



**SOUTH AUSTRALIAN WINE INDUSTRY**  
ASSOCIATION INCORPORATED

**Newsletter - 22 February 2019 - South Australian Wine Industry Association**



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## Message from the Chief Executive

I cannot recall a busier start to a year with several environment issues firmly on SAWIA's radar – the **single use plastics** discussion paper and a scoping paper on the **container deposit scheme (CDS) review** were released in January. SAWIA has been very busy preparing information for members and wine regions, and we will be making a submission on each issue before the end of February. We need members to be particularly active on the CDS issue as it has the potential to have a significant impact on our industry. Refer to the **Feature Article** below for details.

With the resumption of State Parliament, debate has commenced on the **State Government's Bill to repeal labour hire laws**. SAWIA is closely monitoring the debate and the Bill as it progresses through the Parliamentary process. This repeal is important given the many issues that the law raises. Refer to the **Employee Relations** section of the newsletter for details of how SAWIA has been advocating on your behalf.

The **International Wine Tourism State Grant** for the South Australian project "Driving Demand for South Australian Wine Tourism" has rolled out activity in China, Hong Kong, the USA and the UK. The project is being undertaken by the South Australian Tourism Commission, with oversight from SAWIA, to increase the number and spend of international tourists while in South Australia. Wine is a key driver of international tourists to Australia, with more than a third (34%) of the international visitors to South Australia spending time in our wine regions. This is many times higher than other wine states. Refer to the **Feature Article** below for details.

SAWIA has also been strongly representing members' interests with regards to ongoing discussions around the proposal to raise **liquor licensing fees**. SAWIA has now responded to a second detailed proposal, and we await further information from Consumer and Business Services who have called a meeting for 4 March. There is also the **transition to new licences** proposed (current 12 licence types transitioning to 8) that needs to be addressed going forward. We will continue to ensure members are kept informed as these matters progress.

At the national level, SAWIA welcomes **Australian Grape and Wine**, the new national body created following the merger of the Australian Vignerons and the Winemakers' Federation of Australia. The two bodies came together on 1 February, and SAWIA looks forward to working with the new organisation in the future on joint areas of interest.

SAWIA will be introducing a **new website and database platform** over the next few months, aiming to improve our communication with members and other stakeholders. Further details will be circulated in the near future.

SAWIA congratulates staff member **Claire Wald** who had an early arrival of a son last week, with mum and son doing well. We welcome **Rhys Howlett**, who commenced with SAWIA on 18 February, to undertake Claire's role of Wine Course and Events Co-ordinator for her period of maternity leave.

With vintage either having commenced or soon to commence in the regions, on behalf of all the SAWIA staff **I wish each of you a successful vintage.**



Brian

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## FEATURE ARTICLES

### South Australian International Wine Tourism State Grant

Promotional activity aligned to the South Australian International Wine Tourism Strategy, and supported by \$2 million of federal and state government funding, is now well underway. The activity, which is being overseen by SAWIA, focuses on China, Hong Kong, USA and UK. This month's update focuses on activity in the United States of America, with regular updates to follow in subsequent newsletters.

The South Australian Tourism Commission is undertaking a range of activities in the USA market to drive awareness and conversion of South Australia as an ideal destination for wine tourism experiences.



A pop-up of the revolutionary d'Arenberg Cube is being used as a 'hook' to cut through the cluttered USA media landscape while drawing attention to South Australia and the state's wine tourism offerings.

The objectives of the campaign are to:

- Generate awareness of South Australia's world class wine tourism experiences, highlighting products such as Ultimate Winery Experiences
- Increase visitation to all of South Australia's wine regions
- Increase bookings of South Australia's wine tourism experiences
- Position South Australia as the must visit destination for unique culinary and wine experiences in Australia
- Showcase the ease of travel to South Australia, and encourage visitors to start their Australian vacation in Adelaide.

