



Australian Government

Wine Australia

Wine Australia Annual Report 2020-21



A full-page background image showing a coastal scene. The top half is a clear, vibrant blue sky with a few wispy clouds. The bottom half shows a coastline with a green, vegetated cliffside on the left, a sandy beach, and the ocean. The water is a deep turquoise color with white foam from breaking waves. The horizon is visible in the distance.

We acknowledge the Traditional Owners and Custodians
of the land throughout Australia and their continuing
connection to the 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 2021

The Hon. David Littleproud MP
Minister for Agriculture and Northern Australia
Parliament House
CANBERRA ACT 2600

Dear Minister Littleproud

On behalf of the Directors of Wine Australia, I have the pleasure of submitting the *Annual Report 2020–21* for the year ended 30 June 2021.

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 2020–21* and our Portfolio Budget Statements 2020–21.

We have also reported on activities associated with the Australian Government's \$50 million Export and Regional Wine Support Package (\$50m Package), as they formed a significant portion of our activities during 2020–21.

Yours sincerely

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

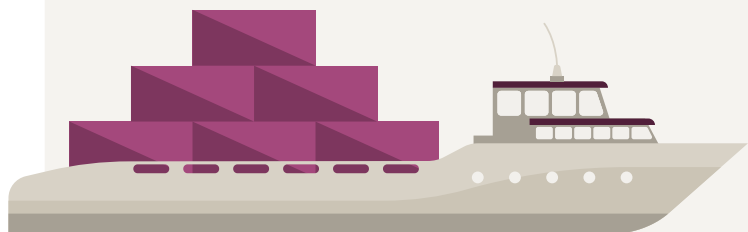
Dr Michele Allan
Chair
Wine Australia

Year in review



Key statistics 2020–21

Exports



2194
ACTIVE EXPORTERS

TOTAL EXPORTS

\$2.56 billion
↓ 10%

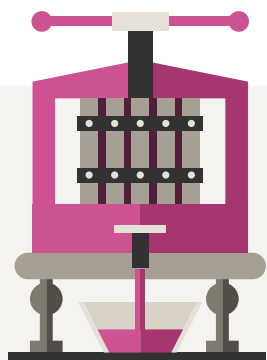
EXPORTS TO EUROPE

\$724 million
↑ 18%

AVERAGE VALUE

\$3.69 per litre
↓ 5%

2021 Vintage



CRUSH

2.03 million tonnes

Record-breaking crush
↑ 31% on 2020 vintage
↑ 17% on 10-year average

AVERAGE PURCHASE PRICE

\$701 per tonne
↑ 1%

TOTAL VALUE

\$1.56 billion
↑ 36%

Wine Australia events

Australian Wine Discovered

SATISFACTION

96% rating

DOWNLOADS

57% growth

WINERIES

250

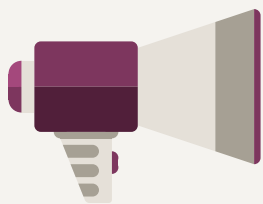
TRADE

844

engaged with the
CONNECT platform



Stakeholder engagement



We engaged stakeholders through:

77
E-NEWSLETTERS

36
MEDIA RELEASES

12
BUSINESS-FOCUSED
WEBINARS

Subscriptions:

WINE AUSTRALIA NEWS

6855

↑ 15.6%

MARKET BULLETIN

4293

↑ 13.3%

RD&A NEWS

4693

↑ 9.3%

EXPORTER NEWS

11734

↑ 5.5%

Regulatory activities

Inspected records
in relation to

2645

PRODUCTS

to verify accuracy
of labelling claims



PRODUCT APPROVALS

13,840

in 2020-21

VI-1s ISSUED

35,564

SHIPMENT APPROVALS

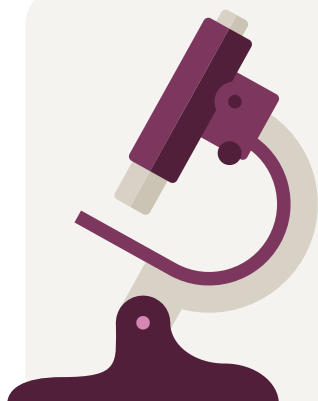
44,543



OTHER CERTIFICATES

13,533

RD&A



RESEARCH PROJECTS

189

managed during 2020-21,
with 46 completed
during the period

340

STAKEHOLDERS

from around the country
attended the National Wine
Sector Bushfire Conference

MORE THAN

550

second generation mildew
resistant selections have been
planted out in field trials

NEW PHD SCHOLARSHIPS

10

awarded



Chair's report

It is my privilege to present Wine Australia's Annual Report 2020–21 on behalf of the Board and the team.

Change is an inevitable part of life but rarely do we experience as much change within a single year as the international community and the Australian wine sector have experienced during the past 12 months.

The COVID-19 pandemic has reshaped the way we work, travel and do business. This has impacted the Australian wine community particularly, as it is one dominated by exports with over 60 per cent of production exported annually. The lack of opportunity to showcase our products in person and tell our stories has been challenging. Equally challenging have been the restrictions imposed on the domestic front to minimise the health impacts of the pandemic. These disruptions have hit the hospitality and tourism sector hard – and the wine sector is obviously a significant player in this space.

While these impacts have not been unique to the wine community, the additional blow of China's Ministry of Commerce (MOFCOM) launching anti-dumping and countervailing duty investigations into Australian wine imports in August 2020 – and its imposition of deposit tariffs during and after the investigations – have tested the Australian grape and wine community significantly. Australia has since sought arbitration from the World Trade Organization (WTO) and the dispute resolution process is ongoing.

While MOFCOM's deposit tariffs are limited to still wine imports in packages of under 2 litres, this made up the majority of Australia's wine exports to China which had – until the investigations – become Australia's single largest export market by value.

The impact of this action could be seen in Australia's wine export figures for the 12 months to 30 June 2021. The value of Australia's total wine exports declined by 10 per cent on the previous year to \$2.56 billion, after reaching a peak of close to \$3 billion in the 12 months to 30 September 2020. This was the highest value since Australian wine exports reached \$3 billion in the second half of the 2007 calendar year.

The volume of exports declined by 5 per cent to 695 million litres, compared with the previous 12 months. While partially attributable to the impact of tariffs on the China trade, the diminution was also attributable to declining stocks following consecutive lower vintages.

Excluding the mainland China market, growth in exports to Europe, including the United Kingdom (UK), saw the value and volume of exports increase in 2020–21. The UK, Hong Kong, Singapore, South Korea, Malaysia, Thailand and Taiwan all recorded double digit growth.

The average price per litre for bottled wine increased by 3 per cent to \$7.26 per litre free on board (FOB) and unpackaged wine exports increased by 6 per cent to \$1.38 per litre. However, the average value per litre of all exports declined 5 per cent to \$3.69 per litre (FOB), reflecting the change of product mix in exports from bottled (the principal exports to mainland China) to unpackaged (the majority of exports to the UK).

On the vintage front, 2021 brought a record crop of 2.03 million tonnes that was of particularly high quality, fostered by near ideal conditions across nearly all regions in Australia. For many producers, it was a welcome boost to depleted inventory levels after successive small vintages.

Figure 1: Exports over time – Mainland China versus the rest of the world

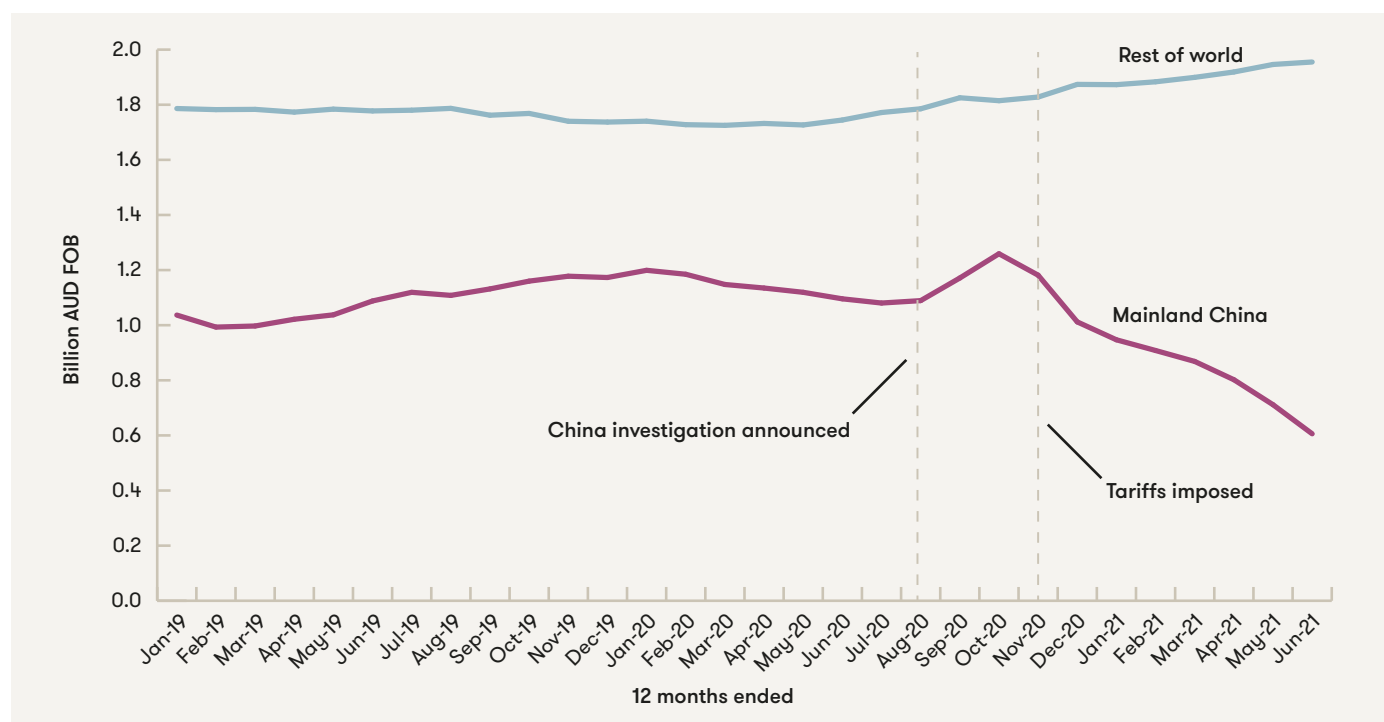




Figure 2: Average price per litre of glass bottle and unpackaged exports over time

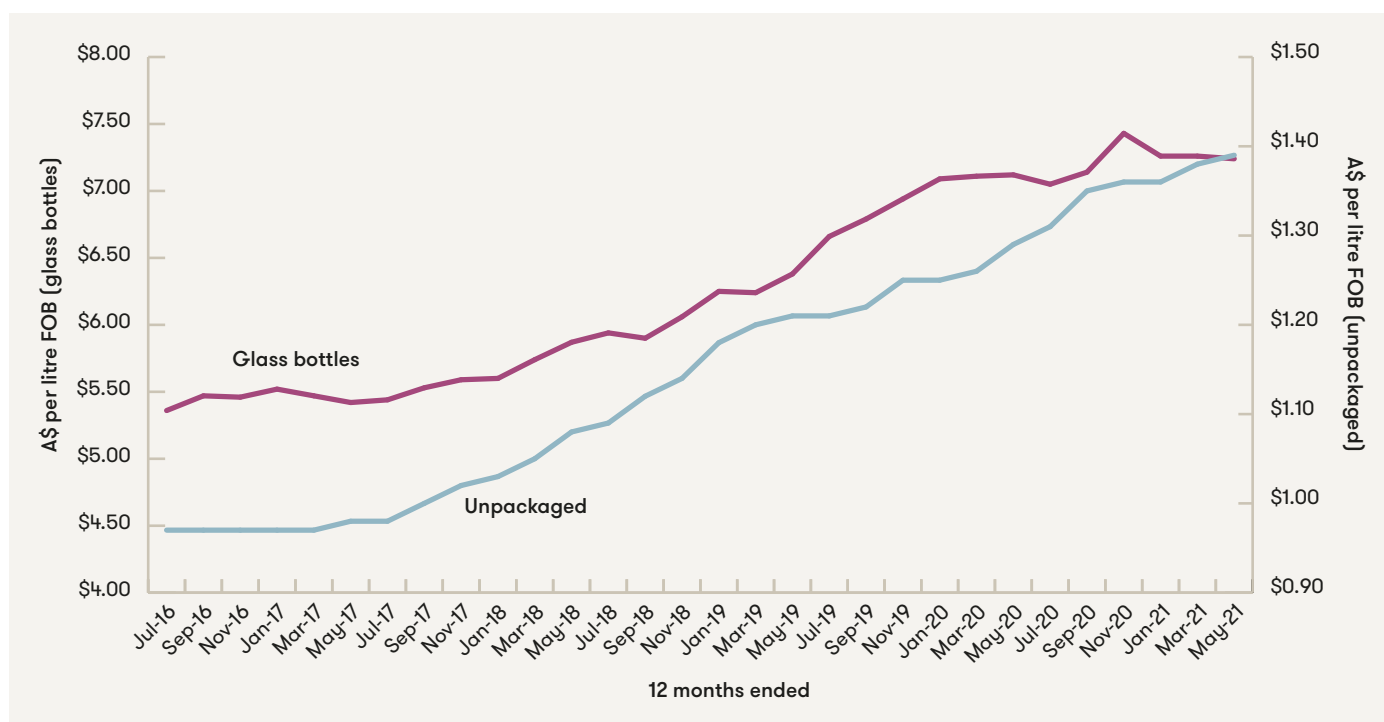


Figure 3: Crush and yield from 2005 to 2021



The 2021 crush was 31 per cent higher than the 2020 vintage and 19 per cent above the 2019 vintage. The larger crush balanced out the two previous small vintages, with the average of the three being closely in line with the 10-year average of 1.74 million tonnes.

The total value of the crush at the weighbridge increased by more than \$400 million (36 per cent) to \$1.56 billion, with the increased crop size amplified by a small increase in overall average value, up by 1 per cent to \$701 per tonne. This was the highest since 2008.

Red grapes made up 57 per cent of the crush comprising 1.16 million tonnes, an increase of 37 per cent over the previous year. The white varieties comprised 864,946 tonnes, an increase of 25 per cent. Overall, white variety's share of the crush reduced to 43 per cent, the lowest since 2004.

On a note of caution, the average value for red varieties declined in 2021 for the first time since 2014, while whites continued to increase in value, indicating that demand could now be shifting towards whites.

In the first year of Wine Australia's *Strategic Plan 2020-25*, we had to look hard at some of our objectives, and working closely with Australian Grape & Wine ensured that we focused our energy on those areas that would have the best outcomes for the sector. When developing the Plan in early 2020 – before the imposition of MOFCOM's deposit tariffs – we identified a desire to capture a greater market share in target markets at the following price points:

- Mainland China: >RMB200 per bottle
- Canada: >C\$15 per bottle
- UK: >GB£8 per bottle, and
- USA: >US\$11 per bottle.

Since then, we have reassessed our strategy in light of the China market disruptions and, while China can remain a longer-term goal, the immediate focus will be on the other key markets.

The majority of activities funded by the Australian Government's \$50 million Export and Regional Wine Support Package (\$50m Package) came to a close in 2020-21. However, the success of the \$50m Package in amplifying the Australian wine category, building wine export and tourism capability and creating enduring benefits for the Australian wine sector, is far from over.

The suite of tools and resources developed with \$50m Package funding are incredibly valuable and can be leveraged by wine businesses, and their state, regional and national representative bodies, to ensure our efforts to increase the global demand for Australian wine continue. This is particularly important as the sector adapts to market challenges and international travel restrictions during the COVID-19 pandemic.

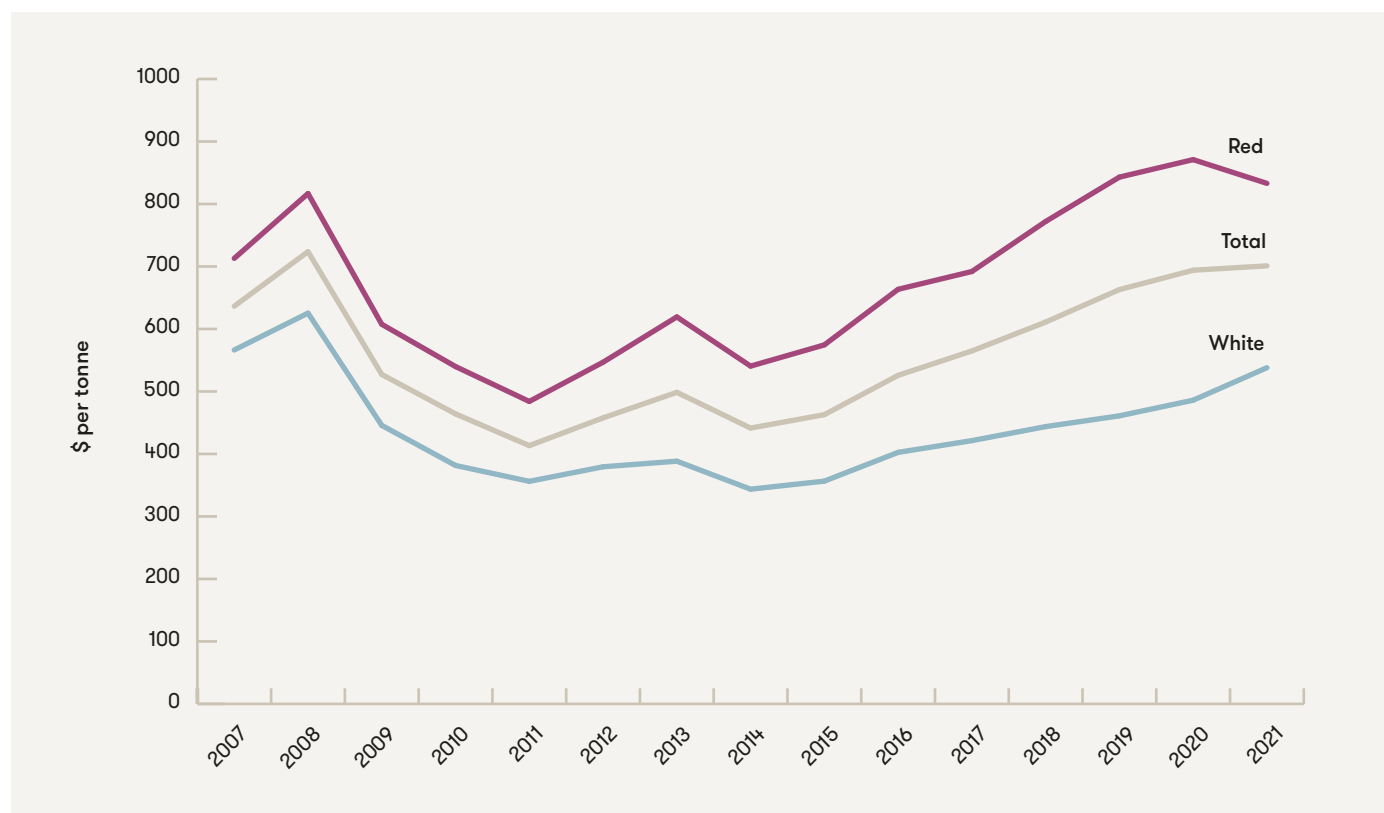
Wine Australia is working hard to ensure the Australian grape and wine community takes full advantage of these resources.

Marketing

One of the flagships of the \$50m Package is our virtual marketplace Australian Wine Connect (CONNECT) – integrating four years of targeted marketing and education campaigns into a central hub for businesses to connect with key buyers around the world, while COVID-19 prevents us from travelling.

Since its launch in April 2021, CONNECT has gained 250 Australian wine exhibitors, showcasing more than 2000 wines, and offers a monthly array of virtual wine tastings, panel discussions and keynotes.

Figure 4: Average winegrape purchase value 2007–2021



Soon, we'll be building a capability hub into the platform, driving online business services for exporters looking to expand or diversify their markets.

We're working closely with Austrade and wine associations to provide data and insights on market opportunities. And we've made it easier for businesses to conduct individualised research on exports, crush, winegrape price, vineyard plantings and global wine markets through the launch of Interactive Insights.

We've expanded our US Market Entry Program and – for those seeking representation in Canada and the UK – we've launched the Explore program as an additional service for wineries signed up to CONNECT.

Wine Australia has worked closely with Austrade to develop a partnership through the Agri-Business Expansion Initiative (ABEI), which supports Australian agribusinesses looking to expand their export markets. The partnership includes collaboration on Wine Australia's existing market expansion initiatives such as CONNECT, the US Market Entry Program, capability development, virtual events and increased outreach through Austrade's Global Engagement Manager and Business Development Manager network globally. A partnership has also been established with Food Innovation Australia Limited (FIAL) to facilitate trade meetings with wine businesses with a particular focus on the Asia Pacific. The spirit of both agreements supports the expansion of export markets, diversification, capability building and resilience.

In other collaboration, Wine Australia is working with the Australian Wine Research Institute and Australian Grape & Wine to engage the sector and build trade awareness of Sustainable Winegrowing Australia (SWA), a sector owned sustainability certification system.

Regulation

We've increased protection for Australian wine brands through the launch of the Export Label Image Search System (ELISS), enabling importers, distributors, retailers and consumers to check when, where and who exported the wine from Australia.

In addition to working to ensure that Australian wine exports are verifiable, backed by audits and documentation, we worked closely with the Department of Agriculture, Water and the Environment (DAWE) and the Department of Foreign Affairs and Trade (DFAT) progressing work on Free Trade agreements with the UK and the European Union.

Research, development and adoption

On the research and development front, we're working with Australian Grape & Wine and the grape and wine community to gain a deeper understanding of the sector's research priorities.

We are directing efforts at establishing greater stakeholder engagement with the design and delivery of extension approaches to achieve adoption outcomes set out in the Strategic Plan, including Australian Grape & Wine's Research Advisory Committee providing strategic input.

Wine Australia is one of the founding organisations of Agricultural Innovation Australia (AIA), a new not-for-profit, public company comprising all 15 Rural Research and Development Corporations (RDCs), which was formed in October 2020 to facilitate joint investment and collaboration in cross-industry agricultural issues of national importance.

As a single point of contact for cross-industry strategies, AIA will make it easier for investors from around the world to navigate and partner with the Australian agricultural system.

RDCs contribute subscription fees and will benefit from enhanced collaboration and more effective leveraging of funding, knowledge and resources.

The scope of AIA's strategies will cover the agriculture, fisheries and horticultural value chains.

A highlight of the 2020–21 year was the National Bushfire Conference in May, with 340 delegates gathering virtually and in four locations around Australia for in-depth presentations, research updates, practical bushfire preparedness, and best practice techniques for smoke effects and recovery from fire.

