

Wine Grape Council
South Australia



Wine Grape Council South Australia
Strategic Plan

2019 - 2023

WGCSA Council

The Council members as endorsed at the 2018 annual general meeting, are:

- › Heather Webster, Chairman representing Langhorne Creek
- › Adrian Hoffmann Barossa Valley, Eden Valley and Barossa Other
- › David Travers representing the Clare Valley and Flinders Ranges
- › John Summers representing Bordertown, Mt Benson, Mt Gambier, Padthaway, Robe, Wrattenbully and Limestone Coast Other
- › Andrew Press representing McLaren Vale, Currency Creek, Kangaroo Island, Southern
- › Sheridan Alm representing the Riverland and Lower Murray
- › Brett Proud was endorsed as an Independent Councillor in December 2018

Business Manager Lisa Bennier was employed in July 2017.

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 and Mission

WGCSA exists to -:

- (a) provide South Australian wine Grape Growers with a peak council working for a resilient, sustainable and viable grape growing Industry in SA
- (b) provide a single voice for Grape Growers to Industry, Wineries, Agriculture, all levels of Government and other forums
- (c) identify and prioritise projects and activities that deliver benefits to members.
- (d) 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.

Outcomes for members

Delivering on this plan will -:

- › Increase wine grape grower's voice via State and National Grape and Wine Industry bodies
- › Ensure Growers are advocated for at Government and Industry level to minimise or avoid issues that may be detrimental to success.
- › Identify and promote practices to improve grape growing sustainability and profitability.
- › Assist members understand and meet best practice through the supply of information and resources for business success.
- › Provide information through regular and various communications avenues.
- › Strengthen relationships with the wider agriculture industry and stakeholders.
- › Build networks and information sharing through Grower focussed events.
- › Assist in formulating one State Industry Body focused on working together for sustainability and success of the SA Wine and Grape Industry Plan
- › Support members through leadership and inclusion
- › Increase training and development opportunities for the business of wine grape growing.

This strategic plan will guide the preparation of annual operating plans which include specific targets, timelines and budgets

What is WGCSA

WGCSA was established in recognition of the need for a collective voice for SA's wine grape growers.

WGCSA exists to effectively represent SA wine grape growers at a State and Federal

The WGCSA has been working closely with the SA Wine Industry Association over the past several years, This has resulted in both organisations discussing a viable model for a single State Grape and Wine representative body

Our Stakeholders

Primary stakeholders are the South Australian wine grape growers who contribute to the SA Grape Growers Industry Fund.

Other stakeholders are SA and national grape and wine associations specifically SAWIA, VHA, and AGW plus our fellow agricultural commodity groups represented on Primary Producers SA (PPSA).

Winemakers and purchasers of SA wine grapes and all parties contributing the supply or value chains of wine grapes are secondary stakeholders.

The SA Government's Department of Primary Industries and Regions SA (PIRSA) is our direct legislative stakeholder through carriage of laws regulating the SA wine grape industry. Other state and Federal Government departments, and Wine Australia also influence or regulate SA Grape growers.

Developing the Plan

This plan has been developed with reference to:

1. Wine Grape Council of SA Strategic plan 2013-2018
2. WGCSA Strategic Direction on a Page 2017
3. WGCSA Business Plan on a Page 2018
4. SA Wine Industry Plan March 2018
5. SA Grape Growers Wine Industry Fund – Management Plan 2018-19 to 2022-23 (PIRSA)
6. WGCSA Rules of Association (2012)
7. Discussions with a sample of vineyard owners/growers (known as our Grower Focus Group) in October 2018.
8. Six Roadshows conducted as part of the renewal of the SA Grape Growers Industry Fund (SAGGIF) throughout SA in April and May 2018
9. National Industry planning documents (Wine Australia: Ten Year R&D vision, Australian Grape and Wine Strategy 2019)
10. Strategic plans of associated groups.
11. Discussions with WGCSA Councillors.

Planning Context

In South Australia, the total crush from 2018 was 747,361 tonnes. 532,201 of these tonnes were purchased grapes. The assumption is that this figure is the most accurate number in relation to the SA Grape Grower Industry Fund (SAGGIF)

The 2018 crush in SA was 13% lower than the 2017 vintage of 863,279 tonnes however it was close to the 10-year average of 739,572 tonnes.

