

NEW ENGLAND-AUSTRALIA: WHAT FOLLOWS FROM REGIONAL  
STATUS? A COMPARATIVE, POLITICAL ECONOMY APPROACH.

Bligh Grant

Centre for Local Government,  
University of New England, Armidale, NSW.

Brian Dollery

Centre for Local Government,  
University of New England, Armidale, NSW.

Colin Hearfield

Centre for Local Government,  
University of New England, Armidale, NSW.

Address for correspondence:

Bligh Grant

Centre for Local Government,

University of New England,

Armidale, NSW, 2350

Tel: 02 6773 3945

Email: [bgrant5@une.edu.au](mailto:bgrant5@une.edu.au)

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*ABSTRACT:* The ‘New England–Australia’ wine region was formally defined on the basis of geographical indicators (GIs) in May 2008. To date, the region has pursued a marketing strategy built principally on its GI-defined regional status, emphasising cool climate diurnal variation, as well as some markers of cultural and political identity, such as ‘family’ and ‘artisan’ production. This general marketing profile fits ‘hand in glove’ with that of a region ‘presenting an image of quality and tradition’ (Chang et al, 2006: 6). Yet, as Garcia-Parpet (2007) has reminded us, marketing is not merely about product promotion. It is also about the strategies that businesses adopt to achieve market entry, both legal and cultural, and the mechanisms for circumventing possible barriers. With this in mind, we contrast the marketing strategies of the New England wine-producing region in Australia with that of the Languedoc-Roussillon region in France. While the two occupy similar market positions, they nonetheless reveal diametrically opposed marketing strategies. Against the background of this comparative discussion, we seek to propose methods to enhance the development of the New England wine region so that it becomes a more complete example of successful rural restructuring.

*Paper status: This paper is submitted as a competitive paper*

## 1. Introduction

Writing in the *Oxford Companion to Wine*, Jancis Robison (1999) used the concept of nature to describe the diametrically opposed approaches to wine making of the Old World and the New World. According to Robison, for the Old World, nature is ‘the determinative driving force’ of wine, exemplified in the phrase *vin de terrior*. By contrast, for the New World, ‘nature is the enemy that must be controlled and dominated by science’, as exemplified by the term *vins technologiques*. Moreover, while complex webs of regulation preside over the production and supply of wine in the Old World, in the New World ‘there are no limitations imposed on supply other than concern for consumer’s health’ (Garcia-Parpet, 2008: 238).

Beyond the inaccuracies that these stylized accounts of ‘wine worlds’ provide, and beyond the heady domain of sensory critique that is wine consumption, wine is big business. Australia is no exception to this, as illustrated by Table 1:

**Table 1: The Australian wine industry, 1990-2004**

|                                      | 1990-91 | 1995-96 | 2000-01 | 2004-05 |
|--------------------------------------|---------|---------|---------|---------|
| Total vine area (ha)                 | 61 362  | 80 574  | 148 269 | 166 666 |
| Wineries                             | 617     | 812     | 1318    | 1899    |
| Total production (million litres)    | 346     | 606     | 1035    | 1442    |
| Export volume (million litres)       | 57      | 130     | 339     | 661     |
| Export value (A\$ million)           | 180     | 472     | 1614    | 2748    |
| Domestic consumption (litres/capita) | 17.8    | 18.3    | 20.5    | 21.8    |

*Source:* Adapted from Banks, *et al.* (2007: 17).

The most striking statistic in Table 1 is that the value of wine exports in 1990-91 represented a mere 6.5 per cent of what they had reached in 2004-05. Also significant is that the number of wineries increased by a factor of over 3 (from 617 to 1899) in

the same time period, representing significant capital investment. While there are some signs of a dampening of both demand and production in the Australian Bureau of Agricultural and Resource Economics' (ABARE) projections for the Australian wine industry for 2010-11 (ABARE, 2009), the tonnage of grapes crushed in 2007-08 nevertheless rose by 31.1 per cent from 2006-07 (ABS, 2009a). Domestically, total sales of wine in 2007-8 reached \$2.096.2 billion, with exports valued at \$2.608.4 billion. However, alarmingly for local producers, the value of wine imported to Australia increased by 40.8 per cent from 2006/07 or \$431.4 million (Australian Bureau of Statistics (ABS), 2009a).

Both grape cultivation and wine production are now widespread economic activities throughout Australia, with ABARE (2009) currently listing approximately seventy wine producing regions and as many subregions. Thus, wine production has significantly disrupted long term-trends indicative of the marginality of rural and regional Australia, in particular smaller farm holdings. For example, between 1970 and 1996, the number of farms in Australia decreased from 250,389 to approximately 150,000. Further, the mean size of the remaining farms has increased from approximately 1,858 hectares in 1960 to 2,834 hectares in 1996 (Davidson and Grant, 2001: 296). Moreover, over 2007-2008 alone, the number of agricultural businesses operating in Australia fell 6 per cent to 141,000 (ABS, 2009b).

In many ways, the New England North-West region of New South Wales (NSW) is indicative of these national trends. For example, net tonnage of grapes crushed for wine has increased from 14,893 tonnes in 2000-1 to 17,953 tonnes in 2006-7, with a concurrent increase in businesses from 91 to 104 across the same time period (ABS, 2008). These kinds of increases in production stand in contrast to other

statistics for the same region, such as stagnant or dwindling population bases (see, for example, Conway, Dollery and Grant, 2009). In addition, as the recent work of some geographers has served to remind us, issues of regional economic regeneration are as much about notions of identity and rescaling as they are about avoiding rural malaise (see, for example, Banks, *et al.*, 2007; O’Riordan, 2001).

Indeed, much rides on the success of the wine industry for Australia generally and in particular for its regions. With this in mind, this paper undertakes an analysis of the development of a marketing strategy by the New England region, as pursued by the two growers associations; the New England Wine Growers Association and the Southern New England Vignerons Association (SNEEVA)\*. This strategy has been supported by the New South Wales Government’s Department of State and Regional Development through its New England Regional Development Board, located in Armidale, NSW (as illustrated in Figure 2), as well as the Armidale-Dumaresq Council. By way of these producer groups, and in conjunction with the New England Regional Development Board, the region has pursued what Banks and Sharpe (2006) refer to as ‘the geographic imperative’; namely the awarding of regional status on the basis of GIs by the Australian Wine and Brandy Corporation to conform with many of Australia’s famous wine producing regions and sub-regions such as the Coonawarra in South Australia, Margaret River in Western Australia and the Hunter Valley, immediately adjacent to the south of New England–Australia region.

