



VINEHEALTH
AUSTRALIA

Submission to Primary Industries and Regions SA

**PUBLIC CONSULTATION:
Building a new Biosecurity Act for South Australia**

November 2020

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Summary

Vinehealth Australia (Vinehealth) is pleased to lodge this submission to Primary Industries and Regions SA (PIRSA) in response to the public consultation on developing a new Biosecurity Act for South Australia.

The South Australia wine industry is a powerhouse, accounting for more than 50% of Australia's crush, \$2.28 billion in wine production, \$1.92 billion in wine exports, employing more than 8,400 people and creating wine tourism experiences contributing to \$3.6 billion in regional visitor expenditure.

An incursion of a pest such as phylloxera in South Australia would seriously jeopardise winemakers' ability to meet export demand. It would undermine the momentum and enthusiasm for Australian premium wine and the window of opportunity that recent Free Trade Agreements have created for export growth. South Australia's reputation for quality wine from a 'clean and green' environment is fundamental to achieving our growth and sustainability ambitions outlined in the recent *Food, Wine and Agribusiness Plan for Growth*.

Therefore, Vinehealth welcomes and strongly endorses the government's intent to strengthen South Australia's biosecurity system to ensure that it can respond to current and future biosecurity challenges.

Vinehealth supports the development of a new Biosecurity Act, consolidating the *Plant Health Act 2009*, *Livestock Act 1997* and *Impounding Act 1920* (no opinion is offered on the *Dog Fence Act 1946*).

This submission outlines significant matters in relation to the development of a new Biosecurity Act for the grape and wine industries, including matters previously raised by Vinehealth with PIRSA that still remain relevant. Following background information on the *Phylloxera and Grape Industry Act 1995* Act (PGI Act) and Vinehealth, these matters are detailed in three sections:

- The connection between the PGI Act and a new Biosecurity Act;
- Future opportunities for Vinehealth to deliver improved outcomes for the grape and wine industries; and
- Responses to specific points of interest in the Technical Directions Paper.

Significant work is still required by PIRSA, Vinehealth and industry to determine the best way forward for the connection between the PGI Act and a new Biosecurity Act, and to explore future opportunities for Vinehealth to enhance its services to industry. We look forward to working with PIRSA and industry to ensure the best outcome to support a prosperous industry.

1. *Phylloxera and Grape Industry Act 1995*

The Phylloxera and Grape Industry Board of South Australia, trading as Vinehealth Australia (Vinehealth), is a statutory authority that obtains its powers and functions from the *Phylloxera and Grape Industry Act 1995* Act (PGI Act). The purpose of the PGI Act is to protect vineyards from disease and to assist and support the grape industry in South Australia. Further information on the history, governance, funding and ways of working of Vinehealth is provided in Appendix 1.

Vinehealth is able to drive exceptional outcomes for the grape and wine industries due to the functions and powers obtained from the PGI Act, including:

- Independence from government;
- Ability to experience the internal operational workings of government and guide their actions to the benefit of industry;
- Accountability to the wine industry and to government;
- Ability to raise and manage industry contributions to fund endorsed industry focused biosecurity work;
- Primary functions focused on investment in identifying and assessing biosecurity risks, biosecurity training and awareness, developing policies and procedures to mitigate risks, research and development priority setting, and preparedness, prevention and response activities;
- Having the resources to enable rapid response for any biosecurity industry concerns;
- Joint leadership of and counsel to government and the Minister for response and recovery activities in the event of an outbreak;
- Maintaining a Register of all vineyards planted in South Australia;
- Ability to approve nurseries (within or outside SA) capable of producing high-health propagative material or industry-based accreditation schemes for nurseries;
- Broad remit in terms of definition of disease;
- Oversight by a skills-based, industry-nominated board;
- General powers necessary to perform functions e.g., employ staff, enter into contracts, etc;
- Authority as an Inspector under the Plant Health Act 2009;
- Ability to access data from government sources;
- Function to assist and support the grape industry in its initiatives; and
- Ability to generate other funds, apply for grants and perform fee-for-service work to support the industry.

These powers and functions have enabled Vinehealth to build grape and wine biosecurity leadership and expertise that is imperative to support future growth ambitions of the sector.

The risks of losing these key characteristics of Vinehealth are:

1. Loss of leadership in grape and wine biosecurity;
2. Loss of sector specific biosecurity expertise for the grape and wine industries;
3. Loss of industry support for continued and future funding for biosecurity activities and action;
4. Loss of direct link to biosecurity researchers;
5. Disengagement by grape and wine industries to biosecurity, with flow on impacts for other sectors;
6. A decrease in awareness of biosecurity practices and issues;
7. A decrease in farm-gate hygiene adoption; and
8. An increase in non-compliance with the state Plant Quarantine Standard.

