

Wine Grape Growers Australia Inc

ABN 15 475 806 313

Chairman's Address to Growers

The Annual General Meeting of Members

Held at the Australian Wine Research Institute Seminar Room

Wine Innovation Centre Building

Corner of Hartley Grove and Paratoo Road Urrbrae

Friday 18th November 2011 at 10.30 a.m.

Let me begin with a thank you to all who have travelled to attend the third Annual General Meeting of the Wine Grape Growers Australia organisation.

I would also like to thank the largely voluntary Committee who represent diverse Regional interests for their input and support.

Our Executive Director (Lawrie Stanford) has worked tirelessly and raised the performance of WGGA to a new level of professionalism and I thank him for that.

I would also like to introduce Kelly Bonser who joined WGGA as Office Administrator in August this year.

The season that was Vintage 2011

Last season in summary can be described as extremely challenging for the majority of Australian viticultural regions. It resulted in generally below average revenue generation and high operating costs.

For many growers this resulted in depleted cash flows and continuing financial pressure.

In an environment such as this, growers rightly question what value they derive from membership of industry organisations.

“What am I getting for my dollar” came into sharp focus.

Membership

Membership and funding arrangements are an issue of past and ongoing distraction that continues to threaten the organisation's effectiveness and/or existence.

WGGA continues to explore and consult widely on a range of options available to broaden the national grower membership and funding.

WGGA Revenue

WGGA received revenue of \$332,000 in the 2010-11 financial year.

The majority of the revenue was received from the South Australian Grape Growers' Industry Fund, the Wine Grapes Marketing Board – Riverina N.S.W. and Murray Valley Winegrowers Inc – Victoria

Minor amounts were generated from general membership, regional association affiliation and associate membership.

I can advise that the inaugural Memorandum of Understanding (MOU) between WGGA and WGCSA has been reviewed and updated and will operate for the remaining two periods of current S.A. Grape Growers' Industry Fund.

Achievements 2010-11

While the past year has represented a period of review and rebuilding WGGA has delivered on a number of issues.

- Commenced negotiations on harmonisation of Maximum Residue Limits (MRLs) in important export markets.
- Completed a combined winemaker/grower review and refinement of the Australian Wine Industry Code of Conduct.
- Established the Winegrape Quality Measurement Committee.
- Identified and documented the most important trends and challenges facing growers to underpin the organisation's policies.
- Developed a new business plan for VineBiz
- Contributed to National RD&E plans
- Achieved in-principle agreement with WFA to develop a National Vineyard Data Base
- Commenced primary responsibility for contingency management and negotiation of important biosecurity issues affecting all grape growing.
- Revised the WGGA Water Policy and developed the WGGA RD&E Policy.

WGGA expenditure in 2011-12

The budget is split roughly evenly between personnel funding and programme content.

Administration costs make up roughly 33% of the total budget.

WGGA has six strategic aims. One of the six "Addressing critical National issues affecting wine grape growers" accounts for just over 50% of the WGGA budget and three issues account for almost 90% of this component.

They are:

- Market Access for Winegrapes – principally MRL negotiations, Code of Conduct, and quality assessment issues.
- Knowledge and Capacity Development: foundation data acquisition and VineBiz
- Biosecurity- based around the establishment of the National Winegrape Biosecurity Committee and Vine Health Technical Reference Group.

WGGA has also been active in negotiating for the establishment of a National Vineyard Data Base, contributing to the development for the GWRDC research, development and extension programme, establishing a Winegrape Quality Measurement Committee and other initiatives that will be addressed by the Executive Director.

WGGA activity in 2011-12

In the coming year, WGGA will continue to focus on current national issues and will monitor emerging issues such as The Carbon Reduction Pollution Scheme, the revised Murray Darling Basin Plan and the emerging wine industry taxation debate.

The challenges to be dealt with include

- getting winery commitment to the Code of Conduct,
- adequately funding and activating the new biosecurity committee and reference group to a point of effectiveness,
- establishing new working arrangements with WFA,
- securing funding for the long term and adequately resourcing the organisation.

Once again I thank you for your attendance, thank the members for their support, the committee and ED for their continued diligence over the past year and for the skill and knowledge they bring to the table.

Vic Patrick

Chairman