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OH 692/39

Full transcript of an interview with

JOHN ANGOVE

on 2 April 2003

by Rob Linn

Recording available on CD

OH 692/39 **JOHN ANGOVE**

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OH 692/39 TAPE 1 - SIDE A

AUSTRALIAN WINE ORAL HISTORY PROJECT.
Interview with John Angove at Renmark on 2nd April, 2003.
Interviewer: Rob Linn.

John, where and when were you born?

JA: I was born in Adelaide on 21st February, 1947.

Who were your parents, John?

JA: My mother is Jean, and father Tom Angove. They were divorced in the mid 50's and Father remarried. I have two half-sisters, a full sister and a full brother.

And John, you grew up in the wine industry, unlike some people I've spoken to. Did you always have that sense of wine being around you from your early years?

JA: Oh, I think we did, yes. I can remember very clearly being offered a small portion of red wine with dinner at night. I didn't like it all. It was dreadful stuff. I always said no. My sister on the other hand thought that it was lovely. She would always have her portion. I guess that's my earliest memory of wine.

And was it always instilled to you that, you know, your family had come up through the ranks of being wine makers?

JA: Yes, I guess it was. It was a bit of a treat to be allowed to come out on Saturday morning with Dad and play around the winery. We used to love running over the top of the barrels when they were all lined up on the ground waiting to be filled, or whatever. We were forever being told off for doing it but it was great fun. The danger element I'm sure was there, and today the Oc Health and Safety brigade would have us out the door faster than you could say night. But I do remember that, and it was good fun.

What are your earliest memories out here at the winery, apart from that?

JA: Seeing the open fermenters, which are still in existence today, and we still use. I certainly can remember seeing the heading boards and the red ferments bubbling up through them. I remember the very early laboratory, and a fellow called Ludi Meisner who was in charge of the laboratory at that time.

I can remember coming into this office with Father, and at morning tea having my own special hot chocolate. Yes, lots of little memories.

I remember not being able to go to school because I wasn't well, and obviously Dad had total responsibility for us at that time for some reason or other, and coming and lying on the couch in Dad's office. I probably wasn't really very sick but I had got out of going to school.

So John, you were educated in Renmark in those years?

JA: I was educated in Renmark up to Grade 5, and then I was shunted off to boarding school in Adelaide to St Peter's College. Yes, I thoroughly enjoyed the boarding environment. I enjoyed school.

Did you expect to come back here to work at all?

JA: I saw it as a place to come and earn a few shekels during holiday time, but for a long, long time I didn't have any real interest in the business. I don't think there was any undue pressure. There was no overt pressure that I should come and work in the business. Perhaps Father was far cleverer than that and it was very subliminal pressure.

I had visions of being a doctor. At the age of about sixteen I suddenly developed an acute aversion to blood. If someone was injured I invariably needed more attention than the injured person. *(Laughs)* So that suddenly brought to the surface that, well, hang on, perhaps medicine wasn't quite the right direction for me.

I had quite a strong interest in architecture. I guess it was late in my school time when I was needing to make the decision as to what I would do

at university that the penny seemed to slowly drop. Well, look, here's a family business that is an opportunity. I should at least explore it and put myself in a position to be able to get involved if I decided I want to do that. So I finished school and decided to do a science degree, and majored in microbiology and organic chemistry. As time went by, yes, suddenly the business became more interesting.

I then did a commerce course, by which time I was fairly sick of studying. I was going to do the post graduate winemaking course that Roseworthy provided at that time, but it just happened that when I finished studying Father was planning one of his global trips. He said, 'Why don't you take six months off study and come with me overseas and meet some of our customers and see some of the places in the world. It would be a good broadening experience. You can then decide to either come home with me or stay on and, you know, see what the rest of the world is about'. So we set off and travelled through Hong Kong, Singapore, Malaysia, up to the UK. We traipsed around a lot of customers there, and it eventually transpired that he came home and I stayed. Eighteen months later I found my home.

So in that eighteen months, and the time with your father, what did you see, John?

