



**2011–2012
ANNUAL REPORT**

VISION

Healthy Phylloxera free
vineyards for South Australia

MISSION

To protect vineyards from
phylloxera and other major
pests and diseases and assist
and support the grape industry
in its initiatives

31 October 2012
Hon. Gail Gago MP
Minister for Agriculture, Food and Fisheries
17th Floor, Grenfell Centre
25 Grenfell Street
Adelaide SA 5000

Dear Minister,

On behalf of the members of the Phylloxera and Grape Industry Board of SA, I have pleasure in presenting our Annual Report for year ending 30th April 2012. This report has been prepared in accordance with the *Phylloxera and Grape Industry Act (1995)*.

Whilst there was some improvement in returns to growers during the last season, the industry remains challenged by low economic viability. It is pleasing to note that the industry has remained committed to its principles of producing a quality product and despite the economic pressures, industry stakeholders have remained committed to ensuring South Australia remain Phylloxera free.

The 2011-12 year was the second year of a three year term for the current Board, which is due for completion on the 30th June, 2013.

The entire Board undertook a study tour in June 2011 to the Rutherglen Research Station and the Yarra Valley to meet with scientists, local growers, producers and regulators. The tour provided the opportunity for Board members to learn about the biology of Phylloxera, on-vineyard hygiene management practices by growers and producers that deliver Phylloxera free practices inside a Phylloxera Infested Zone; and to discuss with regulators and growers the benefits of developing consistent language across the nation in respect to regulation requirements. The study tour was the first of its kind where all Board members attended at the same time.

Another significant collaboration that was successful was the Board's participation in the Plant Biosecurity Collaborative Research Centre (PBCRC). The successful bid for matched funding by participants was announced in December 2011 and the Board is the only grape growing industry body to participate. The bid attracted an investment of \$29.6 Million per year for 6 years from the Federal Government. The Board will be pursuing research into cost effective surveillance methods that are easily deployed by growers and regulators alike at minimal cost. The Board's commitment is \$100,000 per year for 6 years. The other advantage of the Board's involvement is the networks the Board can build across scientists and industry bodies which have little or nothing to do with the viticulture industry.

Other activities included the production of the 2012 SA Winegrape Crush Survey which indicated that production increased by 15,334 tonnes with a \$60 million (14.3%) increase in returns to growers on 2011 figures.

Finally this year saw the commencement of the updating of the Vineyard Register to an online database. This year, the Levy Notices were produced from the online Vineyard Register for the first time and it is planned that during the next 12 months all growers registered will have direct access to their records. This development of an online register opens up opportunities for new collaboration between industry stakeholders and the Board will be discussing these opportunities with its Regional and State stakeholder over the year ahead.

In closing, I would like to thank the staff members for another fine contribution to the grape industry of South Australia under the leadership of Mr Alan Nankivell, CEO.

Yours sincerely,

Robin Nettelbeck
Chairman

The Board has continued to build and strengthen relationships with regions and collaborators interstate.

Activities for the year include -

- We have continued to improve our systems with the first phase of the Vineyard Register going online in May 2012.
- Follow up to the outbreak simulations in Coonawarra, Adelaide Hills and McLaren Vale.
- The Board study tour of Rutherglen and Yarra Valley which staff also attended.
- Moving toward the development of a standard approach to data collection from the rootstock trial sites.
- Commenced preliminary data collection for the DNA sampling trial.

- Became a Participant Member of the Plant Biosecurity Collaborative Research Centre for the next 6 years with a \$100,000 investment per year.
- Continued to work with Tourism SA, local government and growers on ensuring that vineyard's on the TDU route are aware of best practice biosecurity hygiene measures to ensure vineyard protection.
- Continued to lobby WGGGA to establish an ongoing strategic plan for the National Vine Biosecurity Committee. The Board continues to be concerned about the lack of review of the National Phylloxera Protocols.

Whilst recognizing that the challenges of the past few years are still in the forefront of industry minds, the Board has remained focused on exploring ways to mitigate risk and strengthen biosecurity measures that are simple

and cost neutral, but at the same time ensure South Australia remains Phylloxera free.

I wish to thank the staff members for their professional commitment to the vision of the Board. Their creativity and collaboration has been a corner stone to driving improved efficiencies whilst maintaining an enjoyable work environment.

