



**SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED**

Newsletter - 8 March 2018 - South Australian Wine Industry Association



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Message from the Chief Executive

Vintage has commenced in most regions with early indications that **yields are below last year's record crop but relatively consistent with the longer term average**. Processing continues and vintage remains orderly with some downtime allowing for important work to be done while waiting for mother nature to provide the optimum time to pick.

The recent discovery of the pacific oyster mortality syndrome virus in feral oysters in Adelaide's Port River is a timely reminder of the need to remain vigilant to threats that could impact our wine industry. We need to guard against our own threats including phylloxera and other pests and diseases. Refer to the **Wine Tourism Biosecurity webinar** article **below** regarding important biosecurity training.

The **South Australian election** on 17 March looks too hard to call for even the most experienced commentators. Three parties doesn't easily arrive at a two party preferred outcome which means we probably will be waiting a few days to know the outcome. It was, however, pleasing to hear the announcement at the Cellar Door Festival by the Minister for Agriculture, Food and Fisheries of an **ALP election commitment to a \$20m drinks package** over two years. This package includes the wine industry, beer, cider and spirits industries, with specifics to come post the election following industry consultation. SAWIA looks forward to hearing from the Liberal and SA Best parties on their direct policies for the wine industry.

Of concern to most in the South Australian wine industry was the announcement that the Northern Territory Government will introduce a **minimum unit price for alcohol** of \$1.30 from 1 July 2018. Refer to the **Feature Article** below for details about this concerning development.

Some long hours have been put in to develop a strong proposal for a **\$1 million International Wine Tourism State Grant**. This opportunity is part of the Australian Government's \$50 million Export and Regional Wine Support Package. For more information, refer to the **Feature Article** below.

I wish everyone a safe and rewarding vintage.



FEATURE ARTICLES

SAWIA applies for \$1 million wine tourism state grant

SAWIA has lodged an application for a \$1 million International Wine Tourism State Grant, an opportunity made possible by the unprecedented allocation of \$1 million funding through the Federal Government's Export and Regional Wine Support Package administered by Wine Australia.

SAWIA worked closely with the South Australian Tourism Commission and the Department of Primary Industries and Regions SA to develop a compelling proposal for increasing international visitors to South Australian wine regions and encouraging engagement while in those regions.

Despite a very short time frame, SAWIA successfully secured matching funding that was essential in order to lodge the grant application and meet guideline requirements. SAWIA now awaits the assessment of the application.

We would like to thank the many people and organisations that made important contributions to the development of the proposal, far too numerous to recognise individually.

If SAWIA is successful with our application, full details of the project will be provided with the project potentially to start mid-year and then conclude in April 2020. In the interim, for more information, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

Labour Hire Licensing – Important new laws commenced 1 March

Labour Hire Licensing Act 2017

When a licence is required

Commencing 1 March 2018, anyone who operates as a labour hire provider in South Australia must be licensed, and it will be unlawful for host employers to use the services of an unlicensed operator. These requirements are set out in the *Labour Hire Licensing Act 2017*.

A transitional period is provided to allow industry time to be fully compliant, however all labour hire providers must be licensed by 1 September 2018.

The Office of Consumer and Business Services has recently published a document ***When a licence is required*** that provides limited guidance. The example given for fruit pickers provides some clarity for wine industry employers but does not cover all arrangements that our members have in place. SAWIA is urgently seeking clarification as to whether a service provider needs to be licensed under a range of different scenarios relevant to the wine industry.

Commencing April 2018, SAWIA will be running important information sessions on the application of these new laws – watch your email for further details. In the meantime, if you have any questions refer to the *Labour Hire Licensing – Update* available from the Noticeboard of the Employee Relations page of SAWIA's [website](#). Alternatively, SAWIA members are welcome to contact Henrik Wallgren on 8222 9270 or henrik@winesa.asn.au.

