

**Riverland  
Wine Industry  
Development  
Council Inc.**

30 June 2005

Mr. Geoff Dawson  
Principal Research Officer  
Senate Rural and Regional Affairs and Transport Committee  
SG2  
Parliament House  
CANBERRA ACT 2600

Dear Geoff,

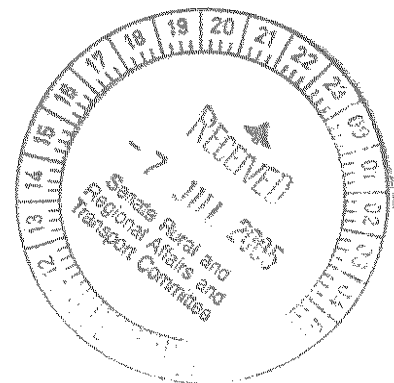
**SENATE INQUIRY INTO  
THE OPERATION OF THE WINE-MAKING INDUSTRY**

Further to our telephone discussion, please find enclosed a submission from the Riverland Wine Industry Development Council (RWIDC) to the Senate Inquiry into the Operation of the Wine-making Industry.

As per our conversation, the interests of the varying stakeholders of the RWIDC have been represented by other winegrape and wine industry organisations. Nonetheless, it may be of value to the Inquiry to be aware of the activities of the RWIDC in its endeavours to reduce winegrape grower costs through education and a free monitoring service, and develop a brand premium for winegrapes and wines produced in South Australia's Riverland.

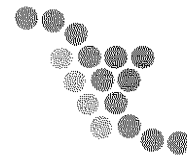
Yours sincerely,

Cameron Hills  
Executive Officer



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30 June 2005

Committee Secretary  
Senate Rural and Regional Affairs and Transport Committee  
SG2  
Parliament House  
CANBERRA ACT 2600

## **SENATE INQUIRY INTO THE OPERATION OF THE WINE-MAKING INDUSTRY**

### **1. INTRODUCTION**

The Riverland Wine Industry Development Council (RWIDC) is a voluntary industry body principally funded through the Riverland Wine Industry Fund being a Fund administered by Primary Industries and Resources South Australia (PIRSA). This Fund also provides the principal funding for the Riverland Winegrape Growers' Association (RWGA). The Fund has been operating since 2001-2002.

Both the RWIDC and the RWGA operate to an industry-agreed rolling five-year plan, where objectives are set out in the following key result areas (KRA):

KRA1: Promotion and development of the Riverland region.

KRA2: Policy development and implementation

KRA3: Stakeholder engagement

KRA4: Innovation and technology adoption

Through mutual consent between the RWIDC and the RWGA, the business of the five-year plan has been divided between the two organisations, who work towards the various objectives. For instance; KRA1 endeavours to increase the profile of the Riverland's wines as products of exceptional quality and value through positioning and public relations activities. KRA1 activities are largely overseen by the RWIDC. KRA2 endeavours to ensure that the Riverland's stakeholders' interests are adequately represented in industry and government forums. While both organisations undertake KRA2 responsibilities, it is an area largely more actively pursued by the RWGA.

The Riverland Wine Industry Development Council's business is overseen by a Committee consisting of eight members with interest in the Riverland wine producing region. The membership of the Committee is comprised of four members nominated by the RWGA, and four members of the South Australian Wine Industry Association (SAWIA). As such, the interests of the winegrape growing sector in the region and the wine producing sector in the region are equally represented.

The RWIDC has four subcommittees; the Riverland Viticulture Technical Group, the Riverland Marketing Subcommittee, the Riverland CropWatch Subcommittee, and the Riverland Cellar Door Managers Group.

Through its work the RWIDC aims to minimise winegrape growers' costs by providing timely information on weather, pest and disease management through its CropWatch service. Grower education is a key component of the RWIDC's undertakings through the provision of workshops and seminars that likewise contribute to improvements in quality and reduction in costs.

By developing an identity or brand for Riverland wines, growers may also benefit from the creation of a price premium that a recognised brand creates. Furthermore, the creation of a regional brand encourages 'regional pride' by shifting the region's grapes from a commodity status to a branded status. It is envisaged that growers will be more receptive to embracing vineyard practices that lead to higher quality fruit if they appreciate that their grapes will be directed away from commodity status.

## 2. TERMS OF REFERENCE

### 2.1 Representation to the Inquiry

As a body that has equal representation of winegrape growers and winemakers, the RWIDC has considered not to make comment on the matters under consideration by the Terms of Reference as it is the RWIDC's view that;

- The interests of the Riverland's winegrape growers are already adequately represented by the participation in the Inquiry of the Riverland Winegrape Growers' Association Inc. (RWGA).
- The interests of the Riverland's wine producers are already adequately represented by the participation in the Inquiry of the Winemakers' Federation of Australia Inc. (WFA).

### 2.2 National winegrape growers' body

With regard to the fourth Term of Reference, being;

- *The need for a national grape growers' representative body, the powers that it might have, and the means by which it might be funded, including any possible role for Government in overseeing a industry levy.*

The RWIDC notes that there is unanimous agreement by leading industry bodies that a suitably funded and representative national winegrape growers' body would be advantageous for the health of the Australian wine industry. It is understood that despite the structural changes that had taken place in recent years to the Winegrape Growers' Association of Australia, that winegrape grower interests have been well represented in industry groups such as the Winemakers' Federation of Australia's 'Wine Industry Relations Committee', and that this participation has been regarded as

positive and constructive. The RWIDC has not developed a position on the question of how that organisation should be funded, and whether an industry levy is appropriate or not.

RWIDC