JA: Oh, I saw an enormous amount. I worked at what was then the Australian Wine Centre in London.

In Soho.

JA: Yes, exactly. That was an interesting and enlightening experience.

Why was that?

JA: Oh, well, you know where Soho is?

Yes.

JA: The red light district. It was a most unusual place for a wine shop, but we did a lot of business out of the wine shop. A lot of the business was

mail order with people from Australia ordering product for delivery in the UK. That was, in fact, my area of activity. And I was very involved in insurance claims for parcels that were consigned by the Australian Wine Centre in London that never got to their destination. British Rail got an enormous amount of free wine during that period. *(Laughs)* Yes, the delivery process was not exactly robust.

I then travelled through two vintages, through Italy, France and Germany—two successive vintages. I spent a lot of time just in the vineyard. Not in any formal sense, but just in and around, and with, and spent time in wineries. All for free. Then went back to the UK and eventually came home via America. I spent about four months crossing America from east to west, not specifically industry oriented though I did spend some time in the Finger Lakes and in the Napa. Really just seeing America and discovering what an amazing place, and what a fantastic place, America is.

John, the company, Angoves, had actually had a tradition in the British market, hadn't they, going back some time?

JA: Oh, very much so. And a very strong presence. I think back in the late 40's/early 50's, Angoves and Hardys were the major suppliers of Australian wine to the UK market. That continued on very strongly until the UK joined the EEC, and that slowed it all up pretty dramatically. We had our own company over there, Dominion Wines Limited.

I was going to ask you about that.

JA: Yes. That was established in 1925, and closed in 1970-odd. The business just dried up. We continue to this very day to have one of those customers remaining, and he has been loyal to us for, oh, fifty years.

This is a wholesaler, is it?

JA: It's a company called Yates Bros Wine Lodges, and they run wine lodges around the UK. They have been buying a Muscat sweet white fortified wine from us, and from Hardys through their Berri winery, and it's

been a 50/50 shared contract forever. The person who set that up with—I'm not sure whether it was with my father or my grandfather in the first instance—said that this was the style of wine that he wanted and he could find it nowhere else in the world, so he bought it from this part of the world—from the Riverland. And as I said, we continue to supply that in quite reasonable volumes.

Well, I'd like to come back to the newer export market. Angove's tradition, from what I learnt from your father and from reading, goes back really to—a bit like you wanting to be a doctor, John—a medical beginning really, doesn't it?

JA: Yes, indeed it does.

And a chemical knowledge based on medicine and all that sort of thing, and around the Tea Tree Gully/Modbury area in South Australia. Is that right?

JA: That's exactly right.

And in effect moved up here—well, pre First World War, wasn't it?

JA: 1910.

And then with the soldier settler boom, in fact grew as the irrigation settlements grew I guess.

JA: That's correct. Yes, I guess that's an interesting bit of history in its way. My great grandfather established the business at Tea Tree Gully and that was his little pride and joy. My grandfather certainly continued the Tea Tree Gully exercise, but saw the opportunity up here. That initial opportunity was to use surplus dried fruit. Surplus Gordos and Sultanas, that were not being used, to be dried. He also saw the opportunity to use the seeds of the Gordos for seeded Gordos, which are called Raisins. Is that right? I think that's right.

Yes.

JA: And there was a little bit of flesh left on all of those seeds, and he actually collected the seeds, macerated them in water, fermented the small

morsel of residual sugar that was on every seed, converted the sugar to alcohol, and then distilled that to extract the alcohol at high strength. He also was using fortifying spirit at the Tea Tree Gully winery, so he started making it for himself. So there was sort of logic in him coming here, and I suspect at the time that most people thought he was mad, but as it has transpired, this region is now the largest, single wine grape growing region in Australia. So that pioneering move was pretty courageous -

Fortuitous.

JA: - but proved to be right. *(Laughs)*

John, when you first came back after those vintages you did overseas, was Angoves still largely producing fortifieds, or had they begun to also produce table wines?

