Discussion Paper
Establishing a Riverland Wine and Food Centre
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South Australia’s regions make a significant contribution to the state’s economy and the Government of South Australia is committed to facilitating economic growth through ‘Recharging our Regions’.

The Government of South Australia recognises the importance of wine, food and tourism to the Riverland and has committed to the development of a business case and detailed plans to help advance a state-of-the-art Riverland Wine and Food Centre.

The Riverland Wine and Food Centre presents a unique opportunity to lift the reputation of the Riverland, grow visitation to the region and increase investment across a range of sectors that contribute to the region’s economic development.

It is envisioned the Centre will be a significant tourist attraction, creating a destination experience that showcases the Riverland’s premium wine and food options, as well as craft beer, spirits, and cider. In addition, the Centre would tell the unique history of the region’s wine and food, its beginnings and the influences that have made it what it is today.
The purpose of this discussion paper is to seek the views of industry and the community to help inform the development of the business case for the Riverland Wine and Food Centre.

The discussion paper and consultation process seek to:

- formalise the base case and rationale for development
- confirm the functions and principles of the Centre
- identify criteria for where the Centre may be located as well as the preferred specifications
- identify opportunities to maximise the Centre’s success
- explore the role of industry, community and government in both development and ongoing operation of the Centre.

Submissions are encouraged from stakeholders including, but not limited to, wine, food and tourism businesses and industry associations, local government and community representatives, of the Riverland and surrounding areas and interested members of the public.

How will the business case be developed?

This discussion paper forms part of a targeted consultation process to gain an understanding of community, business and industry views which will inform the development of a business case and plans for the Riverland Wine and Food Centre.

As part of this process, a roundtable discussion will be held with stakeholders and members of the Riverland community to discuss the concept of the Centre and principles from which a business case will be built. Once this is finalised, further consultation is expected as part of the development of the business case.

Submission details

Submissions in response to this discussion paper should be made by 28 February 2019.
Background

From the earliest beginnings of the region’s settlement, wine and food have formed a central part of the social and economic fabric of the Riverland. The rich history has seen pioneers leverage the River Murray, using water pumps to supply emerging farms and develop irrigation districts. Over the years, this has transformed the region into a thriving wine and food production area of the state.

Today, the Riverland has a clear identity as a wine producer and is renowned for its fresh horticultural produce, particularly citrus, stonefruit, almonds and vegetables. The region has worked hard to develop a national and international reputation for its clean produce, enhanced by its pest free status, which enables it to export premium produce around the world.

The region has the largest number of wine grape growers in South Australia and is the largest producer of wine in Australia, having a total crush volume of 447,410 tonnes in 2018 (SA Winegrape Crush Survey, Vinehealth Australia). However, compared to other regions, the number of growers and volume of production has not yet translated into winery and cellar door equivalents.

Table 1: Number of SA Grape Grower, Winery and Cellar Doors

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of wine grape growers</th>
<th>Number of wineries</th>
<th>Grape growers per winery (ratio)</th>
<th>Number of Cellar Doors</th>
<th>Cellar Door to Winery (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverland</td>
<td>980</td>
<td>55</td>
<td>18:1</td>
<td>12</td>
<td>22%</td>
</tr>
<tr>
<td>Barossa Valley</td>
<td>738</td>
<td>219</td>
<td>3:1</td>
<td>88</td>
<td>40%</td>
</tr>
<tr>
<td>Clare Valley</td>
<td>265</td>
<td>82</td>
<td>3:1</td>
<td>38</td>
<td>46%</td>
</tr>
<tr>
<td>Coonawarra</td>
<td>129</td>
<td>26</td>
<td>5:1</td>
<td>28</td>
<td>108%</td>
</tr>
<tr>
<td>Langhorne Creek</td>
<td>97</td>
<td>63</td>
<td>1.5:1</td>
<td>12</td>
<td>19%</td>
</tr>
</tbody>
</table>

Source: 2018 Australia and NZ Wine Industry Directory
Why a Riverland Wine and Food Centre?

Value Proposition 1: Growing the Wine Industry

- Grow the reputation and brand recognition of Riverland wine, and to a broader audience
- Position the Riverland as the Australian Centre for alternative grape varieties

As a wine-growing and wine-producing region, when compared to other major wine regions in South Australia the Riverland has the highest ratio of grape growers to wineries and yet has one of the lowest percentages of cellar doors when compared to wineries.

This could largely reflect the fact that significant volumes of grapes are grown for wineries operating in other major regions, as well as wines produced in the region being directly exported to international markets.

Generating an increased focus on what sets the region apart will support local wineries and increase industry capability to adapt, grow and meet the market demands of global wine consumers.

There is an opportunity to continue to drive market growth and consumer awareness by enhancing the profile and reputation of the Riverland as a leading warm climate wine region and highlight its distinct wine varieties.

