

Langhorne Creek Wine Industry Fund

Management Plan 2023-24 to 2027-28

*Primary Industry Funding Schemes (Langhorne Creek Wine Industry) Regulations
2016*

Langhorne Creek Wine Industry Fund Management Plan 2023-24 to 2027-28

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Introduction

The [Primary Industry Funding Schemes Act 1998](#) (the Act) provides South Australian primary industries with a legislative based ability to raise money within their sector to deliver activities and services that support the sector.

Section 4 of the Act allows the Governor to make regulations to establish a fund for a particular primary industry sector.

The Minister for Primary Industries and Regional Development (the Minister) is the Administrator for all the funds, which ensures appropriate accountability for the application of funds for the benefit of those industries. The Department of Primary Industries and Regions (PIRSA) manages the operations of the funds for the Minister. The Minister is required to report annually to Parliament on the operation of each fund and its accounts.

The Langhorne Creek Wine Industry Fund is established by the [Primary Industry Funding Schemes \(Langhorne Creek Wine Industry Fund\) Regulations 2016](#) ('the Regulations').

Contributions are payable as per the amount fixed for the period by the Minister, by notice in the South Australian State Government Gazette. Langhorne Creek winemakers and growers of Langhorne Creek grapes contribute to the fund. Grape grower contributions are collected by the winemaker as a deduction from the payment made by the winemaker to a grower. Winemakers are responsible for paying contributions on their own behalf. Winemakers are required to forward all contributions to the Minister on or before 30 June each year.

Contributors may seek a refund of their contributions. If a refund is paid to a contributor, they are deemed to be '*in default*' and not entitled to receive direct benefits or services funded by payments from the fund.

Payments are made from the fund for purposes defined in Regulation 6.

This management plan has been developed in consultation with the body that represents the contributors to the fund. It covers a five-year period and must be revised annually and may be updated at any time by the administrator of the fund.

Estimate of contributions to the fund

The Regulations require contributions to be paid on all grapes grown in the Langhorne Creek region, by both the grape grower and the winemaker.

Grape grower contributions are collected by the winemaker as a deduction from the payment made by the winemaker to a grower.

The winemaker is required to pay the appropriate 'winemaker contribution' on their own grapes and on purchased grapes.

The contribution rates are shown in Table 1. Following a reform process in 2021, contributions for 2022-23 (Vintage 2023) and beyond will be required to be paid as per the amount fixed for the period by the Minister, by notice in the South Australian State Government Gazette.

The Regulations require winemakers to pay all contributions to PIRSA by 30 June each year.

| Table 1 – Contribution Rates | | | | | | |
|-----------------------------------|-----------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2022-23 | 2023-24 ¹ | 2024-25 ² | 2025-26 ³ | 2026-27 ⁴ | 2027-28 ⁵ |
| Grower contribution | \$6.15/t | \$6.15/t | \$6.15/t | \$6.15/t | \$6.15/t | \$6.15/t |
| Winemaker rate (purchased grapes) | \$4.31/t | \$4.31/t | \$4.31/t | \$4.31/t | \$4.31/t | \$4.31/t |
| Winemaker rate (own grapes) | \$10.46/t | \$10.46/t | \$10.46/t | \$10.46/t | \$10.46/t | \$10.46/t |
| Maximum contribution | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 | \$30,000 |

The estimated contribution income for the next five financial years is provided in Table 2. Industry production estimates have been derived from the industry crush survey and historic contributions. Average production estimates are used in forward years. Contribution rates are subject to change following appropriate consultation with contributors and the approval of the Minister.

¹ Rates to be set via State Government Gazette

² Rates to be set via State Government Gazette

³ Rates to be set via State Government Gazette

⁴ Rates to be set via State Government Gazette

⁵ Rates to be set via State Government Gazette

Table 2 – Estimated Contributions Income

| | 2023-24 | 2024-25 | 2025-26 | 2026-27 | 2027-28 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Estimated production (tonne) | 35,000 | 41,000 | 41,000 | 41,000 | 41,000 |
| Estimated income ⁶ | \$296,000 | \$296,000 | \$296,000 | \$296,000 | \$296,000 |

Investment of the fund

PIRSA administers the financial operations of the fund on behalf of the Minister in accordance with the Regulations and the [Public Finance and Audit Act 1987](#).

