STATE LIBRARY OF SOUTH AUSTRALIA

J. D. SOMERVILLE ORAL HISTORY COLLECTION

OH 692/108

Full transcript of an interview with

BILL MOULARADELLIS

on 6 June 2003

by Rob Linn

Recording available on CD

OH 692/108 **BILL MOULARADELLIS**

NOTES TO THE TRANSCRIPT

This transcript was donated to the State Library. It was not created by the J.D. Somerville Oral History Collection and does not necessarily conform to the Somerville Collection's policies for transcription.

Readers of this oral history transcript should bear in mind that it is a record of the spoken word and reflects the informal, conversational style that is inherent in such historical sources. The State Library is not responsible for the factual accuracy of the interview, nor for the views expressed therein. As with any historical source, these are for the reader to judge.

This transcript had not been proofread prior to donation to the State Library and has not yet been proofread since. Researchers are cautioned not to accept the spelling of proper names and unusual words and can expect to find typographical errors as well.

OH 692/108 TAPE 1 - SIDE A

AUSTRALIAN WINE ORAL HISTORY PROJECT.
Interview with Bill Moularadellis on 6th June, 2003.
Interviewer: Rob Linn.

Bill, where and when were you born?

BM: My parents were living at Kingston, and I was born in December 1964.

Who were your parents, Bill?

BM: My father's name is Sarantos and he migrated from Greece in 1956. He was born on an island in Limnos, which is on the Agean coast. Limnos was actually the island that the Anzac troops—they had their base at Moudhros before attacking the Gallipoli Peninsula.
It's interesting to note that my grandfather, who had been out a couple of times to Australia, and actually died here five or six years ago, as a boy remembers the Allied troops marching through the streets of Moudhros and his hometown of *(couldn't decipher word)*, and singing those Anglo songs. And he, not speaking a word of English, could recite It's a Long Way to Tipperary, word for word. It was quite a shock for me as a young boy that he could actually sing It's a Long Way to Tipperary when he couldn't speak another word of English. He was probably seven or eight at the time that the Allied troops were there. And they were all English at that time. He did not identify them as Australian, they were all English.

Bill, what year did your father come out here?

BM: 1956.

And did he meet your mother out here?

BM: Yes. Mum came out with her sister. She was seventeen or eighteen. She came out in 1958. They met and were married here.

My mother originally came out and was going to return to Greece, and so her intent was not to be here permanently, whereas Dad grew up in the depression, through the German occupation, and because his family didn't hold a lot of land, and it was mainly leased land, a lot of the land was taken and realigned at the time when the Greeks were returned from Asia Minor. There was a transfer of population from Asia Minor, and so basically what happened was the Greek Turks came to Greece and the Turkish Greeks went to Turkey.

I guess he saw the opportunity to come to Australia because there was a lack of opportunity in Greece. And that was pretty instrumental. Dad's values have certainly been important in terms of how our family has developed and grown. You know, they were pretty primitive sort of values. I mean, food on the table was an essential element.

There's a very clear memory, on my part, in the early 70s and the hyper inflation period, that Dad would actually hoard food. He would make my mother go out and buy lots of supplies because he'd been through the depression—actually the occupation as well—where there was clear hunger, and a lot of his peers had swollen bellies just from not having enough food. So his aspirations were fairly modest, to say the least. They were basically to be assured that his family had food and had shelter. Nothing more, nothing less.

They only went to second grade school. His father was drafted into the Army and so he had to plough the fields on the leased land, to actually sow the corn and the wheat from a very young age. You know, from ten or twelve years of age he had to actually fend for the family. So his values have set a bit of what is important to me. His bottom line was that he wanted his family not to go without food.

What was your mother's Christian name, Bill?

BM: Constantina. She was a lot younger. She's ten years Dad's junior, and she didn't actually see the depression and occupation. She was born in 1940. Although she grew up in it, and was born into it, she doesn't

remember it, and it was more of just working hard in the fields to provide food for the year. It was a subsistence type of lifestyle. I guess just having a nest egg was not something that was in their culture. It was always about to have enough food for the following year.
In terms of Dad, the Germans would come along and help themselves to the family's supply. In other words, they would take part of the olive oil, and part of the grain, for their war efforts. So for him that was very baseline in terms of being able to have—as you everybody does—this aspiration that their family would not have to go through that. And that was the reason why he came to Australia.
The biggest issue for him was his lack of education. He couldn't speak the language, and he didn't have any written skills. Neither of my parents have written skills. That was just a function of how they grew up. That's always been an impediment to them and they've always been aware of that. That's why they insisted that all their children go to university because they saw the value of that.

So when your Dad came out in '56, did he go up to the River almost immediately?

BM: No. He was living in Adelaide and working in a furniture factory. Then during his holidays he went up to the River to actually pick fruit, and decided that the opportunity was greater up there. He could see a path, whereas working in a factory he couldn't see a path to actually do what he wanted to end up with. And that was a property of his own. I think he had a very clear vision that he wanted to own land in his own right and to be able to grow and provide something for his children. I think that was an important part of his agenda.

So his cultural background, if I'm hearing it right, Bill, would've said that land was really the pivot for the family's future, was the heritage that he could provide. Would that be true?

