The aim of this Snapshot is to provide wine businesses with the insights required to inform decision making and to monitor performance. We explore the challenges, risks and opportunities for wine businesses. Welcome to the third instalment of the South Australian Wine Industry Snapshot - a collaboration of full service advisory and accounting firm Bentleys SA and the South Australian Wine Industry Association.

This study aims to equip wine businesses with the insights and information required to benchmark their business performance and to inform their business decision making.

Our aspiration is that this initiative will contribute to the continued dominance and long term sustainability of the wine industry in South Australia.

The wine industry is complex. It can sometimes be difficult to find the time to devote to improving business operations, never mind the relevant information required to compare performance. We trust this report will fill this need by providing valuable insights into business performance and sentiment.

We are grateful to the 100 wine businesses of South Australia that participated in this year’s study and have shared their honest assessments.

This year, it is clear that demand from global markets and advancing technology solutions are having positive impact on wine businesses. However, variable weather conditions, water access, a small vintage in some regions, and energy costs have all contributed to a drop in business confidence. This is the first drop in confidence that we have seen in three years.

It is encouraging to note that many wine businesses still have plans to grow the net size of their vineyards, motivated to do so to manage disease and to achieve a more desirable varietal mix.
Operating utilisation of processing facilities declined during this year’s vintage, however inventories of red and white wine remain generally in balance.

Global markets (particularly China) have been recognised as important to sales growth, and wine businesses recognise the value of the supportive free trade agreements.

Marketing and business planning are among the skills favoured for professional development, and we will continue to support training programs to cater for these needs.

We hope you enjoy reading this report for more detailed findings. We also encourage your feedback, which is so important as we continue to refine this study in time for next year’s fourth instalment.

We thank you for your ongoing support, as we strive to deliver meaningful insights to support the growth of South Australia’s wine businesses.

About the South Australian Wine Industry Association

From its beginnings in 1840, the South Australian Wine Industry Association is the peak body representing the viticultural and wine making interests of the state.

The association’s core functions are to provide leadership and strategy, to represent the industry and lobby on its behalf, and to provide leadership advice and support to South Australian grape and wine businesses, assisting them to prosper within a dynamic and diverse industry.
This study aims to provide wine businesses with the insights required to inform decision making and to monitor performance.

Responses were collected during the month of August 2019 using an online questionnaire.

The participation of 100 wine businesses provides a sufficient sample to deliver reliable and valuable insights, which can help inform the growth and development of South Australia’s wine sector.

For some regional analyses, we have excluded responses if they are too few in number in order to protect the identity of participants.

Some comparisons have been drawn from the feedback provided by the 126 participants in 2018, and the 81 participants in 2017.

One hundred wine businesses participated in this study, with many being private companies from the larger wine regions, which make their own wine and grow their own grapes.

Location

Participating wine businesses have assets spread widely across South Australia.

There is strong support from wine businesses located in major wine regions, with one quarter of participants having assets in McLaren Vale (27%) Barossa Valley (26%) and the Adelaide Hills (23%).

Business type

Most participating wine businesses are privately owned and operated.

The participants

<table>
<thead>
<tr>
<th>Business type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private company</td>
<td>61%</td>
</tr>
<tr>
<td>Trust with trustee company</td>
<td>18%</td>
</tr>
<tr>
<td>Sole trader</td>
<td>9%</td>
</tr>
<tr>
<td>Public company</td>
<td>7%</td>
</tr>
<tr>
<td>Partnership</td>
<td>5%</td>
</tr>
</tbody>
</table>
Facilities
Most survey participants (80%) grow their own wine grapes, and only 15% purchase all wine grapes processed. One third of participants (32%) intend to change their facilities within the next 12 months. Few (9%) lease grape processing facilities, which represents a substantial decrease compared to last year (18%).

<table>
<thead>
<tr>
<th>Facility</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you grow your own wine grapes?</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Do you operate a cellar door?</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Do you own a grape processing plant?</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Do you purchase a percentage of wine grapes processed?</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Do you intend to change your facilities in the next 12 months?</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Do you purchase all wine grapes processed?</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Do you lease a grape processing plant?</td>
<td>80%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Business size
Two thirds (67%) of participants are businesses with an annual turnover of less than $5 million. Eleven per cent are large businesses with revenue more than $20 million per annum.

