



**VQA Ontario
Strategic Plan
2018-2023**



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Regulatory Background

VQA Ontario was designated as Ontario's Wine Authority under the Vintners Quality Alliance (VQA) Act. VQA Ontario exercises delegated authority to administer and enforce the VQA Act and its associated regulations. It is accountable to the Minister of Government and Consumer Services and operates under a framework set out in an administrative agreement with the Ministry.

Along with its statutory duties, VQA Ontario engages in related activities such as promoting awareness of the VQA appellation system, participating in national and international standards discussions and encouraging public education about VQA appellations and wines. VQA Ontario does not represent the wine industry in Ontario and is not a marketing agency.

Government Mandate

VQA Ontario has the following operating objectives as described by the VQA Act:

- To establish, monitor and enforce an appellation of origin system in accordance with the Vintners Quality Alliance Act that allows consumers to identify wines on the basis of the area where the grapes are grown, the methods used in making the wine and other quality standards.
- To control the use of specified terms, descriptions and designations associated with the VQA Appellation System – by both VQA wines and non-VQA wines made in Ontario.
- To act as the wine authority under the VQA Act and to participate in discussions with government and other stakeholders which relate to quality wine standards.
- To inform, educate and work with the grape and wine industry, governments and the public to promote the value and benefits of VQA-approved wines.

VQA Ontario's long term strategic goal is to build a strong and credible appellation system, supported by quality and label integrity, and to raise the recognition and knowledge of each of Ontario's wine appellations and their unique features.

Vision, Mission and Values

The VQA Ontario has reviewed its Vision and Mission as part of its strategic planning process to guide its direction and evolution. Both remain relevant but modest changes are adopted.



Vision

Previous Vision	Updated Vision
Consumers will use Ontario VQA appellations as their guide to buying authentic wines of origin and quality.	Consumers will use Ontario VQA appellations as their guide to identifying authentic wines of origin and quality.

Mission

Previous Mission	Updated Mission
Effectively manage the appellation system. Encourage sustained improvement in wine quality. Communicate the VQA assurance of origin and authenticity and the added value of appellations.	Provide a strong foundation for consumer confidence by enforcing relevant standards that recognize Ontario's regions and styles. Communicate the value of a credible appellation system.

Values

The Values of the organization are:

Values	Commitment
Integrity and Fairness	VQA Ontario will carry out its statutory authority with transparency and fairness and will strive to uphold high ethical standards.
Responsiveness and Communications	VQA Ontario will conduct its operations openly, providing its members and the public access to information and timely responses to inquiries. It will promote the value and benefits of the appellation system and VQA wines.
Firmness and Responsibility	VQA Ontario will discharge its regulatory responsibilities firmly and fairly and ensure VQA terms, descriptions and designations are not misused.
Accountability	VQA Ontario will be accountable for its decisions and promote effective and fair dispute mediation to resolve conflict.
Effectiveness	VQA Ontario will strive to carry out efficient and cost-effective operations and will provide a high level of service, without unnecessary regulatory burden.



Performance Assessment and Opportunities for Improvement

The results of a May 2018 survey of 136 responding VQA members and important stakeholders provided good insights on the performance of the VQA Appellation System as well as the VQA Ontario as an organization as shown below.

Performance of the VQA Appellation System

VQA Appellation System Performance Survey Statement	Strongly Agree + Agree	Strongly Agree + Agree + Neither Agree nor Disagree
Q1. Consumer confidence in the integrity of the VQA brand has improved in the last 5 years.	56.6%	83.8%
Q2. VQA ONTARIO has a significant positive influence on the consumer perspective of the VQA brand.	58.0%	84.5%
Q3. Participating in the VQA system has contributed to your organization's success.	62.2%	80.7%

When participants were asked what was the most important thing about VQA that contributed to your organization's success, the main responses were:

- Credibility provided by underlying standards, testing, tasting and quality certification (52%)
- Financial incentives (preferential margins) (24%)
- Appellation system and origin certification (22%)
- No contribution / don't like the VQA system (6%)



Performance of VQA Ontario

How would you rate the performance of VQA Ontario in the following areas?	Excellent + Good	Excellent + Good + Satisfactory
Membership and registration	79.7%	95.3%
Wine evaluation and approval	60.3%	76.3%
Audits, inspections and compliance	76.6%	96.1%
Supporting quality enhancements and adapting to industry needs	63.9%	81.6%
Export services	49.0%	77.1%
Promoting awareness of VQA wines and appellations	58.1%	81.4%
Communicating with members	79.4%	92.4%
Overall VQA Ontario performance	70.4%	88.6%

When participants were asked how can VQA Ontario add more value to the industry and its members, the responses included:

- More effectively communicate VQA meaning to consumers (educate, promote, market - 32%)
- Expand standards, be more inclusive of new varieties, new styles (28%)
- Reduce cost to participate, both fees and process bureaucracy (15%)
- Combat negative media more aggressively and effectively
- Enhance perception that VQA is high quality wine
- Reduce variability in the quality of VQA wines, higher standards (11%)
- Focus on appellation verification and not quality control
- Develop a premium wine category designation
- Improve or drop the tasting panel (5% want to drop)
- Be more supportive of areas outside the DVAs
- More industry seminars to educate and deal with issues
- Better communicate the role of VQA Ontario as a regulator, clarify VQA as a brand vs certification of appellation
- Revise and update the logo



Performance Interpretation and Strategic Issues

The VQA Ontario Board and management believe these member-based assessments indicate that the organization and the appellation system is working well, but there are opportunities for improvement. In fact, the key strategic issues identified by survey participants included:

- Consumer confidence in Ontario VQA wines (76.7%)
- Education/ research related to the VQA system and appellations (47.4%)
- Recognition of new wine making techniques, technologies or styles (45.1%)
- True and accurate label claims on VQA wines (39.8%)
- More relaxed quality and composition standards (23.3%)
- Recognition of new appellations (22.6%)

The implied strategic goals of these issues are to maintain the strong reputation of the VQA appellation system while also finding ways of being innovative and more inclusive of new developments in the industry. It is also clear that there remains some confusion around VQA Ontario's role as the regulator and whether it has a role in marketing wine or in lobbying government for financial support for the industry.

