

Wine Grape Council
South Australia

SAGGIF

Proposal Information



The Wine Grape Council of SA is an organisation governed by the Minister for Primary Industries and Regional Development.

WGCSA was established to provide a collective voice for SA's wine grape growers at state and national level.



Our vision

Our Vision

A prosperous and sustainable South Australian Wine Grape Industry where the livelihoods of Growers and their communities are enhanced through agricultural practices, innovation, education, relationships and culture.

Our Purpose

WGCSA exists to -:

- Provide South Australian wine Grape Growers with a peak council working for a resilient, sustainable and viable grape growing Industry in SA
- Provide a single voice for Grape Growers to Industry, Wineries, Agriculture, all levels of Government and other forums
- Identify and prioritise projects and activities that deliver benefits to members.
- Support Growers by sharing information, tools, resources and knowledge.

Our Values

Culture – we will be driven by respect, honesty and integrity in everything we do.

Collaboration – we are committed to consultation and communication with members, government and stakeholders.

Accountability – we will be transparent in our financial and business planning and reporting.

Courageous – we will be brave in our endeavours to inspire innovation and embrace change.

Genuine – we will care about the success of our South Australian Wine Grape Grower members.

Determination - we will be determined to deliver value to our Members.

Inclusion – we will encourage, foster and support member involvement to build relationships, networks and leadership in the SA Wine Grape Sector.

The world moves fast, we need to predict as well as respond.



What we do for you

Provide useful resources for growers to help improve their business

Wine Industry Award pay rates 2017-18

Current as at 1 July 2017

Classification Level	Weekly award	Superannuation (9.5%)	Hourly rate	Casual
Grade 1	\$704.90	\$66.96	\$18.55	\$23.19
	\$735.50	\$69.87	\$19.36	\$24.20
		\$72.77	\$20.16	\$25.20
		\$76.86	\$21.29	\$26.61
			\$22.63	\$28.29

Tips to help recover payments

In SA all payments for grapes purchased in a year must be made by 30 September. A processor to pay interest on amounts outstanding after this date. This is the Commonwealth Bank overdraft rate (9.31% p.a. as of 19 August 2017) plus 1.12% per month. If you are having trouble getting paid...

National Wine Grape Despatch Docket

Grower section (A) - Grower to fill in

Client section (B) - Client to fill in

Winery section (C) - Winery to fill in

Labels that the information provided in this section is true and correct to the best of the knowledge of the grower.

Specialist Advice

As a member of WGCSA you have access to – at no additional cost – an advisory service on any issue relating to the employment and safety of workers with the South Australian Wine Industry Association (SAWIA).

- Which awards to pay workers under
- Rates of pay – penalty rates, piece-rates (e.g. for pruners)
- Employment contracts
- Casuals vs permanents vs contractors – what's best for you
- Contractor/sub-Contractor agreements



A guide to negotiating the sale of wine grapes in South Australia

Information for Wine Grape Growers and Purchasers



Original document authored by: Mary Retallack from Retallack Viticulture



Original concept and material provided by: Barossa Grape & Wine Association

Supported by Government of South Australia Primary Industries and Regions SA



Keep you up to date with the latest information for SA grape growers

News & Events

Proposed changes to the SA Grape Grower Industry Fund

Are you a member of the Wine Grape Council of South Australia? Keep reading to have your say on the future of the SA Grape Grower Industry Fund. The Wine Grape Council of SA (WGCSA) is the peak body for South Australian independent grape growers. It is funded through a voluntary contribution, paid on SA wine grapes into the South Australian Grape Grower Industry Fund (SAGGIF). The contribution is calculated at \$1 per tonne of grapes sold.

We are currently in the process of reviewing the SAGGIF as per our legislative requirement. The SAGGIF ensures that SA wine grape growers' interests are strongly represented at a state and national level.