In 2020–21, we made good progress towards establishing a national germplasm collection. This has been an ambition for the sector for over ten years, although establishing common goals and agreed objectives has been critical together with DNA-typing plants in multiple collections. But the foundations of this project are now laid, with a clear plan to provide the sector with security of access to clean planting material and a solid resource base.

We are taking the first steps towards achieving the grape and wine sector's goal of zero net carbon emissions and zero waste production, with data capture from the SWA scheme used to set benchmarks.

While COVID-19 travel restrictions have forced the delay of the Future Leaders Program in 2021, we engaged with Wine Communicators of Australia (WCA), the University of Adelaide and the Australian Society of Viticulture and Oenology to expand the Wine Industry Mentor Program, which pairs early career wine sector professionals with respected wine sector leaders. The program's focus has now broadened from marketing and communications to all areas of the wine industry.

The challenges of the past year have forced businesses to adapt and embrace new ways of doing business. Wine Australia has taken similar steps in adapting to constraints, exploiting new digital opportunities and supporting the sector's evolving needs.

The organisation

The decline in exports combined with a diminution in export charge revenues and the culmination of the \$50m Package required the organisation to be restructured to bring it into alignment with the revised budget and activities program. There have been redundancies and restructures from executive level to the management of reception. This process will conclude within the first quarter of 2021–22, allowing the organisation to resume its focus on delivering results for the sector as efficiently as possible.

Among the many valuable people to leave the organisation was Chief Executive Officer Andreas Clark, who advised in early 2021 that he would not seek to renew his contract. General Manager Corporate Services Steven Weinert was appointed Acting Chief Executive and continues in this role as the executive search proceeds.

During 2020–21, Wine Australia recorded an operating deficit of \$10.8 million, compared with the funding shortfall of \$13.2 million foreshadowed in our *Annual Operational Plan 2020–21*.

Thanks

In closing, I would like to thank the senior leadership team and my fellow Directors for their work and support and our global Wine Australia teams for their contributions in this extraordinary time.

On behalf of the Board at Wine Australia, I'd like to acknowledge Andreas Clark, who finished with Wine Australia on 2 July 2021. Andreas made an outstanding contribution to the Australian grape and wine sector in his 6 years as CEO and 15 years at Wine Australia, overseeing targeted campaigns and record growth in Australian wine exports before the imposition of tariffs on Australian wine imports to China. I have no doubt that he'll be missed dearly by the sector and I'd like to thank him formally for his contribution.

Wine Australia and my colleagues on its Board recognise that this is a challenging time for the sector. We are committed to maximising the enduring benefits of the \$50m Package and investing your levies effectively and efficiently, together with Australian Government funding, to deliver results for the entire Australian grape and wine community – and the broader Australian economy.

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 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
- enable Australia to fulfil its obligations under prescribed wine-trading agreements and other international agreements, and
- support the growth of international wine tourism, and services, products and experiences that complement international wine tourism.

Our five-year *Strategic Plan 2020–25* and our *Annual Operational Plan 2020–21* outline our key investment priorities, which are guided by the Australian grape and wine community's priorities.

The Strategic Plan details how, over the next five years, we will invest grape and wine levies and other fees, along with the Australian Government's matching funding, to support a profitable, resilient and sustainable grape and wine sector.

In developing the Strategic Plan, Wine Australia consulted extensively with grapegrowers, winemakers, sector bodies, government and other key stakeholders, working in collaboration with Australian Grape & Wine, the sector's representative organisation under the Act, which developed Vision 2050, a 30-year strategy for the Australian grape and wine sector.

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 our international engagement priorities, we collaborate with our marketing, and other like-minded, partners. These partners include wine businesses, Australian Government agencies such as Tourism Australia and Austrade, regional associations, state governments and other Rural Research and Development Corporations (RDCs) with market development responsibilities.

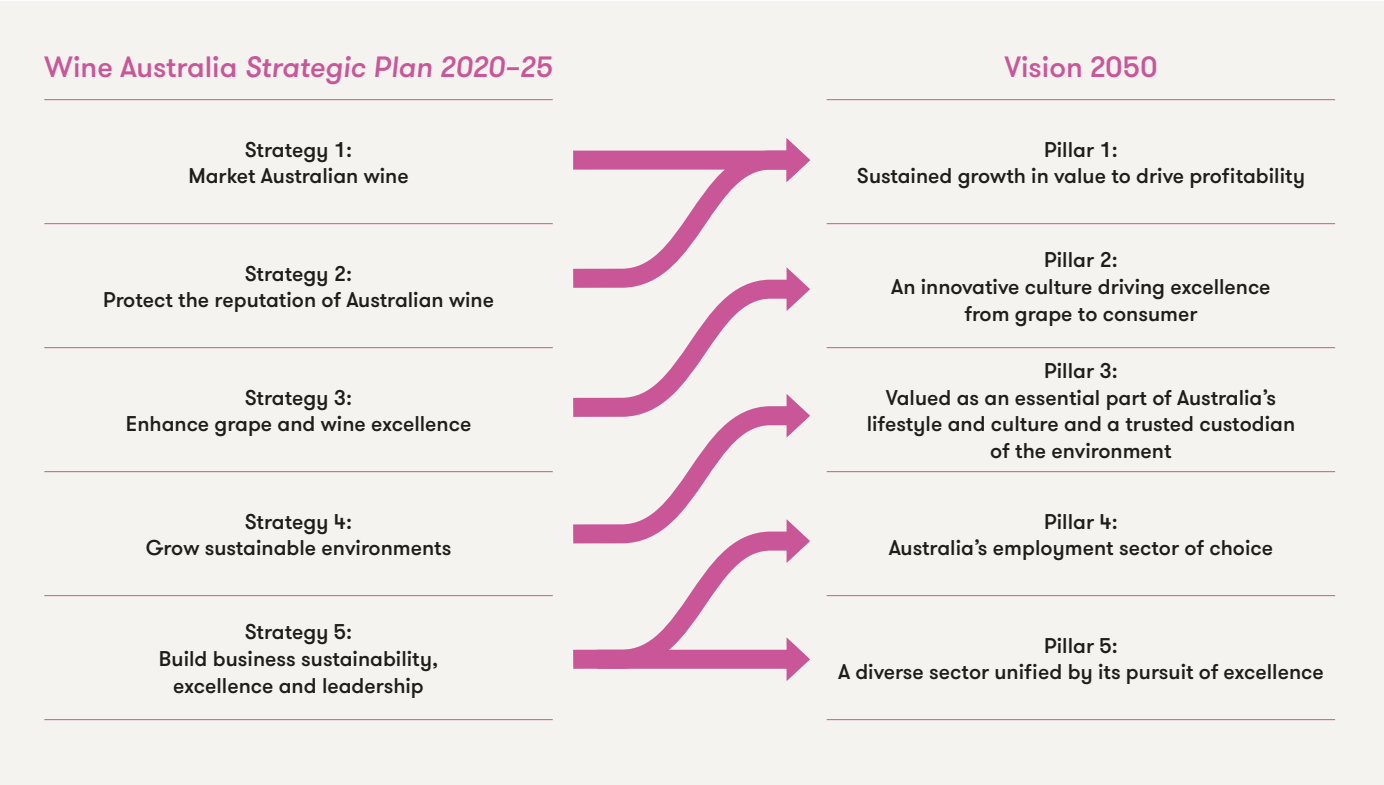
The Australian Government is a co-contributor of RD&A funding. We also work closely with the Australian Government to enhance market opportunities and reduce barriers to trade.

Our research providers include the Australian Wine Research Institute (AWRI), the Commonwealth Scientific and Industrial Research Organisation (CSIRO), the National Wine Grape Industry Centre (NWGIC), universities 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.

Figure 5: Mapping Wine Australia’s five strategies to Vision 2050’s five pillars





Performance principles

During 2020–21, the Australian Government undertook a review of the regulator performance and reporting, introducing the Regulator Performance Guide to replace the *2014 Regulator Performance Framework* (RPF) on 1 July 2021.

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 Annual Report, the organisation is adopting an evidence-based approach to continuous improvement throughout 2021–22, and will align its activities as follows.

1. In keeping with **Principle 1: Continuous improvement and building trust**, Wine Australia will maintain an open dialogue with stakeholders to gauge feedback on the organisation's performance. In practice, this will involve working closely with Australian Grape & Wine, meeting regularly with key stakeholders and undertaking stakeholder surveys to gain broader feedback from the community.

2. As part of Wine Australia's commitment to **Principle 2: Risk-based and data-driven performance**, Wine Australia will maintain essential safeguards using data and digital technology to manage risks, minimise regulatory burden and support those we regulate to comply and grow.

We will monitor and evaluate performance, and use data to provide performance insights and drive continuous improvement. In doing so, Wine Australia will continuously evaluate our performance as a regulator, and assess ourselves against both domestic and external agencies where appropriate.

3. 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. 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 at guiding 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 'Performance Principles'.

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

Table 1: 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.	<ul style="list-style-type: none"> In accordance with the recommendation made in Wine Australia's independent performance review report, the Wine Australia Board approved a comprehensive and ambitious 12-month stakeholder engagement plan in September 2020. Key highlights of the engagement included: <ul style="list-style-type: none"> increased engagement with key stakeholders, including meetings with major levy payers and regional associations direct mailouts to grapegrowers and wine producers on the levy payer register, outlining Wine Australia's investment activities and how levy payers can derive maximum benefits from the levies they pay regular telephone meetings with DAWE, and eight facilitated workshops in Western Australia, South Australia, New South Wales, Victoria and Tasmania with grapegrowers, winemakers, RD&A providers and state and regional association representatives to discuss RD&A priorities. These workshops were conducted in concert with Australian Grape & Wine (the scheduled workshop in Queensland was cancelled at the request of the Queensland Wine Industry Association because of regional priorities), and we publicly invited written submissions from any interested party. That extensive stakeholder engagement process has in general affirmed that our Strategic Plan is fit for purpose. Key themes that have emerged during those discussions centre on sustainability, water, market diversification, innovation especially in low-alcohol products and market insights and market access – all of which feature prominently in the plan. Wine Australia is on target to complete all of the stakeholder engagement activities and initiatives set out in that plan and is in the process of developing a new 12-month plan. The new plan will focus heavily on engaging the sector to ensure our activities are aligned with sector needs, and increasing levy payers' familiarity, engagement and satisfaction with Wine Australia's investments to ensure they're getting maximum benefit from the levies they pay.
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.	<ul style="list-style-type: none"> In developing our Strategic Plan, we sought to engage with the whole Australian grape and wine community over 12 months so that everyone had the opportunity to contribute. Special efforts were made to ensure that the views of small, medium and large grapegrowers, winemakers and exporters around the country were heard, and there was an impressive level of engagement by stakeholders. We developed a discussion paper reflecting on the state of the sector in 2020–21, the challenges that lie ahead and strategic priorities for the Australian grape and wine community to ensure it's well positioned for the future. As reflected in Wine Australia's <i>Annual Operational Plan 2020–21</i>, our investments range from short-term projects that will be completed in less than two years, to medium-term ones (two to four years), to long-term projects (over four years). Wine Australia's investments in research have varying levels of risk: from low risk R&D, to medium and higher risk 'blue-sky' research where success is less assured but, if successful, the research outcome would be very valuable to the sector. We assess the likelihood of success and the extension and adoption potential of all RD&A project applications as part of the overall ranking of proposals. We focus on extracting the full value of our investments in RD&A for the benefit of our levy payers, the Australian Government and the wider community.

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 committed to strategic and sustained cross-industry and cross-sectoral collaboration.
- Wine Australia is also a contributor to GrowAg, Australia's central agrifood innovation hub, which is a collaborative effort by DAWE and Australia's 15 RDCs designed to reduce duplication and showcase world-leading agriculture research, unique technologies and commercialisation opportunities in one, easy to use location.

All the information on this platform is free to access and allows investors, corporates, startups, researchers, industry, government and universities from Australia and around the world to locate information and opportunities to deliver innovation back to the farm and the food supply-chain.

To end June 2021, GrowAg showcased 31 commercial opportunities including 6 from Wine Australia to over 10,000 users from 117 countries (70 per cent from Australia), ranging from investors and corporates, to startups.

GrowAg also features over 2000 research projects, including 71 funded by Wine Australia.

- Wine Australia is a member of the the Plant Biosecurity Research Initiative (PBRI). Cross-sectoral biosecurity investments through PBRI include:
 - 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, and
 - 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), and
 - Diversity in Agriculture Leadership Program (led by National Farmers' Federation, multiple plant industries).

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 to all policy development, which enables strong 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.

- Wine Australia is committed to measuring and assessing the effectiveness, efficiency and transparency of our activities, investments and operations.
- We seek to maximise the return for our investors within the prevailing market conditions.
- Our measures of success draw on our market analysis and insights to set ambitious and informed targets. We measure and report on our achievements against each strategy and on the overarching key performance indicators (KPIs) against each of the five key strategy areas.

Performance statement

Financial overview

During 2020–21, Wine Australia recorded an operating deficit of \$10.8 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 R&D activities.

There are three levies: the Wine Grapes 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 34 per cent (\$16.8 million) of 2020–21 revenue came from the 2 levies and the Wine Export Charge, and 30 per cent of revenue (\$14.2 million) from the Australian Government's matching contributions.

Revenue from regulatory fees made up 8 per cent (\$4.0 million) of income, and activity-based user-pays wine sector contributions to marketing activities made up 1 per cent (\$0.3 million) of total revenue for 2020–21.

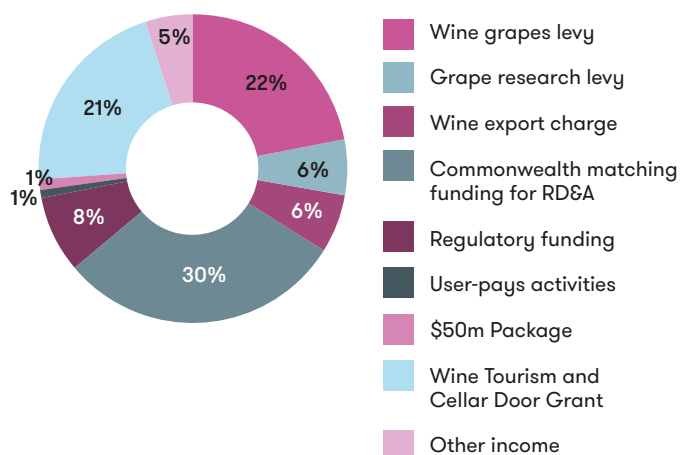
Net assets were \$10.2 million at 30 June 2021 and financial assets were \$10.2 million, all of which was cash and receivables. Payables were \$2.9 million.

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

Table 2: Revenue by source for 2020–21

Source	\$m	
Levies		
Wine grapes levy	10.76	22%
Grape research levy	3.03	6%
Wine export charge	2.97	6%
Commonwealth matching funding for RD&A	14.16	30%
Regulatory funding	3.98	8%
User-pays activities	0.27	1%
\$50m Package	0.50	1%
Wine Tourism and Cellar Door Grant	10.00	21%
Other income	2.18	5%
Total income	47.85	100%

Figure 6: Revenue by source (percentage of dollar value)



Annual Performance Statement

This Annual Performance Statement for the 2020–21 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 25 and 45.



Investment allocation

Table 3: Expenditure by strategy for 2020–21

Strategy area	\$m	
Strategy 1: Market Australian wine	5.28	9%
Strategy 2: Protect the reputation of Australian wine	3.04	5%
Strategy 3: Enhance grape and wine excellence	13.49	23%
Strategy 4: Grow sustainable environments	6.07	10%
Strategy 5: Build business sustainability, excellence and leadership	7.44	13%
\$50m Package	6.23	11%
Wine Tourism and Cellar Door Grant	10.12	17%
Support functions	5.91	10%
Levy collection costs	1.05	2%
Total expenditure	58.63	100%

Figure 7: Expenditure 2020–21 by strategy (percentage of dollar value)

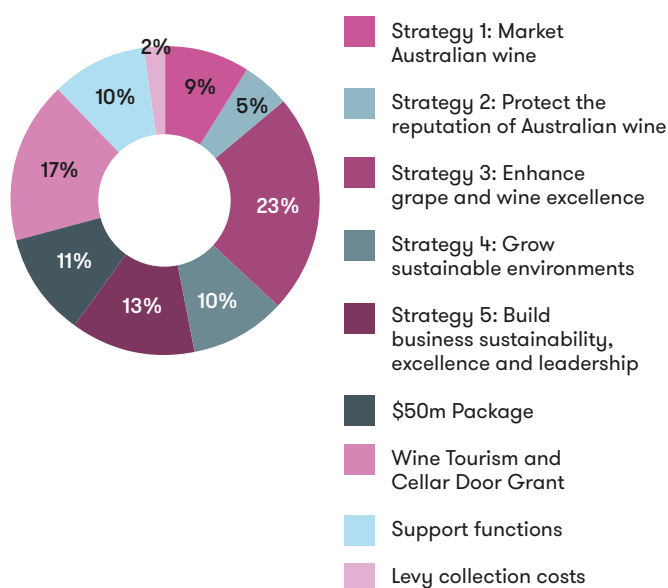
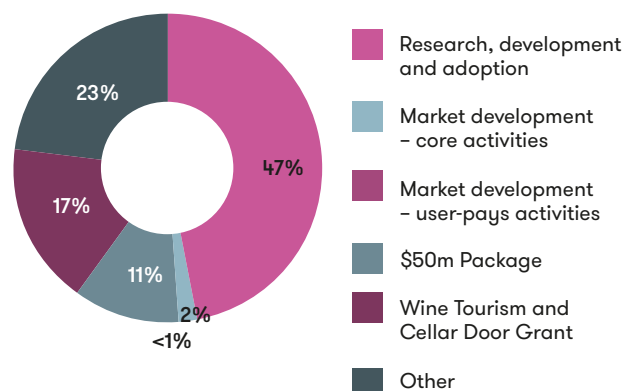


Table 4: Expenditure by activity area 2020–21

Activity	\$m	
Research, development and adoption	27.39	47%
Market development – core activities	0.92	2%
Market development – user-pays activities	0.27	0%
\$50m Package	6.23	11%
Wine Tourism and Cellar Door Grant	10.12	17%
Other	13.70	23%
Total activity expenditure	58.63	100%

Figure 8: Expenditure by activity area (percentage of dollar value)



A balanced portfolio

In developing our Strategic Plan, Wine Australia conducted extensive consultations with our stakeholders. We sought to engage the whole Australian grape and wine community so that everyone had the opportunity to contribute. Special efforts were made to ensure that the views of small, medium and large grapegrowers and winemakers around the country were heard.

To identify key research and marketing priorities:

- face-to-face meetings were held with the Australian Grape & Wine Board and Executive and a number of major wine producers
- telephone meetings were held with DAWE and a number of major wine producers
- eight facilitated workshops were conducted in Western Australia, South Australia, New South Wales, Victoria and Tasmania with grapegrowers, winemakers, RD&A providers and state and regional association representatives. These workshops were conducted in concert with Australian Grape & Wine, noting the scheduled workshop in Queensland was cancelled at the request of the Queensland Wine Industry Association due to competing regional priorities, and
- we publicly invited written submissions from any interested party.

Together with Australian Grape & Wine, we established a Joint Strategy Committee that provided advice to Australian Grape & Wine and Wine Australia on the development of Vision 2050 and the Strategic Plan.

Committee members then reported back to the boards of their respective nominating organisations.

The *Strategic Plan 2020–25* is thus informed by the extensive stakeholder consultation undertaken in conjunction with Australian Grape & Wine, 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.

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 range from short-term projects that will be completed in less than two years, to medium-term ones (two to four years), to long-term projects (more than four years).

We also invest in different risk categories: low-risk applied R&D, 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.