Northern Territory to introduce minimum pricing of alcohol

Of concern to many in the South Australian wine industry was the announcement that the Northern Territory Government will introduce a minimum unit price for alcohol of \$1.30 from 1 July 2018. This is the first move by a government within Australia and there is also chatter Western Australia will be watching and considering the Northern Territory experience.

The move by the Northern Territory government will increase prices of wine (particularly cask wine) which will prove challenging for that segment of the market. Beer and spirits pricing is largely unaffected.

SAWIA is also concerned about this NT announcement given that the Consultation Draft of the National Alcohol Strategy also raised minimum unit alcohol pricing. Once the state election result is known, this issue will be high on SAWIA's agenda to raise industry concerns with the new South Australian Government.

For more information, SAWIA members can contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

INDUSTRY & GOVERNMENT

SAWIA makes important submission into Review of Character Preservation Legislation

The Character Preservation legislation came into effect in January 2013 with one Act covering the Barossa Valley and the other looking after McLaren Vale. The legislation was intended to preserve the character values and provide statutory protection from inappropriate urban development within designated primary production areas or outside town boundaries.

The Acts provided for a 5 year review and SAWIA has recently made an important submission that:

- The character values set out in the Act are being upheld and remain appropriate
- The legislation appears to be working both as to intent and purpose
- The legislation has been effective in protecting agricultural land for wine production
- The legislation needs to remain effective to guard against the encroachment of urban development within the boundaries of the preservation area.

SAWIA is not recommending any changes to the existing legislation except for suggesting that a further review be undertaken in another 5 years to ensure an important ongoing focus so that the legislation continues to remain 'fit for purpose'.

For more information, SAWIA members can view the submission in the News section of the Members' Home page of SAWIA's [website](#) or contact Brian Smedley on 8222 9277 or brian@winesa.asn.au.

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Applications open for 2018/19 events funding

Applications are now open for the 2018/19 Regional Events and Festivals Program and Community Events Development Fund. The funding provides financial support towards marketing and public relations for tourism events held throughout South Australia which increase visitation and lift the profile of the state's regions.

In 2017/18 the South Australian Government committed \$404,000 to deliver 39 events across 11 regions. The 2018/19 program will support events held after 1 September 2018.

Applications close on 16 March 2018. For more information click [here](#).

EMPLOYEE RELATIONS / WORK HEALTH & SAFETY

Sunday penalty rates update

After much analysis, consultation and deliberation, SAWIA has decided to withdraw that part of the initial claim that sought a reduction to Sunday penalty rates in the *Wine Industry Award 2010* on behalf of wine industry employers across South Australia and Australia. The objective was to increase flexibility and reduce labour costs during peak periods in the wine industry.

Since the lodgement of the initial claim, SAWIA consulted with a range of wine industry stakeholders including national, state and regional wine industry associations, SAWIA members and interstate wine industry employers regarding support for this claim, the willingness to provide witness evidence and the scope of this claim (i.e. vineyards, production cellar, cellar door, and/or laboratory).

In February 2017 came a key decision of the Fair Work Commission to reduce penalty rates in the *Hospitality Industry Award 2010* on a limited basis. This decision highlighted that for SAWIA to have any reasonable prospects of success in our own claim, we needed:

- A large number of witnesses, with detailed, specific and high quality evidence, from across the national wine industry (not just one or two states)
- Legal representation (which proved to be very expensive in hospitality)
- To target the claim to the parts of the operations most likely to benefit from a reduction in the Sunday penalty rate, as opposed to all parts of winery and vineyard operations.

Following further consultation, calls-outs for evidence and financial assistance, it was not feasible for SAWIA to pursue the claim for a reduction in the Sunday penalty rate at this time.

SAWIA has continued to defend and manage claims from Unions regarding changes they are seeking to the *Wine Industry Award 2010*. We have also proactively sought other changes to the Award, including a successful reduction in the casual minimum engagement for vineyard employees in limited circumstances.

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

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Managing fatigue during vintage – Tips and traps



With Vintage 2018 well underway, pressures abound to make sure that the fruit is collected within specification and processed as quickly as possible. It also means that, for a period of time, workers are working longer hours and are particularly susceptible to the effects of fatigue.