The achievement of the status of a certified region – ‘New England–Australia’ in May 2008 was hailed as a significant milestone by both producers and the community more generally, and was officially launched twice in the one week by the Member for Northern Tablelands and Speaker of the NSW Legislative assembly, the

Rt. Hon. Richard Torbay (Food and Wine News, 2008). This geographic approach to product branding has been augmented by the efforts of individual producers, notably by developing ‘certified organic’ products (Blickling Estate 2009; Wright Robertson, 2009), and ‘certified biodynamic’ products in another (Walden Woods, 2009), as well as particular marketing efforts like food and wine events (such as the annual Guyra ‘Lamb and Potato Festival’; ‘Gourmet on the Glenn’; Nundle’s ‘Picnic at Hanging Rock’ – see ‘Events’, nd).

Nevertheless, a series of pertinent questions may at be asked at this juncture concerning the marketing of New England–Australia. For example, is the focus on the achievement of regional status (the ‘geographical imperative’ identified by Banks and Sharpe, 2006)) enough to ensure the vibrancy and growth of the region’s wine industry? Further, alongside the efforts of individual producers, how may this approach to marketing the region’s wines – and the region more generally – be augmented and improved, given the region’s market position? Moreover, what can be learned from other regions – not just in Australia, but globally?

By way of an initial response to the questions posed above, this paper seeks to demonstrate that useful lessons can be learnt through comparing of the New England–Australia wine region with that of Languedoc-Roussillon in France. Despite obvious dissimilarities, the two regions share a number of characteristics, particularly with respect to their market position, and more specifically in relation to older, more firmly entrenched competitors. We argue that the novel ways that Languedoc-Roussillon structured its response to its market position can be instructive for New England–Australia.

The paper itself is divided into five main parts. Section 2 provides an account of the emergence of the New England wine region derived principally from the work of Chang, et al. (2006) Section 3 of the paper notes that despite the achievement of Regional Status, when viewed through Porter's (1998) 'Diamond Model' of market advantage, New England-Australia can be assessed as occupying a precarious position in terms of its prospects for sustainability and growth in face of a nationally and internationally competitive industry. Section 4 considers both the market position and strategies of the Languedoc-Roussillon region in France through reference to the work of Garcia-Parpet (2008), focussing on the fact that that this region has adopted decidedly 'new world' strategies in the face of a rigorous and systemic mechanism of 'old world' market closure. Section 5 of the paper engages in some comparative observations, notably that many of the marketing strategies, in particular the development of new wine varieties, the targeting of a price point which is neither exclusive, nor budget-based and the valorisation of 'place' and in particular 'region' are also applicable to the emerging, and important, New England–Australia wine region. The paper ends with some brief concluding remarks in section 6.

## **2. New England-Australia**

The New England-Australia wine region is located approximately 650 kilometres north-north west of Sydney. Encompassing some 27,000 square kilometres, it is one of the largest wine regions in Australia (Food and Wine, 2008). In their discussion of the region immediately prior to its official recognition as a wine region based on geographic indicators, Chang et al. (2006: 6) provide a useful array of general information about the New England as a wine-producing region. Firstly, in common with some other areas in Australia, commercial wine production commenced

in the 1850s alongside the establishment of broad-acre farming and grazing. However, this production generally waned until the last of the vines were left to die out just prior to WWII. Again, as with many other areas in the country, it was only in the 1970s that interest in the industry was renewed. However, in the case of the New England, the vast majority of its currently productive vineyards were planted between ten and fifteen years ago.

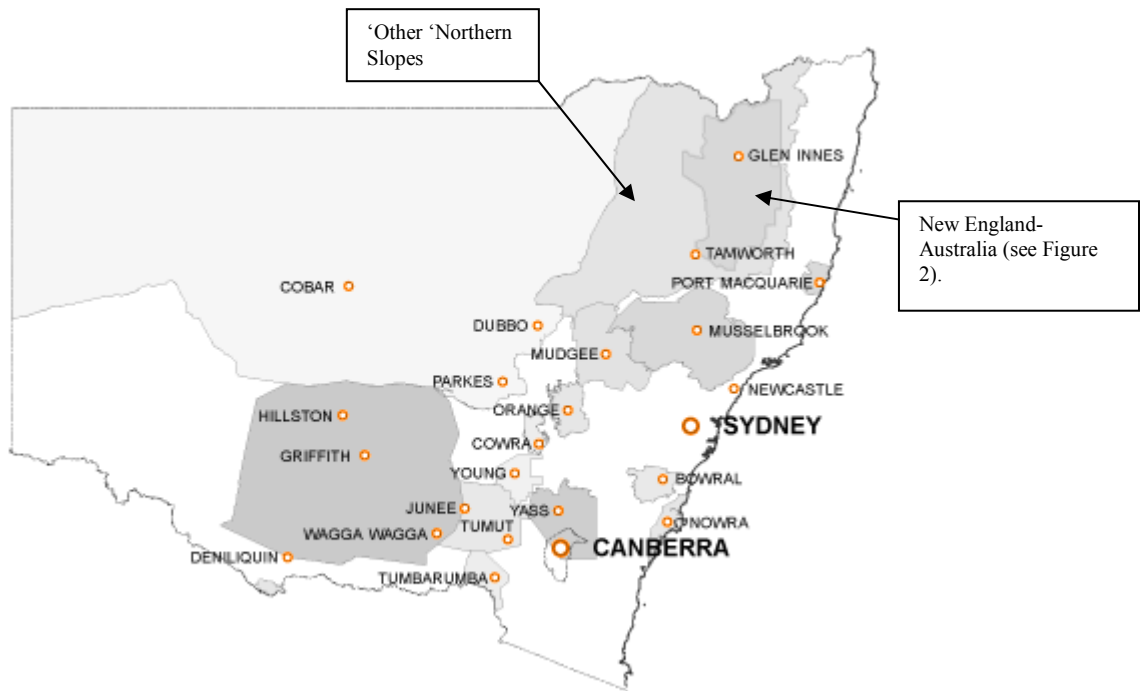
Secondly, the New England–Australia region was hewn out of a pre-existing ‘Northern Slopes’ region as classified by the AWBC<sup>1</sup>. This is represented in Figure 1. It is evident that the former Northern Slopes region was considerably larger than New England–Australia. Yet, the New England-Australia region is still geologically and climatically diverse: The plateau from Tenterfield in the north to Armidale and Walcha in the south is characterized by a height of approximately 1000 meters, with rainfall of 800-900 millilitres per annum and constituted by yellow Podzolic soils. On the other hand, the west and south of the region, around respectively the towns of Delungra and Kootingal, are approximately 600 metres above sea level, have significantly lower rainfall, and are constituted by black-earth Euchrozem soils (Chang et al., 2006: 7)<sup>2</sup>.

