

CGWI AGM Meeting Minutes	
Tuesday, 28 th September 2021	9:00am Coonawarra Hall
Attendees	Kirsty Balnaves, Peter Balnaves (Balnaves of Coonawarra – 1 vote); Brian Lynn (Majella Coonawarra – 1 vote); Emma Bowen (Bowen Estate – 1 vote); Luke Tocaciu (Patrick of Coonawarra – 1 vote); Bruce & Daniel Redman (Redman Wines – 1 vote); Ben Briggs (Lindeman's Coonawarra – 1 vote); Luke Trotter (The Blok Coonawarra – 1 votes); Sally Macleod (Macleod AA & SC – 1 vote); Paul Gordon (Leconfield Coonawarra – 1 vote); John Innes (J&M Innes P/L – 1 vote); Rae Clark (Scoble Pty Ltd – 1 vote); Nic Zema (Zema Estate – 1 vote); Martin Wirper (Rymill Coonawarra – 1 vote); Hans Loder (Penley Estate – 1 vote); Peter Weinberg (Brand's Laira, Casella – 1 vote); Sue Hodder & Allen Jenkins (Wynns Coonawarra Estate – 1 vote); Steven and Emma Raidis (Raidis Estate – 1 vote); Angus Smibert (Whistle Post Wines – 1 vote); Greg Clayfield (Oaklands Viticulture & Farming – 1 vote); Nat Cleghorn (Katnook & Petaluma – 1 vote); Chris Brodie (guest); Ockert le Roux (Executive Officer CV) Heidi Eldridge (Marketing & Events Officer CV); Christine Lambert (Finance & Administrator – CV),
3Apologies	Cate Bell & Sue Bell (Bellwether Wines); Doug Balnaves (Balnaves of Coonawarra); Heather & Jon Kidman (Banks Thargo Wines); Joy Bowen (Bowen Estate); Sam Flint (Brand's Laira Coonawarra); Frank DiGiorgio (DiGiorgio Family Wines); Dennis Vice (Highbank Wines); Gavin Hogg (Hoggie Estate Wines); All staff (Jack Estate); Dru & Nicole Reschke (Koonara Wines); Shaun Murphy (Ladbroke Grove Wines); Sarah Pidgeon (Wynns Coonawarra Estate); Brian Smibert (Whistle Post Wines); Peter Barry (Jim Barry Wines); Sid Kidman (Kidman Wines)
Proxy	Emma Bowen (Banks Thargo Wines – 1 vote); Emma Bowen (Jim Barry Wines – 1 vote); Nick Zema (Highbank Vineyards – 1 vote); Martin Wirper (Koonara Wines – 1 vote)
Minutes	Heidi Eldridge (HE)

1.Independent Chairman's Report

Peter Balnaves welcomed members to the 2021 Annual General Meeting.

2. Attendance and apologies

Apologies – as listed above, read out by Ockert Le Roux. No additional apologies from the floor.

3. Minutes of Previous Meeting.

The President invited questions on the minutes; however, no questions were raised. The President asked for a proposer and a seconder for the 2020 minutes.

Resolution 1. The minutes of the Annual General Meeting held on 28 October 2020 are approved as a true and accurate record of the meeting.

Proposed: Peter Weinberg

Seconded: Nic Zema

The resolution was carried unanimously.

4. Consider and adopt the reports and accounts of the Board and auditors

4.1 President's Report – Peter Balnaves

The President tabled a report on the activities of the CGWI for the year to 30 June 2021, and read it accordingly (refer to Appendix 1).

Resolution 2. The President's Report be accepted.

Proposed: Peter Balnaves

Seconded: Bruce Redman

The resolution was carried unanimously.

4.2 Treasurer's report including ratification of annual subscription – Bruce Redman

The Treasurer tabled a report and read it accordingly (refer to Appendix 2).

The Treasurer reported that the financial statements had been approved and audited by Murray Nankivell.

Resolution 3. The Financial Statements for the year ended 30 June 2021, together with the Profit and Loss and Auditors' Report thereof, are approved.

Proposed: Bruce Redman

Seconded: Brian Lynn

The Treasurer's Report was carried unanimously.

Members were advised that ordinarily fees increase with CPI. Bruce Redman proposed that for the 2022/23 year that the increase is 1.5% (consistent with previous year increase and the current Adelaide CPI).

Resolution 4. That the membership fees increase by 1.5% in accordance with CPI.