BM: Land was important because it was a means—if you dissect his thought processes—of being able to sustain yourself. Because, you know,

people in the depression that were office workers, as he would call them, were the first to actually suffer. They were the ones that went hungry first because they didn't have the means. And so his view was, and I guess this has filtered right through the family, that the buck stops with food on the table. You can have an education, you can have an office job, but you've got to have land to be able to grow food.

So how many siblings did you have?

BM: I have an elder sister who is married and lives in Adelaide, and has a family. I have a brother who is younger than I am. He's got a law economics degree and decided that he wasn't going to ever practice that and wanted to be in the commercial world. He joined the winery. I basically cut a deal with him to help me with the commercial side. As we were growing there were lots of issues, and he said that he'd give me three years and develop some systems, and from there we'd be on our own again. He was true to his word. He did that.

He saw the opportunity of establishing a bulk wine brokerage business, and when he left Kingston became part of Austwine Brokers with two gentlemen that have been long time members of the industry—Gerry Hargrave and Bryn Haugaard. He's partners with those guys, and they've developed a very successful wine brokerage and exporting business.

So Bill, tell me a little bit about your Mum and Dad. Did your Dad come to own land in the end?

BM: Yes. One of the first things they did—I think it was in 1961—they bought their first property, which was a citrus property. It was ten acres of land, and they bought that through Vendor Finance and through their own savings. They paid that off very quickly, basically picking all the fruit themselves and working externally. They were working for other people at the time, and basically running that property on weekends.

They then bought the home block, as we ended up calling it, which is where the winery is now. That was largely drying grapes with quite a bit of fortified grape production and some stone fruit.

So in other words, the old river blocks.

BM: Typical river blocks that had -

Doradillos.

BM: Doradillo, Pedro Ximenes, Trebbiano, Shiraz, Grenache. And there were a couple of acres of each so they could pick them as they matured. So it was all set up for the family to run it. It was very labour intensive. It was all hand picked, hand pruned. We look back now and we think how labour intensive it was to grow thirty acres of vines. It was a full time job.

Bill, your education was primary school at Waikerie? Would that be right?

BM: No. Kingston. We have a primary school. From there I went to Loxton High School, which was a great school and great people in it. Some of my fondest memories are at Loxton.

It was a school ahead of its time, wasn't it? It was really quite a strong regional school—Loxton.

BM: It still has elements of that. And I think it was a very proud school. It was driven largely by the Lutheran values of Loxton and the farming communities there, and those values were strong values. They were strong family values. And they were strong community values. When you look back at the culture of the school, it was largely driven by that Lutheran Christian value from that region.

So Bill, all the time you'd be helping at home, if I know the culture. You'd be working pretty hard at home, too. But you said that your Dad was very keen on the whole family being educated. So he wanted you to go to university. Would that be right?

BM: Well, actually it was equally my mother, if not stronger character, who insisted. She was probably more conscious of the fact of her lack of education. If we're talking about education, she says continually, even today, 'If I had an education it would be different'. So she was probably

the one that was most instrumental in that value. Dad was more about working hard, but understanding and supporting that, but I think the education within the family was very much driven by my mother. I guess my father was probably as committed, but I think it was Mother that was vocalising it. In other words, 'You will study', and, 'You will do this', and, 'You will achieve those results'.

At the time it was a pain in the back, as every kid and student knows, but it set your values. It set that you had to achieve those targets. They were the minimum expectations. And I think that that is very important in the values that you develop as an adult, and the benchmarks that you set yourself.

So going to school, I was a C grade student with a strong breeze behind me. It was always hard work. It was not something that I fell into easily.

So where did that end you up in terms of tertiary education?

BM: Well, I think one of the happiest days of my life was the day when I was accepted into Roseworthy and into the oenology degree. I had the ability then to do what I knew I wanted to do.

But, yes, as all the family did, we grew up, we would work on the property and on the block. It was not expected, it was the thing to do. It was not as if it was, oh, well, you're expected to do this. It was a survival thing, and it was part of the culture. We worked after school and on weekends during the fruit seasons. There was no separation between working on the block and family life. That was family life. And whether you were interacting on the block or interacting at home, it was never a situation where it's work time or it's play time. It was all one time. I guess family values now are that there's work time, family time and play time, whereas I guess in the past it was all one, and your interaction time and your family time was while you were working.

Yes. Well, that's still the case for some people.

BM: I guess, but I think it's probably less these days.

Yes.
So Bill, even in the early 80s oenology was not a course that was highly sought after even at that point. That was a few years later. What led you to choose that as a career?

BM: I was in Grade 7 high school and I remember the time when we were driving back from somewhere and Mum and Dad made it known to me that they were going to build a winery. It was Dad's idea, as it always is. These ideas are Dad's ideas. And he wanted to take the next step. In other words, it wasn't for him as such, but he wanted a legacy. He had two sons and he wanted to create something. If they didn't take the opportunity well, that's their problem, but he would've done his bit to provide a nucleus that the sons, if you like, or the family, could take on. I was in Grade 7, and my memory's quite vague, but I thought that was quite strange and, well, why would they want to do this? It was beyond me. So I had all of my high school years to get used to the idea of becoming a winemaker.
And so they built a winery. They invested heavily. They borrowed quite a bit of money to build a large shed. That was a statement in itself. I think there was kind of a subconscious thing, that they wanted to start something that was large enough for it to be a driver for the kids. In other words, the kids had to take it on. I mean, it wasn't something that was spoken about, it was just underlying. And they invested a lot of money. I think at the time it was well over $150,000 in this huge structure, which was a shed. There was not a lot in it because they didn't really understand what was involved, but that was the statement, and that was the base line that they wanted to establish.

