

Member Bites: WFA Activities October 16, 2015

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WFA AGM on November 10

The Winemakers' Federation of Australia's Annual General Meeting will be held on Tuesday, November 10, 2015, at the National Wine Centre in Adelaide, starting at 4.15pm. A Notice of Meeting has been sent to all members.

Senate Inquiry heads to WA's Swan Valley

A Senate Inquiry public hearing into Australia's wine industry will be held in the Swan Valley on Tuesday, October 27. WFA will give evidence at 10:30am (Perth time). The agenda and submissions for this hearing will soon be on the inquiry's website [here](#). For a live audio feed on the day, go to the grey "Watch Parliament" tab [here](#). WFA's submission is also available online [here](#).

Contact: Melissa Cheesman-Faull – 08 8133 4312, melissa@wfa.org.au

International wine bodies to meet in Adelaide

Australia is hosting the World Wine Trade Group (WWTG) and the APEC Wine Regulatory Forum in Adelaide from November 9-13. WWTG comprises industry and government representatives with a mutual interest in facilitating the international trade in wine. Along with Australia, members include Argentina, Canada, Chile, Georgia, NZ, South Africa & the USA. The Department of Foreign Affairs and Trade leads government's involvement, with support from the Department of Agriculture and Wine Australia. Australia is represented in the industry sector by WFA. Key issues include bilateral arrangements, MRLs in the APEC region and labelling.

Contact: Tony Battaglene – 0413014807, tony@wfa.org.au

Oct 28: Lunch meeting with WFA CEO Paul Evans

Decision time for restoring profitability is the title of CEO Paul Evans' upcoming speech to the Rural Media Association which will be delivered at 12.30pm on Wednesday, October 28. All welcome. Bookings and tickets can be made via the association's website [here](#) - \$65 (\$55 members). Paul will discuss how the nation's \$4.2b wine sector faces some of its biggest challenges yet, with increasing global competition, commoditization of the domestic market and mixed export performance. These next six months will be critical in shaping industry's future direction.

Contact: Alexia Deegan – 08 8133 4303, alexia@wfa.org.au

Ministerial appointments – awaiting PM confirmation of responsibilities

After a Cabinet reshuffle, the Prime Minister issues "charter letters" outlining Ministerial responsibilities. These letters importantly detail the breakdown of responsibilities within each portfolio and how the load is to be shared,

particularly by Ministers who share a portfolio. For example, there are three Ministers in the Treasury portfolio – Treasurer Scott Morrison, Assistant Treasurer and Minister for Small Business Kelly O'Dwyer and Assistant Minister to the Treasurer Alex Hawke. At the time of writing, industry continues to wait for information on which Minister within agriculture has lead responsibility for the wine sector. Also, does the Assistant Treasurer retain carriage of the WET rebate discussion paper process and does Minister Nash retains responsibility for leading alcohol policy development within the health portfolio. More soon.

Contact: Melissa Cheesman-Faull – 08 8133 4312, melissa@wfa.org.au

Export value growth: Wine Australia

The value of our wine exports rose 8% to A\$1.96b, according to Wine Australia's September report just out. The rate of value growth is currently outpacing volume which increased 5% to 734 million litres. In the last 12 months, the average value of exports above A\$7.50/litre went up 7% to a record A\$15.45/litre – a pattern across many premium price segments. Exports of Australia's highest-priced wines (above A\$50/litre) rose 54% to A\$133m. While the segment accounts for only 0.2% of total exports, it's worth 7% of total value. The average value of bottled exports also increased 4% to A\$5/ litre. In contrast, the average value of bulk exports continued to fall, down 4%. See [here](#) for more. Australia's top 5 export countries by value were:

- US – down 4% to A\$428 million
- UK – down 2% to A\$370 million
- China – up 47% to A\$313 million
- Canada – up 4% to A\$189 million
- Hong Kong – up 24% to A\$118 million

IR update

The South Australian Wine Industry Association is preparing a submission to the national Fair Work Commission on minimum engagement for casual employees in the wine industry. Currently the minimum engagement is four hours, while SAWIA will be recommending it be lowered to two hours to better reflect the operational requirements & industry's seasonal nature. *Contact:* Henrik Wallgren – henrik@winesa.asn.au, 08 8222 9270

Draft 'National Drug Strategy' released for comment

The Federal Government has released its draft National Drug Strategy. WFA is already preparing a response which will be in by the October 27 due date. Among our early concerns is the strategy's lack of reference to a message of moderation, any acknowledgment of a safe level of consumption or any reference at all to the benefits of working collaboratively with industry. Instead, alcohol is treated on par with illicit substances. The strategy's preferred harm minimisation focus for alcohol is on population-wide measures, including using it to reduce overall consumption of alcohol through pricing mechanisms (read: increased taxes, minimum pricing, etc). WFA's submission and other work will recognise wine's legitimate place in society. Meanwhile, a draft National Alcohol Strategy is expected to be released shortly. See [here](#).

