



SOUTH AUSTRALIAN
WINE INDUSTRY ASSOCIATION

SOUTH AUSTRALIAN WINE INDUSTRY ASSOCIATION INCORPORATED

Newsletter

29 March 2010

[PDF Print version](#)

FEATURE ARTICLES

Fair Work Ombudsman targets horticulture industry!
New Wine Industry Partnership Plan / New SAWIC membership
Water policy – Now updated and including an action plan
National Packaging Covenant – SAWIA's Mentor Program scores 4½ stars!
Work and Family Grants Program – Funding available
SAWIA members receive grants to reduce energy and water use

EMPLOYEE RELATIONS & OHSW

Fair Work Australia – 2010 Annual Wage Review
Wine Industry Salary & Benefits Survey 2010 – Pre-order your copy now!
Award Modernisation update
National Injury Management Conference

SUSTAINABILITY & WATER

Water allocations increase to 62%
Treated Timber Guidelines – Updated release
Carbon Expo Australasia

SALES MARKETING & PROMOTION

Drinks Trade – Call for Cabernet Sauvignon
Expressions of Interest for Hong Kong
Wine Marketing Australasia 2010

OTHER

Winery Engineering Association Conference 2010
Family Business State Conference
Funding for regional events and festivals
New prospectus guides R&D priorities
Phylloxera and Grape Industry Board seeks nominations
South Australian Training Awards
Dates for your diary

Message from the Chief Executive

The *Wine Restructuring Action Agenda* information seminars, announced by the 4 national wine industry bodies, have commenced in South Australia with 100+ people attending the

Adelaide Hills / Fleurieu Peninsula seminar followed by 65+ attendees in the Riverland. Two further WRAA presentations (Barossa and South-East) are scheduled for South Australia in May, with SAWIA members urged to attend these sessions. The seminars have important messages for wine businesses to consider as they look to the future.

It is timely to note that adjustments to vineyard area are occurring, as highlighted by an aerial survey of the Riverland in January 2010. There is also evidence of adjustments occurring in other States. In May, SAWIA will distribute a survey of intent to SA wine businesses in order to establish a state wide picture of response to the messages of WRAA.

Vintage is proceeding with indications that 2010 will have a reduced harvest compared to last year. From all reports, we are expecting wines of high quality from most regions.

With the State election results fresh in our minds, there have been a number of changes to ministerial portfolios impacting on the wine industry. Michael O'Brien has been appointed to Agriculture Food and Fisheries, Paul Caica the previous Agriculture Minister moves to Environment, Conservation, Water and the River Murray and Tom Koutsantonis is the Minister for Industry and Trade and Small Business – just to name a few. There is much outstanding business that had been awaiting a new government to progress, and SAWIA is already instigating discussions to move the key agendas forward.

Members are encouraged to read the important *Member Update* that was sent recently to all members. It provides a comprehensive summary of the key activities of the association since July 2009, including important Industry/Government, Industrial Relations, OHS and Environmental matters. A copy is available from the News Section of the Members' Home page of SAWIA's [website](#).



Brian Smedley

FEATURE ARTICLES

Fair Work Ombudsman targets horticulture industry!

NB: This article applies to all wine industry employers.



The Fair Work Ombudsman (FWO) has launched a national campaign targeting compliance with the *National Employment Standards* and the *Horticulture Award 2010*. While the wine industry is unaffected thanks to SAWIA's successful campaign to argue and achieve a separate Wine Industry Award, it is a timely reminder that both wine producers and grapegrowers could be the subject of compliance audits in the future.

During March and April the FWO will conduct a horticulture industry award campaign to educate employers about the new Commonwealth workplace laws, with compliance audits to follow in May/June of this year. While this campaign targets the horticulture industry, some employers in the wine industry (particularly grapegrowers) have found themselves receiving notices they are on the list for an audit commencing in May 2010!

SAWIA members should already be aware that SAWIA was successful in its push for a separate *Wine Industry Award*. As one of the outcomes, the wine industry is specifically excluded from coverage under the *Horticulture Award 2010*. As a result, SAWIA has voiced serious concern to the FWO, highlighting the inaccuracy of the database being used. SAWIA would like to hear from any member that has received one of these notices, so that we can pursue this issue with the FWO.