I thank the Board member's for their contributions to the Board's vision and their support of the staff team. In particular, I would like to thank the Chair, Mr Robin Nettelbeck for his guidance and support over the past 12 months.

Alan Nankivell
Chief Executive Officer

WHO WE ARE

BOARD MEMBERS

The Phylloxera and Grape Industry Board comprises of nine members appointed by the Minister for Agriculture, Food and Fisheries.

Seven members are chosen as a result of an application and selection process to represent regions as defined in the Act. In addition, the Minister appoints the Chief Inspector – Plant Health in the Department of Primary Industries and Resources and 'a person with expertise in viticultural research' to the Board.

The Board members serve a three year term and are eligible to reapply after that time.

The current Board members were appointed by the Minister for Agriculture, Food and Fisheries – the Hon. Michael O'Brien MP in 2010.

They are:

- **Mr Robin Nettelbeck**
(Chairman)
- **Mr Peter Balnaves**
- **Ms Narelle Borgmeyer**
- **Dr Cassandra Collins**
(Viticultural research expertise)
- **Mr Ashley Chabrel**
- **Ms Elise Heyes**
- **Mr Ashley Keegan**
- **Mrs Raegan Noon**
- **Mr Geoff Raven**
(Chief Inspector)

STAFF MEMBERS

As at 30 April 2012, the Board employed the following staff members:

- **Mr Alan Nankivell**
(Chief Executive)
- **Ms Rachel Inness**
(Office Manager)
- **Mr Andrew Downs**
(Viticulturist/Project Officer)
- **Mr Brendan Tully**
(Spatial Information Services Administrator – 0.6 FTE)

EARLY DETECTION AND GIS PROGRAM

This program includes the acquisition and processing of aerial imagery to identify possible phylloxera symptoms and map the extents of vineyards in the state. It is a tool which complements the accuracy of the vineyard register and provides a proactive approach of surveillance to confirm South Australia's phylloxera freedom status. Highlights in 2011–2012 include:

Imagery Collection and processing

- With such a large collection of imagery from the previous year, no imagery was collected in 2012.
- PGIBSA became a member of GSIC (Government Spatial Information Committee). It is envisaged that the benefits in image acquisition will be through the pooling of resources and sharing costs with government departments.

Vineyard Inspections

- Vineyard inspections were carried out at sites identified through processing the Coonawarra Imagery (2011) during the summer of 2012. Major reasons for vine decline was found to be Eutypa disease.

Mapping Products and Services

- Upgrading of GIS software and toolbars to ESRI ArcGIS 10.1.
- Integrating the GIS system into the new SQL Server database. The benefits of this integration is to avoid the duplication of data and gain efficiency in data management.
- Continual development of Autodesk Infrastructure Map Server 2013 (Web Mapping Software). Once developed, the Vineyard Register will be hosted out via intranet and internet, providing greater access for both internal use and to the grape grower community.

Property Interest Report/ Section 7 Statement

- Aimed at further improving the accuracy of the Vineyard Register, the Property Interest Report assists the facilitation and collection of outstanding levies when ownership changes as a result of property sale.
- PGIBSA is trialling Land Services Group PIMS (Property Interest Management System) which is envisaged to streamline and save time compared to current practises.



Corporation (GWRDC) on the research needs in Biosecurity for the industry.

- Maintained a strong relationship with the Victorian Biosecurity Committee.
- Membership of the Queensland PEZ survey steering committee.
- Membership of the Wine Australia Knowledge Development Advisory Committee.
- Maintained monthly meetings with SAWIA and WGCSA.

NATIONAL AND STATE BIOSECURITY COOPERATION

The Board contributes to national and state biosecurity through its active involvement in policy, strategy and protocol development, advice to government, participation on industry committees and facilitation of a number of projects. Relationships in 2011–2012 include:

- Member of the National Wine Biosecurity Committee which has the role of providing advice to Plant Health Australia, maintaining wine sector legal obligations under the Emergency Pests Response Deed and the implementation of the Industry Biosecurity Plan for Viticulture.
- Provide advice to Grape and Wine Research Development

- Member of the Horticultural Advisory Panel for the Plant Biosecurity Collaborative Research Centre.