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<sup>1</sup> At the time of writing, despite awarding regional status to New England-Australia, the AWBC did not provide statistics on New England – Australia as a region distinct from the Northern Slopes. See AWBC (2009).

<sup>2</sup> Chang, Campbell and Snickers (2006: 7) noted that the differences in climatic conditions were expected to be problematic in the context of achieving recognition as a region defined on the basis of GIs, and that the issue was raised ‘in communication with the AWBC GI Committee’. However, the Committee assessed that a wine region could be inclusive of a variety of wine styles and could be named on the basis of other points of similarity such as land use and naming tradition. While the Committee may have viewed the issue of climate and soil variation as relatively uncontentious, personal communication with a number of vignerons and oenologists over a number of years confirmed that the issue of inclusion was indeed highly contentious.

**Figure 1: The Northern Slopes and New England-Australia wine regions**



Source: ABARE (2009).

Thirdly, Chang et al. (2006: 8-9) provide a synoptic ‘snapshot’ of the industry based largely on an audit of the region conducted by the NSW Department of State and Regional Development in 2002-03. Table 2 provides a comparative portrait of the New England–Australia wine producing region as an element of the former Northern Slopes region:

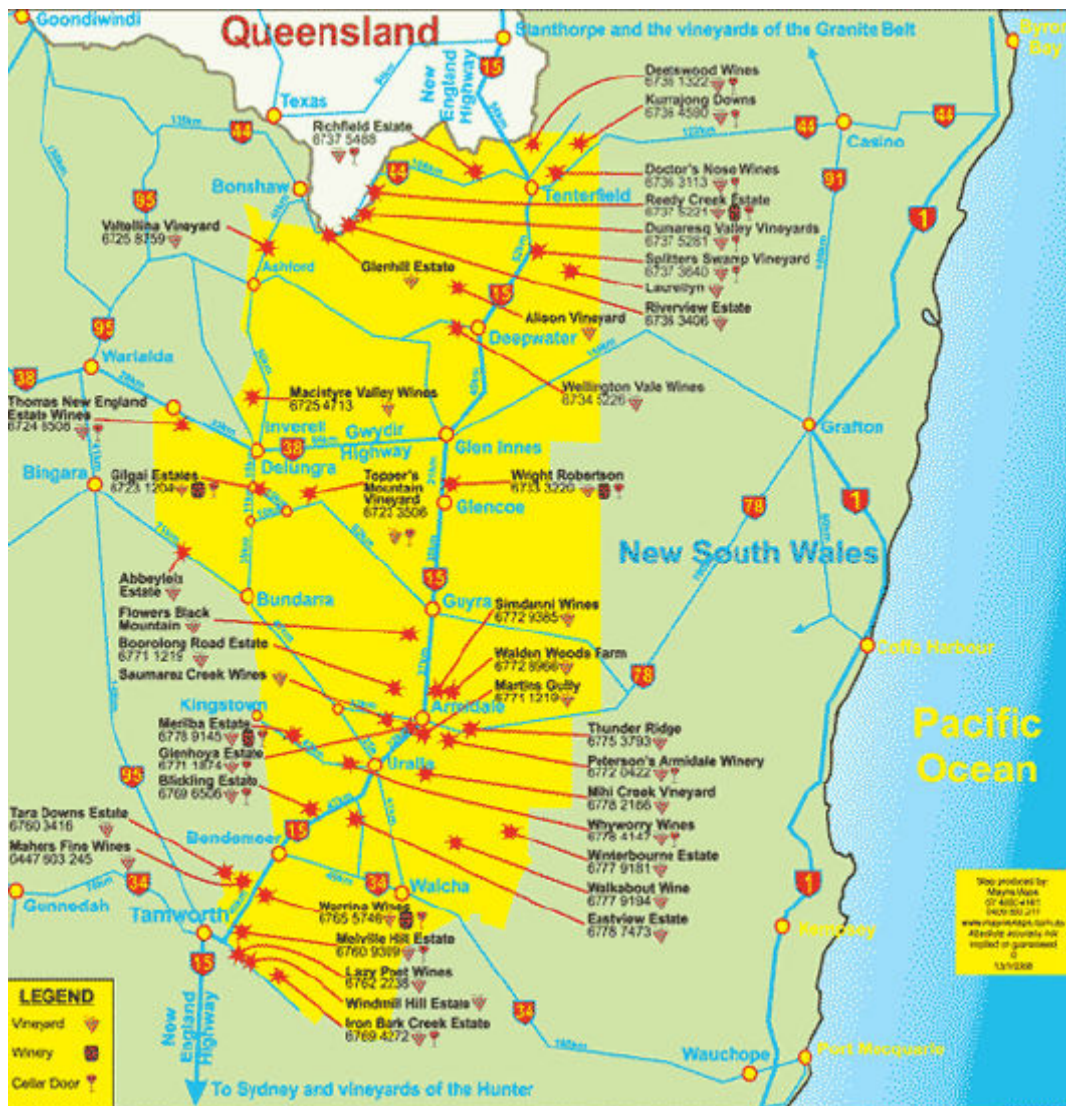
**Table 2: Grape Cultivation in Northern Slopes and New England, September 2005**

|                                | Northern Slopes     | New England         | New England as a % of Northern Slopes |
|--------------------------------|---------------------|---------------------|---------------------------------------|
| Vineyards                      | 52                  | 41                  | 79                                    |
| Area (hectares)                | 409                 | 291                 | 71                                    |
| Grape production (tonnes/year) | 2,529               | 1,852               | 73                                    |
| Litres/bottles                 | 1,580,734/2,107,645 | 1,157,750/1,543,666 | 73/73                                 |
| On-farm oenology as %          | 9.6                 | 12.1                | n/a                                   |
| Value                          | \$29.5 million      | \$21.6 million      | 73                                    |

Source: Adapted from Chang, Campbell and Snickers (2006: 8).

