



**SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED**

Newsletter - 6 February 2018 - South Australian Wine Industry Association



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Message from the Chief Executive

The first month of 2018 has already passed by, time is marching on and vintage has begun in some regions and will soon be underway in others. Let's hope for good weather, along with an orderly and timely vintage period.

It was exciting news to see the latest **export figures** with \$2.56B in Australian wine exports and South Australia contributing a stellar \$1.56B or some 61%. This is the best result in a decade. News that the Comprehensive and Progressive Agreement for Trans-Pacific Partnership is up for signing in March is more good news for the South Australian wine industry. For details, refer to the ***Sales Marketing & Promotion*** section below.

With the **state election on 17 March drawing near**, the polls are showing an unprecedented three-way contest in many lower house electorates. SAWIA continues to strongly advocate on a range of wine industry pre-election requests, and this is a good time for you to be talking to your local candidates about their views on the wine industry and what you would like to see happen.

In 2018 SAWIA will be assisting members navigate the changes of the ***Liquor Licensing (Liquor Review) Bill 2017*** and the ***Labour Hire Licensing Bill 2017***. These changes are likely to have an impact on almost every wine business. Stay tuned for more information.

The **Wine Equalisation Tax and Rebate reforms** have various dates of commencement with some changes already taking effect. The information from the seminars conducted by the Australian Taxation Office around South Australia is available from SAWIA's **website**.

SAWIA has also been meeting various parties to explore the opportunity provided by the unprecedented allocation of funding through the Export and Regional Wine Support Package. The opportunity for SAWIA is through the **International Wine Tourism State Grants** and we are considering how to maximise the opportunity for the South Australian wine industry.

Our congratulations to Vic Patrick who has been awarded a Medal in the Order of Australia for service to the South Australian wine industry. Vic is currently a member of SAWIA's Environment Committee, was a SAWIA Executive Committee member from 1995-2006 and served as SAWIA's President from 2003-2006. Vic also held positions with the national winemaking companies as well as serving on national wine bodies and numerous committees.

I take this opportunity to wish everyone a safe and productive vintage.



FEATURE ARTICLES

Export and Regional Wine Support Package – Apply for up to \$25k ASAP

Qualifying SAWIA members are strongly encouraged to apply for the Export and Regional Wine Support Package grants as soon as possible. Wine businesses exporting to China, Hong Kong, Macau and/or the USA can now apply for up to AU\$25,000 in Australian Government funding for specific export promotion activities.

Administered by Wine Australia, the grant program has \$1 million in funding for eligible small and medium wine businesses to claim up to 50 per cent reimbursement for specific export promotion expenses incurred on or after 1 January 2018.

The grant acts as a reimbursement for **eligible actual costs** incurred on or after 1 January 2018.

Applications will be assessed on a first-come, first-served basis, so we strongly encourage wine businesses to download the **guidelines and prepare applications as quickly as possible.**

These grant funds are available as part of the \$50m Export and Regional Wine Support Package. If you have any questions or can't find the information you are looking for, contact Wine Australia on 8228 2000 or **grants@wineaustralia.com**.

SAWIA success – Reduced minimum engagement for casual vineyard employees



SAWIA is delighted to announce that it has succeeded in efforts to reduce the minimum engagement for casual vineyard employees in the *Wine Industry Award 2010*. Effective from 1 January 2018, the minimum engagement for casual vineyard employees has been reduced from 4 hours to 2 hours in limited circumstances.

This outcome will increase flexibility and reduce labour costs, in certain circumstances, during peak periods in the wine industry. Full details are set out in a Notice to Members available from the Noticeboard of the Employee and Industrial Relations page of SAWIA's **[website](#)**.

SAWIA represented the national wine industry in a two-day hearing before the Fair Work Commission as part of the Four Yearly Review of all Modern Awards. SAWIA would like to thank the six wine industry employers from South Australia and Tasmania that provided supporting evidence.

SAWIA members are also reminded that, to ensure staff are paid correctly, it is important to be familiar with and use the most recent version of the *Wine Industry Award 2010*. SAWIA members can access the current version from the Awards and Wages section of SAWIA's **[website](#)**.

For any payroll, human resources or award queries during vintage, SAWIA members can contact Sarah Hills (8222 9212 or **sarah@winesa.asn.au**) or Henrik Wallgren (8222 9270 or **henrik@winesa.asn.au**).