If this was to eventuate the likely outcomes are:

- A high priority plant pest is introduced, spread and established in South Australia, with significant consequences to the grape and wine industries, other agriculture industries, regional communities and supporting businesses;
- Disruption to continuity of grape and wine supply thus limiting the South Australian wine industry to achieve its growth ambitions and support the State government's growth agenda;
- Early detection of pests compromised resulting in greater costs to PIRSA and industry to manage;
- Lack of scrutiny of scientific research, lack of translation of science into practice and therefore, the SA Plant Quarantine Standard containing ineffective disinfestation procedures;
- A greater number of incursions, leading to increased cost to PIRSA and industry to manage, and then for ongoing asset-based protection;
- PIRSA's ability to negotiate market access compromised; and
- South Australian wine tourism sector damaged.

Therefore, given these risks, any change to the powers and functions of the PGI Act through the establishment of a new Biosecurity Act must be carefully examined. Biosecurity management for the grape and wine industries must be maintained and strengthened, rather than diminished. As such, all powers and functions under the PGI Act must be maintained.

2. Connection between the new Biosecurity Act and the *Phylloxera and Grape Industry Act 1995*

Context

Since early 2019 when PIRSA announced the development of a new Biosecurity Act for South Australia, Vinehealth has held discussions with PIRSA to ascertain the effect of this proposed new act on the PGI Act, so that, together with the state grape and wine associations, we could inform grape growers and winemakers as to the impact on biosecurity management for the industry.

In July 2020, it was outlined in a draft Technical Directions Paper (TDP) circulated to key stakeholders by PIRSA, that the PGI Act was to be repealed and consolidated into the new Biosecurity Act. Industry response to PIRSA and government was clear; there was no compelling justification for the PGI Act to be repealed and incorporated into a new Biosecurity Act.

The wine industry believes it is well served by the PGI Act and Vinehealth and it has the support of the wine industry, wine industry organisations and government. Therefore, proposals for change would need to set out what is changing and the benefits of those changes for industry. This would then enable the industry to consider, review, evaluate, form opinions and conclusions. However in the absence of this information, despite requests since the beginning of 2019, Vinehealth and industry advocated to the Minister and PIRSA that the government should not repeal the PGI Act.

Of significant concern to the industry with the potential repeal of the PGI Act and consolidation into a new Biosecurity Act, is the loss of industry focus which in turn risks dropping the industry's defences to the lowest common denominator. This is evidenced on page 6 of the TDP where it is stated that there are risks in consolidating Acts in that '...focus and clarity may be reduced...' as a new Act becomes more general.

This must not be the outcome for the grape and wine industries; with the PGI Act being viewed as a competitive advantage contributing to South Australia being the engine room of the Australian wine industry.

Current status

Industry and Vinehealth were pleased that Minister Basham provided clear direction in relation to the new Biosecurity Act and the PGI Act, as outlined in the meeting notes of the Viticulture Industry Meeting on 7 August 2020, that:

- The *Phylloxera and Grape Industry Act 1995* will be retained as a separate piece of legislation if that is the preference of the viticulture industry.
- It will be at the discretion of the viticulture industry as to whether the PGI Act is incorporated into the new Biosecurity Act in the future.

In addition:

- The viticulture industry is encouraged to remain an active participant in the development of the new Biosecurity Act.
- The viticulture industry is to advise the Minister if, at a later time, they wish to exercise their choice for the PGI Act to be incorporated into a new Biosecurity Act.

Vinehealth seeks ongoing engagement with PIRSA post public consultation and as the Biosecurity Bill is being drafted, to obtain information that will enable a detailed assessment of how the PGI Act should be connected with the new Biosecurity Act, that is, standalone or incorporated. A decision on this connection can only be made when such information is provided and the impact on biosecurity arrangements for the industry are clearly understood in granular detail.

Of importance in this assessment is the intention outlined in the TDP that the powers and functions of Vinehealth, as a statutory authority, would be placed in regulations under the new Biosecurity Act.

This is of significant concern to Vinehealth and industry given confirmation of the content of such a regulation would not be available until after the new Biosecurity Act comes into effect. This represents a significant risk for the grape and wine industries as there would be no guarantee as to the scope of such a regulation prior to the Biosecurity Bill being passed through the Parliamentary process. In addition, there are vastly different processes governing changes to regulations as opposed to legislation, which presents another risk to continuity of function and use of industry funds for sector specific grapevine biosecurity issues.

The current position of the wine industry is that the establishment of Vinehealth by regulation is not acceptable.

Irrespective of whether the PGI Act remains standalone or is consolidated into a new Biosecurity Act, the absolute position is for no weakening of the current functions, operations, powers or appointment of the Board of Vinehealth.

