland. Five of Barossa’s top export 10 markets (which account for 87% of Barossa’s total exports) are in the Asia Pacific region, supporting the BGWA’s ongoing marketing focus on our key Asian markets. (Source: Wine Australia Wine Export Approval System 2016/17).

Key highlights of the Wine Barossa program were:

• Barossa Wine School, now in its fifth year of operation, continued to build momentum with Barossa Wine School alumni events held in Hong Kong and Beijing plus increased Barossa Wine School visits to the region.

• Domestic consumer engagement via the Barossa Be Consumed event in Melbourne with the Wine Barossa Committee BGWA staff working together to develop the strategy and budget.

• Barossa Wine Chapters Auction during the Barossa Vintage Festival achieved record prices and increased attendance and international awareness of the event.

• North America’s Second Life three year strategy was developed and awarded a State Government Export Partnership Program grant to support its implementation.

Please see more details of the Operational Plan and outcomes on the following pages.

Once again, a huge thank you to everyone involved in the development and delivery of the 2016/17 Operational Plan, which ensures Barossa remains Australia’s best-known wine region and internationally recognised as one of the world’s finest wine regions.

Matthew McCulloch,
Chairman, Wine Barossa

Wine Barossa Committee 2016/17

| Kevin Miller | Casey Mohr |
| Sam Holmes   | Mark Pearce |
| Richard Sheedy | Ben Bryant |
| Ben Chipman  | Matthew McCulloch |
| Howard Duncan | Bernadette Kaeding |
| Helen McCarthy | James March (BGWA) |
| Stuart Bourne | Annabel Mugford (BGWA) |
BGWA Activities

The BGWA continues to innovate and lead by being involved in activities, events and projects that align with the four pillar strategy of Our Own Backyard, Our Bright Future, Our Promise Kept and Our Collective Voice.

Our Own Backyard

Premium, Profitable, Sustainable Barossa Growers.
In its third year in 2015/16, this Wine Australia-funded project is designed to show (not tell) Barossa growers how to achieve more consistent wine grape yield and quality using modern viticultural practices.
The project monitored and reported quality and yield of six ‘demonstration vineyard’ sites at Vine Vale, Light Pass, Ebenezer, Gomersal, Krondorf and Eden Valley. The objective is to help Barossa growers improve the ‘resilience’ or sustainability of their vineyards and, in turn, increase their “adaptive capacity” to a changing climate.

Restoration of native vegetation from Kaiserstuhl to the North Para.
In 2016/17, this BGWA pilot in partnership with Adelaide and Mt Lofty Ranges Natural Resources (AMLR NRM) moved into its second year of engaging a ‘community’ of vignerons in Bethany, Krondorf and Rowland Flat to restore native vegetation on their creek line properties to provide habitat for increasingly threatened Barossa native fauna, increase biodiversity, and improve the health of the North Para River.
The project gained momentum in 2016/17, with 20 landholders working with AMLR NRM on one- to three-year Work Plans to revegetate their properties, as well as a series of “planting days”. The project was nominated for the Premier’s NRM Excellence Award at DEWNR’s 2017 Community Landcare Conference.
Grower breakfast – benefits of mulch
In August 2016, 90 Barossa growers and viticulturists attended a BGWA breakfast and information session entitled: “Is your vineyard bare? Or are you reaping the benefits of mulch?” To the survey question: “How would you rate the value you obtained by attending this event?” 86% of attendees said “High” or “Very High”, and a phone survey of 20 growers in June 2016 indicated practice change as a result of attending the workshop.

2017 Barossa Pruning Expo
In June 2017, Barossa growers secured seven of the top nine placings - including the overall winner of the Wolf Blass Shield, Steve Schiller – in the 2017 South Australian Pruning Competition at the Barossa Pruning Expo. In addition to the pruning competition, 120 workshop participants took part in a mindset-altering demonstration of a new pruning technique - designed to prolong the lifespan of vineyards — by Italian viticulturists Simonit and Sirch. Australia’s leading Eutypa research scientist Dr Mark Sosnowski also featured, as well as a trade show.

