

“The Australian wine offering, particularly in international markets, has become increasingly boring.” To what extent is this true, and who is responsible – producer, retailer, consumer or journalist?

Boring to whom? Australia’s market has never presented a truly homogenous audience, but the success of Australian wine means it now has many markets with different perspectives. If Australian wine is boring, different perspectives may point the finger at different parties. And indeed different influences. A doubling of the national vineyard area in the 1980s and 90s, a re-invigorated Old World, an increasingly competitive New World, consolidation of supply in Australia, and a shift in power to consumers (and their agents, retailers) faced with a ‘wall’ of wine from around the world, all play a role in making Australian wine less exciting.

Australia certainly doesn’t lack the diversity of producers. From 892 wine companies in 1996 James Halliday reports tasting wines from 2,395 producers today. Few enter the wine business to make dull wine. But the specialist retailer selling these wines shows his or her consumers an excitement in Australian wines that is hidden to the mass market consumer. Journalists may write about the growth of cool-climate Tasmania, Kangaroo Island Shiraz or Heathcote Nebbiolo, but consumer perception of Australian wine is more influenced by the consolidation of large winery groups. Nor do Constellation, Fosters Wine Estates and Orlando Wyndham set out to make dull wine. Products like Stonehaven cellar Selection Riesling – A Decanter award winner – show that even the largest can make wines that excite exacting palates. But stability and consistency is favoured over critical acclaim. A young Penfold’s winemaker points out that when you are a few years out of college sending thousands of cases of wine to the other side of the world, do you worry that critics might think you’ve added a little too much tartaric acid or add enough to be doubly sure it won’t have gone off by the time it gets on a supermarket shelf?

Meanwhile, other producer nations have learnt from Australia’s experience. Chilean wine brands vie with Australian ones for consumer recognition. Spanish producers send their children to Australia to learn how to make the fruitier wines. And French producers give INAO officials sleepless nights putting varieties on labels so that consumers know that Macon Blanc is made from the same grape variety as the chardonnay they buy from Australia. And Australian wine becomes even less distinctive. Boring even.

Who is to blame for this? Producers? With the benefit of hindsight, Australia’s producers planted too much, too quickly, and in the wrong places. Although there was excess production of Australian wine in the period to 2006, drought and poor harvest means that supply and demand should be in balance within the next two years. But there is a structural imbalance, between the cost of production of much Australian wine and the price opportunity in the market. One might argue that Australia’s producers tried too hard not to be boring, planting grapes in cooler-climate, coastal regions rather than in the warmer inland areas. Today around 40% of Australia’s production is from those cooler regions. Unfortunately only 20% of the identified market opportunity lies in wines from there. And so production is diverted (at lower prices) to more basic wines.

So should we blame ‘excessively powerful’ retailers, retailers like the UK’s Tesco or the ‘Geiz Ist Geil’ (‘stinginess makes me horny’) culture of Germany’s discount stores? Faced with a ‘wall of wine’ rational retailers drive down costs and increase volume of sales. Lower prices force producers to lower their costs, leading to more boring wines. This is not exclusively the case. In the UK and the US a growth in specialist retailers (Nidderdale Fine Wines is one exceptional example)

sell exciting, Australian wines. But they do not define the market, and the wider perception will be driven by the actions of big retailers.

But it is unfair to blame big retailers for selling boring wine without considering their tango partner at the checkouts – consumers. Australia's largest export market, the UK has matured and wine is now a commodity purchase. Deep discounts often initiated by producers create 'discount junkies'. As consumers become less concerned about brands, favouring 'whatever's on promotion', producers make wine that can be offered at 3 for 2 deals and still return a 30% margin to the retailer. Hardly conducive to excitement in the glass. Is it any surprise that export attention increasingly focuses on the USA, where more opportunity exists at higher prices? In the USA despite grumbings about the growth of 'critter' labels, Australia is seen as delivering superior value for money at all price points, particularly in the premium sector.

A very recent Wine Spectator tasting in the US underlined this perception. But what about journalists more widely? In the UK, Matthew Jukes proclaims yet another top 100. Specialist magazine find much to praise. But other accuse wine journalists in mainstream media for 'shopping list' recommendations, emphasising deals and wines in multiples or supermarkets – the places least likely to have the most exciting wines. (Writers in turn blames their editors). Critical acclaim certainly has a valuable role to play in advocating Australia's wines as 'boring', it is perhaps more to do with the state of (mainstream) wine writing in the face of falling circulation and editorial budgets than ignorance of the exciting wines Australia offers.

Is Australia's wine increasingly boring, particularly in export markets? Well, for the involved consumer there's certainly more boring wine around, but it is what many consumers demand. And as the rest of the world imitates Australia, Australia looks less distinctive. Producers made errors in over-eager planting and journalists do their best to highlight what they achieve. But retailers have acted rationally and made the most of an oversupplied market, whilst their consumers eagerly trade a pricy, occasional treat for everyday, affordable luxury. Australia makes some boring wine, but it would be a grave mistake to think that's all it makes.