While the FWO can be expected to focus on the wine industry at some time in the future, it also

possesses powers to investigate individual businesses where there is reasonable suspicion of non-compliance. There have been recent instances in the wine industry, both here in Australia and in New Zealand (by the FWO equivalent), of investigations into underpayments as a result of complaints made by employees. In both cases the employer has had to make “top up” payments. Breaches of the *Fair Work Act*, an award, an enterprise agreement or the *National Employment Standards* also expose an employer to a penalty, media coverage and a day in court!

All wine industry employers should act now to ensure compliance with legal obligations. This means understanding the applicable awards, *National Employment Standards* and other applicable industrial “rules”.

Upcoming training and assistance

SAWIA will be conducting training sessions in May and June to help wine producers and grapegrowers apply the *Wine Industry Award 2010*. The sessions will include application of the transitional provisions, practical examples of the most common problems being faced by employers, along with opportunities to improve efficiency and reduce costs through improved scheduling and other practices. The dates for these sessions will be advertised in early April.

If a wine industry employer has specific concerns about understanding or applying the new industrial laws such as pay or grading issues, staffing concerns or operation of ordinary hours, SAWIA can help at very reasonable rates. This includes on site audits and training sessions tailored to the specific needs of your business and employees.

For more information, contact Sarah Hills (8222 9212 or sarah@winesa.asn.au), Egon Schwidder (8222 9273 or egon@winesa.asn.au) or Michael Asmar (8222 9270 or michael@winesa.asn.au). SAWIA non-members are welcome to contact the association for information on how to join and ensure your business is prepared!

New Wine Industry Partnership Plan / New SAWIC membership

The South Australian Wine Industry Council (SAWIC) has officially released *Wine: A Partnership 2010–2015*, the new five year plan guiding the continued partnership between the state’s wine industry and government.

A small subgroup of SAWIC, including Brian Smedley of SAWIA, developed the document (available from the News section of the Members’ Home page of SAWIA’s [website](#)). It sets out a number of key strategies for particular concentration of effort – including attention being given to supply and demand, water resources, human capital (leadership, skills and workforce), wine tourism and biosecurity. The next step will be development of an operational plan, and once that plan is adopted by the South Australian Wine Industry Council (SAWIC) the real work can commence!

Past industry plans helped with a number of significant achievements in recent years including delivering the South Australian Wine Industry Employment Strategy and establishing the Wine Innovation Cluster on the Waite Campus of the University of Adelaide.

SAWIA will be looking for members who are interested in being involved in partnering groups to work on each of the strategies consistent with the operational plan. Please take the time to review the Partnership Plan to identify areas where you have particular areas of interest and expertise and would like to contribute.

At SAWIA’s instigation, another subgroup of SAWIC has been actively considering reconfiguring the council from some 28 members to make it more efficient and effective. SAWIC approved the reconfiguration to 10 members on 15 March, and the next stage is for the responsible Minister to make a decision and then call nominations for the new Council.

Contact Brian Smedley on 8222 9274 or brian@winesa.asn.au for more information.

Water policy – Now updated and including an action plan

SAWIA's *Water to Wine* water policy for the South Australian wine industry has been updated to reflect recent developments impacting on our water use, including:

- § Changes in the domestic and export wine market outlook
- § Continuing drought in Australia and its impact on water availability and quality
- § Development of market based water trading systems
- § Updated projections of the impacts of climate change.



Water to Wine was originally released by SAWIA in 2006 in order to provide SAWIA's members and other stakeholders with detailed guidance and a framework within which the South Australian wine industry might better plan for its future.

The 2009/10 update highlighted the need for an accompanying plan with specific actions targeted at addressing the key issues facing the industry. Both the policy and action plan have been approved by the association's Executive Committee, and are available for members to download from the Environment -> Resources section of SAWIA's [website](#).

A general summary of the policy and action plan can be downloaded from the Noticeboard of SAWIA's home [page](#).

For more information, contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

National Packaging Covenant — SAWIA's Mentor Program scores 4½ stars!



The National Packaging Covenant has awarded SAWIA's Mentor Program 4½ stars for its *2008/09 Annual Report*, commenting that "...SAWIA is an exemplary Association both for the pro-active role it takes with members and the quality of its documentation." The Mentor Program also noted that SAWIA's newly developed reporting tools made a significant positive impact on the reporting process.

For a number of years, SAWIA has saved members significant time and money through a group mentoring program that helps businesses meet reporting requirements by submitting action plans and annual reports on behalf of the whole group.

Mentor program participants simply enter the data and information into the reporting templates, which SAWIA then combines for reporting purposes. All data is treated confidentially and reported anonymously, with the end product available for benchmarking purposes.

