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## 2013–2014 ANNUAL REPORT

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### VISION

Healthy Phylloxera free  
vineyards for South Australia

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### MISSION

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

10 November 2014

Hon. Leon Bignell MP  
Minister for Agriculture, Food and Fisheries  
25 Grenfell Street  
Adelaide SA 5000

Dear Minister,

On behalf of the members of the Phylloxera and Grape Industry Board of SA, I have the pleasure in presenting our Annual Report for year ending 30th April 2014. This report has been prepared in accordance with the Phylloxera and Grape Industry Act (1995).

The 2013-14 year is the first year of a three year term for the current Board which will be completed on 30th June 2016.

During this period, the Board embarked on an extensive strategic planning program to establish a new 5 year plan for the 2014/19 period. The planning process was a collaborative approach between the Winegrape Growers Council of South Australia (WGCSA) and the South Australian Wine Industry Association (SAWIA) and the Board. A process including key stakeholder surveying and consultations was undertaken across the South Australian and Australian wine industry to identify the strategic gaps that the Board could best add value and return to industry stakeholders.

Achievements for the year include the launching of an online business support tool, the "Grape Industry Kiosk" The Kiosk has a complete inventory of vineyards, varieties and plantings for South Australia and replaces the Vineyard Register as the communication tool in case of a pest or disease outbreak. To date, nearly 40% of vineyard owners and operators have accessed the online Kiosk. The Grape Industry Kiosk will be further developed during the year ahead to incorporate source of plantings. The Board is also in discussion with the newly formed Australian Grape and Wine Authority as to how the Grape Industry Kiosk platform can be utilized by the industry at a national level.

The Risk Assessment Tool was launched on the website for stakeholders to use and the incident reporting process established in 2012. During the 2013/14 year, 8 incidents were reported to the Board of potential non-compliance of domestic quarantine standards. All incidents were investigated and no evidence was found to substantiate the report. The Board actively reviews the incidents and the evidence is used to update and adjust the online Risk Assessment Tool.

In March 2014, the online interactive maps were launched. The maps provide real time information drawn from the Grape Industry Kiosk. Langhorne Creek was the focus of vineyard surveillance during the year. There were very few sights of low vigour noted. When overlaying the recent imagery with that obtained from previous years it was noted that there was no change. In field inspections were undertaken which confirmed that there was no Phylloxera present.

The Board, in collaboration with SARDI, Dept. of Environment Primary Industries-Vic, Dept. of Primary Industries-NSW, University of Adelaide and Rho Environmetrics completed its first year of a 3 year study into the application proven DNA testing as a tool for identifying Phylloxera infestations in vineyards. The early results are proving to be very positive. This study will be completed in 2016 and is supported by investment from GWRDC and PBCRC. The Board is a trial partner in a research project which is focusing on the economic impact of pest incursions, including Phylloxera which is led by Michael Renton from the University of Western Australia.

The Board continues to produce under contract to SAWIA, PIRSA and WGCSA, the annual SA Winegrape Crush Survey. Production increased by approximately 2,000 tonnes, with a \$47.7 million (11.2%) increase in returns to growers on 2013 figures.

This is my first term as a Board member and I was honoured to be elected Presiding Officer by my fellow Board members. I thank Board members for their diligence and commitment to the Boards' work and to the industry in what has been a year which has demanded time from Board members, which has resulted in a very successful plan going forward.

I personally thank the Board members for their contribution over the year and I look forward to working with them as we implement the new strategic plan and build a sustainable healthy industry for the future.

Finally, I thank the staff team for their contribution to the grape industry of South Australia under the leadership of Alan Nankivell, the CEO.

Yours sincerely,

Ben Gibson  
Presiding Officer

## 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 – Minister Gail Gago in 2013.

## OUR PROGRAMS

### 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.

#### Risk Assessment:

Risk Assessment has continued to be a focus in the activities of the Board. During the last 12 months risk information sessions were conducted in the Riverland, Barossa Valley, Adelaide Hills, McLaren Vale, Langhorne Creek and Limestone Coast. Participants have discussed the role of incident reporting in ensuring the Board’s Risk Register remains up-to-date.

#### Surveillance:

Ongoing surveillance of South Australia’s vineyards using remote sensing and field inspections continues with:

- Imagery acquired for the Riverland GI, Barossa Zone;

This term completes on the 30 June 2016.