From Table 2 we can see that the New England–Australia wine region constituted approximately 75 percent of the ‘embryonic’ wine industry of the Northern Slopes at the time. Chang et al. (2006: 9) also note that there were five wineries in the (former) Northern Slopes region. All of these – Reedy Creek Winery, Wright-Robertson, Merilba Estate Winery, Gilgai Estate and Warrina Wines are now to be found in the New England – Australia GI designated region (see Figure 2).

**Figure 2: New England-Australia wine region**



Source: Food and Wine (2008b).

Important questions are raised by the data presented in Table 2 and associated evidence presented in Figure 2. First, trends since this time, such as business failure rates and capital concentration, as well as the opening of new wineries and vineyards, are not represented. Second, the extent to which the five wineries in the region have been contracted by local grape growers to produce wine from the grapes of the region is particularly significant, not just in terms of the rank retention of investment in the region, but more significantly for the prospects of developing a regional style based on the expertise and artisanship of these local wine makers. Whereas the regional wine makers and those responsible for marketing the region overall may reach for the slogan of ‘cool climate’ (see, for example Northern Inland Regional Development Board, 2009), this is a far cry from developing a regional style of wine that can make claims to both distinctiveness and quality that coincide with the awarding of regional status. Third, given that there are only five wineries in the region, what is the value of the crush and winemaking that takes place *outside* the region? And what is the marketing trajectory of those producers that now lie outside the GI-defined New England–Australia, yet are still part of what ABARE (2009) now refers to as ‘other Northern Slopes’? In short, Table 2, combined with Figure 2, raises doubts about the cogency, and overall financial sustainability of New-England-Australia as a viable wine region.

### **3. Prospects for New England Australia: Porter’s (1998) ‘Diamond Model’**

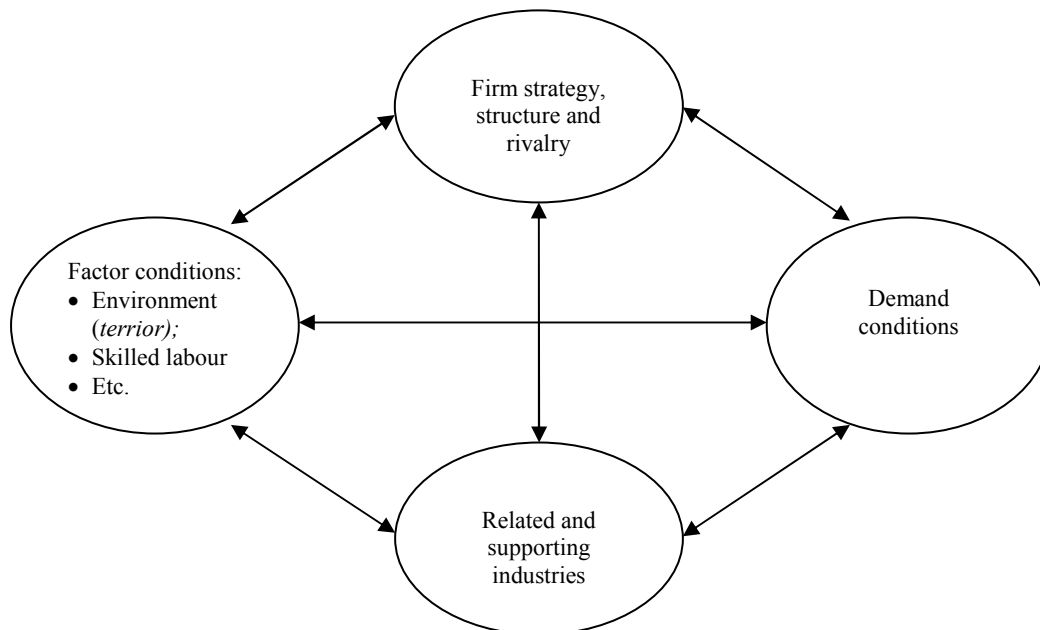
In their diagnosis of prospects for the wine region, Chang et al. (2006: 10-11) applied Porter’s ‘Diamond Model’ to the data uncovered by Vanzella (2003) in his auditing of the region for the NSW Department of State and Regional Development. The

Diamond Model considers four determinants of national marketing advantage, namely:

- *Factor Conditions* -- the factors of production (levels of skilled labour, infrastructure, physical and knowledge resources) necessary to compete in what is a highly competitive market;
- *Demand conditions* – the nature of domestic/local demand; the model identifying, in particular, ‘sophisticated consumers [who] can pressure firms to innovate faster and to produce superior products than otherwise’;
- *Related and supporting industries* – namely, whether or not there are nationally and internationally competitive related industries with which a particular industry can enjoy reciprocal relationships;
- *Firm strategy, structure and rivalry* – namely, ‘the presence of fierce rivalry’ in the domestic market and the governance of this market such that this fierce firm rivalry is encouraged.

Chang et al. (2006), following Porter (1998), represented the model diagrammatically as presented in Figure 3.

**Figure 3: The Diamond Model of Industry Strength**



Source: Chang, Campbell, and Snickers (2006: 11).

In their analysis, Chang et al. (2006: 10) identified the infant nature of the wine industry in the New England as the principle reason for claiming that the region's prospects were 'not encouraging'. The *factor conditions* of the region were assessed using data from Vanzella (2003). Chang, et al (2006: 10) noted that land for viticulture had been chosen on the basis of pre-existing ownership rather than technical site selection. Significant doubts were also expressed about the continuing availability of skilled labour, and variable product quality was mooted as a potential problem. Moreover, two of the factors that Chang et al. (2006) found encouraging at the time have been significantly mitigated by recent events. Firstly, the continued support of the New England Regional Development Board has been dissolved with the abolition of Regional Development Boards generally and their amalgamation with the Federal government's Area Consultative Committees to form the new Regional Development Australia Committees. The final structures and remits of these

committees are as yet unclear (Albanese, 2008). Secondly, while the potential support of the University of New England as a ‘knowledge resource’ under the general category of factor conditions was identified by the authors, this has yet to eventuate.

Moving away from the analysis of Chang, et al. (2006), yet still deploying Porter’s Diamond Model, we can observe that the *demand conditions* for New England-Australia wines will be heavily influenced by the situation in the highly competitive Australian wine market. Moreover, we can speculate that, while it is possible to conceive of a situation where quality consumer demand shapes product innovation, this would rely upon both clear market signals and the capacity of the region’s producers to adapt to these demands – something which is brought into question by the nascent nature of the industry. Further, while there may be anecdotal evidence that other industries in the region, such as quality produce and tourism, can assist wine consumption analogous to the way suggested in the model under the category *related and supporting industries* overall market conditions, wherein New England-Australia produces a very small proportion of the national crush, again tend to mitigate against these positive elements.

