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Message from the Chief Executive

A captain of industry and someone who wore the cap, a man larger than life with an intellect and strong contribution to make, a man who knew the meaning of family, friendships and relationships. Such were the descriptions of a man called **Bruce McDougall**, who came to South Australia in 1993 and worked in the wine industry until his death last week. It was my privilege to attend his funeral, not only to represent SAWIA members and staff but to honour a man who was fiercely loyal to SAWIA over the last 18 years and provided information based on experience and was free with his advice. Bruce, an honorary life member of SAWIA, made a substantial contribution to the SAWIA Executive Committee and the Finance & Audit sub-committee and is already missed for his humour, sound judgement and wise counsel. Vale Bruce McDougall.

SAWIA continues to strongly represent members across a wide range of government and industry matters. This includes an options paper on the review of the South Australian Holidays Act (which sets and regulates public holidays), a draft state wide plan for Natural Resource Management (NRM), the review of the Fair Work Act (Cth), the 2012 review of modern awards and the recent release of the Murray Darling Basin Draft Plan. These are matters of critical importance to the wine industry. While the wine industry is strongly represented, many other industries are not. For example, at a recent important NRM session less than 10% of invited industry representatives attended. Be assured, the wine industry voice is present and accounted for!

I would like to **thank members** for your continued support of SAWIA. Many of you take pride in your association and provide invaluable support by volunteering time to participate, advise and/or assist us in the job that we do. Given the current state of the wine industry, we are very conscious of the need to maximise benefits while minimising costs to members.

With 2012 rapidly approaching SAWIA will continue to strongly represent members' interests. The year ahead has many challenges for SA wine producers and grape growers and **your input is important** in completing the work that we do.

All **staff will be taking a break over the Christmas / New Year period**, with the SAWIA office closed from 23 December 2011 and most of the staff back for the re-opening on 3 January 2012.

On behalf of all SAWIA staff, I take the opportunity to wish each of you a very merry Christmas, success in all that you do for the coming New Year, and for those who are taking a well earned break prior to vintage 2012 – enjoy and be safe in all that you do!



Brian Smedley

FEATURE ARTICLES

Carbon price now law

Australia will have a price on carbon from 1 July 2012 under the new Clean Energy Future Package laws. According to the Federal Labor government, by the year 2050 major reductions in emissions are expected including:

- 90% of expected waste emissions
- 76% of expected electricity emissions
- 62% of expected fugitive emissions

- 53% of expected industrial process emissions.

More information on the implementation of the Clean Energy Future Plan can be found [here](#).

As part of SAWIA's ongoing proactive engagement with State and Federal governments, SAWIA will be releasing a number of newsletter articles and Member Bulletins that will help members to understand, apply and adapt to the new laws. SAWIA will also help members to identify and access significant government funding opportunities.

Responding to the new carbon price laws

- **Is your business ready for a low carbon economy?**
- **Do you know how a carbon price will impact on your business, which costs will rise and by how much?**
- **Are you taking proactive steps to reduce costs and improve efficiencies?**
- **Are you accessing the wide range of government funding assistance now available?**

A number of key initiatives are available through the South Australian Wine Sector Agreement to help your business respond to the challenges of the new laws while reducing costs and improving efficiencies. This includes free workshops, free business reviews and a range of other business improvement opportunities such as help developing an environmental action plan. However, this help is available for a limited time only!

Biodiversity funds available

Australia's farmers and other land managers can now apply for funding under the Biodiversity Fund, which is part of the Clean Energy Future Plan. The ongoing Biodiversity Fund has been allocated \$946 million over the first six years of the program and will support projects that:

- Expand native habitat through planting mixed vegetation species appropriate to the region
- Protect, manage and enhance high conservation value native vegetation for its carbon storage and biodiversity benefits
- Control the threat of invasive pests and weeds.

Applications for the first round of funding will close on 31 January 2012.