<table>
<thead>
<tr>
<th>Turnover financial year 2017/2018</th>
<th>Turnover financial year 2018/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $1m</td>
<td>$1m-$5m</td>
</tr>
<tr>
<td>$5m-$20m</td>
<td>&gt; $20m</td>
</tr>
</tbody>
</table>

Source of revenue
Almost all (95%) of the participants draw income from wine making activities, 73% draw income from grape growing, and 44% draw income from other sources. One in ten participants expect to adjust the focus of their revenue sources.

<table>
<thead>
<tr>
<th>Revenue source</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine making</td>
<td>100%</td>
<td>0%</td>
</tr>
<tr>
<td>Grape growing</td>
<td>80%</td>
<td>20%</td>
</tr>
<tr>
<td>Other</td>
<td>40%</td>
<td>60%</td>
</tr>
<tr>
<td>Do you intend to change focus?</td>
<td>80%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Business lifecycle
Most participants consider themselves to be in the mature (42%) or growth (31%) phases of their lifecycles.

<table>
<thead>
<tr>
<th>Lifecycle phase</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mature</td>
<td>42%</td>
</tr>
<tr>
<td>Growth</td>
<td>31%</td>
</tr>
<tr>
<td>Evolution</td>
<td>12%</td>
</tr>
<tr>
<td>Startup</td>
<td>7%</td>
</tr>
<tr>
<td>Succession</td>
<td>6%</td>
</tr>
<tr>
<td>Exit</td>
<td>2%</td>
</tr>
</tbody>
</table>

Tourism offering
Twenty nine per cent of participating wine businesses offer a wine tourism experience. There is currently limited provision of commissionable products - and opportunity to provide more.

<table>
<thead>
<tr>
<th>Tourism offering</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wine tourism experience</td>
<td>29%</td>
</tr>
<tr>
<td>No tourism offering</td>
<td>24%</td>
</tr>
<tr>
<td>Function centre or similar</td>
<td>14%</td>
</tr>
<tr>
<td>Restaurant</td>
<td>13%</td>
</tr>
<tr>
<td>Cafe</td>
<td>9%</td>
</tr>
<tr>
<td>Accommodation</td>
<td>8%</td>
</tr>
<tr>
<td>Commissionable products</td>
<td>4%</td>
</tr>
</tbody>
</table>
Despite increased global demand for Australian wine and improved pricing over the past five years, business confidence among South Australian wine businesses has declined, in contrast to previous snapshots.

The impact of a challenging vintage with unfavourable weather conditions has contributed to reduced production in key regions. Some regions returned solid results, while others were down compared to longer term averages.

Asian export markets (and particularly China) continue to play an increasingly important role, as wine makers take advantage of free trade agreements and the value of the Australian dollar to explore new export markets.

Business confidence
Consistent with general commentary in Australia, business confidence among the participating wine businesses has fallen this year, compared to the two previous years of this study.

Last year, 78% of participants were somewhat, very or extremely confident. This year, only 60% of participants have indicated they are positive about the future of their business.

Almost a quarter of participants (24%) have indicated that they are worried about the future of their business, compared to only 12.5% last year.

Processing utilisation
This year, 28% of respondents have processing plants operating at full (or close to full) capacity - i.e. 91 to 100% - which is consistent with the results of 2018 (26%).

However, processing plants operating at 81% to 90% capacity has fallen since 2018 from 56% to 39% of respondents.

The number of processing plants operating at 51% to 80% capacity has risen from 29% to 39% over the past three years, which may reflect the recent and gradual decrease in tonnage produced by Australia’s wine industry.
Inventory levels are about right

We asked participants to describe their current inventory levels of white and red wine, and both remain generally in balance.

Over forty per cent of respondents indicated that their inventory levels of white (43%) and red wine (45%) were about right.

White wine appears to be in shorter supply, with 16% of respondents indicating extremely low stock levels.

Environmental factors

Of continued concern for South Australia’s wine businesses are the high costs of doing business, including energy, labour, and water costs. These costs have been recognised as having the most negative business impact of all environmental factors on the participating wine businesses.

On the flip side, free trade agreements and the value of the Aussie dollar were recognised as having the most positive impact on wine businesses.

1 Matthew Reeves, IBISWorld Industry Report C1214, Wine Production in Australia, April 2019.
2 National Australia Bank (NAB) Quarterly Business Survey and quarterly NAB Business Confidence Index; IBIS World Business Confidence Index, July 2019
South Australia produces almost half of the country’s wine production and Australia is the sixth largest wine producer in the world, therefore offering substantial job opportunities for those willing to embrace a regional lifestyle.