Moreover, while there is indeed fierce competition in the Australian market overall, Porter’s requirement that there be ‘fierce firm rivalry’ between the businesses of the New-England itself is in fact mitigated by the structure of the industry. Thus, while New England-Australia may now be constituted by numerous vineyards backed by two producer groups, the fact is that there are only five wineries (all of which have their own vineyards). As such, there is a high degree of discrepancy between those businesses which produce wine and those that merely grow grapes, with the potential that the latter will be reduced to contract growers for the wineries – either within the

region or beyond. In the conditions of overall declining demand projected by ABARE (2009), contract growing of any agricultural product is not an enviable position to be in. And the kind of firm competition advocated by Porter's Diamond Model would appear to be diametrically opposed to the actuality of regional cooperation that has been essential to achieve recognition as a geographic region, along with other more subtle forms of cooperation typical of rural communities, such as informal information exchanges concerning farming techniques, as well as market information.

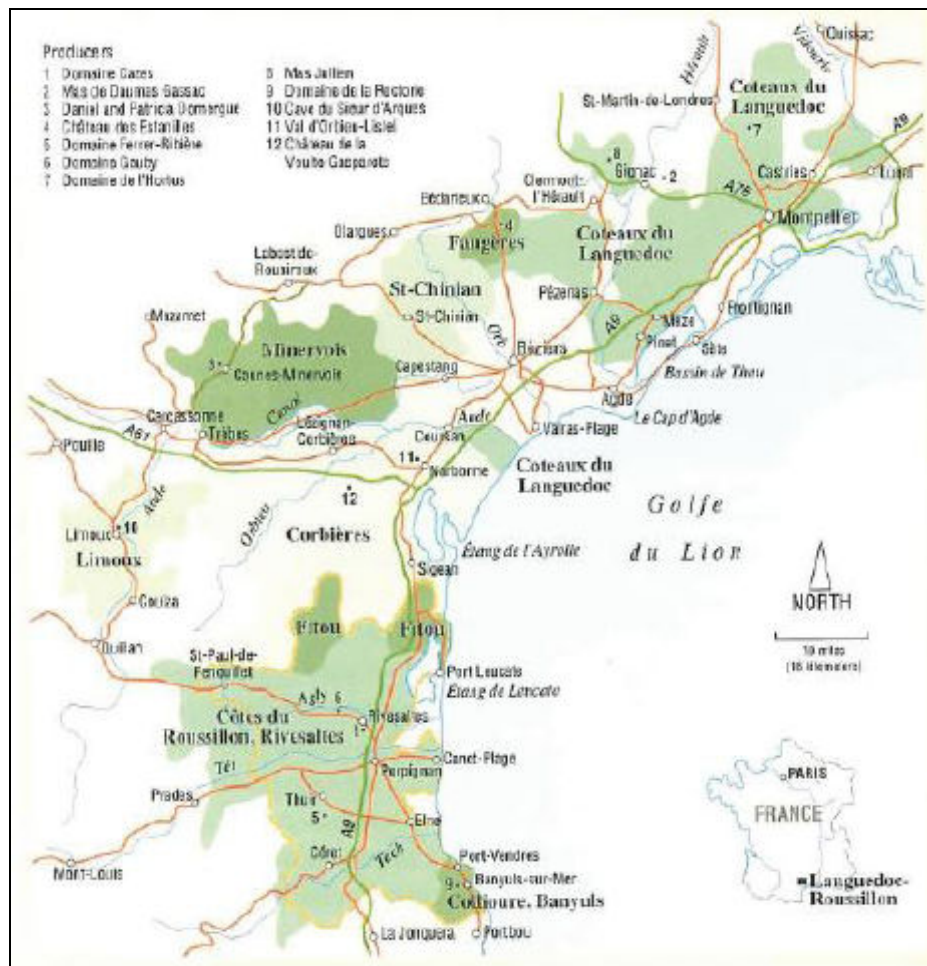
Of course, individual producers – and their loyal consumers – may have every reason to feel positive about the immediate and long term prospects for their relationships. However, viewed structurally, we have seen that the wine industry of New England has the potential to play an important role in revitalising the sustainability of the New England region. It is thus imperative that, alongside mainstream approaches to market analysis and prescription, alternative forms of analysis and prescription are pursued. It is with this in mind that the paper now moves to an account of Languedoc Roussillon region in France.

#### **4. Languedoc-Roussillon: From 'wine factory' to 'pioneer'**

At first glance, Languedoc-Roussillon in the south of France (see Figure 3) would appear to be the diametric opposite of New England-Australia for a number of reasons. Writing in the *Global Encyclopaedia of Wine* (2000: 138-140), Jim Budd stated that at 620,000 ha in area with 250,000 ha under vine cultivation, it was then the world's largest wine region, and constituted over double the total area of Australian vineyards. Moreover, along with Provence, it has the oldest vineyards in France. While in the 18<sup>th</sup> and early 19<sup>th</sup> century the region had a reputation for high

quality wine, with the industrialisation of the French economy, inclusive of a rail link to Paris opening in 1850, Languedoc came to specialise in what became known as *le gros rouge* for the industrial proletariat. However, the slow decline of this wine-swilling class, led to a decline in demand for cheap red wine that Budd (2000: 139) describes as ‘terminal’ leading into the 1980s.

**Figure 3: Languedoc-Roussillon, France**



Source: *Global Encyclopaedia of Wine* (2000: 139).

At this point we leave Budd's account of Languedoc-Roussillon to turn to one that is of more interest in this more recent economic context. Published in the *International Review of Sociology*, Garcia-Parpet's (2008) investigation 'Markets, prices and symbolic value: grands crus and the challenges of global markets' is grounded in political economy. It adopted a critical stance in relation to the construction of markets by recognising that as well as competing for consumers on the basis of indices such as price and quality, 'competition between businesses has taken the form of competition for power over regulation and the imposition of a particular style of production' (2008: 237). This critical political economy approach to markets and their legal definitions immediately renders contestable what, in our discussion of GIs above, is uncritically valorised, namely the epistemic reality of a defined geo-temporal place. While this critical perspective may be levelled against any marketed wine region, Garcia-Parpet (2008: 237) nonetheless asserts that the wine market in France is thoroughly embedded in what Banks and Sharpe (2006) have labelled 'the geographic imperative'. However, Garcia-Parpet also points out that what underscores this regional marketability are the 'valorisation of "traditional methods" and the delimitation of certain privileged zones of production' through attributing 'the principle of non-reproducibility to history and nature'. In France, then, these forms of production control not only serve to limit supply but further enhance the unique appeal of a particular region; and this in turn shapes the marketing strategies of the region and becomes a principle determinant of price.

