

Changes in the Australian palate



When Max Schubert began making Penfolds Grange Hermitage in the early fifties, its release was met by a less than enthusiastic response from wine drinkers. So much so that Penfolds directed Schubert to cease making it: luckily he didn't!

Grange was an enormous wine of tremendous power, something that was not appreciated then and was not offered to the small drinking public of the time. Since the fifties, the wine industry has moved forward in huge leaps and bounds in terms of choice of product and the overall quality of wine. These days choice is paramount, with many consumers looking for something a little different and new. Penfolds chief wine maker, John Duval, currently has the responsibility of overseeing the maintenance of style of wines

in Penfolds. Wines such as the St Henri have been around for many decades and it is imperative to keep consistency in the style that each wine displays from vintage to vintage. When red wines in the late 70's and early 80's went through a leafy, herbaceous phase, Penfolds resisted this trend and maintained the house style that we still see today. Even now with the shift towards high alcohol wines, Duval maintains the Penfolds style. Consumers accept this even though every year the wines are on allocation because there is simply not enough to go around.

Obviously consumers are quite happy with what they will be buying: they can buy with confidence and can drink the wine now or cellar it for many years.

Its not every day that one would open a Penfolds 707 Cabernet, price and the

need to drink a variety of wines would see to that, so to cater for that market opening Bin 407 Cabernet was released in 1990.

The introduction of Rawson's Retreat was to fill the empty rung of Penfolds reds that was once occupied by Koonunga Hill. It is seen as the beginners red, and is produced to introduce the beginner to the delights of a particular style that is continued through into the other brands in the Penfold style.

The Barossa Valley is one of the only two or three regions in Australia that is associated as having a unique style, particularly its shiraz. A relative newcomer to the Penfolds range is the Old Vine Barossa Valley Grenache - Mouruedes - Shiraz, first vintage 1992, which was the Rhone varieties blended in varying proportions. This is a wine with drink-now appeal. Delivering good taste and plenty of savoury flavours along with good structure, it's a great food wine.

Commerical Lawyer's Committee continued from page 15

The advantages of MDPs are:

- the provision of one stop shopping which may save clients time, reduce transaction costs and increase the type of legal and other services available;
- they serve the public interest by meeting the requirement of open and fair competition;
- they allow for one effective way to compete in the market place with other service providers, such as accountants and conveyancers;
- they may increase profits by sharing of overheads and economies as scale;
- they allow for practice and business expansion and development, allowing lawyers to apply their skills in domains outside core legal work; and
- they allow for additional means of raising capital.

Mr Jack Rush QC believes that MDPs are being driven by a fear of accountants and the self interest of lawyers, and in particular the self interest of major firms. Once again this is probably beyond doubt. But whereas litigation lawyers have the luxury of making such observations commercial lawyers must deal with the realities of the marketplace. Mr Rush raised four main concerns in relation to MDPs:

- clear and distinct control by lawyers;
- independence;
- the maintenance of clients kept confidentiality and legal professional privilege; and
- the avoidance of conflicts of interest.

Each of these concerns are legitimate, but the answer is to deal with them by way of control as opposed to a complete rejection of MDPs.

Costs Limitations

Currently Part X (ss119 - 130) of the *Legal Practitioners Act (NT)* deals with the issue of costs charged by lawyers and taxation. Essentially it allows for a lawyer and a client to enter into a costs agreement under controlled circumstances (s129) but in all other events for a client to have a right to tax a bill in accordance with the Supreme Court Scale.

It has been a long time since the Supreme Court Scale has had any real relevance to commercial lawyers, it has been designed primarily by litigation lawyers for litigation lawyers.

Commercial lawyers should be freed from all costs limitations and control by Part X of the *Legal Practitioners Act (NT)*. The market and the law of contract should determine the issue of costs for commercial lawyers

in the new open market place.

It is noticeable that most of the resistance to the proposed changes have come from litigation lawyers (most notably barristers) and the judiciary, the persons least effected by the current climate facing commercial lawyers and the persons who will maintain their protected practice.

There is little doubt that today the practice of litigation and the practice of commercial law are quite divergent. Many commercial lawyers view litigation as a highly protected and regulated industry (which is often highly inefficient and costly). Many litigation lawyers view commercial lawyers as something less than real lawyers.

The fact is that we live in a world of global competition and open markets. Commercial lawyers stand in an arena where they are often asked to provide legal advice with a sound commercial basis to business people, while facing competition from other professional advisers. If commercial lawyers cannot be freed from unnecessary and inapplicable regulation while protecting themselves to a fair and appropriate degree then being a commercial lawyer will involve bleak prospects.