ROOTSTOCK PROGRAM

The rootstock program was established in response to the Boards' function 13(1)(d)(i) of the *Phylloxera and Grape Industry Act (1995)*. The highlights of the program in 2011–2012 include:

- The Sauvignon Blanc trial in Adelaide Hills was picked for the first time in the first step towards generating comparative data.
- The Cabernet Sauvignon trial in Coonawarra is growing well, with most of the vines up to the wire.

- PGIBSA has continued to maintain data collection from the Nuriootpa Shiraz trial. This trial site was used for the ‘Reduced Irrigation Project’. It is anticipated that the Board in collaboration with the University of Adelaide, will have another post graduate student continuing this work.
- As part of her PhD studies, Catherine Kidman in collaboration with A. Favero, P. Dry, M. McCarthy and C. Collins has published her first article “*Rootstock Effects on Primary Bud Necrosis, Bud Fertility, and Carbohydrate Storage in Shiraz*”. This can be viewed in the American Journal of Enology and Viticulture in the May/June 2012 issue.

Boerner Trials

Both of the Boerner trials, Riesling in Clare Valley and Chardonnay at Lenswood, were picked with both sites experiencing impacts on production levels. At Clare, the site suffered a moderate level of hail damage in November, which resulted in extensive cane scarring and leaf loss/damage. The Chardonnay block at Lenswood suffered from botrytis.

One early observation is the complete contrast in the performance of the Boerner rootstock. Preliminary harvest results from the Clare trial site when analysed against last year’s results, indicate that the Boerner rootstock is behaving as a low vigour rootstock; when compared to the other trial rootstocks (110R, SO4 and Own Roots).

The harvest data from the Lenswood trial this year contradict those of the previous season where the Boerner rootstock produced the highest yields whilst those on “Own Roots” delivered the lowest yields. Boerner again recorded some of the lowest pruning weights.

R&D Program

DNA Trial

The objective is to develop a sampling system which is cost effective and easy to implement. The secondary outcome is the use of sampling data to demonstrate Phylloxera Area Freedom for viticultural regions. The trial is to develop a sampling protocol which is anticipated to have additional benefits in understanding vineyard knowledge and hygiene.

The trial work was carried out in the Yarra Valley with future trials to take place in the King Valley and Rutherglen.



Mundulla Trial

A time/cost analysis was conducted during vintage 2012 at a vineyard in the Mundulla Region. The results of this project will be used in comparison with the sampling method of the DNA sampling methodology.

Footbath Product

The Board is undertaking preliminary investigations into the effective use of an alternative product to bleach for use in Footbath Protocols. A trial will be undertaken in the coming 12 months.

INFORMATION AND EDUCATION

This program includes all activities related to increasing awareness of phylloxera, developing protocols, communicating Board activities and collecting, collating and disseminating statistical information. Highlights for the 2011–2012 year include:

Winegrape Crush Survey

The 2012 Winegrape Crush Survey is funded by SAWIA, WGCSA and PIRSA. Responses to the voluntary survey were received from 260 wineries. The reported crush was 698,005 tonnes – in which there was an increase of 15,334 tonnes above the 2011 harvest.

Phylloxera outbreak followup

Coonawarra resolved in August 2012 that if there was a phylloxera incursion, the region would be declared a PIZ. An outbreak management plan was established.

Heat shed

There were 30 registered users who were able to utilise the heat shed at Naracoorte.

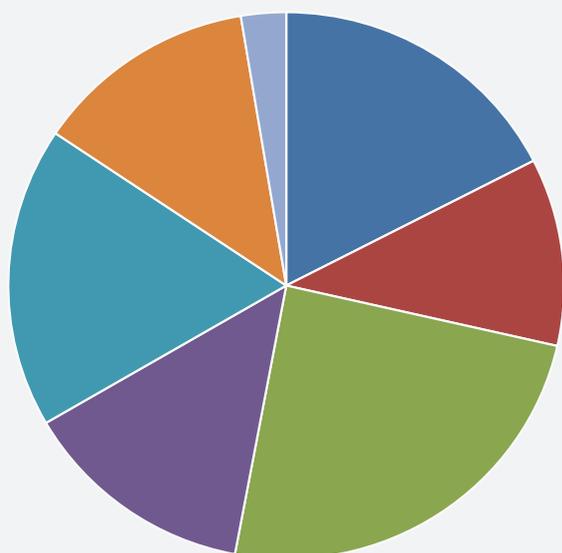
The heat shed treatments remain an important tool in maintaining confidence in phylloxera free vineyard equipment.

