

## WINE GRAPE GROWERS AUSTRALIA

### 2013-14 Annual Operating Plan:

### REPORT ON ACHIEVEMENTS

#### Overall highlights for the year:

- Response to the proposed WFA Actions that has resulted in changes being made that better serve growers' interests
- Facilitating and providing input into the conditions in establishing the Australian Grape and Wine Authority (AGWA)
- A multi-faceted campaign was mounted to advocate for improved commercial practices in the industry that would improve the viability of grower businesses.
- Employment of a biosecurity project officer and progress in preparing a biosecurity strategic plan

#### Report card on achievements

	Key deliverable	Progress to date in 2013-14
✓	Establish a National Wine Biosecurity Industry Reference Group	Established, although the program was interrupted by the resignation of the Biosecurity Program Coordinator in May 2014.
✓	Devise a national grower identification strategy for biosecurity and statistical purposes	Contributed to the development of business case for National Grape and Wine Database –continues as a work in progress.
✓	Measurably progress establishing Maximum Residue Limits for phosphorus acid in China	Progress made – projected for finish at end of 2014 – monitoring brief to ensure the in-market agent meets planned timelines.
✓	Usher in a whole-of-value-chain statutory authority through the merging of GWRDC and WAC	Achieved
✓	Create and roll out a WGGGA wine tax policy	Done – including a campaign to inform Federal Politicians. Member of ATO/WFA/WGGGA Wine Tax Working Group.
≈	Develop a national biosecurity strategic plan	Program interrupted by the resignation of the Biosecurity Program Coordinator in May 2014 – foundations of a Strategic Plan prepared.
≈	Wider adoption of a code for purchasing winegrapes	Up to 40 additional signatories which represents a significant increase but still fails to reach agreed targets. A review of the Code being undertaken in addition to a campaign to address dysfunctional commercial practices in the industry.
≈	Commence the codification of a methodology for colour measurements in winegrapes	First discussions held in the WQMC – positive indications for potential - no further follow-up (since Aug 2013). The program is held back by the de-regulatory policy of the incoming government.
≈	Demonstrate the benefits of using objective measures for winegrape payments	Have sought support from WFA through JPF but not achieved – currently undertaking a campaign through the wine media
X	Advocate for an Entwine program more relevant to growers	Proposal presented to the JPF to achieve this - no action resulting

## **WGGA activities by Strategic Pillar:**

### **1. Issue Management**

#### Biosecurity and Vine Health

This year has seen a major leap forward in addressing future biosecurity arrangements for the winegrape sector. A National Winegrape Biosecurity Program Coordinator (NWBPC) was appointed in September 2013. The Coordinator established a Biosecurity Viticulture Industry Reference Group, participated with the Executive Director in Plant Health Australia meetings and National Viticulture Biosecurity Committee meetings and consulted with a wide range of regional, state and national stakeholders. WGGA has assisted PHA with the development of a new Viticulture Biosecurity User Manual, participated in a series of GWRDC-funded regional workshops in April-June 2014 to promote the new manual and raise awareness about biosecurity and national biosecurity management arrangements.

The biosecurity program for the year was interrupted by the resignation of the Biosecurity Program Coordinator mid-way through the appointment. The foundations of a Strategic Plan were delivered and used, in a modified form, as the basis of a funding appeal to stakeholders to continue the program. The outcomes of this appeal were undetermined at the end of the year.

WGGA has facilitated the preparation of a business case for managing the future of Australia's grapevine genetic resources.

#### Market Access for winegrapes

Slow but steady progress has been made in this area. WGGA worked with WFA on international negotiations to reduce trade barriers – including arranging for a China-based consultancy to conduct Phos Acid MRL negotiations with the Chinese authorities. Simon Berry has ably conducted WGGA's role in this initiative.

WGGA pursued several avenues to improve market signals for grapegrowers including through objective measures for grape payments. A positive outcome from this campaign is the engagement of the National Office for Small Business (NOSB) in examining commercial arrangements proposed by WGGA to be dysfunctional. With a charter to advise the government on such matters and an authority to approach senior officers in companies that are the object of small business complaints, we await the outcomes of a dialogue the NOSB has established with major off-takers in the industry.

WGGA commenced a project investigating options for a national standardised delivery docket that would assist growers with compliant documentation for transport, quarantine and LIP regulations and a long-term objective of removing duplication of cart notes through a single accepted documentation format.

#### RD&E

An updated WGGA Research, Development and Extension Policy was prepared, as well as a methodology for preparing future updates to ensure maximum influence on GWRDC (now AGWA) strategic planning. Key research providers were interviewed in the process which has produced valuable information on research priorities, investment and resources dedicated to viticulture research within research organisations in Australia.

A unified WGGA/WFA RD&E policy is being scoped.

#### Code of Conduct

WGGA has had a driving role in policy and action in this area – motivated by WFA's repeated inability to secure sufficient signatories to the Code. WGGA has achieved a commitment through the Code Management Committee for a credible reform program for the Code that will better protect grower interests. A mandatory code, together with a range of other alternatives to the existing code, are being considered.

WGGA has taken the initiative in preparing resource materials for promoting the Code, including an at-a-glance Frequently Asked Questions flyer that attempts to redress wine company ignorance about the Code and its conditions as well as rebutting the frequently raised reasons offered by wine companies for not

signing. Research has also been conducted into the standard of contracting practice in the Australian wine sector.