If you are interested in joining SAWIA's Mentor Program, or require further information, please contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

Work and Family Grants Program – Funding available

SAWIA recently issued a *Notice to Members* advising of funding available under a grants program announced by the Federal Government. Essentially the Program is to provide grants (of up to \$15,000) to assist small businesses with meeting the set up costs or establishment of family friendly arrangements that suit the individual needs of the business.

Applications close on 31 March 2010, with details available from the News Section of the Members' Home page of SAWIA's [website](#). For more information, SAWIA members can contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

SAWIA members receive grants to reduce energy and water use

A number of SAWIA members were recently offered government grants to improve energy and water usage through AusIndustry's *Re-tooling for Climate Change* program. In round 4 of the grants, Possums McLaren Vineyards was offered a grant to insulate 12 fermentation tanks to significantly reduce the refrigeration requirement and greenhouse gas emissions during the fermentation phase of winemaking and wine storage.



Tarac Technologies was offered a grant for an energy reduction program through reconfiguration of their continuous distillation system to reduce energy consumption and enable production of higher quality product for the export market.

The *Re-tooling for Climate Change* program provides grants of between \$10,000 and \$500,000, up to a maximum of half of the cost of each project. For further information about the program, contact AusIndustry on 13 28 46 or hotline@ausindustry.gov.au. For assistance or advice in the planning and preparation of grant applications, SAWIA members can contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

EMPLOYEE RELATIONS & OHSW

Fair Work Australia – 2010 Annual Wage Review

NB: This article applies to all wine industry employers.

The Australian Council of Trade Unions is seeking a \$27 a week rise for award-dependant employees under Fair Work Australia's Annual Wage Review for 2010. If the ACTU claim is granted the federal minimum wage would increase from \$543.78 to \$570.78. Under the *Wine Industry Award 2010*, a \$27 a week increase would represent a 4.9% increase for Grade 1, through to a 4% increase for Grade 5.

SAWIA is very concerned about this proposed increase, and has prepared and lodged a submission on behalf of members that strongly opposes it. The submission highlights the issues affecting the wine industry including the financial impact of the introduction of "modern awards" on employers (which are yet to be fully realised), on-going water restrictions, level of employment, global financial crisis, rising Australian dollar, extremely difficult trading conditions and the need to respond to the restructuring action agenda facing the wine industry.

Any variation to modern award minimum wages and the national minimum wage order resulting from the review will come into operation from the first full pay period on or after 1 July 2010.

SAWIA will keep members informed of developments. In the interim, members can direct any questions or comments to Sarah Hills (8222 9212 or sarah@winesa.asn.au), Egon Schwidder (8222 9273 or egon@winesa.asn.au) or Michael Asmar (8222 9270 or michael@winesa.asn.au).

Wine Industry Salary & Benefits Survey 2010 – Pre-order your copy now!

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



SAWIA's 10th annual *Wine Industry Salary & Benefits Survey* will be available on 7 June 2010. The survey will provide valuable information about practices and trends in the wine industry at a

national and state level. The 2010 Survey covers 60 positions across winemaking, viticulture, warehouse, sales, accounting, marketing, human resources and administration - typically those positions not covered by any industrial award.

In addition to job salary information, the survey covers matters such as 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. Following on from the 2009 survey report, the 2010 report will also report a subset of salary data for smaller businesses (sales revenue < \$10M per annum).

[Order your copy now](#) for delivery on 7 June 2010. If you want to participate in the survey or need more information, please contact Michael Asmar on 8222 9270 or michael@winesa.asn.au.

Award Modernisation update

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

As reported in SAWIA's February newsletter, the Australian Industrial Relations Commission (AIRC) recently published drafts of a number of awards with residual variations (including the *Wine Industry Award 2010*). For the *Wine Industry Award 2010*, the residual variations dealt with changes in terminology and statutory references, typographical and formatting issues and changes in standard or model provisions.

SAWIA reviewed the residual variations in awards relevant to the wine industry, and subsequently advised the AIRC we had no opposition to the proposed changes. On 16 March the AIRC then published the *Wine Industry Award 2010*, including the residual variations, which operate from 1 January 2010.

A copy of the updated *Wine Industry Award 2010* is available from the Employee Relations -> Modern Awards & NES page of SAWIA's [website](#).

If you have any questions, please contact Egon Schwidder (8222 9273 or egon@winesa.asn.au) or Michael Asmar (8222 9270 or michael@winesa.asn.au).