We assess the likelihood of success and the extension and adoption potential of all RD&A project applications as part of the overall ranking of proposals. We focus on extracting the full value of our investments in RD&A for the benefit of our levy payers, the Australian Government and the wider 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 5: Investment by project term

Project term	Number of projects		Actuals 2020-21	
Short (<2 years)	44	25%	\$2,063.8	8%
Medium (2-4 years)	62	36%	\$3,688.1	15%
Long (>4 years)	67	39%	\$18,844.8	77%
Total	173	100%	\$24,596.7	100%

Figure 9: Investment by project term (percentage of dollar value)

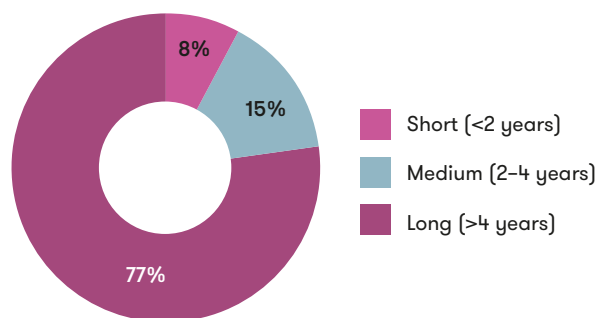


Table 6: Investment by research type

Research type	Number of projects		Actuals 2020-21	
Extension	25	14%	\$4,329.2	18%
Capability	56	32%	\$786.4	3%
Strategic	53	31%	\$13,618.0	55%
Adaptive	39	23%	\$5,863.1	24%
Total	173	100%	\$24,596.7	100%

Figure 10: Investment by research type (percentage of dollar value)

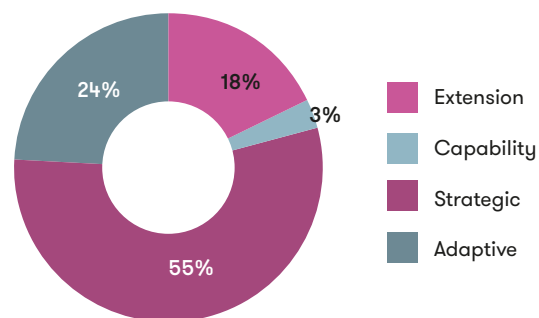


Table 7: Investment by risk category

Risk category	Number of projects		Actuals 2020-21	
Low	58	34%	\$4,741.1	19%
Medium	57	32%	\$12,345.1	50%
High	58	34%	\$7,510.5	31%
Total	173	100%	\$24,596.7	100%

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

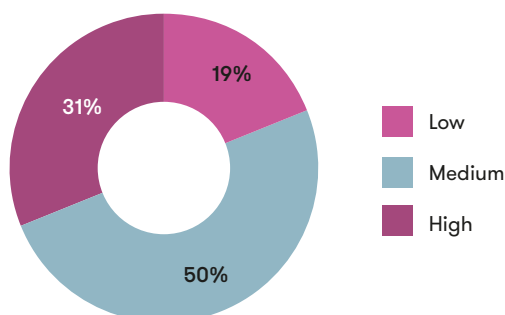
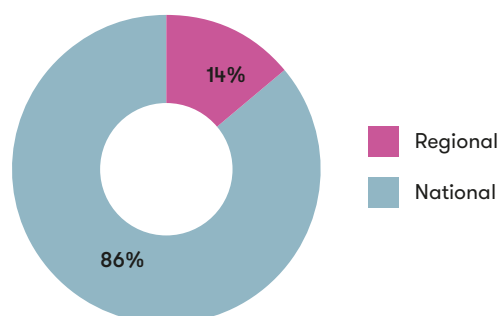
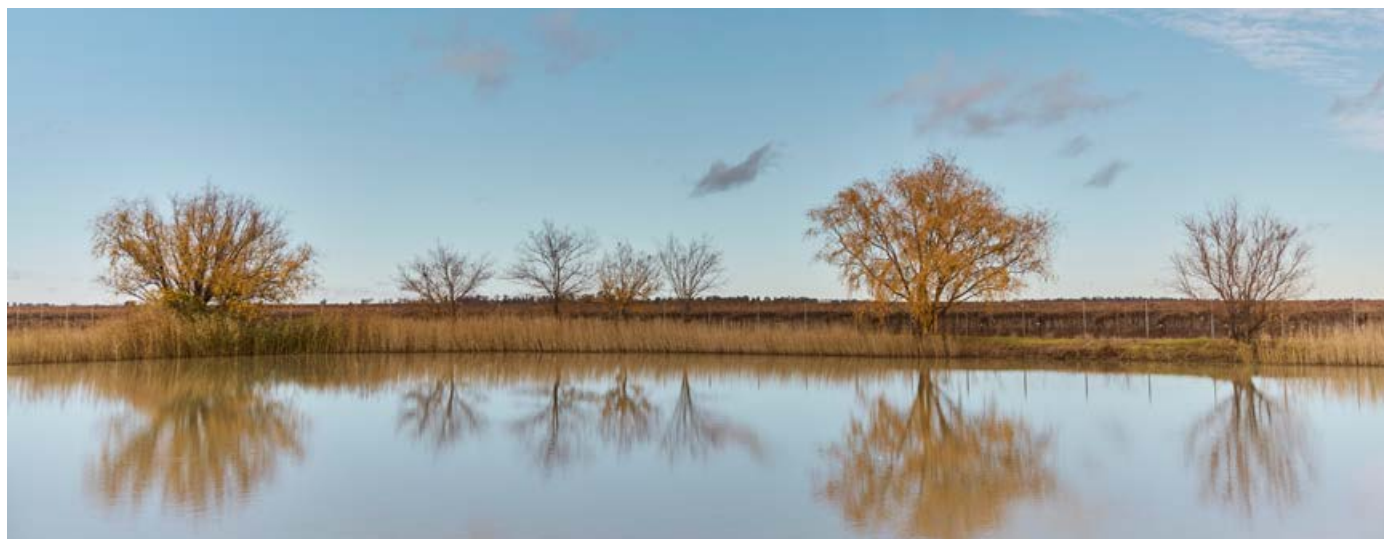


Table 8: Investment by geographic focus

Geographic focus	Number of projects		Actuals 2020-21	
Regional	23	13%	\$3,546.8	14%
National	150	87%	\$21,049.9	86%
Total	173	100%	\$24,596.7	100%

Figure 12: Investment by geographic 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 2020–21, outcomes were heavily impacted by restrictions resulting from the COVID-19 pandemic, and the imposition of deposit tariffs on Australian wine imported to China.

The key performance indicators for 2020–21 and corresponding outcomes are detailed in Table 9.

Table 9: Performance against Agriculture Portfolio Budget Statements 2020–21 measures

Key performance indicators	Target	Outcome
Wine Australia		
We improve our stakeholder net promoter score from 2019 baseline.	Above +12	-9
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%	81%
Levy payers who participate in Wine Australia-supported extension and adoption programs consider them a good or very good use of levy funds.	80%	59%
Marketing		
Tier A influencers actively engage with Wine Australia	81%	83% of Tier A influencers engaged with Wine Australia through dedicated outreach, as well as retail campaigns webinars, trade workshops and seminars.
The perception of Australian wine increases in Canada, China, the UK and the USA.	Increase above 2019 baseline	The USA was the only region where perception improved over the previous year.
Wineries and distributors who participate in Wine Australia events report that they are satisfied or very satisfied.	>90%	Unable to measure as global trade events and the visits program were cancelled due to international border closures.
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.	Up to 300 records	>300

Alignment with Australian Government priorities

Our research program investment (including administrative expenses) aligned with the Australian Government's Science and Research Priorities (Table 10) and Rural Research, Development and Extension Priorities (Table 11).

Table 10: Wine Australia research program spending aligned with the Australian Government's Science and Research Priorities

Australian Government's Science and Research Priorities									
Wine Australia strategies	Food 1.1 \$000	Food 1.3 \$000	Soil and water 2.2 \$000	Soil and water 2.3 \$000	Advanced manufac- turing 7.1 \$000	Advanced manufac- turing 7.2 \$000	Environ- mental change 8.1 \$000	Environ- mental change 8.3 \$000	Total \$000
Strategy 2: Protect the reputation of Australian wine		392.5 (1.6%)							392.5 (1.6%)
Strategy 3: Enhance grape and wine excellence		8881.9 (36.1%)				3827.8 (15.6%)			12709.7 (51.7%)
Strategy 4: Grow sustainable environments		2370.0 (9.6%)	483.4 (2.0%)	129.7 (0.5%)				2817.1 (11.5%)	5800.2 (23.6%)
Strategy 5: Build business sustainability, excellence and leadership	423.9 (1.7%)	5083.8 (20.7%)	74.6 (0.3%)		8.2 (0.0%)	43.2 (0.2%)		60.6 (0.2%)	5694.3 (23.1%)
Total	423.9 (1.7%)	16728.2 (68.0%)	558.0 (2.3%)	129.7 (0.5%)	8.2 (0.0%)	3871.0 (15.8%)	0.0 (0.0%)	2877.7 (11.7%)	24596.7 (100.0%)

Table 11: Wine Australia research program spending aligned with the Australian Government's Rural Research, Development and Extension Priorities

Australian Government's Rural Research and Development Priorities					
Wine Australia strategies	Advanced technology \$000	Biosecurity \$000	Soil, water and managing natural resources \$000	Adoption of research and development \$000	Total \$000
Strategy 2: Protect the reputation of Australian wine				392.5 (1.6%)	392.5 (1.6%)
Strategy 3: Enhance grape and wine excellence	12761.6 (51.9%)		-51.9 (-0.2%)		12709.7 (51.7%)
Strategy 4: Grow sustainable environments	97.4 (0.4%)	1676.5 (6.8%)	4026.2 (16.4%)		5800.1 (23.6%)
Strategy 5: Build business sustainability, excellence and leadership	93.7 (0.4%)		278.4 (1.1%)	5322.3 (21.6%)	5694.4 (23.1%)
Total	12952.7 (52.7%)	1676.5 (6.8%)	4252.7 (17.3%)	5714.8 (23.2%)	24596.7 (100.0%)

Export and Regional Wine Support Package

The background

This reporting period marks the final year of the Australian Government's \$50 million Export and Regional Wine Support Package (\$50m Package).

This one-off investment of \$50 million over four years was designed to grow the Australian wine sector by showcasing the nation's wine tourism, 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.

Since then, Wine Australia has worked with the Australian grape, wine, tourism and cider communities to finalise delivery of 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 (\$10.7m), 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 Minister for Agriculture 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 deposit tariffs on Australian wine imported to 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: <https://www.wineaustralia.com/about-us/performance-and-reporting>

Financials

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

Table 12: \$50m Package funding as planned and as adjusted

	Accelerating growth international demand	Capability development	Grants and wine tourism	Transforming cider businesses	Administration and operations
	Targeted multi-year marketing campaigns to improve perception and awareness of Australian wine.	Development and delivery of education programs and toolkits to improve the ability of wine businesses to capture export opportunities.	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.	Development of a brand proposition and go-to-market (GTM) strategy for the Australian craft cider industry.	Administration and operational expenditure to manage the \$50m Package.
2017–21 Plan	\$32.5m	\$2m	\$11m	\$0.5m	\$4m
2017–21 Actual	\$32.2m	\$2.5m	\$10m	\$0.5m	\$3.9m
2021–22 Plan	-	-	\$0.7m	-	\$0.1m

Accelerating growth and international demand

International marketing

All marketing campaigns, trade and consumer promotions and social and retail activations were spearheaded by the Australian Wine Made Our Way brand. More emphasis was placed on social and digital interactivity at a time of reduced travel, cancelled trade exhibitions and changes in consumer spending behaviour.

One of the flagship initiatives of the \$50m Package is the virtual marketplace Australian Wine Connect (CONNECT) – a central hub for Australian wineries to connect with global wine trade for commercial outcomes. CONNECT presents an entirely new framework for doing business and offers business-to-business matching services for retailers, importers and on-trade in the USA, Canada, the UK, Europe, Asia and beyond.

At the time of reporting, CONNECT featured 250 exhibiting wineries and more than 2000 wines, with many new registrations being processed. Since its launch in April 2021, the platform's rolling schedule of virtual tastings, panel discussions and the 'Future of Drinking' series has attracted around 1,500 visitors.

Australian Wine Discovered outreach and education continued over the year, with more than 215 training sessions and workshops held globally to a broad trade and educator audience. The growth rate in downloads of these award-winning educational materials remains high as users shape them to their business needs.

Capability development

For Australian wineries seeking representation in Canada, Wine Australia launched the Explore program as an additional service for wineries signed up to CONNECT. Explore Canada featured a series of briefings to help participating wineries get 'export ready' with tools, guidance and a better understanding of how to do business in the key Canadian markets. Additionally, the top three liquor boards (the Liquor Control Board of Ontario (LCBO), Societe Alcohol Quebec (SAC) and British Columbia Liquor Distribution Branch (BCLDB)) provided briefings and in-market agents, importers, on premise trade and private retailers provided insights into the current market conditions. A communications plan was developed to promote Explore Canada participants to agents and importers, encouraging them to pursue commercial opportunities on CONNECT.

Grants and wine tourism

International Wine Tourism Grants

The International Wine Tourism State and Competitive Grants enabled recipients to invest in research and strategic insights, to execute new innovative marketing campaigns and to develop new tourism experiences. The grants have encouraged new ideas, the ability to trial new programs and ultimately enhanced Australia's wine tourism offering.

Investments in wine tourism

Wine Australia has made a significant investment in wine tourism through wine-related upgrades to the national tourism platform Australian Tourism Data Warehouse (ATDW). Wine businesses can now update their business profiles to promote cellar door experiences, wine varieties, cuisine types, accreditations and wine-making practices. New features, through a partnership with Google, allow wine tourism businesses to link their ATDW listing to free Google My Business accounts to increase online exposure, simplify administration and access enhanced analytics. Close to 1500 Australian wineries have listed their wine tourism experiences on the ATDW.

Wine Export Grants

To allow wine producers to diversify their marketing strategies and adapt to changing conditions, round 2 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 is open until 2 May 2022 or until funding is exhausted, whichever comes first.

Other investments

Label Directory

Australian Grape & Wine identified the need to establish a Label Directory as a key step in strengthening protection for Australian wine labels against fraudulent activity. On 10 December 2020, legislation passed the Australian Parliament enabling Wine Australia to require the provision of label images as a condition of export application approvals. This enabled the development of a first-of-its-kind Export Label Image Search System (ELISS), which was supported by the \$50m Package and went live when the legislation took effect on 1 July 2021. ELISS enables retailers, distributors and consumers to search for text or labels in the system to verify whether a label has been exported by an Australian exporter.

Enduring benefits

Wine Australia focused its efforts on creating a suite of programs, tools and resources that the Australian grape and wine sector can leverage for years to come. These enduring benefits will underpin our efforts to increase the global demand for Australian wine and will continue to be of significant value to Australian wine businesses in their pursuits to drive growth in new and existing markets into the future.

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

A close-up photograph of a man holding a large glass of red wine. The man's face is blurred in the background, while the wine glass is in sharp focus. The wine is a deep red color. The text "Activities and achievements" is overlaid in white, serif font on the left side of the glass.

Activities and achievements

Strategy 1

Market Australian wine

Our objective, derived from our *Strategic Plan 2020–25*, is to increase the demand and the premium paid for all Australian wine, ensuring it's enjoyed and respected globally and generates profitable, resilient and sustainable winegrape and wine businesses.

To increase the profitability of the Australian grape and wine sector, our marketing campaigns aimed to:

- continually improve the perception of the quality of Australian wine
- create a platform for the commercial success of our brand owners, and
- facilitate in-market support and engagement for brand owners.

Our role is to support Australian wine businesses in gaining a greater share of the global alcohol beverage market generally and, more specifically, increase our market share in target markets at the following price points:

- Canada: >C\$15 per bottle
- UK: >GB£8 per bottle, and
- USA: >US\$11 per bottle.

Since Wine Australia's *Strategic Plan 2020–25* was approved in June 2020, the environment within which we operate has been significantly impacted by COVID-19 restrictions and the imposition of tariffs on Australian wine imported to China.

The majority of marketing activity in China was suspended and investments redirected into new campaigns in other focus markets to support diversification, and optimise funding expenditure.

The impacts of the China tariffs and the continuing closure of international borders due to the pandemic resulted in cancellations of live events such as ProWein Germany, the China Roadshow, Vinexpo Hong Kong and also the Australian visits program. We made adjustments to our marketing mix, placing more emphasis on digital and social channels, and retail partnerships (particularly online) as consumer spending patterns changed. Risk was effectively mitigated by being responsive and flexible to the changing circumstances and being able to draw upon the enduring benefits of the \$50m Package.

Regrettably, the International Masters of Wine (IMW) Symposium scheduled to be held in 2022 had to be deferred due to the uncertainty around international travel. We remain a Major Supporter of the IMW for a five-year term and retain the right to bid to host the 2026 Symposium. Australian Wine Made Our Way underpinned all marketing campaigns and we remained true to its values as we championed what is unique about our wines, winemakers and winemaking culture. Brand recognition continues to build, as demonstrated by the consumer perception scores and trade satisfaction ratings.

At a time of reduced travel, when winemakers can't personally tell their stories in market, the value of the content captured in regions over the past three years has delivered beyond expectations. Through our social channels and virtual events, we are still telling and selling Australian wine stories around the world. Our digital asset library is filled with images of people, process and places, and there are over 100 stories on our YouTube channel showcasing boldness, passion and excellence of the Australian wine community.

Australian Wine Discovered (AWD) remains an award-winning leader in wine education internationally and our network of AWD development managers has been teaching trade and educators to use the tools and build capabilities to support their businesses and customers. More than 215 workshops and trainings (virtual and face-to-face) were conducted throughout the year reaching retail trainers, sales representatives (1,000 in the USA alone), educators, wine trade and other professionals with a user satisfaction rating of 96 per cent.

In the USA, we promoted Australian wine at the point of purchase through retail and distributor activations and promotions with independent retailers and national and regional retail chains. Many new relationships have been forged, with new campaigns achieving impressive sales results. The Vivino consumer e-commerce campaign delivered engagement rates almost double the industry standard, and the partnership with Wine.com is driving increased demand for Australian wine across the site.

The US Market Entry Program continues to support wine businesses seeking entry into the complex US market. Year-on-year growth continues to be achieved with program participants securing orders.

In Canada, we continued to work closely with the various liquor boards delivering promotions such as the Liquor Control Board of Ontario (LCBO) Nesting Table & Flex Space programs and the British Columbia Liquor Distribution Branch (BCLDB) thematic. Our trade community engagement remains strong, with consumer, AWD and other on-premise tastings held throughout the year.

In the Europe, Middle East and Africa (EMEA) region, the virtual wine tasting was mastered and, in partnership with regions, we delivered master classes on McLaren Vale Grenache, the Yarra Valley, Mornington Peninsula Pinot, Australian and New Zealand Chardonnay, Rutherglen fortified, Tasmanian Pinot Noir and more. Media, educator and influencer relations activity was consistent, with many features on Australian wine secured.

Webinars were held with trade partners across the Asia Pacific such as The Evolution of Australian Pinot Noir (Singapore), AWD Australia's Alternative Varieties (Korea, Sri Lanka and Maldives), Regional Heroes Series (Hong Kong), as well as many other AWD training sessions and workshops. Retail promotions with Watson's Wine and other partners were activated throughout the year.

In China, before circumstances changed, we were able to deliver the China Awards, participate in ProWine Shanghai, deliver AWD master classes, seminars and workshops and extend our reach through our social channels – WeChat, Weibo and Little Red Book.

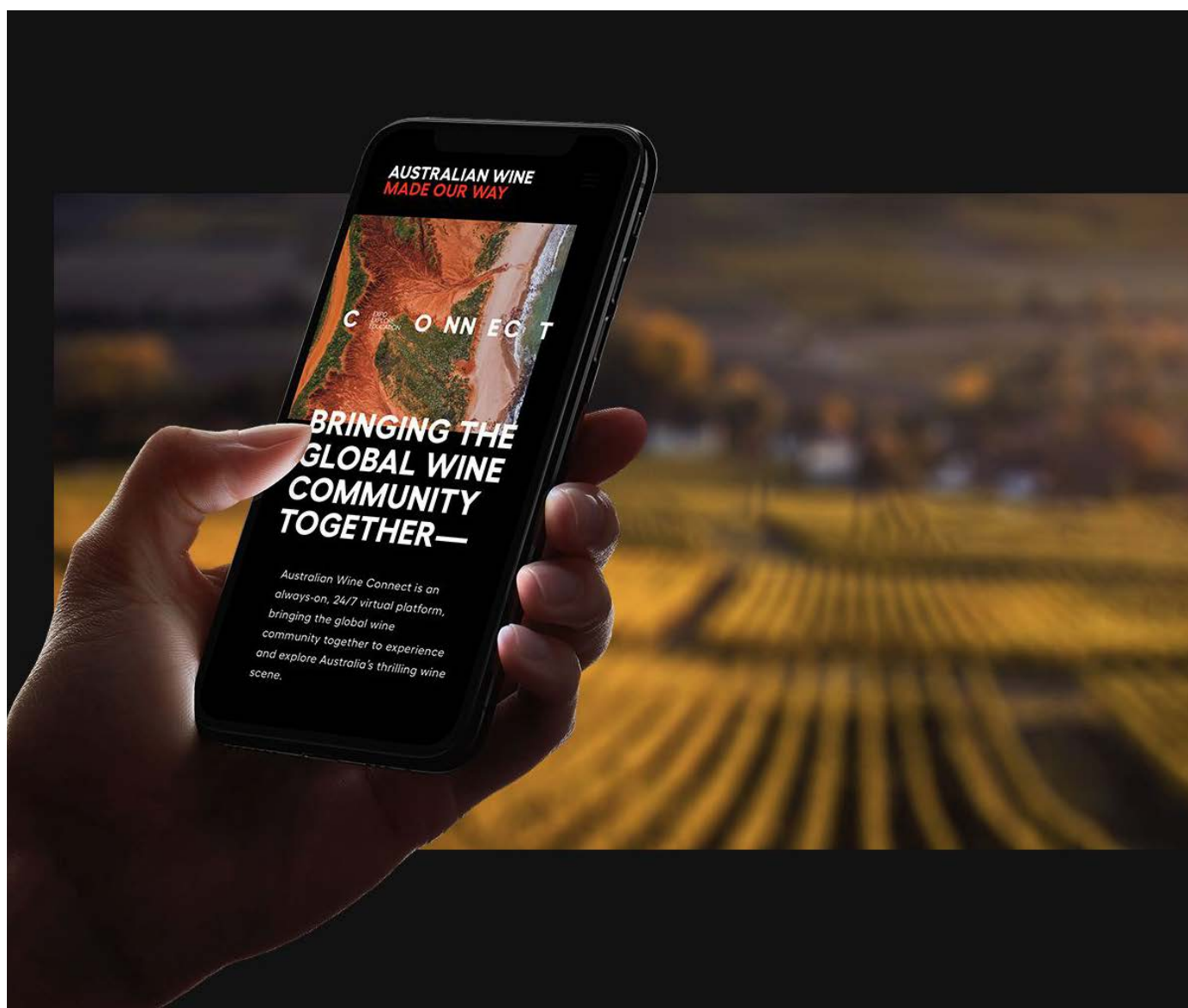
Most importantly, our digital efforts were supercharged as the world learned the pandemic would keep borders closed and our wine representatives out of market for longer than anticipated. Our dynamic, virtual trade platform CONNECT was built to connect Australian wineries with buyers from across the world. The interactive platform is a go-to resource for Australian wine, featuring wineries from across 65 regions; connecting winemakers with buyers, importers, distributors, media, educators and more; and offering a diverse program of engaging events and experiences.

Following the launch of CONNECT in April 2021, an integrated marketing campaign commenced to encourage buyers to register and explore the hundreds of wineries and thousands of wines featured across the platform. A global follow-the-sun launch event was held to introduce CONNECT, and monthly conversations, virtual tastings and educational seminars are all hosted and available on demand. Regional pages and curated collections of wines and wineries are updated

regularly to encourage return visits and connections with Australian wine businesses.

Wine Australia worked closely with Austrade to develop a partnership through its Agri-Business Expansion Initiative (ABEI) where they will support existing initiatives such as CONNECT, the US Market Entry program, education as well as new projects, virtual events and increased outreach through their Global Engagement Manager and Business Development Manager network globally. A partnership has also been established with Food Innovation Australia Limited (FIAL) to facilitate trade meetings with wine businesses with a particular focus on the Asia Pacific. The spirit of both agreements supports the expansion of export markets, diversification, capability building and resilience.

While Program 1 of the \$50m Package – Accelerating growth in international demand – came to a close during the year, the suites of tools and resources developed with \$50m Package funding can be leveraged by wine businesses, and their state, regional and national representative bodies, to ensure our efforts to increase the global demand for Australian wine continue. This is particularly important as the sector adapts to market challenges and international travel restrictions during the COVID-19 pandemic.



