




Australian Government

Wine Australia

Wine Australia Annual Report 2021-22



**We acknowledge the Traditional Owners and Custodians
of the lands throughout Australia and their continuing
connection to land, water and community.**

**We pay our respects to Aboriginal and
Torres Strait Islander Elders past, present and future.**

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Australian Government

Wine Australia

30 September 2022

Senator the Hon. Murray Watt
Minister for Agriculture, Fisheries and Forestry
Minister for Emergency Management
Parliament House
CANBERRA ACT 2600

Dear Minister Watt

On behalf of the Directors of Wine Australia, I have the pleasure of submitting the *Annual Report 2021-22* for the year ended 30 June 2022.

This Annual Report has been prepared in accordance with the *Wine Australia Act 2013*, section 46 of the *Public Governance, Performance and Accountability Act 2013*, the Statutory Funding Agreement 2020–30 and relevant orders.

Our activities and achievements are reported against our *Strategic Plan 2020–2025*, our *Annual Operational Plan 2021-22* and our Portfolio Budget Statements 2021–22.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M. Allan'.

Dr Michele Allan
Chair
Wine Australia

A photograph of a vineyard. In the foreground, there is a field of tall, dry grass with some green leaves, slightly out of focus. Behind the grass, there are several rows of grapevines. The vines are supported by wooden posts and have green leaves. The background is a clear, light blue sky. The text "Year in review" is overlaid in the center of the image.

Year in review

Chair's report

It is my privilege to present Wine Australia's 2021-22 Annual Report on behalf of the Board and the team.

It will come as no surprise to many of you that the Australian grape and wine sector has faced continuing unprecedented challenges throughout 2021-22. The sharp reduction in exports to mainland China following the imposition of significant deposit tariffs, the ongoing impact of the COVID-19 pandemic (including the continuing impact of the global freight crisis), conflict in Eastern Europe, rising inflation and capacity issues following a record vintage have created the perfect storm of challenges for our sector.

On a positive note, the few months towards the end of the 2021-22 financial year have seen the depreciation of the Australian dollar against the United States (US) dollar which assists in making Australian wine more price competitive, particularly in the US market.

In response to the myriad challenges, Wine Australia is looking to build resilience through a combination of market intensification and diversification, as well as initiatives around profitability and sustainability in the new financial year and beyond. For more detail on this, I encourage you to take a look at the Annual Operational Plan.

Exports, supply and demand

In the 12 months to 30 June 2022, the total value and volume of Australian wine exports declined by 10 per cent in volume to 625 million litres, and value down 19 per cent on the previous year to \$2.08 billion. The key driver behind this was the swift and significant decline in exports to mainland China, following the imposition of significant deposit tariffs of up to 218.4 per cent on bottled Australian wine.

When mainland China is excluded from the data, exports increased by 5 per cent in value to \$2.06 billion, an increase of \$105 million – the highest value since 2009-2010. This is despite volume declining by 3 per cent to 619 million litres (see Figure 1).

The key markets that contributed to value growth included Singapore, the US, Malaysia, Thailand, India and New Zealand.

The US has returned to our number one export destination by value, which increased 9 per cent to \$436 million and 10 per cent in volume to 139 million litres. The number of exporters also grew, up by 44 to 306. This is the largest number of exporters to the US since 2007-08.

Figure 1: Exports over time (Billion AUD FOB) – mainland China and Rest of the World

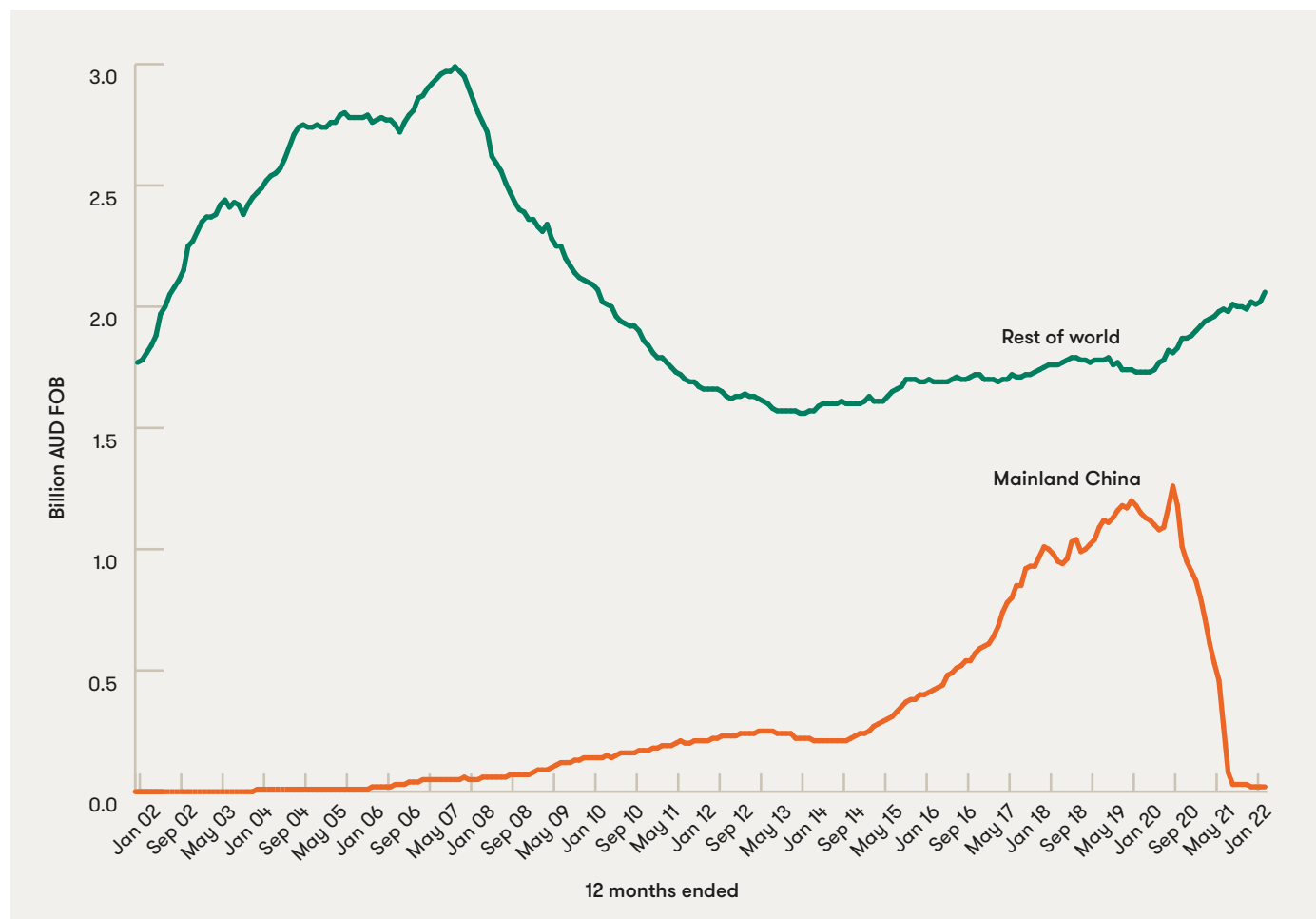
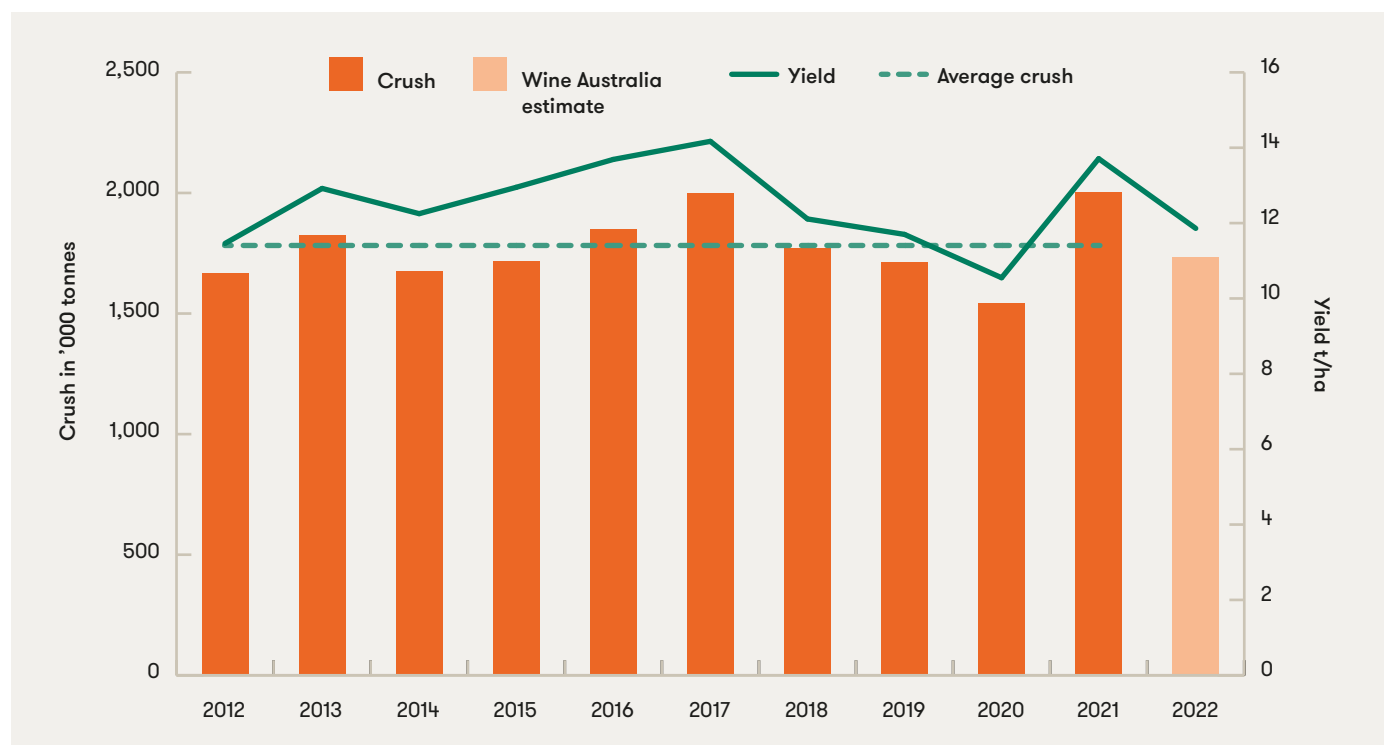


Figure 2: Crush and yield from 2012–2022



While the average value per litre for bottled wine decreased by 8 per cent to \$6.69 FOB per litre, when mainland China is excluded from the data exports in glass bottles to the rest of the world increased in value to 11 per cent to \$1.55 billion. At the same time, unpackaged wine exports decreased by 6 per cent to \$1.30 per litre, with an increase of unpackaged exports to the US, Canada and New Zealand not enough to offset the decline to the UK and to a lesser extent, Germany and the Netherlands.

Prior to the 2022 vintage, *Wine Australia's Production, Supply and Inventory Report for 2020–21* confirmed that the nation's wine inventory levels were the highest since 2005–06 and it should be noted that due to global market factors, we expect similar results throughout 2022–23.

This high inventory level was potentially one influencing factor on the vintage crush in 2022, with winery production capacity limited due to the higher inventory. It is expected that winemakers made adjustments for this and other market conditions. Also impacting vintage was a lower yield (expected due to reduced cropping potential after the record 2021 vintage) and a number of significant seasonal effects – in particular heavy widespread spring and summer rainfall across much of the eastern half of Australia, and a number of significant hailstorms.

The 2022 vintage saw the Australian winegrape crush return to near-average size. At 1.73 million tonnes, the 2022 crush was 13.5 per cent below the 2021 record crush of 2.01 million tonnes. It was also 2 per cent below the 10-year average.

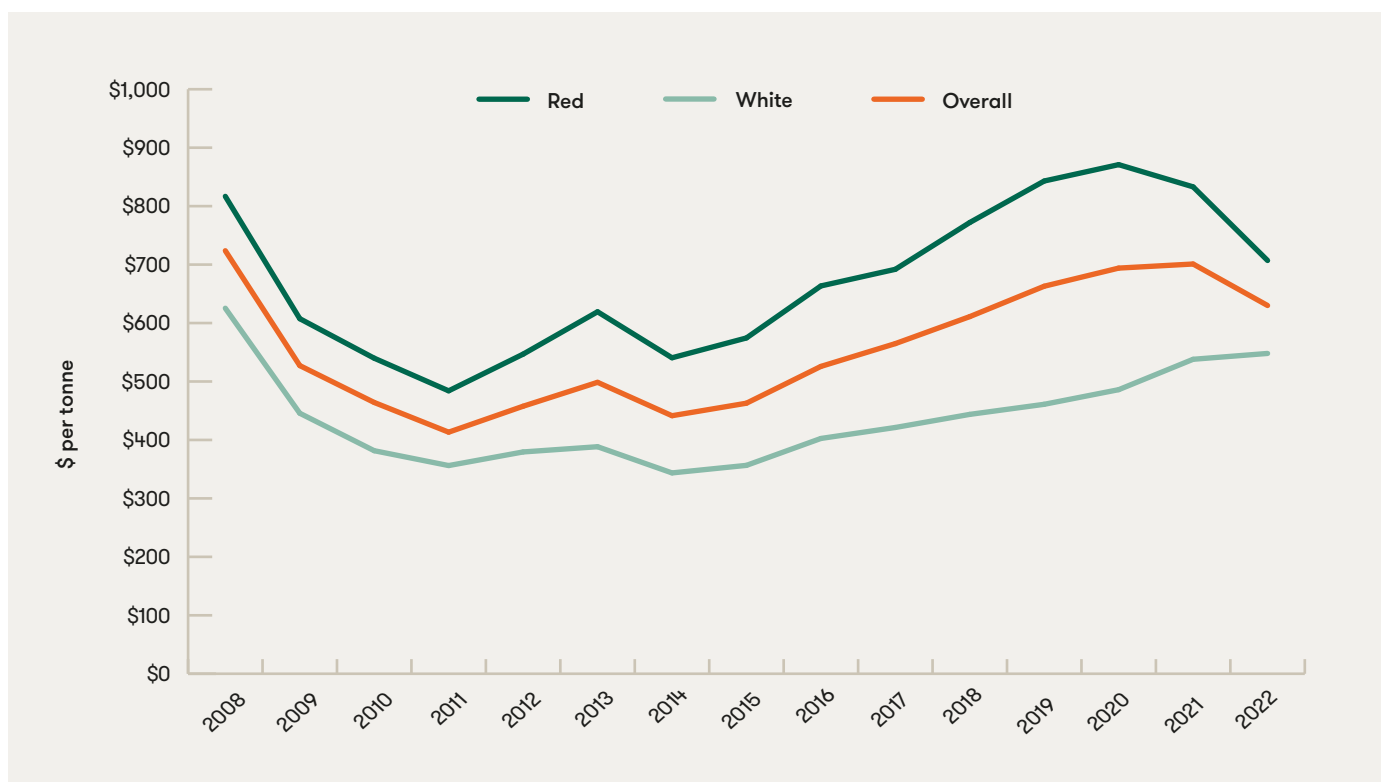
The total value of the 2022 crush at the weighbridge was \$1.21 billion, an estimated decrease of \$335 million (22 per cent) from 2021. However, this was \$60 million more than in 2020 and \$8 million higher than in 2018, a year when the crush was 2 per cent larger. The value reduction compared with 2021 was a result of the reduced crush, combined with a reduction in the overall average value.

The crush of red grapes in 2022 declined by 15 per cent to \$707 per tonne, partly offset by a 2 per cent increase in the average value of white winegrape varieties to \$548 per tonne. The price of red winegrapes peaked at \$871 in 2020, but looking at past trends, the price was higher in 2022 than in 2017 and 46 per cent higher than it was in 2011 (see Figure 3).

2022 marks the mid-point of *Wine Australia's Strategic Plan 2020–25*. The many changes to the operating environment since June 2020, when the Strategic Plan was approved, prompted us to conduct a mid-point review. Extensive consultation with our customers confirmed that the strategic pillars set out in the Strategic Plan 2020–25 remain relevant, but the changes to the operating environment necessitated a refresh. This has been captured in our Annual Operational Plan as it will inform our operations moving forward.



Figure 3: Average winegrape purchase value 2008–2022



Marketing

Throughout 2021–22 we have continued to build brand awareness and increase the demand for Australian wine. Our focus this year has been on market diversification and intensification. The new Explore programs in the UK and Canada helped wineries intensify, while the US Market Entry program quadrupled in size, helping more wineries enter the world’s biggest wine market.

The COVID-19 pandemic continued to disrupt travel and the way we engage with one another, therefore we’ve continued our mix of activations between virtual and in-person. We were pleased that this year we were able to deliver three large in-person trade events: the Aspen Food and Wine Classic, Wines Unearthed at the London Wine Fair, and the Australian Trade Tasting.

We partnered with Austrade, the states and regions to drive our presence in key markets, and together we delivered multiple hybrid trade events in key APAC markets, virtual conversations and tastings, social campaigns and promotions. We also partnered together (through the Agribusiness Expansion Initiative program) to deliver the Export Ready Hub, a one-stop-shop for wine businesses to access knowledge and tools to help them grow.

We’ve worked hard to deliver a marketing mix that’s adaptable to multiple markets and channels. This year our virtual marketplace Australian Wine Connect (CONNECT) continued to deliver value for Australian exporters. Also this year the community has grown to include more than 4,000 members, and more than 3,500 people signed up to participate in our CONNECT Conversations.

We’ve had a lot of positive feedback from our customers around Interactive Insights, our online data hub where

businesses can conduct their own individualised research into exports, crush, global wine markets, winegrapes prices and vineyard plantings. Our market insights underpin our overall marketing strategy, ensuring we have a strong evidence-based approach to marketing Australian wine.

Sustainable Winegrowing Australia, our collaboration with the Australian Wine Research Institute and Australian Grape & Wine has been going from strength to strength as interest in sustainable practices increases. In 2021–22, we saw membership grow by more than 40 per cent to almost 900 members, and members that became certified more than doubled.

Regulation

Protecting the reputation of Australian wine is a key function of Wine Australia, and we have continued to work closely with the sector to help it comply with regulatory requirements for the production, sale and export of Australian wine.

We have continued to ensure that Australian wine exports are verifiable and comply with the Foods Standards Code and labelling laws set out by the *Wine Australia Act 2013* via the Wine Australia Licensing and Approval System (WALAS), and the Export Label Image Search System (ELISS).

The 2021–22 financial year saw the finalisation of both the Australia–India Comprehensive Economic Cooperation Agreement and the Australia–United Kingdom Free Trade Agreement and we welcome the opportunities both agreements will bring Australian wine exporters.

We worked closely with the European Commission through the Joint Management Committee established by the Agreement between Australia and the European Community on Trade in Wine to assist in progressing negotiations pertaining to wine.

Research, development and adoption

In 2021–22 we have continued to work with the sector to ensure that Australian wine is appreciated around the world, that the sector is enabled with the know-how and tools to be more environmentally sustainable, and that our research activities are co-designed with our customers.

We have developed a more strategic approach to our investments in extension and adoption activities, in line with feedback from the sector and Wine Australia's *Extension and Adoption Strategy 2020–25*. This approach has underpinned investments into practice change projects focusing on cover crops, irrigation practices, and through our agtech program.

In 2021–22 we ramped up our work with the sector in achieving the goal of net zero carbon emissions. The sector has identified the need for a comprehensive, practical, and clear roadmap to help grape and wine businesses through the transition. We have engaged Edge Environment to develop this plan.

The COVID-19 pandemic continued to delay the Future Leaders program; however a virtual element was completed in 2021.

We're pleased that the program has been able to commence back to an in-person format in June 2022. We also supported the 18th Australian Wine Industry Technical Conference, which was the first in-person event many of us attended in some time.

The Wine Industry Mentor Program continued, a partnership with Wine Communicators of Australia, The University of Adelaide, Wine Industry Suppliers Australia and the Australian Society of Viticulture and Oenology. More than 128 mentors and mentees participated in 2021, a real commitment to the future of the sector.

We have continued to protect the Australian wine community, working closely with Australian Grape & Wine to improve farm gate biosecurity practices and preparedness in the sector. This has included the creation of a Wine Industry Liaison Officers (WILO) network available to support governments with advice and insight into the sector during biosecurity emergencies and assist in the coordination of information to affected growers.

The past financial year has seen a step change in the way we approach research, development and adoption, and we're acting in an agile manner to ensure we're delivering solutions that the sector has told us they want.



Customer engagement

This year, after listening to our customers, we have ramped up our focus on customer engagement. In order to serve the sector as effectively as possible, it's crucial that we have a customer engagement function that supports clear, regular and targeted communications with our internal and external customers.

The customer engagement function includes our media relations, government relations, corporate planning and reporting, and internal communication.

In 2022 we communicated the latest research outcomes and analysis, marketing activities and regulatory requirements through our regular Connect newsletters, fortnightly Market Bulletin, monthly RD&A News and bimonthly Exporter News and Wine Australia News. We also produce targeted communications and newsletters for those operating in the US and UK.

Through our regular and consistent communications and a focus on strong engagement, we maintained productive relationships with all of our customers, including levy payers, Australian Grape & Wine, Australian Commercial Wine Producers, the Australian Government, state governments, state and regional associations and export partners such as Austrade and tourism associations.

People and culture

While the COVID-19 pandemic has continued to disrupt traditional ways of working, Wine Australia has continued to focus on supporting employees and maintain their engagement and performance. Across our Adelaide, Sydney and London offices, staff adopted hybrid working arrangement where they worked some days from home and some in the office. In North America, staff continued to work full time from home.

The significant reduction in revenue derived from the Wine Export Charge due to the reduction in the value of wine exports saw a significant decrease in funds available for marketing. Following extensive consultation with our sector, we made the difficult decision to close our physical office in Shanghai so that our available marketing funds could be redirected towards further market diversification.

The organisation

The continued decline in exports coupled with a diminution in export charge revenues required the organisation to be restructured to bring it into alignment with the revised budget and activities program. The organisation has continued to contract in size this year as the sector struggles.

During 2021-22, Wine Australia recorded an operating surplus of \$0.9 million, compared with the funding shortfall of \$3.5 million foreshadowed in our 2021-22 Operational Plan.

Thanks

In closing I would like to thank the senior leadership team and my fellow Directors for their work and support, and the global Wine Australia team for their contributions in this extraordinary time. This year we welcomed two new directors, John Lloyd and Justin Brown, who have brought their diverse experiences and a fresh perspective to the Board.

This year we also welcomed our new CEO, Dr Martin Cole. Martin has a wealth of experience in government, academia and, industry and has driven an organisational focus on customer engagement, ensuring that all of Wine Australia's activities deliver value for our customers. I look forward to continuing to work with him, as well as the Board and the Wine Australia team, throughout 2022-23.

Wine Australia and the Board recognise that this continues to be an extremely challenging time, and we are committed to investing your levies to maximise the benefits for the sector. We will work together with the sector to build resilience via initiatives in sustainability, profitability, product innovation and price transparency. Together, we will support the success of the entire Australian grape and wine community.

Michele Allan,
Chair, Wine Australia



Our role and strategic priorities

Wine Australia is governed by the *Wine Australia Act 2013* (the Act).

Our role under the Act is to:

- coordinate or fund grape and wine research and development and facilitate the dissemination, adoption and commercialisation of the results
- control the export of grape products from Australia, including through the use of a Label Directory containing digital colour images of grape product labels and other information to allow persons to identify potential infringements of intellectual property rights
- promote the sale and consumption of wine, both in Australia and overseas
- to enable Australia to fulfil its obligations under prescribed wine-trading agreements and other international agreements, and
- to support the growth of international wine tourism, and services, products and experiences that complement international wine tourism.

Our five-year Strategic Plan 2020–2025 and our Annual Operational Plan 2021–22 outline our key investment priorities, which are guided by the Australian grape and wine community's priorities.

Since the Strategic Plan was approved in June 2020, the environment within which Australian wine businesses operate has significantly changed. In 2021–22, Wine Australia conducted a mid-point review of the operating environment to inform strategic and operational planning. This was done with extensive consultation with our customers: grapegrowers, winemakers, sector bodies, government and other key stakeholders, and by working with Australian Grape & Wine, Wine Australia's representative organisation under the Act.

This extensive customer engagement confirmed that the existing five pillars of Wine Australia's 2020–25 Strategic Plan are fit-for-purpose and provide a sound foundation for the sector's progression through the challenges that we've experienced throughout the past couple of years. However, the significant changes to the operating environment warranted a refresh of Wine Australia's operational priorities, and 10 priority areas have been identified in response (see Figure 4).

