



2012–2013 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 2013

Hon. Gail Gago 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 2013. This report has been prepared in accordance with the *Phylloxera and Grape Industry Act (1995)*.

The 2012-13 year was the third and final year of a three year term for the current Board which will be completed on 30th June 2013.

During this period, the Board embarked on a new approach to risk assessment and management based on ISO 31000. The process identified and assessed 262 risks; with 10 HIGH and VERY HIGH risks identified. These risks will be addressed in the Boards' Strategic Plan going forward. An incident reporting process was established, where stakeholders can report alleged incidents for investigation and assessment. This has prompted the concept of Farm Gate hygiene as an important part of the ongoing systematic approach to biosecurity management. To successfully achieve sustainable risk mitigation strategies, the Board will require strong collaboration with industry stakeholders especially through the board's membership of the National Viticulture Biosecurity Committee (NVBC). Our current state government and many of our stakeholders have been extremely supportive of this program and I would like to take this opportunity to thank them for their ongoing advice and due diligence.

The Board, as principle investigator, has collaborated with SARDI, DEPI-Vic, DPI-NSW, University of Adelaide and Rho Environmetrics to undertake a 3 year study into the application of already proven DNA testing as a tool for identifying phylloxera infestations in vineyards before vines show visual symptoms. This study will be completed in 2016 and is supported with investments from Grape and Wine Research Centre (GWRDC) and Plant Biosecurity Collaborative Research Centre (PBCRC). The Board is the only grape industry organisation which is a participant member of the PBCRC. In addition, the Board reprioritized its ongoing applied work through its rootstock evaluation trials throughout many of our key regions in the state. We look forward to the first results of the Coonawarra Cabernet trial in 2014.

The Board continues to produce under contract to SAWIA, PIRSA and WGSA, the SA Winegrape Crush Survey. Production increased by approximately 2,000 tonnes, with a \$47.7 million (11.2%) increase in returns to growers on 2012 figures. This data is collected through the voluntary participation of wineries.

This year saw the first phase of the implementation of the Grape Industry Kiosk, where grape growers will have direct access to their records. The first stage of testing was completed in April, with feedback used to improve the presentation and operation of the database. The second stage of testing will commence in August 2013. The continued development of the online Vineyard Register opens up opportunities for new collaborations between industry stakeholders over the coming year.

This is my final term as a Board member and I have felt honoured to serve this last term as the Presiding Officer. 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 extensive time from Board members, but with very successful outcomes.

I personally thank those Board members who are not continuing and I wish those who are continuing well as the new members appointed as the Board plays its part in building a sustainable healthy industry for the future.

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

Yours sincerely,



Robin Nettelbeck
Chairman

The Board has continued to build and strengthen relationships with regions and collaborators interstate. These relationships have enhanced the role of the Board to ensure that its functions are carried out effectively.

Activities for the year include -

- The implementation of AS/NZS ISO 31000 Risk Management processes.
- The introduction of an incident reporting process and risk register.
- Working in collaboration with the GWRDC and PBCRC to establish a 4 year research project into the application of DNA technology for the surveying of vineyards for Phylloxera.
- Completion of a Phase 1 Online Grower Kiosk trial completed in April 2013.
- Introduction of a new “user friendly” website.
- The collaboration with government agencies to provide up to date imagery.
- Undertook site visits and inspections in the McLaren Vale GI in early 2013 following an audit of imagery. No Phylloxera was found.
- Completion of the 2013 SA Wine Grape Crush Survey for funders WGCSA, SAWIA and PIRSA.
- Moved towards the development of a standard approach to data collection from the rootstock trial sites.
- Undertook an outbreak simulation in the Barossa.
- 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 WGGA to establish an ongoing strategic plan for its leadership role in respect to the emergency response deed.

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 maintains its pest and disease free status in line with the functions of the Phylloxera and Grape Industry Act (1995).

I wish to thank the staff team 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, their knowledge and expertise and especially during July 2013 when they worked tirelessly to establish the Risk Register. I would particularly like to thank the Presiding Officer, 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.

This term completes on the 30 June 2013.

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 2013, 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)

SURVEILLANCE 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 2012–2013 include:

Imagery Collection and processing

- PGIBSA is a member of GSIC (Government Spatial Information Committee). The benefits include the pooling of resources and sharing costs with government departments in regard to imagery capture.
- 0.5 metre, 4 band acquisition of the Limestone Coast. This was a joint project between DEWNR (SERIC), SE Councils, ForestrySA and PGIBSA.
- 0.3 metre, 4 band acquisition of the Southern Fleurieu Peninsula. This was a joint project between the Southern Councils, DEWNR and PGIBSA.