[READ MORE](#)

Roadshow wrap up and member registration details

Wow! What a great series of roadshows we had across the state with over 200 grape growers and interested parties attending. Following the roadshows, we need to communicate the proposed change to the SA Grape Grower Industry Fund (SAGGIF) with as many members as possible, including providing members with additional information and then conducting a formal vote. To do this I require current SAGGIF members to register their member details online for me to verify membership and ensure the voting process is correct and transparent.

[READ MORE](#)



September Update

State budget benefits for growers, AGM notice, SAGGIF registrations and plenty of resources available

What we do for you

Provide access to the latest analysis of the SA wine industry to assist with decision making in the vineyard.

Reports & Analysis

SA Crush & Pricing Report



This report contains the most comprehensive information available on supply, crush and average purchase price of winegrapes for the South Australian winegrape industry.

Grape profitability by SA region



WGCSA has analysed the yield and price figures in the SA Winegrape Crush Survey to determine the gross return by variety for major varieties in the largest wine region in SA.

Global Market Analysis



2017 SA Wine Grape Growers Summit



Warren Randall discusses what makes South Australian wine so good and how he has had success exporting wine to China.



Hear the latest analysis of the global wine industry with Tim Hunt, General Manager of Research Food & Agriculture at Rabobank.



Brad Simmons from Mutual Trust shares his knowledge on succession planning and how families can avoid issues throughout the process.



As sponsors of the 2017 SA Wine Grape Growers Summit, Beyond Bank were on hand to offer free financial advice to growers. Get in touch with them to make sure you have the best deal on offer.



2017 Summit MC, Phil Reedman, discusses the SA wine industry and the exciting information that came from speakers at the summit.

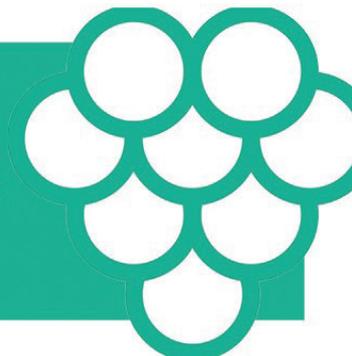
Hold events for SA grape growers to learn more about their industry from the experts.

2017 SOUTH AUSTRALIAN WINE GRAPE GROWERS SUMMIT

FRIDAY 28 JULY
Barossa Arts & Convention Centre
TANUNDA

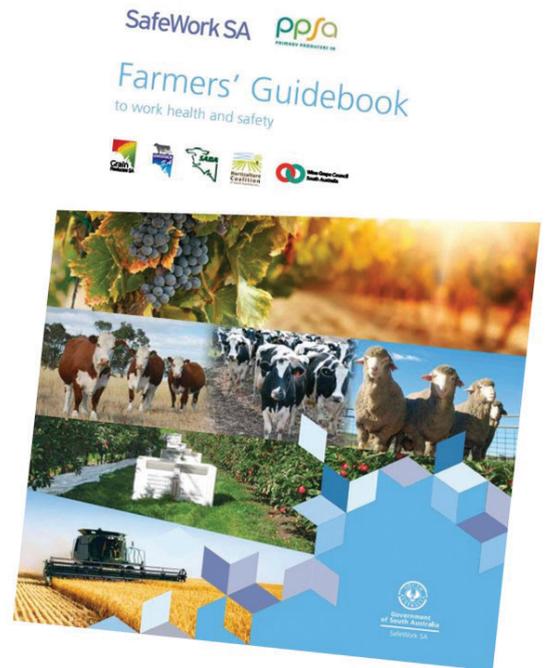
SA GRAPEGROWERS LEAD THE WAY

2018 GRAPE GROWER ROADSHOW



What we do for you

Work with other agricultural commodity groups through Primary Producers SA to ensure better outcomes for everyone in agriculture in South Australia.



We work as a team to represent the key interests of SA grape growers. We're here when you need support, advice, advocacy, want to share ideas or simply be heard.

