
Tête à Tête

News from Stoney Vineyard

NUMBER 5

OCTOBER 98

TAXED TO THE HILT

" The art of taxation consists in so plucking the goose as to obtain the largest possible amount of feathers with the smallest possible amount of hissing."

Jean Baptiste Colbert

Well, Australia has had the election it had to have. A GST is on the cards, if not on the way just yet.

All that remains is for Prime Minister Howard to reassess the effect his proposed new taxation system will have on quality-based, small-scale wine producers like ourselves. An effect that will see the cellar door price of every bottle of Stoney Vineyard and Domaine A wine rise by at least a dollar, and perhaps two to three dollars.

Just how this could happen is simple to explain. Why it should be so is more mystifying.

The issue, of course, had its foundations back in the days of the Keating Labor Government, when it challenged in the High Court of Australia the right of each State to raise its own liquor tax. Labor won, and left the Howard Government a legacy of a 41% wholesale tax on the price of every unit of wine sold by a vineyard.

The Liberal-National proposition of a flat 10% GST soon ran into trouble, however, when it realised

it needed to look for ways of maintaining the substantial revenue being derived from the existing taxation system.

The full extent of their plan rarely featured in the election campaign. What we have to contemplate today is a system which will consist of two elements - the 10% GST, and additional tax, called the Wine Equalisation Tax, to be levied at the rate of 31% ad valorem.

Simple arithmetic might suggest that taxes of 10% and 31% only help to retain the status quo, but all is not as it seems. In fact, the new system can be shown to be clearly discriminatory, favouring cheap bulk wines over mid-priced and premium wines.

Under the proposed system - to be implemented from the year 2000 - a standard 4 litre wine cask selling for \$10.95 retail would have its present rate of tax increased by around 27 cents, resulting in a new retail sales figure of about \$11.22.

That's a total tax rate equivalent to just 58 cents for each 750ml of wine.

A Stoney Vineyard wine, however, would attract an *additional* tax near 60 cents per bottle, and collect for the Government \$5.55 for each 750ml of wine. In other words, consumers of our wines would be expected to pay a rate of tax ten times higher than that being levied on casks.

How can this have happened? Easily. The national wine industry's lobby group - the Winemakers Federation of Australia - has given in to the demands of the Gang of Four and its associates, and supports the Government's new regime.

The Four - Southcorp, Orlando Wyndham, BRL Hardy, and Mildara Blass - just happens to control 80% of the country's wine output. Not only that - it also includes those who are the biggest importers of cheap wine. They have the greatest to gain from the new taxation arrangements.

Both taxes - the new GST and the WET - will be calculated according to a rate being applied to the value of a product being sold, rather than its volume.

Since wine casks are proportionately so much cheaper per 750ml than their bottled counterparts, less tax will be levied upon them.

Tasmanian producers find this completely untenable. Any examination of the many bulk wines sold here will show most contain large volumes of overseas wine.

The popular 4 litre Morris Pressings red, for example, contains 95% Spanish wine. It seems ironic that an Australian industry lobby group would want to act as a corset to the soft underbelly of overseas wine industries, but there it is.

Local producers can never hope to compete in the bulk wine market. Instead, our small-scale, often family-owned companies give their best efforts to producing world-class premium wines, wines which have similar characteristics to those of northern Europe, and which have innately high costs of production.

From the moment we planted our first cuttings, our vineyards have been hand-tended; our wines handcrafted. Our climate and ancient soils demand such practices. In aspiring to premium quality wine production, we keep yields low.

Yet we take on these challenges knowing that the rewards can be high: distinctive, aromatic, flavoursome wines which have a ready audience on the world stage. Qualities which ought to be accepted and supported by sound government policies and infrastructure.

The smallest members of the country's wine-producing fraternity, Tasmanian winemakers have long had to sing for their suppers.

Soon, the Howard Government's new GST and WET proposals - if not amended - will have us all screaming.

Call your local Member to demand fairness and equity in our taxation system.

" All politics are based on the indifference of the majority. "
James Reston

WHO JUDGES THE JUDGES?

If you can believe the wine press, the super-men (and super-

women) of the industry these days are not the ones who battle the elements for months at a time, labouring long and hard in the vineyard, nor the ones who put in 20-hour shifts in the winery during the height of vintage. They are in fact the white-coated warriors who act as judges on the national wine show circuit.

'Supertasters,' who sip and spit their ways through 200 or more wines in a day's judging, and still give well-reasoned arguments for the bits of tinsel they award to the chosen-few.

We ask, who can pass sound judgements when their sensory organs have been assailed by such volumes of acid, tannin and alcohol?