For more information about how your business can respond to the new carbon laws, including accessing government funding, SAWIA members should contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

South Australia delays the introduction of new Work Health and Safety Laws

The new Work Health and Safety (WHS) legislation will not begin in SA on 1 January 2012 as previously planned, with the South Australian Parliament recently voting to adjourn debate until 14 February 2012.

It would be fair to say that the South Australian Parliamentary process has only delayed the passage of this legislation, not stopped it. To date, New South Wales, Queensland, Northern Territory, the ACT, and the Commonwealth have passed the "harmonised" Work Health and Safety Laws and are ready for implementation in January 2012. Tasmania has also passed the new legislation but has not yet specified a commencement date. Both Western Australia and Victoria are progressing their legislation with the aim of commencing the new laws on 1 January 2013.

SAWIA will ensure members continue to be informed about the passage of this important legislation. For more information, SAWIA members can contact Egon Schwidder on 8222 9273 or

Retention of Title (Romalpa) clause – New legislation to result in important changes



Major changes to the use of a Retention of Title (Romalpa) clause are being introduced under the new Personal Property Securities Act (PPSA). **The new legislation is particularly relevant to wineries that use Retention of Title clauses to protect sales of wine to Australian wholesalers, retailers and other distributors.**

In the past, use of this clause in a contract for the sale of goods has resulted in the title remaining vested in the seller until certain obligations (usually payment of the purchase price) are fulfilled by the buyer. In the event of default, the vendor's title to the goods has been protected allowing goods to be repossessed. Under the new legislation, this is unlikely to remain the case.

The new PPSA Act, and the all important PPSA Register, is expected to commence in early 2012 (currently scheduled for 30 January but potentially to be delayed). Wine industry businesses will need to know when and how to use the register – with important implications around Retention of Title for goods and leased or hired equipment. PPSA Registration will also bring with it some significant improvements for vendors relating to preferential and priority payments.

Ensuring your assets benefit from the maximum protection afforded under the PPSA is obviously important. However, all of these protections and potential gains will be for nothing if vendors do not register or fail to register correctly!

National Credit Insurance, SAWIA's Wine Industry Partner, can help you to understand and apply the new legislation – including ensuring your debtors are registered correctly.

For more information about the PPSA, and how NCI can help with PPSA Registration, visit the Noticeboard of the Members' Home page of SAWIA's [website](#). SAWIA members are also welcome to contact Amanda Lake of NCI on 8228 4833.

Young Winemaker of the Year



Please join us in congratulating Dan Swincer, who at age 30 has been crowned the 2011 Wine Society Young Winemaker of the Year.

The winemaker from long-time SAWIA member, Orlando Wines, won the highly contended title with his Orlando 2008 Gramps Botrytis Semillon and 2007 JC Barossa Steingarten Riesling.

Dan attributed his success to being passionate and excited about winemaking, while wanting people to have fun and not be intimidated by wines. Dan also highlighted that the award is "...about the team back at the winery and highlights the skill and passion of everyone involved in the Jacob's Creek team."

Dan's wine journey began at Adelaide University where he completed a degree in Oenology. Since finishing his studies in 2003 he has worked in the Barossa, Napa Valley, Coonawarra and Sunraysia before joining the white and sparkling winemaking team at Orlando Wines, Rowland Flat, in 2007.

INDUSTRY & GOVERNMENT

Character Preservation – Barossa and McLaren Vale

As reported in the November newsletter, SAWIA has made an important submission responding to the State Government's Character Preservation Bills which were introduced into State Parliament in September. SAWIA's October submission supports the intent of the bills, but we have raised concerns about the content of the bills and the interim Development Plan Amendment. A copy of SAWIA's submission is available from the Noticeboard of the Members' Home page of SAWIA's [website](#).

With the recent change in ministerial portfolios, the Department of Planning is now responsible for managing these bills. Over 470 submissions were received by the Government following the bills being tabled in Parliament, but as yet submissions aren't available on the website because many were received as hard copies. Minister Rau remains the responsible minister for the passage of these bills.