Council Members



Heather Webster
Chair

Langhorne Creek



Hamish Laurie

Adelaide Hills, Adelaide Plains, The Peninsulas and Mount Lofty Ranges



Adrian Hoffman

Barossa Valley, Eden Valley and Barossa Other



David Travers

Clare Valley & Flinders Ranges



Lisa Bennier
Business Manager



Andrew Press

Currency Creek, Kangaroo Island, McLaren Vale, Southern Fleurieu and Fleurieu Other



Sheridan Alm

Riverland and Lower Murray



Brett Proud

Independent councillor

Staff

Vacant
 Coonawarra, Bordertown, Mt Benson, Mt Gambier, Padthaway, Robe, Wrattobully & Limestone Coast

Issues facing growers

State issues

Ensuring continuing support from Government to the Grape and Wine Industry

New legislation around employment,

Legislation influencing the Wine Industry, particularly Liquor Licencing

Transport issues – Chain of Responsibility and NHVR requirements

Threats to agriculture from mining, housing

Pests and disease risk

Smoke Taint

Chemical trespass (Spray drift)

Seasonal workforce



Wine Grape Council
South Australia



National issues

Research & development priorities

The impact of the draft National Alcohol Strategy

International Market Access (e.g. residue levels)

Advocacy with the Federal Government

- Taxation
- OH&S
- Indirect legislation e.g. backpacker tax, alcohol legislation labeling

Biosecurity



The national grape and wine bodies (Australian Vignerons and Winemakers' Federation Australia) recently amalgamated to become Australian Grape and Wine Incorporated.

The proposal

WGCSA has studied every option for a new levy structure (per tonne, by value, by hectare, combinations of above...)

The levy structure must be guided by practicality of collection (wineries)

Proposition: 0.2% of the crush value

This will ensure a fair and equitable contribution from all wine grape growing regions to support the state council (WGCSA) and the national effort through Australian Grape and Wine.

What does 0.2% look like?

\$2 per \$1000

\$20 per \$10,000

\$200 per \$100,000

\$400 per \$200,000

\$1000 per \$500,000



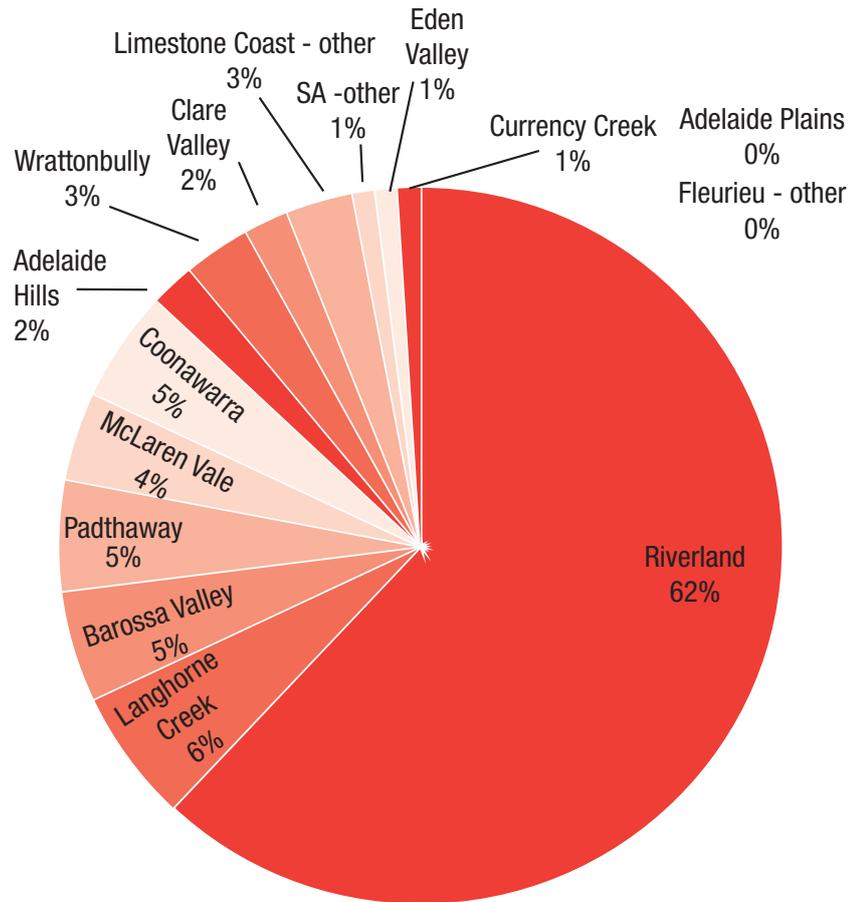
The strength of the South Australian wine industry is the diversity of our wine regions.