The Barossa Grounds Project
The Barossa Grounds Project has been in high demand in 2016/17, with Nicki Robins presenting information/tastings to the world’s best 50 sommeliers, Barossa’s Young Ambassadors, Australian wine educators and students, Barossa Tafe students, the Barossa Grounds Tour in the Barossa Vintage Festival with 35 local and interstate visitors, local radio station bbbFM, and a video for BGWA’s ‘brand Barossa’ refresh.

GrowCare Barossa
In 2016/17, BGWA’s ‘crop watch’ service served its fourth year providing Barossa growers with advice to manage vineyard pests and diseases following significant weather events.

Water
In 2016/17, Nicki Robins was appointed to the Barossa Water Allocation Planning Advisory Committee to assist with local consultation around the review of the Barossa Water Allocation Plan.
Our Bright Future

Barossa Wine School (BWS)
The Barossa Wine School was launched in 2013, initially in Hong Kong and China and in 2016/17 launched in Taiwan, Barossa and Melbourne. The Barossa Wine School creates Barossa “Ambassadors” who are confident to select, serve and enjoy Barossa wines in all settings. The ambassadors are consumers, wine trade, media and educators. BGWA develops and maintains quality curriculum and materials and then partners with education partners and wineries to achieve this.

Mainland China
Now in its fourth year of operation in China, BGWA partners with Ease Scent Wines, AWSEC plus four independent wine educators to deliver BWS in mainland China. The focus this year was on building the educator network, continuing to build relationships with alumni through their attendance at Barossa masterclasses, tastings and events in China and supporting BWS educators to host groups in Barossa.

Progress in 2016/17
- Ease Scent Wine Training Manager (Jennifer Chen) Train the Trainer visited in August and successfully passed the Educator Level 2 exam.
- ASC Head of Education, Dorian Tang, certified as a Level 1 BWS educator.
- Sponsored Wine Australia China Wine Awards – Best Educator Award in October 2016.
- Attended the Wine Australia award function plus hosted a Barossa Wine School table at the award tasting.
- James March conducted “Train the Trainer” sessions in February 2017 in China with:
  - ASC with 5 educators – all passed and are now certified to deliver BWS Level 1.
  - Ease Scent Wines with 29 educators – all passed and are now certified to deliver BWS Level 1.
- BWS Alumni (Ned Zhang, Guangzhou and Jennifer Chen and Otilos Wu, Beijing) co-hosted by James March and interpreted the Barossa Masterclasses in China in February.
- Worked with Wine Australia and hosted the three award winning educators in Barossa in April 2017.
- Signed BWS delivery agreements with the three educators.
- Conducted two BWS classes in Barossa in April with two of the groups from China in Barossa for Barossa Vintage Festival. A total of 19 people participated in the classes and all passed their exams.
- BWS Alumni event held in Beijing in May in partnership with Wine Master Liquor.
- AWSEC have conducted several BWS Level 1 classes in Guangzhou and Shanghai with over 50 people participating.

Hong Kong
Now in its fifth year of operation, BGWA partners with AWSEC to deliver the BWS in Hong Kong in English and Cantonese and in Southern China in Cantonese and Mandarin. A highlight for 2016/17 was five BWS Alumni supporting Barossa wineries at the Hong Kong Wine and Dine Festival, drawing large numbers of friends and family resulting in Barossa experiencing the highest number of pours and bottle sales across the Australian pavilion. This demonstrates the value of creating long term in-market ambassadors.

Progress in 2016/17
- Barossa Wine School Level 3 visit in September 2016. 10 paying students and one media scholarship (Casper Li) visited Barossa co-hosted by Ling Cheong from AWSEC.
- Five people sat the Level 3 exam and all passed.
- Certificates presented to students at the Graduation ceremony at Barossa at the Races event in October in Hong Kong at Alumni event.
- Casper Li (media scholarship winner) has published two articles on visiting Barossa.
- Hosted Alice Ho (previous BWS media scholarship winner) for a day in October.
- To date in 2017, 37 people have completed BWS Level 1 and seven people have completed BWS Level 2.
- BWS Alumni event held at Barossa at the Races in Hong Kong in October. 20 Alumni attended the event.
- Barossa Wine School Alumni invited to the Barossa Wine Chapters Auction tasting hosted by Langton’s in Hong Kong on Thursday 20 April.
- Planning commenced for Level 3 visit in September 2017.