The pop-up Cube has been activated at three events from 25 – 28 January 2019.

#### JW Marriott Hotel, Los Angeles

The Cube was set up in the lobby of this high traffic hotel. Consumers were engaged through sampling d'Arenberg wines, personally etched branded wine glasses and video displays. South Australia Premier, Stephen Marshall, conducted an interview for channel 7 news which can be seen [here](#).

#### Tourism Australia's Signature Travel Network G'Day USA event

As part of this travel trade training event, the Cube was set up outside where 50 high-end travel agents enjoyed an afternoon reception. Simon Birmingham (Federal Minister for Trade, Tourism and Investment) was also in attendance alongside South Australia's Premier Stephen Marshall. South Australian wines were served at the event.

#### Tourism Australia G'Day USA Media event

At this day-long event for media, the Cube was the hub of attention. Journalists enjoyed d'Arenberg wines and received personalised etched branded wine glasses.

For more information, SAWIA members can contact Brian Smedley on 8222 9277 or [brian@winesa.asn.au](mailto:brian@winesa.asn.au).

*This grant supports activity aligned to the South Australian International Wine Tourism Strategy supported by the Australian Government's \$50 million Export and Regional Wine Support Package. Funding was also provided by the South Australian Government through Primary Industries and Regions SA. SAWIA was successful in obtaining State grant funding through the International Wine Tourism State or Competitive Grants Program. Additional campaign funding has also been provided by the South Australian Tourism Commission (SATC) for specific markets.*

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## Container Deposit Scheme review has important implications



The South Australian government has announced a review of the Container Deposit Scheme (CDS) and released a **Scoping Paper** for comment. This is an important issue for the wine sector as any change to extend the CDS to include glass wine bottles will have a profound impact on the wine industry in South Australia. We are very concerned this will increase costs and regulatory red tape for South Australian businesses.

Glass wine bottles have been exempt from the container deposit system (CDS) in South Australia since its inception over forty years ago (1977), as they represent less than 0.04% of littered containers in South Australia. SAWIA supports the current exemption, and we believe that any proposal for change should be based on compelling and objective evidence that is informed by the views of the wine industry.

SAWIA has engaged with government and the Environmental Protection Authority on the review, and is also participating in consultations through a Stakeholder Reference Group. As part of our preparation, members of SAWIA's Environment Committee visited the Northern Adelaide Waste Management Authority to see how Adelaide's household waste is processed and in particular how glass is processed through the system. Further actions are planned by SAWIA over the coming weeks, including seeking detailed views of members.

Responses to the CDS Scoping Paper are due today. These responses will inform a Discussion Paper that is expected to follow in mid-2019 when further consultations are expected to ensue.

For further information, or to convey your views, SAWIA members can contact Mark Gishen on 8222 9278 or [mark@winesa.asn.au](mailto:mark@winesa.asn.au).

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## Save the date – SAWIA wine industry training



TOPIC	DATES	REGIONS*
Labour hire licensing - update	From 29 April 2019	Barossa, McLaren Vale, Clare, Riverland, Coonawarra, Langhorne Creek and Adelaide Hills.
Getting the best out of your employees:	Commencing from 13 May 2019 with four single days over 3 months (May, July and August)	Barossa, McLaren Vale, Coonawarra and Adelaide Hills.
Liquor licensing – reform update	From early June	Barossa, McLaren Vale, Clare, Riverland, Coonawarra, Langhorne Creek and Adelaide Hills.
Annual WHS Seminar	6 November and 21 November	Barossa and McLaren Vale
Tailored training available on performance management, bullying, discrimination & harassment, manual handling and knowing your Award.	We fit in with your availability	We come to your site

*\*subject to numbers, if you want a course in your region please contact us*

For more information about these and any other training requirements, please contact Sarah Hills (Business Services Manager) on 8222 9212 or [sarah@winesa.asn.au](mailto:sarah@winesa.asn.au).