Contact: Melissa Cheesman-Faull – 08 8133 4312, melissa@wfa.org.au

Changing of guard at WGGA

Wine Grape Growers Australia Chair Vic Patrick retires in November, to be followed by Executive Director Lawrie Stanford who retires mid-December. WGGA Deputy Chair Justin Jarrett said the process was now underway to find leaders to fill the roles. "Lawrie has put WGGA in a great position where it can play a major role in the revitalisation of the industry and has done the ground work for a more streamlined national organisation," explained Justin, outlining priorities included collaborating with WFA on a new national model for combined representation of grapegrowers and winemakers. See job details [here](#).

Alcohol taxation in Australia report by Parliamentary Budget Office

The Parliamentary Budget Office has released a report on alcohol taxation in Australia. While the report does not make policy recommendations or draw conclusions, it overviews the tax landscape and aims to inform Parliamentarians' understanding of alcohol taxation. The report estimates the gross amount of WET collected was \$1,119 million in 2015-2015 and that that WET rebates and credits paid are around \$327 million for the same period, making Net WET receipts \$792 million. See the full report [here](#).

Contact: Melissa Cheesman-Faull – 08 8133 4312, melissa@wfa.org.au

Safety seminars in Barossa, Coonawarra

A work Health and Safety seminar is being held shortly on the theme *Safety is a full time job – don't make it a par time practice!* Conducted by SAWIA, sessions will be held in the Barossa Valley (November 11) and Coonawarra (November 25). Topics covered include labour hire contractors and knowing legal obligations; beards, discrimination and safety disputes and what to do when WHS and IR issues collide; Laws, including the Work Act and changes to WHS. Cost is \$280pp/\$180pp SAWIA members. See [here](#) for booking details.
Contact: admin@winesa.asn.au, 08 8222 9277

Responsible Winery initiative

Many WFA member wineries are supporting good causes and we are in the process of compiling a listing of this important work to help highlight what good work wine businesses do across our communities. So if your winery is involved with the local sports group, supports a grant or hospital initiative, or you are doing some smart things in your winery to keep it and your visitors and workers safe, please drop me a line about it. For example, have you demystified the spittoon at the cellar door to encourage people drink in moderation as well improve their knowledge of wine? Hosted any fundraisers for local charities or do you support a grant or project? There are o so many good examples of our members playing important roles in their communities, we would like to work with you to share and encourage others to join in.

Contact: Alexia Deegan – 08 8133 4303, alexia@wfa.org.au

China Free Trade Agreement

It's time for Federal Parliamentarians to turn on the greenlight when debate over the China-Australia Free Trade Agreement (ChAFTA) gets underway, with any delays into the New Year likely to push out tariff reductions. WFA estimates the cost to industry could climb to over \$50 million and the clock is ticking. At \$242 million in the 12 months to March this year, China is the third biggest export market for Australian wine behind the UK and US. Removing trade barriers opens the door for growth and puts Australia on par with Chile (whose wines became tariff free into China this year) and NZ (which has been tariff free since 2012). If Parliament passes the legislation this sitting, the current 14% import tariff for Australian wine and 20% for bulk will be phased out over four years. Keeping in mind the Chinese consumption of wine has doubled twice in the past five years alone and is predicted to overtake the US by as early as next year, this is lucrative potential market. See more news from WFA [here](#).