Proposed: Bruce Redman

Seconded: Brian Lynn

4.3 Executive Officer's Report

Resolution 5. The Executive Officer's Report be accepted (refer to Appendix 3).

Proposed: Ockert Le Roux

Seconded: Peter Balnaves

4.4 SAWIA Board regional representative report

A presentation about SAWIA services and benefits of membership was made by Kirsty Balnaves. (Refer Appendix 4).

5. Election of Directors

Ockert le Roux advised that formal nominations had been received (by COB Monday 27 September) from 11 people. Section 7.1 under the Association's constitution requires a maximum of 6 members elected to the Board. Preferential voting format was adopted. The following people were elected to the 2021-22 Board.

1. Peter Balnaves – proposed by Ben Harris seconded by John Innes (President)
2. Dan Redman – proposed by Peter Weinberg seconded by Luke Tocaciu (Vice President)
3. John Innes – proposed by Ben Harris seconded by Pete Balnaves (Treasurer)
4. Peter Weinberg – proposed by Bruce Redman seconded by Luke Tocaciu (Board Member)
5. Ben Harris – proposed by Pete Balnaves seconded by John Innes (Board Member)
6. Luke Tocaciu – proposed by John Innes seconded by Peter Weinberg (Board Member)
7. Sally MacLeod – proposed by Ben Harris seconded by John Innes (Board Member)
8. Paul Gordon – proposed by Peter Balnaves seconded by Pete Balnaves (Board Member)
9. Jamie McDonald- proposed by Emma Raidis seconded by Luke Tocaciu
10. Emma Bowen – proposed by Sue Jane Hodder seconded by Catherine Kidman
11. Steven Raidis – proposed by Jamie McDonald seconded by Luke Tocaciu

President: Peter Balnaves proposed by Ben Harris; seconded by John Innes. There being no other nominations: Accepted.

Vice President: Dan Redman proposed by Peter Weinberg seconded by Luke Tocaciu. There being no other nominations: Accepted.

Treasurer: John Innes proposed by Ben Harris seconded by Pete Balnaves. There being no other nominations: Accepted.

6. Appointment of Public Officer

Allen Jenkins notified of his resignation from the role. Bruce Redman nominated to fill this position.

Resolution 6: Bruce Redman was accepted to the role.

Proposed: Pete Balnaves

Seconded: John Innes

7. Appointment of Auditor

The Treasurer commended Murray Nankivell as auditors for CGWI.

Resolution 7: Murray Nankivell are re-appointed as Auditor.

Proposed: Bruce Redman

Seconded: Emma Bowen

The resolution was carried unanimously.

8. Any Other Business

No agenda items were received by close of business, Tuesday, 21 September 2021.

9.Meeting Close: The President closed the meeting at 10:17am.

SEE ENCLOSED

APPENDIX 1 – President’s Report

APPENDIX 2 – Treasurer’s Report

APPENDIX 3 – Executive Officer’s Report

APPENDIX 4 – SAWIA Report and attachments

APPENDIX 1

President’s Report for the 2021 AGM

September 2021

Welcome, and thank you for your attendance today. I am pleased to present the annual report for 2021 as President of Coonawarra Vignerons Association.

We have now been in the pandemic for well over a year and it is currently hard to see when it will end, or exactly what the new “normal” will look like

As a State, and region we have been fortunate this far, however it continues to affect the way we conduct business. Some of the changes such as, seated tastings, masks and zoom meetings and density requirements have become the new normal.

There is a new trend for seated tastings that has come about as a government requirement under the pandemic. This in turn has led to a few cellar door operators in Coonawarra to look at the option of charging for tastings. This seems to have been accepted by the

customer. There are reports of this practice leading to uplift in sales because of increased personal interaction.

Regional visitation is on the decrease, and it is fair to say the community until such time as more people can get vaccinated. Let's hope this vaccination milestone can happen soon and bring more visitors to the region. As a foot note pre pandemic 3.5 billion dollars leaves south australia in overseas travel out of 14.5 billion nationally, 13 million Australian residents travel overseas each year

Many businesses are currently having trouble finding suitable staff to work in vineyards, wineries, and wine sales; This is common across the region and in other parts of the state, and indeed in Australia as a whole. It is not something the Association can deal with other than to make visiting politicians aware.