We need to be fair and equitable with our levy structure to reflect the hard work put in by all South Australian wine grape growers.

Value vs Volume

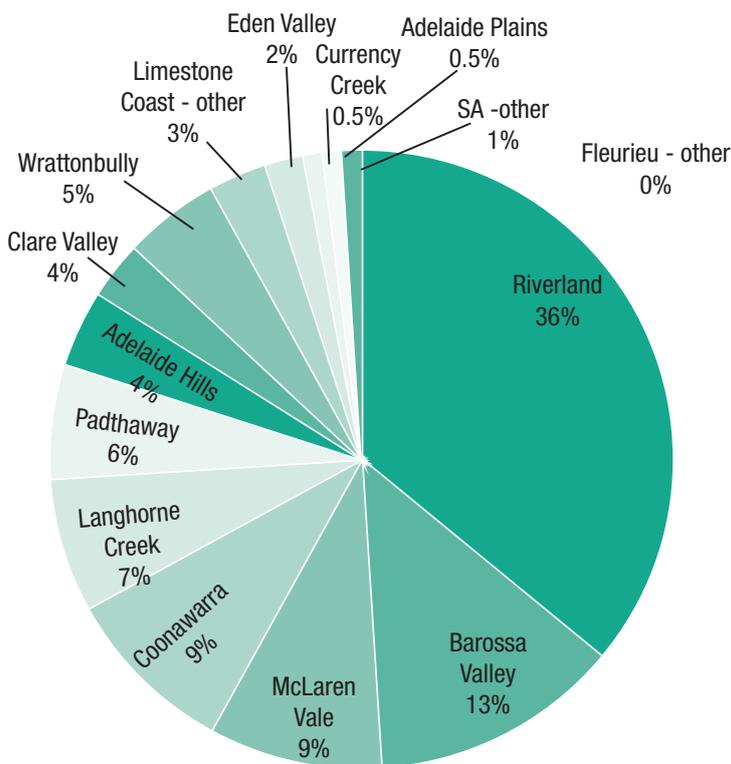
2019

Volume share of grapes crushed in SA



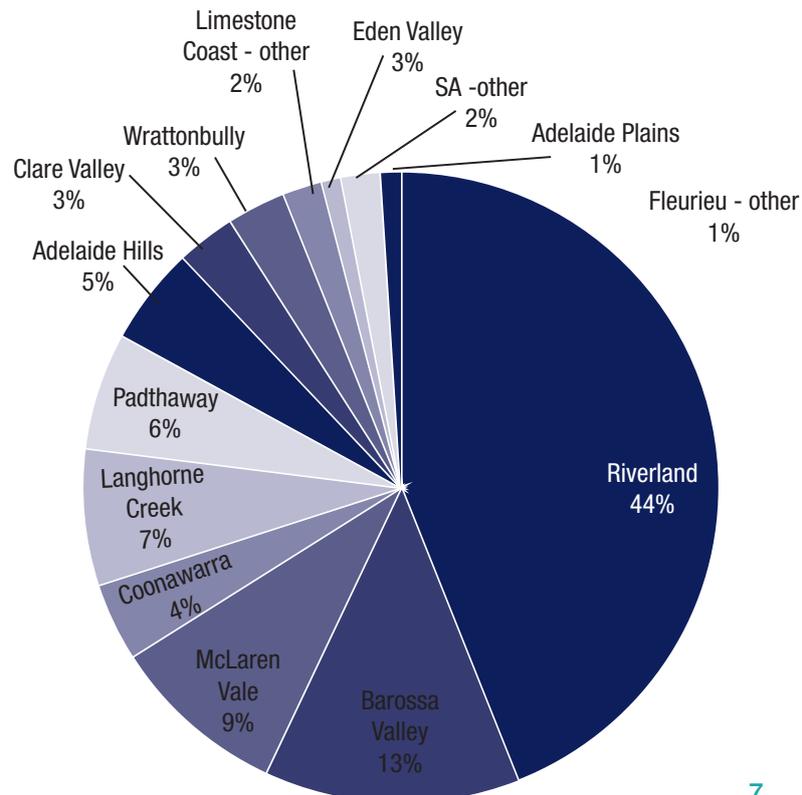
2019

Value share of all grapes crushed in SA



2019

Value share of all grapes purchased by wineries in SA



Value for money

Wine Grape Council of South Australia Operating Plan 2019/20



WGCSA Projects



Wine grape growers across South Australia will benefit from the Wine Grape Council of South Australia's (WGCSA) successful grant under the National Landcare Program's Smart Farms Small Grants program.

The EcoVineyard concept incorporates native insectary plants to create biodiverse ecosystems in and around vineyards. These plants support populations of insect predators, which contribute towards biocontrol of vineyard pests and may ultimately lead to reduced input costs and the use of chemicals.

The use of insectary plants, will help demonstrate our environmental credentials, change the look and function of vineyards and provide opportunities to tell our unique story to tourists and international wine customers.