Did they create the name at that point?

BM: No. Originally the name they called it, through their background, was Apollo Wines, but I quickly identified that that limited capacity for acceptance.

Great for the Greek community, eh?

BM: Yes, but it really wasn't going to cut it. I actually had to fight fairly hard to actually change the name, but that was one of the conditions. *(Laughs)* But at the end of the day we changed the name, and changed the name to Kingston as soon as I got back from Roseworthy basically. The winery was never a commercial winery. It was more of an idea and really didn't make wine in any commercial sense until after I got back.

Were there other people beside your family who were influencing your Dad and you to think about wine in that way?

BM: No, not at all.

This was just something that occurred to your mother and father, and that was the way to go?

BM: It was Dad's idea. No question. Dad was the ideas man, and Mum was the rails in terms of moderation. Once she was on board, then it was achievable. And so it was Dad's idea to build a winery because he saw that as being a progression. I mean, from where he stood, there was an impediment in selling your grapes somewhere else where you didn't have control of what was going to happen with them. There was a glass ceiling there. So if you read through, or sort through, his thought processes at the time, he was trying to move the glass ceiling upwards.

What did Roseworthy do for you in expanding your view of what could happen, Bill?

BM: One of the most memorable times in my life was a cold realisation on the first day at Roseworthy. We were in the Stefanson(?) Theatre, the large theatre at Roseworthy. The whole faculty was there. First year oenology and wine marketing students were in front of the Dean at the time—I'm not sure whether the Director was there but it certainly was the upper echelon, and certainly Bryce Rankine was there—and we were each individually asked to stand up and declare our name and why we wanted to either be a winemaker or a wine marketer.
A lot of them were mature age students. I was seventeen at the time, so I was quite young and quite impressionable. And these people had obviously

got their life together and had been involved in other careers. Many of them were in quite developed parts of their life, in their late 20s, and even into their 30s, and their view was that they wanted to make wine because wine was something they felt passionate about. They wanted to be a winemaker in a premium and identified(?) region—in the Yarra, the Barossa, the Adelaide Hills, or in the Hunter Valley. They had a very clear vision of the premium end of the industry.

And I quite naively stood up and said, 'My name is Bill Moularadellis. My parents have got a winery in the Riverland, and I want to go back and make wine in the Riverland'. I mean, at the time, on that day, that was it. Nothing more was said. But over the next three years I felt that people felt sorry and pity for me. I had embarked on this and that I had this to look forward to, whereas they had these other grandiose plans of working in France and doing all sorts of these other things, and I was going to go back to the Riverland. It was sort of like being condemned. There was a certain amount of pity from all of my peers that, 'Oh, Bill's quite noble because he's going to go to the Riverland and none of us would be so game'. So there was an element of naivety on my part.

As those early months developed I started to realise that I had no perception of how the Riverland stood in the Australian wine industry. I came to realise that it was a mammoth problem. I spent three years trying to come to terms with how I could actually make wine in the Riverland. I didn't actually realise that it was a negative perception, I thought it was just bad, because that's what everyone was telling me. It just made bad wine. The Riverland made bad cask wine. And it didn't have any upside.

Did they not understand that some of the great Orlando wines—not just the cask wines—had come from the Riverland?

BM: Not at all. Absolutely no.

They had no knowledge of that?

BM: No knowledge. There was no appreciation or understanding. Why would there be? The regions that were successful were claiming all of the

credit for all of their success from the region where their address was. I mean, Barossa Pearl—Rowland Flat, Barossa. All of the brands—and still to this day—were misrepresenting their identity and their origin because they are represented by the address on the label of the producer.

Well, some are. I mean, not all. I'm thinking, Bill, of Oxford Landing, which is quite blatantly -

BM: There are the exception.

Yes.

BM: I think that over the last five to ten years it has changed. Certainly with label integrity. And the culture that that has brought. But certainly in the 80s -

No, it wasn't there. I agree with you.
You must've suffered actually at that time. It was a fair sort of task.

BM: If I'd been in that environment now, having more of an understanding, I don't think I would've attempted what I ended up starting. I'm sure you would've analysed it and said, 'No, it's all too difficult. Let's move on to something else because it just won't work'.
I remember doing quite a number of projects and papers and analysis, and I look back on those now and I think that was a good environment because while sitting in lectures talking about plant physiology, and talking about wine quality, I could actually relate back to my experiences in seeing some very good fruit. And knowing what very good fruit is, to find, and actually finding pockets of it, and then going back during the first harvest and actually tasting different grapes, and understanding flavour development. So I had this background of experience of growing grapes in the Riverland and knowing the region, and then I could actually transpose that on to the technical and the marketing and the industry information that I was picking up while I was studying.
I kind of had this idea—and I remember very clearly—that the Riverland is very much about making light reds. So that's obviously an opportunity.