The Coonawarra Vignerons Association coordinates many annual events to attract visitation and market the region. I will ask Ockert to report on that later.

The Board is conscious of the need to host regional events. It is further conscious of the economics of these events and how they get impacted by reduced numbers and restricted regulatory measures. It is important that a changed event does not undermine the previous history, or reputation of that event.

This has led to a modified Vignerons cup event to go ahead in January 2022 to which Ockert will report shortly .

The Cabernet Symposium was also due to go ahead in 2022 ,the Committee came to a decision and decided to defer the Cabernet Symposium by another year until 2023.

To do the Symposium justice, it requires international speakers and attendees to be in region. Events of this calibre is not suitable for being hosted online.

The proposed sale of the Coonawarra Museum wine collection is progressing. A small committee will be tasked to assist in maximising the publicity and marketing value for these icon wines. This requirement came about, after comments the board received.

The association has continued to:

- Build relationships with community members, our own Industry and other industries in our region and the Wattle Range Council. Issues covered included the prevention of Smoke Taint during crop burn off, chemical spray drifts, water allocation issues and employment issues.
- Report on SATC Funding for Coonawarra Cabernet Celebrations. Re-application to the fund secured a further \$20k per annum for the next three years.
- Renewed the contract and allocation of budget funds of \$10k per year to continue the Coonawarra Root Stock Trial Project with Vine Health Australia & Wynn's Coonawarra Estate.
- Continued the State Project Eco Vineyards through our three-year funding commitment of \$3,000.00 per annum.
- Continued the relationship with Endeavour Drinks Group (EDG) who is supportive of our innovative projects. A request to extend the current sponsorship beyond the end of this year was presented to EDG.
- We have completed the place maker sign project around the region with 16 signs being erected to mark historic al points of significance around Coonawarra

The bond store is all but operational with the storage of current members wine it is hoped that this building will be able to be used for small meetings or meetings with dignitary rather than using the office

I would like to acknowledge the work of members on the various sub-committees and the extensive work that they put into running them. The Chairs are:

- Hans Loader (Viticulture and Oenology committee)
- Bruce Redman (Finance)
- Luke Trotter (Vignerons Cup Committee)
- Heidi Eldridge for (Cellar Door events committee)
- Kirsty Balnaves, who is our regional representative on the Executive Board of SAWIA.

This representation outside of the region is important as it gives Coonawarra a voice in the wider wine and viticultural community.

Our organisation always meets changing requirements when they arise. Examples of this are:

- Water Resources: we had three meetings with other collaborative primary producers, Forestry, Dairy and Potato growers regarding drainage water and its use in the Limestone Coast. We are in the process of establishing a scoping study to explore whether some of the drainage water can be better utilised. Basically, this

means trying to slow down the movement of water across the zones to facilitate more recharge to the aquifers.

- The next threat to the water allocation, is the lack of allocation against environmental needs. If environmental needs were to be increased from the current 10% to say 15% the extra allocation would need to come from existing water users. This new collaborative project will try to find more un-allocated water (drainage) which will benefit everyone. We were successful in gaining circa \$400 k to progress this project.
- Last Friday, 23 September, a submission we made to the Select Committee on Matters Relating to the Timber Industry in the Limestone Coast in 2019 eventuated. The Committee invited us to appear at the Committee's next meeting on Friday 30 September in Adelaide to give evidence. Allen Jenkins and I will make our appearance to provide evidence on behalf of our region and industry. It goes to show how dynamic the issue of water remains and that we need to be proactive throughout.
- Terminal Area Forecast: this relates to an issue we had with fly-in visitors from Wine Australia which were cancelled due to a lack of local weather knowledge. The Review Paper into this matter made a recommendation to reinstate the TAF in Naracoorte which were indeed achieved in recent weeks. We have written a letter of gratitude thanking the Bureau of Meteorology for their decision.
- We have also meet with council about the entrance signs and proposed bike trail on the railway land , the relationship with council is important and not always easy to manage as we have different drivers and expectations .
- Going forward, the effect of China and its tariffs are becoming more evident as contracts in our region and many others are not being renewed. It shows how variable the agriculture industry remains. We just came out of one of our most lucrative years in recent memory because of above average yield and good pricing.
- I would like to thank our current Board, committee members, and all those who volunteer either their own time or their company' time. As has been said previously, volunteer involvement is what makes Coonawarra, I also would like to make mention of our Coonawarra Vignerons team: Ockert, Heidi and Christine.