WGCSA and renowned viticulturist, Mary Retallack from Retallack Viticulture Pty Ltd combined to win this two year, \$199,748 grant. WGCSA Business Manager Lisa Bennier says, 'One of our main objectives at WGCSA is to help SA wine grape growers to be the best in Australia. We aim to improve the health and resilience of our growers' vineyards and reduce the costs of running a vineyard.'

How will growers benefit?

Project staff will work with grape growers to establish native insectary sites and biodiversity corridors throughout South Australian wine regions. Viticulturist Mary Retallack explains, 'Locally-adapted, native insectary plants have the capacity to provide benefits including weed suppression, erosion control, nutrient cycling, soil water retention, improved soil organic carbon and biological activity. By establishing native insectary plants around their vineyards, we aim to help growers save time and resources by producing healthy grapes, with lower pest incidence while at the same time, enhancing the resilience and biodiversity of their vineyard.'

When does the project start? What's involved?

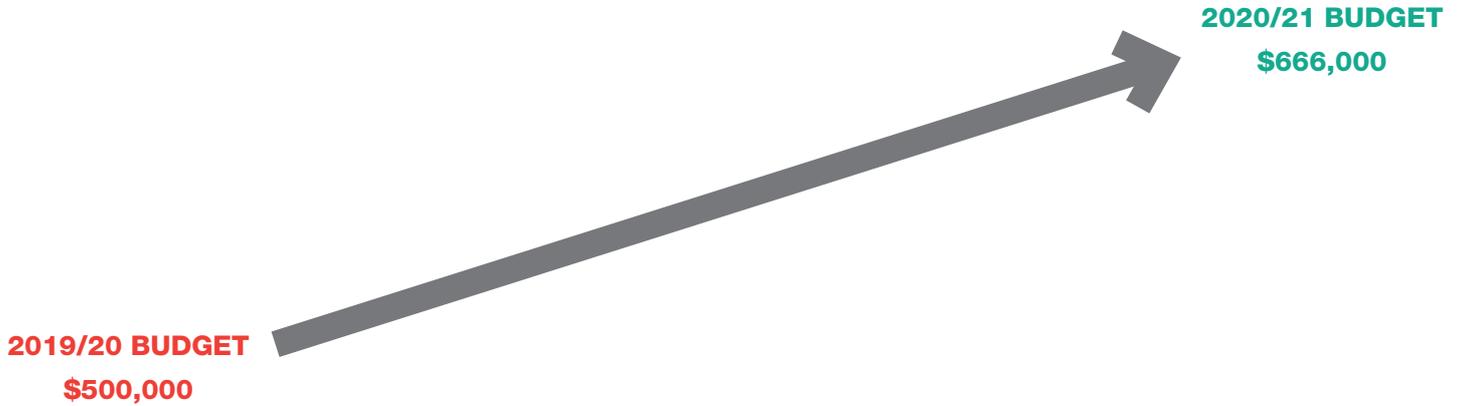
The project will begin in spring 2019 and is a collaborative effort between growers and experts. Selected EcoGrowers will be supported by experts in the field to establish, maintain and monitor native plants around vineyards.