At this time of year it is particularly important to remember that, at all times, the employer has an obligation to ensure the safety of workers and contractors. For this reason, a risk management strategy must be adopted to manage the risk of fatigue, be it from working longer hours, or due to working at times of the day when workers are normally asleep.

It is also important to remember that the effects of fatigue impact not just at work, but also outside of work. This means that risk management strategies must also consider times such as travelling to and from work.

For information and advice on managing fatigue or other WHS matters pertaining to your workplace, contact Zvonko Levak on 8222 9273 or zvonko@winesa.asn.au.

Changes to transportation and chain of responsibility obligations coming soon



New laws come into effect in mid-2018, with important changes to transportation and chain of responsibility obligations. Given that the wine industry depends on trucks for everything from gathering fruit all the way to delivering the finished product, it is important that wine businesses understand these new obligations.

By way of background, a uniform set of heavy vehicle safety laws (the *National Heavy Vehicle Law* and associated regulations) were introduced in 2014 with the goal of ensuring the safety of drivers and the public. This led to a range of safety improvements to the heavy vehicle industry, but a gap remained – the role of other parties in the supply chain who could influence or control the work of a driver.

In response, changes to be introduced in mid-2018 will bring into effect the “chain of responsibility”. This includes setting out obligations of all parties in the supply chain, ensuring compliance with all links of the chain involved in transporting fruit and/or finished wine around Australia.

A Notice to Members setting out a summary of these changes, along with information about upcoming regional SAWIA workshops, is available from the Work Health Safety section of SAWIA’s [website](#).

For more information, SAWIA members can contact Zvonko Levak on 8222 9273 or zvonko@winesa.asn.au.

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South Australian Training Awards - Nominations now open



Nominations are now open for the South Australian Training Awards, the peak awards recognising innovation, quality and excellence in Vocational Education and Training (VET).

The awards acknowledge and reward individuals and organisations that excel in training and the delivery of training. Individuals can be recognised for their potential, helping to boost profiles and build careers.

Free information sessions are being held on 19 March at the Education Development Centre in Hindmarsh. For more information click [here](#).

SALES MARKETING & PROMOTION

Showcase your wine at SAWIA's wine courses



SAWIA's National Wine Education & Training Centre is seeking wines to present at our consumer wine education courses. Each year we educate approximately 400 people at our wine appreciation courses at the National Wine Centre, with another 140 university students attending the annual international students showcase and a further 2,000 people attending the Cellar Door Experience at the Royal Adelaide Show.

For more than 50 years, these activities have been made possible by generous donations of wine from the South Australian wine industry. We are currently requesting donations from wineries that would like to have their wines presented at our classes at the National Wine Centre. These courses provide a great opportunity to reach out to a highly engaged audience looking to try new wines and expand wine knowledge.

All donations are gratefully accepted, and we would particularly appreciate the following:

- Sparkling wines (both red and white)
- Chardonnay
- Riesling
- Other white varietals such as Semillon, Chenin, Vermentino, Verdelho, Viognier
- Alternate red varietals
- Sweet, Dessert and Fortified wines (urgently required)
- Aged wines.

Two bottles of wine are used for each class, so we are seeking donations of 12 or 24 bottles of the wine(s) of your choice. To be involved, please complete and return the donation [form](#). For more information about SAWIA's wine courses, click [here](#) or contact Claire Wald on 8222 9271 or claire@winesa.asn.au.