Other Markets
In 2016/17, a key focus was extending BWS into other markets and training people to deliver the program. In Asia, Barossa Wine School is now delivered in Taiwan through the Taiwan Wine School. Looking to the domestic market, seven people undertook BWS educator training, with Nuriootpa TAFE and Artisans of Barossa now licensed to deliver Barossa Wine School. In partnership with RDA Barossa and Nuriootpa TAFE, 15 local Barossan’s completed BWS Level 1 and 2. BWS also sponsor WineTutor TV through the “Contact a Barossan” program to reach the highly influential Master of Wine and WSET student communities.
Domestic Consumer and Trade Engagement
Establishing the position that Barossa wine has a “seat at all tables” around Australia through targeted activities and consistent branding and messaging.

Progress in 2016/17
• Barossa Wine Chapters Auction successfully delivered. 59 wineries entered a total of 189 lots. See separate report.
• Barossa Be Consumed event confirmed 22 July, at the Melbourne Meat Market with Bottle Shop Concepts as event producer. 44 wineries signed up to participate. See separate report on page 19.
• Barossa Join our Community Consumer Database 1,467 people on 10 July.
• EDM’s x 14 to consumer database promoting auction, Vintage Festival and Barossa. Be. Consumed.

North America – Second Life
USA: Collaborating with PIRSA focusing on Texas as the target market. The strategy is currently being developed in consultation with regions and once finalized will form the basis for the Barossa approach.

Progress in 2016/17
• Three US market Round Tables held with 15 interested wineries attending.
• James March attended TexSom as part of larger USA market familiarization trip in August.
• Sponsorship of TexSom International Awards Judges dinner hosted by James Lindner, themed Barossa’s Old Vine Heritage
• North American Strategy and Plan developed.
• Successfully applied for DSD Export Partnership Funding receiving $50k for activation of North American strategy in 2017/18.

Asia (combined Hong Kong, China and other Asian countries with FTA’s)
The combined Asian countries are Barossa’s most valuable market both by value and volume. With the FTA’s coming into force, the market becomes even more important. The objective is to maximise opportunities for Barossa branding and Barossa wineries within Wine Australia activations in key markets across Asia, including (but not limited to) tradeshows, roadshows and masterclasses.

Progress in 2016/17
• Eight Barossa wineries attended Hong Kong Wine and Dine Festival in October supported by BGWA as part of PIRSA’s booth within the Wine Australia area. Barossa wineries poured 14,000 samples over four days valued at AUD$9,000. Five Barossa Wine School Alumni members supported the wineries. AWSEC delivered a “Barossa Introduction” wine tasting.
• Partnering with Wine Australia, James March delivered two Barossa Masterclasses to over 150 people in Guangzhou and Beijing.

Capability Development
Support the business and marketing capabilities of the Barossa grape and wine community through the co-ordination and delivery of targeted workshops.

Progress in 2016/17
Supported by PIRSA funding and delivered by AWRI, the Barossa Creating Consumer Value program was held. Over 30 Barossa wine, food and tourism businesses participating in the six sessions being trained in design led thinking, using consumer insights and luxury product development. Following on from this program, BGWA is establishing an Innovators Network to continue to build Barossans innovation and design capabilities.
Global Activities

August 2016 — North America
• GrapeFest Planning
• TexSom Convention
• Barossa Tastings – Napa Valley, San Francisco

October 2016 — Taiwan, China, Hong Kong
• Introduction of Barossa Wine School in Taiwan
• Wine Australia China Wine Awards, Shanghai
• Hong Kong Wine & Dine Festival
• Barossa Wine School AWSEC Level 3 Hospitality and Graduation Event

February 2017 — China and Hong Kong
• Barossa Wine School Educator Training
• Barossa Masterclasses with Wine Australia – Shanghai

May 2017 — China
• Wine Australia China Roadshow – Beijing
• Top Wine China (Wine Trade Show)

June 2017 — Bordeaux
• VinExpo
Barossa Wine Show

The 2016 Barossa Wine Show was held from 12 – 16 September 2016 and received 710 entries from 109 exhibitors.

The presentation dinner was held at Wolf Blass Visitor Centre on Thursday 15 September attracting just over 360 guests. This was a great evening for Barossa, showcasing the exhibitors, sponsors and community support.