Figure 4. Wine Australia's ten priority areas in response to environmental changes





In *Vision 2050*, the Australian grape and wine sector identified its vision:

Australian wine: enjoyed and respected globally

and its goal:

Profitable, resilient and sustainable winegrape and wine businesses.

This vision and goal establish our long-term aims and, with the Australian Government's Science and Research Priorities and Rural Research, Development and Extension Priorities, inform our strategies – how we will invest for the sector's success.

Our strategies are to:

1. **Market Australian wine** to increase the demand and the premium paid for all Australian wine
2. **Protect the reputation of Australian wine** by maintaining the reputation and integrity of Australian wine in all our markets, including the domestic market
3. **Enhance grape and wine excellence** with research outcomes that allow grapegrowers and wine producers to excel
4. **Grow sustainable environments** by providing knowledge and tools to support growers and producers in implementing environmental stewardship practices, and
5. **Build business sustainability, excellence and leadership** by accelerating the adoption of research outcomes and best practice.

Through these strategies we seek to foster and encourage a prosperous Australian grape and wine community by investing in research, development and adoption (RD&A), building markets, disseminating knowledge, encouraging adoption and ensuring compliance.

To achieve these outcomes we will collaborate with our marketing and other like-minded partners on international engagement. These partners include wine businesses, Australian Government agencies such as Tourism Australia and Austrade, regional associations, state governments and other RDCs with market development responsibilities.

The Australian Government is a co-contributor of RD&A funding. We also work closely with the Australian Government to enhance market opportunities and reduce barriers to trade.

Our research providers include AWRI, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), universities including Charles Sturt University and the University of Adelaide, and state agencies.

We invest with other RDCs in cross-sectoral collaborative research to deliver RD&A benefits to the broader community.

Our governance and operations seek the best possible return on the investment of our RD&A, marketing and regulatory funds and comply with the Government's Performance Principles for regulatory authorities.

Activities and achievements

Strategy 1: Market Australian wine

The underlying objective of our brand building efforts and marketing activity is to increase the demand and the premium paid for all Australian wine.

The 2021-22 financial year has been another challenging year, with the pandemic continuing to cause disruption and the mainland China market effectively closed. We sought to intensify our marketing efforts in mature markets and support diversification into new markets and, despite the challenges, the majority of Key Performance Indicators (KPIs) set out in the Annual Operational Plan have been achieved: the bottled FOB average value (year on year) increases were achieved in all markets excluding South Korea. Incredibly strong results were achieved in the US with exports growing 9 per cent in value and 10 per cent in volume, and 306 Australian exporters are now in the US – the largest number since 2007-08.

Our new Explore programs (UK and Canada) helped 28 wineries diversify into these markets. The US Market Entry program, which quadrupled in size, saw 73 per cent of participants securing representation and orders by 30 June. And 83 wineries participated in the Food Innovation Australia (FIAL) virtual business matching events.

Our marketing mix remained flexible and responsive to market conditions enabling the delivery of a wide variety of marketing activities across multiple channels. Investments were made in our key pillars: the Australian Wine Made Our Way brand, Australian Wine Discovered, Australian Wine Connect and Sustainable Winegrowing Australia.

Wineries began to travel back into market to visit customers and major tradeshows started to reopen, albeit in different formats at outside of the usual schedule. The Australian Trade Tasting in London returned this year and we curated a new to market presence at Wines Unearthed, part of the London Wine Fair. The Australian Pavilion will return to ProWein, Germany in 2023 in a larger format.

Embedding Australian Wine Connect as the always on, virtual B2B marketplace for exporters of Australian wine has been core to our digital strategy. Multiple promotional campaigns, virtual and hybrid events, educational seminars and new market explore programs built the community of users, encouraged connections and better relationships with these key customers. Driving behaviour change is challenging and takes time. We will review CONNECT's performance and the value it provides to wineries and adjust activity and functionality to support trade events in 2022-23.

Partnerships with Austrade, the States and regions enabled us to amplify activity in key markets together delivering virtual tastings, social campaigns and retailer and distributor promotions. This 'team Australia' approach helped secure a major Australian presence at the premier trade and consumer event in the US – the Aspen Food & Wine Classic.

With Austrade (through the Agribusiness Expansion Initiative program), the Export Ready Hub, a comprehensive digital knowledge centre to help Australian wine producers grow their wine sales internationally was launched, and multiple hybrid trade events were held in key APAC markets. Exporters were also supported to participate in market entry programs and on CONNECT.

In 2021-22, the Food and Wine Collaborators group (Wine Australia, Dairy Australia, Meat and Livestock Australia, Seafood Innovation Australia, and Horticulture Innovation Australia) received an ATMAC grant to deliver marketing campaigns in four key markets (Indonesia, Thailand, South Korea and Vietnam). Planning commenced in 2022-23 and, Under the nation brand, the first campaign activity will commence take place in Thailand in November 2022.

In 2022-23 our marketing strategy will be refreshed to respond to the new market conditions and changing consumer behaviour.

Strategy 1: Market Australian wine

Strategic Plan measure of success	Measure of success 2021–22	Achievements 2021–22
85 per cent of Tier A ¹ influencers actively engage with Wine Australia.	<p>At least 85 per cent of Tier A influencers actively engage with Wine Australia through regular contact and outreach via Australian Wine Connect (and associated) virtual events, Australian Wine Discovered, retail partnerships, trade market programs (i.e. market entry and explore programs) and partnerships (Austrade and FIAL) as well as communications and social media channels.</p> <p>Over 1,200 in business-to-business connections made on Australian Wine Connect annually.</p> <p>Overall likelihood to recommend Australian Wine Connect and Australian Wine Discovered – Net Promoter Score of 40.</p> <p>Growth in downloads of Australian Wine Discovered resources, assets and tools on (year on year).</p> <p>Increase in positive media sentiment in media coverage and other published content on Australian wine (year on year).</p>	<p>73 per cent of Tier A influencers actively engaged with Wine Australia through marketing activities.</p> <p>EMEA 87 per cent Americas 71 per cent APAC 36 per cent</p> <p>The pandemic impacted engagement particularly in Asia where borders remained closed and planned activity was moved to 2022–23.</p> <p>1,205 business to business connections made via Australian Wine Connect and its associated campaigns and hybrid events.</p> <p>Trade audience NPS rating:</p> <ul style="list-style-type: none"> Australian Wine Discovered NPS 64, a 'very good' to 'excellent' score Australian Wine Connect NPS 26, a 'good' score <p>Downloads of Australian Wine Discovered content decreased by 52 per cent due to ongoing reduction in engagement from China and reduced activity in markets due to the pandemic.</p> <p>The tone in 94 per cent of media articles about Australian wine was positive or neutral. An increase of 5 per cent on the previous year.</p>
The perception of Australian wine increases in Canada, China ² , the UK and the USA by 5 per cent in each market.	<p>As measured through the annual Wine Intelligence survey, average consumer perception of Australian wine increases across Canada, the UK and USA by 5 per cent (from 8.2 to 8.6)</p> <p>For paid social media, we achieve an average engagement rate of 20 per cent for Facebook and Instagram.</p>	<p>The annual Wine Intelligence survey showed the average consumer perception of Australian wine increased in each market from the previous year. The stretch 8.6 KPI was not achieved, due to the continued impacts of the pandemic and reduced activity in market.</p> <p>Canada increased from 8.20/8.07 to 8.36/8.33 UK increased from 8.22 to 8.39 US increased from 8.29 to 8.30</p> <p>For paid social media, we achieved a 22 per cent engagement rate for Facebook and Instagram.</p>
Vision 2050 has set ambitious targets for the sector. Our marketing activities will contribute to achieving these and we will regularly report progress, acknowledging that sales results across markets are the responsibility of exporters.	<p>Increase in bottled FOB average value in Canada, the UK and USA (year on year).</p> <p>Export value growth in markets where a collaborative agreement with Austrade exists (year on year) – Taiwan, Thailand, South Korea, Vietnam, Indonesia, Malaysia, Singapore and Japan.</p>	<p>According to increase in bottled FOB average value (year on year) increases were achieved in all markets excluding South Korea.</p> <p>UK increased 5.7 per cent US increased 6.6 per cent Canada increased 4.4 per cent</p> <p>Taiwan increased by 12.7 per cent Thailand increased by 68.2 per cent South Korea decreased by 7.3 per cent Vietnam increased by 69.4 per cent Indonesia increased by 32.6 per cent Malaysia increased by 50.8 per cent Singapore increased by 49 per cent Japan increased by 12.2 per cent</p>
More than 90 per cent of our partners who participate in a Wine Australia promotional activity are satisfied or very satisfied with the activity.	<p>Wineries that participate in Wine Australia marketing campaigns report a 75 per cent or higher satisfaction rating. Participants in US Market Entry Program and Market Explore programs commence export.</p>	<p>Average satisfaction rating across marketing campaigns was 87 per cent.</p> <p>73 per cent of participants in the US Market Entry Program have commenced export to the US or have an agreement to commence export</p> <p>19 participants in Explore Canada commenced export or have an agreement to commence export (two programs in 2021–22)</p> <p>9 participants in Explore UK commenced export (one program held over to FY23)</p> <p>Additional wineries which have participated in the US Market Entry Program and Explore programs have indicated they anticipate commencing export in short-to medium-term.</p>

1 Wine Australia has identified those people in the wine trade and wine media who have the most influence on purchasing decisions as Tier A influencers

2 Due to the tariffs imposed on bottled exports to China in November 2020 it was considered better to focus on other markets.

Strategy 2:

Protect the reputation of Australian wine

In 2021-22, we continued to benefit from increased efficiencies created through the deployment of our new Wine Australia Licensing and Approval System (WALAS) during the previous year. This, coupled with the downturn in exports to mainland China resulted in a significant reduction in staffing numbers.

Legislative amendments came into force on 1 July 2021 requiring Wine Australia to maintain a and publish a directory of labels exported from Australia. Accordingly, Wine Australia launched its Export Label Image Search System (ELISS) – a

publicly accessible library of labels that can be searched to identify potential breaches of intellectual property rights.

We welcomed finalisation of the Australia-India Comprehensive Economic Cooperation Agreement and the Australia-United Kingdom Free Trade Agreement. We progressed negotiations pertaining to wine with the European Commission under the Joint Management Committee established by the Agreement between Australia and the European Community on Trade in Wine.



Strategy 2: Protect the reputation of Australian wine

Strategic Plan measure of success	Measure of success 2021–22	Achievements 2021–22
Achieve the six key performance indicators in our Regulator Performance Framework.	<p>We will measure and report our performance against our regulatory performance framework.</p> <p>We will maintain and promote our WineWatch portal through which suspected breaches of the <i>Wine Australia Act 2013</i> can be reported anonymously and investigate all alleged breaches of the labelling and record keeping provisions set out in the <i>Wine Australia Act 2013</i>.</p> <p>Through our Label Integrity Program, we will inspect up to 200 producers' records, with a focus on those relating to wine regions and varieties that are in particular demand.</p> <p>We will maintain WALAS to ensure that product composition and label descriptions are automatically reconciled to verify compliance with the Australia New Zealand Food Standards Code (FSC) and the labelling laws set out in the <i>Wine Australia Act 2013</i>.</p>	<p>Following the abolishment of the Regulator Performance Framework in 2021–22, we worked with the Department to develop a Statement of Intent in response to a Statement of Expectation issued in accordance with the Regulator Performance Guide published by the Department of Prime Minister and Cabinet.</p> <p>We promoted and monitored compliance with the Label Integrity Program (LIP) by:</p> <ul style="list-style-type: none"> inspecting the records pertaining to more than 1300 labels prior to granting export approval to verify compliance with the record keeping requirements mandated under the LIP and the truthfulness of claims made about vintage, variety and origin maintaining and promoting our WineWatch portal through which suspected incidences of non-compliance can be reported anonymously investigating all alleged breaches of the labelling and record keeping provisions set out in the <i>Wine Australia Act 2013</i> and the FSC inspecting the LIP records kept by 174 Australian wine producers to verify whether records are being kept in accordance with the LIP maintaining WALAS to ensure that product composition and label descriptions are automatically reconciled to verify compliance with the FSC and the labelling laws set out in the <i>Wine Australia Act 2013</i>, and launching and maintaining ELISS.
Establish a benchmark for consumer trust of Australian wine label claims through a customer survey in our five largest markets – Australia, China ² , the UK, the USA and Canada.	We will use the results of a consumer survey to establish the benchmark for consumer trust in key markets.	<p>In 2021–22, a survey of regular wine drinkers across the five markets found that over 85 per cent indicated that they trusted the authenticity of Australian wine:</p> <p>Australia (89 per cent) China² (90 per cent) UK (86 per cent) USA (86 per cent) Canada – English speaking (84 per cent) Canada – Quebec (89 per cent).</p>
Having assessed three new traceability technologies, including blockchain, and their being available to the sector for adoption.	We will assess at least one new traceability technology and communicate the results, including to the Wine Industry Technical Advisory Committee.	In 2021–22 we assessed several new traceability technologies and participated in trials pertaining to the AgriFood Data Exchange.
Deliver streamlined regulatory process through cooperation with counterpart regulators in import markets.	We will engage with counterpart regulators in import markets to identify opportunities to cut red tape for our exporters.	We maintained regulator-to-regulator engagement through the World Wine Trade Group to identify opportunities to cut red-tape for exporters. We engaged in dialogue with the Food Safety and Standards Authority of India in relation to regulatory cooperation and worked with the sector to develop position papers on the UK's proposal to reform, its alcohol duty system, and on technical matters pertaining to wine. We pursued options relating to simplified certification in Thailand and Uruguay and welcomed the removal of wine specific certification in the UK.

Strategy 3:

Enhance grape and wine excellence

This strategy focuses on building grape and wine excellence. This supports our overarching strategy of helping Australian wine be enjoyed and respected globally and building profitable, resilient and sustainable winegrape and wine businesses. In 2021–22, we continued our long-term investment to breed new varieties and rootstocks that suit our environment and consumer tastes. Commercial evaluation of the first generation of conventionally bred mildew selections is being undertaken by a range of grape and wine businesses. More than 500 second generation mildew resistant selections have been planted in field trials. We've also explored and evaluated new gene editing delivery systems, such as CRISPR/Cas9, in combination with technologies that have the potential to generate improved clones of existing winegrape varieties.

We continue to make good progress towards the establishment of a National Grapevine Collection. This has been discussed for more than ten years, dating back to when the CSIRO and SARDI germplasm collections closed, and several false starts have been made by the sector over this time. In 2021–22, we developed a feasible plan, gained the support of many relevant bodies and organisations in this space and have now commenced work accordingly.

To support these initiatives, a foundational dataset of clonal DNA sequences is being established. Clonal material has been provided by major germplasm sources including CSIRO, SARDI, vine improvement groups and nurseries and genome sequencing was performed on several hundred individual grapevine samples. Analysis of this large dataset has provided

detailed genetic fingerprints for all major commercial clones of Chardonnay, Shiraz, Riesling and Pinot Noir in Australia.

Good progress has been made on several new wine production processes. The aim for release of benchmarking data and practical strategies on some of these new technologies by the Australian Wine Research Institute (AWRI) was not realised in some cases. However, this will be reviewed and focused on with a new agreement in place with AWRI for the coming year.

Deep Planet has signed a licensing deal for our first piece of R&D-derived Agtech – the Vine Nutrition App. The Vine Nutrition App was developed from work we partnered with NSW DPI on, was undertaken at Charles Sturt University and has been nurtured through the [NSW DPI GATE](#) process. This will put technology developed through growers' levies into a tangible product growers can use in their businesses.

We have also made solid progress on moving other agtech from development through to commercialisation. Not all of the measures of success set out below at the beginning of the year relating to commercialisation of agtech have been met. This is because a robust assessment of the commercialisation potential of all the agtech related projects in the portfolio demonstrated that some of these were not yet mature enough for commercialisation. Further development work has been undertaken instead. Those with commercial potential have been uploaded to the growAG website and are receiving promising interest from potential commercial partners.



Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Measures of success 2021–22	Achievements 2021–22
Four enhanced or new grapevine varieties being available to the sector through plant breeding programs, informed by molecular methods to identify desired genotypic traits such as resistance to powdery and downy mildew.	At least 400 second-generation grapevine selections containing dual powdery and downy mildew resistance loci from different sources established in a no-spray vineyard.	More than 500 second – generation selections with resistance to both downy and powdery mildew have been established in a no-spray vineyard.
	Genetic markers available for at least 4 traits in grapes important to wine consumers.	Markers have been developed to predict acylation (stable colour) in red wine grapes. Markers are likely for: Z-3-hexanol (green character) and β -damascenone.
	Protocols evaluated for transient gene editing delivery systems such as CRISPR/Cas9	CRISPR/Cas9 can be combined with DNA-free gene editing of protoplasts to generate new clones of existing winegrape varieties. Protocols used overseas have been evaluated but so far, gene editing efficiencies are sub-optimal.
Three new rootstocks being available to the sector through plant breeding programs, informed by molecular methods to identify desired genotypic traits such as improved tolerance to nematodes, phylloxera and soil salinity.	Genetic markers available to use to select for new rootstocks resistant to phylloxera and root knot nematode, and with sodium exclusion.	Markers that can be used to screen for phylloxera and nematode resistance and sodium exclusion were developed and validated.
	New rootstock breeding lines with potential resistance to phylloxera and nematodes planted in a vineyard for evaluation.	22 new rootstock lines which will be used for the next generation of crosses were planted in a vineyard to evaluate suitability of growth habit and flowering potential.
Four new or enhanced technologies and processes to improve vineyard efficiency and sustainability being available to the sector.	ProxiCrop sensors evaluated by potential commercial partner in vineyards to determine irrigation requirement of vineyard.	A commercialisation strategy for ProxiCrop sensors, a timeline and responsibilities have been agreed with CSIRO. An expression of interest for commercialisation of the technology was circulated to prospective partners. The sensor has been ruggedised for improved field performance.
	VitiCanopy and VitiCanopy Web available for use by sector and a hands-on workshop on VitiCanopy and VitiCanopy Web delivered to industry practitioners.	Viticanopy app and VitiCanopy Web were both made available, with work underway to determine a sustainable business model for ongoing delivery. A new version of the VitiCanopy app was launched in February 2022 and allows for analysis and visualisation of results and reports as both files and maps of the spatial variability of plant area index in the vineyard. VitiCanopy Web is a web version of VitiCanopy available for users already registered within the VitiCanopy mobile app.
	Multi-season validation of data of vine performance, yield, water use and water use efficiency, yield, grape/wine composition and quality from field trials of sensor-driven irrigation vs conventionally scheduled irrigation.	Data from the 2021–22 season has been collected from field trials of sensor-driven irrigation versus conventionally scheduled irrigation.
	A device to measure the onset of berry cell-death evaluated in commercial vineyards.	Laboratory-based instruments have been built which predict berry cell death. There were significant challenges in building a unit suitable for use in the vineyard. A prototype was tested in vineyards and is being refined.
	Projects initiated to evaluate alternatives to herbicides for weed control (e.g. weed electrocution, mechanical weeding, groundcovers).	Treatments have been initiated and baseline data collected on ground covers and cover crops as an alternative to herbicides for weed control. A project to assess weed electrocution was delayed due to delays in shipping the equipment from Europe. This project is likely to commence in 2022–23.
The supply of genetically diverse and high-health planting material being maintained to the satisfaction of relevant stakeholders.	Field trials of Cabernet Sauvignon clones are successfully established across three diverse climates.	Field trials of Cabernet Sauvignon clones were successfully established in Margaret River, Nuriootpa and Coonawarra. Conditions in spring supported strong growth of newly planted vines.
	A National Germplasm discussion paper for the future management of Australia's grapevine germplasm collections is endorsed by sector stakeholders, investment requirements mapped out and new projects initiated to implement recommendations.	An implementation plan for a National Grapevine Collection was developed based on the discussion paper. A National Grapevine Collection Coordinator commenced in January 2022 to initiate activities under the plan and establish the collection.

Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Measures of success 2021-22	Achievements 2021-22
	Projects initiated to develop a regulatory framework and business case and fill R&D gaps to underpin a new national standard for grapevine propagation material.	<p>The governance structure underpinning a new national standard for grapevine propagation material has been established in consultation with key stakeholders. Phase 2 (to address technical aspects and develop the standard itself) to commence in the second half 2022.</p> <p>A project has commenced to allow clonal identification of grapevines. Clonal material has been provided by major germplasm sources and genome sequencing was performed on around 375 individual grapevine samples.</p>
Two new or enhanced technologies and processes, including agtech to improve grape and wine quality, winery efficiency and sustainability, being available to the sector for adoption.	Most promising sensor technology for vineyard use shortlisted and potential commercialisation partners identified.	The commercialisation potential of several sensor technologies developed through Wine Australia investment has been assessed. Commercial opportunities have been publicised through AgriFutures growAG site and other vehicles. Several promising expressions of interest have been received.
	Yield estimation technology further developed.	Data pipelines and hardware for yield estimation using vision systems (early season) or radar (late season) have been further developed. A non-destructive NIRS tool to determine bud fruitfulness prior to pruning has also been developed. Commercial partners for all these technologies are being sought.
	A prototype platform to enable the sharing of spray diary data by grapegrowers with existing and future diary providers developed.	A 'universal spray diary' project was commenced to create a data specification with a goal to allow a grower to use any online spray diary platform, enter an agrochemical application record once, and to share the data across platforms to permitted parties.
	The role of foliar spraying in producing a high-potential thiol communicated to the sector.	An extension and adoption plan for foliar spraying to enhance thiol content was agreed upon and will commence next year. This practice was showcased at the 18th Australian Wine Industry Technical Conference (AWITC) in June 2022.
	Knowledge of the drivers of Shiraz wine uniqueness and terroir communicated to the sector.	The sensory, chemical and climatic aspects of Shiraz regionality and factors influencing these aspects has been shared with the sector through regional workshops, workshops at AWITC and through publication in industry and peer reviewed journals. The communications have provided a better understanding of the sensory attributes that uniquely define the Shiraz wines produced in their regions to growers and producers, and subsequently they can use this information as a premiumisation tool to better market their products
	Practical strategies available to the sector to decrease the occurrence or impact of negatively perceived sulfur molecules.	Practical strategies to decrease the occurrence or impact of 'stinky' sulfur compounds are at varying levels of practicality, but new knowledge generated this year is getting us closer to a suite of strategies. Smart surfaces to selectively remove these compounds showed promise in laboratory scale experiments. Further insights into the use of copper fining were gained. The impact of oxygen, SO ₂ , copper and iron on phenylmethanethiol, the compound associated with 'flint' aroma, were determined.
	The cost of production using existing methods for heat and/or cold stabilisation benchmarked against alternative methods	Benchmarking the cost of production using existing methods for heat and/or cold stabilisation against alternative methods was not undertaken because the body of work on alternative methods was not yet mature enough for this activity. Further evaluation of zeolites and plasma coated surfaces, which are both promising alternative methods, was, however, undertaken.
	New molecular tests available to the sector to monitor and control <i>Brettanomyces</i> .	Molecular tests for <i>Brettanomyces bruxellensis</i> that combine in-field detection with sulfite tolerance prediction are not yet available to the sector but have progressed.
	Practical advice provided to the sector on the effects of glycosides in alternative products.	Information on the impact of marc extracts containing glycosides on wines has been shared with the sector as have the logistical challenges for wineries considering using them as a flavour booster, both in terms of how to source sufficient quantities of the requisite grape marc and the costs of extraction.

Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Measures of success 2021–22	Achievements 2021–22
	New project developed on production of low alcohol red wine	A new project on no and low alcohol (NOLO) wines has commenced. Sensory evaluations of NOLO products available in Australia were undertaken, to evaluate both market and product evolution in the category. Preliminary sensory trials involving glycoside and proline additions to no-alcohol wines were completed, with the techniques showing promise as flavour enhancers. Vintage trials were conducted with piquette, to better understand starting materials and give wine producers advice on ratios of marc to water to achieve desired finished alcohol concentrations.
At least three Wine Australia-funded projects having progressed to commercialisation	Commercialisation, as a path to adoption, of at least one: <ul style="list-style-type: none"> • novel yeast or bacteria from microbiology investments. • product or service from agtech investments. • winery processing innovation. 	We have signed a licensing deal for the NSW DPI- developed Vine Nutrition App with Deep Planet. AWRI 2965 (also known as AWRI Rosa) was commercialised in December 2019 with Mauri Yeast Australia. Since the commencement of the agreement more than 5 tonnes of AWRI 2965 have been sold globally, exceeding the sales milestones in the agreement. This includes sales in Australia, Brazil, Italy, New Zealand, South Africa, United Kingdom and USA.