South Australia has some key advantages with regard to growing wine grapes, including strong wine brands, high regional recognition and a community of wine grape growers that continue to show great resilience, innovation and a remarkable history of producing high quality grapes in the most adverse environmental and economic conditions.

This plan is being prepared at a time when the Industry is experiencing record wine sales to China with a flow on effect of an increase in prices for grapes. It is also a time of climate change, political uncertainty, significant anti-alcohol lobbying along with significant increases in cost of utilities (particularly water), pests and disease threats and onerous business compliance requirements.

There are many challenges for Growers to manage.

History

WGCSA was established in 2007 to ensure growers were represented to government

With changing times, WGCSA must review how it can best represent its members at the State and National level. SA produces the majority of Australia's grapes and WGCSA must address both National State based issues and opportunities for SA growers.

50% of the funding available from the voluntary contribution from growers is devoted to the newly formed Australian Grape and Wine to ensure SA wine grape growers' are effectively represented at the national level.

Australian Grape & Wine was formed by dissolving the Winemakers Federation of Australia (WFA) and Australian Vignerons (AV) to form a single national body in February 2019.

WGCSA Achievements

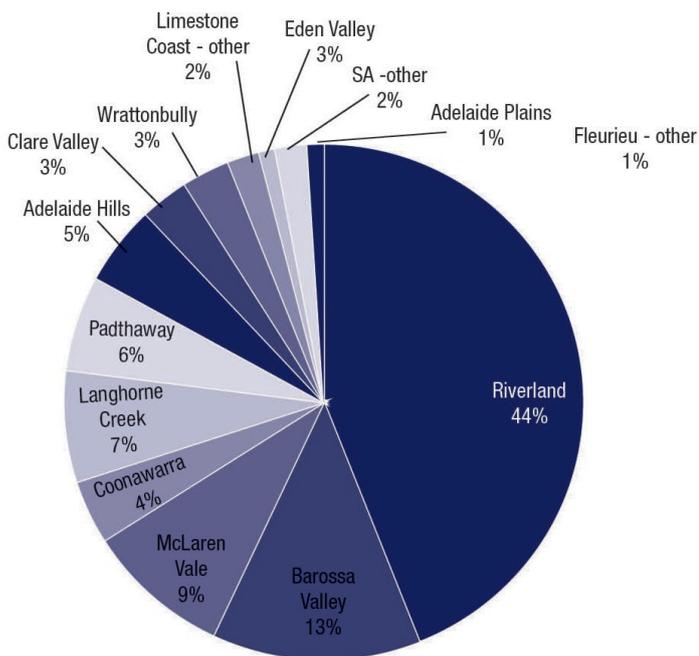
Over the past 2 years, WGCSA has:

1. Played an active role in the formation of a single national body
2. Increased the skill set and diversity of the WGCSA Council
3. Built positive relationships with members and fellow Industry bodies.
4. Developed a social media presence and distributed content through Facebook, Instagram, Twitter and a YouTube channel.
5. Modernised the web site to increase information and resources for Growers.
6. Interviewed Industry experts and Growers and provided those videos on the website.
7. Introduced and emailed monthly newsletters to members and Industry
8. Delivered grower events including Summits and regional roadshows.
9. Applied for Grants to deliver additional projects which deliver value to members.
10. Collaborated with South Australian Wine Industry Association to implement a united SA State Wine Plan.
11. Subcontracted SAWIA to provide WGCSA Members with WHS and IR services including access to training at reduced rates.
12. Secured an office location at Industry House, National Wine Centre to improve collaboration with other Industry bodies.;
13. Funded national projects including biosecurity MRLs etc through Australian Vignerons
14. Undertaken surveys of our members to check priorities and views on key policy issues;
15. Worked collectively with Primary Producers SA (PPSA) on wider agricultural sector issues like spray drift and smoke taint.
16. Worked with the National Farmers Federation (NFF) through membership of PPSA
17. Represented grape growers at Natural Resource Management (NRM) forums
18. Represented Grape Grower views on Transport and Supply Chain Committee (TASC)
19. Lobbied for State Election commitments with a 10-point plan for the Grape Industry and PPSA Policies.
20. Represented members at government/industry workshops, consultations, legislative reviews
21. Represented growers through media requests and interviews
22. Worked collaboratively with Grain Producers SA to deliver Chain of Responsibility seminars free of charge to members throughout the SA.