To further recognise and celebrate the viticultural and winemaking strength of Barossa’s past, present and future, it was the first year that provided a Wine of Provenance class. An opportunity for exhibitors to showcase three of its best vintages spanning a 15 year range. Judges assessed exhibits for style continuity, pedigree and representation of maturation potential.

Corinne Mui from Asia Wine Service & Education Centre, was welcomed as the guest International Judge who made an outstanding contribution to the tasting bench. Her experienced international palate and keen insights were well appreciated by her fellow judges.

2016 was the second year for Matt Harrop as the Chairman of Judges.

The best wines of show were:

**Outstanding Wine of Provenance**
Saltram Wine Estate Mamre Brook Cabernet Sauvignon 2013, 2009, 1996

**Most Outstanding Single Vineyard Wine, Premium Classes**
The Willows Vineyard 2011 Semillon; Viticulturist: Peter Scholz

**Most Outstanding Barossa White Table Wine, Premium Classes**
The Willows Vineyard 2011 Semillon

**Most Outstanding Barossa Red Table Wine, Premium Classes**
Wolf Blass Wines 2014 Gold Label Barossa Shiraz

**Most Successful Exhibitor – Small Producer:** Brothers at War

**Most Successful Exhibitor – Medium Producer:** Turkey Flat Vineyards

**Most Successful Exhibitor – Large Producer:** Peter Lehmann Wines

**Most Outstanding Barossa Table Wine, Premium Classes**
Wolf Blass Wines 2014 Gold Label Barossa Shiraz

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2016 Medal Tally:
53 Gold
91 Silver
212 Bronze
Barossa Wine Chapters Auction 2017

As part of BGWA’s long-term strategy of positioning Barossa as a global wine region, the objective of the Barossa Wine Chapters Auction is for the auction to be recognized as one of the world’s leading regional wine auctions (alongside auctions such as the Hospice de Beaune, Auction Napa Valley and Cape Wine Auction) by 2024, whilst continuing as a key Barossa Vintage Festival event and also supporting charity.

The 2017 Auction continued to build towards this objective by:

• For the second year, working with Langton’s as the auctioneering partner and advisor and leveraging their Hong Kong and China markets.
• Running a comprehensive marketing strategy including a focused PR campaign, promotional activities in Hong Kong and China, Barossa Wine School hosted groups and live streaming of the live auction.
• Running the auction at a small net profit of $13,653 (not including staff time).
• The introduction of the Seal of Provenance, addressing investor concerns regarding authenticity of the lots being offered.

Key Outcomes of the Barossa Wine Chapters Auction 2017

• Actual Total Sale Value including Buyers Premium $246,917 (GST Inc) vs Budget Total Sale Value including Buyers Premium $194,585. The budgeted sales value was conservative, with the budget based on 2015 sales and an 85% clearance rate of all lots with lots selling at reserve price.
• The actual sales value shows that there was 100% clearance of live auction lots with 93% selling above reserve price and 74% clearance of online auction lots with 47% selling above reserve price.
• Langton’s advice is the high clearance rate and sales above reserve were due to the rarity of lots offered, big bottles, back vintages, riesling as a key focus, the dynamic and exciting live auction environment and the new seal of provenance offering traceability.
• 360 registered bidders made up of 260 people online and 100 people at the live auction. In 2015 there were 278 registered bidders. The increase in registered bidders was due to the comprehensive marketing strategy including PR campaign, BGWA promotional activities, Barossa Wine School hosted groups and the inaugural live streaming of the auction.
• 343 people attended the live auction lunch.
• Media Outcomes included 42 media placements in 23 key publications in Australia and overseas.
• 227 people in Australia and Hong Kong watched the live auction through the live video streaming.
• 59 wineries contributed a total of 189 lots; 30 lots in the live auction and 159 lots in the online auction.
• Barossa Wine Chapters Auction Seal of Provenance developed with Multi-Colour Australia and applied to every wine bottle offered through the auction. The Barossa Wine Chapters Auction Seal of Provenance is uniquely part of the individual wine’s chain of custody, protecting the security and integrity of the bidder’s investment.
• $35,000 of proceeds contributed to Barossa Vintage Festival and Peter Lehmann Arts and Education Trust.