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## EMPLOYEE RELATIONS / WORK HEALTH & SAFETY

### SA Parliament debates repealing Labour Hire Licensing

The South Australian Parliament has resumed its sitting schedule for 2019 by debating the Government's *Labour Hire Licensing Repeal Bill 2018* to repeal the labour licensing system in South Australia.

The current system (which is not yet being enforced) requires providers of labour hire services to be licensed, and SAWIA has been strongly advocating for its repeal. SAWIA continues to brief and lobby members of the South Australian Parliament on why it is important to the wine industry for the licensing scheme to be repealed. This involves highlighting how compliance with workplace laws can be addressed through alternative and more effective means.

For more information, SAWIA members can contact Henrik Wallgren on 8222 9270 or [henrik@winesa.asn.au](mailto:henrik@winesa.asn.au).

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### \$84 million claim by regular and systematic “casual” employees

More court action is now underway following on from the important Federal Court case involving the labour hire operator Workpac last year, which held that a person engaged as a casual employee in fact is a permanent employee if working regular and systematic hours.

A law firm has commenced a class action on behalf of 7,000 labour hire workers currently and previously employed by Workpac. The class action alleges that these employees in fact are permanent employees under law and seeks \$84 million in alleged underpaid entitlements. This includes annual leave, redundancy pay and personal leave on top of any casual loading already paid.

To assist wine industry employers in managing this new situation and the risk of casual employees being held to be permanent employees, SAWIA has run briefings in McLaren Vale, Barossa and Coonawarra.

To have a similar briefing in your wine region, SAWIA members can contact Henrik Wallgren on 8222 9270 or [henrik@winesa.asn.au](mailto:henrik@winesa.asn.au).

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### Online tool for common viticulture injuries and managing your wellbeing

The *Fit4Work Musculoskeletal Health Program* is a new preventative injury and health initiative of SAWIA and Pinnacle Workplace Consultants supported with funding by SA Health, Business SA and Wine Grape Council of South Australia (WGCSA). The initiative is designed to help the wine industry build local knowledge and capacity to deliver educational resources through an online tool which can be used by all workers for musculoskeletal and related health topics in the vineyard.

Musculoskeletal refers to muscles, bones, tendons, nerves and other soft tissues. The most common injuries relating to the musculoskeletal system in the wine industry include sprains and strains, Carpal Tunnel Syndrome, Tendonitis, Tenosynovitis and Bursitis.

Phase 1 of the project includes development of two online training modules for grape growing tasks, along with a “*Mind your health*” module that focuses on other topics. SAWIA thanks the wineries and growers that provided feedback to our survey regarding input on tasks (e.g., pruning vines) and health topics that would be of most benefit for workers.

To provide your comments, click [here](#). For more information, contact Zvonko Levak (SAWIA's WHS specialist) on 8222 9273 or [zvonko@winesa.asn.au](mailto:zvonko@winesa.asn.au) or Sarah Hills (Business Services Manager) on 8222 9212 or [sarah@winesa.asn.au](mailto:sarah@winesa.asn.au).

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## Payroll Tax Changes now operational

From 1 January 2019, businesses with annual taxable wages of up to \$1.5 million are no longer liable for payroll tax, and those with taxable wages between \$1.5 million and \$1.7 million benefit from a reduced payroll tax rate. As these changes came into effect mid-financial year, the 2018-19 financial year will be split into two half-year return periods.

From 1 July 2019, your business will no longer be required to pay payroll tax in South Australia if your Australia wide wages, or group wages, continue to remain below \$1.5 million.

A second edition of the **Payroll Tax Guide to Legislation**, reflecting these changes, has been released for 2018-19. For more information, contact RevenueSA on 8204 9880 or [payrolltax@sa.gov.au](mailto:payrolltax@sa.gov.au).