Growers will also receive free educational materials, fact sheets, workshops and access to field days to help learn the new and practical information and see the benefits for themselves.

This project is supported by the Department of Agriculture and Water Resources, through funding from Australian Government's National Landcare Program.

Future spending

If the proposed change to the South Australian Grape Grower Industry Fund is approved by members, the income for the Wine Grape Council of South Australia would increase for the first time since 2007.



The increased income will be spent in 6 key areas:

WGCSA Grower events and services - AGM Grower Day - Grower Despatch Books - Projects for Growers - Grant Allocations - Grower Training and Development

40% increase
from \$30,000 to
\$50,000



WGCSA GROWER EVENTS

50% increase
from \$5,000 to
\$10,000



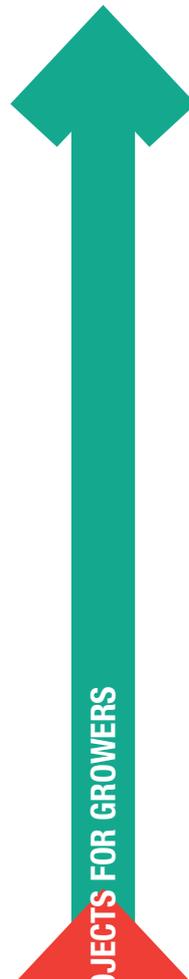
AGM GROWER DAY

15 fold increase
from \$1,000 to
\$15,000



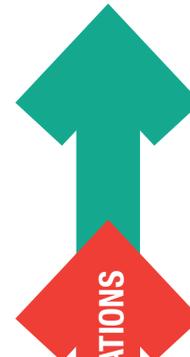
GROWER DESPATCH BOOKS

95% increase
from \$2,500 to
\$50,000



PROJECTS FOR GROWERS

50% increase
from \$10,000 to
\$20,000



GRANT ALLOCATIONS

87.5% increase
from \$2,500 to
\$20,000



GROWER TRAINING & DEVELOPMENT

The Fund

The Primary Industry Funding Schemes Act 1998 (the Act) provides South Australian primary industries with a legislative based ability to raise funds within their sector to fund activities that support the sector.

Section 4 allows the Governor to make regulations to establish a fund for a particular primary industry sector.

The Minister for Primary Industries and Regional Development (the Minister) is the Administrator for all the funds, which ensures appropriate accountability for the application of funds for the benefit of those industries. Primary Industries and Regions SA (PIRSA) manages the allocation of the funds for the Minister. The Minister is required to report annually to Parliament on the operation of each fund and its accounts.

Regulation 7 outlines the purposes for which payments from the fund may be made:

7—Application of Fund

The Fund may be applied by the Minister for any of the following purposes:

- (a) payments to a body that, in the opinion of the Minister, represents SA grape growers for 1 or more of the following purposes:
 - (i) the reasonable operating and management expenses of the body;
 - (ii) promoting SA grape growers;
 - (iii) undertaking or facilitating research and development, or the collection and dissemination to SA winemakers and SA grape growers of information, relevant to SA grape growers and, in particular, to the improvement of industry practices;
 - (iv) fees for affiliation of the body with regional, State or national bodies representing or promoting the interests of grape growers;
 - (v) programs designed to encourage communication and cooperation between SA winemakers and SA grape growers;
 - (vi) other purposes of the body;
- (b) payments for other purposes for the benefit of SA grape growers;
- (c) payment of the expenses of administering the Fund;
- (d) payments to the Consolidated Account or a special deposit account established under section 8 of the Public Finance and Audit Act 1987 of amounts in accordance with an agreement entered into between the Minister and a body to which payments may be made under paragraph (a), being repayments of an amount advanced to that body under the agreement;
- (e) repayment of contributions to the Fund under regulation 6

FAQs

Over the past 3 years WGCSA have been reviewing the SAGGIF voluntary levy with a view to ensuring it is equitable for all and to guarantee the future strong grower voice for members at a State and National level.