With State Parliament resuming on 14 February it is unlikely we will hear any response from the Government before that date. To obtain more information or discuss this matter further, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

Forests – A win for wine industry and the environment

Important news for the wine industry and the environment, with the new *Natural Resource Management (Commercial Forests) Bill* requiring that plantation forests need to be licensed or have a permit to use water. While science has shown that plantation forests have an effect on available water supplies, only now do all water taking activities have to be considered in Water Allocation Plans.

This result will have the greatest impact in the Adelaide Hills and Coonawarra wine regions, and has been achieved after a concerted lobbying effort over an extended period. SAWIA is pleased to have supported the hard work of the Coonawarra wine region, establishing a level playing field for all water users.

To obtain more information or discuss this matter further, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

State Government Red Tape Review

SAWIA has been advised that the Red Tape Competitiveness Council will be reviewing the liquor license approval process – at long last! SAWIA is hopeful the review will result in a better process for our industry.

SAWIA members may recall that SAWIA made a submission regarding the application process to obtain a liquor license – way back in 2009! Thanks must go to one SAWIA member who carefully documented the extensive and frustrating process they had to go through to make an application for a license. It proved a good example of the paperwork and complicated process, highlighting the need for a simple and efficient procedure.

To obtain more information or discuss this matter further, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

Food Labelling Laws – Blewett Review

SAWIA is pleased to advise that the Government has responded to the recommendations from the Blewett Review, and those recommendations are considered favourable for our industry. Members were sent an email on 30 November that set out the detail of each recommendation.

Some media reported recently that mandatory pictograms of pregnant ladies will be legislated in two years, but the government recommendation is that will be considered based on the response of the industry and its take up on a voluntary basis over the next two years.

For a copy of the email setting out each recommendation, or to discuss this matter further, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

Spray drift reporting

It was recently reported to SAWIA there had been some herbicide damage in Langhorne Creek, and the affected landholders were encouraged to report the incident. An incident report form and other information is available from the PIRSA bio-security [website](#).

Chemical drum labels set out general instructions when spraying (e.g. wind speed, temperatures and changes in conditions), however spray drift continues to be an issue. In recent discussions with wine regions, it was clear the best results are achieved when various agricultural groups in each region talk to each other about their concerns regarding spray drift and the impact it has on various crops.

To obtain more information or discuss this matter further, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

EMPLOYEE RELATIONS & OHSW

Independent contractor or employee?

Engagement of genuine independent contractors can provide employers with flexibility around the size and location of their workforce to meet short term changes in demand and the need for specific skills or resources. However, "sham contracting" has recently been in the spotlight with the Fair Work Ombudsman releasing a report in November showing it is rife in several industries. Employers who engage in this practice face litigation by the Federal Court of Australia or Federal Magistrates Court.

So how can you determine a genuine independent contractor and when should you not use them? SAWIA will be providing members with fact sheets to assist with answering this question and some tips and traps in utilising contract labour. This will be particularly important with the anticipated commencement of the new Work Health and Safety laws in the near future.

The first fact sheet, about determining an independent contractor, is available from the Noticeboard of the Employee Relations -> Federal IR page of SAWIA's [website](#). SAWIA members are welcome to contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au for more information.

Review of Modern Awards – Possible changes to Wine Industry Award

SAWIA has seized the opportunity to put forward a business case to vary certain aspects of the *Wine Industry Award 2010*, continuing our strong representation of members in industrial relations matters.

Pursuant to the *Fair Work (Transitional Provisions and Consequential Amendments) Act 2009*, Fair Work Australia (FWA) must conduct a review of all modern awards as soon as practicable after the second anniversary of the Fair Work commencement day, being 1 January 2012.

SAWIA will be making an important submission on behalf of members, with the objective of ensuring the important issues and concerns of employers are addressed. As part of this process, SAWIA will be surveying wine industry employers with a particular focus on varying the *Wine Industry Award 2010*.

SAWIA would like to learn more about the challenges employers are facing operating under the Award, and the key aspects that SAWIA should address in our submission. In order to succeed in changing the Award, supporting evidence will be required – although this evidence will be provided anonymously.