Vineyard Inspections

- Vineyard inspections were carried out at sites identified through processing the Mt Lofty Ranges Imagery (2011) during the Summer of 2013, particularly in the McLaren Vale.
- No phylloxera was detected at the sites inspected. Symptoms of diminished vine vigour were caused by water logging, soil composition and nematodes.

Mapping Products and Services

- Currently using ESRI GIS 10.1 software and toolbars.
- Further integration of the GIS system into the SQL Server database.
- Autodesk Infrastructure Map Server 2013 (Web Mapping Software), public reports deployed on region and variety. Provide

registered growers with vineyard maps as part of the grower kiosk.

Property Interest Report/ Section 7 Statement

- The PIR assists the facilitation and collection of outstanding levies when ownership changes occur as a result of property sale. PGIBSA is now using Land Services Group PIMS (Property Interest Management System) to manage these processes.



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 2012–2013 include:

- Member of the National Viticulture Biosecurity Committee which has the role of providing policy advice to the grape growing sectors and its stakeholders.
- Provide advice to WGGA on its legal responsibilities under the Emergency Response Deed.
- Provide advice to Grape and Wine Research Development

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

- Maintained a strong relationship with the Victorian Biosecurity Committee.
- Maintained monthly meetings with SAWIA and WGCSA.
- Member of the Horticultural Advisory Panel for the Plant Biosecurity Collaborative Research Centre (PB CRC).

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 Board has commenced a review, in collaboration with the Regional groups, to renew the aims of the rootstock trials so that they align with their respective regional objectives. Part of this process involves construction of a winemaking proposal to be developed in conjunction with the regional wine associations. Completed reports will be placed onto the PGIBSA website by the end of 2013. The highlights of the program in 2012–2013 include:

- PGIBSA has maintained data collection from the Nuriootpa Shiraz trial. This trial site will be reviewed and as to date, there has been no research student step forward to take up the opportunity for post graduate work with the data available.
- The Woodland Ridge Sauvignon Blanc trial now has two years of data collected with the vines graduating from high vigour ratings in the "Yield to Pruning ratio" to consistently medium vigour ratings this season. This is as expected as the vines continue to settle down. It is interesting to note that there was a clonal trend with the 5385 clone still recording a high vigour rating across three of its rootstock combinations.

Boerner Trials

Both Boerner trials, (Riesling in Clare

Continued

Valley and Chardonnay at Lenswood), were harvested with both sites experiencing impacts on production levels.

At Clare, an irrigation failure was identified late in the season and in conjunction with the hail damage from the previous year and a relatively dry winter/spring, the vines returned a high “Yield to Pruning ratio” results across all treatments indicating that there was very low vigour for the crop levels that the vines produced. When comparing the results, the Boerner rootstock vines performed better than Own Roots, 110R and SO4.

The Chardonnay block at Lenswood performed well again this year. The results from a “Yield to Pruning ratio” aspect were very similar to the previous season with the main difference being the ranking of the Boerner rootstock. Where these vines did not produce the highest yields, they were in the middle range of the combinations. During the 2012-13 year, all clones (B95, 277 and I10V1) on 5CT rootstock produced the highest yields.

At the Coonawarra trial, pruning weights and trunk diameters were collected for the first time to compile biomass information. This coming season will see this trial harvested for the first time. Petiole samples have been previously collected over the past two seasons but it is too early for the data to indicate any trends. The Board will be working collaboratively with the Coonawarra Grape Growers Association and the Limestone Coast Wine Industry Council to prepare a proposal for funding for a winemaking component in 2014-15.

R&D Program

DNA Trial

The Board has commenced gathering data as a part of the collaborative DNA Trial that will be carried out over four years. The trial sites are located in the Yarra Valley, King Valley and Rutherglen. The first round of testing involved collecting samples to investigate the rate of degradation of



DNA from collection to processing and also a collection of samples at a range of depths (going down to 30cm) and from three different locations (near the trunk, dripper and in the mid-row).

From the initial results obtained, the decision was made not to progress with sampling from the mid-row as the level of detection was not comparable with the other two locations.

As this research has just commenced it is too early to determine the sampling protocol or frequency of sampling required.

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 2012–2013 year include:

Winegrape Crush Survey

The 2013 Winegrape Crush Survey is funded by SAWIA, WGCSA and PIRSA. Responses to the voluntary survey were received from 253 wineries.