In her account of the development of the institutional framework of the *Appellations d'Origine Contrôlée* (AOC), Garcia-Parpet (2008: 238) noted that the system developed in the 1930s as a mechanism to deliver the producers from the

sophistry of the dealers, was developed on the basis of the smallest French administrative area, the *commune*. However, what it also meant was that after 1935, a small fraction of wine producers in France were given legal sanction to name and privilege their own wine, thereby excluding the vast majority of their countryman's produce from the label of excellence and thus creating the qualitative distinction between AOC wine on the one hand and *vins de table* on the other – a distinction that was to last up until 1968. This is by no means to suggest that there has been no change to the system of AOC classification. On the contrary, Garcia-Parpet points out that the number of appellations has risen from approximately 40 in 1935 to some 400 at the present time. However, there can be no doubt that the official process of classification itself instituted a new form of closure and so too new modes of marketing and distribution<sup>3</sup>. Garcia-Parpet (2008: 239) observed that:

Independently from the actual quality of the wine, wine professionals, experts and consumers traditionally tend to attribute greater value to AOC wines. This distinction is maintained in France by a literature which has been reinforced by the importance of large-scale distribution, which has acquired a dominant role in wine retail. These large-scale operators make extensive use of this literature in the promotion of their business.

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<sup>3</sup> In this context it is worth citing in detail the process of entry into the AOC as documented by Garcia-Parpet. As the author discovered in an interview with the president of the union of the Cheverny appellation:

We worked for ten years, trying several different blends. The commission came three times. The second time, they made a report saying that we had made a great deal of effort but not enough. They found that the viticultural landscape was not homogenous . . . We presented the vineyard and they tasted the wines ... There was an agricultural engineer from the [regional] INAO of Tours, one from the regional INAO of Angers and one from the national committee. The red Cabernet Sauvignon was not accepted but we managed a blend of Pinot Noir and Gamay. In 1993 we were recognised as an AOC (Garcia-Parpet, 2008: 239).

We are thus alerted to the fact that while the achievement of GI status, whether it be for the New England-Australia region, or for one of many that have struggled on the fringe of the AOC matrix for decades, classification is at once both political and social, as well as being temporal and viscerally economic. Further, while the institutional barriers to market entry are by no means as intricate, nor as rigorous in the Australian context as they have been in France from the mid-1930s, the discussion above indicates that while the barrier to regional classification on the basis of GI may have been dismantled for New England-Australia, other barriers to market share, generated by competition from the heavy-weight wine regions of Mudgee to the southwest and the historically embedded region of the Hunter Valley to the immediate South (see Figure 1) are indeed political and social. It is these barriers, in the context of Languedoc-Roussillon (and with an eye to New England-Australia), to which we now turn.

While the AOC system has evolved, it has not undergone reform to any significant extent. However, it has been threatened by the actions of Languedoc-Roussillon. To take up the historical narrative derived from Budd, above, Languedoc-Roussillon was facing dire economic consequences due to the radical fall in demand for its *gros rouge*. The way forward lay in taking a number of bold steps. The first was in terms of product. Languedoc-Roussillon adopted New World techniques, to the extent that it was labelled the ‘New California’ of winemaking in France. Specifically, the AOC versus *vin de table* dichotomy was circumvented with the production of ‘international’, single variety wines — winemaking impermissible under the AOC. Moreover, the wines were labelled according to variety more prominently than place.

This culturally, but not legally heretical circumvention saw eighty percent of this product exported to the United States, with an increase in price ‘by a factor of 2 to 3 depending on the grape’ (Garcia-Parpet, 2008: 242).

The second product innovation was to re-valorise the wine produced using grapes traditionally associated with the region – initially carignan – which was snubbed as being of average quality due to high yields (Budd, 2000: 138). Garcia-Parpet (2008: 247-248) pointed out that the process of elevating these local wines (based also on cinsault and picpoul de pinet) took place later in the re-valorisation of the region generally (from approximately 2000 onwards) wherein ‘the heretical could be transformed into the *avant-garde*’.

These changes in the marketing and production of Languedoc-Roussillon wines were due, as Garcia-Parpet points out, to the strong leadership displayed by Aimé Guibert and Robert Skalli. Fleeing bankruptcy from his leather business in Paris, Guibert was blessed with site selection when purchasing a vineyard in the region and serendipitously employed Bordeaux’s leading oenologist to assist him in his endeavours. While his wines quickly achieved international success (principally through the use of his upper-class contacts in London), initially they garnered praise in France only when presented *en chaussette* (i.e. blind tasted), with wine professionals simply refusing to taste any labelled product. Nonetheless, while cultivating a band of loyal local consumers, ‘the wines consumed in official ceremonies or in the meals of the local elite on special occasions were not the local wines’<sup>4</sup>. (Garcia-Parpet, 2008: 241). Guibert was then joined by another maverick,

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<sup>4</sup> The point of comparison to the New England region in this particular instance is precise. As has been witnessed on many occasions by the first Author of this particular paper during his many years working in restaurants in Armidale, while many of the local elites of the region may often publically pay lip service to the quality of the local wine, when dining discreetly, some often snub, and even deride it.

Robert Skalli, who from 1981 instituted both the single variety wines and their export to the United States, along with strict specifications on these products. Furthermore, Skalli (cited by Garcia-Parpet, 2008: 242-243) made a very deliberate decision not to engage in the sophistry of the AOC system, stating of his single variety wines that the premise of his marketing strategy was to achieve:

[A] simplicity of understanding the wine product by requiring only a dozen words to be understood and remembered (Chardonnay, Merlot, etc.), a level of standards in production which must ensure, on an international level, quality, productivity, food industry demands and allow for the specific character of the vine (Skalli, cited by Garcia-Parpet, 2008: 242-243).

Moreover, Skalli also insisted that his wine be positioned at a middle price point, thus achieving distance from the stigma of *le gros rouge* and at the same time not competing with AOC wines (Garcia-Parpet, 2008: 243).