This year, while some wine businesses are seeking to reduce labour costs through automation and internal efficiencies, we have found that, more generally, the current level of investment in human resources is likely to be sustained.

**Skills in demand**

Almost half (48%) of survey respondents indicated they have experienced challenges with recruiting skilled staff.

Consistent with last year’s results, recruitment of suitable vineyard staff and viticulturists has been most challenging for one third (33%) of respondents, and suitable cellar door staff have also been difficult to find.

Recruitment of sales and marketing staff has become more challenging this year, with 27% of respondents indicating difficulty compared to only 7% last year.

**Impediments to attracting staff**

We asked wine businesses what they believed to be the biggest impediment to attracting staff, and for one third (34%) of respondents the greatest challenge was their regional location.

For one quarter of respondents (25%) the greatest impediment was the costs associated with employing someone, including wages, penalty rates, and the high salary expectations of candidates.

For another 20% of respondents, the greatest challenge was to find candidates with the right skills, experience and motivation.

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**In which areas of your business have you experienced difficulty recruiting suitably qualified staff?**

- Vineyard, including viticulturalists
- Cellar door sales
- Sales and marketing
- Finance and administration
- Hospitality, chefs and waiting staff
- Maintenance and trades
- Laboratory
- Cellar, including winemakers
- Senior management
- Bottling
- Warehouse and supply
- No difficulty

**What is the biggest impediment to attracting staff?**

- Regional location 34%
- Cost 25%
- Lack of skills, experience 12%
- Lack of motivation 8%
- Varied, seasonal hours 8%
- Small labour pool 7%
- Red tape 3%
- Competition for skilled staff 3%
Recruiting for the year ahead

We asked participants how their number of FTEs is likely to change in 2019/20, compared to 2018/19. Most indicated they expect their staff numbers to stay the same during vintage (76%) and outside of vintage (71%). However, some expect FTEs to increase during vintage (17%) and outside of vintage (21%). Only few expect their numbers to decline during vintage (6%) and outside of vintage (7%).

Recruiting new staff to a regional location can be challenging, and can require new engagement strategies. What could you do differently to celebrate your regionality, and to attract people who are genuinely drawn to regional employment and lifestyle?
Pursuing profitability in a volatile market

On many levels, the wine industry in South Australia is delivering the conditions required for improved business profitability. The balance between supply and demand is improving, new technologies are enabling efficiencies and innovation, and supportive international conditions are enabling export.

Notwithstanding, sustained profitability continues to be a significant concern for many wine businesses. Understanding and managing the profitable parts of a business and the controllable expenses is the key to success when value can be influenced by vintage.

**Improved profitability required**

Profitability continues to be a significant concern for South Australia’s wine businesses.

Two thirds (67%) of this year’s respondents have expressed a need to improve profitability, and one quarter (25%) have indicated a need to improve profitability substantially (an increase of 10% compared to last year).

A focus on quality, controlling costs, managing production numbers and pricing opportunities, seeking better ways of doing things, can allow producers to improve profit margins.

**Blended growth strategies**

On average, and consistent with last year, respondents are implementing at least two growth strategies to further the profitability of their business.

Market penetration - targeting existing customers in existing markets - is increasingly important as a strategy, adopted by 78% of respondents this year, compared to 66% last year.

Diversification has lost some favour this year, with only 23% of respondents adopting the highest risk strategy, compared to 33% last year.

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**Current financial health of business**

**What is your key growth strategy?**

<table>
<thead>
<tr>
<th>Growth Strategy</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Profitable and sustainable</td>
<td>0%</td>
<td>10%</td>
<td>20%</td>
</tr>
<tr>
<td>Generating a reasonable return</td>
<td>10%</td>
<td>20%</td>
<td>30%</td>
</tr>
<tr>
<td>Profitable but needs to improve</td>
<td>40%</td>
<td>50%</td>
<td>60%</td>
</tr>
<tr>
<td>Needing significant improvement</td>
<td>20%</td>
<td>10%</td>
<td>0%</td>
</tr>
</tbody>
</table>

Respondents were able to select more than one strategy.
Improved understanding of legislation

There are untapped opportunities, as well as substantial business risks associated with our changing legislative environment.

This year’s respondents showed mixed awareness of recent and impending legislation, suggesting further education within the sector may be required.