Strategy 1: Market Australian wine

Strategic Plan measure of success	2020-21 Targets	2020-21 Achievements
85 per cent of Tier A ³ influencers actively engage with Wine Australia.	<p>At least 81 per cent of Tier A influencers actively engage with Wine Australia through regular contact and outreach, key communications, the China Trade Specialist program, retail partnerships, webinars and (when able) visits and key large trade events as well as smaller seminars and workshops.</p> <p>Existing relationships are developed and new relationships formed with key in-market wine trade, media and other influencers.</p> <p>The content captured through the \$50m Package is used across all marketing communications and brand touch points.</p> <p>At least 75 per cent of guests indicate a positive perception change toward Australian wine, captured in a post-event survey.</p> <p>At least a 20 per cent increase in positive sentiment in media coverage and other published content on Australian wine.</p>	<p>83 per cent of Tier A influencers engaged with Wine Australia through regular communications touchpoints, dedicated outreach, the China Trade Specialist program as well as retail campaigns and webinars, trade workshops and seminars. Events were cancelled or on hold due to the closure of international borders due to the pandemic.</p> <p>Growth was achieved across all wine trade contact lists with new relationships forged.</p> <p>Content captured in regions through the \$50m Package is used across all communications touch points.</p> <p>Given in-person events were not held due to COVID-19-related travel restrictions, this target could not be assessed. However, the feedback on CONNECT, which was introduced to bridge this gap, has been excellent.</p> <p>89 per cent of coverage achieving a positive or neutral sentiment compared with 85 per cent in the preceding year. Positive sentiment decreased from 47 to 35 percent due to the coverage of the China countervailing investigations and subsequent tariffs and pandemic.</p>
The perception of Australian wine increases in Canada, China, the UK and the USA by 5 per cent in each market.	<p>As measured through the annual Wine Intelligence survey, consumer perception of Australian wine increases:</p> <ul style="list-style-type: none"> • in Canada, to 8.27/10 • in China, to 8.64/10 • in the UK, to 8.22/10, and • in the USA, to 8.06/10. <p>For paid social media, we achieve an average engagement rate of 30 per cent for Facebook and Instagram (\$50m Package KPI 5).</p> <p>The tone in 90 per cent of media articles about Australian wine is positive or neutral (\$50m Package KPI 6).</p> <p>The Australian Wine Discovered (AWD) education program achieves:</p> <ul style="list-style-type: none"> • 75 per cent overall satisfaction • a net promoter score of 40 • 110 per cent annual growth in AWD material downloads from www.wineaustralia.com • 140 per cent annual growth in pageviews of AWD materials on www.wineaustralia.com • 20,000 downloads of AWD materials from China mini program • 5 per cent annual growth in AWD contact lists across all markets (\$50m Package KPI 7). 	<p>As measured through the annual Wine Intelligence survey, consumer quality perception of Australian wine increases:</p> <ul style="list-style-type: none"> • In Canada = 8.20/10 • In China = 8.31/10 • In the UK = 8.22/10 • In the USA = 8.29/10 <p>For paid social media, we achieved a 31% engagement rate for Facebook and Instagram.</p> <p>The tone in 89 per cent of media articles about Australian wine was positive or neutral.</p> <p>The Australian Wine Discovered (AWD) education program achieved:</p> <ul style="list-style-type: none"> • 96 per cent satisfaction rating • a net promoter score of 69 • 57 per growth in AWD material downloads and 45 per cent growth in AWD pageviews (note calculation error when target was set) • 13,585 downloads of AWD materials from the China mini program (note target impacted by tariffs) • 81 per cent annual growth in AWD contact lists across all markets
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.	We collect, analyse and disseminate market information regularly.	We have disseminated market information regularly through all communication channels (including digital and social), virtual events, training and workshops.
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>More than 90 per cent of wineries and distributors who participate in Wine Australia promotional activities report through post-event surveys that they are satisfied or very satisfied with the activity</p> <p>Average consumer perception increases from 8.14 to 8.55.</p>	<p>As the majority of trade events were cancelled due to the closure of international borders due to the pandemic we did not have a robust sample size to report on this KPI.</p> <p>This perception change could not be captured as due to COVID there were not enough face-to-face tastings to generate a robust sample size.</p>

3 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.

Strategy 2

Protect the reputation of Australian wine

In 2020–21, we successfully maintained a regulatory framework that promoted the quality and integrity of Australian wine.

We provided exporters with training and resources to familiarise them with the new Wine Australia Licensing and Approval System (WALAS), through which the export controls on Australian wine are now largely automated.

In anticipation of changes to the Wine Australia Regulations 2018, we developed and deployed enhancements to WALAS to allow the establishment of a library of exported Australian wine labels. These changes were made ahead of the launch of the publicly searchable Export Label Image Search System

(ELISS) which allows brand owners to identify breaches of their intellectual property rights.

We continued to identify potential impediments to trade, with a view to enhancing market access and minimising technical trade barriers. In particular, we worked closely with the Department of Agriculture, Water and the Environment (DAWE) and the Department of Foreign Affairs and Trade (DFAT) to progress negotiations pertaining to free trade agreements (FTAs) with the United Kingdom (UK) and the European Union (EU) and worked hand in glove with the Australian Government to respond to the China's Ministry of Commerce (MOFCOM) anti-dumping and countervailing duties investigation relating to Australian wine.



Strategy 2: Protect the reputation of Australian wine

Strategic Plan measure of success	Target 2020-21	Achievements 2020-21
Achieve the six key performance indicators in our Regulator Performance Framework.	<p>Through self-assessment endorsed by Australian Grape & Wine, we will measure and report our performance against the six indicators that regulators use to measure their performance, namely:</p> <ul style="list-style-type: none"> • regulators do not unnecessarily impede the efficient operation of regulated entities • communication with regulated entities is clear, targeted and effective • actions undertaken by regulators are proportionate to the regulatory risk being managed • compliance and monitoring approaches are streamlined and coordinated • regulators are open and transparent in dealing with regulated entities, and • regulators actively contribute to the continuous improvement of regulatory frameworks. 	The Regulatory Performance Guide issued by the Department of Prime Minister and Cabinet replaced the Regulatory Performance Framework on 1 July 2021. Accordingly, Wine Australia's performance over 2020-21 will be measured against the new Regulatory Performance Guide.
Establish a benchmark for consumer trust of Australian wine label claims through a customer survey in our five largest markets – Australia, China, the UK, the USA and Canada.	<p>We will use the results of a consumer survey to establish the benchmark for consumer trust in the five markets.</p> <p>Through our Label Integrity Program, we will inspect up to 300 producers' records, with a focus on those relating to wine regions and varieties that are in particular demand.</p>	<p>We established a benchmark for consumer trust of Australian wine labels in our five largest markets.</p> <p>Through targeted requests for records, we conducted inspections in accordance with the Label Integrity Program of 168¹ producers and inspected records of all new and high-risk exporters prior to approving their products for export.</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.	We engaged with a wide range of technology providers that have made traceability technologies, including blockchain, available to the Australian grape and wine community, and communicated with the Wine Industry Technical Advisory Committee in relation to those interactions.
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 worked closely with our regulatory counterparts in major export markets to identify opportunities to cut red tape for exporters. In particular, we worked with Australian Border Force in relation to an initiative to streamline the process through which import is handled by the UK, which has the potential to significantly decrease red-tape for exporters.

¹ The number of inspections conducted was severely impacted by COVID-19 travel restrictions, and a significant decrease in staffing due to the decrease in regulatory revenue.

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 2020–21, we continued our long-term investment to identify enhanced grapevine varieties and clones and breed new varieties and rootstocks that suit our environment and consumer tastes. More than 550 second generation mildew resistant selections have been planted in field trials, and the first step in making new rootstocks commercially available, obtaining Plant Breeder's Rights (PBR), has been taken. We've also begun to explore and evaluate new gene editing delivery systems, such as CRISPR/Cas9, which could allow us to edit genes by precisely cutting DNA and allowing natural repair processes to take over. This would enable more precise changes to be made to grapevine genomes and reduce or remove the need for foreign DNA to be used in breeding.

We have made good progress towards the establishment of a national germplasm collection. This has been discussed for over 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. This year, we developed a feasible plan, gained the support of many relevant bodies and organisations in this space and have commenced work accordingly. One of the first steps was DNA-typing of material in the existing collections, which has been

completed. Another is to deliver a Best Practice Management Guide for grapevine viruses in commercial and propagation vineyards, which has been initiated.

We have also made solid progress on making new and enhanced technologies and processes available to the sector for adoption. The commercialisation potential of all the agricultural technology, or agtech, related projects in the portfolio has been assessed. Those with commercial potential have been uploaded to the GrowAg website and are receiving strong interest from potential commercial partners. Particularly promising progress is being made on an app for vine nutrition and Proxicrop, a sensor that can be used in irrigation decision making.

New knowledge has been developed at the AWRI and shared with the sector through webinars and roadshows on improving thiol characters (tropical notes) in wine through foliar sprays of nitrogen and sulfur in the vineyard and on the impacts of oxygen during fermentation.

Finally, a new project began at AWRI in 2020–21 on no and low alcohol (NOLO) products. Sensory evaluations of commercially available sparkling, white and red NOLO products has highlighted sensory deficiencies and difficulties in their production. Practices used to reduce and remove alcohol from wine have been evaluated, with the aim of developing recommendations for producers looking to invest in producing wine for this category.



Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Target 2020-21	Achievements 2020-21
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.	Planting of at least 200 mildew-resistant winegrape seedlings with two powdery mildew resistance loci (RUN1/ REN4) and two downy mildew resistance loci (RPV1/ RPY16) segregating for red flesh and muscat flavour, for field evaluation.	More than 550 mildew resistant selections have been planted across two no-spray vineyards located in SA and NSW.
	At least 10 microvines and 10 wildtype (tall) female breeding lines containing two powdery mildew (RUN1/REN4) and two downy mildew (RPV1/ RPY16) resistance genes available for future crossings strategies to combine disease resistance and desirable consumer traits.	Fewer female breeding lines containing the two stacked powdery mildew (RUN1/REN4) and two downy mildew (RPV1/ RPY16) loci were generated than expected. A new crossing strategy was therefore implemented to increase the proportion of female lines.
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.	Commercial arrangements have been agreed for the release of selected first generation rootstocks to the sector.	Registration under PBR is close to completion. Commercial arrangements with nurseries to follow.
	Resources to support adoption of rootstocks have been developed.	Data on rootstock field performance and fruit quality is being analysed.
	Markers developed for selecting second generation, phylloxera resistant rootstocks are validated.	Good progress was made to validate DNA markers linked to phylloxera and root-knot nematode resistance.
Four new or enhanced technologies and processes to improve vineyard efficiency and sustainability being available to the sector.	A commercialisation strategy for VitiCanopy and VitiWeb has been developed and implemented.	A commercialisation strategy for VitiCanopy and VitiWeb is in development. A 'freemium' model with a free and a premium paid version is being considered.
	ProxiCrop sensors field tested and successfully used to determine irrigation requirement of vineyard. Pathways for commercialisation of the technology have been developed.	The performance of the ProxiCrop sensor was refined and the module was evaluated in several vineyards by a commercial partner.
	The image library supporting the development of a vine nutrition smartphone app is significantly expanded and the image processing capability of the app further improved. Pathways for commercialisation of the technology have been developed.	The image database to support the vine nutrition app was expanded. A commercialisation strategy is being developed through the NSW DPI GATE process.
	Knowledge regarding the effect of factors such as: bunch shading, row orientation, plant water status, and the application of anti-transpirants (including kaolin), on berry cell death is available. A prototype field device for the measurement of berry cell death is tested.	Research in on track. Prototype portable field instruments to measure the onset of berry cell-death were deployed at several commercial vineyard sites over the 2020-21 season.
The supply of genetically diverse and high-health planting material being maintained to the satisfaction of relevant stakeholders.	Cabernet Sauvignon clones are successfully propagated for establishment across three diverse climates in spring.	A Cabernet Sauvignon trial site in WA was established by top-working. Propagation material has been sourced and maintained for establishment of trial sites at Nuriootpa and Coonawarra during spring of 2021.
	Winegrape germplasm collections at Irymple and Nuriootpa and embryogenic cultures are maintained.	Collections and cultures were maintained for integration into new National Grapevine Collection.
	Protocols for transient gene editing delivery systems, such as CRISPR/Cas9, are evaluated.	Hairy root assay was used to successfully test the efficiency of delivery systems.
	Project initiated to compile recent surveys of Australian germplasm and make this information available to the sector.	DNA typing of material in the CSIRO and SARDI collections was completed for addition to an existing survey of germplasm. Compilation of a national public register will be folded into a wider program of work on germplasm management.
	The future of grapevine collections in Australia mapped out, based on recommendations of project WGG 1401.	A framework has been proposed, with input from key stakeholders, for the future management of Australia's grapevine resources. An implementation plan has been developed for adoption of the model in a staged approach, based on the discussion paper and previous recommendations.



Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Target 2020-21	Achievements 2020-21
The supply of genetically diverse and high-health planting material being maintained to the satisfaction of relevant stakeholders.	Project initiated to identify the deficiencies within, and needs of, the propagation sector to maintain the supply of high-health status material for the wine sector.	Project initiated to deliver a Best Practice Management Guide for grapevine viruses in commercial and propagation vineyards. A gap analysis performed in parallel, together with findings in the germplasm discussion paper, will inform future investment.
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.	Final reports from CSA 1601 and CSA 1602 are published and have shortlisted the most promising sensor technology for further development. Pathways for commercialisation of the technology have been developed.	Final reports for projects CSA 1601 and CSA 1602 have been published on the Wine Australia website. The yield estimation technology has been listed as a commercialisation opportunity on the GrowAG website, and commercialisation strategies are being developed with CSIRO for the suite of technologies developed from these projects.
	Potential applications of the sensors include: in-vineyard, on-the-go estimation of yield, disease infection and fruit composition.	
	Agtech demonstration farms have been established in two regions.	Demonstration sites established in three regions with brands such as Yalumba, Gemtree and Hollick, initial demonstration days have had an immediate impact on adoption with several other regions taking up technologies as a result. A further six sites are in the pipeline.
	The role of foliar spraying in producing a high-potential thiol communicated to the sector.	Webinars and roadshows have been produced and held communicating the effects of foliar sprays of nitrogen and sulfur in the vineyard on improving thiol characters. A large-scale experimental spraying trial on Adelaide Hills Chardonnay was conducted by the project team, with the wines intended to go directly into tastings and workshops.
	Practical advice provided to the sector on the effects of glycosides in alternative products.	Briefings, webinars and roadshows have been held regarding the potential for flavour glycosides in wines. Storage trials of experimental wine enhanced with grape marc-derived extracts rich in monoterpene glycosides has shown the outcome of flavour evolution depends significantly on the varietal source.
	Pathways identified for commercialisation of alternative protein stabilisation strategies, such as use of zeolites.	Further benchmarking of commercially available zeolites is underway to confirm product specifications needed to maximise efficacy prior to preparing a commercialisation plan.
	Practical advice and extension materials about methods to introduce oxygen and the impacts of timing and dose of addition.	Site visits, webinars, podcasts and roadshows on the impacts of oxygen during fermentation have been held. A targeted plan to support adoption has been prepared and will be implemented in 2021-2022.



Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Target 2020–21	Achievements 2020–21
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.	New molecular tests for the sector to monitor and control <i>Brettanomyces</i> .	Proof-of-performance for molecular tests to identify <i>Brettanomyces</i> species (including sulfite resistant) have been developed but need development into a sector-ready format. Sulfite tolerant industry isolates were shown to retain their ability to produce wine spoilage compounds.
	Practical strategies to decrease the occurrence or impact of negatively perceived sulfur molecules.	The role of yeast and reaction intermediates during fermentation and ageing have been investigated and shown to influence negatively-perceived sulfur molecules. Macro-oxygenation during fermentation successfully remediates H ₂ S from wine and investigation is underway to determine mechanisms.
	Project initiated at AWRI on production of lower-alcohol wine.	A new project has commenced in 2020–21, an industry advisory committee assembled and consulted. Sensory evaluations of sparkling, white and red no and low alcohol (NOLO) products, as well as products from other NOLO categories highlighted sensory deficiencies and difficulties in their production. Practices used to reduce and remove alcohol from wine have been evaluated, with the aim of developing recommendations for producers looking to invest in producing wine for this category.
	Design of a solution to enable the seamless sharing by growers of spray diary data across multiple platforms.	The spray diary project caused Wine Australia to consider the bigger question of the importance of data to the sector, and what role the organisation should best play to best extract value. The spray diary solution will form part of Wine Australia's likely data strategy, with a pilot to now be delivered in 2021–22.
At least three Wine Australia-funded projects having progressed to commercialisation.	<p>Assessment of the commercialisation potential of existing project intellectual property (IP), such as through the following activities:</p> <ul style="list-style-type: none"> • a prototype unit for monitoring phenolics in press cycles available for commercialisation • partnerships developed to support commercialisation of a LiDAR-enabled vine spraying unit, and • a partner engaged for deploying zeolites as an alternative to bentonite. 	<p>Assessment of the commercialisation potential of the digital technology-related projects in the portfolio has been performed. The ones with commercial potential have been uploaded to the GrowAg website as commercial potential. Two projects have had commercialisation lead partners approved by the respective management committees.</p> <ul style="list-style-type: none"> • Phenolic monitoring was not progressed as key personnel left the project • A LiDAR-enabled spray unit has been commercialised. • A partner has not been engaged for zeolite commercialisation until the properties of the required materials have been better understood.

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 2020–21, we took the first steps towards achieving the grape and wine sector's goal of zero net carbon emissions and zero waste production by 2050. Firstly, we've determined how best to measure carbon emissions and waste production in a grape and wine production setting. The data captured by the Sustainable Winegrowing Australia (SWA) program will be used to set benchmarks – data captured by SWA on carbon emissions and winery waste are already sufficient for this purpose, and we worked with SWA to modify its vineyard metrics to better quantify major waste streams. We have also commenced a cross-sectoral project through Agriculture Innovation Australia (AIA) for a unified approach to determine baseline emissions across the whole of agriculture. Secondly, we have begun working with Australian Grape & Wine to develop a roadmap to zero net emissions by 2050.

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. We're working collaboratively with other agricultural sectors and the Bureau of Metrology on improved weather forecasting. Three new multi-week and seasonal forecast products have been developed and will be operational later in 2021. We delivered webinars on the Climate Atlas to all wine regions across Australia. In an excellent example of applied science, a number of regions have built climate projections from the Atlas into their strategic planning for the future. Ways to overcome the impact of dry winters were further investigated. Three seasons of data have shown that irrigation strategies need to partially restore soil moisture during winter, but also maintain soil moisture during the critical period between budburst to fruit set.

An RD&A strategy specifically for bushfire risk and smoke taint was developed and State funding leveraged where possible to address gaps. Four projects have been initiated to date, which will compare analytical methods used to measure smoke marker compounds in grapes, develop a smoke sensor network and evaluate a rapid surveillance tool to assess fire damage in vineyards. Workshops, webinars and briefings have been held by AWRI, and options for mitigating smoke taint at the winery were presented at the National Wine Sector Bushfire Conference in April 2021. The hybrid event (offering both virtual and in-person attendance) attracted 340 stakeholders across the country.



In 2020–21, we continued work on alternatives to herbicides for weed and vineyard floor management. Trials in Barossa Valley and Langhorne Creek vineyards showed that selected plant species sown under vine suppressed weed growth without negatively impacting vine performance, replacing the need for herbicide-based weed management. A field trial has now been established in a commercial vineyard in the warm inland areas to evaluate alternatives to traditional herbicide application – native groundcovers, novel cover crops, and under vine mechanical weeders.

New knowledge on high priority pests and disease for the wine grape sector has been developed. For the root pest, phylloxera, the new research findings have significant implications for rootstock resistance status, best practice phylloxera management and regulation. A communication strategy has been developed in collaboration with Agriculture Victoria and key stakeholders for delivery prior to the 2021 growing season. Work on grapevine trunk diseases has focused on wound protectants, in-field detection of trunk disease pathogens in spore traps and wood samples from vines and on the implications of infection in propagation material.

Work on pests and diseases that impact other sectors as well as wine grapes has also continued. Six surveillance hubs in the mobile, cross-sectoral surveillance network are operational

and have so far been deployed at 12 locations across all agricultural sectors to monitor endemic pests and diseases. A new cross-sectoral project on Brown Marmorated Stink Bug (*Halyomorpha halys*) was initiated to develop detection methods for environmental DNA as a tool for surveillance and diagnostics.

The cross-sectoral project to survey potential native vectors of *Xylella fastidiosa* has commenced. Ongoing awareness raising activities have continued on the threat of *Xylella* to Australian wine and horticulture sectors, despite COVID-19-related travel restrictions. An exercise examining the impacts and consequences of a biosecurity emergency during a harvest period was designed and facilitated for Wine Tasmania and Biosecurity Tasmania. Advice, and content, was provided to a plant biosecurity Preparedness Strategy under development by Plant Health Australia.