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## Changes to the Workcover premium process

Return to WorkSA is introducing a number of changes to the Workcover premium process. These changes include:

- Allowing more time for providing remuneration information (up to 10 weeks instead of 3-4 weeks)
- Allowing employers to choose whether they pay their premium in 9 monthly instalments or one annual payment
- Eliminating remuneration estimates, and calculating base premium using actual remuneration information for the previous year.

More information about these changes is available [here](#).

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## SALES MARKETING & PROMOTION

### Register now for export, tourism workshops

Wine Australia has released the schedule of export and tourism workshops for 2019 to help new and experienced wine businesses grow their exports and wine tourism.

The **Growing Wine Exports** and **Growing Wine Tourism** workshops start in March and are delivered face-to-face and online. Click on the links for full details of dates and times in your region.

Practical, hands-on and wine-specific, the workshops apply a strategic approach to wine exports and tourism – arming businesses with plans, tools and advice to help assess export and tourism opportunities and determine where to target efforts.

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## Export report now available



International demand for fine Australian wine grew strongly in 2018, with a 10% increase in the value of wine exports to \$2.82 billion and 5% increase in volume to 850 million litres in the year ended 31 December 2018.

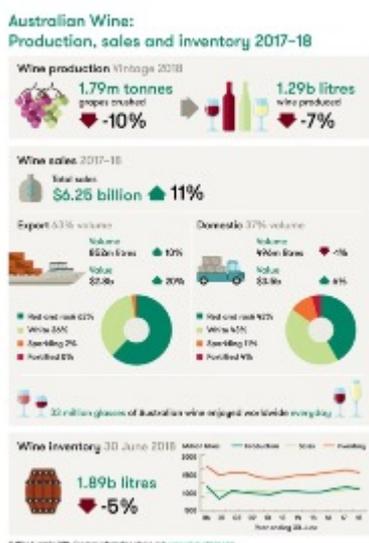
The value of exports above \$10 per litre grew by 22% to \$895 million, a new record. The value of exports above \$10 per litre FOB now surpasses the value of exports in the \$2.50–4.99 per litre segment, which is historically the largest segment of exports.

There was growth in Australian exports to nearly every region of the world in 2018, led by Northeast Asia growing at 19% to \$1.23 billion. Pleasingly, exports to North America are starting to level out after being in decline for more than 12 months.

Looking forward, a large global wine harvest in 2018, economic uncertainty and static consumption are putting downward pressure on world bulk wine prices as Australia heads into vintage 2019. Australian wine prices are holding up thanks to strong demand and a favourable exchange rate, but international competition is likely to increase in the medium term as supply pressures ease.

Full details are available [here](#).

## Wine production and inventory report



Wine Australia's *Australian Wine: Production, Sales and Inventory report 2017–18* shows that Australian wine production was 1.29 billion litres and total Australian wine sales were 1.35 billion litres.

Strong growth in exports and stable domestic demand saw total sales increase by just under 6%, while a smaller grape crush in 2018 led to a 7% decrease in wine production. All the net reduction in wine production was in red varieties, with wine from white varieties increasing slightly overall.

Total Australian wine inventory at 30 June 2018 is estimated to be 1.88 billion litres, down 5% from the previous year.

The strong demand and tight supply led to an increase in average value for both grapes and wine. The overall average purchase price for wine grapes in 2018 was \$609 per tonne, compared with \$565 in 2017. This figure is the highest since 2008 and it was the fourth consecutive vintage where the average purchase price for wine grapes increased.

The full report is available [here](#).

## South Australian visitor economy reaches new record



South Australia welcomed a record number of visitors in the 12 months ending September 2018, with the State's visitor economy soaring to an all-time-high of \$6.9 billion.

Domestic travel continues to be the highest contributor to the South Australian visitor economy with visitation and expenditure both at record highs. Domestic expenditure increased 11% to \$5.7 billion, while international expenditure grew 4% to \$1.15 billion.