Strategy 4:

Grow sustainable environments

This strategy focuses on providing knowledge and tools to help growers and producers to be more environmentally sustainable. This supports our overarching strategy of helping Australian wine be enjoyed and respected globally and building profitable, resilient and sustainable winegrape and wine businesses. In 2021–22, we took the first steps towards achieving the grape and wine sector's goal of net zero carbon emissions by 2050. We've selected Edge Environment to work with the sector to develop an Emissions Reduction Roadmap. It will be comprehensive in its approach, creating a baseline, mitigation plan and trajectory through the supply chain across emissions scopes. The tools and resources will be developed for grape and wine producers to support their practices and businesses through the transition. Extensive engagement with stakeholders across the entire production chain will ensure that the roadmap is not just ambitious, but also clear, practical, and well-supported, with wine businesses and bodies clear on their roles and responsibilities.

We continued to provide the sector with the information it needs to manage the challenges of short-term climate cycles and long-term climate change, including that of increased bushfire risk.

Five new prediction products for extreme weather events were developed and approved over the year. The first two products went live on the BOM website in November 2021 with the remaining three online in June 2022. The new features respond to the growing need for information around unseasonal and extreme weather and climate events to build climate resilience and support better-informed decision making. Growers will be able to drill down to their location to view the chance of unseasonal and extreme rainfall and temperature in the

weeks, months or seasons ahead. The tools were developed in close consultation with producers across agriculture.

An early warning 'real time' smoke taint detection system – believed to be a world first – was built in north-east Victoria this year and will be ready for the 2022–23 bushfire risk season. The network of 100 smoke sensor stations (called WISDs – Wine Industry Smoke Detectors) are made locally in Melbourne. The network will record, analyse and report the exposure of wine grapes and the risk of smoke taint from individual smoke events and accumulated seasonal smoke exposure. An electronic dashboard will then transmit information back to grapegrowers, allowing them to make timely decisions around grape testing, vineyard management and winemaking strategies to manage smoke effects.

We also continued to invest in activities that lead to more sustainable vineyard practices, including for pest and disease management. Another highlight in 2021–22 was the preparation of a management guide for grapevine viruses. This guide covers a range of recommendations for responding to the two main viruses in Australia that impact grapevine health and productivity.

The role of ecosystem services in enhancing sustainability has received a strong focus this year, with both a research project initiated to expand the understanding of how this works in the Australian vineyard context and the roll out of a new three-year program led by Retallack Viticulture that will support winegrape growers to adopt what is already known. This will provide regionally-specific and practical options for growers that will lead to improvements in sustainability and profitability.



Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Target 2021–22	Achievements 2021–22
New knowledge allows the sector to establish a carbon emissions benchmark.	Indicative baseline levels of carbon emissions established for the grape and wine sector from Sustainable Winegrowing Australia (SWA) metrics.	The dataset from SWA will underpin the Emissions Reduction Roadmap to set baseline carbon emissions for the sector. A project has commenced to update cradle-to-grave Life Cycle Analysis of Australian wine. A cross-sectoral project through Agriculture Innovation Australia (AIA) commenced in June 2021 to provide a unified whole-of-agriculture approach to carbon emission terminology and metrics.
New knowledge allows the sector to establish waste production benchmarks.	Indicative baseline levels of waste established for the grape and wine sector from SWA metrics.	Baseline levels have been established using SWA data. Metrics may need to be updated and aligned to those established through the AgriFutures Pre-Farm Gate Waste project once this has been completed.
Two (new) tools, technologies or processes are available to the sector to allow it to adapt to and/or mitigate the effects of climate change.	A climate mitigation roadmap towards 2050 developed with AGW and tested with the sector.	We have initiated a project to develop an Emissions Reduction Roadmap that will set achievable carbon emissions reduction targets, guide the sector collectively towards those targets and provide practical information and cost-effective tools to support grape and wine producers.
	Investment requirements mapped out and new projects initiated through Agricultural Innovation Australia (AIA) and other partners on climate change adaptation and mitigation strategies that can be adopted by the grape and wine sector.	Three potential projects for the agricultural sector were identified by the RDCs Climate Initiative. Two of these progressed through AIA but the relevance and value for money proposition for the grape and wine sector was not sufficiently high enough for Wine Australia to partner with these projects.
	New products available through the Bureau of Meteorology (BoM) to help predict extreme weather events to weekly and seasonal timescales.	Five new prediction products for extreme weather events were developed and tested with user groups across agriculture. The first two products went live on the BoM website in November 2021, with the remaining three online in June 2022.
	Further vineyard evaluation of plant growth regulators and other reagents as tools to delay budburst and therefore harvest.	Field trials to assess management options to delay berry ripening showed that application of a plant growth regulator (NAA) is more effective than delayed pruning techniques and can defer harvest by three weeks. NAA may also limit berry weight loss. NAA is not currently registered for use in winegrapes.
	Project initiated to investigate water use of various vineyard groundcover species and so determine management during periods of reduced water availability.	Field and pot trials have been established to investigate competitive water use of various vineyard groundcover plants, including a range of native species.
	Improved knowledge available on vineyard recovery from fire damage and development of an imaging tool to rapidly assess fire damage and its spatial variability.	The second year of field trials to assess management strategies for vine recovery from fire damage was completed and the project extended to collect a third season of data and generate case study materials for the sector. In an aligned project, a tool was developed using high resolution satellite imagery to map the distribution of fire damage to a vineyard. The future productivity and recovery of vines was correlated to fire damage and the tool was able to predict likely vine health in subsequent years.
	Improved understanding of how smoke taint develops in grapes which have had early exposure to smoke.	The key finding that significant smoke exposure early in the growing season (pea-size green berries) can lead to observable smoke taint in wine was incorporated into factsheets and a publication and conveyed at various industry events.
	Successful deployment of a network of smoke detectors providing continuous, real-time monitoring of smoke dose from fires across wine regions of Victoria.	A network of 100 sensors has been established in NE Victoria and there is interest in expansion to other wine regions. The network will provide continuous, real-time monitoring of smoke dose from fires during the 2023 vintage and 2023 controlled burns season.
	A predictive system for smoke taint risk which is scalable for the Australian and global wine industries.	A predictive system which links smoke dose (as measured by the sensors) to smoke taint risk has been developed for red and white varieties. The risk is communicated to growers as a traffic light system via a smartphone app.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Target 2021-22	Achievements 2021-22
	Full dataset is available to link smoke dose and grape and wine phenol composition to sensory outcomes in wine.	A large volume of data is available from several seasons including the 2019-20 fire events. Key compounds in grapes and wine that relate to smoky flavour have been identified. The concentrations of these compounds in grapes that resulted in smoky wines have been compiled from multiple regions and fire events, to provide a guide for producers to assess risk of smoke taint. The baseline concentrations of smoke markers in non-smoke-exposed grapes were established for key varieties.
A better understanding of vine water use contributes to better irrigation scheduling processes that allow more efficient and effective use of water.	<p>Practical management options of the irrigation strategy required to maintain vine productivity under a scenario of reduced winter rainfall communicated to the sector.</p> <p>New investments initiated through One Basin CRC.</p>	<p>A final season of data was collected. Overall project findings were presented at a climate-resilience workshop at the 18th Australian Wine Industry Technical Conference and are being compiled into an industry journal article.</p> <p>One Basin CRC was successful in attracting funding in Round 23 announced in May 2022 but not Round 22 (June 2021) as anticipated when this measure of success was drafted. Initiation of projects is therefore delayed by 12 months.</p>
Research delivers clear information about the value of soil remediation processes and enhancing functional biodiversity.	Project initiated to determine the ecosystem services and functional traits provided to a vineyard by certain plant species.	A project has started and field trials established to determine the ecosystem services and functional traits provided to a vineyard by a range of plant species, including groundcovers and shrubs/trees.
New and improved practices for sustainable management of endemic pests and diseases are available to the sector.	<p>A Best Practice Management Guide for the control of viruses in commercial and propagation vineyards available to the sector.</p> <p>The RD&A gaps in virus management identified and new projects initiated to address them.</p> <p>A Best Practice Management Guide on strategies to minimise and manage fungicide resistance in powdery mildew and Botrytis in Australian vineyards available to the sector.</p> <p>New project commenced to develop new and improved tools, technologies and practices for integrated pest management of phylloxera, including the continued evaluation of CSIRO varieties and rootstocks for tolerance to specific strains of phylloxera.</p> <p>Recommendations available on best practice management of grapevine trunk diseases, including susceptibility of specific clone and scion/rootstock combinations, optimal protection and remedial surgery techniques and the impact of infection in propagation material.</p>	<p>A Best Practice Management Guide (BPMG) for the control of viruses in commercial and propagation vineyards was shared with the sector in May. Feedback is being incorporated into a revision of the recommendations in the guide.</p> <p>RD&A gaps in virus management were identified by the team developing the BPMG and through other investments. New RD&A investments to be procured in 2022-23.</p> <p>Strategies to minimise and manage fungicide resistance in powdery mildew and Botrytis in Australian vineyards are under development but a full understanding of all the factors leading to resistance is not yet available and forms a part of ongoing research. This means that a best practice management guide is not yet feasible. Additional investment in following years is planned to solve this issue.</p> <p>A new project has commenced with Agriculture Victoria to develop new and improved tools, technologies and practices for integrated pest management of phylloxera. A National Phylloxera Management Action Plan is being developed to address additional gaps in the regulatory environment to incorporate research results.</p> <p>The final report with recommendations for best practice management of Grapevine Trunk Disease has been received and is currently under review.</p>
The sector is better prepared to manage incursions of exotic pests and diseases through our support of a wine biosecurity committee that engages all relevant bodies to identify biosecurity risks and develop a plan to mitigate them.	Diagnostic capabilities for a range of exotic pest threats of grapevines improved.	Advancements in diagnostic protocols have been made. COVID disruptions have delayed some progress however draft protocols for national endorsement are being prepared for endorsement by the Plant Health Committee.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Target 2021-22	Achievements 2021-22
	The Vineyard Biosecurity Manual 2.0 endorsed and released to the sector and priorities for future work across the viticulture sectors identified.	The Vineyard Biosecurity Manual 2.0 has been delivered to the sector. An Industry Action Plan to support biosecurity has also been developed and is regularly reviewed by a cross-sectoral reference panel with wine and other viticulture sectors
	Progress made towards the development of eDNA capabilities for diagnostics and surveillance of the brown marmorated stink bug (BMSB) in Australia.	Progress is being made with the Australian Government on the development of eDNA capabilities to be used for diagnostics and surveillance of BMSB.
	Increased awareness among organisational and individual stakeholders of the threat of Xylella and preparedness measures	Despite COVID related disruptions, an increase in awareness of the threat of Xylella and preparedness measures continued to be achieved through a range of activities by the Xylella Coordinator. Projects to identify Australian insect vectors of Xylella and to enhance diagnostics for Xylella have continued to be progressed. A Wine Biosecurity Emergency Coordination Plan, and a network of Industry Liaison Officers, has been co-developed with Australian Grape and Wine.
The use of vineyard cover crops and soil remediation practices has increased by 10 per cent.	Baseline established for current use of vineyard cover crops and soil remediation practices.	Metrics captured within SWA have been used to establish a baseline for vineyard floor management.
	Adoption strategy for vineyard cover crops and soil remediation practices developed and commenced.	A new three-year program led by Retallack Viticulture that will support winegrape growers to plant cover crops, enhance soil health and increase functional biodiversity in vineyards around the country has been initiated. Prior to this, the AWRI delivered regionally specific workshop presentations on cover crops to more than 150 growers in six regions across Australia, answered more than 30 cover crop related queries via the AWRI helpdesk and delivered three webinars promoting the benefits of cover crops with 590 people attending. In addition, four podcasts were prepared for release next year.
The land area dedicated to enhancing functional biodiversity has increased by 10 per cent.	Baseline established for the area dedicated to enhancing functional biodiversity.	Basic metrics on functional biodiversity are available through SWA but they need to be updated to make them relevant to the 'functional biodiversity' goal. This will be done through the new three-year program led by Retallack Viticulture.
	Adoption strategy for increasing functional biodiversity developed and commenced.	As noted above, a new three-year program led by Retallack Viticulture that will support winegrape growers to plant cover crops, enhance soil health and increase functional biodiversity in vineyards around the country has commenced.
Best-practice irrigation scheduling to optimise water use efficiency is adopted by an additional 30 per cent of growers in warm irrigated regions.	Baseline established for irrigation practices in warm irrigated regions.	The irrigation practices of 40 winegrape producers across the Riverland, Sunraysia and Riverina regions were benchmarked using a combination of interviews, data collection and system inspection. The report is in preparation.
	Adoption strategy for increasing best-practice irrigation commenced	An adoption strategy has commenced. AWRI have completed surveys, workshops, analysis and design of an adoption strategy, developed resources and activities are in progress.

Strategy 5:

Build business sustainability, excellence and leadership

This year we have taken a more strategic approach to investments capable of delivering practical research to practice outcomes, guided by Wine Australia's *Extension and Adoption Strategy 2020–25*. We have also continued to support a wide range of communication channels, extension events and the AWRI Helpdesk for the sector.

The new approach is influencing a broad range of activities including investments in sustainability and a carbon emissions roadmap, irrigation practices, cover crops and functional biodiversity as well as the agtech adoption program and establishment of demonstration vineyards.

Taking a co-design, co-creation, co-implementation and co-evaluation approach, where necessary, we're aiming to ensure the problem is well understood and defined, and that potential solutions are appropriately tested.

We're operating strategically with the advice of Australian Grape & Wine's Research Advisory Committee as well as regionally – as has been occurring within the Regional Program for some time, ensuring they decide on the most pressing extension activities for them.

The agtech adoption program is a key focus. While agtech is already in use on many properties in some way, with a raft of technologies to help growers improve the quality – and quantity – of their vines and yields as well as better manage processes involved in growing and making wine, there is still some confusion about which tools and tech to deploy. Through the Agtech Hub and demonstration vineyards we are pointing producers in the right direction with independent information, resources and details on where to see grape and wine tech in action. Visit <https://www.wineaustralia.com/growing-making/agtech-hub>.

We are now investing in adoption programs at scale in line with key issues identified by the sector. The first of these is our \$2.2 million three-year support of the National EcoVineyards program, aiming to increase the use of vineyard cover crops, soil remediation practices and the land area dedicated to enhancing functional biodiversity. The original EcoVineyards program was funded via the National Landcare Program Smart Farms Small Grants initiative with the Wine Grape Council of South Australia and Retallack Viticulture Pty Ltd. The approach is based on science and evidence-based

learning, an interactive approach which brings together both academic and peer-reviewed research and the application of these insights via participatory action learning to accelerate the sharing of insights in real time. The model of participation will provide growers with the knowledge and tools to grow wine grapes with minimal intervention over the longer-term, suited to their regional circumstances. Visit <https://ecovineyards.com.au/>

There is also a re-framing of some extension activities at AWRI, with focused practice change projects, the first of these in best-practice irrigation and the use of oxygen in winemaking. Two 'how to' videos focused on irrigation monitoring and maintenance were produced in Mildura using local expertise. These videos were designed to demonstrate the simple steps growers can take to implement best-practice irrigation monitoring and maintenance. The videos have been made available on the water management webpage on the AWRI website and on the AWRI's YouTube channel and have received more than 900 views since their release.

Practice change activities relating to aerating ferments continued throughout 2021–22 and saw the creation of a fact sheet, three case studies, two podcasts and one demonstration video. A webinar was also presented and an online workshop incorporating experts, researchers and practitioners was held with over 200 participants prior to vintage 2022. This workshop was designed to provide all the information and tools needed for winemakers to adopt aeration of ferments in vintage 2022. A dedicated webpage to host the extension materials on aeration of ferments was created on the AWRI website. Engagement with the sector on this topic is ongoing to gauge an understanding of the level of adoption of this practice.

Wine Australia continues to invest in programs to help our leaders to develop the skills to drive our community forward, to promote career pathways and to support a diverse workforce. Despite interruptions as a result of COVID, programs continue to expand beyond Future Leaders, to the regionally led and bespoke Next Crop program, and the Wine Industry Mentor Program.

We're also doing more, with the sector, to develop career pathways resources and support school-industry partnerships, with new and exciting resources imminent.

Strategy 5: Build business sustainability, excellence and leadership

Strategic Plan measure of success	Measure of success 2021–22	Achievements 2021–22
<p>Of levy payers who participate in Wine Australia-supported extension and adoption programs:</p> <ul style="list-style-type: none"> • 80 per cent consider them as a good or very good use of levy funds • 80 per cent have gained new knowledge or new information to improve their long-term profitability and sustainability • 50 per cent intend to make, or have made, changes to existing practices by adopting the outcomes of R&D • 80 per cent of those who've adopted agtech have a positive return on their investment. 	<p>AGW's Research Advisory Committee assists Wine Australia and its key extension partners to identify extension and adoption priorities to enhance their relevance.</p> <p>The national extension and adoption strategy guides investments and activities, drawing on innovative approaches to behaviour and practice change, underpinned by specific, measurable and actionable objectives.</p> <p>The AWRI helpdesk continues to provide a free-of-charge advice service on technical issues from experienced winemakers, viticulturists and scientists.</p> <p>Tools and resources enhanced and developed to facilitate practice change.</p> <p>The Regional Program promotes the adaption and adoption of research outcomes and delivers extension and practical trials that meet the practice change needs of the regions.</p> <p>Agtech demonstration farms are underway in five regions.</p> <p>At least two agtech suppliers have progressed with commercial adoption of their technologies and solutions because of the Agtech program.</p> <p>We provide growers and agtech developers with a 'one-stop' portal for wine industry agtech that allows growers to upskill, self-educate and connect with prospective vendors to invest in agtech.</p>	<p>AGW's Research Advisory Committee continue to assist in identifying and prioritising extension and adoption priorities.</p> <p>Monitoring and evaluation metrics across Wine Australia supported extension activities with the Australian Wine Research Institute and the Australian Society of Viticulture and Oenology indicate that events overall are delivering value – on average at least 75 per cent of attendees at workshops, seminars and webinars rated these events 'very good' or 'excellent' and at least 80 per cent of attendees intend to make changes to current practices, reassess current practices, seek extra information or discuss with peers about making changes to their current practices.</p> <p>The national extension and adoption strategy is being used to guide investment and activities. A behavioural scientist was appointed to guide improvements across all Wine Australia funded programs and activities.</p> <p>The Regional Program is being supported to deliver activities underpinned by measurable and actionable objectives, where appropriate.</p> <p>AWRI was supported to focus on irrigation best practice and aeration of ferments, designed with stakeholder engagement and practice change objectives as the outcome.</p> <p>Investments in adoption programs at scale to meet Strategic Plan objectives are underway, via competitive funding processes.</p> <p>The AWRI helpdesk continues to be used and is well-regarded. A total of 1,609 winemaking and viticulture enquiries were answered. Topics of note included management of high vigour vines, vineyard pests and disease (particularly scale insects), hail damage and recovery, supply and transport challenges related to the COVID-19 pandemic, significant deposit tariffs on wine to mainland China and the conflict in eastern Europe, and production queries about low- and no-alcohol wines.</p> <p>The following tools and resources were released and updated:</p> <ul style="list-style-type: none"> • Grapevine Variety Selector Tool • Rootstock Selector Tool updated with new research finding, and • Upgrades to VitiCanopy. <p>Our Regional Program continued to achieve a wide range of regionally focused extension activities and, where appropriate, is now working towards actionable adoption goals.</p> <p>Agtech demonstration sites have been established in 11 regions – Adelaide Hills, Barossa Valley, Coonawarra, Grampians, McLaren Vale, Margaret River, Orange, Riverland, Rutherglen, Sunraysia and Yarra Valley.</p> <p>MOG removal technology has achieved commercial adoption of their technologies (30+ units sold) through the agtech demonstration sites program, and several other Australian based businesses are close to doing so.</p> <p>An Agtech Hub has been developed and is live on our website.</p>

Strategy 5: Build business sustainability, excellence and leadership

Strategic Plan measure of success	Measure of success 2021-22	Achievements 2021-22
More than 90 per cent of participants in people development programs have gained new knowledge and skills to improve their personal and professional leadership capabilities.	At least 15 members from across the grape and wine sector participated in the Future Leaders program.	Participants were selected for Future Leaders 2021, although the program was delayed to June-Nov 2022 due to COVID related travel restrictions in 2021. A virtual element was completed during Aug-Oct 2021. The program proper commenced in June 2022.
	Research capacity maintained by offering support for PhD scholarships, and for early career researchers to undertake regionally focused research.	Twelve new PhD candidates were awarded top-up scholarship support by Wine Australia, bringing the current total to 41 students. A new project-based scholarship program was established with the University of Adelaide, jointly supporting five students. Griffith University PhD candidate Kate Kingston was named the recipient of Wine Australia's Dr Tony Jordan OAM Award 2022 to support her research that will develop and apply innovative biochar-based technologies to help the Australian wine sector adapt to the impacts of climate change. Due to COVID related travel restrictions, support for early career researchers to undertake research in wine regions was not offered this year.
	Professional development opportunities support alumni across all people development programs	Professional development opportunities coincided with the 18th Australian Wine Industry Technical Conference, with Wine Australia supporting student attendance and engagement as well as a leadership alumni networking event, with more than 50 individuals attending across all Future Leaders cohorts dating back to the first cohort from 2006.
	At least 80 individuals from across the grape and wine sector participated as mentors and mentees in the Wine Industry Mentor Program	The Wine Industry Mentor Program is supported in partnership with Wine Communicators of Australia, The University of Adelaide, Wine Industry Suppliers Australia and the Australian Society of Viticulture and Oenology. In 2021 a total of 128 individuals from across the grape and wine value chain participated: 64 mentors and 64 mentees – graduating in November 2021. The 2022 program started in June, with 55 mentees selected to participate from an application pool of just over 100.
99 per cent of exporters have access to the information and knowledge they need to meet the requirements of the importing country.	We will review the destination of exports to ensure that exporters' information needs are met by our export market guides.	All exporters had access to our 44 Export Market Guides, and we reviewed the need for new Export Market Guides to be developed in new and emerging markets, and for updates to existing Export Market Guides, based on customer feedback.
More than 90 per cent of market insights customers are satisfied or very satisfied with our market insights services.	We will provide up to 100 sessions of individual analyst sessions with our levy-payers over the year.	During the year, 40 individual analyst sessions were booked by our levy-payers. The 'Ask an Analyst' sessions were heavily promoted throughout the year to encourage usage.



The organisation

Organisational structure and statement on governance

Wine Australia is a body corporate operating under the *Wine Australia Act 2013* (Wine Australia Act) and a corporate Commonwealth entity operating under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

The Board has obligations under each the Wine Australia Act and the PGPA Act and has ultimate responsibility for the performance of Wine Australia's functions.

The Board has articulated its functions, duties and responsibilities in detail in its Board Charter, and in its Governance Framework which sets out Wine Australia's corporate governance arrangements – i.e. how, in a practical sense, the Board maintains oversight of the operations of the organisation.

Our head office is in Adelaide and we maintain corporate entities in the UK, Canada and the US to facilitate our global marketing activities.

Wine Australia abides by the following key principals for Corporate Governance.

- The Board must govern Wine Australia in a way that: promotes the proper use and management of public resources for which the authority is responsible; promotes the achievement of the purposes of Wine Australia and promotes the financial sustainability of Wine Australia.
- The Board must establish and maintain systems relating to risk and control including systems of internal control.
- The Board must maintain oversight of the operations of the organisation through reporting by the CEO.
- The Board must keep the responsible Minister informed of its activities and of any significant issue that may affect it.
- Directors must exercise independent judgment and provide independent oversight of the organisation.
- The Board's performance (including the performance of its Chair, the individual Directors and, where appropriate, members of the Board Committees), must be evaluated regularly.

The Board

The Board is established in accordance with the *Wine Australia* Act. It must consist of a Chair and at least five, but not more than seven, other Directors. During the reporting period Dr Michele Allan served as Chair, commencing 4 July 2020.

On 22 November 2021, former Minister for Agriculture and Northern Australia the Hon David Littleproud MP, appointed John Lloyd and Justin Brown as Directors until 30 September 2024. They joined Directors Cath Oates, Catherine Cooper, Frances-Anne Keeler and Mitchell Taylor who were re-appointed for a three-year term on 1 October 2021.