With the development of a new Biosecurity Act, Vinehealth also acknowledges that if the PGI Act is to remain as a standalone Act, it is timely to concurrently review the provisions of the PGI Act. This is to ensure it remains 'fit for purpose' and complementary to the new Biosecurity Act, to safeguard industry sharing responsibility for biosecurity. A discussion with PIRSA as to an appropriate review process is sought.

3. Future opportunities for Vinehealth to deliver improved outcomes for the grape and wine industries

With any review of legislation, the opportunity presents to challenge the way systems currently operate to ensure the best outcomes are delivered for industry and the community. In this spirit of continuous improvement, Vinehealth has identified opportunities to strengthen and broaden its capacity to support biosecurity management for grape and wine industries (as originally detailed in Vinehealth's submission to the draft Directions Paper in November 2019).

These include:

- Vinehealth to be the accreditation authority and play a more strategic role in the implementation and monitoring of accreditation schemes pertinent to the grape and wine industries (in addition to preserving the current accrediting function with respect to propagation facilities outlined in section 13(1)(h) of the PGI Act);
- Greater involvement in preparedness activities such as outbreak modelling and response planning for the industry;
- Expansion of the Register to include all medium-high risk creators in the grape and wine supply chain;
- Vinehealth to provide a feed from the Register to Biosecurity SA for the proposed new PIC system for plant industries, i.e. the Register is the source of truth for all vineyards planted in South Australia;
- Greater scope for involvement in the propagation sector for the grape and wine industries to ensure high-health propagation material for industry (in addition to current primary function 13(1)(g) outlined in the PGI Act);
- Greater scope to develop and implement surveillance programs for industry with funding shared between industry and government;
- Clarification of roles and responsibilities of Biosecurity SA and Vinehealth, including Vinehealth's regulatory functions and link to matters under the Emergency Plant Pest Response Deed that impact the grape and wine industries; and
- Broadening of Vinehealth's existing role of working with Biosecurity SA to determine action to control an outbreak, to include supporting industry to recover from an incursion and transition to management.

Vinehealth, in consultation with industry, seeks to unpack and explore these opportunities with Biosecurity SA in the context of the development of a new Biosecurity Act.

4. A new Biosecurity Act: Technical Directions Paper

Vinehealth commends the South Australian government and PIRSA for initiating the process to develop a new Biosecurity Act to strengthen our biosecurity system to ensure that it can respond to current and future biosecurity challenges. Vinehealth is supportive of this review and the potential improvements it will deliver to lead powers for biosecurity.

Insights from Queensland, New South Wales, Western Australia and Tasmania

Given that Qld, NSW, WA and Tasmania have each developed a consolidated Biosecurity Act, and in the case of NSW an online training course for its implementation, Vinehealth is keen to obtain the following information to ensure the grape and wine industries are best placed to contribute to the development of a new Biosecurity Act in South Australia:

- A desktop analysis of the process used, lessons learnt, and opportunities missed by each of these states in formulating their new Act.
- A comparison of the powers of the consolidated Biosecurity Acts in Queensland and NSW (and Tasmania) with those proposed for South Australia. A matrix-style comparison would enhance our understanding of where there is proposed alignment or harmonisation with powers/functions of other states. Of value would also be a comparison of penalties between states and what is proposed in the new Biosecurity Act.

Capacity of PIRSA and Biosecurity SA to deliver on a new Biosecurity Act

With the objective of a new Biosecurity Act to ensure a strong and effective biosecurity system for South Australia, Vinehealth seeks further information from PIRSA on the budget and resourcing capacity over the forward 3-5-year period. If Biosecurity SA is resource constrained in delivering their functions and powers under the new Act, then the system will inevitably be weakened, the risk of a significant incursion heightened – and reliance on Vinehealth likely increased. Industry must have confidence in PIRSA's and Biosecurity SA's core capacity and capability to deliver the powers of a new Act (irrespective of where the powers and functions of the PGI Act fall).

Given the statement in the document titled 'Building a new Biosecurity Act for South Australia' that the '...new Act will not seek to increase regulation or business cost across the system', how will PIRSA's business model change in response to the implementation of a new Biosecurity Act? And will greater resourcing be provided to ensure that Biosecurity SA can meet its requirements under a new Biosecurity Act.

A single piece of framework legislation: Interaction with other Acts

Please refer to section 2 of this submission for details.

Core concepts

Shared responsibility

Vinehealth supports the concept of 'shared responsibility'; in fact the existence of the PGI Act and industry's ongoing investment in and support of Vinehealth's operations is testament to how the grape and wine industries have shared responsibility for biosecurity over the past 120 years.

To this end, Vinehealth is supportive of the new Biosecurity Act establishing a new General Biosecurity Duty. We look forward to obtaining further guidance from PIRSA as to what a person should 'reasonably' be aware of under this Duty, so that we can assist in communicating this to the grape and wine industries. Such public and industry communication and awareness is vital to underpin the value of incorporating this concept in a new Biosecurity Act.

