



**SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED**

Newsletter

28 March 2008

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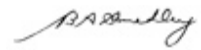
March 2008, the start of autumn, yet we set a record for the number of days exceeding 35 degrees Celsius and will end the month with the first rain since late February. While the weather has provided its vintage challenges, working in continuing heat also served a timely reminder to remember the health and safety impacts of heat and fatigue.

Speaking of health and safety, a number of wine industry incidents and accidents that have recently occurred (not all in South Australia) should make us all take a breath, reflect and consider whether there are risks that need to be better managed. Perhaps there are systems that should be reviewed, or maybe a need for better induction and training of new employees.

With vintage 2008 complete for some and finishing soon for others, you will see that governments are continuing to review and propose changes to legislation affecting your business. In this newsletter are important articles on changes to industrial relations laws that will commence soon (although the big changes are still to come!), and the proposed Bill on Workers Compensation to be debated in State Parliament commencing April.

The association will soon be in your region talking about these changes and the impacts and opportunities that the legislation provides.

If you have matters that you wish to raise for consideration by the association, or if you would like me to attend your site in my upcoming member visits, please let me know.



Brian Smedley

FEATURE ARTICLES

Major amendments to industrial relations laws

NB: The following article applies only to constitutional corporations covered by the Federal Industrial Relations system (Workplace Relations Act 1996).

Four major changes to the industrial relations system are incorporated in the *Workplace Relations Amendment (Transition to Forward with Fairness) Bill 2008*, which has been passed by the Federal Parliament and became operational from midnight on 27 March 2008.

The Bill:

- § Prevents the making of new Australian Workplace Agreements (AWA's)
- § Creates new Individual Transitional Employment Agreements (ITEA's) available for a limited time and for certain employees
- § Introduces a new no-disadvantage test for all future workplace agreements
- § Enables the Australian Industrial Relations Commission to undertake the process of modernising awards.

For the moment these changes do not alter employer obligations, including pay rates and conditions under applicable Notional Agreements Preserving a State Award (NAPSA). However, future pay rates and conditions may alter as a result of the process for modernising awards.

Now that the Act is operational, SAWIA will issue a Notice to Members setting out the detailed changes. In the interim, for more information, contact Sarah Hills (8222 9212 or sarah@winesa.asn.au) or Brian Smedley (8222 9274 or brian@winesa.asn.au).

Important changes proposed for workers compensation laws

NB: This article applies to all South Australian wine industry employers.

The State Government has tabled a Bill that proposes major changes to South Australian workers compensation laws, including:

- § **Weekly payments** reduce to 80% of weekly earnings after 13 weeks from the claim's commencement
- § **Work Capacity Reviews** will determine entitlement to ongoing compensation beyond 130 weeks (2.5 years), and the employee will need to provide evidence that the injury and their capacity to work remains compensable (this review will also apply to existing claims after an appropriate transition period)
- § **Lump sums for non economic loss (NEL)**, including the introduction of NEL for psychiatric injury and an increase to death benefits
- § **Dispute resolution** includes medical panels making decisions about medical matters, and weekly payments not being reinstated where worker obligation is disputed
- § **Common Law negligence** will not be reintroduced under current review proposals
- § **Restricting redemptions** are banned except in limited circumstances
- § **Levy cap** on employer levies will be lifted from 7.5% to 15%, with levy payments in advance
- § **Significant changes to self insurance**
- § **Wide ranging legislative and non-legislative initiatives.**

The changes are included in the *WorkCover Corporation (Governance Review) Amendment Bill 2008* and the *Workers Rehabilitation and Compensation (Scheme Review) Amendment Bill 2008*, which are expected to be debated in Parliament early April 2008.

These Bills are in response to the independent Clayton Walsh review commissioned by the State Government in response to the WorkCover Board's decision to consider proposals for addressing the scheme's increasing unfunded liability.

SAWIA will ensure members are kept informed of developments. If you have any questions or comments, please contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

Foreign Exchange – Exciting new offer for members!

With the recent strength of the Aussie dollar, and volatility in financial markets, managing foreign exchange transactions and exposures has become increasingly important for the South Australian wine industry.



SAWIA is delighted to welcome Bell Foreign Exchange (Bell FX) as a new wine industry partner, committed to supporting SAWIA and its members respond to these challenges through an extensive range of foreign exchange services.

Bell FX, a division of stockbroking and investment advisory firm Bell Potter Securities Limited, is headquartered in Adelaide, with a team of foreign exchange specialists focussed on providing a professional standard of service to the South Australian wine industry.