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Marketing Luxury Brands

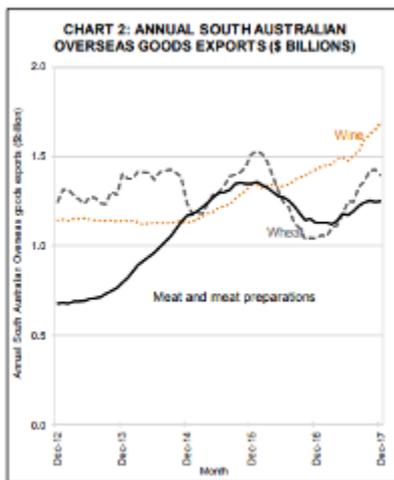


Marketing Luxury Brands is an Amcham Event on 12 April in Adelaide featuring panel discussion of the changing definition of luxury and how this impacts premium branding. The panel will also discuss spending habits of the increasingly wealthy population, and the changing methods and platforms of media, communication and promotion.

The panel includes Chester Osborn of d'Arenberg Wines, Amanda Pepe of Opinion Media and Marni Ladd of the University of Adelaide.

For more information, click [here](#).

South Australian wine exports show strong growth



South Australian wine exports reached \$1.684 billion in the year ended December 2017, reflecting a very strong 18% (\$257 million) increase over the previous year. This strong growth continues a healthy trend that started in 2015.

The overall value of goods exported by South Australia reached \$11.9 billion, an increase of 11%. Wine made up an impressive 14.2% of South Australia's total exports for the year, only just behind metals and metal manufactures.

It is also interesting to note that 53.5% of South Australian exports went to East Asia, with 20.1% going to China.

For more information about South Australian exports, click [here](#).

Upcoming events / Award nominations (click on images)

A logo for 'International Awards Wine and Women 2018' featuring a stylized purple grape cluster and a wine glass.	<p>WCA Webinar – Global supply and demand and protecting your reputation in China 13 March @ 12:30 pm - 1:30 pm ACDT</p>
<p>Brand Power, Innovations & Trends Workshop Series 2018 - Adelaide</p>	A logo for 'WWM World Wine Meetings' with 'ASIA' in a red box. Text to the right: 'International Wine & Spirits Business Convention 24 th - 27 th May 2018 - 8 th edition, Shangri-La Hotel, Singapore'. <p>International Wine & Spirits Business Convention 24th - 27th May 2018 - 8th edition Shangri-La Hotel, Singapore</p>

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SUSTAINABILITY

Murray Darling Basin Plan amendments disallowed by Parliament



The Federal Parliament has disallowed amendments proposed by the Murray Darling Basin Authority in May 2017. In short, the amendment would have allowed the northern basin users to increase their take of surface and groundwater. At the time, SAWIA made a submission that did not support the amendments because the impacts on communities in the southern basin were not given due consideration.

SAWIA's position remains the same, and has been reinforced since that time by the publication of information relating to alleged non-compliances and water theft in the northern basin.

More information is available from the MDBA website [here](#), or SAWIA members can contact Mark Gishen on 8222 9278 or mark@winesa.asn.au.

Updates to River Murray salinity zoning policy benefits vignerons

The State Minister for Water and the River Murray, Ian Hunter, recently announced some changes to the River Murray Salinity Zoning Policy that look set to benefit the wine sector. This new approach makes it easier for irrigators to get site use approvals for new irrigation development, and provides more certainty in such developments through 30-year approvals.

A number of conditions apply, with full details available from the SA Murray Darling Basin NRM [website](#).

To discuss your options under the new policy, contact the Department of Environment, Water and Natural Resources (Berri office) on 8595 2053.

Proposal to change spray drift regulations

SAWIA is seeking member feedback on the Australian Pesticides and Veterinary Medicines Authority [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 their labels.

The second stage will allow 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 we need input from members regarding the proposal. To provide your feedback, SAWIA members should contact Mark Gishen on 8222 9278 or mark@winesa.asn.au by 15 March 2018.

Trade waste (wastewater) assessment and improvement grants now open

EPA-licensed wineries (SA wineries handling more than 500 tonnes of grapes a year), and wineries with an SA Water volume and load based trade waste discharge authorisation are eligible to apply for up to \$10,000 in matched (1:1) grant funding for a resource productivity assessment.