- 23. Instigated a Grower Focus Group comprising innovative wine grape grower members
- 24. Supported members to undertake growth and development opportunities.
- 25. Be recognised and consulted by the SA government as a key industry stakeholder
- 26. Reshaped the Diploma of Viticulture qualification.
- 27. Responded to member queries and requests for assistance.

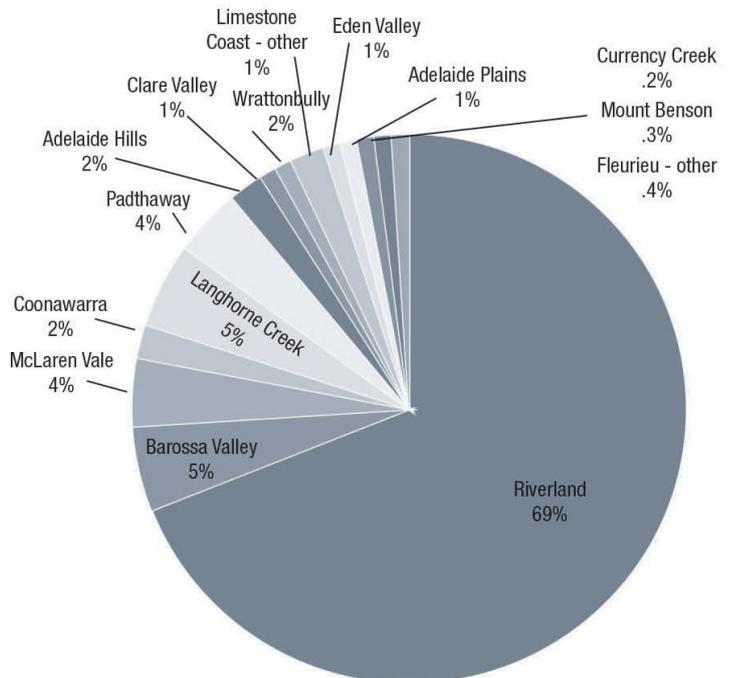
2019

Value share of all grapes purchased by wineries in SA



2019

Volume share of all grapes purchased by wineries in SA



Current Business

WGCSA works for growers in three key areas:

- Forming policies and communicating priorities;
- Advocacy with government
- Creating and sharing new information

Current projects:

1. Applied for grant funding to undertake the South Australian wide project, ***Incorporating native insectary plants to create biodiverse ecosystems in and around vineyards*** through the Department of Agriculture and Water Resources.
2. Developing online WHS training to be delivered via handheld devices (in conjunction with SAWIA)
3. Reducing transport and supply inhibitors in agriculture with other PPSA members
4. Working with ACCC on contracts and supply issues for Grape Growers.
5. Shaping the NRM review and consultation process and it's move towards new legislation through the Landscapes SA Act
6. Working with VHA and Biosecurity SA to protect SA wine grape growers from pest and disease threats.

Funding (Via legislation)

WGCSA's activities are primarily financed by the voluntary contributions paid under the SA Grape Growers Industry Fund (SAGGIF).

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 so they can favourably position themselves in the marketplace.

Section 4 of the ACT allows the Governor to make regulations to establish a fund for particular primary industry sector. All funds are administered by the Minister for Primary Industries and Regional Development. Primary Industries and Regions SA (PIRSA) is the Minister's agent for the administration of these funds.

The SAGGIF was established by the Primary Industry Funding Schemes (SA Grape Growers Industry Fund) Regulations 2007.

Contributions are payable at a rate prescribed in the regulations – currently set at \$1/tonne.

Winemakers/Wineries collect the contribution as a deduction from the payment to the growers and must forward all contributions to the Minister on or before 30th June each year.

Payments from the fund are allowed for purposes defined in regulation 7 according to the SA Grape Growers Wine Industry Fund Management Plan 2018-19 to 2022-23 and are as follows.