Thank you to all the wineries who participated in the auction. BGWA looks forward to working with you all again in the coming months in preparation for the Barossa Wine Chapters Auction 2019.
Domestic Activation - Barossa Be Consumed

Event Planning

At the Barossa Big Ideas Think Tank in May 2016, BGWA members indicated that there would be strong interest in running a Barossa focused event on the East Coast, targeting Millennials. This was reinforced by the Wine Barossa Committee. As a result of this feedback, BGWA approached Dan Sims from Bottle Shop Concepts (BSC) to run a workshop in the Barossa in September 2016 to advise on how they run events and workshop some ideas for Barossa.

After the workshop, where a general indication of an event plan was given, BGWA was provided with an event proposal and budget. The Wine Barossa Committee reviewed the proposal and budget and following some requested revisions, gave approval for BGWA to appoint BSC to work with BGWA on delivering the project.

BSC advised that there is demand amongst the targeted demographic for curated wine and food events that are based on authentic experiences and hosted by the actual producers. Given the strong brand recognition of Barossa, BSC felt that an event solely focused on the full Barossa experience would be a sellout. The challenge was how to deliver a fun, dynamic Barossa day, outside of Barossa.

BSC strongly advised that Melbourne should be the first city where the event could be held and proposed the Meat Market as the venue. BSC encouraged BGWA to involve Barossa Food and Tourism Barossa in the activation and running a collaborative event. The date for Barossa Be Consumed was set for the end of July, 2017.

In January 2017, working with BSC, BGWA began the process of event planning and mapping out how to approach and recruit members of BGWA, Barossa Food and Tourism Barossa to be involved.

In the winery recruitment process, 44 wineries registered within a week, which was capacity for winery exhibitors. Many wineries were on the waiting list.

BGWA worked closely with Barossa Food and together engaged Saskia Beer to be the caterer.

Howard Duncan was contracted to assist BGWA in the retail activation process. The aim was to make it easier for guests to purchase wines from across different wineries on the day and then have the combined order shipped directly to their address. A consolidated shipment process was organised in Barossa following the event. The retail activation was named “Sip, Pick, Pack and Ship” (SPPS).

Bottle Shop Concepts engaged PR company, The Cru, to work on promoting the event in Melbourne and regional Victoria. Many radio interviews were conducted and written stories throughout Victorian media. BGWA also worked with social media company, Made with Moxie, who spread the event details far and wide across Facebook and Instagram.

By the end of June 2017, BGWA and BSC were in the final stages of event planning and were weeks away from the event delivery.

Spoiler alert…. the event was successful with over 1,000 tickets sold and $68,000 of wine sold through SPPS. Full report on the outcomes of the event available from BGWA on request.

Congratulations to Ashleigh Fox from BGWA on leading the successful event.
Marketing and Communications Strategy and Plan

Deliver Marketing and Communications Plan that encompasses both traditional and digital media strategies including the revitalization of barossa.com and reinforcement of Barossa Brand.

Barossa Brand

Three applications for SA Wine Industry Development Scheme funding submitted:
1. Barossa Brand Extension and Activation Project: to support the refinement and extension of the Barossa Brand. This application was successful. See separate report on page 22.
2. Hong Kong Wine & Dine Festival: to support increased Barossa presence at the 2017 Festival. This application was not successful. Resubmitted in June round.
3. Seppeltsfield Road Cellar Door Trail: to improve walking/cycling path infrastructure along Seppeltsfield Road. This application was successful and the project was completed in June.

Barossa.com

• Barossa.com stakeholder group working on joint approach to website maintenance, EDM’s and problem solving.

VISUAL MEDIA

Barossa Dirt digital platforms that showcase visual content continue to show significant increases in both followers and engagement.

FACEBOOK /barossadirt

46% increase in likers over 12 months

INSTAGRAM @barossadirt

46% increase in followers over 12 months

VIMEO

51% increase in video plays over 12 months

TWITTER @barossadirt

4% increase in followers over 12 months

YOUTUBE

13% increase in video plays over 12 months

FLICKR

25% increase in image gallery views over 12 months

WE CHAT

54% increase in connections over 12 months

Our Collective Voice
Traditional and Digital Marketing

- Digital media report statistics (graph on previous page)
- Barossa Touring Map development finalised and sent to print on 5 December, 2016 – 100,000 printed.
- Join our Community Database 1,467 people on 10 July.
- BGWA Update delivered weekly

Events

- Barossa Wine Show 2016 delivered with 710 wines submitted to the show. See separate report on page 17.
- Generations Lunch delivered on Friday 2 December 2016 with 242 people in attendance.