Whilst we support the opportunity for industry-based quality assurance programs to be recognised for regulatory purposes, Vinehealth cautions that these programs are only as good as the rigour behind training, audits and the continual review of the programs to ensure they meet the desired outcome. We would recommend that an independent review of any industry-based quality assurance program is undertaken prior to it being recognised for regulatory purposes. Such a review would also clarify the value (or otherwise) of any shift in costs from government to industry to manage a particular biosecurity risk.

Risk-based decision making

Vinehealth endorses risk-based decision making in biosecurity. This is, however, caveated by the recognition that PIRSA is managing risks across all agriculture sectors. PIRSA requires adequate capability, capacity and focus on high priority sector specific risks so that efforts on these are not diluted and the grape and wine industries compromised as compared to other sectors, for example grains or citrus.

Proactive biosecurity management

Vinehealth supports this core concept for a new Biosecurity Act. However, further information is sought on how this may relate to endemic pests and diseases in the case of neglected or abandoned vineyards (or other such properties that when neglected/abandoned pose a pest threat). While Vinehealth is not advocating for such words to be incorporated into the new Biosecurity Act, they do describe a long-standing unresolved issue for our industry. The development of the new Act may provide opportunities to address this issue.

Governance and administration

Vinehealth acknowledges the need for clear decision-making authority in a biosecurity emergency. To this end, and given sections 14 and 27 of the PGI Act, Vinehealth encourages further conversation with PIRSA to clarify roles and responsibilities of various agencies / organisations involved in biosecurity management for the grape and wine industries.

The powers and functions afforded to Vinehealth through sections 14 and 27 of the PGI Act are central to the governance and operations of the organisation and must be preserved and thus acknowledged in a new Biosecurity Act.

Statutory positions

Vinehealth supports the statutory position of Chief Plant Protection Officer (CPPO).

It is stated that the two key focus areas for the CPPO are fruit fly and phylloxera. Vinehealth is delighted to see phylloxera as one of two key focus areas for the CPPO, and as such seeks information on whether the CPPO will commence new activities regarding phylloxera and the associated budget.

Statutory authorities

Vinehealth acknowledges the intent that the new Biosecurity Act will have the power to create statutory authorities by regulation for specific purposes.

Please refer to section 2 of this submission which details the significant concerns to the powers and functions of Vinehealth as a statutory authority, as currently set out in the PGI Act, being in regulations under a lead Biosecurity Act.

Registration and traceability

Vinehealth agrees that identification and traceability is vital to managing an incursion and for prevention and preparedness activities.

As noted in the Technical Directions Paper, pursuant to part 3 of the PGI Act, Vinehealth maintains a Register of all vineyards of 0.5 hectares or more of planted vines in South Australia. This Register contains ownership, land, and planting information and any other details relevant to the functions of

Vinehealth. This is an extraordinary asset for the State and its accuracy and relevance has been maintained for 120 years.

The Register holds more information on vineyards than what we understand would be required by a PIC system. For example, the Register includes variety, rootstock, year planted – with data from such fields proving invaluable in recent biosecurity incursions and also for preparedness and prevention activities. In addition, given the link between the Register and property sale via conveyancers, ownership details are always current.

The ongoing maintenance of this Register and the power/authority to collect information that informs this Register (as per section 19 of the PGI Act), is vital to the ongoing prosperity of the grape and wine industries. Vinehealth is currently in the procurement process of a new Digital Biosecurity Platform that will utilise contemporary technology and modernise the architecture, capacity and capabilities of the existing Register. This is a truly innovative ag-tech project that will leverage data in the Register for better biosecurity outcomes for industry.

Vinehealth's role in establishing and maintaining this Register needs to remain a key power in the PGI Act. However, ongoing discussions are sought with Biosecurity SA to streamline the establishment of a PIC system for vineyards so that the Register can act as the source of truth for the industry.

Additional points that must be considered for any traceability system for the grape and wine industries, is that it needs to start with propagation businesses, that being vine improvement associations and nurseries. These propagators sit outside the Nursery and Garden Industry Australia system. This is a traceability area that Vinehealth will explore further with propagation specialists for the industry.

Of importance for any proposed collection of data from industry (through PIC systems or otherwise), detail must be provided to industry as to how the data will be used and protected. Experience with our Register tells us that other government departments and agencies regularly seek the information for their purposes.

Accreditation authorities

Vinehealth endorses the proposal that the new Biosecurity Act may provide the ability to recognise non-government organisations as accreditation authorities, who in turn may accredit private certifiers and auditors. The current PGI Act (section 13(1)(h)) makes provision for Vinehealth to accredit providers of high-health propagation material and this provision must be preserved.