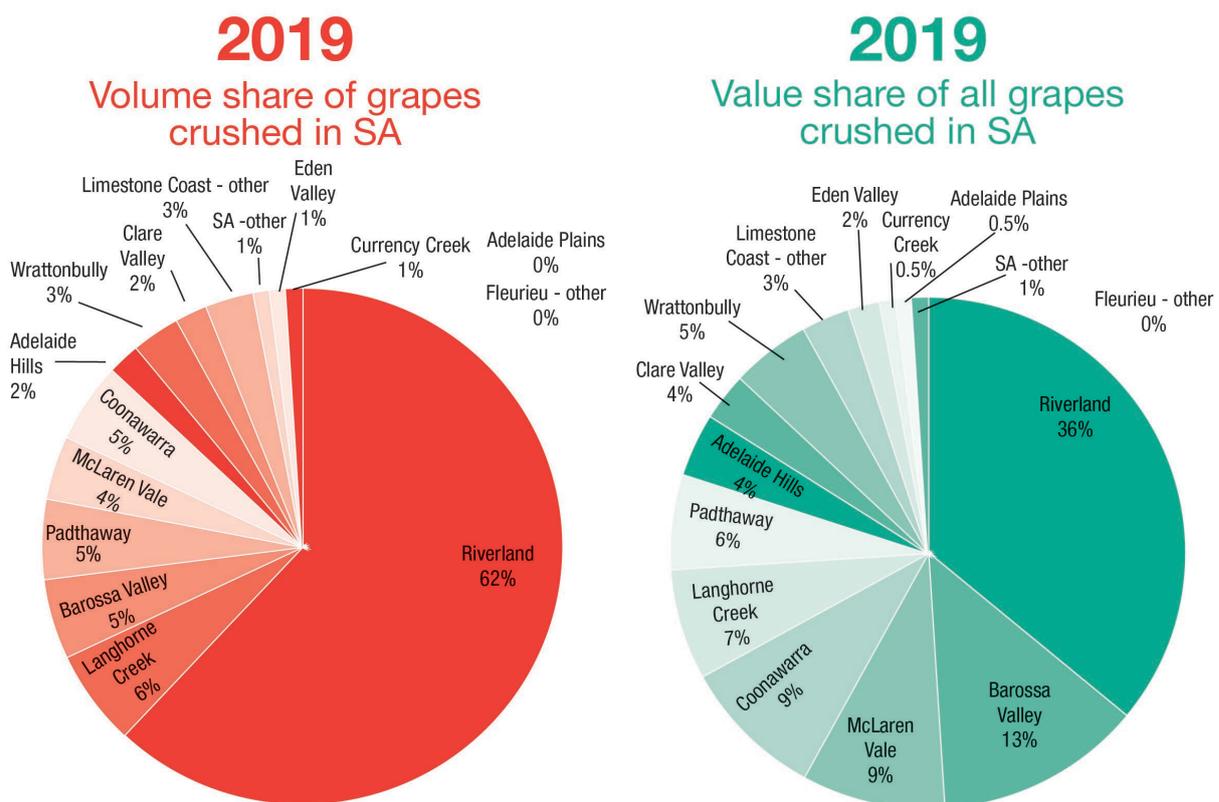
Regulations 7 – Application of the Fund

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

The fund has remained at a calculation level of production of \$1/tonne since its inception in 2008.



SWOT Analysis

WGCSA Strengths:

- › Skill, diversity and commitment of Councillors and staff
- › Solid membership base.
- › Quantity and quality of work produced in-house with limited resourcing
- › Representation from major wine grape producing regions
- › Talent on the Grower Focus Group
- › Leveraging provided by membership with Primary Producers SA (PPSA)
- › State and National representation of Members
- › Voluntary contribution regulations in force until July 2023
- › Strong and collaborative relationships with fellow state bodies (SAWIA, VHA and PPSA)
- › Positive increase in communication with members

WGCSA Weaknesses:

- › Limited funding to resource services and projects
- › Database of members, wineries incomplete and inflexible resulting in communication challenges.
- › Lack of member awareness regarding the government requirements in relation to the application of the fund.
- › Time committed by Councillors has needed to increase to keep up with requirements of the role (i.e.. Compliance, governance)
- › Difficulty getting members to engage in industry issues and take on leadership roles.
- › Uncertainty of funds due to variances of vintage and future calculation method.
- › Need for clarity on Principles of Advocacy and Decision matrix tool
- › Lack of easily understood measurement tools to show success, failures and opportunities.