Information about each Board member's qualifications, knowledge, skills or experience (formal and informal) can be found at <https://www.wineaustralia.com/about-us/our-board>.

Wine Australia's Board charter is available from our website at: <https://www.wineaustralia.com/getmedia/73623fe0-9f9c-48a0-ad29-993b57972564/Wine-Australia-Board-Charter.pdf>.

Board Directors

Dr Michele Allan (Victoria)

Chair from 4 July 2020. Deputy Chair 23 November 2018 to 20 October 2019, Director from 1 October 2018 to 20 October 2019

Cath Oates (Western Australia)

Director from 1 October 2018, Deputy Chair from 5 February 2019, Acting Chair 15 April 2020 to 3 July 2020

Catherine Cooper (South Australia)

Director from 1 October 2018

Frances-Anne Keeler (New South Wales)

Director from 28 August 2020

Mitchell Taylor (New South Wales)

Director from 1 October 2018

John Lloyd (New South Wales)

Director from 22 November 2021

Justin Brown (Australian Capital Territory)

Director from 22 November 2021

Outgoing Board Directors

Dr Brian Croser AO (South Australia)

Director from 1 October 2015, Deputy Chair 1 October 2015 – 23 November 2018, finished term on 30 September 2021.

Dr Mary Retallack (South Australia)

Director from 1 October 2015, finished term on 30 September 2021. Mary chaired the Remuneration Committee.

Independent Audit Committee Chair

Mr Geoff Knuckey

Geoff has extensive experience as an Audit Committee member or Chair and is currently serving on audit committees for numerous government entities. He also has extensive experience as a Director and serves on boards and audit committees of multiple private sector entities. Mr Knuckey has been a full-time company director and audit committee member since 2009 following a 32-year career with Ernst & Young specialising in Audit and Assurance Services in both the public and private sectors across a range of industries.

Qualifications: B. Economics (ANU), FCA, GAICD, Registered Company Auditor.

Geographical Indications Committee

The Wine Australia Act 2013 establishes a Geographical Indications Committee (GIC) with its primary role being consideration of applications for new Australian and foreign GIs. The GIC comprises members appointed by Wine Australia, including two members nominated by Australian Grape & Wine. In 2021-22 the GIC comprised:

- Dennis Mutton, the Presiding Member appointed by Wine Australia,
- Phillip Laffer (Australian Grape & Wine nominated member), and
- Peter Hayes (Australian Grape & Wine nominated member).

The GIC did not meet nor make any determinations of new geographical indications for wine in 2020-21.

Risk management

In 2021–22 Wine Australia managed risk in accordance with its Risk Management Policy and Framework that:

- explains how risks are identified, assessed and managed, and
- establishes a framework that underpins the management of risk.

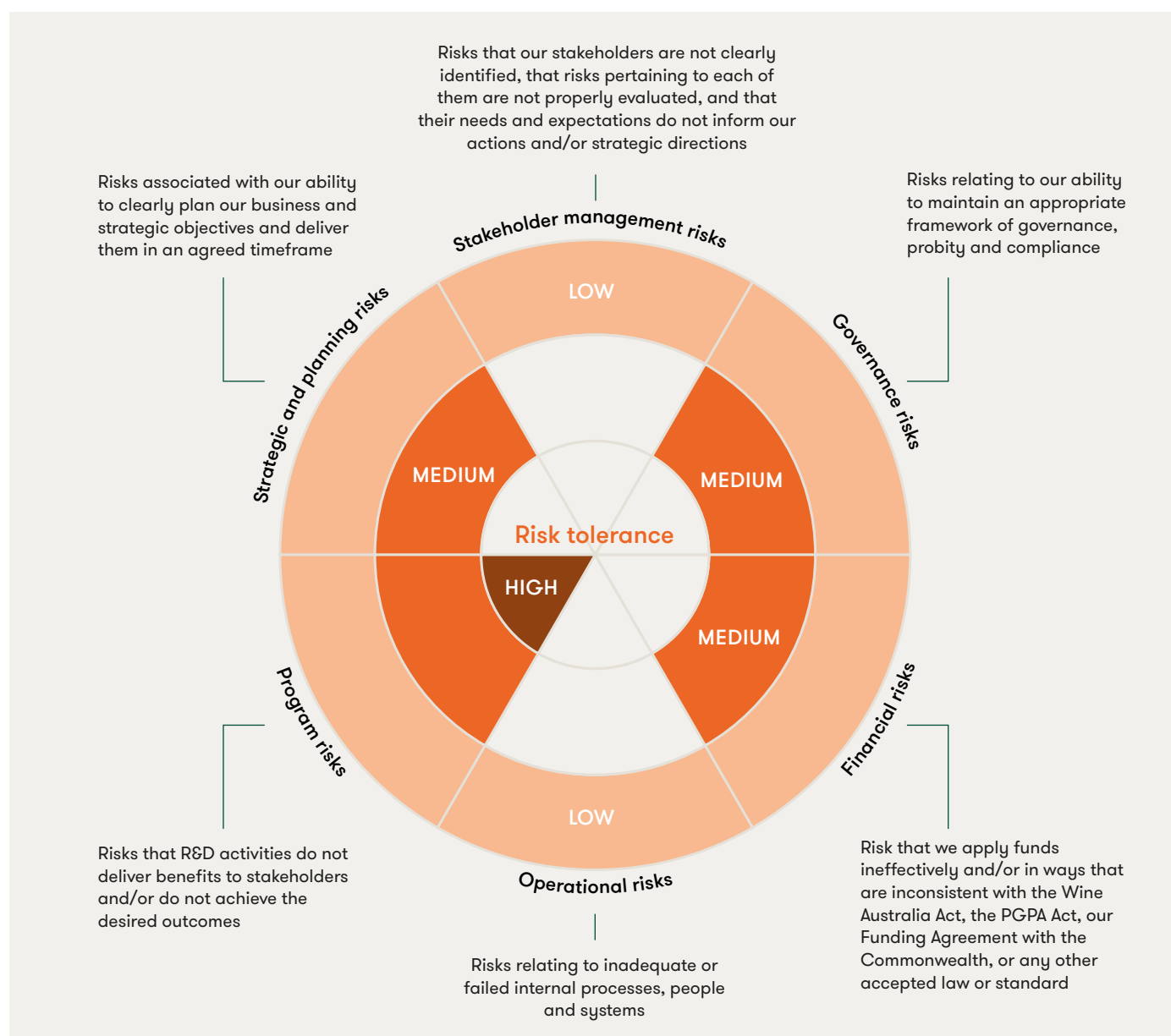
The Framework is aligned with and reflects existing standards and guidance such as AS/NZS ISO 31000:2009 – risk management – principles and guidelines.

The Framework acknowledges the importance of engaging with risk in our operating environment to deliver programs that are innovative, efficient and dynamic and recognises that a positive risk culture promotes an open and proactive approach to managing risks.

In accordance with its Risk Management Policy and Framework, the Board reviewed the framework in 2021–22, including its risk tolerance in relation to each risk category defined by the framework. All risks identified as having a risk rating in excess of the corresponding risk tolerance set by the Board were addressed by the Board.

At an operational level, risk was managed through regular meetings of the Risk Management Committee, which provides risk reports to each meeting of the Audit and Risk Committee. The Audit and Risk Committee reported on risks to the Board after each of its meetings.

Figure 5: Wine Australia’s risk tolerance



Audit and Risk Committee

Subsection 45(1) of the PGPA Act requires authorities accountable for all Commonwealth entities to ensure that the entity has an Audit Committee.

In 2021–22 the Audit and Risk Committee comprised:

- Geoff Knuckey (Chair)
- Catherine Cooper
- Mitchell Taylor and
- Justin Brown (from 22 December 2021)

Audit and Risk Committee members who are members of the Board, do not receive additional remuneration above that due to them as board members. As an external consultant Mr Knuckey received \$9900 for his expertise and attendance for the reporting period.

The Audit and Risk committee's Terms of Reference can be found on Wine Australia's website at: www.wineaustralia.com/getmedia/32ca30df-6173-4d3d-97a0-1d092b8c1ed6/25052021-Audit-and-Risk-Committee-Terms-of-Reference.pdf

The functions of the Audit and Risk Committee include reviewing:

- financial reporting
- performance reporting
- risk oversight and management systems, and
- internal control systems.

Wine Australia Board meetings 2021–22

Table 1: Wine Australia Board meetings

Date held	Location
2 August 2021	Video conference
30 September 2021	Video conference
1 December 2021	Video conference
23 February 2022	Video conference
26 April 2022	Sydney
21 June 2022	Video conference

Declared representative organisation

In 2021–22, Australian Grape & Wine was both the declared wine grape growers organisation and the declared winemakers association for the purposes of section 5B of the Wine Australia Act.

2021–22 Board and external consultants

Table 2: Board and external consultants

	Board meetings		Audit and Risk Committee		Additional information
	Eligible	Attended	Eligible	Attended	
Michele Allan	6	5			Chair
Justin Brown	4	4	3	3	Director
Catherine Cooper	6	6	4	4	Director
Brian Croser	2	2			Director
John Lloyd	4	4			Director
Catherine Oates	6	6			Director
Mary Retallack	2	2			Director
Mitchell Taylor	6	6	4	4	Director
Frances-Anne Keeler	6	6			Director
Geoff Knuckey (Ind Chair A&R committee)			4	4	External consultant

Management and staff

PGPA Rule Section 17BE (j),(i)-(v) – Accountable Authority

Senior Management as at 30 June 2022

Table 3: Key management personnel remuneration

Name and Position title	Term as KMP	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances	Super-annuation contributions	Long service leave	Other long-term benefits		
Allan, Michele Chair	1/7/21 – 30/6/22	77,620	-	-	7,762	-	-	-	85,382
Barclay, Stuart General Manager (GM)	1/7/21 – 17/12/21	94,339	-	-	15,233	(50,759)	-	183,591	242,404
Brown, Justin Board Director	22/11/21 – 30/6/22	23,668	-	-	2,367	-	-	-	26,035
Cole, Martin Chief Executive Officer (CEO)	15/12/21 – 30/6/22	203,824	-	1,378	35,545	414	-	-	241,161
Cooper, Catherine Board Director	1/7/21 – 20/6/22	38,810	-	-	3,881	-	-	-	42,691
Croser, Brian Board Director	1/7/21 – 30/9/21	9,703	-	-	970	-	-	-	10,673
Keeler, Frances-Anne Board Director	1/7/21 – 30/6/22	38,810	-	-	3,881	-	-	-	42,691
Lloyd, John Board Director	22/11/21 – 30/6/22	23,668	-	379	2,367	-	-	-	26,414
Oates, Catherine Board Director	1/7/21 – 30/6/22	38,810	-	379	3,881	-	-	-	43,070
Retallack, Mary Board Director	1/7/21 – 30/9/21	9,703	-	-	970	-	-	-	10,673
Taylor, Mitchell Board Director	1/07/21 – 30/6/22	38,810	-	-	3,881	-	-	-	42,691
Triggs, Rachel General Manager (GM)	1/7/21 – 30/6/22	208,297	-	720	20,400	2,712	-	-	232,129
Turale, Paul General Manager (GM)	30/5/22 – 30/6/22	23,784	-	-	2,193	6	-	-	25,983
Waters, Elizabeth General Manager (GM)	1/7/21 – 30/6/22	213,351	-	-	20,785	12,628	-	-	246,764
Weinert, Steven General Manager (GM)	1/7/21 – 30/6/22	300,036	-	115	25,891	7,760	-	-	333,802
Wood, Lucinda (Lucy) General Manager (GM)	4/4/22 – 30/6/22	28,888	-	-	2,706	21	-	-	31,615
		1,372,121	-	2,971	152,714	(27,218)	-	183,591	1,684,179

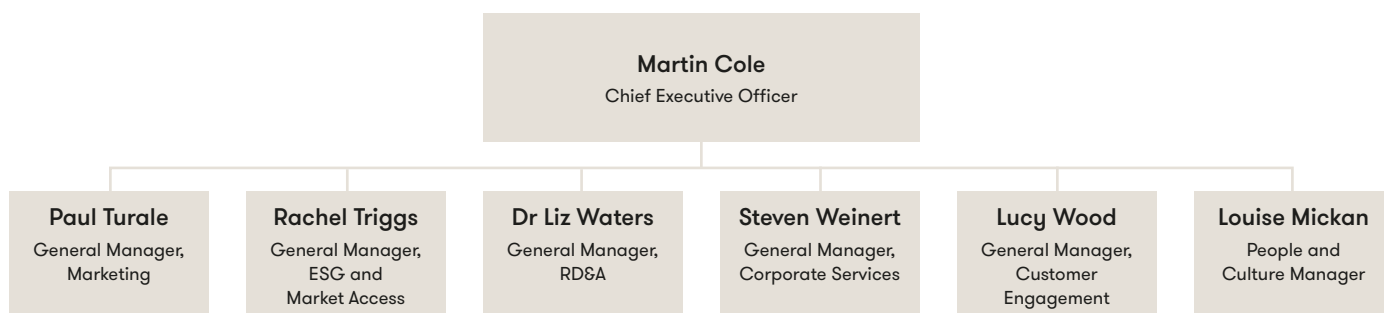
Table 4: Senior executive remuneration

Total remuneration bands	Number of senior executives	Average base salary	Short-term benefits		Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
			Average bonuses	Average other benefits and allowances		Average long service leave	Average other long-term benefits		
\$0 – \$220,000	1	97,479	-	-	9,748	4,915	-	-	112,142

Table 5: Highly paid staff remuneration

Total remuneration bands	Number of other highly paid staff	Average base salary	Short-term benefits		Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
			Average bonuses	Average other benefits and allowances		Average long service leave	Average other long term benefits		
\$245,001 – \$270,000	2	225,039	-	26,311	-	-	-	-	251,350
\$295,001 – \$320,000	1	264,135	-	42,068	-	-	-	-	306,204

Senior management



Staff

Wine Australia employed 64 people at 30 June 2022, compared with 68 the preceding year.

	Male		Female		Intersex and unspecified		Total
	F/T	P/T	F/T	P/T	F/T	P/T	
Australia	14	2	23	12			51
UK			3	1			4
USA	4		3				7
Canada			1				1
China			1				1
Total	18	2	31	13			64

Reporting requirements

Enabling legislation

Wine Australia is established in accordance with section 6 of the *Wine Australia Act 2013*.

Functions

Section 7 of the Act provides that Wine Australia has the following functions:

- a) to investigate and evaluate the requirements for grape or wine R&D
- b) to coordinate or fund the carrying out of grape or wine R&D activities
- c) to:
 - i. monitor
 - ii. evaluate, and
 - iii. report to the Parliament, the Minister and the representative organisations on grape or wine R&D activities that are coordinated or funded, wholly or partly, by the Authority;
- d) to:
 - i. assess, and
 - ii. report to the Parliament, the Minister and the representative organisations on the impact, on the grape industry or wine industry, of grape or wine R&D activities that are coordinated or funded, wholly or partly, by the Authority;
- e) to facilitate the dissemination, adoption and commercialisation of the results of grape or wine R&D
 - a. to implement, facilitate and administer programs, as directed by the Minister, in relation to:
 - i. wine, and
 - ii. cider (as defined by section 33-1 of the *A New Tax System (Wine Equalisation Tax) Act 1999*), and
 - iii. international wine tourism, and services, products and experiences that complement international wine tourism;
 - b. to administer grant programs in relation to wine (as defined by section 33-1 of the *A New Tax System (Wine Equalisation Tax) Act 1999*), as directed by the Minister;
- f) to control the export of grape products from Australia;
- g) to promote the consumption and sale of grape products, both in Australia and overseas;
- h) such other functions as are conferred on the Authority by:
 - i. this Act
 - ii. the regulations, or
 - iii. any other law
- i) to do anything incidental to, or conducive to, the performance of any of the above functions.

Note: One of the Authority's functions under the regulations is to establish, maintain and make publicly available a Label Directory.

Objects

The objects of the Act are:

- a) to support grape or wine research and development activities; and
 - a. to support the growth of the wine industry, and other industries that make wine (within the meaning of section 33-1 of the *A New Tax System (Wine Equalisation Tax) Act 1999*); and
 - b. to support the growth of international wine tourism, and services, products and experiences that complement international wine tourism; and
- b) to control the export of grape products from Australia, including through the use of a Label Directory containing digital colour images of grape product labels and other information to allow persons to identify potential infringements of intellectual property rights; and
- c) to promote the consumption and sale of grape products, both in Australia and overseas; and
- d) to enable Australia to fulfil its obligations under prescribed wine-trading agreements and other international agreements.

Responsible Minister

During the year in review The Hon David Littleproud MP as Minister for Agriculture and Northern Australia was our responsible Minister until the federal election on 21 May 2022. The change of government saw The Hon Anthony Albanese MP sworn in on 23 May 2022 as Prime Minister and Senator the Hon Murray Watt sworn in as Minister for Agriculture, Forestry and Fisheries on 31 May 2022.

Significant non-compliance issues with finance law

PGPA Rule Section 17BE (h) – (i) Significant non-compliance with the Finance Law

Description of non-compliance	Remedial Action
N/A	N/A

Ministerial directions and government policy orders

Ministerial direction may be given to Wine Australia by the responsible Minister under section 31K of the Wine Australia Act, or by the Finance Minister under section 22 of the PGPA Act. No such direction was given in the 2021–22 financial year.

Significant activities and changes affecting the entity

In June 2022, Wine Australia made the decision to close its physical office in Shanghai, effective 2022–23. This decision was made following the sharp reduction in exports to mainland China, and the resulting impact to funding available to market Australian wine. Consultation with the sector confirmed available marketing funds ought to be directed to other key markets within Asia to support market diversification.

The role of Country Manager – China was made redundant and Wine Australia's brand presence (via trade and consumer facing social media channels) is now managed by the Australian based team.

Judicial decisions and reviews by outside bodies

During the review period Wine Australia was not the subject of any judicial or administrative tribunal decisions that had, or may have, a significant impact on its operations.

Obtaining information from subsidiaries

Wine Australia has no subsidiaries.

Indemnities and insurance premiums

Wine Australia had Directors' and Officers' Liability insurance through ComCover. The insurer recommended that details of the policy and the premium paid not be disclosed. No indemnities have been provided to any current or former officers.

Work health and safety

Wine Australia is committed to providing a safe and pleasant work environment for both staff and visitors and acknowledge our responsibilities under the *Work Health and Safety Act 2011*. A WHS and wellbeing committee has been established, focusing on wellbeing initiatives and mental health of staff. There were no notifiable incidents or injuries. There were no investigations conducted.

Environmental objectives

In accordance with the requirements of the *Environment Protection and Biodiversity Conservation Act 1999*, Wine Australia:

- supported the principles of ecologically sustainable development and sought to ensure that our activities accorded with those objectives by taking economic, environmental, social and equitable considerations into account in the decision-making process
- aimed to enhance the operating environment for the benefit of the Australian wine sector – contributing to ecologically sustainable development by facilitating the development of the sector in a sustainable and responsible manner, and
- cared for the environment by minimising the consumption of power and recycling waste products where practicable and ensuring our activities had minimal impact on the environment.

Further, we are enhancing environmental stewardship within the grape and wine sector by supporting Sustainable Winegrowing Australia, Australia's national program for grapegrowers and winemakers to demonstrate and continuously improve their sustainability in the vineyard and winery through the environmental, social and economic aspects of their businesses.

The program takes a holistic approach to managing, supporting and promoting sustainability. The program is administered by the Australian Wine Research Institute with governance, endorsement and active support from Australian Grape & Wine and Wine Australia. The program is modelled on global best practices and aligned to the United Nations Sustainable Development Goals, with progress towards these monitored annually.



Performance

Performance principles

In accordance with the Australian Government's Statutory Funding Agreement, in 2021-22 Wine Australia complied with the Regulator Performance Guide.

The Guide outlines three Principles of Regulator Best Practice:

1. Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture, to build trust and confidence in Australia's regulatory settings.
2. Risk-based and data-driven: regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those they regulate to comply and grow.
3. Collaboration and engagement: regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way.

While Wine Australia does not have to report against these Principles in this document, the organisation during 2021-22 has adopted an evidence-based approach to continuous improvement.

In alignment with the Principles, in 2021-22 Wine Australia has delivered on our legislated objectives, functions and role in the following ways:

- a) In keeping with **Principle 1: Continuous Improvement and building trust**, ensure an ongoing two-way dialogue with stakeholders on performance – in practice this will mean working closely with the representative body, Australian Grape & Wine, regularly meeting with key stakeholders and exporters and inviting regular feedback from stakeholders.
- b) As part of Wine Australia's commitment to **Principle 2: Risk-based and data driven**, we will maintain essential safeguards, using data and digital technology to manage risks, appropriately to minimise regulatory burden and to support those we regulate to comply and grow.
- c) We will monitor and evaluate performance and use data to provide performance insights and drive continuous improvement. This will mean that Wine Australia will continuously evaluate our performance as a regulator assessing ourselves against both domestic and external agencies where appropriate.
- d) In line with **Principle 3: Collaboration and engagement** we will ensure that we are transparent and responsive, implementing regulations in a modern and collaborative way.

- e) We will work with other RDCs and regulatory agencies to benchmark and gauge Wine Australia's performance against other entities, engaging in communities of practice and capability building within the organisation.

Wine Australia's Statutory Funding Agreement (Agreement) with the Australian Government is underpinned by five Performance Principles aimed to guide Research and Development Corporation (RDC) performance under the Agreement.

The Agreement obliges Wine Australia (and the other RDCs) to act in accordance with, and uphold, the Agreement, including the 'Guidelines' and the 'Performance Principles'.

Wine Australia's adoption of the Principles is demonstrated in the table following.



Performance principles

Performance Principle 1 – Stakeholder Engagement

Engage stakeholders to identify research, development and adoption (RD&A) priorities and activities that provide benefits to portfolio industries.

Guideline KPIs:

- Strategy prioritisation and development processes include appropriate consultation plans, based on best practice guide to stakeholder consultation
- Demonstrated industry stakeholder engagement in the identification of RD&A priorities and activities consistent with the consultation plan
- Demonstrated incorporation of industry feedback on RD&A priorities and activities. Where incorporation is not possible, demonstration of feedback to stakeholders on why incorporation was not possible.

- In accordance with the Australian Government's Best Practice Guide to Stakeholder Consultation, Wine Australia created a Customer Engagement Plan. We incorporated the principles of the Guide into our Plan, which sets out:
 - Its commitment to best practice stakeholder engagement
 - How it communicates its performance against the Performance Principles
 - Its approach to operational management of stakeholder engagement via its Stakeholder Engagement Plan
 - The routine customer engagement activities conducted by Wine Australia
 - How our customers can consult with us
- Wine Australia's commitment is to engage our stakeholders effectively and regularly to identify priorities and activities that will provide tangible benefits to the Australian grape and wine sector. Wine Australia appreciates that stakeholder engagement is two-way
- We strive to be appropriately responsive to stakeholder concerns by providing information and updates to stakeholders and seek stakeholder contributions to shape our strategy and our investments
- We are committed to using various forms of communication, including consultation, discussions, surveys, extension events, webinars, website updates, publications, newsletters, forums, and networks
- We are committed to tailoring these communications for the relevant audience and providing timely information that allows stakeholders to consider and contribute where appropriate

We are committed to engaging in sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.

- As articulated in our Stakeholder Engagement Plan, we will do this by:
 - encouraging reciprocal, mutually beneficial and transparent engagement and consultation with stakeholders about their key objectives, performance, activities, investments and governance
 - ensuring the activities we undertake contribute to public benefit and long-term outcomes for the Australian grape and wine community
 - strengthening transparency through communicating our governance processes, strategies, plans and reporting to stakeholders (including to the Minister and the Department)
 - ensuring outcomes of activities and value of investments are transparent, will contribute to demonstrating good business practices and performance, and instil confidence in the organisation's direction and priority setting
 - continuously improving and measuring the impact of our engagement activities
 - communicating our successes (i.e. positive investment outcomes for the sector) to stakeholders via various communication channels (in newsletters, via media, in presentations etc), and
 - ensuring that a deep culture of stakeholder engagement is embedded across Wine Australia.
 - This year we welcomed a new CEO, Dr Martin Cole. Upon his commencement, Martin embarked on a 'listening tour' of our customers, to deeply engage with the sector and understand the challenges and opportunities. In the year ending June 2021, Martin held more than 150 individual engagement meetings across Australia, including 33 major levy payers: CEOs from the top 20 companies that pay 50 per cent of Wine Australia's levies.
 - We continue to engage closely with key representatives of the Australian grape and wine sector like Australian Grape & Wine and Australian Commercial Wine Producers and holds regular meetings with representatives from the state and regional associations.
 - In previous years, we undertook a Stakeholder Engagement Survey to seek feedback from the sector on our engagement activities. In 2021–22, we focused instead on the creation of the above Stakeholder Engagement Plan (now referred to as the Customer Engagement Plan), the onboarding of the new CEO, and the strategic plan refresh. Now that this has been completed, we have commenced the design of our next Stakeholder Engagement Survey, to be completed before the end of 2022–23.
-

Performance principles

Performance Principle 2 – Research Development and Adoption (RD&A) activities

Ensure RD&A and marketing priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio.

