

The Australian Wine Research Institute



Australian Government
**Grape and Wine Research and
Development Corporation**

Wine future is assisted by investment agreement

Australia's leadership in wine science has been boosted by a seven year investment agreement between the Grape and Wine Research and Development Corporation (GWRDC) and The Australian Wine Research Institute (AWRI).

The focus of this agreement is to provide the AWRI and the GWRDC with the flexibility to operate in these rapidly changing times so that outcomes of value to Australian grapegrowers and winemakers, and the Australian community can be optimised. In this way, industry targets and national research priorities will be met in a timely and efficient manner.

The seven-year agreement will see about \$65 million of industry R&D levies and Australian Government matching funds directed towards outcomes that will benefit industry located all over regional Australia. These outcomes include a greater understanding of what contributes to styles of wine preferred by different market segments, the capacity to eliminate faults, and new technologies to enhance Australia's competitiveness and reputation as a reliable supplier of high quality wine.

AWRI's Managing Director, Professor Sakkie Pretorius, said the organisation, which recently celebrated its 50th anniversary, now employed more than 80 people and enjoyed an international reputation in wine science. "In taking a long term outlook, the AWRI has built on its reputation by firstly developing a Business Plan (*Towards 2015*), and we have complemented this with a Seven-Year Research, Development and Extension Plan. This provided the GWRDC and the AWRI with a strong basis for the research agreement, and guidance to other parties who might co-invest or collaborate with the AWRI."

The timing of this agreement is important to all stakeholders as it will underpin performance expectations that will contribute to the next GWRDC Five Year R&D Plan. This is being developed currently to commence in July 2007.

GWRDC Executive Director Dr Jim Fortune said that "it is great to see the industry engagement with the opportunities presented by strong R&D and extension activities at a time when commercial pressures are pretty tough. It is a sign of the maturity and strength of grapegrowers and winemakers that they see continued innovation as key to their future success in domestic and global markets."

Dr Fortune went on to say that the work done by the Strategic Directions Group (developed and supported by the Winemakers' Federation of Australia, Wine Grape Growers Australia and the GWRDC) and its recently published Prospectus *Investing in Innovation* has provided a focus for what might be achievable for the grape and

wine industry from R&D along the value chain. “This is not just about giving directions, but also extending an invitation to those who might see further opportunities for R&D investment in the wine industry.

The GWRDC will work closely with the AWRI and all other providers of R&D to ensure that where possible the collaborative efforts that have driven Australian grapegrowers and winemakers are reflected throughout the full research portfolio.”

Professor Pretorius commented on the benefits of the Agreement by saying, “Research agreements such as this give major providers of R&D confidence to plan their activities and commit to projects that are demanding on resources and might be of long term nature. We have set ambitious targets to benefit the Australian wine industry, and we look forward to working with the GWRDC to deliver these outcomes.”

Parliamentary Secretary for Agriculture, Fisheries and Forestry, Ms Sussan Ley said that an improved understanding of the market and long term investment in innovation will build on the wine industry's strengths, enabling it to meet current and future challenges.

"I congratulate The Australian Wine Research Institute and the Grape and Wine Research and Development Corporation for reaching this agreement, not least for the role it will play in ensuring the future of the industry."

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