And so thinking about carbonic maceration. One of the first wines I made when I came back was a light red—a carbonic maceration red—and a botrytis sweet white, because they were the elements of what I had learnt the Riverland could do. But I quickly understood that that had to be overlaid with commercial reality, and in commercial reality you had to make things people wanted to drink rather than what you were particularly good at. So once I had that layered with a commercial reality, I think that what the Riverland stood for and what Roseworthy taught me, it became so blatantly clear.

Had you had contact, Bill, with some of the other better known Riverland winemakers by this time?

BM: No, not at all. I remember having done vintage experience certainly with Kevin Pfeiffer at Loxton when I was still at school, and I spent a small amount of time with the crew at Berri Estates. My family were shareholders of the Berri Estates winery at that time.

Was Ian McKenzie there then?

BM: Yes, he was, and he was quite instrumental.

I wondered that.

BM: He was very clear.
And there was another young guy at the time when I was there by the name of Bob Wiseman, a fruit(?) tech guy, and he is now part of our team, which is great.
At the time, working in that Berri laboratory, I think there was a culture of just volume. It needed to be volume. It was a very short time but I think the culture there was volume, and getting more and more volume out.
And I think it was very difficult for those guys to make the super premium wines because it was against what I think the Board at the time was saying—returns for what we grow. It was the cooperative nature. You know, I think Ian McKenzie did more than anyone to set the foundations for premium winemaking in the Riverland.

While I was at Roseworthy I had a lot of time to reflect on the enormity, and I didn't actually know how it was going to be done. There was never a time when I had a glowing light saying that this is the way. It was like trial and error. And one of the biggest surprises for me at that time was how negative people were for the Riverland. That was my home. I mean, that's what I knew, and to have people talking disparagingly about the Riverland was quite hurtful, particularly if I didn't have the confidence to be able to say that they were wrong. Essentially they were right, it was just that the Riverland was denude of any ability to be able to say that here's an example. You know, when people say something, you can disagree with them, but you have to be able to bring an example as to why you're right and they are perhaps wrong. There weren't a lot of examples, and people would refer to the fact that the Riverland had(?) won a Jimmy Watson. But all in all, it didn't have enough. And so when I came back it was quite daunting because I really didn't know how to make wine. Roseworthy doesn't teach you how to make wine, it teaches you how to learn to make wine.

TAPE 1 - SIDE B

So Bill, tell me how you began to see (a) how to make wine and (b) to create Kingston Estate.

BM: I guess coming back to the winery—the winery itself was just a big shed. There was nothing in there. There was a crushing facility. Within a 40 kilometre radius of the winery there were a third of Australia's wine grapes grown, and they were largely distillation varieties. But there were elements in the Waikerie area. There was quite a bit of Cabernet, and the premium varieties beginning to be grown, largely sponsored by Southcorp

(at the time Penfolds), Orlando and Kaiser Stuhl. Those sorts of companies had initiated plantings in mainly the Waikerie area.

I didn't really know how to do it, and my initial idea was that I was going to make styles like light reds with carbonic maceration, with botrytis to make sweet whites, which I did, but they had little commercial value. People weren't drinking those wines in any volume or quantity. And what people were drinking were serious reds.

My first vintage was in '86. I came back in August '85 and basically set the winery up. One of the things that I needed to do was to have lots of small tanks so that I could keep them seperate and be able to identify them. I was actually learning how to make wine and I didn't want to make any mistakes that were too big, if you like. So I'd make small batches, try things, and try and develop on the successes.

So in the first year I made Shiraz, and I made Cabernet, but it was pretty ordinary because I basically picked the home vineyards and I wasn't selective. The second year, in 1987, I actually went to the home vineyard—it was furrow irrigated at the time. If you understand how furrow irrigation works, you get very vigorous vines at one end of the row where the water comes out, and very vigorous vines at the end of the row where the water pools and there's a lot more, but down the middle of the row where there's a lot of run-off and the vine doesn't actually get this, the vines are quite stressed and stunted.

So I had bins made up and I went through all of the rows, down the middle of the row, and picked all that stressed and stunted fruit. It would've been about four or five tons of fruit that we ended up collecting. I made wine out of that. It was just one batch, but I just knew that I needed to keep that seperate. I fermented it and pressed it off, and it didn't strike me until one night—the wine must've been just dry. I remember getting a sample to do an analysis on it, and I tasted this wine, and it was just this overwhelming—I just realised what had happened. This wine was just rich, it was vibrant, it had purple hues, it was really intense.

This is Shiraz?

BM: Yes. And it was a complete wine. It was the first wine that I'd made that I actually liked drinking, and I kept on drinking this thing. It was still on gross(?) lees. It taught me what I was wanting to achieve—rich, full flavoured wines. It was kind of a dawn that that was what I needed to do, that I needed to select the best fruit. There was as much work as making that wine as about everything else, and the wine made itself because the fruit was ripe. That was quite instructive. That was the second vintage. That was my first realisation of what good wine was. And so that became the benchmark.

I went around to all the other vineyards identifying stunted vines that were unirrigated, and this was pretty easy at the time because a lot of those properties were basically neglected. They were under-managed, they weren't watered, they weren't fertilised, and so they were quite stunted. It was easy for me to go and identify these vineyards and then offer to purchase that fruit because it was probably the first time that the people that owned the properties ever had their fruit sought after. So it was really quite easy for me to just drive around in the ute, look at the ones with the overgrown paspalum and couch grass, and the ones that hadn't been watered, and the ones that Bank Managers were actually looking after. And that became the first selection process. So I was going around seeking these vines out, and in all, the amount of fruit that I could buy was not a lot but it had a significant and a very material impact on the overall quality of our wine.