2.5 million interstate visitors spent a record \$2.2 billion, while South Australians are also exploring their own backyard with a record high 4.1 million intrastate visits and 13.8 million day trips recorded.

The UK maintains its position as our largest market in terms of visits with 71,000 visits for the year end September 2018, while the Chinese market has once again led the way with expenditure up 15% to a record high of \$426 million.

To find out more, read the [Domestic Performance Report](#) or the [International Performance Report](#).

## Marketing opportunities and wine shows (click on images)



## Conferences seminars and workshops (click on images)



## SUSTAINABILITY

### Concerning allegations in Murray-Darling Basin Royal Commission Report



Concerning allegations that the Murray Darling Basin Authority (MDBA) acted unlawfully and failed to use the best available science are among the findings of the South Australian government's Murray-Darling Basin Royal Commission.

Both of these allegations have **subsequently been rejected** by the MDBA's CEO. However, SAWIA is deeply concerned, because we have supported the existence and implementation of the current Murray Darling Basin Plan on the premise that it is a comprehensive strategy, based on the best available science, and should restore water resources to a sustainable position for the long-term benefit of all Basin communities and industries.

Commissioner Bret Walker's (SC) full report of over 700 pages describes 111 findings and makes 44 recommendations and is available [here](#).

SAWIA will continue to monitor the responses and actions of the various governments and agencies to the Royal Commission report. We will continue to engage and advocate strongly for maintaining a sustainable water resource that is critical to the South Australian wine industry. For more information, SAWIA members can contact Mark Gishen on 8222 9278 or [mark@winesa.asn.au](mailto:mark@winesa.asn.au).

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### Webinar – Flipping the supply and demand energy equation to reward your business



In Flow Power's upcoming *Flipping the supply and demand energy equation to reward your business* webinar, their experts discuss how businesses can unlock value and be rewarded simply by powering down when energy supply is limited. It's a simple equation of supply and demand, which businesses can help flip when they reduce their power use. This can deliver a number of positive outcomes and participating is much easier than it sounds.

Flow Power, SAWIA's Wine Industry Partner, already works closely with a number of wineries to participate in demand response.

Tune into the **webinar on 7 March** to find out how demand response can help minimise power costs or result in financial rewards.

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## Optimisers – Put the power in your pocket



A DC Optimiser is a key driver for maximising the output efficiency of your solar system and improving your return on investment.

A conventional solar system is connected in rows of panels or 'strings' of up to 42 panels. The string of panels will operate at the efficiency of the least efficient panel. If you have a string of 250 watt panels and one panel is only operating at 150 watts for any reason, then the whole string is only operating at 150 watts.

When connected using DC Optimisers, each panel operates independently increasing the overall output of the system. The remote monitoring system allows you to view the individual performance of each panel. The monitoring portal can be viewed from your smart phone or laptop, meaning you can check on your system's performance anytime from anywhere in the world.



As SAWIA's Wine Industry Partner, P4B is offering SAWIA members access to a range of special benefits. To find out more about an optimised system that will help you to maximise the return on your investment in solar power, or to discuss options for your business, contact Peter O'Leary of P4B Energy Solutions on 0438 804 074 or [peter@p4b.com.au](mailto:peter@p4b.com.au).

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## South Australia in 2018 – 2nd warmest year on record

2018 was the third-warmest year on record for Australia, with every state and territory recording above average temperatures. Rainfall totals were the lowest since 2005.

South Australia's annual mean maximum temperature was 1.79°C warmer than average, the second-warmest year on record. Rainfall was 24% below average for the state as a whole, wetter than average in the far west and drier in eastern districts. For more information see the Bureau of Meteorology [2018 Climate Summary](#).