Responsible Visitation Campaign supported by SAWIA



A new campaign for wine tourists, ***Who's Hitchhiking With You?*** was launched on 2 February 2018 at Angove Family Winemakers in McLaren Vale. The campaign sees Phil, a human-sized yellow phylloxera bug, hitching a ride from vineyard to vineyard with tourists. The campaign asks tourists not to let Phil the Phylloxera Bug and his nasty pest friends hitchhike with them, by staying on roads and paths and not walking amongst vines.

The promotion is part of a broader Responsible Visitation Campaign, developed by Vinehealth Australia with funding support from SAWIA and Primary Industries and Regions SA. It includes:

- A **new Wine Tourism Biosecurity Training Program** for South Australian cellar door, marketing and tourism staff in wine regions
- **Tourist-friendly signage for cellar doors** to educate visitors about their role in keeping vines healthy
- The **creation of six 'best practice' cellar door sites** (SAWIA members Skillogealee Wines - Clare Valley, Charles Melton - Barossa Valley, Golding Wines - Adelaide Hills, Angove Family Winemakers - McLaren Vale, Bremerton - Langhorne Creek and Zema Estate – Coonawarra) featuring the new tourist signage, and Cellar Door Kits with footwear disinfection equipment, sturdy disposable shoe covers, rubber boots and educational materials.

We are delighted to report that this South Australian campaign is being considered for national roll-out.

For more information about the campaign, SAWIA members can contact campaign manager Cindie Smart on 0418 826 480 or cindie@cindiesmart.com.au. To attend the cellar door training program, contact Rebecca Weatherill of Vinehealth Australia on training@vinehealth.com.au.

Expressions of Interest called for India wine education opportunity

SAWIA is seeking Expressions of Interest for a unique Indian based wine education opportunity. With the Indian marketplace showing rapid growth in size and sophistication of the Indian middle-class, the time appears right for the wine industry to seize the opportunity with a focus on education.

Responding to this opportunity, the *South Australian Wine Education Program in India* was devised and launched in New Delhi and Mumbai during November 2017. The program focuses on educating in-market influencers, sommeliers, wine writers and wine professionals about South Australian wine and associated messaging. The aim is to drive an understanding that South Australian wineries have diverse portfolios filled with different varieties, styles and price points to meet current and future demand from Indian wine consumers.

We are seeking Expressions of Interest for two opportunities. This includes looking for representatives from South Australian Wineries to present their wines in country and act as a State ambassador at these sessions. There is also an opportunity to submit your wine to be presented at the sessions by the successful applicants of the first opportunity.

Further details and Expression of Interest forms are available from the Export page of SAWIA's [website](#). SAWIA members are also welcome to contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

d'Arenberg Cube now open



The d'Arenberg Cube, one of Australia's most anticipated attractions, opened its doors in the heart of McLaren Vale on 14 December. The \$15 million wonder offers panoramic views of the wine region, private and public tasting rooms, wall to wall artwork, a wine inhalation room and two virtual fermenters.

The d'Arenberg Cube also features a new restaurant which joins the award-winning d'Arry's Verandah Restaurant, offering visitors an even greater choice of local produce and premium wines.

The Cube is expected to draw hundreds of thousands of additional wine tourists to the McLaren Vale region each year. SAWIA extends our congratulations to everyone at d'Arenberg who has played a part in helping to make this dream come alive.

INDUSTRY & GOVERNMENT

New liquor licensing laws – Important changes for wine industry

As reported in the December newsletter, the *Liquor Licensing (Liquor Review) Amendment Bill 2016* has now been passed by State Parliament, resulting in major reforms to our liquor licensing laws. This includes:

- **Replacing 12 licence categories with 8 new categories**, and many wineries moving from a Producer's Licence to a new *Liquor Production and Sales Licence*
- **Abolition of the Special Circumstances Licence**, with important implications for many South Australian wineries
- **Potential increases to annual licensing fees**, with the Government consulting with industry prior to finalising changes
- **Introducing a reverse onus of proof** where there is an allegation that a licensee has engaged in a sale or service to minors.

SAWIA advocated strongly on behalf of the South Australian wine industry throughout the legislative process, with our efforts resulting in:

- **Removal of the proposed zero alcohol requirement** for licensees and responsible persons which would have been unworkable for the wine industry
- **Withdrawal of the so called "Bedford amendment"** which would have banned and/or restricted advertising, promotion or marketing of alcohol
- **Insertion of measures for greater parliamentary oversight** and scrutiny of annual licensing fees.

SAWIA will be offering seminars around South Australia to help wine industry employers understand and transition to the new liquor licensing laws. Further details will be circulated in the near future.

