

Membership Fee Proposal Paper

1. Background

The way fees are calculated and collected has been an ongoing challenge for Wine Victoria for some years. Due to a raft of legacy issues, we have ended up with several different mechanics for fee collection across regions and individual wine companies that is not sustainable for the organisation or for the industry.

With the new constitution adopted in 2019 one of the major changes was to have the fee structure presented to the membership each year for adoption for the following financial year.

As we all know 2020 was the toughest year on record. All of our businesses have faced multiple, significant crises that have resulted in enormous physical, mental and economic stress. It is in this context that we have formulated this new membership model and wanted to be able to ensure we had adequate time for broad consultation.

Wine Victoria proposed that a new fee structure be implemented for the 2022 financial year. This proposed fee structure was presented to Wine Victoria members at the 2020 Annual General Meeting (**AGM**) for discussion. In the last few months, industry consultation has taken place with Regional Associations and Direct Members to further inform our modelling.

The resulting final membership and fee structure as outlined below will be tabled at a Special General Meeting for Wine Victoria members approval on 16 June 2021.

2. Proposed Fee Structure

The proposed membership and fee structure has been designed based on the following broad principles:

1. Generating maximum representation across the state from all 21 wine producing and grape growing regions
2. Continuing to engage with the regional associations and effectively ensure the regional associations and Wine Victoria are funded well and not an “either/or” proposition
3. Ensuring representation from larger wine companies via direct membership and not blurring the lines with region and direct Wine Victoria membership
4. Enable growers to be represented and have a greater voice in policy formation
5. To underpin a sustainable business model that can generate approximately \$300,000 per annum for the sustainable operation of Wine Victoria

Proposed Fee Structure

The proposed subscriptions and fee structure for members of Wine Victoria for FY22 is as follows:

Full Member - Victorian Wine Producers	
Size (tonnes crushed)	Fees (\$)
< 20 tonnes	\$250
20 to 249 tonnes	\$400
250 to 499 tonnes	\$750
500 to 999 tonnes	\$2,500
1000 to 4,999 tonnes	\$5,000
5,000 to 9,999 tonnes	\$7,500
10,000 tonnes or more	\$12,500
Full Member – Grape Grower	
Grape Grower	\$250
Full Member - Wine Region Association	
The fee for each Wine Region Associations will be the greater of:	
1. the minimum fee detailed below for that Wine Region Association; and	
2. the Wine Victoria fees paid by its members direct to that Wine Region Association.	
Wine Region Association	Minimum Fee
Alpine Valleys, Beechworth, Glenrowan, Goulburn Valley, Henty, Murray Valley, Strathbogie Ranges, Sunbury, Swan Hill, Upper Goulburn	\$2,500
Bendigo, Geelong, Gippsland, Grampians, Macedon Ranges, Pyrenees,	\$5,000
Heathcote, King Valley	\$10,000
Mornington Peninsula, Rutherglen	\$15,000
Yarra Valley	\$25,000
Associate Members	
Individual	\$250
Corporate	\$2,500

The key principles of the proposed subscription and fee structure are:

- Each wine producer and grape grower who pays fees will be a member of Wine Victoria;
- Each wine producer will pay a fee based on their tonnes crushed;
- Each wine producer crushing:
 - between 20 and 999 tonnes, can pay their fees via their Wine Region Association but in doing so will have their voting rights suspended thereby giving their Wine Region Association increased voting rights (see Voting section below);
 - 1,000 tonnes or above, must pay their fees direct to Wine Victoria; and
 - less than 20 tonnes can join Wine Victoria but must pay their fees via their Wine Region Association.
- To develop/encourage greater inclusion of our grape growers a flat fee will be applied irrespective of size of operation;
- Wine Victoria acknowledges that Wine Region Associations remain a vital link between the state's wine and grape growing businesses and play a pivotal role in collection and sharing of information and insights and assisting in program development and delivery;
- Each Wine Region Association whose members pay their fees via their association will pass the aggregated fees on to Wine Victoria. Notwithstanding, to ensure each Wine Region Association pays a reasonable fee to Wine Victoria, there is a minimum fee per association based on its size; and
- Associate members will pay a fee based on whether they are an individual (lower fee) or a corporate (higher fee). Wine Victoria will also look to engage Corporate Partners who seek to commercialise a relationship with Wine Victoria. These would be in addition to the Wine Victoria fees.