WGCSA Opportunities:

- › Increase collaboration with regional associations, SAWIA, VHA and AGW to achieve industry wide outcomes;
- › Improve Grower engagement through increased consultation and communication of Grower Focus Group.
- › Leverage the critical mass of members to identify key benefits, discounts and opportunities
- › Identify grant opportunities to deliver new projects, (including research, innovation)
- › Leverage state and federal funding for major projects;
- › Engagement with the next generation to encourage working in the Industry through school-based traineeships or graduate program
- › Diversify communication paths and methodologies to engage with time poor members. (e.g. podcasts, videos)

WGCSA Threats:

- › Declining value and availability of funds;

- › Change in family structures of members (ageing) and ownership models (vineyards sold to corporate or foreign investors)
- › Political uncertainty
- › Anti-alcohol lobby
- › Major Biosecurity incursions
- › Reliance on China wine sales
- › Member perception of WGCSA value
- › Industry concern at levies and number of representative bodies.
- › Lack of engaged grower members in some areas
- › Leadership into the future.
- › Involvement in issues outside of State focus.
- › Increasing business demands on growers which reduces volunteer engagement

Delivering Value

WGCSA will deliver Value to members by:

1) Lean Staffing

WGCSA will maintain a small level of staffing namely 1 Business Manager and 1 casual finance employee.

Communication will be managed by BM and contracted on an as needed basis.

2) Tight adherence to required purposes

1. The WGCSA must adhere to the Ministers SAGGIF Management Plan including the regulations regarding the purposes for which funds may be applied.
2. We will deliver an Operating Plan to the Minister for approval each financial year including Named activities for the year and a brief description of the activity and intended outcome
3. Alignment to a purpose or Industry priority (as per Ministers requirements in regard to Application of the Fund)
4. Budgeted cost for each activity

WGCSA will provide a report within one month of the end of financial year showing activities carried out and/or outcomes achieved with the payments from the fund demonstrating monies were expended in accordance with the application for payment.

3) Setting Priorities

Allocation of funds to meet the Ministers regulations purpose will be considered in terms of:

- › Delivering the greatest benefit to our members

4) Delivering Maximum benefits through collaboration

- › Effective affiliations with regional, State and national bodies to ensure Wine Grape Growers interests are represented.

- › Choosing projects that have sustainability and/or innovation as a driver to success.
- › Delivering broader collaboration and knowledge sharing which can improve the long-term success of the Industry
- › Recognising and promoting Education and the status of business skills, including training and development in areas including but not limited to WHS, IR, Financial literacy, Biosecurity, Chain of Responsibility, Record keeping, Environmental stewardship,
- › Seeking opportunities to partner with others to leverage benefits for members

Relationships

WGCSA's critical relationships essential to our ongoing success are:

- › relationships with our members, the wine grape growers of SA who contribute to the SA Grape Growers Industry Fund
- › Our relationship with Australian Grape and Wine (AGW) which represents our Members at the National Level
- › the South Australian regional wine grape associations;
- › the SA Government, specifically the Department of Primary Industries and Regions SA
- › South Australian Wine Industry Association (SAWIA)
- › Vinehealth Australia (VHA)

Priorities

The guiding principle for our priorities are:

- › *A sustainable South Australian Wine Grape Industry is the foundation of everything we do.*

Strategic Priority One:

Secure an efficient WGCSA Funding Mechanism for the future. which can deliver for all members -

Strategic Priority Two:

Effective representation of Wine Grape Growers to Government

Strategic Priority Three

Effective representation for Growers in Major areas of concern including Anti-alcohol lobby and Biosecurity

Strategic Priority Four

Attracting and supporting women to the Industry

Strategic Priority Five

A prosperous and resilient operating environment for wine grape Growers (including environmental)