They are:

- Mr Ben Gibson  
(Presiding Officer)
- Mr Marc Allgrove
- Mr Nigel Blieschke
- Mr Ashley Chabrel
- Dr Cassandra Collins  
(Viticultural research expertise)
- Ms Roseanne Healy
- Ms Elise Heyes
- Ms Suzanne McLoughlin
- Mr Geoff Raven  
(Chief Inspector)



- Updating of vineyard blocks in Riverland and Eden Valley;
- Research and monitoring of rootstocks trials were GPS surveyed. Also included were the three DNA trial sites in Victoria; Yarra Valley, King Valley and Rutherglen; and
- NDVI maps were provided to growers as requested.

#### Biosecurity:

Farm gate biosecurity practices continue to be a priority for the Board with the implementation of spatial technologies to the supply chain. A cluster group (partners are Riverland Wine, Treasury Wine Estates, Pernod-Ricard and Accolade, aimed at facilitating knowledge management

## STAFF MEMBERS

As at 30 April 2014, 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)

using spatial data in the wine industry.

#### Protocols:

A review of the National Phylloxera Management Protocol and the research and adoption of improved procedures was conducted.

In March 2014 an interactive web map highlighting the classification of Phylloxera Management Zone within Australia was launched on the Board’s website.

#### Research Projects:

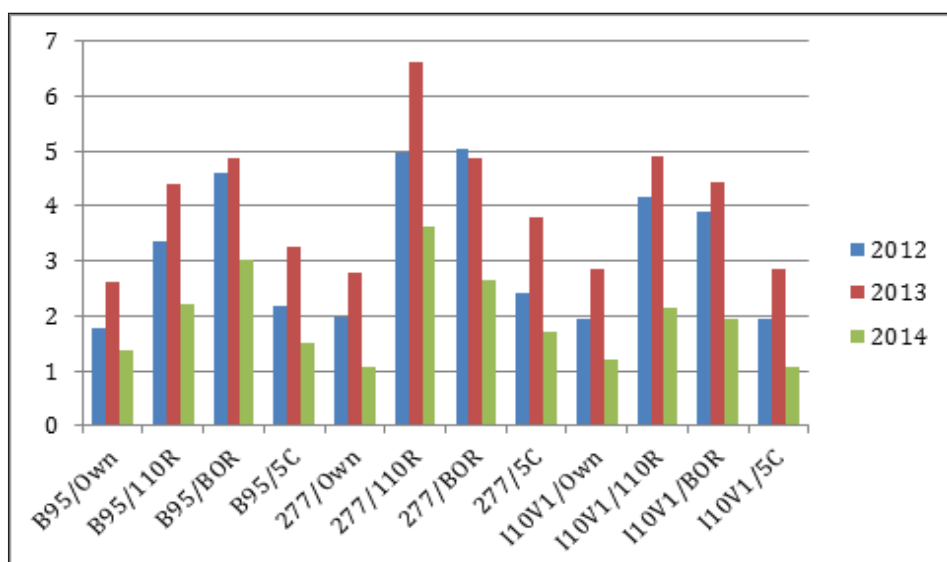
The DNA sampling tool research project has achieved all planned milestones over the reporting period. Regular reporting to project partners and involvement in making alterations to the project’s planned activities.

The early results have been favourable and will be published in peer reviewed journals in the next 12 months.

Baseline sampling data continues to be collected with the project focusing on developing a sampling methodology. The partnership with PBCRC (Plant Biosecurity Co-operative Research Centre) allows great exposure and access to networking with scientists across a broad range of industries throughout Australia. This partnership has resulted in further research proposals been considered by PBCRC partners on the economic impact of vineyard pest and diseases.

**Trial Sites:**

***Chardonnay Trial – Y:P Ratio***



The above graph shows that, vines on Own Roots were consistently the most vigorous across the three years of data collection.

In consultation with the Adelaide Hills Vine Improvement Group, the assessment criteria was modified for the Sauvignon Blanc trial. Data collected is now to be limited to the three clones that ranked highest in a sensory trial conducted in 2010 by the AWRI. It is interesting to note that across the three growing seasons of the trial, the vines on Own Roots were the most vigorous for all clones in each year.

This was the first year that the Cabernet Sauvignon trial was harvested with Own Roots returning the highest level of vigour.

**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.**

Incident Reporting:

Promotion of ‘Incident Reporting’ has been a focus in communicating to all of the Regions the importance of working together to identify behaviour or conduct that poses a threat to maintaining out Phylloxera Free status. Up to April 30, the Board, in conjunction with Biosecurity SA, had investigated 8 incidents. Through this process, the importance of maintaining

accurate records and reporting as much detail as possible was highlighted. It is important to note that all information provided is in confidence. The Board works collaboratively with Biosecurity SA in investigating any reports.