Contributions are invested in an interest bearing account in accordance with the Department of Treasury and Finance. Interest paid on monies held is treated as income to the fund consistent with the Regulations.

Purposes of the fund

Payments from the fund must be made in accordance with the Regulation 6:

6—Application of Fund

The Fund may be applied by the Minister for any of the following purposes:

- (a) payments to a body that, in the opinion of the Minister, represents both Langhorne Creek grapes winemakers and growers of Langhorne Creek grapes for one or more of the following purposes:
 - (i) the reasonable operating and management expenses of the body;
 - (ii) promoting the Langhorne Creek wine industry;
 - (iii) undertaking or facilitating research and development, or the collection and dissemination to Langhorne Creek grapes winemakers and growers of Langhorne Creek grapes of information, relevant to the Langhorne Creek wine industry and, in particular, to the improvement of practices in the industry;
 - (iv) programs designed to encourage communication and cooperation between Langhorne Creek grapes winemakers and growers of Langhorne Creek grapes;
 - (v) other purposes of the body;
- (b) payments for other purposes for the benefit of the Langhorne Creek wine industry;
- (c) payment of the expenses of administering the Fund;

⁶ contribution income estimate derived from Vintage 2023 contribution rates as set by the Regulations

- (d) repayment of contributions to the Fund under regulation 5.

Funding guidelines

Eligible organisations

An eligible organisation is a body which, in the opinion of the Minister, represents both grape growers and winemakers using grapes grown in Langhorne Creek.

Amount available for payment

The amount available for payment from the fund depends on the amount of contributions received from the previous vintage, and will vary from year to year depending on seasonal conditions.

The amount available is dependent on:

- the latest crush estimate of the previous vintage to estimate the total amount of contributions expected
- contributions received by 30 June from winemakers which have remitted contributions within the timeframes specified in the Regulations
- an estimate of late contributions yet to be paid by winemakers
- an estimate of refunds based on historical trends
- an estimate of administration costs.

Application process

The eligible organisation should contact PIRSA using the enquiry details on page 2 about preparing an application to receive a payment from the fund. The application should be in the form of a letter to the Minister which:

- confirms the organisation represents grape growers and wine makers of the region
- requests a payment from the fund
- attaches an operational plan, which includes for each activity:
 - a brief description and its intended outcome
 - alignment to a purpose (Regulation 6(a))
 - the budgeted cost.

Application approval

Approval for payment from the fund to the eligible organisation is deemed to be an agreement with the Minister that the eligible organisation will undertake the activities outlined in the operational plan and comply with any requirements in the Regulations and this management plan.

The organisation will be required to sign and return an acknowledgement of these conditions, provided with the letter of approval from the Minister, prior to payment being made.

Payments terms

Payments from the fund to the eligible organisation may be made in accordance with the schedule in Table 3. The amount of any payment will not exceed the available balance of the fund at the time, minus an amount which is considered sufficient to cover audit and administrative costs plus an allowance for any refunds to contributors.

| Table 3 – Payment Terms | |
|----------------------------|----------|
| Within 30 days of approval | December |
| 70% | 30% |

Reporting requirements

The eligible organisation is to provide a report within three months of the end of the financial year, which shows the activities it carried out and/or outcomes achieved with monies from the fund and a statement of acquittal, demonstrating that all monies were expended.

This requirement may also be satisfied by providing a copy of the audited financial statements of the organisation and the annual report of the organisation.

Fund administration

Updating the management plan

Section 9 of the Act requires that this management plan is updated annually; that industry is consulted when preparing the management plan; that the revised plan is presented at a public meeting at least once per year; that it is available for public inspection; and that it may be updated at any time.

The updated management plan will be presented at a public meeting, which will be advertised and facilitated by PIRSA, and can be attended by all fund contributors. The management plan will then be posted on the PIRSA website to meet the requirements of section 9 (7) of the Act, in a manner permitted by section 8(3) of the [Legislation Interpretation Act 2021](#), which provides for the 'inclusion of digital material'.