I remember in '88 vintage, which was a good year, having a very big pool of this type of fruit. I ended up selling it to the other major companies and getting a significant premium to the market price for Riverland Shiraz or Cabernet at the time.

Did you angle for that on purpose? Did you say, 'Look, hang on, I've done something special here?'

BM: It was a dawning—that one tank. The initial tank was 3,000 litres. I still played around with the other things that I was doing, but that was a

very decisive moment. I didn't actually know what I would get when I did that. It was one of the things that I was trying. There were probably about five or six other things that I was trying.

I was very committed to botrytis. I spent a lot of energy trying to make botrytis wines. The '86 and '87 were very good wines, but how many people drink botrytis wines? It just had limited appeal. You couldn't sell them to a third party, for example, and you couldn't extract any value. The market was quite depressed at the time—'86/87.

My first wine I sold was a neutral white that we made from the family vineyard. I guess what I was doing was that I was learning how to make wine on those sorts of basic elements, and selling it for 35¢ a litre. It was quite demoralising that there was no value in the process that I brought(?). I mean, I made that wine and it's commercial value was no more than the grape value. That was quite demoralising. But what I did see was that by buying those Shiraz grapes, the extra value that I had built into it was significant, and that someone was prepared to pay a lot more money for that wine because it was better. And that was a realisation, because that value gave me opportunities to do it in a much bigger scale.

And so I went around and sought out those vineyards, and I think the '88 vintage was 600 or 700 tons. I remember selling quite a bit of wine to the majors at the time—the brand owners. And they paid a significant premium. I recall some of the very surprised comments. They were paying Barossa prices for Riverland Shiraz. At the end of the day, they were not buying it because it was Riverland Shiraz, they were buying it because it would fit into a product that could extract that value.

So Bill, were the growers that you were sourcing your fruit from willing to actually listen to you and willing to participate, or were they sceptical?

BM: There were one or two that understood. And I talk about guys like Mick Thomson, who really had his own understanding of winemaking. He was a very good supporter. And there were others that were more commercially minded. The larger growers in Waikerie at that time were

very, very supportive, and there was a communal feeling that Bill should be supported because Bill's bringing us recognition and value of what our own self worth is, and we can use that in our negotiations with the commercial winemakers that we're dealing with. So at that time I was considered to be a young kid that could give them opportunity in dealing with, and actually levelling the playing field a bit, with the people that were buying their grapes. And so they were supportive.
I remember going to one of the growers and asking him to hand-pick. We actually provided the labour to hand-pick the row ends where the sprinklers wouldn't reach, and so there was lower yielding. Hand-picking that before the machine went through to pick the rest of the crop. It was those sorts of things that we did initially. The volumes were quite modest. That all came to an end in later years when the demand for grapes increased, and all these properties changed hands and new owners basically made them into more commercial vineyards. They were not commercial, they were neglected vineyards.

Still on the old farrow irrigation and -

BM: Yes. And then there was a changeover. People would change the irrigation system. It would become part of what the Riverland is today, rather than an element of the neglected fruit. So the second phase of our quality advancement was to actually then get these new vineyards to be growing better grapes, rather than just isolating the neglected fruit.

So how were your parents *(couldn't decipher word)* this, Bill?

BM: Oh, they were willing supporters. I kept on going back to the Bank for more money. I certainly wouldn't appreciate it if my kids put me through what I put them through. It's a credit to them that they had absolute belief in what I was doing, even though I was always putting everything they had at risk every day. It's only just been recently that they have their home unencumbered. They still believe that it is encumbered, they have been doing it for so long where everything is at

risk. And, you know, I'd borrow against the value of the family property, and increase those borrowings, just needing more tanks and more stock and so forth. So it became quite a demanding exercise on the family's resources, if you like. There was never any time when they said, 'Don't do that'. They said, 'Don't do as much of it', but they never said, 'Don't do it'.

Bill, when was the point that the idea of Kingston Estate suddenly began to pay dividends?
You've said that you tasted that tankful of Shiraz and you suddenly had that knowledge that this was the way to go, and how could you do that. And you went to the vineyards, and the vineyards became a critical path. When did the organisation itself have something dawn on you that this was going to work?

BM: Well, it was much later. I remember bottling my first wine and going through the process of getting that into bottle. It was a 1986 carbonic maceration, light red, and it was 4,500 cases of wine—9,000 litres. It was part of my body, it was part of me.

I'd go out to the market place, and I'd go into some of the retailers in Adelaide, and getting an absolute shock again. The comment from one of them, which has been entrenched in my mind, was, 'I've got enough wine. I certainly don't need any more wine, and I certainly don't need any more wine from the Riverland'.

You know, that was a pretty strong argument to have to get over. I couldn't get over that. I kept on going and knocking on doors, and talking to retailers. It was not going to happen. I knew enough to know that that was not a path where I would be successful. The wines weren't good enough, and some of these wines I ended up selling in bulk. By the time I got to these good wines, I'd already gone through the step that I wasn't going to sell wine in Australia domestically. I'd been to Melbourne, and this was during '87 before any of the really good wine came on.