Phylloxera identification and management workshop

The annual phylloxera workshop was held in the Yarra Valley in December 2011, attended by 18 industry members.

Attendees toured Helen’s Hill Winery, Giant Steps Winery, Coombe Farm, St Huberts Heatshed, and Yering Station.

Balance sheet summary as at 30 April 2012



GROWER COMMUNICATION	24%
PREVENTION PROGRAM	18%
OFFICE EXPENSES	17%
PHYLLOXERA DETECTION PROGRAM	14%
ROOTSTOCK PROGRAM	13%
BOARD EXPENSES	11%
STATISTICAL COLLECTION	3%

Detailed financial statements are available from the office on request.

	2012	2011
ASSETS		
Cash and cash equivalents	1,358,500	1,222,843
Trade and other receivables	148,775	125,810
Total assets	1,507,276	1,348,653
LIABILITIES		
Sundry creditors	10,951	36,303
Employee benefits	63,291	36,513
Provision for budgeted programs	150,000	150,000
Total liabilities	224,242	222,816
NET ASSETS	1,283,033	1,125,838

MEMBER'S FUNDS		
Reserves	1,283,033	1,125,838
TOTAL MEMBER'S FUNDS	1,283,033	1,125,838

INDEPENDENT AUDITOR'S REPORT

To the members of the Phylloxera and Grape Industry Board of South Australia

Auditor's opinion

In my opinion, the financial report of THE PHYLLOXERA AND GRAPE INDUSTRY BOARD OF SOUTH AUSTRALIA presents fairly, in all material respects the financial position of THE PHYLLOXERA AND GRAPE INDUSTRY BOARD OF SOUTH AUSTRALIA as of 30 April 2012 and of its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Name of firm: Jacobs Noble & Associates, Chartered Accountants
 Name of Director: Stephen J Noble
 Address: 1 Alexandra Avenue, Rose Park SA 5067
 Dated: 1st Day of November 2012

NB: Signed Auditors Report in detailed Financial Statements

STRATEGY 1

Research Development and Extension

Fund research, development and extension programs to ensure the ongoing efficacy, relevance and benefits of practices to the wine and grape industry.

STRATEGY 2

Communication

Develop a comprehensive plan which enhances the communication of the Board’s activities across all sectors and in all aspects of the wine industry.