JA: That was in the early 70's and, yes, we were still producing table wine at Tea Tree Gully, and certainly producing table wine here but it was still very much a fortified oriented marketplace. But the change was beginning to happen, without a doubt.
Father started the Nanya vineyard development, and the first sod there was turned in 1969. That development continued through in various sized steps over the years until it was completed in 1984, by which time we'd planted 1200 acres of something like twenty-three different varieties. Most of those varieties were winemaking varieties. We were very, very early in the development of varieties like Chardonnay, Chenin Blanc, Sylvaner, Traminer, Pinot, Malbec. A lot of varieties that were very new to Australia in the early 70's, and we planted them out in very small trial plots and developed the vine, grew the grapes, and picked the grapes. A bit of bucket winemaking at this end with fairly small volumes to see what sort of wine they would produce. There were a couple of exceptions but pretty much what we tried in a small area, we chose to plant out in larger, more commercial areas.

How did the Pinot fare, John?

JA: Pinot fares quite well. It took us a long time to find a way to handle it from a winemaking point of view. We certainly do not make a Pinot of the cooler climate style but it is very up-front, fruity, flavoursome. Quite different to the commercial run of the mill dry red. As a wine served chilled, and treated much like you might treat a white wine, yes, very, very pleasant. Very pleasant style indeed.

John, was that trialing of some of the newer varieties to do with your proximity to Merbein and CSIRO do you think, or was it pretty much off your own bat?

JA: No, very much off our own bat. Very much a reflection of Father's interest to try anything new—interest to experiment. At the time the district was still very reliant on the dual purpose varieties.

Doradillo.

JA: Doras, Sultanas, Gordos. We had pretty much a fixed price regime dictated by government, so there was very little incentive for the grower to make the changes that the industry needed to make if this part of the world was seriously going to go towards making table wine. In conjunction with that, we saw the demise of the Tea Tree Gully vineyards, about 300 acres that we had down there.

That was a forced acquisition by the Government, wasn't it?

JA: It was indeed, yes. So suddenly it was, look, we've got to start doing this ourselves. We're going to lose those vineyards, we can't get the local growers to move away from their dual purpose varieties, so come on! So we began our own -

So Nanya effectively began out of that?

JA: Yes.

Would that have been one of the largest developments ever done up here at that point?

JA: Easily. Easily so. As a single vineyard within one set of boundaries it still is one of the largest.

It's also magnificent, John. I mean, it's just a beautiful looking place.

JA: Oh, it certainly is. To come right forward to today, we are in the process of a very substantial redevelopment project out there, to convert what was a state of the art vineyard in the mid to late 1980's to a state of the art 2010 vineyard. We are converting from overhead irrigation to drip irrigation. We are converting from a three foot wide T-trellis to a two wire vertical trellis. We are, in fact, even changing the direction of the rows so that we profile the soil contour more accurately. Yes, it's a major redevelopment project. We're virtually replanting the vineyard.

Have you always used mechanical pruning and harvesting out there, John?

JA: Always. Right from square one it was envisaged to be mechanically handled. At the time of the initial development, mechanical harvesting was still not much more than a vague idea of this is how it might work. I remember when I was overseas in Germany I did some research for Father on mechanical harvesting that they were developing at Geisenheim, and they were trying to use a vacuum method.

Oh, yes.

JA: I remember looking at that in Germany and thinking that I can't see how this is going to work. But that was from a very, very immature mind. Obviously it didn't work because it's not gone in that direction at all. So the trellis design that Father had to settle on was still very much without a very clear idea as to how it was going to be harvested, but they did settle on the three foot wide T-trellis with the objective of having all of the fruiting wood on that outside wire, so that the harvester would shake vertically that outside wire and drop the fruit off. The problem with that was that as mechanical pruning came along, and you got more and more

and more solidification of the T part of the vine, and you didn't get any vertical flexing, so you started breaking off these great lumps of wood all the way along the vine. So for that vertical impact harvester to continue to be effective, you literally had to go through every year and hand prune and get fresh fruiting wood on that outside wire. Now with 1200 acres of vineyard that became simply impossible. So now, as is the general practice, it's a two wire vertical trellis that's developed that you can hedge nicely when you go through maybe once every other year and just tidy it up, and then it picks nicely with the horizontal impact, and it seems to work.