Bell FX services include competitive pricing in spot, forward foreign exchange contracts and foreign currency options. Additionally, it offers research, foreign currency accounts and fee-free remittances. For more information on the Bell FX offer to SAWIA members, access the link from the *Industry Partners and Member Offers* section on the Members' Home [page](#) of SAWIA's website.

Members interested in finding out more about the Bell FX offer, or wanting to arrange a visit from Bell FX, should contact Paula Overy (8222 9277 or paula@winesa.asn.au) or Marcia Burnett (8222 9271 or marcia@winesa.asn.au) of SAWIA to obtain your letter of introduction.

National fleet prices on motor vehicles



Mitsubishi is keen to remind members that its entire range of new vehicles is being offered to SAWIA members at national fleet prices! This offer should be of particular interest to small and medium sized members, with savings of thousands of dollars per vehicle.

While Mitsubishi is saying farewell to the 380 model, its imported product line-up is performing strongly with a sales increase of 23.6% over 2007. The outlook for Mitsubishi in Australia is very positive, with a raft of new models scheduled for launch during the coming year.

Mitsubishi offers a range of stylish, versatile and economic vehicles for your fleet. This includes the Pajero, Triton and Lancer.

To take advantage of this outstanding offer, members will need a 'letter of introduction' from the association to present to the Mitsubishi dealer of your choice. Members can arrange for this letter in advance by phoning Paula Overy on 8222 9277. Alternatively, members can select a vehicle, and then ask the dealer to phone the association and have the letter faxed or emailed direct to the dealer. The process is quick and easy, and can save you thousands of dollars.

Please note that, in accordance with the terms of the agreement, vehicles need to be registered in the business name of the member.

Harvest update

The *February 2008 Harvest Report*, available from the Australian Wine & Brandy Corporation's Winefacts [website](#), forecast a 2008 harvest of 1.55 to 1.65 million tonnes. This was below the record 2005 harvest of 1.925 million tonnes, but well above the drought and frost affected 2007 harvest of 1.397 million tonnes.

The report highlighted that the harvest was expected to bring some relief to domestic and international market concern over possible supply constraints, but still provide an opportunity to secure firmer pricing.

According to the report, the increased crush for 2008 was expected to arise from an overall increase in yields per hectare, with red yields expected to increase 20-25% and white yields up around 5%. The crush from the warm-inland regions was expected to be up marginally on last year, while the cooler-climate crush was expected to rise by around 40% due to yield increases.

The impact of the weather extremes in certain regions during March 2008 has yet to be quantified, and updated harvest information will be reported as it becomes available.

EMPLOYEE RELATIONS & OHSW

Wine Industry Salary & Benefits Survey 2008 – Participate now!

NB: This article applies to all South Australian employers.

The 9th annual Wine Industry Salary & Benefits Survey is now underway, and all wineries and growers are invited to participate. The survey is an important tool to help your business attract and retain good staff in an increasingly competitive environment, and be aware of the latest remuneration trends in the industry. Participants are entitled to a substantial discount toward the cost of the published survey results.

The 2008 survey will report salary data on a national and state basis, providing valuable factual information about the wine industry's salary and benefits practices and trends. The report will provide a comprehensive 'snap shot' of information as at 30 April 2008.

The 2008 survey will cover 50 positions in winemaking, viticulture, warehouse, sales, accounting, marketing, human resources and administration - typically those positions not covered by any industrial award regulation. More than 30 organisations of all sizes participated in the 2007 survey.

In addition to job salary information, the survey will provide valuable industry information on how pay is reviewed, when it is reviewed, salary movement percentages (actual and forecast), pay policy and practices, superannuation benefits, employer provided car practices, 'at risk' incentive payments and share schemes.

Survey and position description forms are now available, and need to be completed and returned by 12 May 2008. You can also [pre-order your copy](#) of the survey to ensure delivery on 10 June. If you wish

to participate, order a copy of the survey or need more information contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

Serious OHSW incidents – Important reminder for your business

NB: This article applies to all South Australian wine industry employers.

A number of serious incidents around Australia highlight the importance of ensuring that appropriate OHSW policies and procedures are in place throughout your organisation. Recent wine industry incidents, some of which resulted in death and / or serious injury, include:

- § Explosion and fire at a winery in the Hunter Valley region
- § Collision between a B-double truck and a harvesting tractor along the Sturt Highway in the Riverland
- § Collapse of a concrete platform holding fermentation tanks at a winery in McLaren Vale
- § A number of interstate incidents involving hoppers and / or augers.