National Injury Management Conference

The 4th ARPA National Injury Management Conference is scheduled for 16-18 May 2010 in Sydney. The forum will focus on a range of issues around returning people to work quickly and safely, and is suitable for HR and/or company managers. For more information, click [here](#).

SUSTAINABILITY & WATER

Water allocations increase to 62%

On 15 March 2010 the Department of Water, Land and Biodiversity Conservation announced that SA River Murray allocations increased to 62%. South Australia has been provided with an estimated 90 GL improvement, which allows for a 7% general allocation increase and additional water for the Lower Lakes.

Given this latest increase, the Government has also decided to extend the deadline for applications for the 2010-11 Carryover Scheme from 19 March to 31 March 2010.

For more information about the Murray-Darling Basin visit www.mdba.gov.au.

Treated Timber Guidelines – Updated release



SAWIA's *Treated Timber Waste Management Guidelines* have been updated (Version 1.1) to clarify the definition of general environmental duty (as defined by the *Environment Protection Act 1993*) in respect of burning, provide specific requirements for testing laboratories and disposal sites, and specify that waste disposal facilities must be licensed by the EPA.

The Guidelines address many of the risks and hazards associated with the management of treated timber, especially used CCA (copper chromate arsenate) vineyard posts. They also set out the recommended practices for storage and transport management in an easy to read tabular format. Version 1.1 of the Guidelines is now available from the Noticeboard of the Home page of SAWIA's [website](#).

SAWIA members wanting further information should contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

Carbon Expo Australasia

Carbon Expo Australasia, Australia's premier carbon business trade fair and conference, is being held in Melbourne 11-13 October 2010. For more information, visit www.carbonexpo.com.au.

SALES MARKETING & PROMOTION

Drinks Trade – Call for Cabernet Sauvignon

Drinks Trade, the magazine of the Liquor Merchants Association of Australia, is inviting product samples for review by a panel of experts in its regular section called "Wine List". The magazine is direct mailed to over 18,000 licensed venues and outlets nationally.

The June/July 2010 edition of *Drinks Trade* will include the results of a tasting of Cabernet Sauvignon wines, and Cabernet Sauvignon dominant blends, both with RRP above \$10. The panel will assess not just the wine but the price points to select a "best value" pick in each category. The commercial or consumer appeal of the wine will also be assessed. Rankings or scores will not be published. The panel is made up of representatives from the wholesale, retail, educator, marketing and service side of the wine industry.

To participate, samples must be submitted by 16 April. For more information on submitting your samples, visit the Noticeboard of the SAWIA Export page in the members' area of the association's [website](#).

Expressions of Interest for Hong Kong



A South Australian based business is seeking expressions of interest from wineries looking to sell wines in Hong Kong. The business will initially be conducting a variety of events and wine tastings, with the objective of establishing a retail store in the central district of Hong Kong later in 2010. It is intended that the store will exclusively sell Australian wines – with a strong focus on premium wines, including organic, bio-dynamic and limited release wines.

This opportunity could suit small to medium sized wineries not already represented in the Hong Kong market.

For contact details, SAWIA members can phone Linda Pfefferkorn on 8222 9277 or email linda@winesa.asn.au. Members will need to undertake appropriate due diligence regarding this opportunity.

Wine Marketing Australasia 2010

Wine Marketing Australasia 2010 is scheduled for 7-9 June in Adelaide. The event will provide a forum of information and inspiration for new business ventures and established industry brands, addressing key issues and demonstrating how to effectively position brands and achieve maximum exposure domestically and overseas.

Presentations include topics such as the current global marketing campaigns from some of Australia's leading brands, practicalities of distribution in Asian markets, alternative ways to market and distribute a product and the science behind consumer choice.

To register or obtain more information, click [here](#) or contact the Tonkin Corporation on 02 9224 6060 or conferences@tonkincorporation.com.

OTHER

Winery Engineering Association Conference 2010

Supporting Innovation in Winemaking is the focus of the Winery Engineering Association Conference being held 19-20 May 2010 in the Barossa.

Delegates will have the opportunity to learn about innovative solutions to winery challenges. Presentations and research papers will cover a wide range of topics such as light weight bottle handling, reducing costs by increasing air filtration efficiency and biological wastewater treatment.

To register or obtain more information, click [here](#) or contact Trevor Leighton (0417 597 956 or tleigh@bigpond.net.au).