John, just leaving aside the mechanical side of things for a minute, and the vineyards, could you talk to me for a little while about some of the people that you've met in the industry over the years who've really struck you as having significant contributions? Well, your Father's one.

JA: *(Laughs)* Yes, Father has to be one. I think in his own very quiet way, never extolling what he's done—he's always been a very humble person—yes, I think he's made quite a mark in the industry from the point of view of being one of the very first to contemplate using stainless steel to store wine in, for example.
The development of the Bag-in-box. I'm not sure if that's good or bad, but he certainly did develop that concept of the airless flow for a wine container, which obviously has now become a global way of getting wine to the consumer.

He would've absolutely been one of the first players in that, wouldn't he?

JA: Oh, yes, yes. He was the first, and we had a patent for that. The concept of that original thing was to decant the wine out of the top of the box. You undid the top and you got the plastic bag out and you decanted it, and the plastic bag collapsed on the wine. We were looking at tapping mechanisms and were seeking help from plastics engineers, but then—

what's his name in Melbourne?—Malpas(?) came out with the welded bag tap mechanism -

That's right.

JA: - which was certainly a major step forward in that concept. But the airless flow concept was still there.

I think Malpas had been looking at helping Penfolds as well with the concept of paint tins, or something incredible.

JA: That's right. We'd sought his help as well in what he might be able to do to make this work, and he suddenly came up with this patent. 'Hang on! I thought you were helping us. You helped yourself. Well done!' *(Laughter)*
The concept of the airless flow is the key thing of the development of the ingenuity, but at the time Father was looking at a way of getting the volume of liquid to the market-place cheaply. That was the driving force. Whereas now it's very much more of getting that volume of liquid to the market conveniently. Two litres in one of those things and two litres in a glass flagon, the soft pack is more expensive than the flagon. People still buy it because of its convenience, because of the keepability, because of its light weight. It's easily disposed of. All those things.

I think, John, from my reading of it, because of that experimentation, Angoves were one of those who actually brought wine to a whole new generation of Australians.

JA: I suspect they probably did, yes. They made it very much more accessible. But to say that other people have not been heavily involved in that is ridiculous. Orlando, for example, with their Barossa Pearl and the incredible success that that was, likewise did the same thing. Lindeman's Ben Ean Moselle, a major contributor to opening people's eyes to what wine is all about.

If you go down that path, probably Hamiltons Ewell Moselle also.

JA: Absolutely.

Those were probably the first table wines I think that the post war generation came to.

JA: Yes.

Although Ewell goes back longer than that.
So John, apart from your father who did have an enormous experience in the industry and on a—I guess you'd say on a political level as well? He served on many boards.

JA: He was certainly on the Australian Wine and Brandy Producers' Association for many, many years. He was Chairman of the Australian Wine Research Institute for two periods—two whatevers. He was an active member of the South Australian Wine and Brandy Producers' Association. Sadly, we are a member of the South Australian Wine and Brandy but I'm not an active member of it, which is an area where I profess guilt. I would like to be a more active member but it never seems to fit. I am on the Executive Council of the Winemakers' Federation, which is the follow on from the Australian Wine and Brandy Producers'. But, no, he was certainly generous with his time to the industry.

Can you think of others, John, who you came *(sounds like, in contact with)*?

JA: Goodness! I guess there were so many of them, in so many ways. You think of the likes of Len Evans and people like that. They have done their bit in their own little area. Len, in particular, for taking the industry and the product to the people. I'm not sure that Len did a great deal within the industry, but taking it out to the consumer, I think he's done a great deal.
Some of the people that have sat around the industry tables when I've been little and they've been senior. People like Ray Kidd. Amazingly analytical mind. I'm sure that would've had a very significant bearing on Lindemans before it got swept up into the Southcorp monolith.
Wolf Blass. Goodness gracious! What an amazing entrepreneur. And what an amazing contribution he's made to the industry.