SAWIA will be contacting members shortly with the opportunity to participate in the survey. SAWIA will also keep a watching brief on other modern Awards that are used in the industry, ensuring members are well represented with regard to any amendments that could impact on our industry.

Submissions are due by 8 March 2012, with the FWA expected to produce a more detailed timetable at that time. For more information, SAWIA members can contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

Call for submissions - Fair Work Australia Annual Wage Review 2011-12

SAWIA is preparing a key submission on behalf of members with regard to Fair Work Australia's Annual Wage Review 2011-12. Our submission will ensure Fair Work Australia fully understands the issues affecting the wine industry including the impact of modern awards, water restrictions, the flow on impact of exchange rates on exports of Australian wine, employment levels and the oversupply of grapes.

Any variation to modern award minimum wages and the national minimum wage order resulting from the review comes into operation from the first full pay period on or after 1 July 2012.

SAWIA members are invited to raise any issues or concerns that should be addressed in SAWIA's submission. Comments can be directed to Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

Review of Public Holidays Act 1910 – Call for feedback

The State Government has announced a review of the South Australian *Holidays Act 1910* which is open for public consultation until 21 December 2011. The review aims to provide clarity to the general community, employers and employees about when public holidays are observed in South Australia. The review also aims to ensure, as far as possible, that South Australia's legislation is consistent with other states and territories. This recognises the interests of national conformity and consistency, and the fact that private sector employers and employees are part of the national system of industrial relations.

The Government's review will also take into account the recent announcement by the Premier, the Hon Jay Weatherill MP, that the Government intends to extend shop trading hours on most public holidays in the Central Business District of Adelaide, and to create part day public holidays from 5pm until midnight on Christmas Eve and New Year's Eve. These changes will not apply in

the 2011 year.

SafeWork SA has prepared an Options Paper, highlighting various issues associated with the current provisions of the Act, in order to provide a focus for a broader review of the Act.

SAWIA, with input from our Employee Relations Committee, will be making a submission on behalf of members. Any SAWIA members who are interested in contributing to the review are welcome to contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au before 16 December 2011.

Reminder to employers about vintage casuals

With thousands of young people taking on casual work over the holiday season, or starting a first job, employers are reminded to ensure the protection of new employees – particularly young workers. Young, inexperienced people or employees with limited English entering the workforce can be vulnerable in a number of ways.

SAWIA members should visit the Noticeboard of the Employee Relations -> Federal IR page of SAWIA's [website](#) for more information, or contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

New WorkCover Legislation - Employer Payments

On 1 December 2011 the South Australian Parliament passed legislative changes to the WorkCover Scheme, aimed at creating a new payment system for employers (to replace the existing levy system) and amending certain sections of the *Workers Rehabilitation and Compensation Act 1986*.

The changes will take effect from 1 July 2012 when the existing levy system will be replaced. The term 'levy' will be replaced with the term 'premium' and WorkCover SA will be introducing an Experience Rating System to calculate the premium for medium and large employers.

Employers who currently pay more than \$20,000 per annum to WorkCover SA will likely be considered a medium or large employer, and their premiums will be calculated based on the industry rate, the remuneration paid to workers and the employer's claims experience. Employers with a claims experience better than the industry's average will pay a lower premium, while those with worse performance will pay more. The system aims to reward those employers who have a strong focus on workplace health, safety and injury management.

To help members understand these changes, WorkCover SA will be offering consultation sessions for employers. SAWIA will also produce and circulate a fact sheet for members outlining the changes and what the proposed consultation will cover.

For more information SAWIA members should contact Sarah Hills on 8222 9212 or sarah@winesa.asn.au.

SUSTAINABILITY & WATER

Murray Darling Basin Authority – Draft Basin Plan

SAWIA members will already be aware that the [Murray Darling Basin Authority – Draft Basin Plan](#) was released on 28 November.

The first consultation meeting for South Australia was held in Murray Bridge on 9 December 2011. There are a series of meetings scheduled around the state for the remainder of 2011 and early in 2012.