This leadership was political as well as commercial. Skalli relied on 120 other producers with 7,000 ha of grapes to service the markets he had created overseas. Moreover, the quasi-feudal cooperatives of the region transformed themselves into rat-cunning marketers. For instance, the *Union des Caves Cooperatives de l'Ouest Audois et du Razes* (UCCOAR), took control of the business that imported wines to the region, then moved to capture the low end of the Bordeaux market as well as forming a joint-venture with a Texan company to import direct to that state. Over time, AOC producers came to acquire vineyards in Languedoc-Roussillon, citing their need for expansion, where in fact the limitations on their own produce due to the

AOC had cramped their capacity for profitability. Moreover, companies from the New World began to acquire vineyards in the region. For example BRL Hardy's La Baume vineyards are now based here (Garcia-Parpet, 2008: 243).

According to Garcia-Parpet (2008: 243), this professionalization of producer groups coincided with the reorientation of production toward 'pre-established commercial objectives'. While this may appear a somewhat trite point, it is nonetheless diametrically opposed to method of restricted production as dictated by the in AOC. Moreover, the limited capital base of individual producers meant that partnerships were formed as mechanisms to facilitate the marketing and eventual pre-selling of now valued *vin du pays* wines. In addition, different kinds of partnerships prospered, such as the separation of winegrowing on the one hand and wine production on the other, similar to such arrangements in Australia (Peter Lehman in the Barossa is perhaps the most notable example). This form of partnership also accommodated the need for extra capital required to store wine for more than 5 years so that it can acquire value based on its status as *vin de garde* (Garcia-Parpet, 2008: 244). According to Garcia-Parpet (2008: 245-6), these kinds of relationships have resulted in a significant increase in marketing capacity that was simply not available to individual producers or indeed communes and have coincided with significant increases in prices for the region overall.

Indeed, according to Garcia-Parpet (2008: 246) the dominance of the AOC system has been significantly undermined to the extent that producers in the region classified by AOC prefer the methods of production for *vin du pays*, with one young producer in the region stating that he can 'express himself better' – and achieve a higher price point using *vin du pays*. Moreover, wine made solely on carignan

(thereby not eligible for AOC) has regularly attracted a higher price than AOC wine from the same producer. However, perhaps this change to market structure is best exemplified in the highly prestigious industry magazine *Revue des vins de France*, when announcing its ‘183 best Languedocs, not bothering to make the distinction between AOC and *vin du pays* wines.

In her analysis of these changes, Garcia-Parpet (2008: 248-9) argued that any falling back on the dichotomy of New World versus Old would be far too simple: The artisan model has not been attacked. Rather, the system of classification eroded. Further, this breaking of market closures has led to significant capital, some of it international, being attracted to the region and a general diversification of the wine business. However, most importantly, the author insists that her account emphasises that all markets, as ‘social constructions’ – namely institutionalised practices that nevertheless necessarily entail cultural and aesthetic, moral and ethical content – are malleable, while not relying on claims concerning the epistemic reality of GI classification.

## **5. Comparative Observations**

In providing an account of the development of the Languedoc-Roussillon wine region, we have travelled some way from our original question; namely, what follows from the attainment of regional status for the New England-Australia wine region in terms of its overall marketing strategy. The dissimilarities between the two wine-producing regions are such that some may argue any attempt at fruitful comparison would have to be contrived. However, we argue that there are useful threads of comparison based on the Weberian/constructivist account of markets provided above. The essential

similarity of the two regions is that they face a market situation that is a veritable edifice of competition. As we have seen, in the case of Languedoc-Roussillon, this edifice was the result of AOC classification and the controlled regional restrictions that accompanied this. However, in the case of New England-Australia, it is simply the competitive nature of the market, in which its products could be potentially swamped by other regional and national producers. If under-branded and under-sold, wines from the New England-Australia region could make a less than positive contribution to the economic and cultural sustainability of the New England North-West community.

That this dire situation has not eventuated thus far is due to two principle reasons, and it is here that the direct similarities with the trajectory of Languedoc-Roussillon begin. The first is in terms of product differentiation. We have seen that, in the Old World, the producers of Languedoc-Roussillon took the nigh-heretical step of both *specifying* the production and labelling of their wines on the basis of single grape varieties, as well as keeping the wines at a mid-range price point. In the ‘New World’, the producers of New England took the not heretical, but atypical step of *generalising* away from the (dominant marker) of grape variety to emphasise the ‘cool climate’ characteristics of their wines. This was undertaken well before the achievement of regional status on the basis of GIs, and remains a significant feature of the dominant discourse of the region’s producers in differentiating their product, as well as some interesting marketing material (see Appendix 1). Moreover, all producers in New England market their wines at a mid-price point (\$12-\$25). By staying at a mid-range price point, not only does the wine remain accessible while not devaluing the region, it also is not competing with premium, established wines and so

becoming subject to the sophistry of evaluation that surrounds these wines.

Nevertheless, the possibility of the wines ‘punching above their weight’, particularly in blind tastings (relatively devoid of the cultural markers that affect consumers) remains open (see, for example, New England North West Wine Awards, 2008).

The conclusion that opinions about the value of wine correlate with social class also holds across the two regions. In the account of the re-branding of Languedoc-Roussillon provided above, Garcia-Parpet noted that it was not merely the wine professionals who initially snubbed the wine (unless it was presented *en chaussette* – although later this same status group played a role in re-classifying the region’s wine in the mode designed by – and perhaps beyond the hope of – the region’s producers). We will recall that local wine was not presented at the tables of the local elites at official ceremonies. Yet local wines – specifically those of the innovator Aimé Guibert – were initially supported by ‘a local market with a clientele constructed through “word of mouth”’ (Garcia-Parpet, 2008:241). This general profile of wine consumption conforms with anecdotal (although extensive) observation by the authors of this paper, suggesting that the strongest support for local wines in New England has been from wealthy tradespeople, shopkeepers and service workers – the *petit bourgeoisie*—which the growers themselves are.

Despite these similarities, Languedoc-Roussillon is much further along its trajectory of marketing success than New England-Australia, with impetus for reform coming some 30years ago. It is here that we may discover some future possible directions for New England, particularly in nationalising its sales and expanding its production. Two points have to be made with respect to the organisation of the industry and its representation to those outside its markers.