Strategic Positioning of the VQA Ontario

Current Roles and Activities

The following diagram illustrates the structure and intent of the current wine approvals program and testing.

Integrity element	Implementation	Purpose
Quality	Sensory Panel	Process and Quality Standards
	Method / Technique / Authenticity	
	Lab Testing	
	Grape Varietals	
Origin	Vineyard / Estate/ Appellation	Composition and Labelling Standards
	Ontario	



Future Positioning

VQA Ontario has historically focused its regulatory and appellation system efforts on both Origin and Quality dimensions by using compositional and quality standards and granting approvals based on verifying the final product meets these standards. The industry has grown and the VQA system has evolved to represent many levels of wines distinguished by specific appellations and sub-appellations but the VQA brand continues to be identified as a single standard and, with some exceptions, substantially the same quality standards are applied to all levels of wine. Expanding the system to be more inclusive of new categories, regions, styles and varieties provides an opportunity to review the regulatory framework for the appellation system.

VQA Ontario's role in promoting the appellations and educating consumers is often confused with industry marketing efforts. A more precise strategy for investing in communications and programs that meet VQA Ontario's specific mandate will assist in clarifying what VQA Ontario can and should deliver.

With increased sophistication of the industry and VQA standards being routinely met by the vast majority of wineries, introducing more of a risk-based approach to overall compliance appears timely. Increasing the use of risk-based approaches could allow VQA Ontario to modify its auditing, inspections, lab testing and tasting panel requirements and frequency for wineries and/or wines based on historical performance and associated risks for compliance consumer protection and wine quality.

Strategic Pillars

The organization has identified the following strategic pillars or priorities to fulfill its mandate, vision and mission.

Strategic Pillar #1	Strategic Pillar #2	Strategic Pillar #3
Progressive and inclusive regulation and governance of the appellation system	Awareness and understanding of VQA appellations and VQA Ontario	Effective corporate governance and operations

Objectives and Strategies

Strategic Pillar #1 – Progressive and Inclusive Regulation and Governance of the Appellation System	
<p>Increase the effectiveness and efficiency of compliance methods.</p>	<ul style="list-style-type: none"> • Review the wine approvals process to consider whether procedures can be streamlined and/or cost of participation reduced. • Develop a risk-based model to ensure compliance, considering the process and frequency of audits, inspections, lab testing and the tasting panel. • Approach all interactions with members as an opportunity to coach for compliance. • Focus on truth in labelling and transparency.
<p>Manage and evolve the wine standards.</p>	<ul style="list-style-type: none"> • Ensure regulatory responses to new varietals, regions, methods and techniques support consumer confidence while not restricting innovation or creating unwarranted barriers to entry. • Consult members and key stakeholders on expanding the wine standards to be more inclusive of categories, styles and varieties and develop appropriate strategies to implement change.
<p>Act as a trusted advisor to the government</p>	<ul style="list-style-type: none"> • Work collaboratively with the Ministry of Government and Consumer Services, the Ministry of the Attorney General, the Alcohol and Gaming Commission of Ontario and the Liquor Control Board of Ontario to maintain a progressive regulatory framework and share insights on emerging trends and issues. • Provide government with regular insights into the regulatory framework for the wine industry and respond to government requests for information. • Develop recommendations to the government on legislation, regulation, policies and practices related to wine regulation.

Objectives and Strategies

Strategic Pillar #2 - Awareness and Understanding of VQA Appellations and VQA Ontario	
Enhance communications with VQA members and industry associations	<ul style="list-style-type: none"> • Continue to engage and work collaboratively with wine industry associations and other stakeholders. • Consult stakeholders on changing the organization’s name to better communicate its regulatory role and reduce confusion with those tasked with marketing VQA Wines. • Increase interactive and in-person communications with members. • Provide orientation sessions for new members. • Hold joint seminars with related organizations (e.g. AGCO, LCBO) to assist industry in understanding and working within the regulated environment.
Increase consumer awareness of and confidence in the VQA appellation system	<ul style="list-style-type: none"> • Review the current communications expenditure with the Wine Marketing Association of Ontario and assess how it could be improved/better focused to VQA Ontario goals. • Update the organization’s online and social media presence. Be the authority on Ontario wine appellations. • Engage with members/stakeholders to include and promote the VQA appellations/VQA system in their marketing. • Support influencers and wineries in communicating the nature and value of the VQA appellation system to consumers. • Develop ways of effectively understanding the views and expectations of the consumer.

Objectives and Strategies

Strategic Pillar #3 - Effective Corporate Governance and Operations	
<p>Maintain an effective and engaged Board of Directors and senior staff.</p>	<ul style="list-style-type: none"> • Review and identify the skills sets and ideal composition for ongoing Board training and future renewal. • Ensure succession planning continues to be updated for senior leadership positions in the organization.
<p>Ensure financial sustainability.</p>	<ul style="list-style-type: none"> • Deliver cost-effective and client-responsive services. • Manage finances to ensure expenses are in line with revenues. • Provide for reserve funds that will appropriately meet the needs of the organization.