Finally, the Viticulture Biosecurity Plan was endorsed and work continues on the supporting manual to ensure it meets the sector's needs. The Wine Sector Biosecurity Emergency Coordination Plan was completed and accepted by Australian Grape & Wine. This was complemented by the recruitment and initial training of over 20 industry representatives as 'Industry Liaison Officers', who are available to support the sector and act as contact points during biosecurity emergencies.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Target 2020–21	Achievement 2020–21
New knowledge allows the sector to establish a carbon emissions benchmark.	A project initiated to identify methods relevant to the grape and wine sector to establish levels of carbon emissions.	Data captured by the SWA program will be used to establish indicative baseline emissions for the sector when the full dataset for 2020–21 becomes available at the end of October this year. Cross-sectoral project commenced through Agriculture Innovation Australia (AIA) for a unified approach to determination of baseline emissions across the whole of agriculture.
New knowledge allows the sector to establish waste production benchmarks.	A project initiated to identify methods relevant to the grape and wine sector to establish levels of waste production.	It was determined that data captured via the SWA program could be used to benchmark winery waste production but not vineyard waste production. The vineyard metrics were therefore modified to better quantify major waste streams.
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.	New products are available through the Bureau of Meteorology to help predict extreme weather events to weekly and seasonal timescales. The Climate Atlas is communicated effectively to the wine sector and informs medium- to long-term planning by grapegrowing regions for adaptation to a changing climate. We understand climate projections for Australia in an international context.	Three multi-week and seasonal forecast products have been selected and are undergoing further development by the Bureau, before becoming operational later in 2021. A series of 11 webinars delivered general and tailored information from the Climate Atlas to all wine regions across Australia and collectively have received over 500 views. A number of regions have built climate projections from the Atlas into their strategic planning for the future. Climate trends towards warmer and drier conditions are the same for international wine regions as for Australia. Significant change has already occurred in some regions, particularly in the Old World.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Target 2020–21	Achievement 2020–21
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 better understanding of the drivers of vintage compression in different varieties and regions. Availability of practical management options to delay grape maturity.	A phenology model suitable for Australian conditions is being developed using existing models and compiled phenology data. Two seasons of field data show that the application of NAA is more effective than delayed pruning as a management option to delay grape maturity in warm regions.
	Improved knowledge on the most effective timing and commercially acceptable application rates for plant growth regulators to delay harvest. Efficacy and residue data required for the registration and use of naphthalene acetic acid in wine grapes is available.	Field trials were conducted at lower rates of NAA to avoid residue concerns, with ethrel applied as an additional treatment. The data are being analysed. The development of an internationally accepted GLP assay for NAA was delayed because of the workload of the contracted laboratory.
	A preliminary report is available to explain whether soil- or foliar-applied calcium or magnesium can reduce the uptake of berry potassium and therefore improve wine acidity balance in a warming climate.	The report demonstrated the potential of soil- or foliar-applied calcium or magnesium to reduce the uptake of berry potassium and therefore improve wine acidity balance. A survey of growers and winemakers was then conducted to determine the commercial viability of the approach. The survey results are being analysed to determine the future of the project.
	Strategies ameliorating smoke taint at the winery, including with active carbon, shared with the sector.	Workshops, webinars and briefings held by AWRI. Options for mitigating smoke taint at the winery were also presented at the National Wine Sector Bushfire Conference in April 2021 attended by more than 300 sector stakeholders across the country.
	Wines made from smoke-damaged fruit from 2020 harvest are fully analysed and available for use in future smoke taint projects. Full dataset is available to link smoke dose and composition with development of smoke taint in grapes and wine.	Several batches of wines were made from smoke-damaged fruit and most have undergone chemical and sensory analysis. The controlled burns season in autumn of 2021 allowed further smoke data to be collected which is currently being compiled with other datasets.
	New, long-term project portfolio initiated on smoke taint and vineyard recovery from bushfires.	Anticipated Commonwealth funding for a long-term project portfolio in response to the 2020 bushfires did not eventuate. However, an RD&A strategy was developed and State funding leveraged where possible to address gaps. Four projects have been initiated to date, which will compare analytical methods used to measure smoke marker compounds in grapes, develop a smoke sensor network and evaluate a rapid surveillance tool to assess fire damage in vineyards.
A better understanding of vine water use contributes to better irrigation scheduling processes that allow more efficient and effective use of water.	Investment requirements mapped out and new projects initiated on climate mitigation strategies that can be adopted by the grape and wine sector.	We are working with Australian Grape & Wine to develop a roadmap to help the wine sector reach its goal of zero net emissions by 2050. This process will inform further investment requirements.
	Performance of different scion–rootstock combinations compared under different irrigation treatments.	The field trial was wound up early as enough relevant data had been collected. A report is being prepared for publication.
	Cost-benefit analysis of using sensor-driven irrigation vs conventional irrigation communicated to the sector.	The cost-benefit analysis has been performed during the 2021 season, conclusions are still being made, but these will be communicated during 2021–22.
	A greater understanding of the irrigation strategy required to maintain vine productivity under a scenario of reduced winter rainfall.	Three seasons of data have shown that irrigation strategies aimed to maintain productivity during dry years need to partially restore soil moisture during winter but also maintain soil moisture during the critical period between budburst to fruit set.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Target 2020–21	Achievement 2020–21
Research delivers clear information about the value of soil remediation processes and enhancing functional biodiversity.	Final report from UA 1803-1.4 is published and documents the impact of undervine cover crops on soil health and vine performance from a two-year field study.	The final project report was published. At the two trial locations, selected plant species sown undervine suppressed weed growth without negatively impacting vine performance, replacing the need for herbicide-based weed management.
	New project initiated to evaluate alternatives to traditional herbicide application.	A field trial has been established in a commercial vineyard in the Riverland to evaluate alternatives to herbicides for weed and vineyard floor management, including: native groundcovers, novel cover crops, and undervine mechanical weeders.
New and improved practices for sustainable management of endemic pests and diseases are available to the sector.	Partnership agreements executed and projects underway in an ARC Research Hub to develop a novel, environmentally sustainable crop protection platform, 'BioClay'.	The BioClay Hub became operational in August 2020 after some delay. Initial governance committee meetings were held in March 2021 to review progress. Botrytis is a key pathogen of several crops and is an early target of the project.
	Information on pest status and levels is provided by a mobile, cross-industry surveillance network.	Six surveillance hubs are operational and have so far been deployed at 12 locations across all agricultural sectors to monitor endemic pests and diseases. Technical aspects of the traps, the diagnostic pipeline and data flows are being optimised. The key focus of the final phase of the project is to demonstrate and realise value to growers and industry.
	Knowledge is available on vineyard strategies to manage fungicide resistance in powdery mildew and Botrytis and on the mechanism of resistance in fungal pathogens.	Experiments have shown that addition of sulphur had no impact on the efficacy of DMI fungicides to control powdery mildew. A vineyard trial has been established to evaluate the effect of fungicide removal on frequency of a mutant Botrytis genotype. Continued monitoring of powdery mildew, downy mildew and botrytis from across the country continue to increase our knowledge on the extent of fungicide resistance across the industry.
	New knowledge is disseminated to the sector on updated disinfestation protocols for phylloxera, new detection tools and the resistance status of commonly grown rootstocks.	New research findings have significant implications for rootstock resistance status, best practice phylloxera management and regulation. A communications strategy was developed in collaboration with Agriculture Victoria and key stakeholders for delivery prior to the 2021 growing season.
	Knowledge is available on the efficacy of biocontrol options for trunk disease. Recommendations are available on in-field detection of grapevine trunk disease pathogens and an improved understanding of infection thresholds for grapevine propagation material.	Field trials have shown that the biocontrols Vinevax and Botector offer little wound protection against trunk disease pathogens in the vineyard. The LAMP assay is showing promise for in-field detection of trunk disease pathogens in spore traps and wood samples from vines. Studies on grapevine propagation material are ongoing.
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.	Viticulture Industry Biosecurity Plan and Vineyard Biosecurity Manual 2.0 are endorsed and released to the sector and the Implementation Plan is reviewed.	The Viticulture Biosecurity Plan was endorsed and work continues on the supporting manual to ensure it meets the sector's needs. The Implementation Plan was drafted for review by the Biosecurity Review Panel but COVID-19 restrictions prevented the group from meeting this year.
	The Wine Sector Biosecurity Emergency Response Plan is available for consideration by partner organisations.	The Wine Sector Biosecurity Emergency Coordination Plan was completed and accepted by Australian Grape & Wine. This was complemented by the recruitment and initial training of over 20 industry representatives as 'Industry Liaison Officers' available to support the sector and act as contact points during biosecurity emergencies.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Target 2020–21	Achievement 2020–21
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.	Increased awareness among organisational and individual stakeholders of the threat of Xylella and preparedness measures.	Despite restrictions created by COVID-19 travel restrictions, ongoing awareness raising activities have continued on the threat of Xylella to Australian wine and horticulture sectors. An exercise examining the impacts and consequences of a biosecurity emergency during a harvest period was designed and facilitated for Wine Tasmania and Biosecurity Tasmania. Advice, and content, was provided to a plant biosecurity Preparedness Strategy under development by Plant Health Australia.
	Field sites and glasshouse and chamber trial facilities are established to determine the native insect vectors of Xylella.	A project was initiated to survey potential native vectors of Xylella, with glasshouse trials and field sites established. Linkages with parallel European Phytosanitary Research and Coordination network research projects have been formalised.
	Capacity, tools and coordination between sectors for diagnosis of high-priority exotic plant pests.	We partnered with other sectors and the Commonwealth in a Rural R&D for Profit project to strengthen the nation's capacity and capability to diagnose key exotic plant pests.
	New project initiated to develop novel technologies for the rapid and sensitive detection of Brown Marmorated Stink Bug (BMSB).	New project initiated, jointly funded by Hort Innovation, to develop environmental DNA (eDNA) as a tool for surveillance and diagnostics of BMSB at the national border and in the event of a post-border outbreak.
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.	Data captured by the SWA program will be used to establish an indicative baseline.
	Adoption strategy for vineyard cover crops and soil remediation practices developed.	A request for proposal to develop a grassroots strategy was prepared.
The land area dedicated to enhancing functional biodiversity has increased by 10 per cent.	Baseline established for the area dedicated to enhancing functional biodiversity.	Data captured by SWA program will be used to establish an indicative baseline.
	Adoption strategy for increasing functional biodiversity developed and commenced.	A request for proposal to develop the strategy was prepared.
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 use of irrigation scheduling in warm irrigated regions.	A survey of irrigation practices in the Riverland, Murray Valley and Riverina regions was conducted by the AWRI and the results prepared for publication. An aligned project was commissioned through SARDI to conduct face-to-face interviews with growers across the same regions to establish benchmarks for irrigation practice.
	Adoption strategy for increasing best-practice irrigation scheduling developed.	The adoption strategy was to be prepared through the proposed One Basin Cooperative Research Centre (CRC), however this CRC bid was ultimately unsuccessful. Wine Australia is supporting the re-submission of the One Basin bid in 2021.

Strategy 5

Build business sustainability, excellence and leadership

Extension and adoption

Wine Australia's *National Extension and Adoption Strategy 2020–25* details the approach to extension and adoption activities. In 2020–21, we directed efforts at establishing greater stakeholder engagement with the design and delivery of extension approaches to achieve adoption outcomes set out in the Strategic Plan, including strategic input from Australian Grape & Wine's Research Advisory Committee.

A significant focus was directed towards agtech adoption, with the Wine Australia Agtech Program coming online from October 2020.

- The program is designed based on significant evidence of what works in generating greater awareness and adoption of technology. In the first instance, Wine Australia has been active in the regions, interacting with growers and winemakers to understand their unique and regionally specific challenges. Technology solutions are targeted to address these challenges, while engagement with Wine Australia's Regional Program provides support and amplification of messaging and activities of the program.
- Demonstration sites provide growers with an opportunity to learn about agtech solutions from other growers, a model that has proven successful throughout Australia. Wine Australia has established demonstration sites in three regions, with brands including Yalumba Family Winemakers, Gemtree Wines and Hollick Estates. Initial demonstration days have had an immediate impact on adoption, with several other regions taking up technologies as a result.
- An additional six agtech demonstration sites are in the pipeline, and ensures that the Agtech Program is engaging a broad range of growers and producers to comprehensively represent all business and growing styles, from small-scale premium growers to large-scale commercial growers, across all wine geographies.
- We have been working on an Agtech Hub webpage, which will become a single point of truth for agtech in the wine sector in Australia. The Hub will provide growers with a comprehensive list of mature and emerging agtech solutions. A series of interviews with growers and producers will provide practical and authentic stories and reviews of agtech solutions that have been adopted as a result of the program, specifically addressing the known barriers to adoption that many growers face when contemplating their future investment in agtech.

A highlight of the 2020–21 year was the National Bushfire Conference, where more than 300 participants came together in May for a one-day experience held simultaneously at four

locations around Australia. The conference comprised a wide range of in-depth presentations, research updates, practical bushfire preparedness, and best practice techniques for smoke effects and recovery from fire. A range of resources to assist in preparing for fire, vineyard recovery following fire, and assessing and managing smoke impacts can be found on the Wine Australia website: [Fire and Smoke resources](https://www.wineaustralia.com/fireandsmokeassessment) (<https://www.wineaustralia.com/fireandsmokeassessment>)

During 2020–21, Wine Australia convened a number of webinars covering the Climate Atlas, bushfire and vineyards, behavioural science, crisis management, building a high performing team during COVID-19, Wine Intelligence analysis, domestic tourism, grants, direct-to-consumer (DtC) sales, digital marketing and the North America and UK/EU market reviews.

The impact of the COVID-19 pandemic on the AWRI's extension activities meant a number of roadshow events moved from face-to-face to online formats. With ongoing travel restrictions and changes often being required at short notice, new online formats (including an online tasting capability) were developed to be able to continue to present engaging events that suit audience needs. The webinar program was a highlight during the year and saw average attendances increase for the third year in a row, demonstrating the ongoing popularity of digital forms of extension. The most popular webinar during the year was one that was staged at short notice in response to an emerging seasonal issue of Botrytis and saw 182 people attend. This webinar was titled 'Late-season Botrytis: the disease and options to control it' and included practitioners and a discussion panel.

AWRI helpdesk

The main concern across the AWRI helpdesk was regarding the La Niña event that occurred during the 2020–21 growing season and the impacts of a wetter season. The AWRI held a webinar early in the season with Dr Paul Petrie from SARDI, comparing the La Niña event with previous events. There was concern that demand for fungicides registered for downy mildew would exceed supply, and contingencies were prepared, but in the end, these were not required. Botrytis outbreaks were reported across regions in Victoria and NSW. The AWRI issued two eBulletins and held two further webinars on the management of late-season Botrytis in the vineyard and winery.

Thanks to the cooler season, there were fewer extreme temperature days and generally a lower risk of bushfires – a welcome relief after the 2020 season. Despite this, the largest category of helpdesk enquiries was on the topic of smoke



taint related to wineries processing 2020 vintage wines and investigations of smoky sensory characters developing in wine with bottle ageing. Fewer heatwaves and an extended growing season saw fewer stuck fermentations and associated microbial problems, possibly because producers had both time and tank capacity to manage ferments appropriately, rather than being challenged by vintage compression. Higher acidity, and in many cases, double the typical concentrations of malic acid, have been reported, resulting in high initial titratable acidities in musts and subsequent larger than expected pH increases post-malolactic fermentation. Some wineries reported higher acetic acid production in some white ferments this vintage, possibly due to elevated loads of microorganisms or Botrytis on fruit which were not evident by visual assessment. Queries also covered potential quality impacts of wine being held up in transit to China due to trade disputes.

People development

The Next Crop regional leadership program commenced in the Barossa and Langhorne Creek regions in May 2021, after being delayed 12 months due to COVID-19. The Barossa participants are primarily viticulturists, working within their family business or for a company. Among the Langhorne Creek participants, there is a mix of roles and occupations, including owners, contract suppliers, viticulturists, and winemakers.

In 2020–21, the Wine Industry Mentor Program, which pairs early career wine sector professionals with respected wine sector leaders, expanded into all areas of the wine sector. The program was established by Wine Communicators of Australia (WCA) and the University of Adelaide. The expansion of the program in 2021 was made possible due to an exciting partnership facilitated through Wine Australia's support and now involves WCA, the University of Adelaide, Wine Australia and the Australian Society of Viticulture and Oenology (ASVO).

Wine Australia supports the Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry, coordinated by the Australian Bureau of Agricultural and Resource Economics and Sciences. Our 2021 scholarship winner was Dr Cheryl Suwen Law, chemical engineer from the University of Adelaide. Cheryl's project aims to tailor advanced 'lab-on-a-chip' technology to allow growers and winemakers to quickly and easily detect smoke taint in grape juice and wines.

COVID-19 impacted several other people development programs, with masterclass opportunities for alumni moving to a virtual format. We maintained our support of the Nuffield Australia scholarships, however two scholars are currently impacted by international travel restrictions. We discontinued our travel bursary funding opportunity.

The regional program continued, although some face-to-face activities were shifted, and given the uncertainty around interstate travel restrictions, the call for applications for the Incubator Initiative was suspended – an initiative that supports early career researchers working with regional grape and wine associations on regionally specific research.

Our support of PhD scholarships continued, and we are developing videos explaining their research areas. Anne Johnson from Charles Stuart University was the recipient of the Tony Jordan AO memorial award, for her PhD 'Implementation of agroecological practices in viticulture: Identification of factors that motivate or constrain uptake'.

Schools, the education sector and careers

We continue to support the Primary Industries Education Foundation of Australia, which provides a platform for increasing awareness about careers in the grape and wine sector across schools. We have developed a national grape and wine online curriculum module for geography students in years 9 and 10.

Tourism and export capability building

Through the \$50m package, the wine-related upgrades to the national tourism platform Australian Tourism Data Warehouse (ATDW) are now complete. Wine businesses can now update their business profiles to promote cellar door experiences, wine varieties, cuisine types, accreditations and wine-making practices. Additional enhancements were also made to the ATDW analytics to make it easier for businesses to gain insights into user behaviour and visits to their sites. A partnership with Google My Business will enable wine businesses to easily link their listings between ATDW and Google in one click, providing simpler administration and increased online exposure. Close to 1500 Australian wineries have listed their wine tourism experiences on ATDW to date.

We delivered the Growing Wine Tourism and Growing Wine Exports in a hybrid format due to COVID-19 travel restrictions. Course materials were made available on the OpenTute education platform, and recordings of the sessions were published on the Wine Australia website.

Market information

An updated version of Kym Anderson's book *Which Winegrape Varieties are Grown Where? A Global Empirical Picture* is now available, free, from the [University of Adelaide Press website](#). The update includes data on the climatic conditions of each region. This will allow grape growers to benchmark their varietal mix against those in regions with a climate similar to the predictions for their region's future, helping winemakers to future-proof their vineyards and business practices.

Strategy 5: Build business sustainability, excellence and leadership

Strategic Plan measure of success	Target 2020-21	Achievement 2020-21
<p>Of the 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 have adopted agtech have had a positive return on their investment. 	<p>Australian Grape & Wine's Research Advisory Committee assists Wine Australia and its key extension partners to identify extension and adoption priorities and plan activities at a national level to enhance their relevance.</p> <ul style="list-style-type: none"> The results of an independent review of grape and wine extension will begin to be implemented to achieve the best outcomes for our levy payers. The national extension and adoption strategy will be used to guide future planning, drawing on innovative approaches to behaviour and practice change. Our extension partners will be supported to use the best-practice design features from the national extension and adoption strategy. Extension activities will have specific, measurable and actionable objectives, which will support and enhance the monitoring and evaluation outcomes of each activity. The AWRI helpdesk will continue to provide a free-of-charge advice service on technical issues from experienced winemakers, viticulturists and scientists. Extension and education activities will provide participants with a clear promise that attendance will afford them the ability to implement a specific and beneficial practice. Tools and resources will be developed to facilitate practice change. Our partnership with our regions will continue through the Regional Program to promote the adaption and adoption of research outcomes, and deliver extension and practical trials that meet regional priorities. Surveys and follow-up sessions will be refined to better collect information on the effectiveness of our events and products in encouraging practice change. Agtech demonstration farms have been established in two regions. 	<p>The results of the independent review of grape and wine extension and the principles in the Extension and Adoption strategy are being used to enhance or change extension activities which will drive adoption outcomes.</p> <p>AWRI was supported to focus on two strategic practice change projects – <i>best practice oxygen in winemaking</i> and <i>best practice irrigation management in the warm inland regions</i>, both designed with stakeholder engagement and established practice change objectives.</p> <p>AWRI conducted 19 events: 7 seminars, 11 Chardonnay winemaking treatment workshops and one Q&A session on smoke. Thirteen of the roadshow events were conducted online and six were conducted face-to-face. Twenty-one webinars were delivered, with an average attendance of 105 people per session.</p> <p>A new extension agreement was established with the ASVO to draw on members' expertise in driving practical solutions to behaviour change across a range of topics.</p> <p>Foundational support occurred across targeted behaviour change projects in biosecurity, with Vinehealth Australia and sustainability, aligned with SWA.</p> <p>Our Regional Program continued to achieve a wide range of regionally focused extension activities and, where appropriate, are now working towards actionable adoption goals.</p> <p>The AWRI helpdesk continues to be used and is well-regarded. There were 1,354 wine and viticulture enquiries, fewer than last year's record number dominated by queries related to the 2020 bushfire season.</p> <p>The Best Practice Management Guide for grapevine trunk disease was updated.</p> <p>Demonstration sites established in three regions with brands such as Yalumba, Gemtree and Hollick. Initial demonstration days have had an immediate impact on adoption with several other regions taking up technologies as a result. A further six sites are in the pipeline.</p>

Strategy 5: Build business sustainability, excellence and leadership

Strategic Plan measure of success	Target 2020-21	Achievement 2020-21
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.	<ul style="list-style-type: none"> At least 30 members from the grape and wine community will participate in the Next Crop regional leadership program. Research capacity is maintained by offering support to PhD scholarships and travel bursaries, and for early career researchers to undertake regionally focused research. Professional development opportunities support alumni across all people development programs. Surveys will collect information on the effectiveness and use of knowledge and skills gained from people development programs. 	<p>A total of 38 individuals from the Barossa and Langhorne Creek started the Next Crop leadership program.</p> <p>Ten new PhD top-up scholarships were awarded, bringing the current total to 42 students. Twenty-six of our supported PhD students attended a masterclass on taking their science and research 'beyond academia'.</p> <p>Three early career regional research projects were completed within the Incubator program.</p> <p>A <i>Leading for the future</i> virtual masterclass was attended by over 70 alumni and unsuccessful Future Leader applicants.</p> <p>A new national Wine Industry Mentor Program was launched in collaboration with Wine Communicators of Australia, the University of Adelaide and ASVO, with 61 early career individuals from across the sector paired with 61 leading wine industry mentors.</p>
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.	We maintained over 40 export market guides containing information about certification, customs duties, domestic taxes, composition and labelling requirements in major importing countries. In 2020-21, we developed new guides for Argentina, the East African Community, Mongolia, and Israel.
More than 90 per cent of market insights customers are satisfied or very satisfied with our market insights services.	More than 90 per cent of market insights customers indicate that they are satisfied or very satisfied with market insights services in our stakeholder survey.	81 per cent of stakeholders rated their satisfaction with the statistics and information available through Wine Australia's Market Insights services at 6 or higher. The overall rating was 7.4 out of 10.

Supporting functions

Corporate affairs, strategy and stakeholder relations

Our corporate affairs, strategy and stakeholder relations function supported clear and effective two-way communications with internal and external stakeholders. This included media relations, government relations, corporate planning and reporting, and internal communication.

We communicated the latest research outcomes and analysis, marketing activities and regulatory requirements through our weekly Market Bulletin, monthly Wine Australia News and RD&A News and bi-monthly Exporter News.

We increased our engagement with major levy payers and wine associations, and wrote directly to grapegrowers and wine producers on the levy payer register to outline:

- how Wine Australia invests levies and matching funding from the Australian Government in research, development and adoption (RD&A) to add value, and
- how growers and wine producers can sign-up to Wine Australia newsletters for the latest updates and to derive maximum benefit from the levies they pay.

Amid the COVID-19 pandemic, we used all of our communication channels – and added webinars – to communicate the effect of the pandemic on supply and demand, and strategies that businesses could use to respond to the changed conditions.

We maintained strong and productive relationships with all of our stakeholders, including levy payers, Australian Grape & Wine, the Australian Government, state governments, state and regional wine associations and export partners, such as Austrade and tourism associations.

Finance and administration

The finance and administration team focussed on providing the business with timely and accurate reporting to enable effective decision making, financial management and budgetary control, through:

- budget preparation, management and reporting, including regular reviews and reforecasting
- annual financial statements and audit sign off, and
- adherence to operating reserves policy.

We enabled cost-effective operations through the efficient and timely provision of a range of support services.

In 2020–21, with the significant financial impact on revenue from COVID-19 and the introduction of the China tariffs on packaged products, we reviewed all costs across the entire organisation. Some costs reduced naturally due to travel restrictions and the inability to execute certain activities. Other costs were reduced by necessity, including people, places and other operating and program costs.