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- They are individually and collectively, making very important contributions to the efficient and effective running of our organisation and achieving our goals.
- I need to make special mention of Bruce Redman. Bruce is retiring from the Board after this meeting. If you go back through the history of the association and before amalgamation, Bruce's involvement is listed too many times to mention. His considered guiding thoughts on many issues that the board have covered since my involvement has been very important for the direction of the association. Thank you, Bruce.

Finally, my personal thanks go to those who has been a support to me as President. In closing, it has been an honour to represent Coonawarra and our community.



APPENDIX 2

COONAWARRA GRAPE & WINE INCORPORATED 2021 AGM

28th September 2021

TREASURER'S REPORT

COONAWARRA \

This will be my final Treasurer's Report and I am pleased to be able to report the finances of Coonawarra Grape and Wine Incorporated (CGWI) are in good shape at the end of the 2020/21 Financial Year (FY).

The past year has presented many challenges managing the rapidly changing landscape due to the COVID pandemic. The downsizing and cancellation of events has made implementation of the budget difficult. I am happy to report we have not lost any members during this FY.

A copy of the Auditor's Report, including the audited CGWI financials for the 2020/21FY, has been emailed out to members for their information. I would like to make the following comments regarding this report.

- Overall, the Auditors are satisfied with our accounts and systems
- Membership income was down \$12,803.01 due to the Boards decision to rebate a portion of membership fees to assist members during COVID
- The Endeavour Group sponsorship of \$15,000 for making wine from the rootstock trial grapes was not used due to the low 2020 harvest
- The Profit and Loss Statement shows the CGWI returned a deficit for the 19/20FY, of \$26,892.20 against a budgeted surplus of \$10,102.39.
- CGWI currently have net assets of \$744,496.30 (audited), which includes two term deposits of \$71,143.54 and \$235,110.98.
- The main source of income for the CGWI is member's fees. We were successful in securing some grants which will be outlined in the Executive Officer's report.
- The CGWI Board approved the budget for the 2021/22FY, as recommended by the Finance Committee.

I mentioned earlier the larger than budget deficit for the 20/21FY. As I suggested in my report last year, the timing of the payment of a \$60,000 PIRSA grant would have a negative

impact on the 20/21FY budget. This has occurred and has been somewhat offset by other savings and unbudgeted income.

The development of the 2021/22 Budget was made possible through the hard work of Ockert and the Finance Committee. Like last year while we were attempting to frame the Budget, circumstances seemed to be changing almost daily, demanding more Budget revision. The Finance Committee (FC) is confident in the long-term financial capability of the CGWI, however, due to COVID we have budgeted for a reasonable deficit this FY to enable the positive work of the CGWI to continue.

The CGWI Board has endorsed the Finance Committee's recommendation of a \$45,659.00 budget deficit for 21/22FY. This is a "worst case" scenario, but it will allow the various sub committees to carry on their projects uninterrupted.

I would like to thank Ockert and Heidi for their efforts in sourcing and administrating grants and advertising revenue, for the year.

I must pass on my sincere appreciation to Christine for her thoroughness in maintaining accurate and up to date records. I would also thank members of the Finance Committee for their efforts and support during the year.

I move the CV subscriptions be increased 1.5% for the 22/23FY, based on the latest Adelaide CPI increase.

As this is my final report, I would like to thank the CGWI staff and members for their support during my term as Treasurer. I have been actively involved with the CGWI, and its predecessor the CVA, since 1981 and have seen it evolve from a informal body with a turnover of a few thousand dollars to an Incorporated Association with over half a million dollars in turnover. The organization plays a critical role in promoting and acting as an advocate for Coonawarra in critical areas such as water allocation.

I wish the incoming Treasurer and Board all the best for future.

I move the Treasurer's Report be accepted.