- All investments align with our Strategic Plan which aims to foster and encourage profitable, resilient and sustainable Australian winegrape and wine businesses
 - Since the Strategic Plan was approved in June 2020, the operating environment within which Australian grape and wine businesses operate has significantly changed. This year we therefore deeply consulted with our customers and our representative organisation Australian Grape & Wine to assess whether the overarching aim and the strategic plan pillars of our Strategic Plan remained fit-for-purpose and addressed this performance principle
 - The outcome was that under the umbrella of our strategic plan pillars – which were confirmed as fit-for-purpose during our consultation – we have identified 10 priority areas: marketing strategy refresh, consumer-based market insights, sector-wide sustainability plan, sector-wide digital and data plan, no- and low-alcohol wine investments, grape production and quality, grapevine breeding, supply chain profitability and optimisation, improving market transparency, and regional program and leadership. New activities and investments to address these priorities has commenced
 - Our RD&A investments fit within a balanced portfolio of
 - project term – investments range from short-term projects that will be completed in under two years, to medium-term ones (two to four years), to long-term projects (over four years).
 - different risk categories – low-risk applied R&D, and medium- and higher-risk blue-sky research, where success is less assured but, if it were successful, the outcome would be very valuable to the sector and the sector will be more prepared for future opportunities
 - investment types – strategic, adaptive, capability building and extension
 - geographical focus – with either a national or regional focus
 - The balance across these categories is assessed at least annually, and as noted above, we periodically consult with the sector to ensure our investments meet their immediate and longer term needs as well as align to this performance principle.
 - We apply the guiding principles of the Australian Government's RDC Knowledge Transfer and Commercialisation Guide in assessing proposals for new investment. In particular:
 - all new investments have a feasible and effective adoption pathway
 - intellectual property ownership and rights are contractually defined and designed to maximise adoption by levy-payers
 - commercialisation focuses on sector benefit through adoption and on return to Australia
 - publication is encouraged and access to funded work and global grape and wine relevant literature is available through support of the AWRI Library
 - We collect metrics on the value delivered by our extension and adoption activities aimed at facilitating adoption of new technologies. On average
 - at least 75 per cent of attendees at extension and adoption workshops, seminars and webinars rated these events 'very good' or 'excellent'
 - at least 80 per cent of attendees intend to change or reassess their practices based on the information received
-

Performance principles

Performance Principle 3 – Collaboration

Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.

- Wine Australia is a contributor to Agricultural Innovation Australia and is a partner on its Common Carbon Methods project.
- Wine Australia is a member of the Plant Biosecurity Research Initiative (PBRI), and partner with other plant RDCs, organisations and providers on cross sectoral biosecurity projects through PBRI such as:
 - National Coordinator for Xylella Preparedness
 - Brown Marmorated Stink Bug eDNA project
 - Xylella vectors project
 - ARC Industrial transformation research Hub for sustainable crop protection – Bioclay
 - Viticultural Industry Biosecurity Plan (with table grapes and dried fruits)
 - Boosting Diagnostic Capacity for Plant Production Industries project
 - iMapPests – biosecurity surveillance
- Wine Australia is a collaborator on:
 - Forewarned is Forearmed: managing the impacts of extreme climate events (with multiple RDCs and Bureau of Meteorology)
 - Primary Industries Education Foundation Australia (multiple industries, promoting agriculture as a career choice)
 - Diversity in Agriculture Leadership Program (led by National Farmers' Federation, multiple plant industries)
- We have strongly engaged with growAG since its inception. The first-time metrics were released, Wine Australia's six listed commercial opportunities (the second highest number on the platform) had attracted 28 enquiries (the second highest number of any RDC).
- Dr John Harvey, AgriFutures CEO noted that
 - "Paul [Wine Australia Senior RD&A Program Manager] in particular has been a champion of growAG and his proactive approach to seeking commercial pathways for Wine Australia's research outcomes is gaining momentum."
- Our current and completed projects are listed on the site, as are future opportunities. We have received more than 40 enquiries about commercial opportunities.
- One of the commercial opportunities – 'Vine Nutrition App' – has successfully attracted a commercial partner and a licensing agreement has been executed.
- In 2021–22, Wine Australia's metrics included:
 - 70 research projects on growAG out of a total of 2,600+ research projects on the site
 - 11 commercial opportunities showcased on growAG in 2021–22 out of 130
 - 2 enquiries received via the growAG concierge about research projects and 61 relating to commercial opportunities in 2021–22

Performance Principle 4 – Governance

Governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of Funds.

- Wine Australia maintains a robust governance framework that ensures a clear and consistent approach to governance across the organisation.
- Effective governance structures allow Wine Australia to manage affairs with proper oversight and accountability, to create value for stakeholders through sound investment and innovation and provide accountability and control systems commensurate with associated risks.
- In addition, Wine Australia maintains a policy framework that:
 - ensures a clear and consistent governance and management approach is adopted when developing all Wine Australia policies that enables improved compliance with relevant legislative and regulatory requirements
 - enables efficient and effective decision making, which incorporates quality assurance and risk management practices, where appropriate, and
 - establishes clear accountabilities and delegated authorities for individual roles and groups.

Performance Principle 5 – Monitoring and Evaluation

Demonstrate positive outcomes and delivery of RD&A and marketing benefits to levy payers and the Australian community in general, and continuous improvement in governance and administrative efficiency.

- We undertake an annual cost-benefit analysis of randomly selected RD&A projects following the well-established guidelines used within the Australian rural research sector including RDCs, Cooperative Research Centres and some universities.
- We undertake specific industry-wide interview style surveys on practice change and adoption of specific innovations.
- The outcomes of the cost-benefit analyses and reports of the surveys are published on our website and in our Annual Report.
- Learnings are incorporated into future activities and investments.

Performance 2021–22

Annual Performance Statement

This Annual Performance Statement for the 2021–22 annual reporting period has been prepared in accordance with section 39(1)(a) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). In the opinion of the Wine Australia Board (as the authority accountable pursuant to section 12 of the PGPA Act), the Annual Performance Statements:

- accurately present Wine Australia's performance during the reporting period, and
- comply with subsection 39(2) of the PGPA Act.

Further information about our performance against the Annual Operational Plan can be found within the Activities and Achievements section between pages 11 and 25.

Financial overview

During 2021–22, Wine Australia recorded an operating surplus of \$0.9 million.

Our revenue comes from two main sources: winegrape growers, processors and exporters who pay statutory levies, and the Australian Government, which matches levies invested in eligible RD&A activities.

There are three levies: the Wine Grape Levy and the Grape Research Levy, which are based on winegrape production, and the Wine Export Charge, which is based on the FOB value of wine exports.

Approximately 36 per cent (\$20.2 million) of 2021–22 revenue came from the two levies and the Wine Export Charge and 28 per cent of revenue (\$15.3 million) from the Australian Government matching contributions.

Revenue from regulatory fees made up 6 per cent (\$3.2 million) of income, and activity-based user-pays wine sector contributions to marketing activities made up 6 per cent (\$3.4 million) of total revenue for 2021–22.

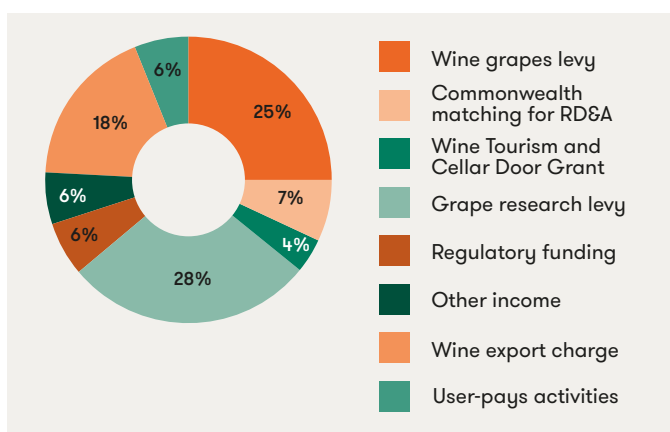
Net assets were \$11.2 million at 30 June 2022 and financial assets were \$14.1 million, all of which was cash and receivables. Payables were \$4.6 million.

Full details of our finances are included in the Financial Statements section of this report.

Table 6: Revenue by source 2021–22

Source	\$m	
Levies		
Wine grapes levy	13.68	25%
Grape research levy	3.98	7%
Wine export charge	2.52	4%
Commonwealth matching for RD&A	15.26	28%
Regulatory funding	3.23	6%
User-pays activities	3.42	6%
Wine Tourism and Cellar Door Grant	10.00	18%
Other income	3.17	6%
Total income	55.26	100%

Figure 7: Revenue by source (percentage of dollar value)



Investment Allocation

Table 7: Expenditure by strategy 2021-22

Strategy area	\$m	
Strategy 1: Market Australian wine	7.95	15%
Strategy 2: Protect the reputation of Australian wine	2.71	5%
Strategy 3: Enhance grape and wine excellence	12.98	24%
Strategy 4: Grow sustainable environments	7.02	13%
Strategy 5: Build business sustainability, excellence and leadership	7.29	13%
\$50M Package	0.79	1%
Wine Tourism and Cellar Door Grant	10.00	18%
Support functions	4.73	9%
Levy collection costs	0.84	2%
Total expenditure	54.31	100%

Figure 8: Expenditure by strategy (percentage of dollar value)

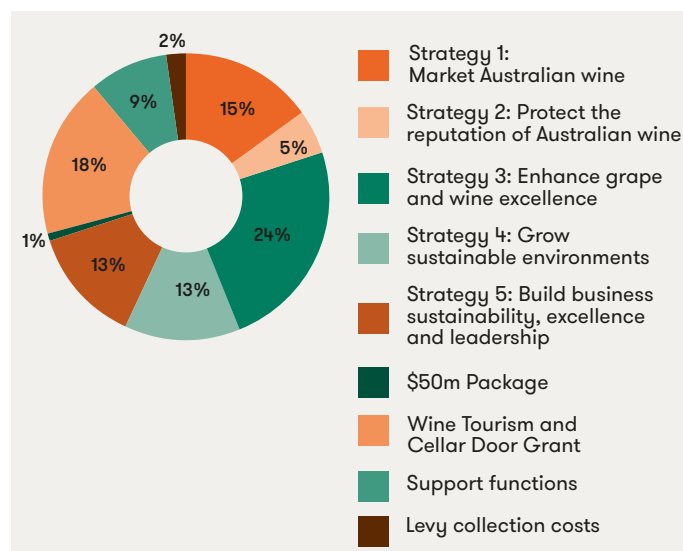
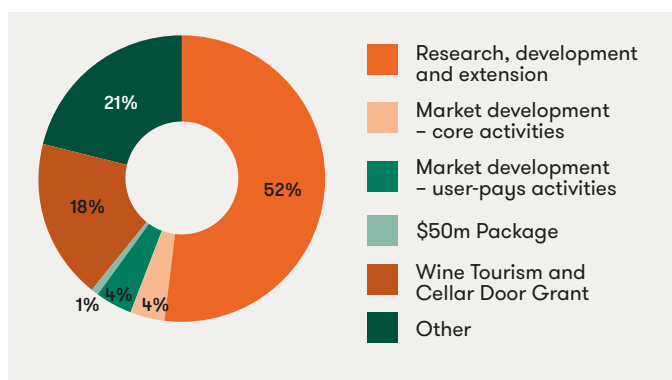


Table 8: Expenditure by activity area 2021-22

Activity	\$m	
Research, development and adoption	27.64	52%
Market development - core activities	2.32	4%
Market development - user-pays activities	2.32	4%
\$50M Package	0.79	1%
Wine Tourism and Cellar Door Grant	10.00	18%
Other	11.24	21%
Total activity expenditure	54.31	100%

Figure 9: Expenditure by activity area (percentage of dollar value)





A balanced portfolio

Wine Australia's Strategic Plan 2020-25 guides the direction of our activities and expenditure. Throughout 2021-22, we sought to continuously engage with the Australian grape and wine community to ensure our Strategic Plan is shaped by the needs of the sector.

In 2021-22, we were able to engage directly with our customers as part of the incoming CEO's 'listening tour', to identify key research and marketing priorities. This included:

- more than 150 individual engagement meetings with 33 major levy payers
- face-to-face meetings with the AG&W Board and Executive, and
- teleconferences and face-to-face meetings with state and regional representative organisations.

Wine Australia's strategy, research and marketing priorities are informed by membership on several of AG&W's committees: the Research Advisory Committee, the Wine Industry Market Access Group, the Sustainability Advisory Committee, and the Wine Industry Technical Advisory Committee. The Joint Strategy Committee continued to provide advice to both AG&W and Wine Australia on strategy and shared strategic activities.

The Strategic Plan 2020-25 is informed by the ongoing extensive customer consultation undertaken in conjunction with AG&W, by the grape and wine sector's 30-year plan Vision 2050, and by the Australian Government's Science and

Research Priorities and Rural Research, Development and Extension Priorities (now named the National Agricultural Innovation Priorities as of 2022-23).

While we receive RD&A funding from two separate levies, we do not differentiate between viticultural and winemaking research as the distinction is artificial – viticultural research often has a winemaking outcome and winemaking research often requires viticultural input.

Instead, our RD&A investments aim to increase the sector's long-term profitability and sustainability, which benefits all levy payers and the wider community.

Our investments in 2021-22 ranged from short-term projects that will be completed in under two years, to medium-term ones (two to four years), to long-term projects (over four years).

We also invested in different risk categories: low-risk applied RD&A, and medium- and high-risk blue-sky research, where success is less assured but, if it were successful, the outcome would be very valuable to the sector.

In deciding which RD&A project applications to fund, we ranked proposals by likelihood of success as well as by their extension and adoption potential. This helped us assess each proposal based on the level of benefit that would be delivered to our levy payers and to the Australian wine community. The charts and tables on the following pages provide an overview of how our investments are allocated across project term, risk category, research type and geographical focus.

Table 9: Investment by project term 2021-22

Project term	Number of projects		Actuals 2021-22	
Short (<2 years)	38	35%	\$2,913.7	12%
Medium (2-4 years)	49	46%	\$4,200.9	17%
Long (>4 years)	21	19%	\$17,745.3	71%
Total	108	100%	\$24,859.9	100%

Figure 10: Investment by project term (percentage of dollar value)

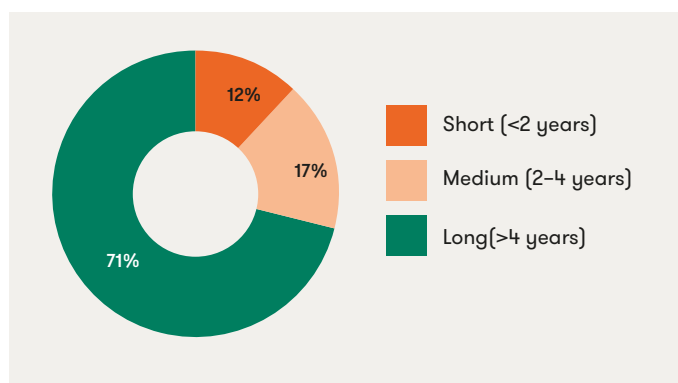


Table 11: Investment by research type 2021-22

Research type	Number of projects		Actuals 2021-22	
Extension	31	29%	\$1,594.3	6%
Capability	38	34%	\$606.0	2%
Strategic	20	19%	\$20,815.1	85%
Adaptive	19	18%	\$1,844.5	7%
Total	108	100%	\$24,859.9	100%

Figure 12: Investment by research type (percentage of dollar value)

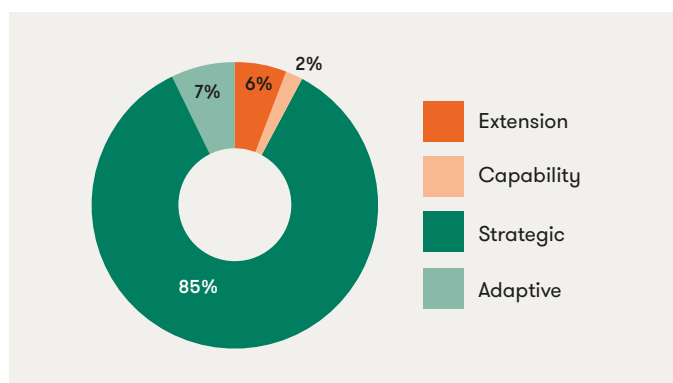


Table 10: Investment by risk category

Risk	Number of projects		Actuals 2021-22	
Low	51	48%	\$7,314.8	29%
Medium	21	19%	\$16,023.9	65%
High	36	33%	\$1,521.2	6%
Total	108	100%	\$24,859.9	100%

Figure 11: Investment by risk category (percentage of dollar value)

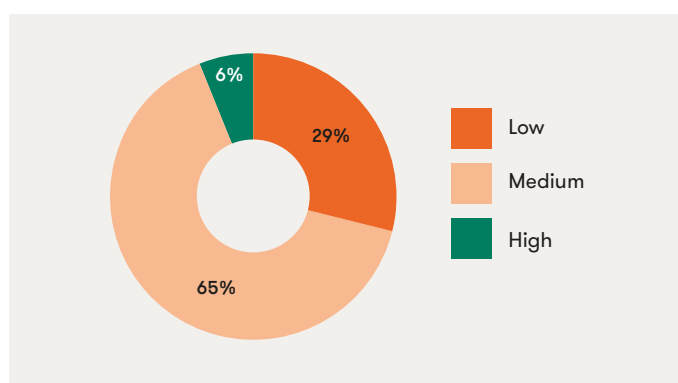
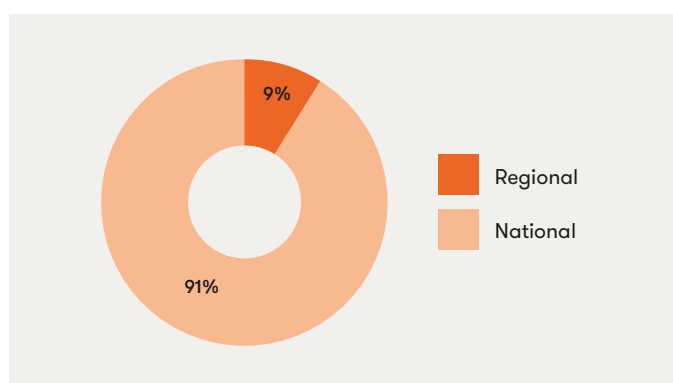


Table 12: Investment by research focus 2021-22

Geographic focus	Number of projects		Actuals 2021-22	
Regional	21	19%	\$2,225.8	9%
National	87	81%	\$22,634.1	91%
Total	108	100%	\$24,859.9	100%

Figure 13: Investment by research focus (percentage of dollar value)



Key performance indicators

We have nine key performance indicators against which we measure and report our activities and outcomes in support of our strategic priorities and the Australian Government priorities.

In 2021–22, outcomes continued to be heavily impacted by restrictions resulting from the COVID-19 pandemic, and the imposition of deposit tariffs on Australian wine imported to China that were introduced in October 2020.

The key performance indicators for 2021–22 and outcomes are detailed in Table 13.

Table 13: Performance against Agriculture Portfolio Budget Statements 2021–22 measures

Key performance indicators	Target	Outcome
Wine Australia		
We improve our stakeholder net promoter score from 2020 baseline.	Above +12	In 2021–22, we focused instead on the creation of the above Stakeholder Engagement Plan (now referred to as the Customer Engagement Plan), the onboarding of the new CEO, and the strategic plan refresh. Now that this has been completed, we have commenced the design of our next Stakeholder Engagement Survey, to be completed before the end of 2022–23.
RD&A		
Research contracts are actively managed through regular and ongoing monitoring of the research.	100%	100%
Market Insights customers are satisfied or very satisfied with the services they receive.	>90%	During the year, 40 individual analyst sessions were booked by our levy-payers. The 'Ask an Analyst' sessions were heavily promoted throughout the year to encourage usage.
Levy payers who participate in Wine Australia-supported extension and adoption programs consider them a good or very good use of levy funds.	80%	Australian Grape & Wine (AG&W) Research Advisory Committee continue to assist in identifying and prioritising extension and adoption priorities. Monitoring and evaluation metrics across Wine Australia supported extension activities with the Australian Wine Research Institute and the Australian Society of Viticulture and Oenology indicate that events overall are delivering value – on average at least 75 per cent of attendees at workshops, seminars and webinars rated these events 'very good' or 'excellent' and at least 80 per cent of attendees intend to make changes to current practices, reassess current practices, seek extra information or discuss with peers about making changes to their current practices.
Marketing		
Tier A influencers actively engage with Wine Australia	85%	73 per cent of Tier A influencers actively engaged with Wine Australia through marketing activities.
The perception of Australian wine increases in Canada, the UK and the USA.	Increase above 2020 baseline	The annual Wine Intelligence survey showed the average consumer perception of Australian wine increased in each market from the previous year. The stretch 8.6 key performance indicator was not achieved, due to the continued impacts of the pandemic and reduced activity in market. Canada increased from 8.20/8.07 to 8.36/8.33. UK increased from 8.22 to 8.39. USA increased from 8.29 to 8.30. For paid social media, we achieved a 22 per cent engagement rate for Facebook and Instagram.
Wineries and distributors who participate in Wine Australia events report that they are satisfied or very satisfied.	>90 per cent	Average satisfaction rating across marketing campaigns was 87 per cent. 73 per cent of participants in the US Market Entry Program have commenced export to the USA or have an agreement to commence export. 19 participants in Explore Canada commenced export or have an agreement to commence export (two programs in 2021–22). Nine participants in Explore UK commenced export (one program held over to financial year 2023). Additional wineries which have participated in the US Market Entry Program and Explore programs have indicated they anticipate commencing export in short to medium-term.
Regulatory Services		
Achieve the six key performance indicators in our Regulator Performance Framework.	Achieved	Achieved

Through our Label Integrity Program, we inspect producers' records, focusing on those relating to wine regions and varieties in particular demand.

300
Inspections
of records
kept under
the Label
Integrity
Program

Following the abolishment of the Regulator Performance Framework in 2021–22, we worked with the Department to develop a Statement of Intent in response to a Statement of Expectation issued in accordance with the Regulator Performance Guide published by the Department of Prime Minister and Cabinet.

We promoted and monitored compliance with the Label Integrity Program (LIP) by:

- inspecting the records pertaining to more than 1300 labels prior to granting export approval to verify compliance with the record keeping requirements mandated under the LIP and the truthfulness of claims made about vintage, variety, and origin
- maintaining and promoting our WineWatch portal through which suspected incidences of non-compliance can be reported anonymously
- investigating all alleged breaches of the labelling and record keeping provisions set out in the *Wine Australia Act 2013* and the Forest Stewardship Council (FSC)
- inspecting the LIP records kept by 174 Australian wine producers to verify whether records are being kept in accordance with the LIP
- maintaining WALAS to ensure that product composition and label descriptions are automatically reconciled to verify compliance with the FSC and the labelling laws set out in the *Wine Australia Act 2013*, and launching and maintaining Export Label Image Search System.

Alignment with Australian Government priorities

Our research program investment (including administrative expenses) aligned with the Australian Government's Science and Research Priorities (Table 14) and Rural Research, Development and Extension Priorities (Table 15).