A detailed Notice to Members setting out the new requirements is available from the News section of the Members' Home page of SAWIA's [website](#). For more information, SAWIA members are also welcome to contact Henrik Wallgren on 8222 9270 or henrik@winesa.asn.au.

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Advanced manufacturing grant funds available

Are you a small to medium-sized manufacturer expanding or establishing advanced manufacturing, using advanced technologies, design and engineering excellence or innovative processes to improve competitiveness?

The Federal Government has opened the second round of the Advanced Manufacturing Growth Fund, with grant funds covering up to one third of eligible project costs. The maximum grant amount is \$2.5 million and projects must be completed by 30 June 2020.

The deadline for applications is 28 February 2018, with full details available [here](#).

EMPLOYEE RELATIONS / WORK HEALTH & SAFETY

Working in extreme heat

With the high temperatures that are being experienced, SAWIA recently issued a Notice to Members about having appropriate measures in place to manage the risks related to your work site – for employees, contractors and customers.

A person needs to maintain a body temperature of approximately 37 degrees Celsius, and if the body has to work too hard to keep cool or starts to overheat a person begins to suffer from heat-related illness.

The Notice, which is available from the Noticeboard of the Work Health Safety section of SAWIA's [website](#), sets out a range of preventive strategies and treatment including the use of shade structures, modifying workloads and work times and a range of other measures. For more information, SAWIA members can contact Zvonko Levak on 8222 9273 or zvonko@winesa.asn.au.

Confined space reminder

Two brothers died recently while cleaning out a molasses tanker in Queensland, a cruel reminder of the dangers of working in a confined space. While we never want to see employees injured at work, let alone a fatality, the reality is injuries do happen.

This is a timely reminder to ensure that the operations at your worksite that pose the greatest risks are eliminated, controlled and managed with a planned approach and appropriate training. SAWIA will be issuing a Notice to Members in the near future, and all members are strongly encouraged to review the details and consider whether refresher training is needed. Employers are also encouraged to share the Notice at tool box meetings in your workplace.

Let's keep the wine industry's 2018 vintage free of incidents like the one above. For more information or help with training, contact Zvonko Levak on 8222 9277 or zvonko@winesa.asn.au.

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SALES MARKETING & PROMOTION

New SAWIA member only offer - Help to grow your sales



SECURE YOUR SALES TO NEW CUSTOMERS
AND ENTER NEW EXPORT MARKETS

NCI have partnered with SAWIA to offer an exclusive new Trade Credit Insurance package, with a low entry level premium that allows SAWIA members of all sizes to enter new markets and grow sales with confidence. Not only can members secure sales and lock in cash flow and profits, but insured debtors can also be used as security for bank debt thereby increasing funding that is available to help grow a business.

The **2017 South Australian Wine Industry Snapshot** revealed that managing credit risk was one of the major challenges for wine businesses to grow sales and profitability. While credit insurance is a great tool for managing this risk, the costs have often been too high for many wine businesses to consider. However, after months of negotiations, NCI (SAWIA's long-time Wine Industry Partner) has secured greatly improved terms exclusive to SAWIA members.

NCI also offer other credit management solutions such as credit reports for assessing the financial health and risks for both current and prospective customers. When meeting with a potential customer or seeking to grow sales with an existing customer, wouldn't you like to have a better understanding about their ability to pay your invoices on time? Don't wait until you have a debtor collection problem to find out the hard way.

For more information on this special offer for SAWIA members, refer to the Noticeboard of the Members' Home page of SAWIA's [website](#) or contact credit risk specialist Daniel Harris at NCI on 0448 007 829 or daniel.harris@nci.com.au.

Competitive edge for Australian Trusted Traders



South Australian businesses have an opportunity to reach domestic and international export markets quicker, by becoming an (Australian Border Force) Trusted Trader – a reputable Australian business with demonstrated trade compliance and a secure international supply chain.

Benefits include:

- Priority service at the border under **Mutual Recognition Arrangements** so your cargo reaches foreign export markets quicker, giving you the competitive edge exporting to key trading partners such as China, Hong Kong, New Zealand, South Korea and Canada
- Streamlined arrangement to become recognised as an **Accredited Sponsor under the Temporary Work (Skilled) Visa (subclass 457) Programme**, giving you priority processing for section 457 visa applications
- A **Trusted Trader Account Manager** to answer your queries about border related matters at no cost.

