



# Wine Grape Council SA

# Newsletter

#4

October 2009

## MESSAGE FROM THE CHAIR

A quirk in the Council's rules has required it to hold another annual general meeting in November - following the AGM held in April. This anomaly will not occur again and in future the annual meeting of the Council will be held in November each year.

In August, the Minister for Agriculture, Food and Fisheries, Hon Paul Caica, announced an independent inquiry into whether South Australia's grape growers are getting value for money from the levy fee they pay to fund our Council and the federal body, Wine Grape Growers Australia (WGGA).

As Chair of WGCSA I have welcomed the inquiry and commended the Minister on the initiative. The Council has been less than effective over at least the past 12 months due to the inordinate amount of time it has spent on funding related matters - particularly in relation to funds it provides to WGGA for federal representation. The Council became divided over this matter - some Councillors are gravely concerned about the value SA growers get from WGGA in terms of outcomes while a number of other Councillors have a different view and strongly support the continued funding of WGGA. The conflict around the WGCSA table became intolerable and I hope that the independent inquiry will provide a resolution to this unfortunate development.

It is my hope that the inquiry will make recommendations which will facilitate a reformation of the Council and enable it to re-focus on its original principles and charter which was to provide all South Australian growers with a forum so that the sector could provide a meaningful contribution to policy development and advocacy for growers at the national level. Until 2007 when the State-wide levy was introduced, only Riverland growers supported the WGGA with funds.

My personal view, shared by most members of the Council, is that the WGGA is founded on a flawed and inequitable model - with only SA growers, Victorian Murray Valley (Mildura) and the MIA (Griffith) having the organisational structure and capacity to contribute funding. This means that WGGA is under-funded and under-resourced and as such has great difficulty in effectively delivering outcomes for growers. The Council has produced a discussion paper which examines new, more equitable models which focus on direct-funded outcomes-based projects, which it hopes will be a catalyst for WGGA to consider.

It is my sincere hope that these issues can be resolved by the end of the year and the unproductive and debilitating past year put behind the Council as quickly as possible.

The Council's original concept, which remains today, was to be a *Council of Chiefs*, representing the key winegrape growing regions of SA. The Council should be the peak forum at the State level for regional grower groups. If the Council is to renew itself and re-focus on its core role as that peak forum, it must become more skills based - regional representatives must bring more than grape-growing expertise to the table. Nor can the Council afford to create false expectations of being able to provide solutions to regional problems. The Council must restrict its attention to matters of policy development at the State level, as a forum for regional "chiefs" and to interact and

collaborate with other State level organisations, government and bureaucracies. The employers' handbook, jointly produced with the South Australian Wine Industry Association, is an example of that collaboration - as is the Wine Industry Sector Climate Change Agreement which the Council jointly funds with SAWIA.

While the Council is emerging from a dark period of conflict and turmoil, I am confident that the inquiry and the goodwill of Council members will commence a process of rejuvenation and that WGCSA will emerge in the months ahead as a strong and effective State peak forum for SA's winegrape growers.

My term as the independent chair expires at the November AGM and I do not seek to be considered for another term. I feel honoured to have been the Council's first chair and I offer all those who will be involved in the next Council my sincere best wishes.

**Paul Clancy**  
**Chairman WGCSA**



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## **OVERSUPPLY**

The over-planted national vineyard which has caused a significant imbalance in the supply of wine grapes over demand - and the resultant collapse of grape prices - remains the challenge which the wine industry must address in, as the Council has been advocating for some time, a whole-of-industry effort.

We are pleased that this process has been commenced at the organisational level with the Winemakers' Federation of Australia, Australian Wine and Brandy Corporation, Grape and Wine Research and Development Corporation and Wine Grape Growers Australia collaborating to produce a statement/discussion paper titled *Wine Restructuring Action Agenda* (WRAA). The WRAA paper, which at the time of writing has not been publicly released, will shock some with its estimation of the magnitude of the problems facing the industry while others, no doubt, will say that it is somewhat conservative in the gravity of its assessment.

As a growers' representative forum, WGCSA, welcomes the WRAA report and more specifically, we welcome the collaborative force behind it. The Council has been calling for a whole-of-industry approach to the mass of inter-related issues which have plunged the industry into its worst crisis - from the grape oversupply and collapsed prices, to the over-production of wine, shrinking wine sales and other impactors including high currency exchange rates, the global recession and natural phenomena including drought and diminishing water resources.

In the grower sector there is an increasing proportion of growers whose enterprises have been severely affected by one or more of the issues mentioned - many growers have already left the industry and others must make realistic assessments of their ability to remain sustainable over the next few years.

On the back page of this newsletter you will find a survey which primarily seeks information from growers on the impacts of the industry downturn on their enterprises. The Council seeks this information so that it has a more comprehensive view of growers' needs and concerns so that it can be more focussed and effective as an advocate for growers in industry forums and policy making processes.

Your participation in the survey will be greatly valued and appreciated by the Council.

