



**SOUTH AUSTRALIAN WINE INDUSTRY**  
ASSOCIATION INCORPORATED

13 April 2021

Via Email: [AWR@fwc.gov.au](mailto:AWR@fwc.gov.au)

To whom this may concern

**Re: Annual Wage Review 2020–21: Questions on notice**

We refer to the questions on notice put to all parties, including the South Australian Wine Industry Association (SAWIA), on how the Expert Panel should deal with:

1. the different operative dates from the 2019–20 Review; and
2. whether there should be any changes to the composition of the 3 industry clusters identified in the 2019–20 Review, giving consideration to movements in the change in employee jobs and total wages presented in the report by Professor Jeff Borland<sup>1</sup> and the most recent data shown in the Fair Work Commission's *Statistical report—Annual Wage Review 2020–21*.<sup>2</sup>

SAWIA agrees that the different operative dates and industry clusters from the 2019-20 Review accurately identified that the impact of the COVID-19 on Australian industries and occupations would and now have varied greatly.

SAWIA is primarily concerned with the Wine Industry Award 2020 as that is the modern award that covers many employers within the Australian wine industry. However, SAWIA also assists members with other modern awards, such as the Clerks – Private Sector Award 2020 and the Restaurant Industry Award 2020.

Like most other industry sectors, the pandemic has had a detrimental impact on South Australia's wine industry. Most (88%) of South Australian wineries surveyed in 2020 indicated that COVID-19 had a negative impact on their business<sup>3</sup>.

Seventy-one per cent of participants identified their 'ability to service domestic and international markets' to be the most effected by COVID-19. Export orders were also negatively impacted, with sixty-four per cent of participants indicating their exports have been significantly or substantially reduced by the economic impacts of COVID-19<sup>4</sup>.

Wineries have expressed significant concern about the current, medium and longer-term impacts of COVID-19. COVID-19, and the associated compliance requirements, had an immediate impact on businesses and their ability to sell product both overseas and domestically, to manage cash flow, and to forward plan. In addition, COVID-19 has also led to a lower level of profitability, a significant degree of stress, insecurity, and fatigue among business operators and their staff.

<sup>1</sup> Borland J (2021), [An assessment of the economic effects of COVID-19](#), Version 2, Fair Work Commission Research report 1/2021, 17 February.

<sup>2</sup> Fair Work Commission (2021), *Statistical report—Annual Wage Review 2020–21*, Version 4, 6 April, Chart 6.11.

<sup>3</sup> Bentleys SA and SAWIA 2020, <https://www.winesa.asn.au/public/86/files/Industry%20%26%20Govt/SA%20Wine%20Industry%202020%20Snapshot.pdf>

<sup>4</sup> Ibid

During 2020, many wineries closed their cellar doors and restaurants or reduced their opening hours. Many market development events, such as tasting events and festivals, and private functions at wineries, including weddings and birthdays, were cancelled or postponed. Whilst COVID-19 public activity restrictions have gradually been relaxed, wineries are still not able to operate at pre-COVID-19 levels and continue to bear costs of increased cleaning, monitoring and supervision of COVID-19 restrictions.

In the 2019–20 Review, the Wine Industry Award 2020 was allocated to the third industry cluster. Therefore, the decision was operative on and from the first full pay period on or after 1 February 2021. This was the same as other industries that were likely to have exposure to the restrictions and downturn affecting the hospitality and tourism industries.

As the Australian wine industry continues to be significantly impacted by COVID-19 and more recently by Australian trade issues with China, SAWIA is supportive of retaining the approach of setting different operative dates for different awards and maintaining the clusters identified in the 2019–20 Review.

The recent news that the Australian immunisation roll-out will be significantly delayed, indicates that restrictions on hospitality offerings and downturn in tourism, particularly from overseas, will continue for some time. SAWIA believes that delaying the operation of the 2020/21 Annual Wage Decision increase (if there is one) for the Australian wine industry is of critical importance.

Yours sincerely

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