Compared to last year, respondents showed substantial improvement in their understanding of Single Touch Payroll (which came into effect in July 2018 for larger businesses and July 2019 for smaller businesses), new liquor and labour hire licensing laws, and new Chain of Responsibility obligations.

However, the R&D Tax Incentive and the new Mandatory Data Breach laws remain understood by few.

The R&D Tax Incentive offers eligible Australian businesses the opportunity to access significant rewards for their innovation investment, while the new data breach laws involve sizable penalties for businesses that experience data base breaches. These threats and opportunities can have a significant impact on profitability and need to be managed.

New technology adoption

We asked our participants if they are implementing any automation or new technology (such as tracking, satellite or drone technology) to improve efficiencies or change processes.

Almost one quarter of responding wine businesses (24%) indicated they are implementing a broad range of new technologies (including artificial intelligence, autonomous vehicles, digital imaging, robotics) across a wide variety of functional areas (including vineyard, cellar door, packaging, sales and marketing).

With regard to recent or impending legislation, do you understand the changes and has your business implemented appropriate responses, where needed?

What automation or new technology are you implementing?

...high resolution imaging to identify canopy issues ...digital imaging for plant stress and nutrition monitoring...radio control automation for irrigation...drones for crop density and pest management...moisture/pest/disease sensors...satellite imagery for moisture/harvest mapping...artificial intelligence...unmanned vehicles...robotics throughout the vineyard, winery and packaging operations...destemmer sorter on harvester...tracking devices...CRM update...GPS marking...
Vineyard redevelopment

Wine businesses in South Australia continue to explore ways to grow their vineyards, improving productivity while also building resilience against unpredictable weather conditions. Thirty-two per cent of this year’s participants graciously shared details of their intentions for redevelopment. We note that some of the sample sizes are small, so the results are indicative only.

**Size of vineyard for redevelopment**
Thirty two wine businesses located across South Australia have flagged 35 areas of land for redevelopment, which collectively represent an area of up to 950 hectares. All redevelopments are planned for parcels of land less than 50 hectares in size, with the vast majority (91%) of redevelopments planned for plots of less than 25 hectares. The Barossa Valley has the greatest number of redevelopments planned.

**Motivation for redevelopment**
This year, the most common reason for pursuing the redevelopment of vineyards was to address disease issues (40%). For another 29% of vineyards, the primary motivation for redevelopment was to improve the varietal mix. Increasing yield was cited as a motivation for redevelopment of 31% of vineyards.

**Area mooted for vineyard redevelopment**

<table>
<thead>
<tr>
<th>Region</th>
<th>1 to 25 hectares</th>
<th>26 to 50 hectares</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverland</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Clare Valley</td>
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<td></td>
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<tr>
<td>Eden Valley</td>
<td></td>
<td></td>
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<tr>
<td>Mount Benson</td>
<td></td>
<td></td>
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<tr>
<td>Coonawarra</td>
<td></td>
<td></td>
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<tr>
<td>Langhorne Creek</td>
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<tr>
<td>Adelaide Hills</td>
<td></td>
<td></td>
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<tr>
<td>McLaren Vale</td>
<td></td>
<td></td>
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<tr>
<td>Barossa Valley</td>
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</tr>
</tbody>
</table>

**Motivation for vineyard redevelopment**

- Varietal mix
- Disease issues
- Increase yield
- Improve grade of fruit
- Other

<table>
<thead>
<tr>
<th>Region</th>
<th>Varietal mix</th>
<th>Disease issues</th>
<th>Increase yield</th>
<th>Improve grade of fruit</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riverland</td>
<td></td>
<td></td>
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<tr>
<td>McLaren Vale</td>
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<tr>
<td>Barossa Valley</td>
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</tbody>
</table>
Projected change in vineyard size

One third (33%) of participants shared their plans for redevelopment over the coming decade.

Eighteen vineyards are flagged by respondents for expansion before 2023, adding approximately 900 extra hectares to South Australia’s wine production. Only two respondents are expecting to reduce their vineyard size by 2023 by a combined total of up to 50 hectares.

Therefore, respondents’ productive land is expected to increase by approximately 850 hectares in net area by 2023, with the primary motivation to address disease issues.

Fewer wine businesses are projecting change to vineyard size between 2023 and 2028, and only 7% of survey participants have indicated their plans for redevelopment have changed in the past 12 months.

Of the 33 wine businesses that shared their redevelopment plans only 44% expected to make any change to their vineyard’s size in the longer term.