Bruce Redman

TREASURER



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APPENDIX 3

Executive Officer's Report 28 September 2021

Terms of Reference

The Executive Officer (EO) is a salaried staff member that is accountable to the Board reporting directly to the President and Independent Chair (when in position) and responsible for:

- In this capacity the Executive Officer is responsible for the implementation of the [CGWI Strategic Plan 2016-2018](#) and the [Coonawarra Brand Activation Plan](#) and all subsequent grants that are successfully applied for.
- Governance of CGWI and point of contact for Committees and Board.
- Responsible for Marketing and Public Relations.
- Oversees Event Management.
- Oversee social media and website.
- Manages team of 2 including Finance Administrator Assistant (FAA) and Events and Marketing Officer (EMO)

Achievements

Coonawarra Cellar Dwellers (July 2021) – The COVID pandemic continued to disrupt social and business activities in 2021. This year's Cellar Dwellers planned for 21 members to participate across 54 events. For the first two weeks borders remained open to neighbouring states and attendance were reasonable. By the middle of July, a snap lockdown resulted in the cancellation of all events during the 3rd week. Featured events scheduled between 20 and 31 July were cancelled. Cellar Doors reopened on 28 July to offer seated tasting experiences only. The Mt Gambier Wine Festival was deferred and was successfully hosted during the 3rd week of August. A highlight for the month was the Back Vintage Regional tasting held at Hollick on the 2nd weekend. It was sold out and generated an income. 15 Wineries were in attendance with 77 guests, of which 54 opted for the dining package.

Coonawarra Cabernet Celebrations (October 2021) – The planning of the event is forging ahead under strict Covid-Safe guidelines and practises. With three days to go, the Golf Day had 27 teams (27 in 2020) entered, including 9 member teams and 7 sponsorship teams. Due to the ongoing Covid risk, four featured events were cancelled. On the other hand, 3 events had already sold out by the middle of September, one of them being the Regional Cabernet [Decade]nce Tasting. CVA were successful in a grant application to the SATC's Regional Event Funding. This will ensure funding of \$20k per annum over the next three years until 2024.

Coonawarra Vignerons Cup (13 Jan 2022) – The Cup Committee evaluated and costed three options. Option A, to deliver a pre-Covid style event, Option B, a Cocktail Style Function and Option C, with a similar style to this year's event. At a recent meeting the Cup Committee elected to proceed with Option B which involves sourcing a smaller marquee tent to deliver a cocktail style function, with a combination of stand up and sit-down format. The reduced size (30mx10m) marquee saw an immediate reduction in fee from \$14,000 to \$5.5k. In the same instance catering options decreased from \$80pp to \$65pp with the exclusion of breakfast with a 11am start. Aiming for \$150pp by a minimum of 400-600 people. Barrel auctions reduce items from 8 to 5.

The Cellar Door in the City event planned for Adelaide on Sunday 29th August 2021 was cancelled due to the restrictive seated consumption rule in place at the time. The Masterclass component went ahead, but with less than one third of tickets sold 5 days before the event, it was decided to cancel this too. A new date of Sunday, 21 November has been set aside to host both events in Adelaide.

Comedy & Wine in Coonawarra with Grapes of Mirth are planned to go ahead on 12 February 2022. The event will be held at Penley Estate and wineries will be approached by Grapes of Mirth for participation in the event.

Provided relevant COVID-19 information and guidance to members throughout the year. Maintained a status on Coonawarra Cellar Door operating hours, representing the region with necessary bodies and State Government to assist with navigating impacts and information flow throughout the pandemic.

Continuation of the State Project Eco Vineyards through allocation of funding and trial sites. A successful field session was hosted at Katnook on 21 May. It was well attended by participating members. Andrew Fairney demonstrated the preparation and sowing of native grasses and forbs in-field, with Dr's Mary Retallack and Amanda Schapel delivering practical demonstrations on soil health, temperatures, and water infiltration.

In August 2021 we launched Coonawarra on Wine Australia's Connect platform. The interactive platform is a go-to resource for Australian wine, where winemakers, buyers, importers, distributors, media, and educators from across the globe will be able to conduct business with Australian wine brands in the Expo. Eleven members are participating in a cluster hosting 20 of their wines on the Expo. We successfully applied for a financial assistance program of \$8k under the eCommerce Accelerator Program (eCAP) to help our members who want to sell their products digitally and globally. We are planning for 6 members to participate in a virtual tasting event in the UK market in March 2022, showcasing our cabernets.

The CV Ecommerce store launched during the final week of October, with 22 member wines included in regional mix packs compiled by CV. As of 30 June 2021, the platform has sold 44 six packs, 9 twelve packs and 173 individual wines. Gross sales totalled \$13,382.83 less cost of sales of \$12,745.65 leaving a margin of \$637.18. The cost of sales includes wines to the value of \$1,582.76 which were provided to influencers at no cost as part of the launch campaign. We are operating under a temporary liquor license which expires on 31 October. CV applied for a renewal of our temporary license between 1 November and 30 August 2022. The application is pending for approval.