There have also been reports that the prolonged hot spell in March may have contributed to a significant increase in injuries or unexplained errors / incidents during vintage.

Members are strongly encouraged to ensure that all personnel are adequately trained, and appropriate OHSW policies and procedures are in place across your organisation. The Wine Industry's OHSW Guidelines are an excellent tool to help you. To order your copy click [here](#), or for help with OHSW issues contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

Responsible Officer – New training requirements!

NB: This article applies to all South Australian wine industry employers.

Safe Work SA Advisory Committee's review has resulted in new training requirements for responsible officers being legislated by the South Australian government. The new four hour responsible officer training course covers the duties and role of a Responsible Officer, the legislative framework and occupational health and safety management systems.

This new approved course content supersedes other responsible officer courses delivered by Approved Training Providers (ATP) under the interim training arrangements that have been in place since late 2005. However, **all and any responsible officer training that has been undertaken by a responsible officer between 1 January 2003 and 29 February 2008 will be 'recognised' by SafeWork SA, provided it was delivered by an ATP.** Responsible officers who attended training during this period will be deemed to have satisfied their training requirements under the Act.

In summary, a Responsible Officer appointed:

- § before 15 August 2005 must complete required training by 14 August 2008 unless the person has already attended ATP delivered training
- § any time between 15 August 2005 and 14 August 2006 should have undertaken the required training within 12 months of his or her appointment
- § from 15 August 2006 should have undertaken the required training within 3 months of his or her appointment.

Non-compliance with the above training requirements is an offence under the *Occupational Health Safety and Welfare Act (1986)*. Members concerned they may be in breach of the Act should contact SAWIA immediately.

A Notice to Members with detailed information will be circulated in the near future. For further information, contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

Next Phase of Review

The next phase of the Safe Work SA Advisory Committee's review is to review the criteria for selecting Approved Training Providers. SAWIA has made a submission which places a particular emphasis on the benefit of industry associations (such as SAWIA) being able to provide responsible officer training for industry members. We will keep members informed as this review progresses.

EXPORT, PROMOTION & MARKETING

Export Market Development Grants reduced retrospectively for 2006/07

The Federal Government has recently advised exporters that a funding shortfall means second-round payments for 2006/07 Export Market Development Grants could be severely curtailed.

Austrade approved more than 3,500 Export Market Development Grants totalling \$145 million for 2006-07. However, so far it has only paid first instalments up to \$70,000 (out of a maximum of \$150,000), with many EMDG applicants facing a serious shortfall on the second instalment. Applicants expecting a grant payment in excess of \$70,000 for 06/07 will get much less than expected. We understand that this is likely to impact close to 1,000 exporters, including over 100 in South Australia.

Stuart Mitchell of Export Solutions, which has provided EMDG consulting services to a number of SAWIA export joint ventures, has warned that Austrade's decision to retrospectively slash export marketing development grants could "...financially cripple many companies which have already spent their money".

According to Stuart, when the EMDG budget has been underspent in past years, surplus funds have been returned to general revenue. Accordingly, "...exporters should not now be allowed to become the victims who are penalised and short-changed over a bureaucratic budget bungle."

Stuart has recommended that all exporters should voice their disapproval, since the EMDG funding level is still at risk for the 2007/08 year as well. He recommends sending a short email to Minister Crean's office (S.Crean.MP@aph.gov.au), Peter O'Byrne the CEO of Austrade (Peter.O'Byrne@austrade.gov.au) as well as your local MP - stating that you are not happy and that the shortfall in the payments for this year seems at odds with new government's commitment to the scheme in future years. This is particularly important given that, in the near future, the EMDG scheme will be subject to a review by the new Federal government.

SAWIA will be making a submission on behalf of members, however members are encouraged to voice concerns individually.

For more information, contact Stuart Mitchell of Export Solutions on 0439 859 199.

Hong Kong trade exhibition opportunities

After reducing duties on wine from 80% to 40% in the 2007/08 financial year, the Hong Kong government recently abolished duties on wine, beer and all alcoholic beverages (with the exception of spirits) in order to help promote Hong Kong as Asia's wine trading, distribution and investment centre. There are two upcoming events in Hong Kong that may be of interest to SAWIA members.

Vinexpo

More than 700 producers and exporters from 28 countries are expected to showcase the largest offer of wines and spirits ever presented in the Asia Pacific at Vinexpo (May 27-29) in the Hong Kong Convention and Exhibition Centre. For more information, visit www.vinexpo.com.