Actually it was probably a good thing that I went out with these ordinary wines because it saved me a lot of heartache. I think at the time it would've been difficult for me to create an impression in the domestic market. I went out, and went out for several months, and I then withdrew

because it was not going to happen. It was not receptive. I couldn't get retailers to buy on to my vehicle, if you like, which was wines from the Riverland called Kingston Estate. I couldn't get any subscribers.
At that time I was with an accountancy firm and they put me in contact with a guy by the name of Patrick Forbes. Patrick was General Manager of Austrade here in Adelaide but had a long career as Trade Commissioner in various placings throughout the world. He understood export. Perhaps a little bit independently, but certainly with his encouragement and his guidance—and Patrick has been involved with us since '87/88—he gave me the idea of export. That's really been the essence of Kingston, is that we took what we had, what we were good at, and took it to an environment where there was no negativity. It was a level playing field. We had the same credibility as a producer in the Barossa or in the Hunter Valley. There was no mountain to get over. So the quality of our wines were judged on their merits rather than on any preconception. That was another milestone.
Patrick's continued guidance and support through not only export market development, but just general business—he was my sounding board, and other than my parents, there's no other person that has been more responsible and more credit can go to than Patrick Forbes. He has over the decade or more—fourteen/fifteen years—been a constant mentor and advisor and supporter. And he never ever lost his faith.

Bill, tell me about those first forays into the export market. Where you went, who you met, and how they responded.

BM: I guess I was never at that stage really looking at selling branded wine. I'd had my wings well and truly clipped about selling branded wine. My initial foray was selling bulk wine that I could extract a high value margin, and my first foray was into Canada, selling to the major wine producers there who had a culture of buying bulk wine, at that time from California. They were looking for better quality, better value. My first overseas trip was to Canada and visiting those wineries.

I'd had a bit of experience selling and making wine under Negociant brands that were initially going into the US, and I was making those wines and it was large volumes. 30,000 or 40,000 cases of wine that I made went into the US. I mean, it was big volume at that time. But that was a Negociant brand. That was their brand and they *(sounds like, came to)* me for the supply. Invariably the relationships didn't grow because I think that they kind of didn't have their model right and, you know, it was not going to work. So I needed to get out there and be in contact with the final consumer myself. So I started by selling bulk wine.

I did that concurrently by selling bulk wine to other producers. So what I was doing was growing the overall volume by selling bulk wine to other Australian producers, international customers, and people that would bottle wine as Australian wine. I would basically make that wine for them, those that didn't have a winery of their own.

And also contract crushing. In the early 90s there was a bit of contract crushing that certainly grew the winery. The winery grew very quickly because there was lots of margin to be made by buying relatively inexpensive grapes, and the working capital requirements selling bulk wine was quite low, and so the business as a business model kind of worked. That was the model that went from sort of '88/89/90 through to perhaps '95/96, when we really got focused on domestic branded business.

And by '95/96, had some of that negativity about the Riverland dissipated, or was it still there?

BM: No, it was still alive and well. There was no reason for it to disappear. Nobody had done anything to prove it wrong. And so when you go to a retailer in Sydney, they still have those same perceptions. They knew where the wine was coming from in these major brands, but it was the trade that knew. I walked through the major retailers in Sydney and saw wine that I'd supplied for those Hunter Valley brands, or those Barossa brands, or McLaren Vale brands. And in Sydney you'd be ex brand, fine Hunter wine on the headboard. Not necessarily saying that on the label, but on the header card—Great Hunter value, or Great Barossa value, in

Adelaide. And I knew full well where the wine was coming from. So I knew to jump over that.

I think what happened was that we had to drive it with quality. There had to be a reason for someone to say that it was better. Not through a slick marketing campaign. It was to be done because people were wanting to drink that wine. It was their beverage of choice. It was their choice. You couldn't be boutique about it, you had to be mainstream. So we set about making wines for ten bucks that were of the value that was a fifteen from the other producers. And that as a cultural thing is still very important to our organisation, is that at $10 you'll get a wine that you can reasonably expect to pay $15 from another producer. And that's the central value.

So Bill, did people begin to pick up on what you as a company were on about?

BM: Our main business was selling wine to others. The branded business was a bit of a sideline. It wasn't mainstream for us, but it set the culture for everything that we did in that every time we were making a wine, we were making it because it had to be good enough to be Kingston Estate level—what we call Kingston Estate level now.

The disciplines that we set out in our fruit sourcing, and the disciplines that we set into the winery, were all about making wine for the bottle. But at that time, in the 90s, it was 1% of what we were making. It was rather irrelevant. We were selling most of our wine in bulk, but the bulk wine was better than our competitors. And that's I think one of the critical success things, that people would buy from us because we were providing better wine. Not only branded wine, but importantly our international bulk customers and the other wineries. If we had a Shiraz on the bench and they were looking at buying Shiraz, even if the price was the same that they were going to pay for someone else, they would buy our wine because it was better.

But importantly, the 1990s was once in a generation event. The growth that the industry went through in the 1990s and the opportunity that created, is unlikely to occur again in this industry for the length of time

that it went for. The industry has a cyclical nature and, you know, there's been cycles ever since the industry began, but to have one as extended as the 1990s phenomena is unlikely. And we surfed that wave. We were lucky and a beneficiary of that. I pay a tremendous amount of respect and credibility to the brands that did that.