Along with our proposal, operating plan and budget we have included the below FAQ's to assist further.

1/ What is the SAGGIF?

South Australian Grape Grower Industry Fund was established by legislation in 2009 to ensure SA Winegrape growers are strongly represented and their voice is heard by the state and federal governments. The fund supports growers by promoting the importance of our Industry, committing resources to marketing, research and extension and lobbying for water security. Funds raised by the levy allows us to be an active and united voice

Funding from the SAGGIF has allowed us to join other State Based agricultural commodity groups (e.g. grains, dairy, sheep, horticulture) via our membership of Primary Producers SA. This allows a united voice on many issues including electricity, transport, infrastructure and employment legislation.

Many issues important to the wine industry are covered by national policies and legislation. Funds from the levy are used to represent South Australian wine grape growers at the national level through Australian Vignerons. This includes lobbying the Federal Government on the national issues like taxation, biosecurity and labour laws and broader policies like Free Trade Agreements and selling wine internationally.

2/ Why is WGCSA looking to change the current levy rate of \$1/tonne

The current calculation method has not changed since 2007 The levy pays for less and less action when there is more demand for input to government and greater need to promote the industry

There is inequity between contributors.

A Grower receiving \$500/tonne for their fruit is paying the same as someone receiving \$5000/tonne.

By changing the calculation method, we believe we can make a fairer system for all Grape Growers.

Based on the RBA inflation calculator, the rate of inflation from 2007 to 2018 was 28.9%, however the contribution rate has not changed to reflect this.

3/ How was the recommended 0.2% ad valorem rate reached

WGCSA Councillors from each major Grape Growing region in the State have tested many models for calculation. Focus group consultations were held in 2016 with regional groups and Roadshows were held in early 2018 across 6 regions. Many recognised that the fund needed to increase. The purpose of this consultation is to ask how much and how it should be calculated to get a professional, and long-term job done to support our important industry, Grape growers are being left behind.

4/ What does 0.2% look like

\$2 per \$1000

\$20 in \$10,000

\$200 in \$100,000

\$500 in \$250,000

\$2000 in \$1,000,000

FAQs

5/ Will this mean an increase in funds to WGCSA?

Yes because the council needs to represent growers efficiently at state and national level.

The Council is like an insurance policy for growers who face significant risk to their business through anti-alcohol lobbyists, government policy, skilled labour shortages and lack of resources. This takes time and expertise. The Council is the most efficient way for growers to have that voice.

The levy is based on tonnage and varies according to the crush which depends on the season. For the past 4 years according to the Grape Crush surveys 2016, 2017, 2018 and 2019 the comparison is as follows:

2016

Purchased Tonnes	570,894
SAGGIF @ \$1/tonne	\$570,894
Estimated Value of Purchased tonnes	\$360,492,955
0.2% of estimated value	\$720,925

2017

Purchased Tonnes	579,434
SAGGIF @ \$1/tonne	\$579,434
Estimated Value of purchased tonnes	\$394,093,146
0.2% of estimated value	\$788,186

2018

Purchased Tonnes	532,201
SAGGIF @ \$1/tonne	\$532,201
Estimated Value of purchased tonnes	\$377,855,788
0.2% of estimated value	\$755,711

2019

Purchased Tonnes	535,356
SAGGIF @ \$1/tonne	\$535,356
Estimated Value of purchased tonnes	\$399,398,539
0.2% of estimated value	\$798,797

Note: On 2017 figures a 26.4% inflation increase (2007 to 2017) on price per tonne equates to \$732,405

6/ How does the WGCSA receive these funds?