We rarely hear the words of those who earn their livelihood by tasting and assessing wines. People who cannot afford to get things as badly wrong as teams of enthusiastic amateurs. Professionals who have to live with the consequences of their mistakes.

In the English wine trade, Hugh Johnson has few peers. Steadfastly, he has refused to participate in Australian wine shows:

" In tastings that big, the really harmonious wines can easily get trampled under foot. Your palate just gets clogged, and I don't see the point."

Sotheby's of London are among Britain's leading auctioneers of fine wine. Head of their team is Master of Wine, Serena Sutcliffe.

Her viewpoint may not quite echo that of Johnson's, but her compromise position still has its pros and cons:

" I am happy to taste 50 wines in a morning, and don't mind tasting

100 wines as long as I've got the whole day to do it. I always go back and look at each wine more than once. If you taste quickly, you usually pick out the best wines, but can miss the more subtle ones, which is unfair. "

Unfair? It's outrageous!

Customers who have read James Halliday's 1998 Australian & New Zealand Wine Companion will not be surprised by this entry:

" Peter Althaus ... has no faith whatsoever in Australian wine judges or critics, and profoundly disagrees with their ratings. "

It is not the system per se that we object to - it is the continuation of its unfair practices that we find so offensive. **We do** participate in wine shows and wine exhibitions, but only in reputable overseas events like the London International Wine Competition. Events where organisers make allowances for large wine classes by using large numbers of judges in their assessments - spreading the workload over many days - and by tasting wines of similar style alongside one another.

These tastings are by no means perfect, but they are certainly an improvement on Australian practices. So when you next see a bottle festooned with the tinsel of important-sounding show awards, ask yourself, ' Who judged these judges?'

" We all have different fingerprints so that we expect to all have different taste buds. Nobody has the monopoly of good taste ..."

Andre Simon.

VINTAGE REPORT

The past vintage once again reminded us of the wisdom of our decision in 1989 to come to Tasmania and establish a small scale vineyard aimed at producing world class cool climate wines. As in 1997, we are very pleased with the quality of our young wines, and very glad to have been able to take advantage of two near-perfect vintages in a row here in the Coal River Valley.

Great wines are made out in the vineyard, and this year's wines are proof of that. Characterised by tremendous depths of colour and flavour, they have substantial palate weight due to their fruit's well-advanced state of ripeness at picking time. As in 1994 and 1997, they will have powerful structures that will almost always demand prolonged cellaring.

After a long and quite mild winter, budburst began a few weeks ahead of schedule in mid-September 1997, and all of the vines made steady progress through flowering and fruit-set.

In the Pinot Noir vineyards, we cut off some 15% of bunches to prevent overcropping, and to allow a natural concentration of fruit aromas and flavours to take place in the remaining berries. Almost the same volume of fruit - in the form of immature bunches showing green berries after veraison - was trimmed from the Cabernet Sauvignon vines as well.

Summer conditions were fine and warm during the season, and the generally high daytime temperatures resulted in considerable evaporation from our soils, and even more significantly, substantial rates of evapotranspiration from vine leaf canopies.

As a result, our plantings required very careful management in order to allay water stress.

Vigour was easily kept under control, so that root systems were able to work very efficiently at nourishing and ripening their vines' moderate sized crops.

Vintage began early in 1998. Our Pinot Noir crop was the first to be picked, during the last week of March. Both bunch and berry sizes were small and even, and our pickers were pleased to report that there was no sign of fruit damage due to birds or disease.

Our low yield - around 40hectolitres of wine per hectare - falls well within the ranges determined for many Burgundy premier cru sites. The resulting wine - which measures around 13.5% alcohol and shows textbook figures for pH and total acidity - is already worthy of inclusion in our celebrated range to be released under the Domaine A label.

For the second year in a row, we have made a white wine - Aurora - from our plantings of red Bordeaux varieties. Produced from low-yielding clones, it has remarkable body and depth of flavour, and the strength of colour and tannin left in its skins after gentle whole-bunch pressing made their addition to the property's dry red wines an added bonus.

Fans of our Sauvignon Blanc will not fail to be impressed by the powerful ripe fruit characters that we were able to achieve in 1998. Our vineyard is one of the very few in the State which has persisted with the very low-yielding SA90 clone, and the resulting wine shows the quality benefits by way of its fullness of body. It will

provide a great foil to our wooded version of 1997.

As specialists in the red Bordeaux varieties, we are especially proud of these wines this year.

Apart from one day's interruption to picking because of rain, we had no trouble at all ripening and harvesting good crops of exceptional quality Cabernet Sauvignon, Cabernet Franc, Merlot and Petit Verdot. Our Merlot vines performed extremely well this year. Their small crop boasts the best quality we've seen on the property from the variety.