Value Proposition 2: Support Primary Industries and Food

- Showcase the region’s premium produce
- Enhance the Riverland’s food reputation and grow the region’s profile for culinary experiences
- Increase the use of local products in local establishments
- Increase the overall number of food offerings throughout the Riverland

The Riverland is one of Australia’s most significant horticultural regions, being a major producer of South Australia’s citrus, stonefruit, almonds and vegetables.

Beyond fresh produce, the Riverland has an emerging value-added food industry with strong potential for continued growth.

An opportunity exists to leverage the flourishing value-added food sector and grow the profile of the Riverland as a destination known for exceptional culinary experiences and distinctive local food products.
Value Proposition 3: Boost and Support Tourism

Grow annual tourism numbers in the region
Create a destination experience for tourists to the Riverland

The Riverland has a strong, clearly identifiable tourism industry that contributes significantly to the region’s economy and local employment. Tourism attracts a significant number of intrastate, interstate and international visitors to experience the region.

Leveraging the strengths of the region, there is an opportunity to drive experiential wine and food drawcards and increase tourist visitation into the Riverland.

Where other regions have found success is in the integration of local produce (and value-adding), and beverage offerings with local restaurants, events or specialised and unique food / beverage experiences, providing the type of distinctive food and beverage immersion which consumers will travel to a region to enjoy.

Question: Value proposition

1. Is the problem/need clearly identified?
2. Who is the target market for the Riverland Wine and Food Centre, both from a supply and demand perspective?
3. What constitutes a destination experience?
Functions

The potential function(s) for the Riverland Wine and Food Centre may include:

- providing a showcase for the Riverland’s growing premium wine and food options, as well as craft beer, spirits, cider and other local produce.
- providing an outlet for wineries who currently operate without a cellar door
- driving the identification and development of new value-adding opportunities (across wine and food)
- enabling visitors to experience a taste of the Riverland, as well as promoting local tourism and cellar door opportunities
- showcasing the Riverland’s unique wine and food history

It is also important that the business case identifies how to create sustained demand and visitation numbers so the Centre can be self-funded, sustainable and owner-operated in a profitable manner.

Question: Functions

4. What are the points of difference for a Riverland Wine and Food Centre?
5. What are the critical enablers for the Centre’s success?
6. What constitutes a ‘showcase’ or ‘state-of-the-art’ facility?
7. What type of services should the Centre provide?
8. What are the opportunities to showcase the Riverland’s history within the Centre in a modern context?
9. How could the Centre further support industry and community priorities?
Principles

Below are five key principles that are considered important in guiding the development of the business case for the Riverland Wine and Food Centre:

1 – Physical asset
• A physical asset in the Riverland region, which may be supported by non-physical assets (i.e. online presence, collaboration).

2 – Beneficial and fit for purpose
• Takes into account the needs of the industry, business and the community and assists in positioning the Riverland as a premier wine and food destination.

3 – Commercially sustainable
• Operates based on a commercial business model that can be sustained in the absence of any government support.

4 – Non-exclusive access
• A multi-use facility that is accessible to a range of users, clients and local businesses.

5 – Harness other examples
• Leverage the knowledge and lessons from other state, interstate, or international regions to adapt and apply to the Riverland.

Question: Principles

10. What other principles need to be considered?
11. What respective roles could industry, community and government(s) play?
12. What existing models domestically and internationally should be considered and further investigated?
What options are available for establishing a Riverland Wine and Food Centre?

Option 1: Establish a new facility
If building a new, fit-for-purpose and state-of-the-art Centre in the Riverland, consideration will need to be given to:

• location of the new facility to maximise regional tourism
• land availability, building capacity and fit out
• how a new facility integrates with the region’s key attractions and experiences
• how will the new facility complement existing food and retail businesses

Option 2: Refurbish an existing facility
If an existing facility is refurbished, consideration will be given to the:

• availability of an existing facility and its ability to meet the desired location, Centre capacity and fit out needs

Question: What would be the ideal model?

13. Which example fits best to the Riverland situation? If you support a proposed option are you interested in partnering? If so, to what extent?

14. Are there other options not canvassed in this paper that should be considered?

15. What are the criterion to determine where the Centre should be located?

16. What are the strengths and weaknesses of the Riverland Wine and Food Centre likely to be?

17. What would a successful Riverland Wine and Food Centre look like in 5, 10 and 20 years?

18. Are there any opportunities to leverage from existing infrastructure or facilities?

19. Are there complementary enablers that are required to achieve the Centre’s purpose?
Summary of Questions

The following questions are proposed to facilitate an initial conversation, in order to better understand the options for assessment and development of a business case for the Riverland Wine and Food Centre.

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