Other people of a less flamboyant level that are still there. People like Phil Laffer. Amazing contribution. An amazing willingness to continue to contribute their time to the industry. Not just in his case—Orlando Wyndham.
Who else out there has made a mark? There are others I'm sure, but they don't instantly spring to mind.

I think you've captured some pretty notable people there.

TAPE 1 - SIDE B

John, how is it that Angoves have become synonymous with brandy in the way that it has with the company because you've seemed to have survived that 1983 political intrusion.

JA: Years of chaos and despair from a brandy producer's point of view. I guess brandy goes back to my grandfather's interest in distillation, and he developed St Agnes in 1925. He was looking for a brandy that was lighter, fresher, more approachable than the other brandies that were available in Australia at that time. They were very heavy, pungent, Gordo based brandies, and he wanted to get right away from that. He sent Ron Haselgrove to France to research Cognac production, and eventually he came out with this much lighter style of product and put it out on to the market under the brand of St Agnes, and it has continued to progress from that day.
The interesting thing that happened was that all of the other heavy Muscat flavoured brandies all, over time, switched to this lighter, fresher, more easily approachable style of brandy.

What was the connection between Ron Haselgrove and your grandfather?

JA: Ron used to work for us here in Renmark. He took a contract to assist Mildara on a—I don't know what it was—three days a month type basis, but he slowly became more and more interested in what he was doing in Mildura with Mildara, and so my grandfather said, 'We need to sort this out. You stay here or you go there. What is it?' 'Oh, well, I think I'll go there'. So he then moved on to Mildara.

I didn't realise that he had that part in the St Agnes brandy story.

JA: Yes, indeed. So then he went and worked with Mildara, and I don't doubt was instrumental in their Mildara production.
Then my father followed on, and also had a great passion to learn and understand distillation. Father actually had his Roseworthy thesis on distillation published in America, which was a thesis on—hang on, I'm walking into this without clear memory. No, I'm not remembering it. There were two particular aspects of the distillation process that he focused on. One was the effect of the incorporation of lees in the distillation process and the other was the effect of run back of heads and tails into the second distillation.
He was very, very enthused by distillation, so obviously he became very enthused in the continued development of St Agnes. Up until the early 1970's the progress was pretty constant. And in the early 1970's, Australian brandy in Australia was the spirit of choice. You didn't drink Scotch, or you were a pretty hardened old soak if you did. Rum was well under brandy in the statistics figures. And Vodka was unheard of. Gin was not a particularly strong mover. Australian brandy was the spirit of choice. We then went through those amazing duty increases. Without a doubt, the other spirits weathered that battering very much better than brandy did. Since the mid 70's the brandy graph has been constantly downwards, with occasional periods of levelling off, but then it seems to sink down again. Over the last period of time, yes, it's levelled of a bit but it's still hardly a buoyant market, which is very frustrating and very disappointing.

St Agnes, in its own right, has continued to maintain pretty much the same level of sale as it had twenty years ago. Twenty years ago we had 8/9% of the Australian brandy market. Today we've got 40% of the Australian brandy market.

Is that right?

JA: Yes. So we're extremely dominant.

Would that be a lot to do with continuing quality though, John?

JA: I think it's a case of the continuing quality of the product. It's a case of any number of other players just giving up. You know, can't be bothered with the Australian brandy market any more, let's just sell out what we've got and close that door. We have continued to push and promote, and I suspect that St Agnes is the only brandy that has been specifically advertised for the last ten years. We all do, what we call, our co-op advertising. You know, buy St Agnes at $20.99 in Liquorland or 'Woollies' promo, but actually taking specific media space of our own to advertise St Agnes. I think we're the only ones doing that now with Australian brandy.

As part of this project I've spoken to Wytt Morro on a couple of occasions. I've always wondered whether that label that he originally designed, which I think has mildly changed since but not a lot -

JA: Not a lot, no.

- whether that in fact has been one of the things that's continually brought it home, that it's made it quite a distinctive product.