Again, our new red wines are characterised by deep, vibrant colours, heady aromas, and fullness of body, and justify their inclusion into the Domaine A range.

Overall, 1998 reminds us most of vintage 1995 in quality, a year which produced superb wines from both Pinot Noir and Cabernet Sauvignon.

Our Stoney Vineyard Cabernet Sauvignon will show many of the qualities of our '95 vintage wine which won a gold medal at the 1997 London International Wine Competition. The 1998 Domaine A Cabernet Sauvignon, at this stage, appears to fit snugly between the 1994 and 1997 Domaine A wines in quality, a marvellous achievement. It's a wine which should silence the cynics who say that the red Bordeaux varieties are not suited to Tasmanian conditions.

Though the season came to a swift close when the fine weather broke during late April and early May, 1998 will be remembered as one of those rare vintages when we were able to achieve the production of good commercial quantities of wine without fear of compromising their quality.

A DROP OF MUSIC

Wine and music lovers are invited to experience

**'A DROP OF MUSIC IN THE
BARREL STORE'
at Stoney Vineyard
on November 22, 1998,**

when the **Australian String Quartet** performs the Hayden Quartet in E, opus 54, no. 3 and with Guest performer **Christian Wojtowicz** Schubert's String Quintet in C.

Timed to begin at 4.30 pm, the concert will be followed by a special gourmet 4-course dinner, prepared by chef **Anton Kunz** in our function centre.

Swiss-trained, and resident in the State since 1995, Anton is an executive chef who holds a Master's Certificate - Switzerland's highest level of professional qualification - and has played a major role in the establishment of the Tasmanian Chef's Association.

An admirer of the State's quality produce, Anton will prepare a meal that will feature the best that Tasmanian cuisine can offer.

Concert-only tickets are available at a cost of \$35, and come with a complimentary glass of Stoney Vineyard wine. For those wishing to take in the **concert and the dinner**, ticket prices have been fixed at \$80.

Dinner wines may be purchased by the glass or by the bottle. For this very special occasion, bottle purchases can be made at cellar-door prices.

Numbers for the concert and dinner are limited. Why not join us for the afternoon?

WHAT'S NEW?

October 1998 Releases

1998 Stoney Vineyard Aurora

We have continued to develop and refine this unique style of 'blanc de noir' and this one is the best yet. Dry and full-bodied, it has persistent, pear-like fruit flavours, and a lingering acidity. It's a fine choice for enjoying with seafood and Asian cuisines.

1998 Stoney Vineyard Sauvignon Blanc

This distinctive unwooded wine is a far cry from the Sauvignon Blanc wines which are so typical of cool regions like Tasmania and New Zealand. Picked at optimum ripeness, it has rich, powerful fruit flavours, a long, dry finish, and no suggestion of the herbaceousness which so frequently dogs the variety when grown in these climates. It can be enjoyed for its own sake, and is a fine match for substantial first courses.

1996 Stoney Vineyard Cabernet Sauvignon

From a year that produced so little summer sunshine, this wine has been a great success for us. It has developed complexity beyond expectation, and has already received pleasing responses from wine critics, such as those from *Winestate Magazine* who awarded it four-and-a-half stars earlier in the year when tasted alongside the five-star rated 1995 *Domaine A Cabernet Sauvignon*:

" Bordeaux-like blend appearance with some classy oak, some vegetativeness and a great tannin /acid finish. The lighter fruit style of 1996 is well reflected in this wine - but rather than taking away

Tête à Tête

in fruit flavour it has created quite a lovely, elegant wine. Cellar 5+ years. "

Accuse not nature, she hath done her part: do thou but thine.

John Milton

1997 *Domaine A Pinot Noir*

From the start, this wine has shown a lot of promise, and has turned out to be among the best we've ever made. It is a densely-coloured wine, with plenty of concentrated dark cherry aromas set against quality French oak characters. Long and powerful in flavour, it already finishes as a round and smooth wine. It will reach its best drinking after 6 to 8 years, but will live for a decade beyond that.

VINEYARD OPEN DAYS

Please visit our vineyard and our winery reception centre on our Open Weekend of

November 7th and 8th.

Taste our wines, and collect your orders, we are open for business from 10.00am to 5.00pm.

Take advantage of the opportunity to wander through the Coal River Valley's longest established vineyard.

Reality is an illusion created by an insufficiency of alcohol!

Domaine A / Stoney Vineyard

H.Peter and Ruth ALTHAUS

CAMPANIA TAS 7026

Tel. 03 6260 4174

(+ 613 6260 4174)

Fax 03 6260 4390