It is also recommended that prior to outsourcing by PIRSA, Vinehealth is given the first right of acceptance to perform accreditation activities associated with any grape and wine industry scheme.

Confirmed and agreed funding and cost recovery options for such accreditation activities would be required prior to outsourcing, as any increased cost to industry needs to be understood now, and industry consulted.

Vinehealth's support of using alternate accreditation authorities is made on the proviso that PIRSA put in place robust measures surrounding the governance and processes to assess the competency of a provider.

In addition, Vinehealth also seeks to provide increased support to Biosecurity SA to review content of all accreditation schemes for the grape and wine industries. Our knowledge of the wine supply chain and industry provides a unique perspective that will add value to the content of such schemes and to ensure they are fit for purpose.

Auditing

Vinehealth agrees that audits are an integral part of the biosecurity system to ensure an accreditation authority, importer or other relevant party are undertaking their activity to an expected standard.

Feedback received from industry on audits currently undertaken for accreditation schemes (that Biosecurity SA administer), suggests that improvements are warranted to the process before seeking to outsource this activity. The way in which some auditors currently undertake audits, unfortunately, diminishes the integrity of the accreditation scheme and industry engagement in the process.

Permits

Vinehealth makes the following points in respect to the information on permits:

- Such a permit system is reliant on a robust risk assessment process that is not subject to an individual's bias due to experience or knowledge of a particular supply chain or industry.
- All permits must be able to be reviewed, and revoked or amended if needed, if there is a change in the operating landscape that changes the risk profile relevant to the activity allowed under the permit. There must be a system in place to ensure this ongoing review so that something doesn't slip through the cracks based on a permit issued some years ago.
- Suggest that there is a level of transparency to industry, and full transparency to Vinehealth for permits relating to the grape and wine industries, as to the permits that have been issued and on what grounds.

Funding, fees and charges

This section of the TDP references the ability of the new Biosecurity Act to facilitate issues-based co-funding measures, with industry-based contributions matched by government and used for preventing or managing a particular pest. Further, the consideration of '...public good...' is mentioned.

This potential power is of great interest to Vinehealth as it has long been argued that government should match current industry contributions collected by Vinehealth. With an established mechanism to collect industry contributions and a clear strategic plan and governance structure to invest these funds to prevent phylloxera (and other high priority pests), it would seem that this power provides a clear path for government to match industry contributions already being collected by Vinehealth.

In the consultation paper it states that the new Act "...will not seek to increase regulation or business costs across the system...". Given the information provided under the *Funding, fees and charges* section of the TDP, it is difficult to determine whether this statement will hold.

Compliance and enforcement

Offences

In relation to vicarious liability, Vinehealth queries how this links in with general biosecurity obligations and would the negligent employee be prosecuted under this duty in addition to the employer? From an industry perspective, vicarious liability presents a motivation for action, such that employers will need to more formally address staff training, monitoring and evaluation with regard to biosecurity practices.

Penalties

Vinehealth has previously received feedback from industry that the current penalties are not commensurate with the significant risk of non-compliant activity and the value of the industry to the state's economy. Current penalties and the possibility of prosecution are not currently seen as a deterrent. Further, historically there seems to have been little appetite/resources within PIRSA to prosecute.

Vinehealth strongly endorses strengthened penalties, ready but fair enforcement and application of them, and clear indications that penalties for non-compliance are commensurate with the biosecurity risk. Further information on incentives to balance the 'carrot and stick' approach and to ensure true engagement by industry, is worthy of discussion. However, if one looks at Work Health and Safety, legislative change and enforcement were the drivers of significant and sustained behaviour change in workplaces in the last 20 years. Despite obvious differences, it is a valuable analogy to investigate.

Appendix 1

Vinehealth Australia

Our history

The story started in Europe in the 1800s. Phylloxera was introduced into France on American vine cuttings and reported in 1865. Its presence was quickly felt. As a measure of the devastation phylloxera caused in France alone, it's been reported that 2 million acres (810,000 hectares) of vines were destroyed by phylloxera between 1868 and 1888. And 400 million sterling in lost revenue was calculated in France between 1868 and 1884, directly due to phylloxera (*Sydney Morning Herald, 1890*).

Many believe at least two-thirds of all European vineyards were destroyed, and some think the number is closer to 90%. European wine production plummeted around 75% overall, between 1875 and 1889.

In the face of the growing international phylloxera threat, the South Australian wine industry persuaded the State government to establish the *Vines Protection Act 1874*, prohibiting importation of vine material into the state.

The unrelenting advance of phylloxera through Europe was watched nervously by the Australian wine industry. Then in 1877, phylloxera was confirmed in vineyards in Geelong, Victoria, having been reported undiagnosed two years prior.