Family Business State Conference

The 2010 Family Business (SA) State Conference in Adelaide on 6 May will focus on creating a dynamic workforce of family and non family employees, and developing a family constitution that provides clear terms for family members joining the workforce.

Earlybird rates are available until 1 April 2010. For more information, or to register, contact Heather Dowling on 8376 5598 or click [here](#).

Funding for regional events and festivals

The South Australian Tourism Commission is inviting applications for funding support from the Regional Events and Festivals Program for event promotion, media and marketing activities.

The closing date for applications is 30 April. For more information, click [here](#), or contact Hannah Kilmore on 8463 4706 or Hannah.kilmore@tourism.sa.com.

New prospectus guides R&D priorities

The Strategic Directions Group, a joint initiative of three of the national wine industry bodies, has released a new Research Prospectus with four themes to guide investment decisions over the next three years – consumer focus, integrated grape growing and winemaking, environmental sustainability and sector development.

The 28-page document [Innovation Driving Sustainable Success](#) is designed to inform investment decisions, and help researchers and investors identify opportunities to partner on projects.

Phylloxera and Grape Industry Board seeks nominations

Expressions of interest have been called for appointments to the Phylloxera and Grape Industry Board of South Australia, which is charged with protecting South Australian vineyards from phylloxera and other major pests and diseases.

A selection committee will consider all expressions of interest with a view to making nominations for consideration of the Minister for Agriculture Food and Fisheries. Appointments to the Board are for a three year period commencing October 2010.

The closing date for applications is 30 April 2010. To obtain an application form or further information, contact Alan Nankivell on 8362 0488 or alann@phylloxera.com.au.

South Australian Training Awards

Nominations are now open for the 2010 South Australian Training Awards, an opportunity for individuals and organisations to be recognised and rewarded for innovative approaches to training. A wide range of awards include Training Initiative of the Year, Employer of the Year and Small Business of the Year.

Prospective nominees are invited to attend a free 2-hour information workshop on 12 April or 29 April. To register for these sessions, or obtain a nomination form, visit www.satrainigawards.sa.edu.au or phone 8226 2335. Entry is free and nominations close 28 May 2010.

Dates for your diary

2010

- § 8-12 April 2010 - [Vinitaly](#), Verona
- § 19-20 April, [Industrial Energy Efficiency Forum](#), Melbourne
- § 20-23 April, [Food & Hotel Asia](#), Singapore
- § 23-25 April, [China International Wine & Spirits Exhibition](#), Beijing
- § 4 May, [Wine Restructuring Action Agenda](#), Angaston
- § 6-8 May, [Seoul International Wines & Spirits Expo](#), Korea
- § 6 May, [Family Business Australia \(SA\) State Conference](#), Adelaide
- § 8-10 May, [Shanghai Intn'l Wine & Beverages Trade Fair](#), China
- § 11-13 May, [Export Procedures Course](#), Adelaide
- § 12-15 May, [Seoul Food & Hotel](#), Korea
- § 13 May, [Wine Restructuring Action Agenda](#), Penola or Naracoorte
- § 14-16 May, [Export Procedures Course](#), Adelaide
- § 12-16 May, [Thaifex 2010](#), Bangkok
- § 15-16 May, [Clare Valley Gourmet Weekend](#)
- § 16-18 May, [4th ARPA National Injury Management Conference](#), Melbourne
- § 18-20 May, [London International Wine Fair](#)
- § 19-20 May, [Winery Engineering Association Conference](#), Barossa
- § 1-3 June, [TopWine China](#), Beijing

- § 4-6 June, [Good Food & Wine Show](#), Melbourne
- § 7-9 June, Wine Marketing Australasia, Adelaide
- § 3-8 July 2010, [Aust. Wine Industry Tech. Conf & Exhibition](#), Adelaide
- § 26-29 August, [Taste of Melbourne](#)
- § 9-10 September, [Drink World Congress](#) (Asia-Pacific), Hong Kong
- § 15-18 Sept, [Food & Hotel Thailand](#), Bangkok
- § 11-13 October, [Carbon Expo Australasia](#), Melbourne
- § 19-20 October, Wine Industry Outlook Conference, Melbourne
- § 28-30 October, [Wine and Gourmet Asia](#), Macau
- § 4-5 November, [Drink World Congress](#) (Europe), Milan
- § 11-13 November, [FHC China 2010](#), Shanghai

2011

- § 17-18 March, [Drink World Congress](#) (Americas), New York
- § 9-10 June, [Drink World Congress](#) (CIS), Moscow

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