In 2021–22, we will work through the new e-invoicing requirements. As part of the government's Digital Business Plan, Federal Government agencies are required to have e-invoicing enabled by 1 July 2022.





People and culture

Wine Australia has continued to focus on supporting employees to maintain their engagement and performance as the COVID-19 pandemic continues. In many locations (Adelaide, Sydney and China) staff adopted hybrid working arrangements, where they worked some days from home and some in the office, whilst other locations (London and North America) had to continue to work full time from home. This required a strong focus on communication and collaboration. A wellbeing group was also established consisting of staff from each location and department, focusing on wellbeing initiatives and mental health of staff.

With the imposition of China tariffs on Australia wine and the reduction of revenue, nine permanent employees left the business, eleven fixed term contracts finished, and five personnel resigned, and their direct roles were not replaced. Redundant staff were offered outplacement services and support from our Employee Assistance Program. The wellbeing initiatives assisted the staff who remained during this period of change.

Information communication technology (ICT)

Our fit-for-purpose ICT continued to support our team by giving our people the necessary tools to deliver on site and remotely.

During 2020-21, we continued to build upon the IT reliability and security focus of 2019-20. This took the form of an external organisation completing quarterly security reviews to check the external and the internal perimeter protection levels, and Wine Australia actioned the resultant recommendations.

We commenced the upgrade of our RD&A contract management system to move away from costly shared hosting constraints. This project will be completed in the first quarter of 2021-22.

Business as usual support processes for WALAS users were embedded, while parts of the application were redeveloped to accommodate the new Wine Label Directory – ELISS.

We completed the implementation of the Interactive Dashboards, and the Adelaide Data Centre was decommissioned. Back-end infrastructure, such as the website, was migrated into Azure and this process will continue as we bring the remaining remote office infrastructure into the Azure cloud.

A comprehensive IT project roadmap has been developed, to continue to deliver future IT needs commencing in 2021-22. It largely focuses on foundational projects such as device management, infrastructure consolidation, continued security awareness and fully leveraging the additional services provided by our new managed service provider, locane.

Risk management

In 2020–21, 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.

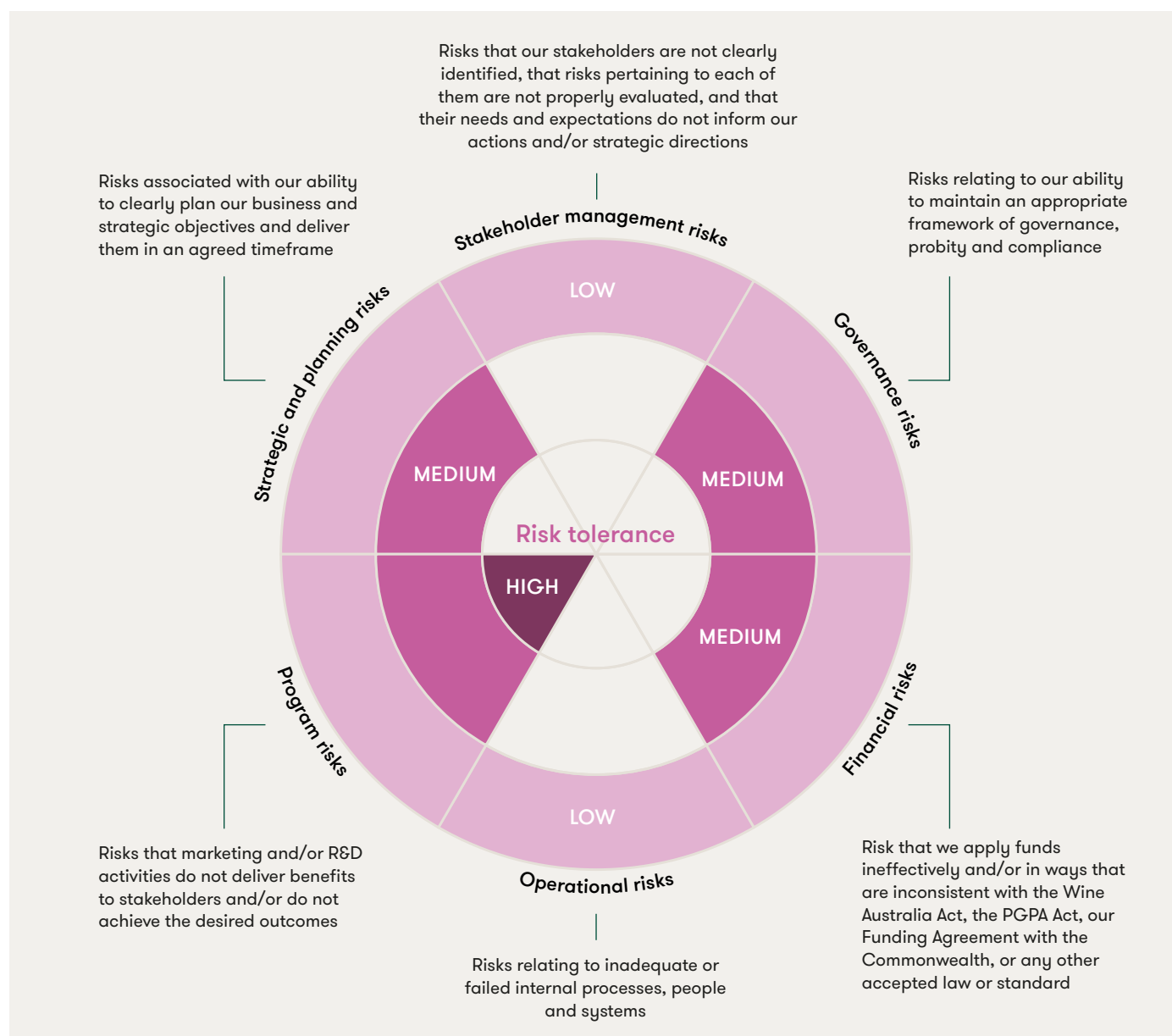
The Framework is aligned with, and reflects, existing standards and guidance such as AS/NZS ISO 31000:2009 – risk management – principles and guidelines.

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 2020–21, 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 13: Wine Australia’s risk tolerance



The organisation



Organisational structure and statement on governance

As a corporate Commonwealth entity, Wine Australia is bound by both its enabling legislation, the *Wine Australia Act 2013*, and by the *PGPA Act and Rules*. We are also party to a funding agreement with the Commonwealth of Australia, represented by the Department of Agriculture, Water and the Environment (DAWE), which prescribes various corporate governance methods and reporting. We have met all requirements of the Funding Agreement in 2020–21.

The Board is the authority accountable for Wine Australia. It is accountable to the Australian Parliament through the Minister for Agriculture, Water and the Environment.

In Australia, our head office is in Adelaide and we also have an office in Sydney. Overseas, we have subsidiary corporate

bodies in the UK, China, Canada and the USA that facilitate our global marketing activities.

We are committed to using and managing resources, information and our powers in an efficient, responsible and justifiable manner, through implementation of risk management standards and practices. We ensure decisions have regard for the wellbeing of people and the environment, both now and for the future, and strive to maximise return on investment of sector and public funds invested through us. We have robust internal accountability mechanisms that allow us to readily measure and review performance against well-considered objectives and seek to continuously improve our performance in light of such reviews.



The Board

The Board is established and governed under the *Wine Australia Act 2013*. It must consist of a Chair and at least five, but not more than seven, other Directors. All members of Wine Australia's Board are non-executive Directors. During the reporting period Ms Cath Oates served as Acting Chair until 4 July 2020, when Dr Michele Allan's appointment as Chair took effect. Dr Allan was appointed for a three-year term. The current Board Directors, with the exception of the Chair, were appointed for a three-year term that ends 30 September 2021.

Resolutions by the Board are made in respect of all contractual commitments exceeding \$500,000.

Wine Australia's Board charter is available on our website at: <https://www.wineaustralia.com/getmedia/b69fb1f4-32b2-47c7-b6ca-dd02fb0e8005/20210507-PN00-Board-Charter.pdf>

Board members



Dr Michele Allan (Victoria)

Chair from 4 July 2020

Deputy Chair 28 November 2018 to 20 October 2019

Director from 1 October 2018 to 20 October 2019

Michele is an experienced non-executive director and has a strong understanding of agribusiness, public policy and regulation within food and agriculture industries, R&D portfolio structure and management, enterprise risk management and science and innovation.

Michele currently chairs Apple and Pear Australia Limited, Defence CRC Trusted Autonomous Systems, the Food and Agribusiness Growth Centre and is Chancellor of Charles Sturt University. She is also a director of CSIRO, Smart Sat CRC, Dairy Food Safety Victoria, MJ Chicken and CRC Food Agility.

She has previously held chair positions with Meat & Livestock Australia and the Wheat Industry Advisory Taskforce and was a director of Wine Australia and the Grape and Wine Research and Development Corporation. Other prior board roles include Tasmanian Irrigation, Innovation and Science Australia, Forest and Wood Products Australia, William Angliss Institute, Callaghan Innovation (NZ) and Food Standards Australia and New Zealand.

Michele held executive roles with Amcor Limited, Kraft Foods, Bonlac Foods Limited, ICI, Tasmanian Bioinformatics Centre of Excellence Tasmania, Johnson and Johnson and Nestle.

Michele has a Bachelor of Applied Science from the University of Technology Sydney, Master of Management of Technology from Melbourne University, Master Commercial Law Deakin University and Doctorate from RMIT. She is a fellow of the Australian Institute of Company Directors and a Fellow of Australian Academy of Technology and Engineering.



Ms Cath Oates (Western Australia)

Director from 1 October 2018

Deputy Chair from 5 February 2019

Acting Chair 15 April 2020 to 3 July 2020

Cath's international winemaking career began after studying business/viticulture at Curtin University, followed by oenology at University of Adelaide. Senior industry roles have included Group Winemaker at Mud House Wine Group (NZ) and Chief Winemaker at Plantagenet Estate.

Cath has previously served as President of Great Southern Wine Producers Association and Margaret River Wine Association, and as Vice President of Wines of Western Australia. During her time in New Zealand, she also served on the Advisory Board of Sustainable Winegrowing New Zealand. She currently Chairs the Australian sector's Sustainable Advisory Committee.

A keen wine show judge, Cath has judged extensively both in Australia and overseas. Currently Cath is the owner of Oates Ends, wines from the vineyard on the intergenerational farming property in Margaret River. Cath also runs a winemaking consultancy business.



Ms Catherine Cooper (South Australia)

Director from 1 October 2018

Catherine is an experienced non-executive director, having served on approximately 50 boards over 25 years. After a professional career as a commercial lawyer, Catherine moved into the business world and developed wide knowledge and experience across a broad range of sectors, such as agribusiness, environmental sustainability and research and adoption.

Catherine has been involved in start-ups, small to medium enterprises, public and private sectors, Australian Stock Exchange-listed (ASX), and not-for-profit organisations on a national and international basis. Career highlights include the establishment of national joint venture rural bank, nominated as a Telstra Business Woman of the Year finalist, inclusion in an international management program at GE and winning a position in the Australian Institute of Company Director's ASX Top 200 Chairman's Mentoring Program.

Catherine is an experienced Audit Committee Chair and is a Fellow of the Australian Institute of Company Directors.

Among other directorships, Catherine is the Chair of the South Australian Environmental Protection Authority, a director of Australian Eggs, Grains Australia, Animal Health Australia, and a director of the Energy CRC RACE for 2030.



Mr Brian Croser AO (South Australia)

Director from 1 October 2015

Deputy Chair 1 October 2015 to 23 November 2018

Brian began his career as a winemaker with Thomas Hardy and Sons in 1969.

In the early 70s Brian studied for a Masters from The University of California at Davis and went on to establish the Wine Science program at Charles Sturt University.

By 1976 Brian had established Petaluma and in 1978 gave it a home in the Piccadilly Valley; and in 1986 established Argyle winery in Oregon (USA).

Brian served as Chairman of the Adelaide, Canberra, Sydney and Perth wine shows and twice as President of the Winemakers' Federation of Australia (now Australian Grape & Wine). For his service to Australian wine, he was awarded an Order of Australia, the Maurice O'Shea award and was the Decanter Man of the Year in 2004.

Brian was Deputy Chancellor of the University of Adelaide from 1999 to 2007 and was made a Doctor of the University for his service, having received a similar honour from Charles Sturt University.

Brian still lives at the Tiers Vineyard in Piccadilly Valley and is the winemaker for Tapanappa and Tunkalilla Vineyard in Oregon.



Ms Frances-Anne Keeler (New South Wales)

Director from 1 September 2020

Frances-Anne is a non-executive director with extensive marketing and operations experience, spanning global markets and multiple sectors, including tourism, hospitality, business, major events, international education, franchising and financial services.

She is Chair of the Australian Tourism Data Warehouse, a national platform for digital tourism information, and Chocolateria San Churro, a successful franchise with stores throughout Australia. She also chairs an advisory board for the G'Day Group, Australia's largest regional accommodation provider and is an Advisory Board member at the The Red Sea Development Company, responsible for the delivery of the world's most ambitious and regenerative tourism project, opening at the end of 2022.

Frances-Anne's former board roles include Deputy Chair of Ultimate Winery Experiences Australia and non-executive director of the YMCA NSW. She was previously Deputy CEO of Tourism Australia, where she was able to leverage valuable assets in a competitive global marketplace to deliver record growth in the Australian visitor economy.

She brings to the Wine Australia Board a proven ability to develop and successfully implement growth strategies through customer focus, innovation, driving efficiencies, embedding a progressive culture and leading transformational change. She is passionate about delivering profit by putting customers and stakeholders at the heart of strategy.

Frances-Anne holds a BA Joint Honours Degree in Marketing and Hispanic Studies from Strathclyde Business School, University of Strathclyde in Glasgow. She is a graduate of the Australian Institute of Company Directors and a past mentee of their flagship Chairs Mentoring Program.



Dr Mary Retallack (SA)

Director from 1 October 2015

Mary is an experienced director, agricultural scientist and third generation viticulturist who brings a wide range of skills and experience from practical, research, extension and consultancy roles in the global wine sector over the past 26 years. She is Managing Director of Retallack Viticulture Pty Ltd, which offers viticultural and agribusiness consulting services, and is recognised internationally as a Certified Practising Agriculturist. Mary has tertiary qualifications in conservation and park management, natural resource management, education, arbitration and viticulture. She also holds a PhD in viticulture and plant protection.

She is a member of the International Organisation of Vine and Wine (OIV) Viticulture Commission, ENVIRO and PROTEC groups, a member of the AgriFutures™ Rural Women's Award Alumni advisory panel, and the Australian and New Zealand Grapegrower and Winemaker editorial panel.

Mary is a graduate of the Australian Institute of Company Directors course, a Fellow of the Australian Rural Leadership Foundation, a Future Leaders graduate, a past Non-Executive Director of the Australian Grape and Wine Authority, AWRI, Wine Communicators of Australia, Primary Industries Education Foundation Australia, and Grape and Wine Research and Development Corporation.

Mary's leadership capabilities and excellence in science have been acknowledged via the Gourmet Traveller WINE Len Evans Award for Leadership, AgriFutures™ Rural Women's Award (national winner), as a 100 Women in Australian Agribusiness inductee, a Len Evans Tutorial Scholar, a Businesswomen's Hall of Fame inductee and as a participant in the National Farmers' Federation inaugural Diversity in Agriculture Leadership program. Mary is an ambassador for PIRSA's Women Influencing Agribusiness and Regions, and Great Wine Capitals Knowledge Exchange initiatives and is a Stepping into Leadership program mentor.

Mary chairs the Remuneration Committee.



Mitchell Taylor (NSW)

Director from 1 October 2018

Mitchell Taylor is third generation Managing Director and winemaker for Clare Valley family-winery Taylors Wines. Mitchell worked in finance and stockbroking in both London and Sydney before joining Taylors Wines in 1988 and later becoming the Managing Director in 2000.

Mitchell currently oversees all aspects of the business. As an experienced winemaker, Mitchell maintains a very hands-on role at the winery, supervising all winemaking activities to ensure the quality and consistency of all Taylors wine is maintained.

His commitment to the Australian wine industry extends to involvement in key industry associations, including his role as a founding and current director of Australia's First Families of Wine, Director of The Drinks Association and a member of the Wine Australia Marketing Advisory Group. Previous roles include former Director and Vice President of the Winemakers' Federation of Australia, Chairman of the National Wine Foundation, Chairman and Vice-Chairman of Alcohol Beverages Australia, and a Founding and Past Chairman of YPO Sydney.

Mitchell is a Fellow of the Australian Institute of Company Directors.

Mitchell chairs the Marketing Committee.

Outgoing board member



Professor Peter Høj AC (Qld)

Director from 1 October 2018 to 19 February 2020

Peter Høj is Vice-Chancellor and President of The University of Adelaide. He was previously Vice-Chancellor and President of The University of Queensland (2012–20). And before that Vice-Chancellor and President of the University of South Australia (2007–12), Chief Executive Officer of the Australian Research Council (2004–07) and Managing Director of The Australian Wine Research Institute (1997–2004).

He was educated at the University of Copenhagen,

majoring in biochemistry and chemistry, and has a Master of Science degree in biochemistry and genetics, a PhD in photosynthesis and Honorary Doctorates from the Universities of Copenhagen, Adelaide and South Australia.

Peter is a Director of the Board of Group of Eight (Go8) Universities (and in 2017 was the Chair) and a member of the Australian Medical Research Advisory Board.

He served on the CSIRO Board 2011–14 and was member of the Prime Minister's Science Engineering and Innovation Council 1999–2004 and 2006–07.

He is a Companion of the Order of Australia, a Fellow of the Australian Academy of Technological Sciences and Engineering, a Fellow of the National Academy of Inventors, a Foreign Member of The Royal Danish Academy of Sciences and Letters and was awarded an Australian Government Centenary Medal for service to Australia through wine research and science.

Peter chaired the RD&A 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.

Wine Australia Board meetings 2020–21

Date held	Location
11 August 2020	Video conference
30 September 2020	Video conference
13 October 2020	Video conference
2 December 2020	Video conference
22 December 2020	Video conference
10 February 2021	Video conference
31 March 2021	Videoconference
7 May 2021	Video conference & in person
23 June 2021	Video conference

Education and performance review of Directors

The Chair meets periodically and confidentially with each Director of the Board to discuss their performance over the previous 12 months and to agree on any action that may be taken to enable that Director to better fulfil their duties.

If at any time during the year the Chair has reason to be concerned about the performance of a Director, they will discuss the matter confidentially with the Director concerned. If that concern is unlikely to be remedied, they will report the matter to the responsible Minister and recommend a course of action.

If the Chair becomes aware that a Director has committed a breach of subsection 20(4) of the Wine Australia Act or has contravened Subdivision A of the PGPA Act in relation to the Authority, the Chair must immediately report the matter to the responsible Minister.

Board Directors acknowledge that in accordance with section 30 of the PGPA Act, only the responsible Minister has the power to terminate the appointment of a Director and, in doing so, the Minister must adhere to the requirements set out in section 30(2) of the PGPA Act that include providing the Director with a statement of reasons for the termination that must be tabled before each House of Parliament within 15 sitting days of that House after the day the responsible Minister gives the notice to the Director.

In the event that the Chair makes a report to the responsible Minister about the performance of any Director, they will, at the earliest opportunity, advise the Director concerned of the report and the reasons for the report.

Periodically, the Deputy Chair meets with the Chair to discuss the Chair's performance over the previous 12 months; and to advise the Chair on any action that may be taken to enable the Chair to better fulfil their duties.

Directors are encouraged to participate in an appropriate level of continuing professional education to update and enhance their skills and knowledge to be able to discharge their duties and responsibilities.

Board committees

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

Audit and Risk Committee

In 2020–21, the Audit and Risk Committee comprised:

- Mr Geoff Knuckey (Chair)
- Ms Catherine Cooper, and
- Mr Mitchell Taylor.

Following an external governance review, an external chair, Mr Geoff Knuckey, was appointed. Mr Knuckey's skills and experience are detailed in the preceding section.

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 receives \$9900 per annum for his expertise and attendance.

The Audit and Risk committee's charter or 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.

Marketing Committee

The Marketing Committee during the reporting period comprised:

- Mr Mitchell Taylor (Chair)
- Dr Brian Croser AO
- Ms Frances-Anne Keeler (from September 2020), and
- Ms Catherine Oates.

The Marketing Committee's objective is to advise on the directional strategies and priorities of marketing activities by:

- providing input that assists in determining the long-term marketing needs for the Australian wine sector
- providing input that assists with the development of the marketing strategic plan, including advice on investment priorities
- using market intelligence, identify areas in which new growth opportunities exist for the Australian wine sector, and
- advocating for various marketing opportunities that encourage sustained growth of the Australian wine sector.

Remuneration Committee

During 2020–2021 the Remuneration Committee comprised:

- Dr Mary Retallack (Chair)
- Dr Michele Allan,
- Ms Catherine Cooper, and
- Ms Cath Oates (to February 2021).

The Remuneration Committee's objective is to ensure the appropriate oversight and approval of human resources and remuneration policies and practices. In particular, the Remuneration Committee makes recommendations on:

- the oversight of organisational design and human capability of Wine Australia commensurate and consistent with its strategic goals including:
 - its recruitment strategies and practices
 - the identification of talent including training and development
 - retention and success, and
 - diversity.
- the behavioural and cultural framework, and practices of Wine Australia
- the human resources and remuneration strategies, policies and practices of Wine Australia
- the remuneration framework for all employees, and
- performance management practices and outcomes.

Research, Development and Adoption Committee

During the reporting period the Committee comprised:

- Prof Peter Høj AC (Chair to February 2021)
- Ms Cath Oates (Chair from February 2021)
- Dr Brian Croser AO, and
- Dr Mary Retallack.

The objectives of the Research, Development and Adoption Committee are to provide advice to Wine Australia on the appropriate investment of the Grape Research Levy and the research and development component of the Wine Grapes Levy in research and development in accordance with the *Wine Australia Act 2013* by:

- providing input that assists Wine Australia in determining the long-term RD&A needs of the Australian wine sector
- providing input that assists with the development of the strategic plan of Wine Australia including advice on research and development investment priorities and the assessment of their progress, and
- advocating for RD&A opportunities that encourage sustained growth of the Australian wine sector.