JA: It is certainly a very distinctive label in the brandy category. Well, in any category I guess at the moment. It is my understanding that that basic label concept was put together by one of father's sisters, my Aunt Margaret, which Wytt Morro then took and did the fine work on. The basic of let's have that there, and that there, and that there, and the border around here, was my Aunty Margaret. And no, it has not changed a great

deal in its seventy-seven years of history. That's a plus and a minus I suspect. I suspect that we certainly do not alienate our existing customers. I wonder if we miss out a little bit on luring new customers by continuing to be a little bit too old and staid. Now to make any change there has got to be done with the utmost care and the greatest of skill. Others have done it. Johnnie Walker have done it very cleverly and very subtlety with their packaging. I think we do need to broach that but, again, broached with an enormous amount of care.

John, looking now at critical events that you've seen in the industry in your lifetime, and that might be environmental events, or it could be political, what are some of the critical things that you've seen in your time in the industry?

JA: One that comes to mind very quickly in my time, which I was pretty heavily involved in, and was here in South Australia but it certainly had national ramifications, was the fixed grape pricing policy that the South Australian Government pursued in South Australia for a long, long, long time. And the position of the co-operatives in that pricing policy. That had major impact on the private sector of the South Australian industry. It had major impact on where grape development occurred. It had major impact on the ultimate demise of the co-operatives.

Very clearly in my mind I can remember talking to growers at a very rowdy meeting at the Renmark Hotel trying to get them to see the logic of the damage that was being caused by fixed grape pricing in one paddock, the co-operatives in another paddock, and what was happening in New South Wales and Victoria, where they didn't have the same constrictions. So that any surplus fruit was just simply growing in South Australia because that was the most expensive place to buy fruit. And to have that eventually repealed was one of the major political achievements that the industry as a whole achieved.

We have since then seen the demise of the co-operatives because they were becoming financially untenable, and the industry now works on the laws of supply and demand in the market-place. We are entering an

interesting era at the moment, saved a little bit by this vintage being so short, but if the next few vintages show significant surplus, political pressure could well come to the fore again. Who knows what that might generate? I sincerely hope that legislated prices do not get on to the agenda because that would be a retrograde step, without a doubt, for the industry as a whole.

Another very major political one that impinged very much on us was the major increases in brandy excise. We were able, with industry support, to have some of those softened, but then it's been an inexorable increase. The insidiousness of the indexation of excise is just too mind blowing to contemplate, but it's an amazingly successful political ploy because the tax increase occurs and no-one is any the wiser.

The wine excise exercise of the Gorton Government—that was a pretty exciting time to be in the industry. What was it? 50¢ a gallon I recall.

This is the '71?

JA: Yes, going way back there. I remember the Gorton/Berry wine. Gorton was Prime Minister and Leslie Berry was Treasurer. Yes, that had a very serious impact on the industry. And again, the industry was successful in getting the logic of its case accepted by Government and it was repealed, only to eventually find its way in again as a sales tax, which has now been rechristened a wet tax, which is currently on the political agenda to try and get a little bit of equity into that wet tax arena whereby the Government promised not to collect more in the application of the wet tax than it was collecting from the old sales tax. The industry has proved fairly conclusively that the Government is now collecting more. Even at day one of the introduction of the wet tax it was collecting more than it planned to collect, but to try and get them to change their mind is pretty hard.

Has the industry become far more politically savvy in your lifetime, do you think?

JA: Without a doubt. Without a doubt. I think the Winemakers' Federation is, as I sometimes refer to it, a very political animal. In years gone by the industry association has been more inward looking, more inward looking to the industry members and to the industry itself. The Winemakers' Federation has its own Canberra office now, and that Canberra lobby is a growing part of the industry association activities.

John, we've talked about a whole lot of significant changes over time, including political, and we've mentioned that Angoves was involved very early in exporting to England. In fact it had the Dominion Wine Company set up there. What's the last ten to fifteen years brought for Angoves in export again after a bit of an interregnum?