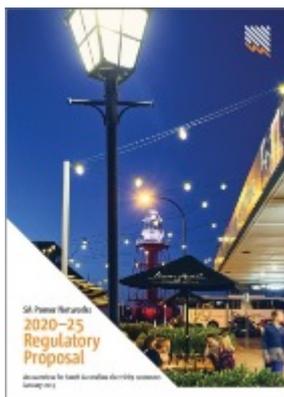
## Basin environmental watering outlook for 2019–20

The Murray-Darling Basin environmental watering outlook for 2019-20 is now **available**, focusing on protecting critical habitat for native fish and waterbirds.

Environmental water holders receive the same allocations as other holders of the same entitlements. Allocations for the environment, particularly in the Northern Basin, are expected to remain low due to the very low levels of water in storage.

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## Annual savings under SA Power Networks proposal for 2020-25



An average annual saving of \$111 for the cost of electricity will be delivered for small and medium sized businesses under the *2020-25 Regulatory Proposal* lodged by SA Power Networks. The proposal covers the costs of managing the SA electricity distribution network for the period commencing 1 July 2020.

SAWIA is pleased that proposed capital expenditure has been reduced relative to the first draft, with average costs to be an average of \$37 lower. However, we remain concerned about other aspects such as growth in operating expenditure. SAWIA will be closely examining the proposal over the coming months, using our representation in the Business Reference Group to advocate for the South Australian wine industry as this matter progresses through regulatory approvals.

SAWIA members can obtain more information from SA Power Networks' [website](#), or by contacting Mark Gishen on 8222 9278 or [mark@winesa.asn.au](mailto:mark@winesa.asn.au).

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## OTHER

### Fruit fly update



Following an outbreak of fruit fly declared in Loxton on December 7, Vinehealth Australia has reported that larvae have since been detected in the 1.5km outbreak area, resulting in an extension of quarantine restrictions until at least 15 April 2019.

While this outbreak does not impact on the fruit fly status of the rest of the Riverland Pest Free Area or the state, it is important that the risk of spread is minimised by placing controls on produce grown in the outbreak and suspension areas, in addition to a comprehensive eradication program currently being undertaken in the fruit fly affected area.

Conditions have been placed on the movement of wine grapes grown in the outbreak and suspension areas. Growers, wineries and carriers are obligated to comply with these conditions, as the strength of Australia's biosecurity system and the response measures put in place in the event of an outbreak of fruit fly underpin ongoing access to lucrative export markets for our horticultural produce.

The Government has also introduced a zero tolerance \$375 fine for any motorists caught bringing fruit into SA.

Additional information, including updates and maps of the exclusion zones, are available [here](#).

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### Future Leaders 2019



Applicants have until 15 March to apply for the 2019 vintage of Australia's grape and wine sector leadership development program – Future Leaders.

People with the skills and leadership drive to contribute to the future success of the sector are invited to apply for the program, which has been reshaped to better harness the collective wisdom across Australia's grape and wine community.

Up to 15 places are being offered in the Future Leaders 2019 intake. Visit [www.winefutureleaders.com](http://www.winefutureleaders.com) for more information and to submit an application by 15 March 2019.

## Dates for your diary

2019

- 7 March, **Demand Management**, Webinar
- 12 March, **Direct to Consumer Insights**, Webinar
- 12-13 March, **International Wine Tourism Conference**, Spain
- 21-23 March, **China Food and Drinks Fair**, Chengdu
- 4 April, **China Wine-Australia Wine Marketing Summit**, Sydney
- 29 April (commencing), Labour hire licensing update, Regional SA
- 13 May (commencing), Getting the best out of your employees, Regional SA
- 29-31 May, **Shanghai International Food & Drinks Fair**, China
- Early June, Liquor Licensing Reform Update, Regional SA
- 4-6 June, **TopWine China**, Beijing
- 21-24 July, **Australian Wine Industry Technical Conference & Trade Exhibition**, Adelaide
- 7-9 Aug, **China Hospitality Expo**, Guangzhou
- 10-12 October, **Wine Media Conference**, Hunter Valley
- 6 November, WHS Seminar, Barossa
- 21 November, WHS Seminar, McLaren Vale

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