Development of Longer Term Opportunities

- Great Wine Capitals Global Network (GWCGN) information session held in Barossa in July 2016.
- Promoted the opportunity of applying for the GWCT Tourism Awards.
- Anne Moroney represented Barossa at the GWCGN AGM in Porto in October.
- Seppeltsfield won award in the Great Wine Capitals International Best of Wine Tourism Awards presented in Porto in October 2016.
- James March attended VinExpo Bordeaux in June 2017 in partnership with PIRSA co-branded with GWCGN.
- Torbreck and Hentley Farm exhibited.
- James March attended the GWCGN mid-term meeting and technical tour whilst in Bordeaux.
- Barossa accepted to the Wine Origins Network in October 2016. Anne Moroney (RDA Barossa) represented Barossa at acceptance event in San Francisco.

Key Relationship Management

- James March, Annabel Mugford and Nicki Robins attended the AWITC 2016.
- James March attended SAWIA and WFA board and committee meetings.
- Annabel Mugford attended RDA-Barossa board meetings and workshops.
- Annabel Mugford attended MLRWH bid Economic Advisory Committee meetings.
- Annabel Mugford attended SAWIA Regional Forums.
- James March and Annabel Mugford attended the Wine Australia Exporters Update.
- BGWA submitted proposal to the Export and Regional Wine Support Package consultation process.
- James March represented Barossa at consultations regarding the Export and Regional Wine Support Package.
Barossa Brand Extension and Activation Project

Following feedback from members and key markets that the Barossa Brand needed a more strategic focus and improved extension to members, BGWA, supported by Tourism Barossa, Barossa Food and RDA Barossa, was successful in receiving South Australian Wine Industry Development Scheme (SAWIDS) funding in February 2017 to undertake a branding project.

The objective of the Barossa Brand Extension and Activation project is to refresh the Barossa Brand, extend it out across the Barossa wine, tourism and food businesses and then through targeted brand activations, grow tourism visitation value and volume to Barossa. BGWA led the Branding Project Team made up of representatives from BGWA, Tourism Barossa, Barossa Food and RDA Barossa.

The first step was to appoint a strategic branding agency. FULLERS was appointed and began work in April, conducting a full brand audit. As a result of this audit, FULLERS recommended that the refresh of the brand include an evolution of the logo, which the project team approved. The agreed vision is Barossa to be known as Australia’s global wine and food region with the objectives of:

• Achieve greater unprompted global recognition.
• Increase profitable wine sales.
• Increase profitable tourism visitation.
• Revitalised sense of unified marketing purpose.

By the end of June the following assets and tools were completed:

• Target Market Identified.
• Brand positioning strategy, including brand pillars, messaging and marketing principles.
• Refreshed Barossa logo’s; primary and secondary.
• Brand Guidelines including comprehensive style guide.
• Brand Card.
• Image library refresh.
• Barossa Chapters update including narratives, video’s, booklets, brochures and posters with Mandarin translations.
• Letterhead and powerpoint presentation templates.

The next stage is for the brand assets and tools to be extended to Barossa wine, food and tourism businesses to create common messaging that will build purpose and scale to compete globally and locally.

To discuss opportunities for using the brand assets and tools in your own business, please contact BGWA.
Our Promise Kept

Barossa Trust Mark

- Barossa Trust Mark (BTM) hosted a successful 2017 Application Round, with ten new Barossa Trust Marks being awarded.
- New Barossa Trust Mark holders underwent a formal induction process, ensuring a broad understanding of the BTM and its importance within the community.
- The 2017 Application Round included a change to application guidelines, allowing applicants to present a suite of up to six wines for consideration. A number of Barossa Trust Mark applicants took advantage of this new opportunity.
- The Barossa Trust Mark Trail was successfully activated during the Barossa Vintage Festival, providing a high quality consumer-facing collateral piece showcasing the best of Authentic Barossa through Barossa Trust Mark holders.
- The Barossa Trust Mark also received good exposure through the Barossa Gourmet Weekend.
- Learnings from the CommuniKate marketing strategy were presented at PIRSA’s Regional Marketing Forum in McLaren Vale.
- The Barossa Trust Mark is an active participant of the Barossa Partnership.
- A series of engagement meetings was held with Barossa Trust Mark holders to seek their individual feedback on the future direction of the Barossa Trust Mark.
- An inclusive Strategic Planning session was held for Barossa Trust Mark holders.
- Paul Henry of Wine Hero was engaged to undertake a systemic review of the Barossa Trust Mark and make recommendations for future resource allocation.