JA: Yes, there was certainly a lull, but over the last ten to twelve years we have enjoyed immensely the re-emergence of Australia as a wine exporter of table wine. That has I guess pushed the company through another pretty substantial evolutionary phase. Until the mid 80's, late 80's even, we were still very much a brandy, fortified wine company. And, yes, we made some table wine. Our whole production environment out there, and our method of handling fruit, was geared to produce either spirit or brandy out of every ton that came in, and so that our extraction processes for wine were not that efficient. We didn't really care if 20% of every ton went off to spirit or brandy. Well, so what? We're going to make those products anyway. It didn't matter.

As time went by it suddenly became more critical that out of every ton of Chardonnay that we brought in, we needed as much wine from that as we could possibly get. We didn't really want to see 20% of it going off to spirit or brandy. And likewise with Sauvignon Blanc or Chenin Blanc. All the way down the line, and into the red varieties. We had to seriously start contemplating very major change out in the production arena to maximise our winemaking activity, so that from every ton of Chardonnay that came in we got 750 litres of Chardonnay, not 500 and the balance went off somewhere else. That has taken an enormous amount of time, input, energy, money, to revamp the way we process the grape. I guess that has

been one of the greatest changes over the last ten to twelve years that we have gone through, driven by this incredible surge of exports of wine. And also the incredible surge of sales of Angoves wine in the domestic market. We have gone through a total paradigm shift. I hate that phrase. Total change in our approach. Today we virtually produce no fortifying spirit at all. That's fortifying spirit as opposed to brandy. We still process brandy. Ten years ago we'd make 300,000 litres of alcohol of fortifying spirit. We don't make any. We buy it. We can buy it for less than the cost of the grapes, so why would we want to make it?
That released an enormous tonnage of fruit that now goes into table wine. So really without a significant increase in total volume throughput, we've been able to increase our wine volumes by an enormous amount because we're not pushing it off to distillation.

John, your table wines over the last few years have really received some very high accolades.

JA: Oh, indeed.

And they're beautiful wines.
You were saying that there's really been a quantum shift towards that.

JA: Yes, without a doubt. I think with the change in approach out there we have also been able to ensure a greater continuity of quality. I say that carefully because in the old days, yes, we'd be able to make small parcels of wine and make them look fantastic, but to make a million litres of quality Chardonnay is a much bigger challenge than just making 100,000 litres of quality Chardonnay. With the system that we have developed out there we are now able to make that million litres of quality Chardonnay, so that we are able to get a far greater depth of quality through the market-place.

Did you ever expect to see the product going into so many Australian homes and overseas in the bulk that it is now? Dry table wine.

JA: I guess the likes of Len Evans would've seen it because that's been his lifelong mission, to get people to drink and enjoy wine. I guess it's taken us all a little bit by surprise, in truth. I think it's still got a long way to go. I think to a lot of people wine is still somewhat mysterious. To walk into a wine shop to buy a bottle of wine is still an intimidating process for a lot of people, whereas it shouldn't be. It needs to be as easy as easy as easy. Like going in and buying a block of chocolate. You know, you don't even think twice. To go into a liquor store, if you're taking it to someone's place, it's 'What shall I buy? What shall I buy?' We've got to make it easy. We've got to demystify it, which I think we are doing. Wine is becoming more and more and more an accepted part of normal life, not something super special.

John, if we could crystal ball gaze for a few minutes just to finish off, what are the future challenges for Angoves and the industry as you see it?

JA: I think the future challenge for the Australian industry is to maintain our—credibility isn't quite the right word—position as a quality wine producer, not just, oh, yes, Australia produces heaps of wine. We have got to maintain that edge in both quality and perception of quality over the other new world wine producers in particular, but over the Europeans in due course as well. I think on an average level, Australia does produce the best wine in the world. I think you can possibly go out there and find super-duper French and Italian wine, but you cannot find the depth or the extent of the quality through the volume that Australia produces. It's second to none, and we've got to retain that. I think that's Australia's greatest challenge.