Prevention efforts intensified in South Australia. The *Phylloxera Act 1899* established The Board – now Vinehealth Australia. That first phylloxera board included some famous wine industry names: Thomas Hardy, George Fullerton Cleland, Henry Maydwell Martin, William Patrick Auld, Herman Büring, Benno Seppelt, Maurice William Holtze and Arthur James Perkins.

The *Phylloxera Act 1899* was a progressive piece of legislation which:

- Made provision for registration of all South Australian vineyards;
- Imposed a quarantine area of approximately two chains (approximately 40m) beyond any vines where phylloxera was found or suspected to be;
- Set levies for grapegrowers, winemakers and distillers;
- Compensated growers financially for plantings removed in eradication programs;
- Named six districts with one grower from each appointed to the Board plus two;
- Prohibited replanting to vines for 10 years on phylloxerated land except with the sanction of the Board; and
- Described a vine as living or dead.

“Funded by the grapegrowers of South Australia, a major role of the board has been to broaden the awareness of the devastation which could be caused by the uneducated or careless if phylloxera were introduced, as has happened in many of the leading grapegrowing countries around the world. A constant program of research and education taken across state boundaries has been significant in keeping phylloxera out of the vineyards of South Australia,” wrote Bill Brand, former Chairperson of The Phylloxera and Grape Industry Board of South Australia (Vinehealth Australia), in *'The Phylloxera Fight (1996)'*.

Some people say the absence of phylloxera in South Australia is down to luck. But few argue about the role Vinehealth Australia has played in helping to keep phylloxera and other grapevine pests out of the State.

The modern Vinehealth plays a much bigger role than the original phylloxera board of 1899.

Governing legislation

The *Phylloxera and Grape Industry Act 1995* (PGI Act) is the current governing Act of Vinehealth, with the purpose to provide for the protection of vineyards from disease and to assist and support the grape industry in South Australia. Since 1995, only minor administrative amendments to the Act have occurred.

While prevention of phylloxera remains a core focus, Vinehealth's remit is for the prevention and management of all exotic and significant endemic pests, diseases and weeds and any condition that could impact the health of vines. As such, the broad definition of 'disease' in Vinehealth's governing Act is:

- a. any bacterium, fungus, insect, mite or other arthropod, protozoan, virus or other organism or pathogen; or
- b. any other condition, that may affect vines (including dried and table grape vines).

The PGI Act is unique to South Australia, with no equivalent legislation in other states or territories. This should be viewed as a distinct advantage.

Categorisation and governance structure

Vinehealth is a statutory authority and an instrumentality of the Crown. It fulfils a public purpose of protecting the State's vineyards from disease. This is the case even though the direct beneficiaries of our work are those who own, operate and work in the industries that rely on vineyard produce. When the number of people who rely on wine businesses less directly (including those who work in areas reliant on wine industry tourism) are considered, as well as the public interest in having productive local vineyards and the benefits to the wider community through taxes and so on, Vinehealth's purpose can, therefore, be considered a public one.

Vinehealth maintains a degree of independence from central government, not being subject to ministerial control in a general sense and is not an agency of the Crown under general law. There is no provision in the PGI Act that expressly states that Vinehealth is subject to ministerial control and direction. The fact that the Minister can direct Vinehealth to perform tasks under section 13(1)(j) of the PGI Act, does not mean that the Minister can direct Vinehealth on how to carry out those tasks.

A board, constituted by the Chief Inspector for South Australia, an expert in viticultural research, and up to seven persons selected by a Board Nominations Committee made up of industry stakeholders, maintains oversight over the organisation's strategy, finances and operations. This skills-based board functions according to contemporary board governance principles, with accountability to industry and the Minister.

Funded by industry

The PGI Act enables contributions to be collected from (a) a 'registered person' (owner of land upon which vines are planted), (b) winemaker, and (c) distiller, in accordance with rules *approved* by the Minister. Since the enactment of the original *Phylloxera Act 1899*, vineyard owners, winemakers and distillers have made contributions to fund the operation of Vinehealth. This original Act outlined annual rates per acre of three pence on all vineyards exceeding one acre when they had attained the age of two years, of six pence on vineyards planted for four but less than eight years, and of one schilling on vineyards eight years or older. In addition, every winemaker and distiller paid six pence for every ton of grapes annually purchased.

In the current PGI Act, the approved rules are for a contribution of \$9.50 per hectare (\$50 minimum) to be collected from registered persons. This equates to approximately \$740,000 per annum – a quantum that has seen little change over the last decade given stable planted vineyard area of around 76,000 hectares. These contributions are Vinehealth's predominant income stream to perform its primary functions. Small amounts of supplementary income from occasional grant funding programs, are intermittently received.