Maintaining the relationship with Endeavour Drinks Group who are supporting our innovative projects.

Maintained Relationships with government stakeholders including Wine Australia monthly teleconference, State Government and Local Government including across border relationships and Association bodies included South Australian Wine Industry Association with quarterly meeting representation and the Australian Grape and Wine teleconference monthly.

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The planning of the 4th National Coonawarra Australian Cabernet Symposium in July 2022 went ahead, with a successful grant applicant of \$27.5k from Wine Australia. However, the Cabernet Symposium Committee met on 10 August 2021 and their decision was to defer the event until 2023. The drawcard of the event is to attract people to the region and international speakers. The general sentiment was that pre covid normality will return but until such time, it is important that the integrity of successful events like the symposium are not eroded. This is consistent with CVA board's view on other events they run. The Australian Wine Industry Technical Conference is also scheduled for July 2022 and the committee felt two similar events in the same month would be risky.

A quotation was obtained from a reputable waste management company in South Australia to dispose of redundant CCA and Creosote treated posts held in storage throughout the region. The excessive cost of deep burial at landfill sites in Adelaide (\$350/tonne for CCA and \$230/tonne for creosote) plus transportation cost of \$140/tonne made it an unviable option. With other regions having similar experiences, new and more cost-effective methods of disposal need to be identified.

Two very successful relationship building famils were hosted prior to this year's Cellar Dwellers and Coonawarra Cabernet Celebrations events. Media, tourism centres, tourism operators and accommodation providers in the Limestone Coast were invited to join us in region. During these sessions, event information and event material were communicated and handed out for distribution throughout the Limestone Coast. In return tourism centres from Mt Gambier, Wattle Ranges Council, Robe, Tatiara and Grant were invited to deliver tourism programs for their council areas. The invitation was extended into western Victoria to include the Great Hamilton, Grampians and Coastal Region Councils. Unfortunately border closures prevented their participation.

The 2021/22 Budget was prepared to reflect reduced revenue streams because of the ongoing pandemic and to reflect the grants successfully applied for. The Budget includes allocations as agreed with Finance Committee.

Maintained Committees and continuing to chair where required to continue progress.

The TAF Review committee has concluded that the TAF services funded by the aviation industry Meteorological Service Charge (MSC) for Naracoorte Airport be reinstated from 2 December 2021.

Work In Progress

Marketing of the E-commerce Shop continues with paid advertising campaigns hosted on social media platforms. Advertising cost is kept below \$300 per annum and campaigns are synchronised with our events calendar. For instance, a Cabernet Pack will be released in October, targeting states that are currently in lockdown.

Dr Vinay Pagay of the University of Adelaide is leading a Wine Australia funded Irrigation Trial in the Limestone Coast. Recently members contributed in a comprehensive survey to establish a baseline for irrigation practices in the region. Of specific interest is the factors influencing irrigation scheduling decisions and variety-specific irrigation strategies. The survey results to be released by year's end will enable a better understanding of irrigation best practices in the region.

The "Old Bond Store" National Trust Building in Penola were recently refurbished thanks to the support of Bendigo Bank, Wattle Range Council and the Balnaves family. Dating back to the 1850's,

the Bond Store was used to hold liquor supplies from interstate, as customs duty became payable on goods transported between adjacent colonies prior to the federation in 1901. We welcome the opportunity to securely store our wine in this historic building 120 years on. A purpose build wine rack has been installed in the building to showcase CV member wines. Deployment of member wines are imminent.

An alternative to the disposal of redundant posts is to convert to the use of more environmentally friendly products in future. Roundwood Solutions currently offers a product called Tannapost. It is a new improved Creosote treatment which is a step forward in handling from an OH&S perspective. It is much more user friendly as it doesn't burn the skin of operators, has a vastly reduced odour and has a 90% reduction in exposure to carcinogens when handling the posts. They offer an end-of-life solution where-by they can take the posts back when they break and put them in the Biomass boiler to create heat for steam which is used in the treatment process.

The Wattle Ranges Council is undertaking two local projects of significance. The Penola Coonawarra Rail Trail (\$1,036 million Federal and State funding) is in an advance stage of planning, with construction work planned to start in early September and completion scheduled for December 2021. Stage two of this project intend to extend the trail all the way to Naracoorte in 2022. The second project (\$165,000) deals with the establishment of entrance signs to Penola township along the southern and northern bypass entries. Entrance signs was constructed in June and associated landscaping concepts are under development with project completion planned for October.