The first is the extent to which leadership was both a catalyst for change and a driver of continued success in the case of Languedoc-Roussillon. Indeed, it is difficult to underestimate the overall impact of both Aimé Guibert and Robert Skalli to the prosperity of the region. The extent to which the impact of these individuals can be emulated is initially doubtful. The New England-Australia region can hardly hope for a down-on-their-luck merchant, with the very best of connections to the elite in Southeast and North Asia, to land in the New England with the best viticulture skills from Bordeaux and begin making wine. However, moving away from the extreme serendipity that Languedoc-Roussillon experienced, the role of flamboyant leadership in the wine industry is by no means unprecedented in Australian wine production. Individuals such as Bob Roberts of Mudgee's Huntington Estate, d'Arry Osborne of McLaren Vale, Murray Tyrrell of the Hunter, as well as their progeny, who have become second generation, flagship wine makers in their regions, have played an important role in adding value, not just to their own enterprises, but to their regions by pressing their personalities on the terrain of Australian wine consumption. This leadership role, underscored by strong faith in the quality of their product, has been explicitly recognised by the Australian wine industry, with the aforementioned producers, along with others, joining forces to promote the quality and tradition of Australian wines internationally; and as such mitigating the otherwise predominant 'sunshine in a bottle' reputation of the country's producers (ABC 7.30 Report, 2009). As such, the role of charismatic leadership, backed by quality products, is a marketing tool that ought to be considered by producers of New England-Australia.

Robert Skalli's leadership in Languedoc-Roussillon was of a distinctly different genre. As we have seen, according to Garcia-Parpet, his single-mindedness with

respect to the introduction of New World techniques and labelling, while heretical, was ultimately rewarded. There are signs of product differentiation based upon technique, as opposed to the ambit claim of ‘cool climate’ in New England-Australia. Three of the vineyards, under the leadership of Wright Robertson of Glencoe, have now achieved Certified Australian Organic status (see Blickling, 2009; Walden Woods, 2009; Wright Robertson, 2009). This is an important marker of product differentiation as these wines are not only lower in alcohol content, but also do not use the standard preservative sulphur dioxide (220); rather, minimal quantities of potassium sulphate are used – and occasionally not at all. The health benefits – perceived or real – in the context of an ageing domestic market are appealing indeed.

Nevertheless, Skalli’s most significant contribution was at the level of political economy: the strict modernity he imposed on the winegrowers to produce according to pre-ordained benchmarks for the region’s export market. It is interesting to contemplate the development of a New England Chardonnay or New England Pinot Noir sourced from multiple vineyards across the region and marketed as such. Yet is it possible? While an experiment in this direction would be daring (as would the region’s championing of a particular, ‘left-field’ grape variety), it is important to recognise that the ground for such an approach in Languedoc-Roussillon lay fundamentally in the dire situation the region’s producers found themselves in, and the structure of the French commune system. This is manifestly not the case for New-England Australia, where viticulture is a matter of horizontal agricultural integration (the basis for site selection identified by Vanzella, 2003) and where the tradition of yeomanry is more akin to that of the United States than of Europe (see Byrnes, 2007:

13). Nevertheless, the concept of regional varieties forms an interesting benchmark by which to assess current regional activities.

Other similarities exist. For example, the fact that Petersons Family Winery, originally of the Hunter, then with extensive vineyards in Mudgee, and now on the tablelands in the form of Peterson's Armidale Winery, first harvested grapes in the Armidale region in 2002 (Petersons Wines, 2007), demonstrates that the region is liable to colonisation in the same way that Languedoc Roussillon has been. However, we would note here that the move by Petersons took place at the height of viticultural expansion and overseas sales in Australia. As such, any similar move in the future is likely to be driven by the elevated notoriety of the region.

### **Concluding remarks**

The fruitfulness of the comparison undertaken here lies at a more general level. The principal point is that the achievement of regional status for New England-Australia, rather than being seen as the pinnacle of branding, ought in fact be conceived as just the beginning. Regional status merely entails that New England is positioned within the seventy or so other wine regions in Australia. Moreover, Banks and Sharpe's 'geographic imperative', while being grounded in epistemically realist claims are a mere single marker of product identity. In the case of Languedoc Roussillon, these (negative) markers were overridden by those associated with the broader, cultural milieu. In the context of the New World, it may be that New England-Australia would do well to consider projecting its putatively Old World motifs of artisanship. Whatever the direction taken, the comparative example of

Languedoc-Roussillon suggests that product innovation, leadership and solidarity offer the key to continued industry, and regional prosperity.

\*ENDNOTE

While it would have been more conducive to the paper's overall goals to inquire into the formation of both local producers' organisations – New England Grape Growers Association and SNEEVA – as well as the role of the Regional Development Board by way of semi-structured interviews of key players in these organisations, this proved impracticable for two reasons. First, many of the individuals involved in both producer organisations are well known to the authors of this paper, and proved reluctant to provide any information about the organisations, because, we suspect, this would have involved assuming an unrealistically 'objective' stance with respect to other individuals, all of whom are well known to the authors. Second, at the time of writing, the New England Regional Development Board was undergoing extensive restructuring, merging with the Federal Government's Area Consultative Committees to form a new type of structure, a Regional Development Australia Committee. This state of institutional flux rendered the key players in this organisation reluctant to discuss matters in depth with the authors.

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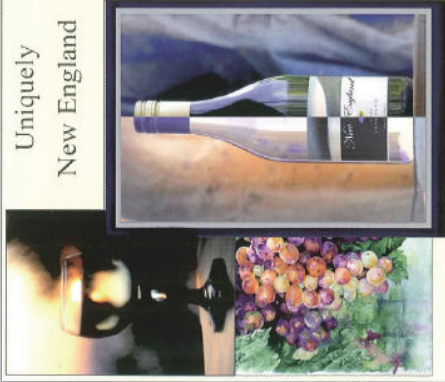
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**Appendix 1: An example of New England-Australia marketing material emphasising history and regional characteristics**

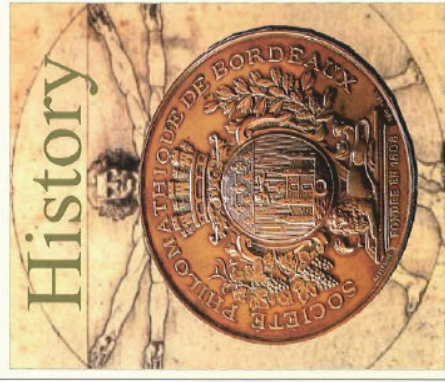
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*James Halliday, Chair of Judges New England Wine Show 2007*

Source: SNEEVA and New England Wine Growers Association.