The stability of industry’s commitment to funding for biosecurity for 120+ years, is an extraordinary demonstration of industry accountability, action, and dedicated ‘sharing of responsibility’ – notably, decades in advance of this contemporary biosecurity vernacular. Any diminishing of or threats to this sustained commitment is at odds with current government calls for shared industry accountability and investment in biosecurity.

An ambitious strategic plan to deliver functions

Vinehealth’s aspiration as detailed in its *Strategic Plan: Towards 2020* (note: a new strategic plan is currently under development), is that biosecurity is a top priority in the grape and wine industries. By driving biosecurity for the grape and wine industries, Vinehealth aims to protect assets from biosecurity risk and impact. Such a sector specific approach to biosecurity is a distinct advantage. Achievement of the four goals in this strategy will see the biosecurity dynamic shift from ‘insurance’ against risk, to an enabler for success.

Through Vinehealth, South Australian vineyard owners invest in biosecurity training and awareness, policy and procedures, research and development priority setting, and preparedness, prevention and response activities, to the benefit of the state and national wine industry.

As detailed in the PGI Act, Vinehealth is responsible for:

- Delivering 10 primary functions focussed on investment in identifying and assessing biosecurity risks, biosecurity training and awareness, developing policies and procedures to mitigate risks, endorsement of schemes to ensure high-health propagation material, research and development priority setting, and preparedness, prevention and response activities;
- Assisting and supporting the grape industry in its initiatives;
- Maintaining a Register of registered persons who own 0.5 hectares or more of planted vines, including owner details, land parcel information, planting details, imagery and any other information that the organisation deems appropriate to delivering its functions;
- Managing a system to levy, collect and recover contributions owing to Vinehealth, pursuant to section 23 of the PGI Act;
- Being inspectors under the *Plant Health Act 2009* ex officio;
- Determining the appropriate control action to take in the event of an outbreak and providing ongoing advice to the Minister regarding the outbreak; and
- Developing a five-year strategy, ensuring communication networks with regions and industry and provision of annual reporting to the Minister.

Vinehealth’s primary functions assist the grape and wine industries to prevent and manage pests and diseases that would have significant economic and social impacts across the supply chain. A prosperous wine industry supports many other sectors, including tourism and regional communities.

Unique ways of working that drive Vinehealth’s operations

The two primary stakeholders for Vinehealth are:

1. The grape and wine industries. This encompass the entire grape and wine supply chain and the national, state and regional bodies that represent and support the industry; and
2. Government.

In addition, it is acknowledged that important stakeholders for Vinehealth are the regional communities who’s economic and social welfare would be impacted in the event of a significant pest or disease incursion.

A recognised strength of Vinehealth is its connection and engagement with industry. The focus on and importance of this connection is paramount to fulfilling the functions of the PGI Act, given that

success for many of our functions is dependent on our ability to empower industry to act to protect their assets from a biosecurity shock. This connection is underpinned by:

- Industry involvement in the selection of board members;
- Board members with sector experience and respected skills;
- Strong and transparent Board governance;
- Management staff/executives with industry experience, knowledge and networks;
- An annual operating plan that delivers a portfolio of activities across the biosecurity continuum of preparedness, prevention, incursion management, asset-based protection and recovery;
- Capability and authority to serve as a trusted expert conduit for industry on biosecurity matters with government;
- Our collective and specific knowledge of industry and government;
- Proven ability to translate policy, legislation, standards and new science into practical tools and information that can be readily adopted and integrated into best practices by industry;
- The maintenance of a Register of vineyards greater than 0.5 hectares and our interaction with vineyard owners to ensure accuracy of information — this Register is a powerful and historic database;
- The accountability to industry through directly managing the levy system, including collection and recovery of contributions payable. Vinehealth personally sends a Notice of Assessment on its own letterhead, outlining contributions payable to each registered person. This action provides a direct link for levy payers to reflect on the value of the services that Vinehealth delivers for the contribution they pay. This contrasts with other levy collection systems for the wine industry¹; and
- Ongoing investment in strategic and tactical communication that enables regular touch points with industry and stakeholders.

Such a connection with industry would not exist if Vinehealth were seen as part of a large government department or agency.

The enduring and strong working relationship that Vinehealth has with the South Australia government, and particularly Primary Industries and Regions SA (PIRSA), has enabled strategic and operational biosecurity issues for industry to be discussed and, in many cases, addressed. This relationship has continued to evolve with changes in the respective organisations and key personnel. PIRSA continues to rely on Vinehealth for counsel, operational activities and consultation with industry on various matters.

Vinehealth is viewed as an honest broker between government and industry on biosecurity matters and is in the enviable position of being everyone’s informed advocate.

A challenging operating environment

It is acknowledged that the global biosecurity landscape is increasingly complex and rapidly changing. This demands frameworks, systems and processes that are multi-dimensional and agile to respond to the type and scale of biosecurity threats that Australia and the grape and wine industries face. While skyrocketing global trade and tourism, agricultural expansion and intensification, urbanisation and climate change are recognised as increasing our exposure to biosecurity risks, so too are changing government priorities with respect to biosecurity investment and policy.