Table 14: Wine Australia research program spending aligned with the Australian Government's Science and Research Priorities 2021–22

Wine Australia strategies	Food 1.1	Food 1.3	Soil and water 2.2	Soil and water 2.3	Advanced manufacturing 7.2	Environmental change 8.1	Environmental change 8.3	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Strategy 2: Protect the reputation of Australian wine		350.3 (1.4%)						350.3 (1.4%)
Strategy 3: Enhance grape and wine excellence		9,093.5 (36.6%)			(124.2) -(0.5%)		3,383.6 (13.6%)	12,352.9 (49.7%)
Strategy 4: Grow sustainable environments		3,249.0 (13.1%)		486.3 (2.0%)		13.5 (0.1%)	2,699.3 (10.8%)	6,448.1 (26.0%)
Strategy 5: Build business sustainability, excellence and leadership	143.8 (0.6%)	5,272.5 (21.2%)	82.4 (0.3%)	10.0 < 0.1%	56.0 (0.2%)	24.8 (0.1%)	119.1 (0.5%)	5,708.6 (23.0%)
Total	143.8 (0.6%)	17,965.3 (72.3%)	82.4 (0.3%)	496.3 (2.0%)	(68.2) -(0.3%)	38.3 (0.2%)	6,202.0 (24.9%)	24,859.9 (100.0%)

Table 15: Wine Australia research program spending aligned with the Australian Government's Rural Research, Development and Extension Priorities 2021–22

Wine Australia strategies	Rural Research and Development Priorities				Total
	Advanced Technology	Biosecurity	Soil, water and managing natural resources	Adoption of research and development	
	\$000	\$000	\$000	\$000	\$000
Strategy 2: Protect the reputation of Australian wine	325.3 (1.3%)			25.0 (0.1%)	350.3 (1.4%)
Strategy 3: Enhance grape and wine excellence	8,899.4 (35.8%)		3,383.6 (13.6%)	69.9 (0.3%)	12,352.9 (49.7%)
Strategy 4: Grow sustainable environments	996.5 (4.0%)	594.8 (2.4%)	4,856.8 (19.5%)		6,448.1 (25.9%)
Strategy 5: Build business sustainability, excellence and leadership	3,863.8 (15.6%)		276.4 (1.1%)	1,568.4 (6.3%)	5,708.6 (23.0%)
Total	14,085.0 (56.7%)	594.8 (2.4%)	8,516.8 (34.2%)	1,663.3 (6.7%)	24,859.9 (100.0%)

Export and Regional Wine Support Package

The background

In 2021–22, the outstanding components of the \$50m Export and Regional Wine Support Package (\$50m Package) were finalised, and all reporting has been approved by the Community Grants hub and the Department of Agriculture, Forestry and Fisheries.

This one-off investment of \$50 million over four years was designed to grow the Australian wine sector by driving demand for Australian wine exports and strengthening wine export and wine tourism capability.

Wine Australia had responsibility for administering the \$50m Package, in accordance with the Commonwealth Funding Agreement. Delivery commenced in 2017–18, following extensive consultation with the Australian grape and wine sector.

Wine Australia worked with the Australian grape, wine, tourism and cider communities to deliver the following programs.

- **Program 1** – Accelerating growth in international demand (\$32.2m)
- **Program 2a** – Capability development programs (\$2.5m)
- **Program 2b and 3** – Wine export, state-based and competitive grants (\$10.8m), and
- **Program 4** – development of a brand strategy for the craft cider industry (\$0.5m).

The original intention was for \$50m Package-funded activities to be completed by 30 June 2020. However, the former Minister for Agriculture, Drought and Emergency Management, the Hon. David Littleproud MP approved the extension of funding to 2020–21 to accommodate activities impacted by the COVID-19 pandemic. A further extension of the second round of the Wine Export Grants was later approved by the Minister, given the impact of COVID-19 travel restrictions and China's deposit tariffs on promotional and travel expenditure and hence the timing of claims for wine export promotional activity.

Independent review

An independent performance evaluation of the \$50m Package was completed by Deloitte Access Economics. The report confirmed that, despite the challenges posed by the COVID-19 pandemic and the imposition of significant deposit tariffs on bottled Australian wine imported to mainland China, Wine Australia's diligent administration of the \$50m Package had successfully facilitated the growth of the Australian grape and wine sector by increasing demand for Australian wine exports and international wine tourism, as well as strengthening wine export and international wine tourism capabilities.

A copy of the full report is available on the Wine Australia website, along with Wine Australia's management response: www.wineaustralia.com/about-us/performance-and-reporting.

Financials

The entire \$50 million was invested across the four programs and includes operational expenditure.

Table 16: \$50m Package funding as planned and as adjusted

	2017–22 Plan	2017–22 Actual
Accelerating growth international demand	\$32.5m	\$32.2m
Targeted multi-year marketing campaigns to improve perception and awareness of Australian wine.		
Capability development	\$2m	\$2.5m
Development and delivery of education programs and toolkits to improve the ability of wine businesses to capture export opportunities.		
Grants and wine tourism	\$11.0m	\$10.8m
Wine export grants to build the capacity of wine businesses to capture export opportunities.		
State-based and competitive grants for initiatives that increase international wine tourist numbers and expenditure across the states and regions.		
Transforming cider businesses	\$0.5m	\$0.5m
Development of a brand proposition and go to market strategy for the Australian craft cider industry.		
Administration and operations	\$4.0m	\$4.0m
Administration and operational expenditure to manage the \$50m Package.		

Wine Export Grants and administration

To allow wine producers to diversify their marketing strategies and adapt to changing conditions, round two of the \$1 million Wine Export Grants program was expanded in 2020–21 to include eligible promotional activities in all markets with an expanded scope of eligible expenses. The program funding balance of \$736,000 was fully exhausted by November 2021. Wine Australia also incurred \$57,000 of administration costs towards the management of this program.

Enduring benefits

The \$50m Package continues to deliver value for the sector through its many legacy benefits, many of which are detailed in our [Resource Guide](#), and can be accessed on our website.

We have continued to invest in the Australian Wine Made Our Way brand, in the Australian Wine Discovered educational resources and in capability building initiatives. In 2021–22, in

partnership with Austrade through the Agri-Business Expansion Initiative (ABEI) grants, we built on the resources and opportunities from the \$50m Package in supporting wineries to join Australian Wine Connect, translated 13 Australian Wine Discovered education presentations into six Asian languages, created an Export Ready Hub and developed a Wine Tourism Ready online course.

A significant portion of the \$50m Package focused on the US market with multiple brand building campaigns and trade and consumer activations held in the years prior to the pandemic. Current export figures show strong growth in the US in both value (9 per cent) and volume (10 per cent) with 306 exporters now in market (up from 191 in 2012).

The \$50m Package allowed us to deliver a significant level of value to the Australian wine sector and has created enduring benefits as we continue to drive the demand for Australian wine globally.

Highlights of the \$50m Package and a summary of the enduring benefits can be viewed here: [www.wineaustralia.com/whats-happening/highlights-of-the-\\$50m-package](http://www.wineaustralia.com/whats-happening/highlights-of-the-$50m-package).



Financial statements





Australian Government

Wine Australia

Statement made by the Board of Wine Australia

This statement is made by the Board of Wine Australia (as the accountable authority pursuant to section 12 of the *Public Governance Performance and Accountability Act 2013* [PGPA Act] in accordance with subsection 16F of the *Public Governance Performance and Accountability Rule 2014* [PGPA Rule].

We, being the undersigned, certify that in our opinion the annual performance statements prepared for Wine Australia for the 2021–22 reporting period in accordance with section 16F of the PGPA Rule:

- a) accurately present Wine Australia's performance, and
- b) comply with section 39(2) of the PGPA Act.² We confirm that this statement is made by the Wine Australia Board in accordance with a resolution of the Board.

Signed:

A handwritten signature in black ink, appearing to read 'M. Allan'.

Dr Michele Allan

Chair of the Board of Wine Australia

21 September 2022

² Being that they:

- provide information about the entity's performance in achieving its purposes, and
- comply with the requirements prescribed by the PGPA Rule.



Australian Government

Wine Australia

Statement by the Accountable Authority, Chief Executive and Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2022 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

In our opinion, at the date of this statement, there are reasonable grounds to believe that Wine Australia will be able to pay its debts as and when they fall due.

This statement is made in accordance with a resolution of the directors.

Signed:

A handwritten signature in black ink, appearing to read 'M. Allan'.

Dr Michele Allan
Chair of the Board of Wine Australia

Signed:

A handwritten signature in black ink, appearing to read 'M. Cole'.

Martin Cole
Chief Executive Officer

Signed:

A handwritten signature in black ink, appearing to read 'S. Weinert'.

Steven Weinert
General Manager of Corporate Services
(being the person responsible for the preparation of the financial statements)

21 September 2022



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

Opinion

In my opinion, the financial statements of Wine Australia (the Entity) for the year ended 30 June 2022:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2022 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following as at 30 June 2022 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive and Chief Financial Officer;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a summary of significant accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Entity in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022 but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Accountable Authority's responsibility for the financial statements

As the Accountable Authority of the Entity, the Wine Australia Directors are responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Simplified Disclosures and the rules made under the Act. The Wine Australia Directors are also responsible for such internal control as the Wine Australia Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Wine Australia Directors are responsible for assessing the ability of the Entity to continue as a going concern, taking into account whether the Entity's operations will cease as a result of an administrative restructure or for any other reason. The Wine Australia Directors are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the assessment indicates that it is not appropriate.

Auditor's responsibilities for the audit of the financial statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accountable Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Fiona Sheppard
Acting Executive Director

Delegate of the Auditor-General

Canberra
27 September 2022

Statement of comprehensive income for the year ended 30 June 2022

	Notes	Actuals 2022 \$	Actuals 2021 \$	Budget 2022 \$
Net cost of services				
Expenses				
Expenditure on research and development contracts	1.1A	24,859,871	24,596,660	21,888,000
Employee benefits	1.1B	8,883,153	10,559,664	8,330,000
Suppliers	1.1C	7,464,671	9,442,967	7,298,000
Grants	1.1D	10,736,342	11,005,542	10,750,000
Depreciation and amortisation	1.1E	1,516,651	1,943,495	1,599,000
Finance costs	1.1F	1,940	16,114	23,000
Impairment loss on financial instruments	1.1G	8,033	9,394	2,000
Write-down and impairment of other assets	1.1H	-	631	-
Foreign exchange losses	1.1I	34,687	50,495	-
Levy collection fees	1.1	843,454	1,048,462	985,000
Total expenses		54,348,802	58,673,424	50,875,000
LESS:				
Own-source income				
Own-source revenue				
Industry contributions	1.2A	20,168,475	16,758,561	18,554,000
Sale of goods and rendering of services	1.2B	6,691,071	4,819,235	4,342,650
Rental income	1.2C	19,406	150,453	3,000
Research and development contributions	1.2D	2,965,234	1,598,046	2,223,350
Interest	1.2E	21,042	39,639	24,000
Total own-source revenue		29,865,228	23,365,934	25,147,000
Gains				
Gains from sale of assets	1.2F	3,873	-	-
Total gains		3,873	-	-
Net cost of services		(24,479,701)	(35,307,490)	(25,728,000)
Revenue from government				
Australian Government matching contributions	1.2G	15,259,494	14,157,162	13,678,000
Other grants from Government	1.2G	10,164,850	10,379,344	10,050,000
Total revenue from Government		25,424,344	24,536,506	23,728,000
Surplus/(Deficit) attributable to the Australian Government		944,643	(10,770,984)	(2,000,000)
Total comprehensive income/(loss) attributable to the Australian Government		944,643	(10,770,984)	(2,000,000)

The above statement should be read in conjunction with the accompanying Notes. Commentary on budget variances has been included in Other information within the Notes.

Statement of financial position as at 30 June 2022

	Notes	Actuals 2022 \$	Actuals 2021 \$	Budget 2022 \$
Assets				
Financial assets				
Cash and cash equivalents	2.1A	8,664,803	6,659,275	7,017,000
Trade and other receivables	2.1B	5,479,240	3,570,313	2,343,000
Other investments - Deposits at Bank		-	-	3,000,000
Total financial assets		14,144,043	10,229,588	12,360,000
Non-financial assets				
Buildings (Right of Use)	2.2A	1,238,474	9,910	911,000
Minor leasehold improvements	2.2A	-	3,928	-
Minor plant and equipment	2.2A	145,626	107,595	345,000
Intangibles	2.2A	2,365,929	3,504,480	2,435,000
Prepayments	2.2B	384,759	1,128,824	2,009,000
Total non-financial assets		4,134,788	4,754,737	5,700,000
Total assets		18,278,831	14,984,325	18,060,000
Liabilities				
Payables				
Suppliers - Trade Creditors and Accruals	2.3	1,001,939	657,228	551,000
Research and development contracts	2.3A	1,599,600	353,514	624,000
Other payables	2.3B	1,946,242	1,885,748	440,000
Total payables		4,547,781	2,896,490	1,615,000
Interest bearing liabilities				
Leases	2.4A	1,244,436	9,724	846,000
Total interest bearing liabilities		1,244,436	9,724	846,000
Provisions				
Employee provisions	4.1	1,262,160	1,773,300	1,520,000
Other provisions	2.5A	75,000	100,000	103,000
Total provisions		1,337,160	1,873,300	1,623,000
Total liabilities		7,129,377	4,779,514	4,084,000
Net assets		11,149,454	10,204,811	13,976,000
Equity				
Retained surplus		11,149,454	10,204,811	13,976,000
Total equity		11,149,454	10,204,811	13,976,000

The above statement should be read in conjunction with the accompanying Notes. Commentary on budget variances has been included in Other information within the Notes.

Statement of changes in equity for the year ended 30 June 2022

	Actuals 2022 \$	Actuals 2021 \$	Budget 2022 \$
Retained earnings and total equity			
Opening balance			
Balance carried forward from previous period	10,204,811	20,975,795	15,976,000
Opening balance	10,204,811	20,975,795	15,976,000
Comprehensive income			
Surplus/(Deficit) for the period	944,643	(10,770,984)	(2,000,000)
Total comprehensive income	944,643	(10,770,984)	(2,000,000)
Closing balance as at 30 June	11,149,454	10,204,811	13,976,000

The above statement should be read in conjunction with the accompanying Notes. Commentary on budget variances has been included in Other information within the Notes.

Cash flow statement for the year ended 30 June 2022

	Notes	Actuals 2022 \$	Actuals 2021 \$	Budget 2022 \$
Operating activities				
Cash received				
Australian Government matching contributions		13,488,768	14,088,793	13,678,000
Other receipts from Government		11,181,335	11,417,278	10,050,000
Industry contributions		20,730,044	16,619,823	18,554,000
Sale of goods and rendering of services		6,257,553	5,833,908	4,344,000
Rental income		21,346	165,498	-
Interest		21,042	39,760	24,000
Research and development contributions and refunds		3,261,757	1,757,850	2,223,000
Net GST received		2,293,522	2,548,662	2,603,000
Other receivables		-	3,290	18,000
Total cash received		57,255,367	52,474,862	51,494,000
Cash used				
Employees		(9,415,912)	(10,371,658)	(8,330,000)
Suppliers		(7,488,353)	(10,124,351)	(8,783,000)
Expenditure on research and development contracts and other grants		(37,941,451)	(39,421,190)	(34,741,000)
Borrowing costs		(1,940)	(16,114)	(23,000)
Total cash used		(54,847,656)	(59,933,313)	(51,877,000)
Net cash from/(used by) operating activities		2,407,711	(7,458,451)	(383,000)
Investing activities				
Cash received				
Proceeds from sales of property, plant and equipment		4,637	3,050	-
Proceeds from investments		-	25,046,794	10,000,000
Total cash received		4,637	25,049,844	10,000,000
Cash used				
Purchase of plant and equipment		(97,029)	(87,218)	(390,000)
Purchase of intangibles		-	(231,865)	(132,000)
Purchase of investments		-	(15,018,733)	(10,000,000)
Total cash used		(97,029)	(15,337,816)	(10,522,000)
Net cash from/(used by) investing activities		(92,392)	9,712,028	(522,000)
Finance activities				
Cash used				
Principal payments of lease liabilities		(309,791)	(587,868)	(295,000)
Total cash used		(309,791)	(587,868)	(295,000)
Net cash from/(used by) finance activities		(309,791)	(587,868)	(295,000)
Net increase/(decrease) in cash held		2,005,528	1,665,709	(1,200,000)
Cash and cash equivalents at the beginning of the reporting period		6,659,275	4,993,566	8,217,000
Cash and cash equivalents at the end of the reporting period	2.1A	8,664,803	6,659,275	7,017,000

The above statement should be read in conjunction with the accompanying Notes. Commentary on budget variances has been included in Other information within the Notes.

Notes to and forming part of the Financial Statements for the year ended 30 June 2022

Overview

Objective of Wine Australia

Wine Australia is a corporate Commonwealth entity.

The objectives of Wine Australia are to:

- coordinate or fund grape and wine research and development (R&D) and facilitate the dissemination, adoption and commercialisation of the results
- control the export of wine from Australia, and
- promote the sale and consumption of wine, both in Australia and overseas.

We seek to foster and encourage profitable, resilient and sustainable Australian wine grape and wine businesses by investing in research and development, building markets, disseminating market information and knowledge, encouraging adoption and ensuring compliance through our regulatory functions. Our governance and operations seek to achieve the best possible return on the investment of our R&D, marketing and regulatory funds.

Our vision is for Australian wine to be enjoyed and respected globally.

Wine Australia refers to the Department of Agriculture, Fisheries and Forestry as that is the responsible portfolio department from 1 July 2022. Prior to this the responsible department was Department of Agriculture, Water and the Environment.

The basis of preparation

The financial statements are general purpose financial statements and are required by section 42 of the Public Governance, Performance and Accountability Act 2013.

The financial statements have been prepared in accordance with:

- section 42 of the Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR); and
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost convention, except for certain assets and liabilities at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial

statements are presented in Australian dollars.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to Wine Australia or a future sacrifice of economic benefits will be required and the amounts of the assets or liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the contingencies note.

Unless alternative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured. No accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

New Australian Accounting Standards

Adoption of new Australian Accounting Standard requirements

All new standards, amendments to standards, revised standards, and interpretations that were issued prior to the sign-off date did not have a material effect on the entity's financial statements.

Future Australian Accounting Standard requirements

No amendments to standards, revised standards and interpretations that have been issued by the AASB that are applicable to future reporting periods are expected to materially affect Wine Australia's financial statements.

Taxation

Wine Australia is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST, except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office, and
- for receivables and trade creditor payables.

Events after the reporting period

There has been no event after the reporting period with the potential to significantly affect the ongoing structure and financial activities of Wine Australia.

Financial performance

This section analyses the financial performance of Wine Australia for the period ended 30 June 2022.

Note 1.1: Expenses

Accounting Policy - Expenses

Research and development contracts

Most research and development (R&D) contracts require the research provider to perform services, provide facilities or meet eligibility criteria. In these cases, liabilities are recognised only to the extent that the services required have been performed or the eligibility criteria have been satisfied by the research provider. In cases where R&D contracts are made without conditions to be monitored, liabilities relating to the financial year ending 30 June 2022 are recognised on signing of the contract.

Market research costs include data and contract work completed for our market insights program.

Employee benefits

Accounting policies for employee-related expenses are contained in the People and relationships section.

Suppliers

Short-term leases and leases of low-value assets

Wine Australia has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Grants

Grant liabilities are recognised to the extent that (i) the services required to be performed by the grantee have been performed or (ii) the grant eligibility criteria have been satisfied, but payments due have not been made. When the Government enters into an agreement to make these grants and services but services have not been performed or criteria satisfied, this is considered a commitment.

Finance costs

All borrowing costs are expensed as incurred.

Foreign currency

Transactions denominated in a foreign currency are converted at the exchange rate from the beginning of each month. Foreign currency receivables and payables are translated at the exchange rates current as at balance date. Associated currency gains and losses are brought to account in the Statement of Comprehensive Income.

Levy collection fees

The levy collection fee is a charge from the Department of Agriculture, Fisheries and Forestry for the collection of various wine industry levies. The costs are recognised as an expense in the Statement of Comprehensive Income on a quarterly basis.

Note 1.1A: Expenditure on research and development contracts

	2022 \$	2021 \$
Public sector		
Australian Government entities	4,249,428	4,074,010
State and territory governments	2,334,225	2,768,090
Universities/colleges	3,221,462	4,704,851
Private sector		
The Australian Wine Research Institute	11,202,014	9,276,750
Other organisations	3,311,137	2,810,308
Market research costs	543,670	469,410
Rural R&D for Profit Program	(2,065)	493,241
Total expenditure on research and development contracts	24,859,871	24,596,660

Note 1.1B: Employee benefits

	2022 \$	2021 \$
Wages and salaries	7,840,984	9,330,742
Superannuation:		
Defined contribution plans	504,300	607,948
Defined benefit plans	40,412	123,246
Leave and other entitlements	215,865	211,968
Separation and redundancies	281,592	285,760
Total employee benefits	8,883,153	10,559,664

Note 1.1C: Suppliers

	2022 \$	2021 \$
Goods and services supplied or rendered		
Occupancy costs	98,560	148,745
Contractors	115,100	153,314
Communications	69,963	73,370
Information technology	2,201,287	3,471,684
Marketing costs	3,916,853	4,038,727
Outside services	74,583	80,363
Travel and accommodation	104,837	2,495
Advertising	-	17,037
Professional fees	322,835	777,479
Publications and subscription	46,122	110,721
Postage and freight	24,451	43,952
Other supplier expenses	350,327	346,680
Total goods and services supplied or rendered	7,324,918	9,264,567
Other supplier		
Short-term leases	40,492	86,852
Variable lease payments	42,800	17,679
Workers' compensation expenses (Comcare)	12,838	18,242
Liability insurance expenses (Comcover)	43,623	55,627
Total other supplier expenses	139,753	178,400
Total supplier expenses	7,464,671	9,442,967

Note 1.1D: Grants

	2022 \$	2021 \$
State grants	-	490,810
Competitive grants	-	238,663
Wine Export grants	736,340	263,660
Tourism and cellar door grants	10,000,002	10,012,409
Total grants	10,736,342	11,005,542

Note 1.1E: Depreciation and amortisation

	2022 \$	2021 \$
Depreciation:		
Plant and equipment	58,234	93,684
Right-of-use assets and Leasehold improvements	319,866	636,824
Total depreciation	378,100	730,508
Amortisation:		
Intangibles: computer software	1,138,551	1,212,987
Total amortisation	1,138,551	1,212,987
Total depreciation and amortisation	1,516,651	1,943,495

Note 1.1F: Finance costs

	2022 \$	2021 \$
Interest on lease liabilities	1,940	16,114
Total finance costs	1,940	16,114

Note 1.1G: Impairment loss on financial instruments

	2022 \$	2021 \$
Impairment on trade and other receivables	8,033	9,394
Total impairment loss on financial instruments	8,033	9,394

Note 1.1H: Write-down and impairment of other assets

	2022 \$	2021 \$
Impairment of property, plant and equipment	-	631
Total write-down and impairment of other assets	-	631

Note 1.1I: Foreign exchange losses

	2022 \$	2021 \$
Non-speculative	34,687	50,495
Total foreign exchange losses	34,687	50,495

Note 1.2: Revenue**Accounting Policy - Revenue****Industry contributions**

Industry contributions are recognised as revenue to the extent they have been received into Wine Australia's bank account or are entitled to be received by Wine Australia at year end.

Industry contributions comprise the:

- **Grape Research Levy** – a levy imposed under schedule 13 of the Primary Industries (Excise) Levies Act 1999 in respect of fresh and dried grapes, and grape juice produced in Australia. This levy is collected and paid to Wine Australia by the Australian Government - Department of Agriculture, Fisheries and Forestry. The levy rate is \$2 per tonne, of which 1.6 cents per tonne is paid directly to Plant Health Australia.
- **Wine Grapes Levy** – a levy imposed under schedule 26 of the Primary Industries (Excise) Levies Act 1999 in respect of the manufacture of wine. The levy rate is stepped rate per tonne, of which 2.4 cents per tonne is paid directly to Plant Health Australia.
- **Wine Export Charge** – a levy imposed under schedule 13 of the Primary Industries (Customs) Charges Act 1999 and calculated as a portion of the 'free on board' value of wine exported. This levy is collected by Wine Australia in accordance with a Collection Agreement entered into between Wine Australia and the Department of Agriculture, Fisheries and Forestry in 2015, in accordance with section 11 of the Primary Industries Levies and Charges Collection Act 1991.

Revenue from Government

The matching contribution from the Australian Government is provided to fund grape and wine research. It is equal to half of the expenditure of Wine Australia (excluding depreciation and levy collection fees), but limited to 0.5 per cent of the estimated gross value of industry production and the cumulative total of industry contributions paid.

Other Australian Government grants are recognised when Wine Australia obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to Wine Australia, and the amount of the contribution can be measured reliably.

Sales of goods and rendering of services

Revenue from the sale of goods is recognised when control has been transferred to the buyer.

The following is a description of principal activities from which Wine Australia generates its revenue: Wine Australia's additional service income is Export Approval Service Fees and Marketing related activities.