Angove's greatest challenge, I think, is to continue to develop our presence as a serious player in the winemaking world. We've come a long, long way in a fairly short time and we've got to keep on that, so that when people think of the Australian wine industry, they think of Angoves like they think of Seppelts or Lindemans or Orlando or Yalumba. We've got to be on that

list. We're not always on it at the moment but we need to be sure that we are always on it. And whilst all that happens, remain viable. *(Laughs)* There is another generation coming along. My daughter, Victoria, is twenty-five, and my son, Richard, is twenty-four. They are both showing interest in the industry. Victoria's already working in the industry. She's already working with us. As a totally biased father I'll say that she's doing a terrific job. But she is. She is. Very, very hard working. Richard is just completing his oenology degree in the middle of this year. He plans to disappear overseas and be a flying winemaker for—he says ten years. That might be a bit longer than he can stand, but I think he sees opportunity to come back and be involved in the company.

I'd have to say that right back to when the kids were first born it changed my approach to working in the company. As they have got older it's further changed my approach from the point of view of it just being a place to work to being a place to work and, yes, maybe one day the kids might take an interest. Now, in fact, they are taking an interest, and literally, 'Well, hang on. I've got to keep this place going so that they can have something to take over'. Rob Hill Smith has used a phrase, 'almost just a custodian in the line'.

So what are you up to? Five or six generations with your children?

JA: Victoria will be -

Sixth? Fifth?

JA: Fifth. Or am I the fifth? Great grandfather, grandfather—yes, Victoria's the fifth generation. And as the family business association will tell you, not too many businesses survive that long. I think one of our reasons for success has been a fairly thin line of succession. We have not had major internal family problems to resolve, which is often resolved by, 'Well, let's sell it up and divide the spoils'. One of Father's great achievements in life was to collect up small parcels of shares that my grandfather, Dad's father, handed out with great largesse. 'You've done a fabulous job. Here's 100 shares'. *(Laughs)*

Whoops!

JA: Yes, exactly. Dad certainly did a terrific job in rounding those up over his time and establishing the security of the company from a corporate ownership point of view, so that it can continue on pretty much into perpetuity almost because of the way that we've set up that ownership structure. As I say, we've got to remain viable for all that to come to pass, and remaining viable into those marketplace continues to be a growing challenge. This industry is amazingly capital thirsty. I spent most of this morning talking to our chief engineer on the capital developments that are in the pipeline and, oh, help! *(Laughs)* It just goes on and on and on. But if we are going to keep pace with it, if we're going to continue to get the company into a position where it is always in mind when people think of Australian wine, we've got to keep on spending.

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

JA: That's a pleasure, Rob.

John, just to round this off, we were talking about environmental factors, and for Angoves the River Murray plays a very big part in that.

JA: Yes, the river has always been a part of my life and I have a great and enduring love for the river. It really does worry me, and it's been exacerbated by the drought of the last eighteen months, to see the way the river is continuing to be abused, and the transferability of water licences, either by sale or lease, really ensures that the river is totally committed all the time. If we continue along that path I don't see the issues of the river being resolved.

We are becoming more efficient in our own exercise. Once we have converted Nanya to drip we will use maybe 50% of the water that we used to use, which will leave half of our allocation unused. Now do I just go and sell that to someone else? I'll make a dollar out of it, but it means that the river will continue to be exploited to its maximum rather than all the

improvement in irrigation giving rise to a better river environment. That really worries me. Yes, I want the company to be here for the long term. The health of the river is vital to the survival of the company. They're inextricably linked together. I guess I can fall back on the thing of, 'Oh, well, if we go, the rest of South Australia's gone too', but that's a bit short sighted I think.

There needs to be some political will to make some changes. There is a lot being done on salt mitigation—salt interception—and that's all good. But there needs to be some more political will in the understanding between the States as to the importance of it to South Australia. I think the stat is something like South Australia uses 5% of the total water that is actually extracted out of the river. So 95% of it is being extracted upstream, and perhaps with a lack of understanding of the criticality of the river to South Australia, and to us as a company.

Well, thank you very much again, John. Perhaps after 125 years of bickering the States might agree on something.

JA: *(Laughs)* We live in hope. *(Laughter)*