Grape Industry Kiosk:

The “Grape Industry Kiosk” was implemented on 1st January 2014 with nearly 40% of all vineyard owners and operators accessing the kiosk. The Board will be continuing to improve the scope of the Kiosk to better serve the users and address their business needs. The Board is pleased to report that it has received very favorable feedback on the Kiosk’s usefulness and ease of use by users.

Reports:

The Board continues to provide quarterly reports to the regions and stakeholders. These are available on the Board’s website.

**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.**

The Phylloxera Board continues to be a member of the National Vine Biosecurity Committee and the Vine Industry Reference Group.

The Board continues to foster strong working relationships with all jurisdictions across Australia. This will continue to be strengthened under the new strategic plan scheduled for release in late 2014.

**STRATEGY 4**

**Governance**

**Establish and maintain a clear and effective Board governance framework.**

Risk assessment:

Risk assessment workshops were conducted in 6 regions this year providing background information in the assessment of risks, workshop opportunities to assess participant’s individual risks and also to provide information on the new Risk Assessment tool that was in development.

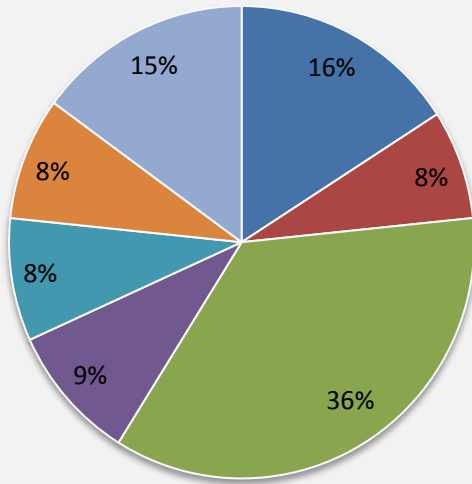
Strategic Planning:

During the year, the Board commenced a Strategic Planning process in collaboration with Wine Grape Council of South Australia and the South Australian Wine Industry Association. The outcome of this process which was facilitated by Governance Matters will be the 2014-2019 Strategic Plan.



## OUR FINANCIAL OVERVIEW

# Balance sheet summary as at 30 April 2014



<b>STAKEHOLDER COMMUNICATION</b>	<b>36%</b>
<b>OFFICE EXPENSES</b>	<b>16%</b>
<b>RESEARCH</b>	<b>15%</b>
<b>PHYLLOXERA DETECTION PROGRAM</b>	<b>9%</b>
<b>ROOTSTOCK PROGRAM</b>	<b>8%</b>
<b>PREVENTION PROGRAM</b>	<b>8%</b>
<b>BOARD EXPENSES</b>	<b>8%</b>

Detailed financial statements are available from the office on request.

	2014	2013
<b>ASSETS</b>		
Cash and cash equivalents	1,366,613	1,322,816
Trade and other receivables	879,363	918,273
Total assets	2,245,976	2,241,089
<b>LIABILITIES</b>		
Sundry creditors	25,666	20,827
Employee benefits	74,778	52,684
Total liabilities	100,444	73,511
NET ASSETS	2,145,532	2,173,168

### MEMBER'S FUNDS

Reserves	2,145,532	2,173,168
TOTAL MEMBER'S FUNDS	2,145,532	2,173,168

## 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 2014 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: SJN, Chartered Accountants  
 Name of Director: Stephen J Noble  
 Address: 1 Alexandra Avenue, Rose Park SA 5067  
 Dated: 3rd Day of September 2014

NB: Signed Auditors Report in detailed Financial Statements

## WHAT WE DO

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 grape growers 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. Leon Bignell 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
2013-2014	76,187	3,443	\$747,003
2012-2013	76,543	3,488	\$751,545
2011-2012	76,589	3,626	\$715,925
2010-2011	76,495	3,649	\$749,902
2009-2010	77,052	3,697	\$763,702

### 2013-2014 SOUTH AUSTRALIAN GRAPE INDUSTRY OVERVIEW

#### Total area of vineyards (ha)

MAJOR VARIETIES	AREA	%
Shiraz	26,095	34.3
Cabernet Sauvignon	16,981	22.3
Chardonnay	9,686	12.7
Merlot	4,179	5.5
Riesling	2,795	3.7
Sauvignon Blanc	2,608	3.4
Grenache	1,782	2.3
Other white	6,100	8.0
Other red	4,816	6.3
Unknown/non winegrape	1,146	1.5

Total number of hectares 76,187

### Phylloxera and Grape Industry Board of South Australia

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