Only one small vineyard has been flagged to be reduced in size by up to 25 hectares from 2023 to 2028. In the longer term (2023 to 2028), 11 vineyards across ten wine regions have been flagged for expansion by approximately 625 hectares net.

Among this year’s participants, productive land for wine grape growing is expected to increase by approximately 850 hectares by 2023, with the primary motivation to address disease issues.

Expected net change of vineyard size before 2023, and from 2023 to 2028

We asked wine businesses to what extent they expect their vineyard to increase or decrease in size, in net hectares.
A focus on water

Variable weather conditions have taken their toll on many South Australian wine businesses over the past 12 months, as hot and dry conditions have seen wine grape yields reduce by up to half in some regions.

Following a drier than average winter and early spring for much of eastern and southern Australia, the Bureau of Meteorology forecasts below average rainfall across most of Australia for the remainder of 2019 and early 2020.

Respondents graciously shared details of their intended water usage for 35 vineyards over the next ten years.

We note that the sample sizes are small, so the results are indicative only.

Annual water demand before 2023

Two thirds (66%) of respondents expect to use relatively low levels of water (less than 2.5 ML/ha) to irrigate their vineyards through to 2023.

One quarter (25%) of respondents plan to use slightly more water (2.5 to 3.0 ML/ha) each year for the next five years.

Larger wine businesses in the Riverland and Adelaide Hills expect to use larger volumes of water (more than 4.0 ML/ha) per vineyard through to 2023.

Projected water demand 2023 to 2028

Longer term water usage projections were provided for the 35 vineyards for the years 2023 to 2028.

Overall, wine businesses expect to use the same water consumption into the longer term, despite a net increase in productive land area.

No change in water consumption is expected for 83% of vineyards.

The Peninsulas
Mount Benson
Clare Valley
Riverland
Eden Valley
Coonawarra
Langhorne Creek
Adelaide Hills
Barossa Valley
McLaren Vale

0                 2                 4                 6

Less than 2.50 ML/ha
2.50 to 2.75 ML/ha
2.76 to 3.00 ML/ha
More than 4.0 ML/ha

Decrease
Stay the same
Increase
Water source

Respondents indicated a strong reliance on bores and groundwater. Over the coming decade (and consistent with last year’s results), projections indicated that many vineyards (40%), across six regions, will draw irrigation water from bores and groundwater.

Rivers and creeks are relied upon as the primary source of water by 17% of vineyards. While 23% of vineyards draw irrigation water from other sources, including recycled water in McLaren Vale and Barossa Infrastructure Limited (BIL) water in the Barossa Valley.

As we move towards a hotter and drier climate, increased water access, efficiency and security will be of increasing importance.
Looking to the future

Key success factors
We asked participants to identify the key factors that will underpin their success over the coming two years. Responses were varied, however, like last year, sales growth rated as the most important success factor.

New or export markets (including China and the United States), and good financial management (including cash flow and cost management, and building profitability) ranked as the equal second most important factors.

The importance of a successful vintage in 2020 was recognised as the fourth most important success factor.

Key barriers
The weather has had an impact this year, with over half (51%) of the participating wine businesses identifying lack of access to water as a leading barrier to their success.

Continued demand for South Australian wine is equally recognised as a top barrier by 51% of the respondents. To help overcome this barrier, consider strengthening strong connections with markets, gathering feedback and innovating to remain competitive.

Professional development
To help ensure our continued design of meaningful training and professional development programs for wine businesses, we asked participants to nominate subjects of interest.

There is significant demand for marketing and business management education.

Over 40% of participants expressed an interest to learn about client relationship management, including systems, processes and easy wins. Social media was also a key subject of interest, as was strategy development.

Top ten success factors

- Sales growth
- New/export markets
- Economic conditions
- Quality of product
- Competition from major retailers
- Profitability
- A successful vintage
- Water accessibility/security
- Cellar door
- Internal efficiency

Barriers to success

- Changes in demand for South Australian wine
- Lack of access to water
- Lack of capital
- Regulatory change
- Soil quality
- Other: Weather events

Respondents were able to select more than one option.