STRATEGY 3

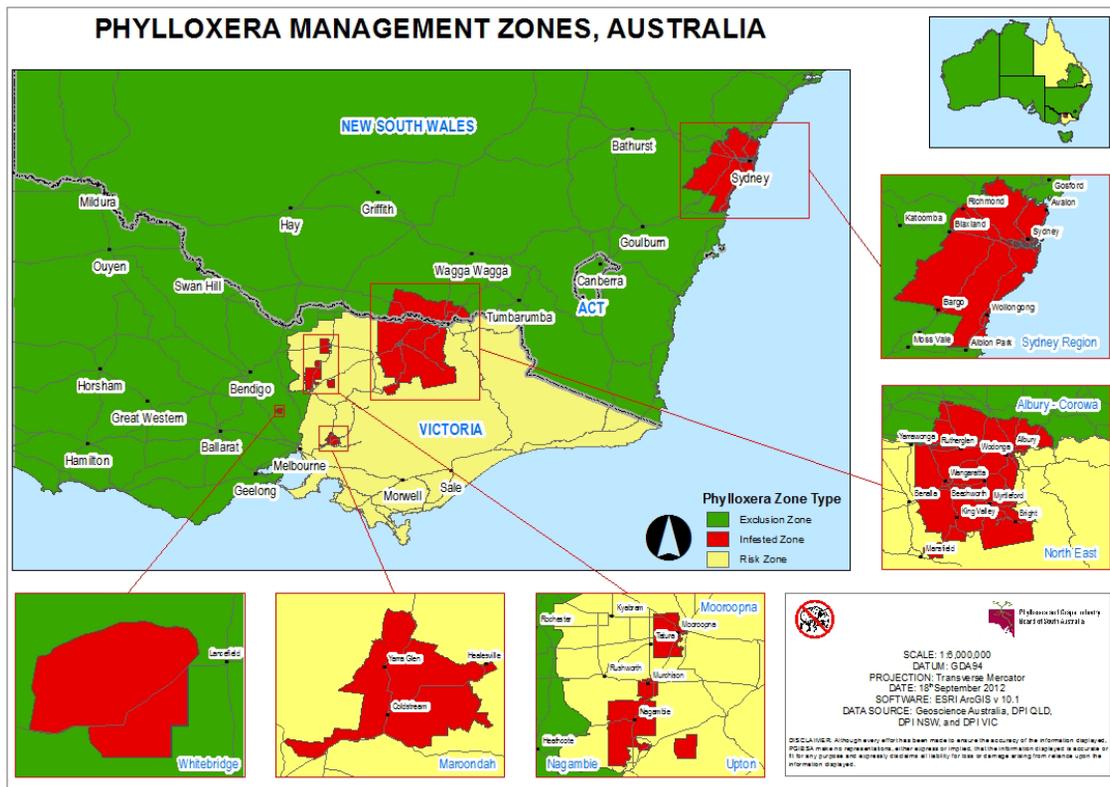
National approach

Build on a national approach to achieve a consistency in the containment and possible eradication of phylloxera and other pests and diseases.

STRATEGY 4

Governance

Establish and maintain a clear and effective Board governance framework.



The Phylloxera and Grape Industry Board of South Australia was originally established in 1899, under the Phylloxera Act. This was repealed in 1995 and replaced with the *Phylloxera and Grape Industry Act 1995*.

Under the Act, all vineyards of 0.5 hectares or more are required to be registered with the Board, and their owners are required to pay an annual levy. The levy is currently set at \$9.50 per hectare with a minimum of \$50.

The Board invests the levy in programs and research that seek to minimise the risk of the entry into South Australia of phylloxera (and other significant exotic pests and diseases of grapevines) and to minimize the damage that would result from an outbreak.

In addition, the Board maintains a contingency fund to ensure it is able to meet its obligations arising from an outbreak and – in particular – to minimise the impact of an outbreak on grapegrowers in this state.

The Board's investment of levies in programs, research and services over the past 20 or more years has helped South Australia remain phylloxera free and retain its position as the pre-eminent winegrape production state in Australia.

The Board is responsible to the South Australian Government. This responsibility is through the current Minister for Agriculture, Food and Fisheries, Hon. Gail Gago MP.

THE PHYLLOXERA LEVY

The Board's activities are funded through a levy paid by vineyards owners, calculated on the basis of the area of grapevines registered with the Board.

The levy is a state tax and is collect through the Commissioner of Land Tax. The levy has been set at \$9.50 per hectare with a minimum of \$50, since 1997.

THE VINEYARD REGISTER

The vineyard register maintained by the Board is the most comprehensive database of any horticultural industry in Australia. It includes contact information, planting details and spatial data for all vineyards in South Australia. As such, it is a very important biosecurity tool for prevention and containment of phylloxera, and also provides the industry with access to valuable statistical information for planning purposes.

YEAR	TOTAL REGISTERED VINEYARD AREA (ha)	NUMBER OF REGISTERED GROWERS	TOTAL LEVY RAISED
2011-2012	76,589	3,626	\$715,925
2010-2011	76,495	3,649	\$749,902
2009-2010	77,052	3,697	\$763,702
2008-2009	78,717	3,690	\$778,806
2007-2008	76,378	3,658	\$755,029

2011-2012 SOUTH AUSTRALIAN GRAPE INDUSTRY OVERVIEW

Total area of vineyards (ha)

MAJOR VARIETIES	AREA	%
Shiraz	25,289	33.6
Cabernet Sauvignon	16,591	22.0
Chardonnay	10,154	13.5
Merlot	4,253	5.7
Riesling	2,958	3.9
Sauvignon Blanc	2,570	3.4
Grenache	1,789	2.4
Other white	6,196	8.2
Other red	4,307	5.5
Unknown/non winegrape	1,072	1.4
Total number of hectares	75,179	

Phylloxera and Grape Industry Board of South Australia

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