The Australian wine industry success has been driven by probably half a dozen people that had a vision for their brand internationally. I would say that the minds behind developing Rosemount as a brand internationally, and the vision they had for that, the vision for Lindemans, the vision for Jacobs Creek, the vision for Nottage Hill, and the Hardy portfolio—and there's a number of others—but the minds and the group of people that set about creating those brands and seeing those brands successful in a fragmented international industry, has led to the success that Australia is. Because we all surfed in their wake.

But you were out there very early on, Bill.

BM: We were, but we didn't ever have the ability to forge a supermarket group to give space to Australia. We would be the second tier player offering alternate supply, or buyers own brand, whereas Rosemount and Jacobs Creek and Stamps were forging. We wouldn't have been successful. The industry owes its success entirely to those key people that had—and I look at Orlando coming from the Reckitt & Colman days in terms of their branding experience and understanding what a brand was, because of the other commodities that they made into brands, and then translating that and transforming the wine industry into that. That's been instrumental in the success of the industry. And we surfed that success. We were there, we were part of it, but it was those brands that gave us the opportunity.

But there would've come a point when Kingston Estate became a brand that started to stand on its own. Would that be correct?

BM: That happened initially in Australia when we saw that the time was right to start investing in something that would transcend the commodity cycle. And it was my view that there was going to be a time when bulk

wine was going to be difficult to sell because historically bulk wine has always been difficult to sell, and you can't build a business on bulk wine. When I first started at Kingston, in the decade or fifteen years before, fourteen wineries in the Riverland had gone out of business. They were either trying to be brand players or bulk producers. And so in order to survive we had to have a business that actually did it in spite of being the Riverland. I didn't actually ever set out initially to promote the Riverland. I think what I did was to say that, well, this is good wine, it just so happens it comes from the Riverland. Then when you talk to people, they'd say, 'Well, isn't that great for the Riverland'. And so I saw advantage in pulling the Riverland with Kingston.

I think at the end of the day, when you look at what we did in the mid 90s, and investing a lot of their resources from our bulk wine business into the brand, we were lucky that there was a demand for good wine. There was a shortage of good wine, so it was a fertile ground that we fell into. And the timing was right. I remember thinking in '94/95 that this was our opportunity. If we're going to do it, we're going to do it now while wine is short. When wine is long, it's very difficult to chase somebody's view, whereas if somebody's looking for wine, it's very easy to say, 'Try this and make up your own mind'. And if you can over deliver and leave them with a positive impression, that's a foundation that you can build on.

OH 692/108 TAPE 2 - SIDE A

AUSTRALIAN WINE ORAL HISTORY PROJECT.
Interview with Bill Moularadellis on 6th June, 2003.
Interviewer: Rob Linn.

So Bill, from what you're saying to me, is that the domestic success was a result of a whole lot of factors working together at the one time. And it's not necessarily easy to pinpoint them, but they were there.

BM: They were there. I knew instinctively that it was all in the timing, and if we were going to make a success of the domestic business it had to be done at that time and when wine was short. So I made a very conscious decision to use the profitability of our bulk wine business to invest in the brand at that time. And we over invested. We over delivered on quality, we over delivered on marketing support and infrastructure in that. We set about to create Kingston, at $10, providing wine that was worth much more than that, and building a foundation that would be hard to shake when more wine came on the market.

I was kind of contemptuous of brands. I didn't understand how brands worked, and the strength of a brand, but I knew that it was something quite valuable if you had it. I guess the reason that I was contemptuous of that was I'd seen so many people that had wasted so much money in this aspiration to achieve a brand, but then not having the necessary commitment to ensure that the brand was sustained and developed. I could see a lot of brands that had been invested in but they missed that link. There's probably five or six links that make a brand successful, and if you don't have them all and you're missing one, you may as well not having any of them.

And so it kind of happened that the market-place accepted that our wines were good value. We got a lot of retailer support. We got a lot of consumer support. There was a good story to be told in that we'd been successful overseas and we had to come back after being successful overseas for us to be even given the opportunity. And the story of the Aussie battler and going overseas because the opportunities—Australia had a reputation, or a bit of a history, of not giving its ideas a go, and the innovators and the people that came up with the ideas having to go overseas to be successful and then come back to have their efforts acknowledged, fell on fertile ground. And so we were able to capture that through public relations, and using journalists, and just me telling people what we were doing, and it actually fell on fertile ground. It hit a chord with people. And because there was substance to the wines, and the wines

were value, the brand grew very quickly. We were pretty successful. I guess that was my first understanding of the power of building a brand and making sure that it had substance, so that it's not just packaging or not just one element. It's got to have all the elements.

Bill, along the way have there been critical events where there's also a down side to all you're doing? I mean, were there difficulties along the way?