Hong Kong International Wine Expo

The inaugural Hong Kong International Wine Expo will be held from 14-16 August at the Hong Kong Convention and Exhibition Centre.

The event will feature leading wine producers, dealers and cellars from around the world in categories encompassing Liquor & Beverage Products, Wine Production & Logistics and Wine Accessories.

Australian or NZ Exhibitors will receive a 5% Early Bird Discount by registering before 31 March 2008. For more information, visit the Resources section of SAWIA's Export [webpage](#) or contact Toni Wade of the Hong Kong Trade Development Council on (02) 9261 8911 or toni.wade@tdc.org.hk.

China International Wine and Liquor Expo

Wineries are invited to participate at the 2008 (3rd) China International Wine and Liquor Expo being held 9-11 May at the Shanghai Exhibition Centre. The cost for a standard booth is US\$2010. Other activities will include a wine competition, tasting activities, welcome banquet and business conference and a wine trip in China.

For more information, visit the Export [page](#) of SAWIA's website or contact Adam Xu of Australian International Trade Association and Associates on coordinator@aita.com.cn.

Wine delegation to China

The South Australian Wine Industry Council (SAWIC) is planning a delegation to China, led by Agriculture Minister Rory McEwen, with a specific focus on wine.

Travel dates for the Minister will be 11-23 May 2008. The program includes meetings with food and wine importers in various provinces, meetings with government officials, visits to Hong Kong and Macau and opportunities to exhibit at the SIAL Exhibition in Shanghai.

SAWIC is working with the Australian Wine and Brandy Corporation to ensure the delegation is working in parallel with the Corporation's new marketing strategy. For further details email Nicola Kelly, Executive Officer for SAWIC, at kelly.nicola@saugov.sa.gov.au.

Wine Export Approval Report – February 2008

The Australian Wine and Brandy Corporation has reported that Australian wine export volumes declined 5% to 749 million litres in the year ended February 2008. Value declined 0.1% to A\$2.9 billion with average price growth of 5% to A\$3.86 per litre.

The main contributors to the downturn in volume were a 25% (57 million litre) decline in bulk wine shipments plus a 46% (8 million litre) decline in soft pack shipments. Partially offsetting this volume decline was a 5% (28 million litre) growth in bottled wine.

For more information, visit the Australian exports [section](#) of the Winefacts website.

UK wine duty increases

The Australian Wine & Brandy Corporation has reported an increase in the rates of duty on wine and spirits in the UK, one of Australia's major wine export markets.

The increase equates to 14 pence on the price of a bottle of wine, which means that people in Britain now pay more tax on wine than in any other European Union country.

OTHER

Water update

On 27 March 2008, the Commonwealth and State Governments announced agreement on an independent authority to take control of the stricken Murray-Darling Basin, and sweeping changes to management of the nation's most important river system. SAWIA is awaiting details of the agreement, and will advise members as further information becomes available.

In other water news, the Drought [page](#) of SAWIA's website contains a number of recent press releases and reports highlighting that:

- § Irrigation allocations in South Australia are likely to remain unchanged at 32 percent due to low inflows
- § Opening allocations for 2008/09 are likely to be very small, with a 50-50 chance of an opening allocation of up to 5 per cent
- § A \$6 million emergency measure was approved to pump water into Lake Albert from Lake Alexandrina to prevent soil acidification and reduce the risk of environmental damage
- § Funding was approved to construct a \$30.2 million salt interception scheme at Murtho in the Riverland
- § River Murray water users who plan to buy or lease water during April, May and June 2008 will be able to include this water in their applications for carry-over, subject to certain criteria – however carryover water allocations must still be lodged with the Department of Water, Land and Biodiversity Conservation by 31 March
- § With respect to carry-over, licence holders can not take more than 100 percent of their normal licensed water entitlements if allocations improve significantly during 2008/09
- § The State Government has commenced a process of planning for recovery in the River Murray system (e.g., priorities for allocating water).

Host Plus financial literacy program Ka-ching! Ka-ching!



SAWIA is delighted to report that wine industry partner, HOSTPLUS Superannuation, has won SuperRatings Fund of the Year and Money magazine's Best of the Best Super Fund Manager for two years running.

Part of the reason HOSTPLUS superannuation has won such prestigious awards is because of their proven commitment to members. *Ka-ching! Ka-ching!* is the name of an exciting new initiative, a series of financial literacy booklets/CD's designed to help HOSTPLUS members think about broader financial issues. *Skool Reunion* is the first edition in a series that will be released progressively by HOSTPLUS.