Businesses of all sizes are encouraged to become a Trusted Trader to help expand into export markets. For more information, click [here](#) or phone 1300 319 024.

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Strong export growth / New Free Trade Agreement



Australian wine exports increased by 15% to \$2.56 billion in the 12 months ending December 2017, according to **Wine Australia's Export Report**.

A number of records were broken in 2017, with total volume reaching 811 million litres, the average value of bottled wine growing by 3% to \$5.63 per litre, and the value of wines exported above \$10 per litre increasing by 29% to an all-time high of \$738 million. Exports to Northeast Asia were the growth engine with exports to this region increasing by 47% to over \$1 billion.

There were healthy growth rates in almost all price points, revealing added value across the price spectrum. Wine exported in bulk also experienced price increases, with total value increasing by 10% to \$440 million and average value per litre increasing 6% to \$1.03.

SAWIA was also delighted with the recent announcement that the new Comprehensive and Progressive Agreement for Trans-Pacific Partnership will be signed in March, with 11 nations (Australia, New Zealand, Canada, Mexico, Chile, Peru, Japan, Singapore, Malaysia, Brunei Darussalam and Vietnam) agreeing to a deal that will address tariffs and non-tariff trade barriers across a range of key and emerging export markets. Under the agreement to be signed, the Australian wine industry expects to see elimination of the following wine tariffs in:

- Mexico (between 3 to 10 years)
- Canada (upon entry into force)
- Peru (within 5 years)
- Malaysia (within 15 years)
- Vietnam (within 11 years).

Australian wine production sales and inventory report



The Australian wine sector is in its strongest position in more than a decade, according to Wine Australia's **Australian wine: production sales and inventory 2016–17 report**.

The 2017 vintage was the second year of historically high production, with a grape crush of 1.98 million tonnes, up 8% on 2016. Red varieties were up by 18% in volume, while whites fell by 4% due to a 13% decline for Chardonnay.

A slight decrease in extraction rates led to a smaller increase in wine production – up by 5% to 1.37 billion litres. Red wine production was up 15% to 793 million litres, while white wine production decreased 5% to 576 million litres.

Australian wine sales also grew strongly in 2016–17. Growth in both the domestic and export markets led to a combined 8% increase in sales value to more than \$5.6 billion, and a 5% increase in volume to 1.3 billion litres (142 million cases).

Australian wine inventory levels have been gradually increasing over the last five years, particularly for reds. Red wine inventory is estimated to have increased by 7% to 1.09 billion litres in 2016–17, while white wine inventory is estimated to have decreased by 1% to 739 million litres.

The large Australian vintage was well-timed, with global production in 2017 estimated to be the lowest since 1961 at 24.6 billion litres – 2 billion litres below the 2016 figure. Australia was the only major wine producing country to have an above-average harvest in 2017, while France, Italy and Spain were down by between 15% and 23%. With tariff cuts continuing to improve the competitiveness of Australian wine in export markets, Australia is well-placed to take advantage of the opportunity.

Chinese visitor numbers booming



Latest figures released by Tourism Research Australia show that South Australia welcomed 61,000 Chinese visits in the year ending September 2017, an amazing 58% increase on the preceding year. This beats the 2020 target of 57,000 visits, three years early. Chinese expenditure has also broken records, growing 54% to reach \$371 million.

Other International Visitor Survey results show that international expenditure in South Australia grew 13% to reach \$1.1 billion. Total international visits rose to a record 442,000, up 2.8%. Full details are available [here](#).

South Australia's domestic tourism expenditure remained steady at \$5.2 billion for the year ending September 2017. Visits from Victoria grew by 4.8% to reach just over 1 million, while visits from New South Wales also increased by 4.8% to 650,000. For further domestic tourism information, download the summary report [here](#).

An overview of domestic and international visitors to South Australian regions can be downloaded [here](#).

Upcoming events / Award nominations



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SUSTAINABILITY

SAWIA members save on AGL energy productivity solutions



The **2017 South Australian Wine Industry Snapshot** revealed that high energy costs are having a significant impact on 82% of wine businesses that responded to the survey. To help with these high costs, **AGL is offering special SAWIA member only discounts** off the market price of AGL's suite of energy productivity solutions including:

- Solar energy systems
- Lighting upgrades
- Power factor correction
- Battery storage systems.

With solar solutions from AGL, you will benefit from reduced electricity consumption costs, as well as the knowledge that clean, renewable and sustainable electricity is helping to power your business. Your business may also benefit from a range of incentives available to install and invest in a solar system.