¹ For the *Primary Industries Funding Schemes Act (SA) 1998* which funds one South Australian state and six regional wine associations (with the exception of the South Australian Wine Industry Association and regional associations in the Limestone Coast), and the *Primary Industries Levies and Charges Collection Act 1991* which funds Wine Australia, levies are paid by wineries on behalf of growers and themselves to government which then provides funding back to the relevant organisation. Therefore, the grower never receives an invoice from the organisation to trigger the value proposition thought process.

A stark reality is painted in the recently published report titled *Pest and disease interceptions and incursions in Australia*² by the Australian Government's Inspector-General of Biosecurity. It details a 46% increase in pest and disease interceptions at the Australian border between 2012 and 2017 (of which 0.6% were high priority plant pests) and the work needed to strengthen the government's ability to intercept pests and diseases, and to communicate the approach and leakage rates to key stakeholders to enable improved post border surveillance.

Additionally, detections of phylloxera continue in Victoria, both within the existing Maroondah Phylloxera Infested Zone and in neighbouring Phylloxera Risk Zones. The likelihood of phylloxera movement has never been greater, and as one leading industry figure from the Yarra Valley recently articulated, phylloxera will always be ahead of any zone or line on a map given that it takes years to detect a new infestation. The financial impact of phylloxera in the Yarra Valley has been estimated at \$1 billion, based on replanting nearly the whole region to rootstock and accounting for losses due to production lag. This figure would rise further when other factors such as loss of brand continuity, business value and compliance costs are considered.

This is a powerful reminder of the threat to South Australian vineyards and wineries given that 70% of vineyards are planted on own roots and therefore susceptible to phylloxera attack.

Instrumental to this changing landscape are trends specific to the grape and wine industries that are contributing to the risk of a biosecurity incursion, including:

- Increased consolidation, with regional grape processing being replaced by larger processing facilities that import higher volumes of grapes across regional and state boundaries;
- Increased international ownership of Australian wineries and vineyards, adding complexity to the system;
- Increased specialisation, with more contract vineyard management, pruning and harvesting, raising the risk of cross-regional and cross-vineyard contamination;
- Increased inbound regional wine tourism which provides opportunities for the movement of pests and diseases between countries, states, regions and vineyards;
- Ongoing tight margins for grapegrowers resulting in reduced investment in biosecurity activities; and
- Poor focus on farm-gate hygiene practices.

Enhanced, sustainable investment of time, funds and resources by industry and government is imperative to protect the ongoing prosperity of the South Australian grape and wine industries. Vinehealth has been operating a significant deficit budget for the last 3 years given the volume of work required to address this complex and changing biosecurity landscape. A review of the rate of contributions as per section 23 of the PGI Act is currently pending.

Value proposition and impact

The impact of Vinehealth on the Australian grape, wine and biosecurity landscape is powerful. With a deep understanding of the grape and wine supply chain and industry dynamics, Vinehealth partners with growers, winemakers, suppliers and industry stakeholders to empower them with tools, information and expertise to safeguard their vineyards and wines from pests and diseases. And in the event of an incursion, Vinehealth will support industry to manage and recover.

Work undertaken by Vinehealth in 2019/20 included:

- Published 36 articles on pest threats and biosecurity;
- Published newsletters, facts sheets and biosecurity tips to educate vineyard owners and winemakers;
- Maintained the Register;
- Conducted a Phylloxera Immersion Tour to Victoria's Yarra Valley with 35 members of the wine industry;

² Review Report No. 2018–19/05

- Finalised the comprehensive review of SA's Plant Quarantine Standard's phylloxera-related conditions;
- Facilitated management of wine industry biosecurity nationally;
- Conducted a Phylloxera Outbreak Simulation with DPI NSW and NSW Wine;
- Assistance with industry communication before prescribed burns conducted by DEW;
- Assisted Riverland Wine in the development of a CRM database;
- Assisted SAPOL with an investigation;
- Cudlee Creek and Kangaroo Island bushfire support to inform government and industry response activities;
- Managed the Grapevine Pinot gris virus extension project;
- Delivered formal presentations at events to raise awareness about biosecurity;
- Educated Instagram influencers about phylloxera;
- Managed the Coonawarra Rootstock Trial; and
- Sold 154 biosecurity signs.

Priorities for the 2020/2021 financial year include critical work such as the development of a robust SA Phylloxera Outbreak Strategy, progressing the development of a holistic national phylloxera management strategy, developing more practical solutions for growers to assist the adoption of farm-gate hygiene practices and progressing the transition to a modern Digital Biosecurity Platform.

Contact

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