2020–21 Board and external consultants

	Board meetings		Audit and Risk Committee		Marketing Committee		Remuneration Committee		RD&A Committee	
	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended	Eligible	Attended
Michele Allan	9	9					4	4		
Catherine Cooper	9	9	5	4			4	2		
Brian Croser	9	9			6	6			6	6
Peter Høj	6	6							3	3
Catherine Oates	9	9			6	6	3	3	3	3
Mary Retallack	9	9					4	4	6	6
Mitchell Taylor	9	9	5	5	6	6				
Frances-Anne Keeler	8	8			5	5				
Geoff Knuckey (Ind Chair A&R committee)			5	5						

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 2020–21, 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).

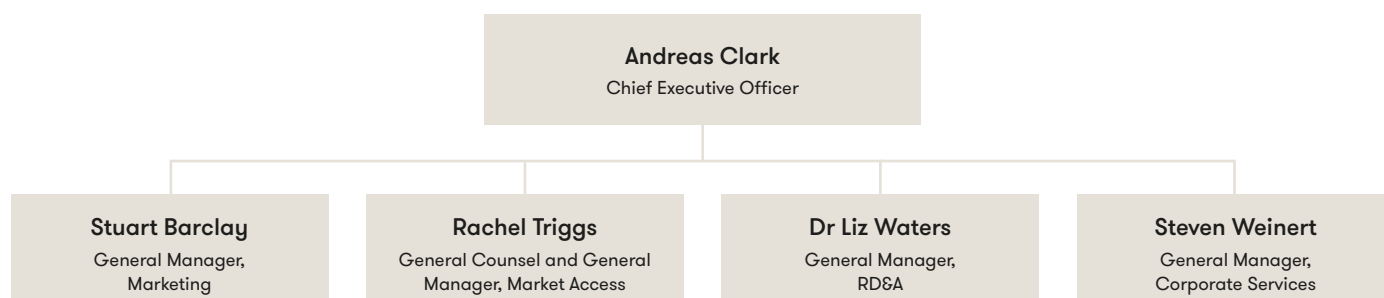
The GIC did not make any determinations of new geographical indications for wine in 2020–21.

Legislative Review Committee

Wine Australia's Legislative Review Committee (LRC) did not meet in 2020–21.

Management and staff

Senior Management



Key management personnel remuneration

Key Management Personnel remuneration		Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
Name Position title	Term as KMP	Base salary	Bonuses	Other benefits and allowances	Superannuation contributions	Long Service Leave	Other long-term benefits		
Allan, Michele Board member	Full year	76,776	-	58	7,294	-	-	-	84,128
Barclay, Stuart General Manager (GM)	Full year	330,530	-	7,113	25,000	7,140	-	-	369,784
Clark, Andreas Chief Executive Officer (CEO)	Full year – resignation effective 2 July 2021	244,315	-	75,792	38,890	72,634	-	285,760	717,391
Cooper, Catherine Board member	Full year	38,810	-	-	3,687	-	-	-	42,497
Croser, Brian Board member	Full year	38,810	-	-	3,687	-	-	-	42,497
Høj, Peter Board member	Part year – resignation effective 19 Feb 2021	25,065	-	-	2,381	-	-	-	27,446
Keeler, Frances-Anne Board member	Part year – appointed 28 Aug 2020	32,650	-	-	3,102	-	-	-	35,751
Oates, Catherine Board member	Full year	39,232	-	-	3,727	-	-	-	42,959
Retallack, Mary Board member	Full year	38,810	-	-	3,687	-	-	-	42,497
Taylor, Mitchell Board member	Full year	38,810	-	-	3,687	-	-	-	42,497
Triggs, Rachel General Manager (GM)	Full year	205,430	-	6,521	17,997	10,057	-	-	240,006
Waters, Elizabeth General Manager (GM)	Full year	217,682	-	6,061	19,136	5,036	-	-	247,915
Weinert, Steven General Manager (GM)	Full year	258,801	-	-	22,682	5,970	-	-	287,452
13		1,585,721	-	95,546	154,956	100,837	-	285,760	2,222,820

Senior executive remuneration

Senior executives remuneration			Short-term benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration	
Remuneration Band	Number of senior executives		Average Base salary (\$)	Average Bonuses salary (\$)	Average Other benefits and allowances (\$)	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average Other long-term benefits (\$)	Average Termination benefits (\$)	Average Total remuneration (\$)
\$0-\$220,000	1	Part Year – finish date 17 February 2021	132,704	-	7,669	2,579	8,270	-	53,111	204,333

Highly paid staff remuneration

Other highly paid staff remuneration			Short-term benefits			Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration	
Remuneration Band	Number of senior executives		Average Base salary (\$)	Average Bonuses salary (\$)	Average Other benefits and allowances (\$)	Average Superannuation contributions (\$)	Average Long service leave (\$)	Average Other long-term benefits (\$)	Average Termination benefits (\$)	Average Total remuneration (\$)
\$230,001–\$245,000	1	Full year	214,737	-	21,956	-	-	-	-	236,692
\$245,001–\$270,000	1	Full year	224,750	-	29,851	-	-	-	-	254,600
\$295,001–\$320,000	1	Full year	254,823	-	41,493	-	-	-	-	296,316

Staff

Wine Australia employed 65 people at 30 June 2021, compared with 94 the preceding year.

	Male		Female		Intersex and unspecified		Total
	F/T	P/T	F/T	P/T	F/T	P/T	
Australia	14	1	22	14			51
UK			3	2			5
USA	3		2	1			6
Canada			1				1
China			2				2
Total	17	1	30	17			65

Work health and safety

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

Wine Australia continues COVID-Safe work practices and facilitates a hybrid working environment for most staff where they work some days from the office and some from home.

Other 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 Wine Australia's responsible Minister was the Hon. David Littleproud, as Minister for Agriculture, Drought and Emergency Management.

Ministerial directions

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 period under review.

Key activities and changes affecting the Authority

Legislative amendment was passed in 17 December 2020, the *Wine Australia Amendment (Label Directory) Act 2020*, becoming effective from 1 July 2021. The legislation requires Wine Australia to establish, maintain and make publicly available a database, to be known as the Label Directory.

The regulations may provide for the Label Directory to include:

- a) digital colour images of grape product labels; and

- b) information relating to grape products or relating to exporters of grape products.

The Regulations allow personal information to be included in the Label Directory if the personal information:

- a) is included in a digital colour image of a grape product label; or
- b) relates to grape products or to exporters of grape products.

Wine Australia may use the contents of the Label Directory:

- a) to decide if there has been a contravention of the label integrity program; or
- b) for the purposes of the Authority performing functions, or exercising powers, under the Act or its regulations.

Transactions with a related Commonwealth entity

For the purposes of the PGPA Rule, Wine Australia and the CSIRO are related entities. During the reporting year, Wine Australia provided CSIRO with \$5,313,932 in research and development funding. The 12 individual projects and their funding are detailed in Appendix I. The relevant decision making process occurred in accordance with Wine Australia's Procurement Policy and its Conflict of Interest and Material Personal Interests Policy, both of which incorporate the requirements of the PGPA Act and the Commonwealth Procurement Rules.

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.

The Auditor General, in the Australian National Audit Office's *Interim Report on Key Financial Controls of Major Entities*, (published 2 June 2021), mentioned Wine Australia, in footnote 32 as one of 25 Corporate Commonwealth Entities that did not disclose specific audit committee member remuneration for one or more members. This issue has been addressed in this report and is covered in The Organisation section under the Audit and Risk Committee sub-section.

Freedom of information

Part 2 of the *Freedom of Information Act 1982* (FOI Act) establishes the Information Publication Scheme (IPS) for Australian government agencies subject to the FOI Act. The IPS commenced on 1 May 2011 and requires agencies to publish a broad range of information on their websites where possible. To find out more about the IPS see <http://www.oaic.gov.au/publications/factsheets.html>.

Wine Australia is subject to the FOI Act and is required to comply with IPS requirements. As such, we prepared an Agency Plan (the Plan) as required by section 8(1) of the FOI

Act. The Plan describes how we implement and administer the IPS in respect of our information holdings. In recognition that public sector information is a national resource managed for public purposes, we built and fostered an agency culture that embraced appropriate proactive disclosure of our information holdings, leading to successful implementation and administration of the IPS.

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.

Privacy policy

Our privacy policy is published on our website. It acknowledges that Wine Australia operates globally and hence must comply with the most stringent of data and privacy obligations, including the European Union's General Data Protection Regulation. No reports were made to the Australian Information Officer.

Indemnities and insurance premiums for officers

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.



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 2020–21 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

30 September 2021

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 2021 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 the corporate Commonwealth entity 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 'Steven Weinert'.

Steven Weinert
Acting Chief Executive Officer and General Manager of Corporate Services
(being the person responsible for the preparation of the financial statements)

30 September 2021



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture and Northern Australia

Opinion

In my opinion, the financial statements of Wine Australia (the Entity) for the year ended 30 June 2021:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements 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 2021 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 2021 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.

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 – Reduced Disclosure Requirements and the rules made under the Act. Wine Australia's Directors are also responsible for such internal control as Wine Australia's Directors determine are 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. Wine Australia's 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

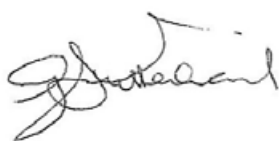
My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that 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 skepticism 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 Board of Directors;
- conclude on the appropriateness of the Board of Director'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 Board of Directors 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



Garry Sutherland

Delegate of the Auditor-General

Canberra

30 September 2021

Statement of comprehensive income for the year ended 30 June 2021

	Notes	Actuals 2021 \$	Actuals 2020 \$	Budget 2021 \$
Net cost of services				
Expenses				
Expenditure on research and development contracts	1.1A	24,596,660	22,442,699	22,876,000
Employee benefits	1.1B	10,559,664	13,090,644	12,767,000
Suppliers	1.1C	9,442,967	16,885,639	5,767,536
Grants	1.1D	11,005,542	12,587,002	10,000,000
Depreciation and amortisation	1.1E	1,943,495	1,664,926	2,639,000
Finance costs	1.1	16,114	23,112	19,000
Write-down of assets – Bad debts written off	1.1	9,394	15,782	1,000
Write-down of assets – Assets sold	1.1	631	-	-
Net losses from foreign exchange – Non Speculative	1.1	50,495	79,127	-
Levy collection fees	1.1	1,048,462	823,581	916,464
Total expenses		58,673,424	67,612,512	54,986,000
LESS:				
Own-source income				
Own-source revenue				
Industry contributions	1.2A	16,758,561	18,821,868	17,040,000
Sale of goods and rendering of services	1.2B	4,819,235	7,240,204	8,809,000
Rental income	1.2C	150,453	156,986	188,000
Research and development contributions	1.2D	1,598,046	960,822	-
Interest	1.2E	39,639	193,850	120,000
Other revenue	1.2F	-	430	-
Total own-source revenue		23,365,934	27,374,160	26,157,000
Net cost of services		(35,307,490)	(40,238,352)	(28,829,000)
Revenue from government				
Australian Government matching contributions	1.2	14,157,162	13,502,994	13,500,000
Other grants from Government	1.2G	10,379,344	26,358,600	10,329,000
Total revenue from Government		24,536,506	39,861,594	23,829,000
Deficit attributable to the Australian Government		(10,770,984)	(376,758)	(5,000,000)
Total comprehensive income attributable to the Australian Government		(10,770,984)	(376,758)	(5,000,000)

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 2021

	Notes	Actuals 2021 \$	Actuals 2020 \$	Budget 2021 \$
Assets				
Financial assets				
Cash and cash equivalents	2.1A	6,659,275	4,993,566	4,044,000
Trade and other receivables	2.1B	3,570,313	2,378,854	2,446,000
Other investments – Deposits at Bank		–	10,028,060	8,235,000
Total financial assets		10,229,588	17,400,480	14,725,000
Non-financial assets				
Buildings (Right of Use)	2.2A	9,910	621,633	556,000
Minor leasehold improvements	2.2A	3,928	52,555	–
Minor plant and equipment	2.2A	107,595	117,744	11,000
Intangibles	2.2A	3,504,480	4,485,602	3,471,000
Prepayments	2.2B	1,128,824	2,143,951	2,009,000
Total non-financial assets		4,754,737	7,421,485	6,047,000
Total assets		14,984,325	24,821,965	20,772,000
Liabilities				
Payables				
Suppliers – Trade Creditors and Accruals	2.3	657,228	528,925	315,000
Research and development contracts	2.3A	353,514	645,756	1,637,000
Other payables	2.3B	1,885,748	439,565	439,000
Total payables		2,896,490	1,614,246	2,391,000
Interest bearing liabilities				
Leases	2.4A	9,724	609,146	636,000
Total interest bearing liabilities		9,724	609,146	636,000
Provisions				
Employee provisions	4.1	1,773,300	1,519,653	1,666,000
Other provisions	2.5A	100,000	103,125	103,000
Total provisions		1,873,300	1,622,778	1,769,000
Total liabilities		4,779,514	3,846,170	4,796,000
Net assets		10,204,811	20,975,795	15,976,000
Equity				
Retained surplus		10,204,811	20,975,795	15,976,000
Total equity		10,204,811	20,975,795	15,976,000

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 2021

	Actuals 2021 \$	Actuals 2020 \$	Budget 2021 \$
Retained earnings			
Opening balance			
Balance at the beginning of the reporting period	20,975,795	21,352,553	20,976,000
Opening balance	20,975,795	21,352,553	20,976,000
Comprehensive income			
Deficit for the period	(10,770,984)	(376,758)	(5,000,000)
Total comprehensive income	(10,770,984)	(376,758)	(5,000,000)
Closing balance as at 30 June	10,204,811	20,975,795	15,976,000
Total equity			
Opening balance			
Balance at the beginning of the reporting period	20,975,795	21,352,553	20,976,000
Opening balance	20,975,795	21,352,553	20,976,000
Comprehensive income			
Deficit for the period	(10,770,984)	(376,758)	(5,000,000)
Total comprehensive income	(10,770,984)	(376,758)	(5,000,000)
Closing balance as at 30 June	10,204,811	20,975,795	15,976,000

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 2021

	Notes	Actuals 2021 \$	Actuals 2020 \$	Budget 2021 \$
Operating activities				
Cash received				
Australian Government matching contributions		14,088,793	14,913,784	13,500,000
Other receipts from Government		11,417,278	28,994,460	10,329,000
Industry contributions		16,619,823	18,749,541	17,040,000
Sale of goods and rendering of services		5,833,908	7,263,046	6,298,000
Rental income		165,498	172,685	-
Interest		39,760	199,768	120,000
Research and development contributions and refunds		1,757,850	1,056,904	45,000
Net GST received		2,548,662	1,740,971	2,586,000
Other receivables		3,290	1,475	-
Total cash received		52,474,862	73,092,634	49,918,000
Cash used				
Employees		(10,371,658)	(12,766,433)	(12,621,000)
Suppliers		(10,124,351)	(18,050,589)	(6,764,000)
Expenditure on research and development contracts and other grants		(39,421,190)	(38,193,921)	(31,885,000)
Borrowing costs		(16,114)	(23,112)	(19,000)
Total cash used		(59,933,313)	(69,034,055)	(51,289,000)
Net cash from/(used by) operating activities		(7,458,451)	4,058,579	(1,371,000)
Investing activities				
Cash received				
Proceeds from sales of property, plant and equipment		3,050	470	-
Proceeds from investments		25,046,794	27,095,586	10,000,000
Total cash received		25,049,844	27,096,056	10,000,000
Cash used				
Purchase of plant and equipment		(87,218)	(10,867)	(242,000)
Purchase of intangibles		(231,865)	(1,184,225)	-
Purchase of investments		(15,018,733)	(27,107,327)	(8,207,000)
Total cash used		(15,337,816)	(28,302,419)	(8,449,000)
Net cash from/(used by) investing activities		9,712,028	(1,206,363)	1,551,000
Finance activities				
Cash used				
Lease liability – principal payments		(587,868)	(1,002,656)	(1,130,000)
Total cash used		(587,868)	(1,002,656)	(1,130,000)
Net cash from/(used by) finance activities		(587,868)	(1,002,656)	(1,130,000)
Net decrease in cash held		1,665,709	1,849,560	(950,000)
Cash and cash equivalents at the beginning of the reporting period		4,993,566	3,144,006	4,994,000
Cash and cash equivalents at the end of the reporting period	2.1A	6,659,275	4,993,566	4,044,000

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 2021

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 winegrape 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 RD&A, marketing and regulatory funds.

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

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 – Reduced Disclosure Requirements 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 2021.

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 2021 are recognised on signing of the contract.

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

Grants

Grants are awarded after review of applications, with expense recognised when the grant criteria and/or obligations are met.

Employee benefits

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

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). Wine Australia recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Insurance

Wine Australia has insured for risks through the Government's insurable risk managed fund, Comcover. Workers' compensation is insured through Comcare.

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, Water and the Environment for the collection of various wine industry levies. The costs are recognised as an expense in the Statement of Comprehensive Income on a monthly basis.

Note 1.1A: Expenditure on research and development contracts

	2021 \$	2020 \$
Public sector		
Australian Government entities	4,074,010	3,777,375
State and territory governments	2,768,090	1,963,568
Universities/colleges	4,704,851	4,166,237
Private sector		
The Australian Wine Research Institute	9,276,750	8,645,000
Other organisations	2,810,308	2,317,624
Market research costs	469,410	624,556
Rural R&D for Profit Program	493,241	948,339
Total expenditure on research and development contracts	24,596,660	22,442,699

Note 1.1B: Employee benefits

	2021 \$	2020 \$
Wages and salaries	9,330,742	11,786,188
Superannuation		
Defined contribution plans	607,948	703,312
Defined benefit plans	123,246	131,072
Leave and other entitlements	211,968	382,585
Separation and redundancies	285,760	87,487
Total employee benefits	10,559,664	13,090,644

Note 1.1C: Suppliers

	2021 \$	2020 \$
Goods and services supplied or rendered		
Occupancy costs	148,745	207,212
Contractors	153,314	119,357
Communications	73,370	121,273
Information technology	3,471,684	1,928,127
Marketing costs	4,038,727	11,141,896
Outside services	80,363	377,507
Travel and accommodation	2,495	619,534
Advertising	17,037	32,515
Professional fees	777,479	1,632,526
Publications and subscription	110,721	110,613
Postage and freight	43,952	105,633
Other supplier expenses	346,680	394,929
Total goods and services supplied or rendered	9,264,567	16,791,122
Other supplier		
Short-term leases	86,852	-
Variable lease payments	17,679	-
Workers' compensation expenses (Comcare)	18,242	22,702
Liability insurance expenses (Comcover)	55,627	71,815
Total other supplier expenses	178,400	94,517
Total supplier expenses	9,442,967	16,885,639

Note 1.1D: Grants

	2021 \$	2020 \$
State grants	490,810	1,382,000
Competitive grants	238,663	1,093,800
Wine Export grants	263,660	111,202
Tourism and cellar door grants	10,012,409	10,000,000
Total grants	11,005,542	12,587,002

Note 1.1E: Depreciation and amortisation

	2021 \$	2020 \$
Depreciation		
Plant and equipment	93,684	174,915
Right-of-use assets and Leasehold improvements	636,824	1,037,949
Total depreciation	730,508	1,212,864
Amortisation		
Intangibles: computer software	1,212,987	452,062
Total amortisation	1,212,987	452,062
Total depreciation and amortisation	1,943,495	1,664,926



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, Water and the Environment. 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, Water and the Environment 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 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.

Goods and 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 the Entity 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.

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

Note 1.2A: Industry contributions

	2021 \$	2020 \$
Grape research levy	3,028,068	3,383,590
Wine research levy	10,762,314	11,902,720
Wine export charge	2,968,179	3,535,558
Total industry contributions	16,758,561	18,821,868

Note 1.2B: Sale of goods and rendering of services

	2021 \$	2020 \$
Sale of goods	-	-
Rendering of services	4,819,235	7,240,204
Total sale of goods and rendering of services	4,819,235	7,240,204

Note 1.2C: Rental income

	2021 \$	2020 \$
Operating lease		
Sublease	150,453	156,986
Total rental income	150,453	156,986

Subleasing rental income commitments

Wine Australia subleases space to four tenants within the Adelaide head office. Commitments for sublease rental income receivables are as follows:

	2021 \$	2020 \$
Within 1 year	-	151,671
Between 1 to 5 years	-	-
Total sublease rental income commitments	-	151,671

Note 1.2D: Research and development contributions

	2021 \$	2020 \$
Rural R&D for Profit Program contributions from external sources	-	141,000
Collaboration projects	1,513,046	737,322
Other	85,000	82,500
Total research and development contributions and refunds	1,598,046	960,822

Note 1.2E: Interest

	2021 \$	2020 \$
Term deposits at bank	27,410	153,644
Credit interest	12,229	40,206
Total interest	39,639	193,850

Note 1.2F: Other revenue

	2021 \$	2020 \$
Other revenue	-	430
Total other revenue	-	430

Note 1.2G: Other grants from Government

	2021 \$	2020 \$
Export and Regional Wine Support Package	-	16,062,000
Tourism and cellar door grants program	10,000,000	10,000,000
Rural R&D for Profit program	279,344	146,600
Export Market Development Grant	100,000	150,000
Total revenue from Government	10,379,344	26,358,600

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:

- cash on hand;
- 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
- cash in special accounts.

Trade and other receivables

Credit Terms for goods and services were within 30 days unless otherwise specified (2020: 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

	2021 \$	2020 \$
Cash at bank	6,658,566	4,991,998
Cash on hand	709	1,568
Total cash and cash equivalents	6,659,275	4,993,566

Note 2.1B: Trade and other receivables

	2021 \$	2020 \$
Goods and services receivables		
Services	1,282,950	577,198
Total goods and services receivables	1,282,950	577,198
Other receivables		
Australian Government matching contributions receivable	761,935	693,565
GST receivable from the Australian Taxation Office	252,398	29,775
Industry contributions receivable	1,202,909	1,053,989
Interest receivable	–	121
Other receivable	84,264	24,206
Total other receivables	2,301,506	1,801,656
Total trade and other receivables (gross)	3,584,456	2,378,854
Refer to Note 1.2: Accounting Policy – Revenue.		
Less impairment allowance		
Goods and services	(14,143)	(11,669)
Total impairment allowance	(14,143)	(11,669)
Total trade and other receivables (net)	3,570,313	2,367,185
Trade and other receivables (net) aged as follows		
Not overdue	3,459,894	2,285,014
Overdue by:		
0 to 30 days	76,179	28,847
31 to 60 days	15,205	41,929
61 to 90 days	10,140	8,974
More than 90 days	8,895	2,421
Total trade and other receivables (net)	3,570,313	2,367,185

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	2021	2020
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 2021. 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 (2020: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2021.