### Wine Tax

The WGGA Wine Tax Policy has been updated and publicised as a response to the WFA proposal for significant changes to the WET rebate provisions. This policy has firmly and credibly asserted WGGA's primary concern that the volumetric versus ad valorem issue is the pre-eminent issue in the wine tax debate. Moreover, in all matters in this debate, including the WET Rebate, an evidentiary basis to change is required as well as equitable treatment of growers in any proposed changes.

This policy initiative was an important plank in a campaign to engage federal parliamentarians which successfully forged important links with key players in the new government.

### Knowledge and Capacity Development

Achievement of Annual Operating Plan objectives in this area, with the industry-owned Vineyard Data Base the most prominent part, have been limited - primarily by lack of progress made by the Wine Australia Corporation in preparing a business case for the instrument.

WGGA has been a significant contributor to a research project on adoption of technologies in the grape and wine industries, which will conclude in 2014. This project is expected to provide insights into the key drivers for adoption of technology, which will inform future WGGA knowledge and capacity development policy and AGWA extension activities.

## **2. Policy Development and Advocacy**

This has been a successful year for policy development and advocacy. Significant inroads have been made with politicians – including two face-to-face meetings with the new Minister for Agriculture, Barnaby Joyce. The production of supporting written material has assisted in “cutting through” with clear messages to government about growers concerns about commercial practices in the industry and wine tax.

WGGA input into the WFA Expert Review and Proposed Actions and has been a major commitment in 2013-14. WGGA's submission to the Review was supplemented by a submission from a group of corporate growers which was commissioned and project-managed by WGGA.

WGGA's relationship with WFA has been maintained this year despite public criticism made of WFA in highlighting Woolworths' signing of the Code and contrasting this to WFA's continued failure to achieve the targetted number of wine company signatories.

WGGA and WFA have together facilitated the creation of AGWA, collaborated on a business case for a national vineyard database and negotiations on MRLs to reduce trade barriers for wine exports to key markets based on chemical residues from the vineyard. The Joint Policy forum continues to meet on a quarterly basis to facilitate unified national policies between WGGA and WFA.

To assist in setting future policy, the incoming federal government issued calls for submissions to a number of reviews and parliamentary papers. WGGA prepared submissions to two of these; the National Agricultural Statistics Review and the Agricultural Competitiveness White Paper.

## **3. Cultivate relationships and engage stakeholders**

WGGA has actively participated in relevant whole-of-industry events and industry committees, including the Joint Policy Forum, Innovation Policy Committee, National Viticulture Biosecurity Committee, Winegrape Biosecurity Industry Reference Group, Code Management Committee; the 2013 Australian Wine Industry Technical Conference (at which we had a stand that attracted a number of visitors and new members), the AWRI/ASVO Technical Conference and the ABARES 2014 Outlook Conference – as well as a number of other seminars related to grower interests.

The Executive Director has presented to a range of different audiences – including University of Adelaide students, “Next crop” leadership program participants, TWE growers and regional seminars. Participation

in the Vine Care Seminar series, with WGGGA representing biosecurity, saw WGGGA representatives present to growers in 16 regions around Australia and cultivating relationships with growers, particularly in regions of Queensland, NSW and Victoria that have not traditionally been actively engaged with WGGGA and for which WGGGA has had limited ability to engage.

WGGGA has continued to produce its traditional communications for members and other stakeholders – including the bi-monthly United Grower and monthly e-Alerts, as well as ad hoc media releases and website updates.

#### **4. Building organisational capacity**

WGGGA is constantly looking for ways to build the organisation's capacity and increase its ability to serve growers. This year this has included organising several networking events for corporate growers which has resulted in positive interactions and a good level of engagement. Regional visitation opportunities have been limited by lack of resources but have occurred on an opportunistic basis.

Through an arrangement with the Queensland Wine Industry Association, QWIA members are members of WGGGA. The success in forging links with groups of growers this way has led to an extension of this approach to regional associations in the 2014-15 membership drive.

Opportunities to build capacity through collaborative projects have been explored through discussions with Grain Producers' Australia about a shared biosecurity officer and spray drift research, and with Rural Business Solutions (SA) on collaborative grower-assistance seminars across Australia.

#### **5. Corporate governance**

WGGGA has continued to maintain a high standard of corporate governance in complying with its financial, reporting and constitutional obligations.

As a part of its annual meeting program, the Executive Committee met in the Riverland in 2013-14, enabling a meaningful interaction with the RWGA. The June meeting occurred in Canberra to take advantage of the opportunity to join WFA's Cocktail Reception, in Parliament House, with federal parliamentarians. The WGGGA Executive Director discussed with Mr Larry Jorgensen, CEO of Wines of Western Australia (WWA), the re-organisation of WWA, and identified areas in common with WGGGA as well as discussing the appointment of the new Western Australian representative to the WGGGA Executive Committee. Discussions were also held with Wines Victoria regarding the replacement of the 'Rest of Victoria' member of the WGGGA Executive Committee following Kym Ludvigsen's sad and untimely passing in December 2014.

Changes to administration staff hours have been regularly re-negotiated to better suit the requirements of the organisation and the preferences of the employees.

L Stanford  
WGGGA, Executive Director  
July 2014