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## **MEDIA RELEASE**

### **Australian Wine Industry Code of Conduct**

The Winemakers' Federation of Australia and Wine Grape Growers' Australia have today welcomed the finalisation of the Australian Wine Industry Code of Conduct (the Code).

Launched today in Adelaide by the President of the WFA and Chairman of the WGGA, the voluntary Code will set minimum standards for commercial Agreements between grapegrowers and winemakers.

Phil Laffer, Vice President of the WFA, said the Code will set out the basic features that should be in each agreement and once fully implemented, will cover new contracts and major variations in existing contracts.

"The Code will improve transparency and give all parties assurances of fairness and openness of contract arrangements. It will encourage greater communication," Mr Laffer said.

Alan Newton, Chairman of WGGA, said that the finalisation of the Code is an important step that will give greater certainty to growers and ensure that fair and equitable trading practices exist.

"It has taken considerable time and resources to negotiate the Code and we would encourage all growers and wineries to sign on," Mr Newton said.

"All wine grape purchasers will be asked to ensure new contracts are brought into line with the Code, to ensure clear pricing mechanisms are in place and dispute resolution elements are fair and transparent," he said.

"We would expect major wine grape purchasers in particular to sign the code as soon as possible and offer to alter contracts where necessary for their suppliers as a matter of priority".

One of the major components of the Code is the Dispute Resolution System which will provide signatories with a simple, accessible and non-legalistic dispute resolution mechanism.

"With the uncertainties that exist with market and climate variability, it is essential to have in place a system which will minimise disputes and allow all parties to know where they stand," Mr Newton said.

An Independent Code Administration Committee will be established to administer the Code and a formal independent review of the Code will take place following the 2010 vintage and every three years thereafter.

The Code will take effect on 1 January 2009. Signatories will be required to comply with the elements associated with winegrape purchases for all new Agreements and major variations of existing agreements for vintage 2010 onward, and will offer their winegrape suppliers the option of signing up for the dispute resolution elements of the Code immediately.

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