Professional development needs

- Client relationship mgt
- Social media
- Strategy development
- Marketing channels
- Business plan
- Evolution/succession
- Marketing plan
- Work health and safety
- Leadership
- Financial literacy
- Liquor licensing
- Efficient production
- Business continuity plan
- Contracting
- Using your accountant
- Managing risk
- Industrial relations
- Outsourcing

0%            20%          40%
Conclusion

While free trade agreements and some other trading conditions have continued to create opportunities for South Australian wine businesses, not all are proceeding to trade with confidence. Business confidence has declined this year compared to last, with changing consumer demand and lack of access to water recognised among the key barriers to success, in what is a volatile market.

Variable weather conditions and unpredictable rainfall continue to challenge the industry with more impact felt this year compared to the past two years, warranting further investigation in next year’s study. Water access and security continues to be a key issue for wine businesses to manage. No change to water consumption is anticipated for the next five years despite plans to grow vineyard size, which suggests more efficient use of water is projected.

Profitability remains a key concern for wine businesses. While most wine businesses do not anticipate any change to staff numbers over the year ahead, many are exploring new technologies to help achieve improved efficiency.

Marketing and business planning have been highlighted as key subjects for professional development - and will be key skills to embrace to remain competitive in our evolving market.

It is an exciting time for the South Australian wine industry - one which demands innovation, market understanding, and improved practices to remain competitive.

We thank all wine businesses for participating in this snapshot, and we encourage your continued support as we endeavour to inform, celebrate and strengthen the wine industry of South Australia.

Compared to last year, how has your business confidence changed?

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Increased</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Decreased</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stayed the same</td>
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</tbody>
</table>
Government support, incentives, and key legislation

R&D tax incentive
The Research and Development (R&D) Tax Incentive is a market-driven program, which encourages Australian businesses to invest in innovation. The incentive takes the form of either a potentially sizeable tax refund or a considerable tax reduction.

For more information, contact Bentleys or go to: www.bentleys.com.au

Mandatory data breach laws
In February 2018, new laws were activated as part of an amendment to the Privacy Act to require Australian entities, with an annual turnover of more than AU $3 million, to adequately protect any personal information they hold. Should a data breach occur, the entity is responsible for assessing the risk of harm to individuals and mandatory reporting of breaches. Serious breaches may incur significant financial penalties.

For more information, go to: www.oaic.gov.au/agencies-and-organisations/guides/

Liquor licensing laws
The reforms of the South Australian liquor licensing law have been progressively implemented since December 2017. The final stage of the reform, including new licence categories, are being implemented in November 2019 and July 2020 respectively. Whilst some of the reforms implemented to date have resulted in red-tape reduction and greater flexibility, the new fee structure will result in substantial cost increases to the wine industry.

For more information, contact SAWIA or go to: www.winesa.asn.au

Wine equalisation tax (WET)
In 2017, integrity measures were introduced for the producer rebate (effective 2019 onwards). The changes have had interesting impacts, particularly on existing contracts and transactions.

Tax reform in the wine sector is likely to continue with a number of proposals currently in place for change. It is therefore important that you work with industry bodies and your advisors to have your say and to stay up-to-date.

For more information, contact SAWIA or go to: www.winesa.asn.au

Single touch payroll
Single touch payroll is a reporting requirement for employers which came into effect from 1 July 2018 for employers with 20 or more staff, and on 1 July 2019 for employers with fewer staff. Employers are now required to report payments, such as salaries and wages, directly to the ATO.

For more information, contact Bentleys or go to: www.bentleys.com.au/knowledge-centre/stp/

Small business CGT concessions
Small businesses may be eligible for a range of capital gains tax concessions on assets used to conduct business.

For more information, contact Bentleys or go to: www.ato.gov.au/Business/Small-business-entity-concessions/Concessions/CGT-concessions/
Support for wine businesses

Bentleys SA is a full service advisory and accounting firm. We help enterprises achieve their objectives and get where they want to be. Our expanding range of advisory, accounting and audit services includes strategic business advisory services, R&D tax incentives, wealth management, specialist taxation, corporate recovery, and banking and finance.

We can help you achieve your aspirations. Contact us for a no-obligation consultation.

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The South Australian Wine Industry Association, is the peak body for wine businesses in South Australia.

We provide a broad range of services for our members to support the success and performance of their businesses.

Our services cover industrial relations, employee relations and human resources, work health and safety, environment, market development and agribusiness growth.

To learn more, please contact:

Member services
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With any feedback on this snapshot, or suggestions for future instalments, please contact us.
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SAWIA is a state industry association made up of members who are wine producers and wine grape growers that pay an annual voluntary membership fee to access:

- Representation and leadership
- Advice and information
- Products and services