For more information about how AGL can help power your business, visit the Noticeboard of the Members' Home page of SAWIA's **website** or contact Kane Winther on 0476 826 654 or **KWinther@agl.com.au**.

AGL also offers a discount on electricity usage charges for SAWIA members that are smaller businesses (those using less than 160MWh per year). For details on how to access these special prices, SAWIA members can contact Craig MacDonald of SAWIA on 8222 9272 or **craig@winesa.asn.au**.

Proposal to change spray drift regulations

The Australian Pesticides and Veterinary Medicines Authority has released a **proposal for a new approach to manage potential spray drift**.

The proposed approach includes two stages, with the first being establishment of a risk assessment framework that will eventually allow agrichemical suppliers to self-assess the risks of their products and decide on the relevant advisory information (e.g. buffer zone distances, suitable weather conditions) for the labels.

The second stage will allow for the possibility for users to conduct such assessments themselves by using on-line tools to assess and manage risks for their own situation (i.e. weather conditions and equipment).

SAWIA is concerned that this approach may further increase the potential for spray drift events unless adequate provision is made for education, access and enforcement of such a system.

We are engaging with other industry organisations in developing a submission, and are seeking members' views on the proposal. To provide your feedback, SAWIA members should contact Mark Gishen on 8222 9278 or **mark@winesa.asn.au** by 15 March 2018.

Organic Composting Seminar



The Australian Organic Recycling Association (AORA) is hosting a breakfast seminar in Adelaide and Mount Gambier on 22 and 23 February 2018 respectively. The seminar runs from 7.15am to 10am and will present information on the environmental benefits delivered by the SA composting sector and on opportunities for composters through the Commonwealth Emissions Reduction Fund. Bookings can be made online [here](#).

For more information, contact AORA on 0452 537 266 or sasecretary@aora.org.au.

Renewable energy - How to embrace and profit from it



AMCHAM is hosting a *Renewable Energy – How to Embrace and Profit From It* business luncheon, featuring Mark Twidell (Managing Director – Energy Products and Programs) of Tesla, Audrey Zibelman (Chief Executive) of AEMO and Daniel Thompson (Director of Development Australia) of SolarReserve.

The session is on 23 March with more information available [here](#).

OTHER

Mandatory data breach notification – What you need to know



The *Privacy Amendment (Notifiable Data Breaches) Act 2017 (Cth)* was recently passed and is set to impose significant changes to the *Privacy Act 1988 (Cth)*. **The amendments will oblige many wineries to notify individuals who are affected by an unauthorised disclosure of, or access to, their personal information. Failure to notify those individuals can result in compensation orders or civil penalties being imposed.**

Finlaysons Lawyers, SAWIA's Wine Industry Partner, has prepared a comprehensive Legal Alert (available from the Noticeboard of the Members' Home page of SAWIA's [website](#)) setting out the new legislative requirements, including what to do if your business experiences a data breach. For more information, SAWIA members can contact Lan Lam (IP Partner) on 8235 7838 or lan.lam@finlaysons.com.au, or Will Taylor (Wine Partner) on 8235 7421 or will.taylor@finlaysons.com.au.

SAWIA also recommends that members take the opportunity to review the security of all personal data stored by (or for) your business – before a problem happens.

Free app to help identify and control weeds

PIRSA (Biosecurity SA) in partnership with the eight Natural Resource Management regions has launched a free *SA Weed Control* app available for download from App Store and Google Play Store. This app brings the current edition of the Weed Control Handbook for Plants in South Australia into the electronic era.



For the 139 weeds declared in South Australia under the *National Resources Management Act (2004)*, the app includes colour images, descriptions, distinguishing features and chemical and non-chemical control options.

Users can also geolocate weeds using your phone's GPS, keep notes and a log of control activities, and send experts pictures of weeds you need help identifying.

Head to the App Store or Google Play Store for more information.

Dates for your diary

2018

- 22 & 23 Feb, **Australian Organic Recycling Association Seminar**, Adelaide & Mt Gambier
- 23 Mar, **Renewable Energy**, Adelaide
- 26-29 March, **Hotelex & Finefood**, Shanghai
- 15-18 Apr, **Vinitaly**, Verona
- 24-27 April, **Prowine Asia**, Singapore
- 1-4 May, **Food & Hotel Seoul**, Korea
- 14-16 May, **Shanghai Intn'l Wine & Spirits Exhibition**, Shanghai
- 29-31 May, **Vinexpo**, Hong Kong

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