We continue to work with the Endeavor Drinking Group to achieve a renewal of their sponsorship beyond its expiry date of December 2021

Budget

Refer to Annual Audited Reports and Treasurer's Report for further discussion.

Budgets are now reviewed at Committee Meetings level.

Note the Coonawarra Cup Profit for 2021 was \$11,718 versus \$39,538 the year before.

Cellar Dwellers delivered under budget \$7,700 versus actual spent of \$3,187.

The 2021 Adelaide Roadshow was deferred until 21 November 2021. Sunk cost of wine glasses and wines were occurred and will stand over until such time.

On track to deliver CCC 2020 within Budget (75% spent to date) and report within one month to SATC.

Will use best endeavours to recover the forecasted deficit for 2021/22 budget of \$45,659.

Grants

As part of the Coonawarra Rootstock Trial program, a \$22K grant was secured under the 2021/22 Limestone Coast Landscape Board Grassroots Grants. The project is titled "Improving wine industry resilience to climate change. It involves a Field Day with David Hansen and Nick Dry, a series of soil pits to focus on rooting ability, distribution of the various rootstocks and effects on irrigation management.

P250 – Coonawarra, Langhorne Creek and Clare Valley submitted a joint funding application (\$90k) to SAIWA on 9 July 2021. PIRSA advised on 20 Aug that they support the collaborative approach, but they have reservations about the make-up of the application. \$60k to generate assets and only \$30k to promote them appear to be a disproportionate funding allocation for assets versus advertising. The collaborative maintained their position that the proposed spend on advertising under restrictive

travel does not make sense. Langhorne Creek has since decided to withdraw from the collaborative, which leaves options open to Coonawarra and Clare Valley.

Sponsorship through the South Australian Tourism Commission's 2021/22 Regional Event Fund to assist funding of the Coonawarra Cabernet has been successful. Accordingly, Coonawarra Cabernet Celebrations has been allocated \$20,000 + GST per year for 3 years to support the event in 2021, 2022 & 2023.

An \$8k grant application under the DTI's eCommerce Accelerator Program (eCAP) was successful and will fund 50% of the participation cost for 9 members participating in Wine Australia Connect marketing efforts and hosting a virtual Cabernet tasting event in the UK during March 2022.

Risks/Issues/Constraints

Professionally managing members expectations that vary greatly across the membership.

The COVID-19 pandemic continued into its second year of disrupting the normal course of business, resulting in the deferral and cancellation of several events.

The Membership base for 2020/21 remained level at 46 members. The impact of Covid-19 on the medium-term outlook for member's businesses combined with the oversupply that may result from the Chinese export tariffs remains unclear.

The Green Triangle Forest Industries Hub (GTFIH) recently presented its preliminary water research findings to Water and Environment Minister, David Speirs as it prepares for the review of the region's Water Allocation Plan in 2023. Working in collaboration with UniSA and the University of Melbourne they undertook extensive research over the past 12 months to better understand plantation water use to support government in its resource management and decision making. The research includes simplifying management zones into as little as six distinct geo-regions to aid water trading, aligning zones to resource needs and to encourage the best use of available water. Coonawarra Vignerons, and other primary producers, such as Dairy and Potato plan are working with Liz McKinnon at GTFIH in early August to get an understanding of how the increase in 30,000 hectares of trees has come about.

Opportunities

- Increase income streams via grants and potential to increase sponsorship.
- Increasing governance, streamlining processes, tools, and templates, and managing the CV resources to focus on core Association service provision. Bringing it back to basics.
- Increase awareness of Coonawarra wine region.
- Continue to provide benefits to members with assistance of the skills and expertise that reside in the CV Office. Please note however the capacity of the office is: EO 1 FTE, FAA 0.6 FTE, and EMO 0.6 FTE.

Key points/actions for Members

- Membership response rate – We note that delays in responding to participate had a direct impact on our ability to achieve timelines and appreciate member's time in responding to opportunities with all information sought.

Ockert le Roux
EXECUTIVE OFFICER



SAWIA Report - September 2021

Where to start... a record vintage of 2.03m grapes, Covid restrictions, China sanctions and challenges for our industry looking forward. I don't want to sugar coat this or tell you to suck eggs however we need to put the cards on the table as SA represents 52% of the national crush so we SAWIA and as a State play a big part in addressing the challenges ahead.

