



SOUTH AUSTRALIAN WINE INDUSTRY
ASSOCIATION INCORPORATED

3 April 2020

Justice Ross
President Fair Work Commission

Via Email: chambers.ross@fwc.gov.au

Dear Justice Ross

Re: AM2020/12 – Variation of awards on the initiative of the Commission

Background

In accordance with the Statement [2020] FWCFB 1760 issued on 1 April 2020 in relation the Fair Work Commission's proposal to vary 103 awards to insert a new Schedule X - Additional measures during the COVID-19 pandemic under section 57 of the Fair Work Act 2009, the South Australian Wine Industry Association (SAWIA) provides the following submission.

SAWIA is an industry association representing the interests of wine grape growers and wine producers throughout the state of South Australia. SAWIA is the oldest wine industry organisation in Australia and has existed, albeit with various name changes, since 1840. SAWIA is a registered association of employers under the South Australian *Fair Work Act 1994* and is also a Recognised State-Registered Association under the *Fair Work (Registered Organisations) Act 2009*.

SAWIA membership represents approximately 96% of the grapes crushed in South Australia and about 36% of the land under viticulture. Each major wine region within South Australia is represented on the board governing our activities.

SAWIA has a long-standing interest in employment, immigration and related policy areas. SAWIA's policy positions in relation to employment are proposed and endorsed by our Employee Relations Committee, which comprises of HR Executives and Senior Managers, some with national responsibilities, drawn from the membership.

We take a national lead on behalf of the Australian wine industry in relation to matters pertaining to industrial relations, including modern awards, vocational education and training and migration.

Effect of bushfires and COVID-19 in recent months

In December 2019 and January 2020 South Australia was significantly affected by bushfires. In the Adelaide Hills wine region, 30% of vineyards were in the fire area and either severely or moderately fire damaged. On Kangaroo Island vineyards and wineries were also damaged. This has affected the supply of grapes from these regions and the level of wine production.

However, vineyards that are not fire-damaged may still be affected by smoke-taint. Consumers respond negatively to smoke tainted wines, which means that wineries need to consider a number of options to reduce smoke-related aromas, flavours and compounds. It may also result in the rejection of grapes, thereby affecting the overall production and impacting on the revenue of wineries and grape growers.

The bushfires have had a negative impact on cellar door visits by domestic and international tourists and are presently required to be closed due to the COVID-19 pandemic. Market development events, such as tasting events and festivals and private functions at wineries, including weddings and birthdays have now also been cancelled or postponed.

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Being a tourism industry and a supplier to other hospitality and tourism providers and a producer of an essentially discretionary product, South Australian wine producers are experiencing a downturn in sales, which is not surprising given the outbreak of COVID-19. Export orders are showing significant decline to having completely stopped for some wineries.

In relation to wine business opportunities to service domestic and international markets it is reported that with no travel, it is near impossible to service the market. For those that can provide service, orders are not forthcoming.

It should be noted that official State and Federal Government statistics have not yet been published for the period post the COVID-19 outbreak. However, SAWIA expects that the impact in relation to export revenue will be significant.

To ascertain the impact so far of COVID-19 on South Australian wineries, SAWIA conducted a survey of its members 17-20 March 2020. The responses represent a significant part of the South Australian wine industry. The results to date, demonstrate that:

- 96% of wineries have experienced a decrease in sales;
- 96% have experienced a decrease in export orders;
- 96% have experienced an impact on the ability to service domestic and international markets;
- 91% of wineries have experienced a decrease in profitability and cash flow; and
- 82% of cellar doors have experienced a decrease in visits.

In summary the impacts of both the recent bush fires and the current COVID-19 pandemic have and are still having a significant impact on the industry, its employers and the people that they engage.

The proposed new schedule

SAWIA is supportive of additional flexibilities being added to the Wine Industry Award 2010 and welcomes that the proposed variations are designed to deal with issues that are common across all industries at this time. We also welcome that the changes are not intended to preclude industry organisations applying for further amendments to specific modern awards to address the particular needs of the relevant industries.

SAWIA does not oppose this proposed schedule being added to the Wine Industry Award 2010.

Yours sincerely

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Business and Workplace Adviser

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