The reported crush was 700,525 tonnes – in which there was an increase of 2,520 tonnes above the 2012 harvest.

Simulations

An outbreak simulation was conducted in the Barossa. The outcome is that the Barossa Grape and Wine Association has initiated a study to determine the impact of an outbreak with Barossa and surrounding GI's.

Heat shed

There were 21 heat treatments conducted at the heat shed at Naracoorte in the 2012/13 year, compared to 28 heat treatments conducted in 2011/12.

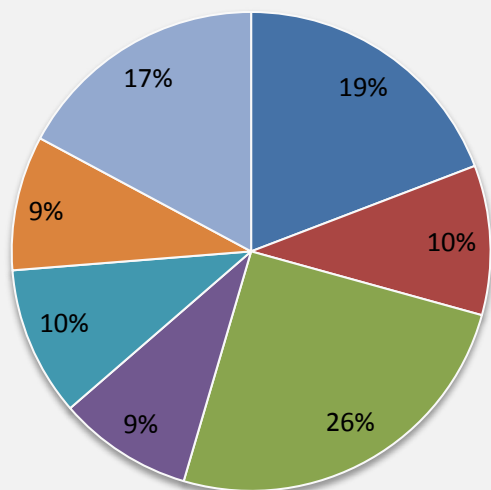
The heat shed treatments remain an important tool in maintaining confidence in phylloxera free vineyard equipment.

Phylloxera identification and management workshop

The annual phylloxera workshop was held in the Yarra Valley in December 2012, which was attended by 15 industry members.

Attendees learned phylloxera prevention protocols, national phylloxera management, sign in procedures, footbath protocols and participated in a dig for phylloxera at Coombe Farm. They toured Helen's Hill Winery, Giant Steps Winery, Coombe Farm, St Huberts Heatshed, and Yering Station.

Balance sheet summary as at 30 April 2013



STAKEHOLDER COMMUNICATION	26%
OFFICE EXPENSES	19%
RESEARCH	17%
PREVENTION PROGRAM	10%
BOARD EXPENSES	10%
PHYLLOXERA DETECTION PROGRAM	9%
ROOTSTOCK PROGRAM	9%

Detailed financial statements are available from the office on request.

	2013	2012
ASSETS		
Cash and cash equivalents	1,322,816	1,358,500
Trade and other receivables	923,863	148,775
Total assets	2,246,679	1,507,276
LIABILITIES		
Sundry creditors	20,827	10951
Employee benefits	52,684	63,291
Provision for budgeted programs	0	150,000
Total liabilities	73,511	224,242
NET ASSETS	2,173,168	1,283,033
MEMBER'S FUNDS		
Reserves	*2,173,168	1,283,033
TOTAL MEMBER'S FUNDS	*2,173,168	1,283,033

* The Board has adopted a change in recognition of revenue which represents a permanent change from the approach previously adopted in relation to levies raised. Previously, levies have been raised on 1 May of each year relating to the previous financial year. The levies had not previously been brought to account as revenue in the year to which they related. The Board has adopted the recommendation of the Auditor to match the revenue with the relevant expense for each financial year. Consequently, for the 2012/13 financial year, the Income Statement records the Levy Collection arising from the Levies charged on 1 May 2012, plus the Levies charged on 30 April 2013. The effect of this change is to show two years revenue in the 2012/13 financial year.

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 2013 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: 17th Day of November 2013

NB: Signed Auditors Report in detailed Financial Statements

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

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

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

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 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. 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.

YEAR	TOTAL REGISTERED VINEYARD AREA (ha)	NUMBER OF REGISTERED GROWERS	TOTAL LEVY RAISED
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
2008-2009	78,717	3,690	\$778,806

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.

2012-2013 SOUTH AUSTRALIAN GRAPE INDUSTRY OVERVIEW

Total area of vineyards (ha)

MAJOR VARIETIES	AREA	%
Shiraz	25,905	33.8
Cabernet Sauvignon	16,816	21.9
Chardonnay	9,917	12.9
Merlot	4,246	5.5
Riesling	2,883	3.8
Sauvignon Blanc	2,620	3.4
Grenache	1,792	2.3
Other white	6,362	8.3
Other red	4,768	6.2
Unknown/non winegrape	1,234	1.6

Total number of hectares 76,543

Phylloxera and Grape Industry Board of South Australia

46 Nelson Street, Stepney, SA 5069

T (08) 8362 0488

F (08) 8362 0499

E admin@phylloxera.com.au

phylloxera.com.au