In summary

- With this record vintage there will be pressure on grape pricing going forward and particularly red grapes.
- I am also hearing from other regions that there are grape supply contracts not being renewed so there will be uncontracted fruit going into V22 in most if not all regions.
- The recent ABARE report indicates that looking forward that only 60% of the volume of the China exports will be placed by 2025 but volume only, not value.
- There is much work to be done to in building diversified export markets and we have seen evidence of growth in other markets in the March and June 2021 export statistics but relatively small volumes, but growth is still there which is encouraging.
- Diversifying into markets takes time and money and Wine Australia has just gone from a \$50m package from the Federal Government to a budget of around \$7m. But there are opportunities being created by Austrade, DFAT and State and Federal Governments. I genuinely believe everyone is trying to help and from what I have seen more agencies are working together which is good news.

Brian Smedley – CEO of SAWIA

- Brian has what I would consider unprecedented access to Ministers, advisors, and other wine industry bodies. He has built well respected relationships and networks of people to guide our industry. Brian is at the forefront of bringing our issues to the right people and that is never so important as now in representing our members navigating the challenges ahead. Brian will also complete 25 years at SAWIA so understands all aspects of our industry – the good times and the bad!

SAWIA: What do members get

- Everyday issues for employee wages, entitlements, terminations, vintage rates, shift work, work health and safety, how to deal with labour hire companies, liquor licensing issues, mental health issues in the workplace and bushfire safety just to name a few.

- I must also mention that The Workplace Ombudsman and the Australian Border Forces are visiting regions for pruning season 21 and vintage 22. They have already visited several regions in South Australia checking compliance. So, I encourage you to ensure everything is in order as they arrive unannounced and can walk into vineyards and speak directly with employees or labour hire companies.
- SAWIA also provides Promotional opportunities: SAWIA pop up events in Adelaide have been very successful and oversubscribed. There is one being proposed in November 2021 in Adelaide
- SAWIA also provides Insights into export markets such as the recent session on the Vietnam market and potential growth there.

SAWIA for the future

- State Government growth Agenda 3% to 2030 – still been driven by Government
- Wine Industry Plan – SAWIA and WGCSA working together in on hold until the issues of the levy charged to growers has been finalised. My understanding is WGCSA is in discussions about going to ad valorem for Vintage 22. For example a **\$2000/tonne levy will go from \$1 a tonne to \$4/tonne which is 4 times the original cost**. The AGM of WGCSA is 19th of October and you need to register to have your say.

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

- Industry development funding \$1m over 4 years has been secured again for another 4 years which is called Project 250 funding. The goal posts keep moving with guidelines so we are hoping these will be confirmed by PIRSA soon, but roughly speaking there is approx. \$30k per year for each of the regions including Coonawarra.
- Container Deposit Scheme (CDS) – this is becoming a growing issue with Minister Spiers advocating that Wine bottles be included in the scheme. A discussion paper (92 pages of light reading) was released Monday 27th –Based on some modelling done this would mean that beverage producers would have to pay the collector i.e., deposit 10c + handling fee 6c = approx. 16c plus administration costs, registration of the labels plus redesign of labels - SAWIA will review and make a submission, but if I was a betting person, I think this will happen which is another cost to the industry, watch this space.
- As I present this, we now have just under 200 members of SAWIA and are getting weekly applications from new members – please consider membership to this very hard working and worthy organisation.

COONAWARRA \

In closing I was Vice President for 2020 – 2021 with Nick Waterman of Yalumba as President. The Board is a very dedicated and professional Board with good corporate governance lead by Brian Smedley. We have the large corporates at our table right down to small family business, winemakers and independent grape growers and represent all aspects of our industry and we are all volunteers. This makes for a genuine and dedicated Board with the whole of the industry at heart. I believe the Board remains unchanged bar one regional position which provides a good strategic position for navigating the very challenging year ahead.

Thank you again for the opportunity to represent Coonawarra. Please consider becoming a member, as a membership-based organisation SAWIA there are a great deal of non-members who benefited from SAWIA's leadership and commitment to our industry and now more than ever we need to be investing in charting our own future.

Thank you again,

Kirsty Balnaves, COONAWARRA SAWIA REPRESENTATIVE