BM: Oh, absolutely. The most challenging period of my life was in May 2000. Kingston was in crisis. We had used silver in our winemaking, which had been used in the past in the Australian industry through compounds called Sulfadex(?) and *(sounds like, Sulfa-gon).* They were commercial products that were used in winemaking. And we used silver nitrate in our wine and we shouldn't have. Had we not used that, there would not have been a problem. We had a huge media frenzy to deal with because we were seen as a major exporter that had potentially compromised this whole Australian wine industry success story, and so all the checks and balances the industry had put into place to protect the industry for things like that came into being. We had our export licences suspended temporarily. You know, at the end of the day we were in crisis, and people had a crisis with our wines, because we were seen to have done something wrong. Standing back on that, that was the most defining moment of my life. And I think we went through it, and we got through it, but there was a significant cost, and there was a lasting cost. The most regrettable cost for me is that I gave some of the critics of the Riverland, by that action, the credibility to be able to say that we told you so. One of the lasting issues has been the fact that it gave credibility to those people that were critical of the Riverland, and it was a Riverland thing. Kingston's part of the Riverland and, therefore, it was a slight on the Riverland. And personally, my greatest regret is that the Riverland thought so, too. You were treated harshest, closest to home. I still feel a great deal of regret about how the Riverland responded to that, and how then South Australia responded. The further I got from home, the more understanding people were.

At the end of the day, we shouldn't have used silver. It was against the law. We did, and we paid the ultimate penalty and price. In terms of the company, it certainly put the company under significant pressure, but out of it I think we're much more focused. I guess we've been able to weather the most difficult circumstance and come out of it, and come out of it shining.

I actually heard a lot of sympathy here, in South Australia, for your position.

BM: The industry had sympathy. I think those with a little bit of information were the hardest to deal with. The people that had more information became—you could use the word sympathetic—understanding. And I just say that had we not done it, there wouldn't have been a problem. So there's no point in crying over it. Let's just get on with life. But that was defining to the extent that it put the company under a significant amount of pressure, it put all of our people under pressure, and I ultimately take all the responsibility because I allowed it to happen. We didn't have the right systems in place to ensure that people knew that if it was not on the P4, then it was not allowed. And it was not whether it was done before, or you were taught it, or whatever.

I guess that taught a lot of other people a lesson as well, in that it made them refine their systems. I think what did come out of it is that a lot of other producers looked at themselves and said that we can't allow this to happen again. Let's make sure that it doesn't happen. And I think that that probably was the benefit of that. But, you know, it certainly put all of our organisation under an immense amount of pressure.

Bill, but it sounds like, too, that it's given you strength for the future. Would that be correct?

BM: Oh, absolutely. There's a lot of time for soul searching when you go through something like that because you automatically lost a massive amount of credibility, and it gave ammunition to your competitors from other regions to say that, well, this can only be from the Riverland. There

were one or two comments that were particularly hurtful, but at the end of the day we've come out of it. We're stronger, more focused, more determined, and I think we're a better organisation than what we probably would've been. And, you know, you read other people's defining moments and there's as many defining moments in the periods of adversity as there are in periods of success.

Maybe more.
So Bill, where can you see the future heading for the Riverland and Kingston Estate?

BM: I see the value of brands and building international brands that have tenure, that have capacity to sustain and grow. I think Kingston is but one of them, and we would like to build a portfolio of brands, not necessarily from only the Riverland.

Where I see it now is that, yes, the Riverland is our heart and soul, it is our home, but it would be naive to say that the Riverland is the only place that you can grow and make good wine. So therefore we are now becoming much more focused on building our wines to have more than just Riverland wine in them, and to raise them to the next level and actually use wines from other areas. For example, our Sauvignon Blanc doesn't come from the Riverland because the Riverland historically, with the exception of 2002, has not had a good history of making Sauvignon Blanc or Riesling. So our Sauvignon Blanc will come from the Limestone Coast in the Adelaide Hills, and our Riesling will come from Clare, and a significant part of our Shiraz will come from the Barossa and Langhorne Creek and Clare, as well as fruit from the Riverland, to provide a quality level that is above people's expectation. And that's where I see our brands being underwritten by what has been the central part of our philosophy right from the outset, to over deliver.

Bill, is there still that sense of belonging and community at Kingston Estate that you grew up with?

BM: In what respect? Within the organisation?

Yes, the organisation.

BM: In this environment where many of the larger companies are corporates—there's a lack of soul in a corporate. The strength of a family company is just that, it has a sense of family. I think that the strongest part and the biggest part of our spine that runs through our organisation is the sense that we are a family company, and a lot of people are there because they want to be with a family company, and those values, and not having to report to public company June 30 deadlines and making decisions because of the pressure of delivering a return. I see that there is significant value in a private company by being able to take a medium term view on something.

As a team of people, I like to be in a team that share my aspirations and goals. And people that are in our organisation generally share my aspirations and goals and understand me as a person because the company is inextricably linked with the person. I think that that's good. And I like working with people that I like working with. So you surround yourself with like-minded people that you want to spend time with rather than people that you are continually having to work at the relationship with.

Just thinking back for a minute, and this is probably the finishing question unless you've got more that you'd like to say.
As that seventeen to nineteen year old at Roseworthy where you suddenly had to face the harsh reality of what people thought about the Riverland, do you think you ever saw the possibility of what's happened happening for Kingston Estate?

BM: There would be no time that I could honestly say that I expected it to happen, but at every time, right from the outset, I have had and continue to have a very clear understanding of what I would like to happen. If you don't have the vision of where you want to be and what you want to do, then it isn't going to happen. You're not going to do it. You're not going to create a brand or a wine company or a wine business that is of the size and substance that is Kingston today if there wasn't that view back then. So to answer your question directly, I didn't ever expect it to happen but I always kind of hoped.

Well, thank you very much indeed for talking with me today.