Get Ready for Vintage 2016: Employment Fundamentals in South Australia

Briefings on key aspects of the Wine Industry Award 2010, including provisions most commonly used during vintage, will be held across South Australia's wine regions from October 27-November 19. Cost is \$199pp (\$99pp SAWIA members). See [here](#). *Contact:* admin@winesa.asn.au, 08 8222 9277

Trans-Pacific Partnership? Done

The Trans-Pacific Partnership (TPP) Agreement announced last week promises to level the playing field for those entering the 12 countries signed up to the deal. While there's still some way to go, with the TPP still to pass each nation's Parliament, the main benefit for Australian wine exporters would be the immediate elimination of wine tariffs on wine exported into Canada. The TPP countries are Australia, the US, NZ, Canada, Mexico, Chile, Peru, Japan, Singapore, Malaysia, Brunei Darussalam and Vietnam. This regional footprint accounts for around 40% of world GDP and last year accounted for 45% of Australia's wine exports or \$837 million out of a total of \$1.9 billion in total wine exports (*source:* DFAT). See more detail [here](#).

Are there issues you need an update on? Email wfa@wfa.org.au or contact staff above.

2. Upcoming events

October 21: Opportunities in a new climate KI (Southern Fleurieu) Workshop. See [here](#).

October 28: WFA to address the Rural Media Association of SA ([bookings](#))

October 28: AWRI Adapting to Difficult Vintages Mudgee Workshop. See [here](#).

October 28: AWRI Adapting to Difficult Vintages Orange Workshop. See [here](#).

October 30: AWRI Adapting to Difficult Vintages Canberra Workshop. See [here](#).

November 10: WFA annual general meeting, Adelaide. See [here](#).

November 19: Earlier, Shorter, Hotter: Managing Compressed Vintages ASVO Adelaide [Seminar](#)
November 20: Crush 2015 Grape and Wine Science Symposium ([details](#))

July 23-28, 2016: Australian Wine Industry Technical Conference & Trade Exhibition:
<http://www.awitc.com.au/> & <http://www.awite.com.au/>

3. Media Update & Links

Winemakers reject calls to raise tax (*Stock Journal*, Oct 15)

This article covers WFA rejecting the health lobby's unhelpful calls to raise wine taxes at a time when any such rises would severely impact on regional communities, cost jobs and fail to deliver the targeted services to help those in need. "The federation believes that wine should be taxed within the existing WET legislative framework and that any future changes to wine tax arrangements be made within this framework and not shifted to an excise-based approach as is the case with beer and spirits," Paul Evans said. WFA does not have advocate on how the WET should be calculated.

Alcohol tax causes policy headache (*AFR*, Oct 15)

This article in the daily financial paper explores different views on alcohol tax. It reports the Winemakers' Federation of Australia, members of which benefit from preferential tax treatment under current arrangements, insist there was no broad appetite for change. "We are of the firm belief that our unique role in regional Australia and the unique commercial challenges we face are appreciated and will therefore continue to be recognised in these tax rates," the federation's cef executive, Paul Evans, said.

Booze tax to fizzle as guzzlers go for 'goon' (*The Courier-Mail*, Oct 15); **Drinks help fill coffers** (*Townsville Bulletin*, Oct 15); & **Tax on tipplers rakes in cool \$6b** (*Cairns Post*, Oct 15)

These Qld daily News Ltd papers carried Jessica Marszalek's story on alcohol's \$6 billion contribution to federal coffers as outlined in a Parliamentary Budget Office Report on alcohol taxation which came out this week. The report identifies 7 different excise rates for beer, as well as the WET rebate for NZ. WFA CEO Paul Evans commented the NZ rebate effectively pays NZ wineries to sell tax-free here. "It's just ridiculous when you consider the original reason for the rebate was to protect Australian wine makers."

Alcohol tax gets some cheers (*The Australian*, Oct 15)

This story also looks at the Parliamentary Budget Office's paper on alcohol taxes, highlighting wine's preferential tax rate. Paul Evans is quoted: "We are of the firm belief that our unique role in regional Australia and the unique commercial challenges we face are appreciated and will therefore continue to be recognised in these tax rates." See full article [here](#).

Agriculture Minister Barnaby Joyce says water responsibility rest with him (*ABC Rural*, Oct 15) See item including audio [here](#). (refer to Member Bites brief in the newsletter above for the latest on Ministerial Charter letters).

Alcohol consumption: How to find a healthier way to drink (*Herald Sun*, Oct 15)

When consuming alcohol, it's not only important to drink responsibly but to select the healthiest possible alcohol products for your body. Story [here](#).

Political tensions over the Murray-Darling explode as senators call for water buybacks to be suspended (*News.com* October 15)

The SA Govt has rejected calls for the Murray-Darling Basin Plan to be suspended and for less focus to be placed on making water available for environmental flows. Read story [here](#).