The assessment will help to identify and evaluate opportunities for reducing wastewater (trade waste) volume and load (contaminants), taking into consideration how this might affect other aspects of the winery such as process and material efficiency, energy and water consumption and efficiency, and solid waste management.

Wineries that have completed a resource productivity assessment and have an SA Water volume and load based trade waste discharge authorisation, are also eligible to apply for a trade waste implementation grant valued at up to \$300,000.

For more information, refer to the [guidelines](#) or contact Oliver Lovat of Green Industries SA (0437 641 138 or oliver.lovat@sa.gov.au). SAWIA members can also contact Mark Gishen of SAWIA on 8222 9278 or mark@winesa.asn.au.

OTHER

Cyber and management liability insurance – why does your business need it?



MGA Insurance Brokers, SAWIA's Wine Industry Partner, has prepared a **comprehensive summary** (available from the Noticeboard of the Members' Home page of SAWIA's website) of the key risks and exposures that wine businesses need to consider in the areas of management liability and cyber insurance.

Management liability insurance protects management and the company against the risks and exposures of running the company (i.e. your liability for mismanagement). Without adequate protection you could risk losing, not only your business, but also your personal assets. MGA's summary includes real examples where businesses have incurred substantial expenses in areas such as employment practice issues, financial crimes, tax audits, breach of WHS requirements and breach of state or industry regulations.

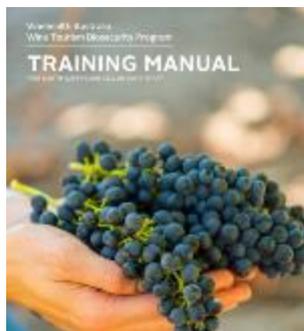
Management liability insurance used to be something that only some large businesses considered, but the effects of even one legal case can be crippling. Another key area that businesses need to manage is cyber liability. While people tend to think of well-publicised cybercrimes such as hacking scams and extortion, the reality is that:

- 40% of data breach cases are from people making mistakes, such as losing laptops and flash drives
- 36% are system glitches, such as software updates, which inadvertently expose sensitive private files
- Only 24% are malicious and criminal attacks.

SAWIA members are encouraged to review insurance cover regularly. Phil Keenihan of MGA welcomes enquiries on 0414 331 489 or phil.keenihan@mga.com.

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Wine Tourism Biosecurity webinar



The Wine Tourism Biosecurity training program highlighted in last month's newsletter has received a positive response from many regions, with more than 200 wine tourism staff in South Australia already attending training.

For those who have missed out on training to date, a free webinar is being offered on 12 and 14 March. Participants will be taken through the Vinehealth Australia cellar door training program, including what to say to visitors about protecting the health of your vines, what to do if you find someone in your vine rows, how you can safely give visitors immersive experiences, and much more. To register, contact Rebecca Weatherill of Vinehealth Australia on 8273 0550 or training@vinehealth.com.au.

For more information about the training program click [here](#).

This activity is part of a broader Responsible Visitation Campaign, developed by Vinehealth Australia with funding support from SAWIA and Primary Industries and Regions SA.

Women & Leadership scholarships



Women & Leadership Australia are seeking expression of interest in scholarship funding. All women currently employed in Australia are invited to apply for a limited pool of funding between \$3,000 and \$8,000 to undertake a range of leadership development programs.

The funding window closes on 16 March and it is uncertain when these grants will be available again. For more information click [here](#).

Dates for your diary

2018

- 13 March, **Global supply and demand and protecting your reputation in China webinar**
- 23 Mar, **Renewable Energy**, Adelaide
- 26-29 March, **Hotelex & Finefood**, Shanghai
- 10 April, **Brand Power Innovations & Trends Workshop**, Adelaide
- 12 & 14 April, **Wine Tourism Biosecurity Webinar**
- 12 April, **Marketing Luxury Brands**, Adelaide
- 13-22 April, **Tasting Australia**, South Australia
- 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
- 24-27 May, **World Wine Meetings**, Singapore
- 29-31 May, **Vinexpo**, Hong Kong

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