The SAGGIF is collected, managed, administered and distributed by the Ministers representative, PIRSA.

There is a management plan. The Minister. decides how much to distribute according to how much is received and keeping a balance for future years.

In the past 5 years, the funds received by WGCSA has been:

FY2015	\$575K	FY2017	\$550K	FY2019	\$462K
FY2016	\$420K	FY2018	\$519K		

Allocation of funds is dependent on what funds are received from wineries, the amount of withdrawals, cost of fees and auditing of the fund.

7/ How are the funds spent?

50% of funds are allocated to national issues affecting grape growers. In the past this was Australian Vignerons (AV). The national grape and wine bodies (AV and WFA) recently amalgamated to become Australian Grape and Wine (AGW). Funds will now be directed to AGW.

Primary Producers SA membership costs \$12,000 per year and is used on issues like transport, legislation, chemical drift regulations. The remaining funds are spent direct on activities to inform growers, like our Grower Summit, Roadshows, Information sharing through newsletters, communications, Grower support through Grape Despatch Books and additional tools, subsidised access to WHS and IR services we deliver by partnerships with SAWIA.

FAQs

8/ Who is my regional WGCSA councillor?

All regional Councillors are listed on our website at www.wgcsa.com.au They are also identified earlier in this information package. We encourage everyone to speak to them about this proposal and how it will work.

9/ How do I know if I'm a member of WGCSA?

You are a member of WGCSA and eligible to vote on the future of the SAGGIF **IF**

- You grow wine grapes and sell them to a winery who deducts the \$1/tonne levy from your June 30 Grape Payment.
- You grow wine grapes, some of which are used by your own winery, and some of which are sold to a third-party winery that deducts the \$1/tonne levy from your June 30 Grape payment.

You are not a Member and not eligible to vote on the future of SAGGIF if -

- You grow wine grapes that are all used to produce wine at your own winery.
- You grow wine grapes, some of which are used by your own winery, and some of which are sold to a third-party winery that DOES NOT deduct the \$1/tonne levy from your June 30 Grape payment.
- You withdraw your voluntary levy contributions through PIRSA.

10/ When is this contribution paid?

Wineries who buy your grapes deduct the SAGGIF from your payment and forward it to PIRSA by 30th June each year.

11/ How is this contribution paid?

Wineries pay the SAGGIF on your behalf from your Grape Payments.

12/ Who decides the rate and calculation of the proposal being presented to the Minister for consideration?

The WGCSA is made up of a 'Council' from SA Wine Regions. Over the past 3 years the Council has investigated and examined all calculation methods with a view to equity and fairness. Councillors discussed all options of calculation including by hectare, by tonne by value.

13/ Who gets to vote?

Any Member who has paid the \$1/tonne in the current 2019 vintage and and/or registered their details is entitled to vote.

14/ Is the vote confidential?

Yes

15/ Why is this a good thing for SA Wine Grape Growers and the Industry?

- 1) To allow the appointment of skilled and professional advocates who can speak on behalf of growers, understand the implications of proposed changes to legislation which will affect wine grape growers businesses.
- 2) To provide additional information and resources to growers including projects that increase sustainability and reduce costs, tools to assist in record keeping, training and development opportunities along with addressing the skills shortage within the Industry.
- 3) To lobby government for support and changes

16/ What is the process after the vote is counted?

All details of consultations communication and the voting process will be provided to the Minister for a decision

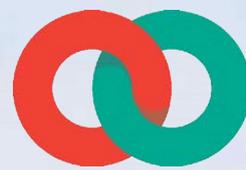
17/ Why can't you help with my contracts as part of my Membership?

Contracts are legal documents between buyers and sellers

The council can provide general advice and information which is available on our website.

It is the grower's responsibility and best interest to know, negotiate and if necessary obtain specialist advice for their individual business. It's no different to tax or superannuation.





Wine Grape Council
South Australia

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