The transaction price is the total amount of consideration to which Wine Australia expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue

Interest revenue is recognised using the effective interest method.

Rental income

Rental income arising from the sublease of a portion of the premises is recognised in revenue in the month that it relates.

Sale of Assets

Gains from disposal of assets are recognised when control of the asset has passed to the buyer.

The revenues described in this Note are revenues relating to Wine Australia's core operating activities.

Note 1.2A: Industry contributions

	2022 \$	2021 \$
Grape research levy	3,982,780	3,028,068
Wine research levy	13,677,493	10,762,314
Wine export charge	2,508,202	2,968,179
Total industry contributions	20,168,475	16,758,561

Note 1.2B: Sale of goods and rendering of services

	2022 \$	2021 \$
Rendering of services	6,691,071	4,819,235
Total sale of goods and rendering of services	6,691,071	4,819,235

Note 1.2C: Rental income

	2022 \$	2021 \$
Operating lease		
Sublease	19,406	150,453
Total rental income	19,406	150,453

Note 1.2D: Research and development contributions

	2022 \$	2021 \$
Collaboration projects	2,292,850	1,513,046
Other	672,384	85,000
Total research and development contributions	2,965,234	1,598,046

Note 1.2E: Interest

	2022 \$	2021 \$
Term deposits at bank	-	27,410
Credit interest	21,042	12,229
Total interest	21,042	39,639

Note 1.2F: Other gains

	2022 \$	2021 \$
Gains from sale of assets	3,873	-
Total other gains	3,873	-

Note 1.2G: Revenue from Government

	2022 \$	2021 \$
Australian Government matching contributions	15,259,494	14,157,162
Wine tourism and cellar door grants program	10,000,000	10,000,000
Rural R&D for Profit program	-	279,344
Export Market Development Grant	164,850	100,000
Total revenue from Government	25,424,344	24,536,506

Financial position

This section analyses Wine Australia's assets used to conduct its operations and the operating liabilities incurred as a result. Employee related information is disclosed in the People and Relationships section.

Note 2.1: Financial assets

Accounting Policy - Financial assets

Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes:

- a) cash on hand;
- b) demand deposits in bank accounts with an original

maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value; and

- c) cash in special accounts.

Trade and other receivables

Credit Terms for goods and services were within 30 days unless otherwise specified (2021: 30 days unless otherwise specified).

Financial assets

Trade receivables, loans and other receivables that are held for the purpose of collecting the contractual cash flows where the cash flows are solely payments of principal and interest, that are not provided at below-market interest rates, are subsequently measured at amortised cost using the effective interest method adjusted for any loss allowance.

Note 2.1A: Cash and cash equivalents

	2022 \$	2021 \$
Cash at bank	8,664,101	6,658,566
Cash on hand	702	709
Total cash and cash equivalents	8,664,803	6,659,275

Note 2.1B: Trade and other receivables

	2022 \$	2021 \$
Goods and services receivables		
Services	1,956,658	1,282,950
Total goods and services receivables	1,956,658	1,282,950
Other receivables		
Australian Government matching contributions receivable	2,532,660	761,935
GST receivable from the Australian Taxation Office	286,572	252,398
Industry contributions receivable	688,033	1,202,909
Other receivable	29,485	84,264
Total other receivables	3,536,750	2,301,506
Total trade and other receivables (gross) Refer to Note 1.2: Accounting Policy - Revenue	5,493,408	3,584,456
Less impairment allowance		
Services	(14,168)	(14,143)
Total impairment allowance	(14,168)	(14,143)
Total trade and other receivables (net)	5,479,240	3,570,313
Trade and other receivables (net) aged as follows		
Not overdue	5,430,584	3,459,894
Overdue by:		
0 to 30 days	22,055	76,179
31 to 60 days	25,605	15,205
61 to 90 days	-	10,140
More than 90 days	996	8,895
Total trade and other receivables (net)	5,479,240	3,570,313

All trade and other receivables are expected to be settled within 12 months.

All investments are current assets.

Note 2.2: Non-Financial assets

Accounting Policy - Non-financial assets

Assets are recorded at cost on acquisition except as stated below. The cost of acquisition includes the fair value of assets transferred in exchange and liabilities undertaken. Financial assets are initially measured at their fair value plus transaction costs where appropriate.

Asset recognition threshold - Minor Property Plant & Equipment

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total). The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. This is particularly relevant to 'restoration' provisions taken up by the entity where there exists an obligation to restore leased premises to original condition. The improvement costs are included in the value of the entity's leasehold improvement with a corresponding provision for the 'make good' recognised.

Following initial recognition at cost, property, plant and equipment is carried at cost less accumulated depreciation and accumulated impairment losses, if any.

No indicators of impairment were found for plant or equipment.

No material plant and equipment assets are expected to be sold or disposed of within the next 12 months.

Lease Right of Use (ROU) Assets

Leased ROU assets are capitalised at the commencement date of the lease and comprise of the initial lease liability amount, initial direct costs incurred when entering into the lease less any lease incentives received. These assets are accounted for by Commonwealth lessees as separate asset classes to corresponding assets owned outright, but included in the same column as where the corresponding underlying assets would be presented if they were owned.

On initial adoption of AASB 16, Wine Australia has adjusted the ROU assets at the date of initial application by the amount of any provision for onerous leases recognised immediately before the date of initial application. Following initial application, an impairment review is undertaken for any right of use lease asset that shows indicators of impairment and an impairment loss is recognised against any right of use lease asset that is impaired. Lease ROU assets continue to be measured at cost after initial recognition in Wine Australia's financial statements.

Revaluations

Following initial recognition at cost, property, plant and equipment (excluding ROU assets) are carried at fair value (or an amount not materially different from fair value) less subsequent accumulated depreciation and accumulated impairment losses. Valuations are conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets' fair values as at the reporting date. The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the surplus/deficit except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

Depreciation/amortisation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to Wine Australia using, in all cases, the straight-line method of depreciation. Leasehold improvements are depreciated on a straight-line basis over the lesser of the estimated useful life of the improvements or the unexpired period of the lease.

Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Asset class	2022	2021
Leasehold improvements	Lease term	Lease term
Plant and equipment	3 years	3 years
Intangibles	3 to 5 years	3 to 5 years
Furniture and fittings	10 years	10 years

The Depreciation rates for ROU assets are based on the commencement date to the earlier of the end of the useful life of the ROU asset or the end of the lease term.

Impairment

All assets have been assessed internally for impairment as at 30 June 2022. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if Wine Australia was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Intangibles

Wine Australia's intangibles comprise internally developed software for internal use. These assets are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight-line basis over its anticipated useful life. The useful lives of the entity's software are 3 to 5 years (2021: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2022.

Prepayments

Prepayments are for goods or supplies that relate to future periods. They are expensed in the period of use.

Note 2.2A: Reconciliation of the Opening and Closing Balances of Property, Plant and Equipment and Intangibles

	Buildings (Right of Use) \$	Minor leasehold improvements \$	Minor plant and equipment \$	Computer Software \$	Total \$
As at 1 July 2021					
Gross book value	247,759	977,771	978,837	6,012,391	8,216,758
Accumulated depreciation, amortisation and impairment	(237,849)	(973,843)	(871,242)	(2,507,911)	(4,590,845)
Total as at 1 July 2021	9,910	3,928	107,595	3,504,480	3,625,913
Additions:					
Purchase	-	-	97,029	-	97,029
Internally developed	-	-	-	-	-
Right-of-use assets	1,544,502	-	-	-	1,544,502
Depreciation and amortisation	-	(3,928)	(58,234)	(1,138,551)	(1,200,713)
Depreciation on right-of-use assets	(315,938)	-	-	-	(315,938)
Disposals:					
Gross book adjustment	(247,759)	(93,267)	(424,191)	(494,103)	(1,259,320)
Accumulated depreciation adjustment	247,759	93,267	423,427	494,103	1,258,556
Total as at 30 June 2022	1,238,474	-	145,626	2,365,929	3,750,029
Total as at 30 June 2022 represented by:					
Gross book value	1,544,502	884,504	651,675	5,518,288	8,598,969
Accumulated depreciation and impairment	(306,028)	(884,504)	(506,049)	(3,152,359)	(4,848,940)
Total as at 30 June 2022	1,238,474	-	145,626	2,365,929	3,750,029

Note 2.2B: Other non-financial assets

	2022 \$	2021 \$
Prepayments	384,759	1,128,824
Total prepayments	384,759	1,128,824
Prepayments expected to be recovered		
No more than 12 months	366,855	1,124,486
More than 12 months	17,904	4,338
Total prepayments	384,759	1,128,824



Note 2.3: Payables

Accounting Policy - Payables

Suppliers and research and development contracts

All payables are expected to be settled within 12 months.

Settlement is usually made:

- net 14 days for research and development contracts, and
- net 30 days for all other suppliers.

Other payables

Other payables include marketing-related revenue for events invoiced in advance.

Note 2.3A: Research and development contracts

	2022 \$	2021 \$
Accrued approved project expenses	1,599,600	353,514
Total research and development contracts	1,599,600	353,514

All research and development contracts payable are expected to be settled within 12 months.

Note 2.3B: Other payables

	2022 \$	2021 \$
Salaries and wages	27,319	48,939
Prepayments received/unearned income	1,918,923	1,836,809
Total other payables	1,946,242	1,885,748

All other payables are expected to be settled within 12 months.

Note 2.4: Interest bearing liabilities

Accounting Policy - Interest bearing liabilities

Leases

For all new contracts entered into, Wine Australia considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. Once it has been determined that a contract is, or contains a lease, the lease liability is initially

measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or the Department's incremental borrowing rate. Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification to the lease. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss depending on the nature of the reassessment or modification.

Note 2.4A: Leases

	2022 \$	2021 \$
Lease Liabilities	1,244,436	9,724
Total leases	1,244,436	9,724
Total leases are expected to be settled in:		
No more than 12 months	326,076	9,724
More than 12 months	918,360	-
Total leases	1,244,436	9,724

Total cash outflow for leases for the year ended 30 June 2022 was \$311,731 (2021: \$603,982)

Note 2.5: Provisions

Accounting Policy - Other Provisions

Makegood

Wine Australia currently has two agreements for the leasing of premises which have provisions requiring Wine Australia to restore the premises to their original condition at the conclusion of the leases. Wine Australia has made a provision to reflect the present value of this obligation.

Note 2.5A: Other provisions

	Provision for restoration \$	Total \$
As at 1 July 2021	100,000	100,000
Amounts used	(25,000)	(25,000)
Total as at 30 June 2022	75,000	75,000

All other provisions are expected to be settled in more than 12 months.



Funding

This section identifies Wine Australia's funding structure.

Note 3.1: Regulatory charging summary

Note 3.1: Regulatory charging summary

	2022 \$	2021 \$
Expenses		
Departmental - Direct costs	2,352,484	2,648,015
Departmental - Indirect costs	1,572,369	2,035,970
Total expenses	3,924,853	4,683,985
External revenue		
Departmental - Sale of goods and rendering of services	3,236,284	3,986,259
Total external revenue	3,236,284	3,986,259
Amounts written off		
Departmental - amounts written off	7,950	-
Total amounts written off	7,950	-

Regulatory charging activities:

Under s. 8(f) and (g) of the *Wine Australia Act 2013* ('the Act'), Wine Australia can charge to provide services, such as its export control and certification activities.

Regulation 6(1)(a) requires exporters to be licenced, 6(1)(d) requires wines to be assessed as sound and merchantable and 6(1)(f) requires export permits to be issued by Wine Australia before wine can be exported. Furthermore s. 8(c) of the Act provides Wine Australia the power to issue certificates required to demonstrate that wine meets the requirements of the market to which Australian wine is exported.

The fees are designed to cover the costs incurred in conducting Wine Australia's export control activities and includes provision for ongoing maintenance, upgrades and enhancements of the Wine Australia Licensing and Approval System (WALAS).

Documentation (Cost Recovery Implementation Statement/s) for the above activities is available at www.wineaustralia.com.



People and relationships

This section describes a range of employment and post-employment benefits provided to our people and our relationships with other key people.

Note 4.1: Employee provisions

Accounting Policy

Liabilities for short-term employee benefits and termination benefits expected within twelve months of the end of reporting period are measured at their nominal amounts.

Other long-term employee benefits are measured as net total of the present value at the end of the reporting period minus the fair value at the end of the reporting period of plan assets (if any) out of which the obligations are to be settled directly.

Leave

The liability for employee benefits includes provision for annual leave and long service leave.

The leave liabilities are calculated on the basis of employees' remuneration at the estimated salary rates that will be applied at the time the leave is taken, including the entity's employer superannuation contribution rates to the extent that the leave is likely to be taken during service rather than paid out on termination.

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2022. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

Separation and redundancy

Provision is made for separation and redundancy benefit payments. Wine Australia recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

Superannuation

Other than a small number of staff who are members of the Public Sector Superannuation Scheme (PSS), the entity's Australian based staff are members of defined contribution superannuation funds held outside the Australian Government.

The PSS is a defined benefit scheme for the Australian Government. The liability for defined benefits is recognised in the financial statements of the Australian Government and is settled by the Australian Government in due course. This liability is reported in the Department of Finance's administered schedules and notes.

The entity makes employer contributions to the employees' defined benefit superannuation scheme at rates determined by an actuary to be sufficient to meet the current cost to the Government. The entity accounts for the contributions as if they were contributions to defined contribution plans.

The liability for superannuation recognised as at 30 June represents outstanding contributions.

Note 4.1: Employee provisions

	2022 \$	2021 \$
Leave	1,211,126	1,487,540
Separations and redundancies	51,034	285,760
Total employee provisions	1,262,160	1,773,300
Employee provisions are expected to be settled in:		
No more than 12 months	870,244	1,410,468
More than 12 months	391,916	362,832
Total employee provisions	1,262,160	1,773,300

Note 4.2: Key management personnel remuneration

Key management personnel (KMP) are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of Wine Australia.

For the purpose of this note, Wine Australia has defined KMPs, as Directors, the Chief Executive Officer (CEO), and selected employees who report directly to the CEO. These employees are considered to have the capacity and responsibility for decision-making that can have a significant and direct impact on the strategic direction and financial performance of Wine Australia.

The total number of KMP positions included in this table is 16 (12 in 2020–21). The total number is higher this year as Wine Australia had a change in board. This can be seen in detail in the annual report.

	2022 \$	2021 \$
Short-term employee benefits	1,375,092	1,681,267
Post-employment benefits	152,714	154,956
Other long-term employee benefits	(27,218)	100,837
Termination benefits	183,591	285,760
Total key management personnel remuneration expenses	1,684,179	2,222,820

The negative balance under Other long-term employee benefits relates to reversal of accrued long service leave of a KMP who departed Wine Australia during the period.

Note 4.3: Related party disclosures

Related party relationships

Wine Australia is an Australian Government controlled entity. Related parties to the entity are Directors and Key Management Personnel, and other Australian Government Entities.

Transactions with related parties

Given the breadth of Government activities, related parties may transact with the government sector in the same capacity as ordinary citizens. Such transactions include the payment or refund of grants.

The following transactions with related parties occurred during the financial year:

- Wine Australia Chair, Dr. Michele Allan is a Director at CSIRO and Charles Sturt University which both have multi year research agreements with Wine Australia. The research partners received \$4,249,428 and \$391,099 respectively in funding throughout 2021–22. The agreements were approved in accordance with Wine Australia's procurement policy and commenced prior to Dr Allan's appointment.
- Wine Australia Director, John Lloyd is a current Director of Meat & Livestock Australia, and is a member of the governing council of Charles Sturt University. These research partners received \$50,000 and \$391,099 respectively in funding throughout 2021–22.
- A Wine Tourism and Cellar Door Grant to the value of \$61,077 was made to Taylors Enterprises, which Wine Australia Director, Mitchell Taylor, is Managing Director. The grant was made and approved in accordance with the regulations of the Wine Tourism and Cellar Door Grant scheme.
- A Wine Export Grant to the value of \$1,250 was made to Oates End, which Wine Australia Director, Catherine Oates, is owner. The grant was made and approved in accordance with the regulations of the Wine Export Grant scheme under the Export and Regional Wine Support Package.

There were no balances outstanding at year end.

Note 4.4: Remuneration of auditors

	2022 \$	2021 \$
Remuneration of auditors		
Audit of the financial statements	42,000	42,000
Total remuneration of auditors	42,000	42,000

Auditor fees

The fair value of services provided by the Auditor-General in auditing the financial statements for the reporting period.

Managing uncertainties

This section analyses how Wine Australia manages financial risks within its operating environment.

Note 5.1: Contingent Assets and Liabilities

Accounting Policy - Contingent Assets and Liabilities

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the notes. They may arise from uncertainty as to the existence of a liability or asset or represent an asset or liability in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are disclosed when settlement is greater than remote.

At 30 June 2022, the entity had no contingent assets or liabilities, this being consistent with 30 June 2021.

Note 5.2: Financial instruments

Accounting Policy - Financial instruments

Financial assets

In accordance with AASB 9 Financial Instruments, Wine Australia classifies its financial assets at amortised cost.

The classification depends on both the entity's business model for managing the financial assets and contractual cash flow characteristics at the time of initial recognition. Financial assets are recognised when the entity becomes a party to the contract and, as a consequence, has a legal right to receive or a legal obligation to pay cash and derecognised when the contractual rights to the cash flows from the financial asset expire or are transferred upon trade date.

Financial Assets at Amortised Cost

Financial assets included in this category need to meet two criteria:

1. the financial asset is held in order to collect the contractual cash flows; and
2. the cash flows are solely payments of principal and interest (SPPI) on the principal outstanding amount.

Amortised cost is determined using the effective interest method.

Effective Interest Method

Income is recognised on an effective interest rate basis for financial assets that are recognised at amortised cost.

Impairment of Financial Assets

Financial assets are assessed for impairment at the end of each reporting period based on Expected Credit Losses, using the general approach which measures the loss allowance based on an amount equal to lifetime expected credit losses where risk has significantly increased, or an amount equal to 12-month expected credit losses if risk has not increased.

The simplified approach for trade, contract and lease receivables is used. This approach always measures the loss allowance as the amount equal to the lifetime expected credit losses.

A write-off constitutes a derecognition event where the writeoff directly reduces the gross carrying amount of the financial asset.

Financial liabilities

Wine Australia classifies its financial liabilities as other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Financial liabilities at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective interest basis.

Supplier and other payables are recognised at amortised cost. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

Note 5.2A: Categories of financial instruments

	2022 \$	2021 \$
Financial assets at amortised cost:		
Cash and cash equivalents	8,664,803	6,659,275
Industry contributions receivables	688,033	1,202,909
Other receivables	1,986,142	1,367,214
Total financial assets at amortised cost	11,338,978	9,229,398
Total financial assets	11,338,978	9,229,398
Financial liabilities		
Financial liabilities measured at amortised cost:		
Suppliers	1,001,939	657,228
Research and development contracts	1,599,600	353,514
Total financial liabilities measured at amortised cost	2,601,539	1,010,742
Total financial liabilities	2,601,539	1,010,742

Wine Australia has no reclassifications or remeasurements of financial assets to disclose.

Note 5.2B: Net gains or losses on financial assets

	2022 \$	2021 \$
Held-to-maturity investments:		
Interest revenue	-	27,410
Net gain on held-to-maturity investments	-	27,410
Receivables:		
Interest revenue	21,042	12,229
Exchange losses	(34,687)	(50,495)
Net gain on receivables	(13,645)	(38,266)
Net gain on financial assets	(13,645)	(10,856)

Other information

Note 6.1: Current/non-current distinction for assets and liabilities

	2022 \$	2021 \$
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	8,664,803	6,659,275
Trade and other receivables	5,479,240	3,570,313
Buildings (Right of Use)	-	9,910
Minor leasehold improvements	-	3,928
Prepayments	366,855	1,124,486
Total no more than 12 months	14,510,898	11,367,912
More than 12 months		
Buildings (Right of Use)	1,238,474	-
Minor plant and equipment	145,626	107,595
Intangibles	2,365,929	3,504,480
Prepayments	17,904	4,338
Total more than 12 months	3,767,933	3,616,413
Total assets	18,278,831	14,984,325
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	1,001,939	657,228
Grants	1,599,600	353,514
Other payables	1,946,242	1,885,748
Leases	326,075	9,724
Employee provisions	870,244	1,410,468
Other provisions	-	100,000
Total no more than 12 months	5,744,101	4,416,682
More than 12 months		
Leases	918,360	-
Employee provisions	391,916	362,832
Other provisions	75,000	-
Total more than 12 months	1,385,276	362,832
Total liabilities	7,129,377	4,779,514

Note 6.2: Budget Variances Commentary

Note 6.2: Departmental major budget variances for 2021-22

Variances are considered to be 'major' based on the following criteria:

- the variance between budget and actual is greater than 10 per cent or equal to or greater than \$150,000, and
- the variance between budget and actual is greater than 2 per cent of the relevant category (Income, Expenses and Equity totals), or
- an item below this threshold but is considered important for the reader's understanding.