The presenter, Scott Pape (better known as the Barefoot Investor with a best selling book, radio segment and regular newspaper column), talks money in a language people understand. It is a fantastic way to inspire and educate the young and young at heart about how to live a rich life, in all its meaning.

For a free copy of *Ka-ching! Ka-ching!* contact Scott Vaughan on 8205 4964 or svaughan@mail.hostplus.com.au.

Wine Education for Korea and USA

Australian wine education now available in Korea

Koreans will soon be undertaking (Australian) wine appreciation courses at Woosong Information College in South Korea, as the result of an agreement between the college and SAWIA's National Wine Education & Training Centre. The NWETC's popular Understanding Wine course is to be offered as part of the curriculum at the South Korean college, enhancing the exposure of South Australian wines in this fast growing market.

During January, faculty from Woosong Information College attended an intensive 6 day training session led by SAWIA's Peter Leske at the National Wine Centre. Woosong staff learned about Australian wines with the intent of returning to Korea to offer a similar course to that currently offered in Adelaide at the National Wine Centre.

The new course will provide South Korean students with essential Australian wine knowledge, and develop their sensory evaluation skills for those wanting to pursue a career in hospitality management. Australian wines for the presentation will be sourced from an extensive list of distributors in Korea.

The Australian Wine & Brandy Corporation provided valuable support for this initiative through the Australian "World Class" DVD (Korean language version) and by organising a South Australian wine regional tour. Myung-Jin Kim (Australian Trade Commission, Business Development Manager - based at the Australian Embassy in Seoul Korea), supported the faculty throughout the educational program, and will continue to assist wine education initiatives within this emerging Australian wine market.

American students become Aussie wine ambassadors

For the second consecutive year, the National Wine Education & Training Centre (NWETC) hosted a delegation of students from Randolph Mason College in Virginia (USA), for an intensive Understanding Australian Wine course at the National Wine Centre.

As part of the liberal arts college system in the USA, students are encouraged to spend the month of January achieving a single course credit. Randolph Mason College has established a single credit study tour to Australia that visits several wine regions and incorporates the NWETC's popular Understanding Wine course.

Students participating in the course come from varied faculties including science, marketing, and the arts with an international consumer interest. While we don't know what professions may blossom, one thing is for certain - Australian wines will be in high demand in the town of Ashland, Virginia. Apparently the College has already started planning next year's tour!

SAWIA would like to thank the many wineries that have generously donated wines making the NWETC courses possible. For more information on NWETC courses, contact Marcia Burnett on 8222 9271 or marcia@winesa.asn.au.

Payroll Tax rebate for exporters

Members are reminded that employers are eligible to claim a rebate of 20% of payroll tax payable on the wages of employees engaged in generating eligible export earnings. The rebate is equal to 20% of the proportion of total payroll tax paid in South Australia which is attributable to South Australian export earnings in the rebate period.

Employers who have South Australian export earnings from value added goods and services are eligible. "Value added goods are those which have been manufactured, produced or processed in their final form in South Australia." RevenueSA has recently confirmed to SAWIA that this includes both bottled and bulk wine.

For more information, refer to RevenueSA's [Circular No. 222](#).

Wineskills Adelaide workshop

The final Wineskills workshop is scheduled for 12 -13 May at the National Wine Centre. A FarmBis subsidy has been obtained for South Australian wine producers, significantly reducing the cost of the workshop.

To register, or obtain more information, click [here](#).

Dates for your diary

2008

- § 3-7 April, [Vinitaly International Wine & Spirits Exhibition](#), Verona (Italy)
- § 22-25 April, [Food & Hotel Asia](#), Singapore
- § 8-10 May, [Seoul International Wine & Spirits Expo](#), South Korea
- § 9-11 May, [China International Wine and Liquor Expo](#), Shanghai
- § 11-13 May, [Australian Regional Economies Conference 2008](#), Central Coast
- § 12-13 May, [Wineskills](#), Adelaide
- § 13-16 May, [Spring Wine Mission to Japan](#)
- § 14-17 May, [Seoul Food & Hotel](#), South Korea
- § 20-22 May, [London International Wine Fair](#)
- § 27-29 May, [Vinexpo](#), Hong Kong
- § 3-5 June, [Interwine China 2008](#), Guangzhou (China)
- § 14-16 August, [Hong Kong International Wine Expo](#), Hong Kong
- § 5-7 November, [Wine & Gourmet ASIA 2008](#), Macau (China)

Industry Partners

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www.svs.com.au/wineindustry



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