Voting

Each full member will retain one vote (regardless of the size of their fee) save for the following exceptions:

- **Members paying via Wine Region** – for members paying via their Wine Region Association, they will not be entitled to vote at a member meeting, in effect giving increased voting rights to their Wine Region Association; and
- **Wine Region association** – each Wine Region Association will be given greater voting rights to reflect the size of the region and their members who pay their Wine Victoria fees through that association. The Voting Rights for a Wine Region Association will be as follows:

Wine Region Association	
Fees Paid to Wine Victoria	Number of Votes Entitled to
Up to \$4,999	2
\$5,000 to \$9,999	3
\$10,000 to \$24,999	4
\$25,000 or more	5

To effect the above will require a change to the Constitution which is proposed in Resolution (i) below.

3. Constitution

To assist members understand the rules for annual fee structure and voting rights in the Constitution, we have provided rules from the Constitution that may be relevant in the attached Appendix.

4. Resolutions

i. Constitution Amendment – Voting Rights Proposed Special Resolution:

In order to give effect to the proposed change to voting rights, a change to the Constitution is required to suspend the voting rights of each wine producer and grape grower who pays their membership fees through their Wine Region Association.

Accordingly, members are requested to consider, and if appropriate, pass the following resolution as a special resolution.

“That approval be given to amend the Constitution of Wine Victoria by inserting the following new sub rule 37(6):

“(6) The Board may from time to time by special resolution suspend the right to vote of a Victorian wine producer and/or Victorian grape grower who pays their annual subscriptions or makes other financial contributions, which would otherwise be payable to the Association, to a Victorian wine region who is then granted additional voting rights in accordance with sub-rule 37(5).”

This resolution is endorsed by the Wine Victoria Board.

ii. New Membership Fee Structure

Members are requested to consider, and if appropriate pass the following resolution as an ordinary resolution.

“To adopt the annual subscriptions and new fee structure detailed in the circulated Membership Fee Proposal Paper for the FY2021-2022 Financial Year, conditional upon and subject to passing the first resolution of this special general meeting to amend the Constitution.”

This resolution is endorsed by the Wine Victoria Board

Annexure (1) – Constitution Rules

The following are rules in the Constitution that may be relevant to the setting of annual membership fees and accompanying voting rights:

Rule 4 - Definitions -In the Constitution:

associate member means a member referred to in rule 8(2).

general meeting means a general meeting of the members of the Association convened in accordance with Part 4 and includes an annual general meeting, a special general meeting and a disciplinary appeal meeting;

member means a member of the Association, and includes an associate member, except where expressly provided or the context requires otherwise;

Victorian grape grower means a person who, on a commercial basis in Victoria, grows grapes for use in the production of wine.

Victorian wine producer means a person who, on a commercial basis in Victoria:

- (i) produces wine, or has wine produced for them, for commercial sale to other persons; or
- (ii) purchases bulk wine for, and sells it under, their own brand.

Victorian wine region means the peak association of a wine region in Victoria.

Membership (rule 8)

8 Who is eligible to be a member or associate member

- (1) Any person who is a Victorian wine producer, a Victorian grape grower or a Victorian wine region is eligible for membership.
- (2) Any person who wishes to be a member of the association but does not qualify under rule 8(1) is eligible for associate membership.
- (3) The Board may from time to time establish different categories of membership and associate membership.

Fees (rule 12 and 67)

12 Annual subscription and fee on joining

- (1) At each annual general meeting, the Association must determine—
 - (a) the amount of the annual subscription (if any) for the following financial year; and
 - (b) the date for payment of the annual subscription.
- (2) The Association may determine that a lower annual subscription is payable by associate members.
- (3) The Association may determine that any new member who joins after the start of a financial year must, for that financial year, pay a fee equal to—
 - (a) the full annual subscription; or
 - (b) a pro rata annual subscription based on the remaining part of the financial year; or
 - (c) a fixed amount determined from time to time by the Association.
- (4) The rights of a member (including the right to vote) who has not paid the annual subscription, or any other amount payable to the Association, by the due date are suspended until the subscription is paid.

Annexure (1) – Constitution Rules

67 Source of funds

The funds of the Association may be derived from joining fees, annual subscriptions, donations, fund-raising activities, grants, interest and any other sources approved by the Board.

Voting

37 Voting at general meeting

- (1) On any question arising at a general meeting—
 - (a) subject to subrule (3) and subrule (5), each member who is entitled to vote has one vote; and
 - (b) members may vote personally or by proxy; and
 - (c) except in the case of a special resolution, the question must be decided on a majority of votes.
- (2) If votes are divided equally on a question, the Chairperson of the meeting has a second or casting vote.
- (3) If the question is whether or not to confirm the minutes of a previous meeting, only members who were present at that meeting may vote.
- (4) This rule does not apply to a vote at a disciplinary appeal meeting conducted under rule 23.
- (5) The Board may from time to time by special resolution grant additional voting rights to any member that is Victorian wine region, if and to the extent that the financial contribution made by that member in the current financial year reflects contributions on behalf of Victorian wine producers and / or Victorian grape growers.