Explanations of major variances	Affected line items (and statement)
Industry Contributions Industry contributions comprises the Grape Research Levy (GRL), Wine Grapes Levy (WGL) and Wine Export charge. For the PBS, the levy income, which is payable on tonnage, was estimated at the 10 year average of 1.75 million tonnes, however, the actual 2021 vintage was 2.03 million tonnes, resulting in additional GRL and WGL.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Statement of Financial Position – Asset
Australian Government matching contributions The maximum Commonwealth matching receivable is determined by the Gross Value of Production (GVP) each year or the historical quantum of levies received. Due to the large 2021 vintage, the GVP for the 2021-22 year was higher than expected and Wine Australia's eligible research, development and adoption (RD&A) expenditure maximised the Commonwealth matching that could be claimed.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Statement of Financial Position – Asset
Sale of goods and services/Trade and other receivables Sales were higher than budget in 2021-22 due to large investment from Austrade and the South Australian Department for Trade and Investment (DTI). These were for various retail and promotion activities, as well as our online platform, Connect, while there were minimal trade events still, during the pandemic. Receivables and other payables are higher than budgeted levels due to income received in advance. For example, at the end of 2021-22, Wine Australia received significant investment from DTI for the 2022-23 financial year to invest and expand in existing and new markets. Invoices were raised in June as per contractual obligations, however the funding relates to 2022-23 and is therefore held on the balance sheet.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Statement of Financial Position – Asset
Research and development contributions Additional income was generated during 2021-22 in relation to new research project contributions from partners as well as the recovery of the 2019 vintage levy shortfall. Wine Australia entered contracts where either a third-party would contribute towards the project, or the in-kind contribution from the research provider was collected and expensed as part of the project. The Levy recovery was a clause in the bilateral partner agreements that was activated due to the low 2019 vintage and associated levy receipts, which allowed Wine Australia to recover proportionate funding to ensure future year funding was available for investment.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue
Expenditure on research and development contracts/Research and development contracts - payables Additional expenditure was made on major research projects, in line with the Wine Australia RD&A strategy, as a result of the larger levy receipts from the large 2021 vintage.	<ul style="list-style-type: none"> • Statement of Financial Position – Liability • Cash Flow Statement
Employee expenditure/Provisions Variances for employee costs compared to budget included employee contracts that were extended due to changing business strategies. There were also three redundancy and termination pays throughout 2021-22, which include statutory notice period and redundancy payments, and all unused leave balances.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Expenses • Statement of Financial Position – Liabilities • Cash Flow Statement
Supplier expenditure/Suppliers payable Supplier expenses were marginally higher than budget for various reasons, however overall there were additional external income which was invested in marketing activities. The balance of supplier payables at 30 June 2022 also included a small quantity but large value list of accruals, which were in relation to programs completed by 30 June 2022. There was also a marketing activation that occurred during June in Aspen, United States and the invoices had not been received and paid before June 30.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Expenses • Statement of Financial Position – Liabilities • Cash Flow Statement
Levy Collection costs There was a reduction in levy collection costs in 2021-22 as compared to 2020-21. Budgeted levy collection costs are based on previous actual levy collection costs. The Department provide an update during the year on the reconciliation and recovery of their levy collection costs, with either returned funds or a balance owing.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Expenses • Cash Flow Statement

Cash and cash equivalents/Other investments - Deposits at Bank Wine Australia did not manage any term deposits throughout the year, which meant that there was a higher than budgeted cash account balance and less than budget term deposit balance. In addition, the overall financial asset balance was greater as a result of the surplus to budget.	<ul style="list-style-type: none"> • Statement of Financial Position – Asset Cash Flow Statement
Buildings (Right of Use)/Lease Liabilities The PBS at publication had not included the UK Lease renewal which began 1 July 2021 for 3 years. This value is carried in the actual balance sheet balance.	<ul style="list-style-type: none"> • Statement of Financial Position – Asset & Liabilities Cash Flow Statement
Minor plant and equipment Wine Australia had included IT upgrades on various equipment, however these projects came in under budget or have been delayed to 2022-23.	<ul style="list-style-type: none"> • Statement of Financial Position – Asset Cash Flow Statement
Prepayments Prepayments historically have included amounts for large marketing events that are prepaid and commence early in the following financial year, however, there are no large upcoming international events in July 2022.	<ul style="list-style-type: none"> • Statement of Financial Position – Asset
Other payables Receivables and other payables are significantly higher this year compared to budget, due to income received in advance. For example, at the end of 2021–22, Wine Australia received significant investment from the South Australian Department for Trade and Investment (DTI) for the 2022-23 financial year to invest on marketing Australian wine in existing and new markets. Invoices were raised in June as per contractual obligations, however the funding relates to activities in 2022-23 and so is therefore held on the balance sheet.	<ul style="list-style-type: none"> • Statement of Financial Position – Liability Cash Flow Statement
Leases As mentioned in other variance notes, at the time of the PBS publication there was only an estimate value for the upcoming Adelaide lease which was renewed in August 2021. Also, the PBS figure did not include an estimate for the London lease.	<ul style="list-style-type: none"> • Statement of Financial Position – Liability Cash Flow Statement

Appendices

Appendix I: RD&A funded projects

Project Number	Title	Approved funding/ returns for 2021-22
Strategy 2: Protect the reputation of Australian wine		
AWR 1701	Investment Agreement- Market access projects	325,304
WAC 1912	Investigate market access impediments and opportunities for Australian wine by attendance at meetings of the International Organisation of Vine and Wine (OIV)	25,000
Strategy 3: Enhance grape and wine excellence		
AWR 1701	Investment Agreement - wine production and quality projects	5,952,926
AWR 2001	Clonal mapping of Pinot Noir	23,250
AWR 2202	Strategic Investment - wine production and quality projects	1,219,323
CRD 1601	Digital technologies for dynamic disease management	(2,065)
CSA 1701	Strategic Research Agreement - grapevine breeding and digital projects	3,383,611
CSU 1702	Strategic Research Agreement - wine quality projects	210,985
F2F 2101	Delivery of the third suite of the Farmers2Founders Program (F2F Program)	50,000
FOV 2201	National Grapevine Collection Coordinator	21,863
INN 2101	NOLO project developments	49,520
UA 1803	Strategic Research Agreement - digital agriculture and wine production projects	1,314,064
UT 1502	Building and measuring the quality of fine Australian sparkling wines, through identification of the impact compounds responsible for 'autolytic character' in sparkling wine, and novel winemaking technologies to hasten autolysis.	(174,229)
UT 1503	Pinot Noir provenance: Australian benchmarking to support growing, making, perception of quality, and marketing to add value to the Pinot Noir supply chain	(78)
WA 1908	Assessing the practicality of the robot platforms from swarmfarm robotics	(23,333)
WA 2002	AgTech Demonstration Sites.	100,576
WAC 2012	Collabiculture: an open and collaborative approach to technology in the wine industry	7,425
WAC 2013	AgTech Program Work Methodology	87,165
WAC 2014	AgTech Tech Scan Work Methodology	25
WAC 2101	The development of a national, grape-industry strategy for the implementation of a National Standard for grapevine certification	52,000
WAC 2103	DNA Innovation - review of commercialisation opportunities	48,000
WAC 2113	Spray diary project - Part 1	31,825
Strategy 4: Grow sustainable environments		
AGW 1706	Forewarned is forearmed: managing the impacts of extreme climate events	50,000
AGW 1710	Improving Plant Pest Management Through Cross Industry Deployment of Smart Sensor, Diagnostics and Forecasting	50,000
AWR 1701	Investment Agreement - climate change adaption and pest and disease management projects	584,210
AWR 2201	Australia wine industry life cycle assessment update	13,450
CSA 1701	Strategic Research Agreement - climate change adaptation projects	865,817
CSU 1702	Strategic Research Agreement - sustainability projects	160,114
DJP 2001	Integrated management of grapevine phylloxera: Phase II	264,084
EDG 2201	Emissions Reduction Roadmap	38,870
HIA 2001	Plant Biosecurity Research Initiative Phase II Collaboration and Funding Agreement 2021-2023	40,000
LTU 2001	Validation and implementation of an early warning system to reduce smoke impacts from prescribed burns and bushfires on agricultural industries in Victoria	201,000
LTU 2003	North East Victoria vineyard smoke sensor network	1,005,000
PFR 2001	Best practice management of grapevine viruses in Australia	37,862
RV 2101	National EcoVineyards Program	486,263

Project Number	Title	Approved funding/ returns for 2021-22
SAR 1701	Strategic Research Agreement - climate change adaptation and pest and disease projects	1,710,141
SWA	Support for SWA	105,548
UA 1803	Strategic Research Agreement- climate adaptation and sustainability projects	152,360
UQ 2001	ARC Research Hub for Sustainable Crop Protection (BioClay)	50,000
WA 1805	Plant Biosecurity RD&E Strategy	(9,090)
WA 1907	RRD4P – Boosting Diagnostic Capacity for Plant Production Industries	100,000
WA 1909	Novel technologies to assist rapid and sensitive detection of Brown Marmorated Stink Bug	40,000
WA 2001	Xylella Insect Vectors	360,000
WA 2003	Rapid surveillance and assessment of fire damage in South Australian vineyards for decision making	62,020
WA 2004	Rapid surveillance and assessment of fire damage in South Australian vineyards for decision making	71,750
WA 2006	Climate Research Strategy for Primary Industries CRSPI - Transition Agreement	(5,959)
WAC 2015	Disease alert review	3,303
WAC 2110	Development of a company structure to manage disease prediction IP	7,500
WAC 2114	CRC SAAFE	3,840
Strategy 5: Build business sustainability, excellence and leadership		
AGTECH	AgTech Program - Demonstration sites & program expenses	553,083
Alumni Support	Alumni Support	26,366
AWR 1701	Investment Agreement - extension and adoption projects	2,224,560
AWR 2202	Strategic Investment - wine production and quality projects	858,991
CRRDC	Council of Rural R&D Corporations - CRRDC	7,823
CSU 2100	Incubator Initiative: Are Boron levels in sandy soils adequate to ensure reliable fruit set and would the application of Boron have a beneficial effect?	20,000
GRP 1701	Regional Plan – Riverina 2017-2023	62,500
GRP 1702	Regional Plan – Greater Victoria 2017-2023	50,000
GRP 1703	Regional Plan – Tasmania 2017-2023	23,193
GRP 1704	Regional Plan – SA North 2017-2023	50,000
GRP 1705	Regional Plan – Murray Valley 2017-2023	84,103
GRP 1706	Regional Plan – Limestone Coast 2017-2023	50,000
GRP 1707	Regional Plan – SA Central 2017-2023	50,000
GRP 1708	Regional Plan – Greater NSW & ACT 2017-2023	44,770
GRP 1709	Regional Plan – Western Australia 2017-2023	50,000
GRP 1710	Regional Plan – Queensland 2017-2023	25,000
GRP 1711	Regional Plan – Riverland 2017-2023	10,692
IN	Innovators' Network - extension and adoption projects	101,702
Market Research	Market Insights	543,670
People Development	Careers and workshop programs	16,147
PIN 2201	Bushfire Recovery Case Studies	24,830
UA 1803	Strategic Research Agreement - global wine sector competitiveness project	99,650
UA Ph2101	Use of activated carbon fabrics to mitigate smoke taint in grapes and wine	18,750
UA Ph2102	The role of polysulfides in the appearance of 'reduced' wine aromas	18,750
UA Ph2103	Driving the image and growth of NOLO wines in Australia and key export markets	11,250
UM 2100	Incubator Initiative - Clarifying the biology of pest snail. What new tools and techniques for their sustainable management can be investigated?	20,000
VinSites	VinSites (was Project Bacchus and Foundation data)	23,000
WA L2001	ABARES Science & Innovation Awards for Young People in Agriculture, Fisheries and Forestry	22,727
WA Ph1801	Exploration of macromolecular complexes in wine using the Vortex Fluidic Device	4,936
WA Ph1802	Understanding and managing grape berry heterogeneity in the vineyard to improve Cabernet Sauvignon wine quality	2,247
WA Ph1803	Identification of new precursors and factors affecting varietal thiols and their precursors in grapes and wines	1,348

Project Number	Title	Approved funding/ returns for 2021-22
WA PH1806	Developing and assessing different cordon establishment techniques for long term vineyard management	13,854
WA Ph1901	Rootstock effects on grape rachis (bunch-stem) composition and the implications for red wine flavour and aroma	5,833
WA Ph1902	Sustaining viticulture: How under-vine (sp. Vitis vinifera) cover crops affect arbuscular mycorrhizal associations, soil organic carbon composition and soil carbon stocks	13,772
WA Ph1903	Analysis of the wine glycoproteome and proteome to improve quality and track provenance.	13,053
WA Ph1904	Science to inform decision making between synthetic and alternative nitrogen sources in vineyards	17,404
WA Ph1905	From Brandewijn (burnt wine) to Bush Fires: New Directions in Australian Brandy Production	16,908
WA Ph1906	Understanding the sensory perception of 'body' in beer and wine	4,671
WA Ph1907	The molecular epidemiology and control of grapevine pinot gris virus in Australian viticulture	16,908
WA Ph1908	A regional study of the effects of vineyard floor management on soil health, biodiversity and terroir expression	17,404
WA Ph1912	Molecular genetic control of grapevine bud fruitfulness	2,247
WA Ph1913	Wine Production in a Changing Australian Climate: Water addition to musts and the effects on phenolic, chemical and sensory attributes	13,800
WA Ph2000	Implementation of agroecological practices in viticulture: Identification of factors that motivate or constrain uptake	21,403
WA Ph2001	Engineering biosensors of wine spoilage	16,403
WA Ph2002	Engineering biosensors of smoke taint	16,403
WA Ph2003	Mitigating taint in wine due to vineyard exposure to bushfire smoke	16,403
WA Ph2004	Photocatalytic treatment of winery wastewater using Au clusters deposited mesoporous TiO2	11,403
WA Ph2005	Understanding the Relative Sustainability of Harvesting Pruned Vineyard Biomass and the Effect on Carbon Sequestration and Disease Management	10,000
WA Ph2006	Essays in Wine Economics	9,013
WA Ph2007	Comparison of soil, vine, and environmental metrics to optimise vineyard irrigation scheduling	16,403
WA Ph2008	Detection of grapevine virus diseases in Australian vineyards using remote sensing and machine learning techniques	16,403
WA Ph2009	Genetic basis of salt exclusion in grapevine	6,850
WA PH2100	Developing and applying climate smart and biochar-based innovative technologies for viticulture future in southeast Queensland	7,823
WA PH2101	The Wine Provenance Project: Blockchain-enabled wine labels, a new era for consumer trust?	3,073
WA PH2102	Alternatives to sulfur dioxide for controlling Brettanomyces spoilage in wine	4,156
WA PH2103	Phycosol- A Novel and Integrated approach for sustainable Winery wastewater Treatment for enhancing Circular Economy	5,854
WA PH2104	Inter-vine signalling via plant volatiles	794
WA PH2105	Bait lamina probe as a farmer friendly tool for assessing soil biological activity	10,000
WA PH2106	Alternate strategies and vineyard practices for reducing the risk of grapevine trunk diseases	3,282
WA PH2107	Vines, Wines and Microbiomes: The impact of fungicides on the phyllosphere microbiome of grapevines used for winemaking.	8,073
WAC 2011	Benefit Cost Analysis (BCA) of Wine Australia R&D Investments 2019-2020	45,849
WAC 2102	Open Innovation facilitation – Module 1	12,000
WAC 2104	VitiSynth for Australian levy payers	20,000
WAC 2108	Research Advisory Committee of Australian Grape and Wine Incorporated support	2,100
WAC 2111	Deliver the Next Crop Leadership Program for the Greater Victoria Region	36,000
WAC 2112	Deliver the Next Crop Leadership Program for the Clare Valley Region	45,000
WAP 2001	Wine Communicators of Australia (WCA) - Wine Industry Mentor Program	20,000
WAS 1901	Primary Industries Education Foundation Australia (PIEFA) - Partnership	20,000
WAS 1902	Diversity in Agriculture Leadership Program	15,000
WAS 2000	Agriculture Innovation Australia (AIA) - RDC joint investment organisation	65,000
WAS 2100	Wines of Western Australia RD&A Strategic Review Workshop	8,000
Grant Total		24,859,871

Provider and management codes

AGW	Australian Grape and Wine Authority*
AGTECH	Wine Australia Agtech program expenditure
Alumni Support	Supporting ongoing education and network for Future Leader's graduates
AWR	Australian Wine Research Institute
CRD	Cotton Research and Development Corporation
CRRDC	Council of Rural R&D Corporations
CSA	CSIRO Agriculture and Food
CSU	Charles Sturt University
DED	Department of Economic Development, Jobs, Transport and Resources
DJP	Department of Jobs, Precincts and Regions
DPD	Department of Primary Industries (NSW)
FU	Flinders University
GRP	GWRDC Regional Program
GWRDC	Grape and Wine Research and Development Corporation**
LTU	La Trobe University
Market Research	Wine Australia
PFR	The New Zealand Institute for Plant and Food Research Limited
PHA	Plant Health Australia
SAR	South Australian Research and Development Institute
UA	The University of Adelaide
UQ	University of Queensland
USA	The University of South Australia
UT	University of Tasmania
Vinsites	Vinsites (imaging of vineyards)
WA	Wine Australia
WAC	Wine Australia consultancy agreements
WAP	Wine Australia Programs (eg Wine Communicators of Australia – Wine Industry Mentor Program and PIEFA – Curriculum development schools)
WAS	Wine Australia sponsorships
WAT	Wine Australia travel bursaries

* Australian Grape and Wine Authority (AGGW), the name of the agency prior to its formal name change to Wine Australia in November 2018

** The Grape and Wine Regional Development Corporation merged with Wine Australia to create AGGW in 2013.

Appendix II: Glossary

\$50m Package	The Australian Government's \$50 million Export and Regional Wine Support Package
ABC	activity-based costing
Agtech	Broadly, 'agrifood tech' at Wine Australia is taken to mean digitised and technologically enabled agricultural, wine and food production, which typically involves both the collection and analysis of data to improve both on-farm and off-farm decision making, leading to better business outcomes.
AG&W	Australian Grape & Wine Incorporated, the peak sector member-based organisation. ABN 45 903 873 163
AIA	Agricultural Innovation Australia, a new company targeting transformational innovation across agriculture, formed in October 2020. All 15 Rural Research and Development Corporations (RDCs), including Wine Australia, were its founding members
AWRI	Australian Wine Research Institute
BCA	business-cost analysis
CRISPR-CAS9	gene editing technology
CRC	Co-operative Research Centre
CRRDC	Council of Rural Research and Development
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAWE	Department of Agriculture, Water and Environment
DFAT	Department of Foreign Affairs and Trade
ELISS	Export Label Image Search System managed by Wine Australia to help Australian wine producers protect their intellectual property rights.
Epigenetics	the study of changes in gene function that are heritable but not attributed to alteration of the genetic code itself
ERWSP	The Australian Government's \$50 million Export and Regional Wine Support Package
FIVS	Federation International du Vin et Spirit – international alcohol producers forum
FOB	free on board
FSANZ	Australia New Zealand Food Standards Code
FTAs	Free Trade Agreements
GI	Geographical Indications, place names associated with specific, geographically-defined and regulated grapegrowing regions
GI Committee	Geographical Indications Committee which reviews and creates GIs
GIS	geographic information system generally designed to capture, store, manipulate, analyse, manage, and present spatial or geographic data
IWSR	International Wines and Spirits Record
KPIs	key performance indicators
LAMP	Loop-mediated isothermal amplification (LAMP) is a technique for the amplification of DNA which offers a low-cost alternative to detect certain diseases
LiDAR	light detection and ranging radar
LIP	Label Integrity Program
Loci	Latin term for specific location, generally used in the context of specific positions on a DNA strand.
MAT	moving annual total
NAA	naphthaleneacetic acid (NAA) is a plant growth regulator
NOLO	No alcohol or low alcohol wines
Non-GM	not Genetically Modified – usually in the context of traditional breeding or selection methods
NWGIC	National Wine and Grape Industry Centre
MLA	Meat and Livestock Australia
OIV	International Organisation of Wine and Vine
PACE	pesticide adjusted for the canopy environment
PBR	Plant Breeders' Rights – the botanical equivalent of a patent for the developer of a plant variety with specific characters
PGPA Act	Public Governance, Performance and Accountability Act 2013
RDA or RD&A	research, development and adoption
RD&E	research, development and extension
R&D	research and development
the Act	Wine Australia Act 2013

SNP	single-nucleotide polymorphism – a reference to a single nucleotide that may appear in slightly different places in the genome across different individuals. The differing placements can be used as a guide to different physical characters, resistances or susceptibilities.
SARDI	South Australian Research and Development Institute
SWA	Sustainable Winegrowing Australia
WALAS	Wine Australia Licensing and Approval System
Xylella fastidiosa	The Latin name for the bacteria associated with Pierce’s Disease. The exotic-to-Australia pathogen, transmitted by insects, is associated with economically devastating effects in grapevines – the bacteria also causes severe economic losses in citrus and olives.

Appendix III: Compliance Index

Wine Australia's Annual Report must be prepared by the Directors of Wine Australia in accordance with section 38 of the *Wine Australia Act 2013*, section 46 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), PGPA Rule 2014 and the Funding Agreement 2020–30.

Below is the table set out in Schedule 2A of the PGPA Rule. Section 17BE(u) requires this table be included in entities' annual reports.

Details	Page No.
Wine Australia Funding Agreement 2020–30	
Contribution to the implementation of relevant industry sector and cross-sectoral strategies under the RD&A Framework	7, 10, 37, 40
The rationale for the mix of projects included in the Balanced Portfolio	40–41
Report on research extension activities	15–25, Appendix I
Collaboration with industry and other research providers	7, 10, 37, 40, 15–25,
Identify sources of income including separate identification of the Levy, the Charge, Commonwealth Matching Payments and other forms of income including Voluntary Contributions	38, 60
Full cost of R&D and other activities with costs being allocated in accordance with the Cost Allocation Policy	38–43
Progress in implementing strategic plan including progress against the plan's KPIs	11–26
Bring the KPIs for each program in the strategic plan and AOP together and demonstrate how the deliverables funded advanced the outcomes	11–26
Assessment of the efficiency and effectiveness of investments	13–15, 11–26
Progress in implementing the Guidelines	43
<ul style="list-style-type: none"> The 'Guidelines' for the Annual Report 2020–21 are the Rural RD&E Priorities, the Science and Research Priorities and the Levy Principles and Guidelines in relation to the introduction of new levies or changes to existing levies (if applicable). 	
Consultation with the ROs on plans and activities	7, 10, 40
Other relevant matters notified to Wine Australia by the Commonwealth by 30 June	n/a

Section	Details	Page No.
Wine Australia Act 2013		
s31K(5)(c)(d)	Particulars of a Minister's direction and any impact of the direction on the operations of the Authority	33
s38(1)(a)(b)	A report on the operations of the Geographical Indications Committee and set out all final determinations and translations of such indications made by the Committee	27
s38(1)(c)(i)	Grape or wine R&D activities coordinated or funded, wholly or partly during the period	70–72
s38(1)(c)(ii)	The amount spent in relation to each of those activities	70–72
s38(1)(c)(iii)	Which of those activities related to ecologically sustainable development (if any)	19–22, 70–71
s38(1)(c)(iv)	The impact of those activities on the grape industry and wine industry	6, 19–22
s38(1)(c)(v)(vi)	Agreements entered into under section 10A and/or 10B and the activities during the period in relation to agreements entered into under that section	70–72
s38(1)(c)(vii)	The making of grants under section 10C	57
s38(1)(c)(viii)	Activities in relation to applying for patents for inventions, commercially exploiting patented inventions and granting licences under patented inventions	n/a
s38(1)(c)(ix)	Activities of any companies in which Wine Australia has an interest	n/a
s38(1)(c)(x)	Any activities relating to the formation of a company	n/a
s38(1)(c)(xi)	Significant acquisitions and dispositions of real property (land and buildings)	n/a
s38(1)(d)	Assessment of the extent to which Wine Australia's operations during the period have achieved the Authority's objectives as stated in its strategic plan implemented the AOP applicable to the period	9–10, 11–25
s38(1)(e)	Assessment of the extent to which Wine Australia has contributed to the attainment of the objects of the <i>Wine Australia Act 2013</i>	Entire report
Schedule 12	Information from its Geographical Indications Committee on its operations	27

Section	Details	Page No.
<i>Public Governance, Performance and Accountability Act 2013</i>		
s39(1)(b)	Include a copy of the annual performance statements	38–47
s43(4)	Include a copy of the annual financial statements and the Auditor-General's report	47–69
s46(3)	The annual report must comply with any requirements prescribed by the rules	38–69
PGPA Rule Reference	Details	Page No.
<i>Public Governance, Performance and Accountability Rule 2014</i>		
s17BB	Report must be approved and signed by accountable authority and include details of how and when approval was given and state that accountable authority is responsible for the preparation and contents of the Annual Report (as required in section 46 of the PGPA Act and in accordance with the Finance Minister's Orders)	47–50
s17BC	Report must comply with the guidelines for presenting documents to the Parliament.	Entire report
s17BD	Report must be constructed having regard to the interests of the Parliament and other users. Information included in the report must be relevant, reliable, concise, understandable and balanced	Entire report
s17BE (a)	Details of the legislation establishing the body	32
s17BE(b)(i)	A summary of the objects and functions of the entity as set out in the legislation	32
s17BE (b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	9–10
s17BE(c)	The names of the persons holding the position of responsible Minister or responsible Ministers during the reporting period, and the titles of those responsible Ministers	32
s17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	32
s17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	n/a
s17BE(f)	Particulars of non-compliance with: <ul style="list-style-type: none"> a direction given to the entity by the Minister under an Act or instrument during the reporting period; or a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act 	n/a
s17BE(g)	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	38
s17BE(h), s17BE(i)	A statement of significant issues reported to the Minister under paragraph 19(1)(e) of the Act that relates to non-compliance with finance law and action taken to remedy non-compliance	32
s17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	27
s17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	26, 30–31
s17BE(ka)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> statistics on full-time employees; statistics on part-time employees; statistics on gender; statistics on staff location 	31
s17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	8, 26
s17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	26
s17BE(n), s17BE(o)	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): <ul style="list-style-type: none"> the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions 	65
s17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	4–8, 27, 33, 44–45
s17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	33

PGPA Rule Reference	Details	Page No.
<i>Public Governance, Performance and Accountability Rule 2014</i>		
s17BE(r)	Particulars of any reports on the entity given by: the Auditor-General (other than a report under section 43 of the Act); or a Parliamentary Committee; or the Commonwealth Ombudsman; or the Office of the Australian Information Commissioner	n/a
s17BE(s)	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	33
s17BE(t)	Details of any indemnity that applied during the reporting period to the accountable authority, any member of the accountable authority or officer of the entity against a liability (including premiums paid, or agreed to be paid, for insurance against the authority, member or officer's liability for legal costs)	33
s17BE(taa)	The following information about the audit committee for the entity: a direct electronic address of the charter determining the functions of the audit committee; the name of each member of the audit committee; the qualifications, knowledge, skills or experience of each member of the audit committee; information about each member's attendance at meetings of the audit committee; the remuneration of each member of the audit committee	29
s17BE(ta)	Information about executive remuneration	30, 65



Corporate directory

Head office

National Wine Centre – Industry House
Corner Hackney and Botanic Roads
Adelaide SA 5000
Australia
PO Box 2733, Kent Town SA 5071

t 08 8228 2000
e enquiries@wineaustralia.com
w www.wineaustralia.com

Europe, Middle East and Africa

Laura Jewell MW
Regional General Manager, EMEA
Australia Centre, Strand
London WC2B 4LG
United Kingdom

t +44 207 438 4668
e uk@wineaustralia.com
europa@wineaustralia.com

Americas

Aaron Ridgway
Regional General Manager,
Americas

t +1 415 529 7652
e usa@wineaustralia.com
canada@wineaustralia.com

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