Concerning South Australia, the Riverland has been noted as vulnerable, with a potentially large impact on the community. SAWIA's Environment Committee commenced its review with a presentation on the content of the plan and the potential impact on the wine industry. Over the coming months SAWIA will continue to consider the impact and a wine industry response. The call for submissions closes on 16 April 2012.

To obtain more information or discuss this matter further, SAWIA members can contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

Draft State Natural Resource Management Plan

SAWIA is finalising a submission that highlights a range of key concerns with the Draft State Natural Resource Management Plan. Lack of engagement with industry is an important issue, exemplified by only 10% of the 130 invited industry groups attending a recent discussion group – although SAWIA members can be assured that SAWIA was well represented and had a lot to say!

Other key issues include:

- Extensive time taken for delivery of the water allocation plan
- Plan wording is very generic
- Targets lack specificity
- State of the natural resources lack transparency
- Assessments are based on subjectivity.

A copy of SAWIA's submission will be available in late December from the Noticeboard of the Members' Home page of SAWIA's [website](#). To obtain more information or discuss this matter further, SAWIA members can contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

NRM Board call for members

The South Australian Murray Darling Basin NRM Board is seeking nominations for group member vacancies. In the past the wine sector has not had strong representation on such Boards, and it would be in the industry's interest to redress this. Members interested in nominating should recognise the significant time commitment that is required.

The deadline for applications has been extended to 30 December 2011. For more information, SAWIA members should contact Mark Gishen urgently on 8222 9278 or mark@winesa.asn.au.

SALES MARKETING & PROMOTION

Market Development Project update

The State Government has provided \$250K each year for 4 years to fund wine industry market development projects. An annual operating plan is prepared and lodged to access funding.

To date the focus has been on education and SAWIA has run a series of workshops throughout the regions. The first was 'Establishing Your Point of Difference', with the second a 'Chinese Cultural Awareness' workshop, both of which generated strong positive feedback. One more session of each workshop will be offered prior to the end of the financial year. A third series of workshops is also well underway, focusing on export as well as the opportunity for Australian wine in the Chinese market.

SAWIA has also been in discussion with Wine Australia regarding use of the funding to leverage positive outcomes from some of their existing programs. This includes the 2012 Regional Visitors

Program which will involve participation by some South Australian wine regions.

To obtain more information or discuss this matter further, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

Seoul Food & Hotel

Seoul Food & Hotel is being held 8-11 May 2012. South Korea has the world's 14th largest economy, a population of 49.4 million, and is the third largest market for imported consumer foods in the Asia-Pacific. For more information click [here](#).

OTHER

Applications now open - Funds available to help wine industry students

Payments ranging between \$1,000 and \$10,000 are now available to support students in the food and beverage industries. The Food and Beverage Development Fund SA Inc has made available support payments to encourage individuals to develop their skills and knowledge through research, education and/or training – with a focus on the processing/manufacturing side of operations.

Past recipients in the wine industry have received grants to study in a range of areas including:

- Wine production (Graduate Diploma in Oenology)
- Wine & Spirit Education Trust courses
- Master of Wine
- Australian Institute of Company Directors courses.

Applications will be accepted from students, apprentices and trainees. To obtain an application form or more information, click [here](#) or contact Carol Graham on 83629066 or carol@foodandbeveragefunds.com.au.

Dates for your diary

2012

- 19-22 February, [Gulfood](#), Dubai
- 24-26 February, [Cellar Door Festival](#), Adelaide
- 8-11 March, [Taste of Sydney](#), Sydney
- 7-20 April, [Wine & Spirits Asia](#), Singapore
- 3-5 May, [Shanghai International Wine & Spirits Exhibition](#), Shanghai
- 8-11 May, [Seoul Food & Hotel](#), Korea
- 4-6 June, [Top Wine China](#), Beijing
- 27-28 August, [Specialty Food & Drink Fair](#), Sydney
- 4-7 Oct, [Taste of Melbourne](#), Melbourne

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