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## **INDUSTRIAL RELATIONS – THE FAIR WORK ACT AND AWARD MODERNISATION**

The Federal Government's Fair Work Act 2009, the most significant reform to Australian Industrial Relations in decades, came into effect from 1<sup>st</sup> July 2009 and the remainder of the Act will take effect from 1<sup>st</sup> January 2010 including the *MODERN AWARDS*. The following is a summary of the main provisions of the Act.

### **National Employment Standards**

Ten minimum employee entitlements will apply to most employers from 1<sup>st</sup> January 2010. Effectively, these will replace the five minimum standards that currently exist under the Australian FAIR Pay and Conditions Standard. All contracts policies and procedures will need to be reviewed to ensure compliance with these new minimums.

### **Modern Awards**

The Act provides that Modern Awards which the Australian Industrial Relations Commission is in the process of developing, under the Award Modernisation process, will be subject to a full review every 4 years. All the Modern Awards contain a clause that allows an employer and an employee to enter into flexible work arrangements that effectively vary the Modern Award. The Modern Awards will operate from 1<sup>st</sup> January 2010.

### **Minimum Rates of Pay**

Minimum rates of pay will be included in the modern awards. This is contrary to the present situation where rates of pay have been removed from awards. A newly established body, *Fair Work Australia* (FWA) will review these minimum wages annually with changes to rates taking effect on or before 1<sup>st</sup> July each year.

### **Termination of Employment – Unfair Dismissal**

The Act has removed the exemption created under Work Choices for unfair dismissal claims against employers who employ less than 100 employees. However, the new provisions require six months service from an employee before an unfair dismissal claim can be brought where the employer employs 15 or more employees and 12 months for smaller employers. Employees will also only have 14 days to bring an unfair dismissal claim instead of the current 21 days. A Fair Dismissal Code will be introduced which sets out a checklist procedure, which if followed, exempts small employers from unfair dismissal claims. These provisions came into effect on 1<sup>st</sup> July this year.

### **Australian Industrial Relations Commission (AIRC)**

The AIRC is the body charged with responsibility for formulating the awards that will apply to every corporation throughout Australia. The following is an excerpt from the AIRC Decision of 2<sup>nd</sup> September 2009. It refers to the request, (the consolidated request), made of it under the Act to modernise awards. Excerpt: -

*Clearly it is not possible to conduct a full reconsideration of all terms and conditions of employment in the course of this exercise. Rather, within the constraints of the existing safety net award provisions, our approach has been to rationalise existing award provisions along logical industry and occupational lines.*

*The consolidated request also provides that the process is not intended to disadvantage employees or increase costs for employers – objectives which are potentially competing. The content of the awards we have formulated is a combination of existing terms and conditions in relevant awards and existing community standards. In order to minimise disadvantages to employees and increases in costs for employers we have generally adopted terms and conditions which have wide application in the existing awards in the relevant industry or occupation. However the introduction of modern awards applying across the private sector in place of the variety of different provisions in the Federal and State awards inevitably means that some conditions will change in some States. Some wages and conditions will increase as a result of moving to the terms which apply elsewhere in the industry. Equally, some existing award entitlements will not be reflected in the applicable modern awards because they do not currently have general application.*

### **Understanding What it All Means**

The South Australian Wine Industry Association (SAWIA) is presently planning a series of seminars in regions around the State to give all employers in the grape growing sector the opportunity to more fully understand the implications of The Fair Work Act and Award Modernisation. Importantly, the seminars will also explain the *transitional provisions* that will soften the impact of the Modern Award adjustments where businesses will be impacted by cost increases. These seminars will be widely publicised in regional areas once dates and venues have been set.

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### **SPECIAL GENERAL MEETING OF WINE GRAPE GROWERS AUSTRALIA**

Growers are advised that a Special General Meeting of the WGGGA will be convened on December 3<sup>rd</sup> 2009 at the Broughton Room at the National Wine Centre, Hackney Road, Adelaide at 10:00am. The purpose of the meeting is to review and approve a number of amendments to the WGGGA constitution, review and approve the audited accounts for 2008 – 2009 as referred to this meeting by the Members at the August 2009 AGM and to appoint an auditor for 2009 – 2010.

RSVP to the WGGGA Secretariat by Thursday November 26<sup>th</sup> or for more information call (08) 8362 9802

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### **NOTICE OF 2<sup>ND</sup> ANNUAL GENERAL MEETING**

**In accordance with the Rules of the Constitution the second Annual General Meeting of the Wine Grape Council SA will be convened as follows:**

**DATE: Monday 30<sup>th</sup> November 2009**

**VENUE: Broughton Room, National Wine Centre, Hackney Road, Adelaide**

**TIME: 10.00am**

**BUSINESS:**

1. Confirmation of the minutes from the previous AGM held 16<sup>th</sup> April 2009
2. To receive the Chair's Report
3. To consider the audited financial statements to 30<sup>th</sup> June 2009
4. Appoint auditors for the next financial year
5. Confirm the appointment of four councillors to represent Barossa Valley, Coonawarra, Limestone Coast and the Riverland for the next two year period
6. Consider variations to the Constitution (yet to be confirmed)

**Note:** Any proposed variations to the Constitution will be notified 21 days in advance of the AGM via regional newspapers.

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