New Wine Licence Holders

S. Smith and Son
Suite of four wines: Pewsey Vale Vineyards The Contours Riesling, Yalumba The Signature Cabernet Sauvignon and Shiraz, Yalumba The Octavius Shiraz, Yalumba The Tri-Centenary Grenache

Kellermeister

Gatt Wines

Langmeil Winery
Cellar Door experience

Peter Lehmann Wines
Cellar Door experience
BGWA Activities 2016/17

- Barossa Wine School Educator Training
- Growers Breakfast on mulch
- SAW Barossa Launch
- JM USA Visit
- BGWA Member Forum
- Barossa Wine Show
- Taste of Spring EV Riesling
- Creating Consumer Value Program Commenced
- Barossa Wine School Level 3 Visit
- Singapore Sommeliers Tasting
- HK/Shanghai Trade Mission Tasting
- MMi Dubai Visit
- Young Viti Dinner
- WSET Visit
- BJW Asia Visit
- Asia BWS Exam & Graduation
- NR received WInnovation Award
- Creating Consumer Value Workshop
- Creating Resilient Lanscapes - McLaren Vale Field Trip
- Creating Resilient Lanscapes
- Barossa Generations Lunch
- Qantas Famil
- SAW Barossa Results Night
- Young People in Viticulture Annual Dinner
the beacon within the Barossa wine community for collaborative investment and the enabler of collective action

Please refer to the BGWA Member Prospectus for more information: www.barossa.com/about-bgwa
Barossa Grape & Wine Association Member Toolkit

The Toolkit is available to all financial members of the BGWA. The files are located in a Dropbox folder so you can access the collateral globally.

The collateral is designed for use in presentations, tastings etc.

Please email bgwa@barossa.com to request access.

Content includes:

Booklets
- a. Barossa Chapters
  - i. Booklet
  - ii. Individual Chapter PPT Templates
    - Discovery
    - Flavours
    - Generations
    - Grounds
    - Old Vines
    - Rare and Distinguished
    - Shiraz
- b. Barossa Ingredients

Imagery
- a. Barossa Images
  - i. High Res (only available on USB)
  - ii. Low Res
- b. Video’s
  - i. Barossa at Home
  - ii. Barossa Be Consumed TV Commercial
  - iii. Grape Growers of the Barossa

Maps
- a. Barossa Grounds
- b. Barossa Valley Map
- c. Eden Valley Map
- d. Barossa Topographical Map
- e. Wine Australia Regional Flyover

Digital Media Posters
- a. Barossa Dirt

Logos
- a. Barossa Logo examples
- b. Barossa Style Guide
- c. Barossa Logo Usage Terms and Conditions

Barossa Wine School
- a. Customisable Power Point
- b. Educational Booklet
- c. Barossa Wine School Video*
  (*can be accessed via USB from BGWA)

Barossa Grounds
- a. Barossa Grounds Journey of Discovery Booklet
- b. PIRSA Report
- c. PIRSA GIS Maps
- d. Barossa Grounds Toolkit order form

Over the Vineyard Fence
- a. Winegrapes for Sale Register information

Websites
- a. Barossa Dirt 20 questions
- b. How to list your event
- c. How to get involved

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The Barossa Grape & Wine Association would like to acknowledge our valued partners for their long term support and commitment to the region.

This information has been made available to assist on the understanding the Barossa Grape & Wine Association (BGWA) is not rendering professional advice. The information is not legally binding and is not intended to be a substitute for legal advice. The information is based on the BGWA’s understanding regarding the requirements of the market at the time. The BGWA does not accept responsibility for the results of any actions taken on the basis of this information, nor for the accuracy or completeness of any material contained in it. The BGWA expressly disclaim all and any liability and responsibility to any person in respect of the consequences of anything done in respect of reliance, whether wholly or in part, upon this information.