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 2020					
Gross book value	1,611,802	1,013,721	1,016,671	5,780,526	9,422,720
Accumulated depreciation, amortisation and impairment	(990,169)	(961,166)	(898,927)	(1,294,924)	(4,145,186)
Total as at 1 July 2020	621,633	52,555	117,744	4,485,602	5,277,534
Additions					
Purchase	-	-	87,218	-	87,218
Internally developed	-	-	-	231,865	231,865
Right-of-use assets	-	-	-	-	-
Depreciation and amortisation	-	(36,653)	(93,685)	(1,212,987)	(1,343,325)
Depreciation on right-of-use assets	(600,170)	-	-	-	(600,170)
Disposals					
Gross book adjustment	(1,364,043)	(35,950)	(125,052)	-	(1,525,045)
Accumulated depreciation adjustment	1,352,490	23,976	121,370	-	1,497,836
Total as at 30 June 2021	9,910	3,928	107,595	3,504,480	3,625,913
Total as at 30 June 2021 represented by:					
Gross book value	247,759	977,771	978,837	6,012,391	8,216,758
Accumulated depreciation and impairment	(237,849)	(973,843)	(871,242)	(2,507,911)	(4,590,845)
Total as at 30 June 2021	9,910	3,928	107,595	3,504,480	3,625,913

Note 2.2B: Other non-financial assets

	2021 \$	2020 \$
Prepayments	1,128,824	2,143,951
Total prepayments	1,128,824	2,143,951
Prepayments expected to be recovered		
No more than 12 months	1,124,486	1,948,267
More than 12 months	4,338	195,684
Total prepayments	1,128,824	2,143,951



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

	2021 \$	2020 \$
Accrued approved project expenses	353,514	645,756
Total research and development contracts	353,514	645,756

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

Note 2.3B: Other payables

	2021 \$	2020 \$
Salaries and wages	48,939	122,946
Prepayments received/unearned income	1,836,809	315,027
Other	–	1,592
Total other payables	1,885,748	439,565

All other payable 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

	2021 \$	2020 \$
Lease Liabilities	9,724	609,146
Total leases	9,724	609,146
Total leases are expected to be settled in:		
No more than 12 months	9,724	599,421
More than 12 months	–	9,725
Total leases	9,724	609,146

Total cash outflow for leases for the year ended 30 June 2021 was \$603,982 (2020: \$1,025,768)

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 2020	103,125	103,125
Amounts used	(3,125)	(3,125)
Total as at 30 June 2021	100,000	100,000

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

Funding

This section identifies Wine Australia's funding structure.

Note 3.1: Regulatory charging summary

	2021 \$	2020 \$
Expenses		
Direct costs	2,648,015	2,375,962
Indirect costs	2,035,970	1,695,070
Total expenses	4,683,985	4,071,032
External revenue		
Sale of goods and rendering of services	3,986,259	4,777,116
Total external revenue	3,986,259	4,777,116

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).

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2021. 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.

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.

Note 4.1: Employee provisions

	2021 \$	2020 \$
Long service leave	778,637	764,508
Annual leave	708,903	667,658
Separations and redundancies	285,760	87,487
Total employee provisions	1,773,300	1,519,653
Employee provisions are expected to be settled in:		
No more than 12 months	1,410,468	1,147,069
More than 12 months	362,832	372,584
Total employee provisions	1,773,300	1,519,653

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 12 (12 in 2019–20).

Name	Position	Term as KMP
Allan, Michele	Board member	Part year – appointed 4 July 2020
Barclay, Stuart	General Manager (GM)	Full year
Clark, Andreas	Chief Executive Officer (CEO)	Full year – resignation effective 2 July 2021
Cooper, Catherine	Board member	Full year
Croser, Brian	Board member	Full year
Hoj, Peter	Board member	Part year – resignation effective 19 February 2021
Keeler, Frances-Anne	Board member	Part year – appointed 28 August 2020
Oates, Catherine	Board member	Full year
Retallack, Mary	Board member	Full year
Taylor, Mitchell	Board member	Full year
Triggs, Rachel	General Manager (GM)	Full year
Waters, Elizabeth	General Manager (GM)	Full year
Weinert, Steven	General Manager (GM)	Full year

	2021 \$	2020 \$
Short-term employee benefits:		
Salary and annual leave accrued	1,585,721	1,365,233
Other benefits and allowances	95,546	94,610
Total short-term employee benefits	1,681,267	1,459,843
Post-employment benefits		
Superannuation	154,956	165,912
Total post-employment benefits	154,956	165,912
Other long-term employee benefits		
Long service leave accrued	100,837	30,270
Total other long-term employee benefits	100,837	30,270
Termination benefits		
Termination benefits	285,760	–
Total other long-term employee benefits	285,760	–
Total senior executive remuneration expenses	2,222,820	1,656,025



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 research grants.

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

- Wine Australia Director Dr Michele Allan is a Director at CSIRO and Charles Sturt university, both of which have multi year research agreements with Wine Australia. The research partners received \$4,074,010 and \$1,239,922 respectively in funding throughout 2020–21. The agreements were approved in accordance with Wine Australia's procurement policy and commenced prior to Dr Allan's appointment.
- Wine Australia Director Frances-Anne Keeler is the Chair of the Australian Tourism Data Warehouse (ATDW). Through the Export and Regional Wine Support Package, Program 3 included the build of a Tourism Platform. The total expenditure with ATDW was \$412,940. This was approved in accordance with Wine Australia's procurement policy and the agreement was signed prior to Frances-Anne Keeler commencing as a director of Wine Australia.
- A Wine Tourism and Cellar Door Grant to the value of \$64,835 was made to Taylors Enterprises, a company of 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.

There were no balances outstanding at year end.

Note 4.4: Remuneration of auditors

	2021 \$	2020 \$
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 2021, the entity had no contingent assets or liabilities, this being consistent with 30 June 2020.

Note 5.2: Financial instruments

Accounting Policy – Financial instruments

Financial assets

With the implementation of AASB 9 *Financial Instruments* for the first time in 2019, 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

	2021 \$	2020 \$
Financial assets at amortised cost		
Deposits at bank	-	10,028,060
Total financial assets at amortised cost	-	10,028,060
Financial assets at fair value through profit or loss		
Cash and cash equivalents	6,659,275	4,993,566
Interest receivable	-	121
Australian Government matching contributions receivables	-	-
Industry contributions receivables	1,202,909	1,053,989
Other receivables	1,367,214	601,405
Total financial assets at fair value through profit or loss	9,229,398	6,649,081
Total financial assets	9,229,398	16,677,141
Financial liabilities		
Financial liabilities measured at amortised cost:		
Suppliers	657,228	528,925
Research and development contracts	353,514	645,756
Total financial liabilities measured at amortised cost	1,010,742	1,174,681
Total financial liabilities	1,010,742	1,174,681

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

Note 5.2B: Net gains or losses on financial assets

	2021 \$	2020 \$
Held-to-maturity investments		
Interest revenue	27,410	153,644
Net gain on held-to-maturity investments	27,410	153,644
Receivables		
Interest revenue	12,229	40,206
Exchange losses	(50,495)	(79,127)
Net gain on receivables	(38,266)	(38,921)
Net gain on financial assets	(10,856)	114,723

Other information

Note 6.1: Aggregate assets and liabilities

	2021 \$	2020 \$
Assets expected to be recovered in:		
No more than 12 months	11,367,912	19,401,303
More than 12 months	3,616,413	5,420,662
Total assets	14,984,325	24,821,965
Liabilities expected to be settled in:		
No more than 12 months	4,416,682	3,463,862
More than 12 months	362,832	382,309
Total liabilities	4,779,514	3,846,170

Note 6.2: Budget Variances Commentary

Note 6.2: Departmental major budget variances for 2020–21

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)
Sale of goods and services/Trade and other receivables Income in 2020-21 was significantly impacted by both COVID-19 and the introduction of preliminary tariffs by China's Ministry of Commerce in November 2020. Marketing events were again minimal compared to previous years as many events in overseas markets were cancelled. There was also a material reduction in the number of export licences held as a result of the imposition of the China tariffs, which negatively impacted revenue.	Statement of Comprehensive Income – Revenue Statement of Financial Position – Asset
Research and development contributions/Trade and other receivables Additional income was generated during 2020-21 in relation to research projects. We initiated contracts where either a third-party would contribute towards the project, or the in-kind contribution of the research provider was collected and expensed as part of the project.	Statement of Comprehensive Income – Revenue Statement of Financial Position – Asset
Employee expenditure/Provisions As a consequence of the significant reduction in revenue, Wine Australia reviewed all expenditure items, including employee expenditure. As outlined in the Annual Report, a large number of staff were made redundant, their contracts were not renewed or staff members who resigned were not replaced.	Statement of Comprehensive Income – Expenses Statement of Financial Position – Liabilities Cash Flow Statement
Supplier expenditure/Suppliers payable As above, due to the significant reduction in revenue and the continuing COVID-19 situation restricting travel, all expenditure was reviewed by Wine Australia management and costs were intentionally reduced or minimised as a consequence of the changed business conditions, for example, travel.	Statement of Comprehensive Income – Expenses Statement of Financial Position – Liabilities Cash Flow Statement
Depreciation/Amortisation/Intangibles Depreciation included amounts on Right to Use assets. Due to the COVID-19 pandemic and China tariffs, our office structures were reviewed and we terminated selected leases without renewal. This reduced the full year of Right of Use asset depreciation amounts.	Statement of Comprehensive Income – Expenses Statement of Financial Position – Asset Cash Flow Statement
Buildings (Right of Use)/Lease Liabilities As outlined above, three of our five lease arrangements expired and were not renewed. This impacted our expected asset value for Right of Use assets.	Statement of Financial Position – Asset & Liabilities Cash Flow Statement
Plant and equipment Wine Australia's IT equipment is on a 3-year replacement rotation. The next roll out is due early in the 2021-22 financial year, however the assets were purchased in this financial year.	Statement of Financial Position – Asset Cash Flow Statement
Prepayments Prepayments historically have included amounts for large marketing events due to commence early in the following financial year. Due to the current global climate, there are no upcoming international large events.	Statement of Financial Position – Asset
Suppliers – payables At the end of the 2020-21 financial year, there were multiple accruals of final costs and milestone payments for the Export and Regional Wine Support Package (\$50m Package). The \$50m Package has concluded, other than the Wine Export Grant Scheme, which has been extended until May 2022, or once grant funds are exhausted.	Statement of Financial Position – Liability Cash Flow Statement
Research and development contracts – payables The Budget was based on historic rate of accruals at the end of each year, however for 2020-21, there were minimal accruals as any new projects initiated in the final few months are still being finalised to be executed.	Statement of Financial Position – Liability Cash Flow Statement
Other payables Other payables are significant this year, mostly due to income received in advance. During 2020-21, CONNECT was developed as an online platform, which is subscription based for 12 months. Wine Australia has also received significant investment from regional wine associations, the Australian Trade and Investment Commission (Austrade) and the South Australian Department for Trade and Investment (DTI) for the 2021-22 financial year to invest and expand the platform.	Statement of Financial Position – Liability Cash Flow Statement
Leases As mentioned in other variance notes, there were three office leases that were not renewed and therefore the lease liability of these had wound down, but no new lease was recognised.	Statement of Financial Position – Liability Cash Flow Statement

Appendices

Appendix I: RD&A funded projects

Magenta highlighted rows indicate State funding

Blue highlighted rows indicate funding to related entity CSIRO

Project number	Title	Approved funding 2020-21
Strategy 2: Protect the reputation of Australian wine		
AWR 1701-1.3.1	Supporting market access, safety and regulation	130,950
AWR 1701-1.5.1	Collecting and disseminating information on agrochemicals	177,584
AWR 1701-5.3.1	Tracking trends in Australian wine composition and vineyard and winery practices	56,471
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
WAC 2001	AKC Consulting – Regulatory risk assessment for wine grapes	2,500
Strategy 3: Enhance grape and wine excellence		
AGTECH	Agtech program expenses	43,652
AWR 1701-3.1.1	Identification and control of volatile compounds responsible for important sensory attributes	963,104
AWR 1701-3.1.2	Using glycosides and other flavour precursors for improved wine flavour	168,285
AWR 1701-3.1.3	Molecular drivers of wine texture and taste	476,158
AWR 1701-3.1.4	Managing wine extraction, retention, clarity and stability for defined styles and efficient production	462,516
AWR 1701-3.1.5	Influencing wine style and efficiency through management of oxygen during wine production	311,749
AWR 1701-3.1.6	Winemaking interventions to modulate glutathione status	221,339
AWR 1701-3.2.1	Putting microbial diversity to work in shaping wine style	541,283
AWR 1701-3.2.2	The relationship between grape juice composition and the progress of alcoholic and malolactic fermentation	645,099
AWR 1701-3.2.3	Management and optimisation of the AWRI Wine Microorganism Culture Collection	174,001
AWR 1701-3.3.1	Objective measures of quality and provenance in Australian vineyards	103,074
AWR 1701-3.4.1	Understanding Brettanomyces and its adaptation to control measures	276,934
AWR 1701-3.4.2	Formation and fate of sulfur compounds associated with negative attributes in wines	404,513
AWR 1701-4.4.1	Defining regional variability and uniqueness of premium Australian Shiraz	22,818
AWR 1701-4.4.2	Development of tools to verify origin and varietal nature of wines	243,637
AWR 1701-4.4.3	Bioprospecting Australian microbial genetic diversity	249,176
AWR 1701-4.4.4	Rotundone and its role in defining terroir in iconic Australian cool climate ‘peppery’ Shiraz	178,070
AWR 2001	SAWIDS clonal mapping of Pinot Noir	131,750
CRD 1601	Digital technologies for dynamic disease management	(18,193)
CSA 1601	New technologies for dynamic canopy and disease management	231,748
CSA 1602	New non-destructive technologies for simultaneous yield, crop condition and quality estimation	197,638
CSA 1701-1.1	Scion genetics and improvement: development of new disease-resistance varieties	595,363
CSA 1701-1.2	Scion genetics and improvement: desirable consumer traits	288,818
CSA 1701-1.3	Rootstock genetics and improvement: new improved rootstocks with durable resistance to root-knot nematodes and phylloxera	430,582
CSA 1701-1.4	Rootstock genetics and improvement – tolerance to abiotic stress	530,528
CSA 1701-1.5	Field trials – new scion-rootstock combinations and evaluation of new technology for improved water use efficiency and reduced costs	258,431
CSA 1701-1.6	Regional evaluation of new germplasm – pathway to adoption	283,079
CSA 1701-1.7	Enabling technologies and genetic resources	255,519
CSA 1701-3.1	New digital technologies for managing winegrape production and quality	614,658
CSU 1702-2	Determining thresholds for bunch rot tolerance in wine and detection of unwanted fungal aromas	131,252

Project number	Title	Approved funding 2020-21
CSU 1702-3	Vine nutrition	272,576
CSU 1702-4	The impact of metal speciation on the development, shelf-life and sensory properties of wine	313,786
FU 1902	Semi-automated undervine slasher development	18,300
UA 1602	Understanding the drivers of terroir in the Barossa Valley	864,927
UA 1803-1.1	Digital tools for canopy management to increase competitiveness	229,096
UA 1803-1.2	Cell death in grape berries: causes, consequences, and control	168,222
UA 1803-1.5	VitiVisor: An information, prediction and advisory platform for viticulture	738,310
UA 1803-2.1	New and improved yeast and bacterial starter cultures-novel attributes, process efficiency and wine distinctiveness	314,469
UQ 1601	LiDAR and PACE for vineyards	90,599
USA 1601	Use of unmanned air vehicles for early, real time detection of extreme weather events in vineyards	(51,910)
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	97,706
UT 1601	Taking grapevine yield forecasting into the digital age	43,359
WA 1908	Assessing the practicality of the robot platforms from swarmfarm robotics	23,333
WA 2002	SAWIDS Agtech Demonstration Sites.	98,502
WAC 2000	Agtech Commercialisation Roadmap	9,500
WAC 2009	Foundation Viticulture – National Germplasm Discussion Paper	48,100
WAC 2012	Collabiculture: an open and collaborative approach to technology in the wine industry	42,075
WAC 2013	Agtech Program Work Methodology	7,475
WAC 2014	Agtech Tech Scan Work Methodology	14,975
WAS 1903	FOMENT Sponsorship – Principal Partner	30,000
Strategy 4: Grow sustainable environments		
AGW 1706	MLA Contribution Agreement – Rural RnD4Profit-16-03-007 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 1701-4.1.1	Managing the impact of vintage advancement and compression	221,987
AWR 1701-4.5.1	Understanding the basis of agrochemical resistance in biotrophic grapevine pathogens	124,516
CSA 1701-2.1	Physiology of root:shoot interactions	335,072
CSA 1701-2.2	Adjusting grape berry ripening to suit a changing climate: plant growth regulator-based solutions	481,960
CSU 1702-1	SmartWine	41,548
CSU 1702-5	Managing wine pH in a changing climate	282,214
CSU 1702-7	Smoke taint	149,830
CSU 1702-8	Ecosystem services	48,716
DED 1701	Integrated management of established grapevine phylloxera	130,266
DJP 2001	Integrated management of grapevine phylloxera: Phase II	61,576
LTU 2001	Validation and implementation of an early warning system to reduce smoke impacts from prescribed burns and bushfires on agricultural industries in Victoria	404,000
LTU 2002	Preliminary study to compare analytical methods used to measure smoke marker compounds in grapes	26,090
PFR 2001	Best practice management of grapevine viruses in Australia	30,268
PHA 1801	Review of the Biosecurity Plan and Manual for the Viticulture Industry	20,320
SAR 1701 – 1.1	Grapevine trunk disease management for vineyard longevity in diverse climates of Australia	596,053
SAR 1701 – 1.2	Managing fungicide resistance in Australian viticulture	837,590
SAR 1701 – 2.1	Climate adaptation: developing irrigation strategies to combat dry winters	244,424
SAR 1701 – 2.2	Managing and modelling vintage compression	440,144
UA 1803-1.3	Plant sensor-based precision irrigation for improved vineyard water use efficiency, grape and wine composition and quality, and vineyard profitability	148,293

Project number	Title	Approved funding 2020-21
UA 1803-1.4	Undervine cover cropping for healthy and productive soils	129,657
WA 1805	Plant Biosecurity RD&E Strategy	8,800
WA 1906	National Working Party in Pesticide Applications (NWPPA) Stakeholder Contribution	5,000
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	51,980
WA 2004	GAIA – SAWIDS Rapid surveillance and assessment of fire damage in South Australian vineyards for decision making	71,750
WA 2005	Pinion Advisory – Fire mapping	6,000
WA 2006	Climate Research Strategy for Primary Industries CRSPI – Transition Agreement	10,000
WA 2100	A Common Approach to Sector-Level GHG Accounting for Australian Agriculture	25,000
WAC 2004	McKenzie-Mohr – Coaching – Biosecurity CBSM	7,590
WAC 2015	Disease alert review	4,945
Strategy 5: Build business sustainability, excellence and leadership		
AGW 1607	ASVO Sponsorship	20,000
AGW Ph1503	Decoding the unique terroir of Australian wines using a multi-omics approach	1,000
AGW Ph1504	A low power flexible sensor network system for viticulture	(8,616)
Alumnii Support	Alumnii support	11,513
AWR 1701-2.1.1	Improving viticulture and oenology practice through extension	565,320
AWR 1701-2.1.2	Communication and awareness-raising activities	493,473
AWR 1701-2.2.1	AWRI Helpdesk	1,049,858
AWR 1701-2.2.2	Library Services	239,012
AWR 1701-2.2.3	Regional Program	84,724
AWR 1701-5.1.2	Information and knowledge management	59,349
AWR 2002	AWRI capital	500,000
DPD 1901	Incubator Initiative – Can post-flowering harvester applications reduce bunch rot risk and manipulate bunch architecture in Western Australia?	(465)
GRP 1701	Regional Plan – Riverina 2017-22	125,000
GRP 1702	Regional Plan – Greater Victoria 2017-22	50,000
GRP 1703	Regional Plan – Tasmania 2017-22	16,537
GRP 1704	Regional Plan – SA North 2017-22	50,000
GRP 1705	Regional Plan – Murray Valley 2017-22	102,339
GRP 1706	Regional Plan – Limestone Coast 2017-22	50,000
GRP 1707	Regional Plan – SA Central 2017-22	49,901
GRP 1708	Regional Plan – Greater NSW & ACT 2017-22	47,850
GRP 1709	Regional Plan – Western Australia 2017-22	50,000
GRP 1710	Regional Plan – Queensland 2017-22	25,000
GRP 1711	Regional Plan – Riverland 2017-22	84,340
GWRDC Collab	AIA Collaboration Membership	65,000
GWRDC CRRDC	CRRDC Collaboration Membership	23,393
GWRDC Eval	Performance Evaluations	45,565
GWRDC IN	Extension and adoption activities	205,842
GWRDC PMS	Project Management system	143,678
Market Research	Market Research	469,410
UA 1803-3.1	Australia's changing competitiveness in global wine markets	99,650
VinSites	VinSites	120,000
WA 2007	2021 Future Leaders (Pragmatic Thinking)	152,500
WA L1801	ABARES Science and Innovations Award 2019 (Rocco Longo)	22,727
WA L2002	2021 Nuffield Scholarship Partnership Agreement (Hans Loder)	53,000

Project number	Title	Approved funding 2020-21
WA Ph1701	Isolation and characterisation of phytotoxins produced by the Botryosphaeriaceae and their role in grapevine trunk diseases	(3,324)
WA Ph1703	Assessing the suitability of indigenous Cypriot grape varieties for Australia's challenging and changing climate.	1,493
WA Ph1704	A systematic approach to understanding wine texture and mouthfeel	13,450
WA Ph1706	Molecular epidemiology and physiology of Shiraz disease with an emphasis on Grapevine virus A	11,112
WA Ph1707	Towards differential management to supply more fruit at desired price point	8,230
WA Ph1801	Exploration of macromolecular complexes in wine using the Vortex Fluidic Device	7,404
WA Ph1802	Understanding and managing grape berry heterogeneity in the vineyard to improve Cabernet Sauvignon wine quality	2,696
WA Ph1803	Identification of new precursors and factors affecting varietal thiols and their precursors in grapes and wines	15,870
WA Ph1804	Characterising the distinctive flavours of Australian Cabernet Sauvignon wines	4,044
WA Ph1805	Breaking the sugar flavour nexus: producing grapes with less sugar and more flavour.	3,370
WA PH1806	Developing and assessing different cordon establishment techniques for long term vineyard management	17,404
WA Ph1901	Rootstock effects on grape rachis (bunch-stem) composition and the implications for red wine flavour and aroma	10,000
WA Ph1902	Sustaining viticulture: How under-vine (Vitis vinifera) cover crops affect arbuscular mycorrhizal associations, soil organic carbon composition and soil carbon stocks	22,374
WA Ph1903	Analysis of the wine glycoproteome and proteome to improve quality and track provenance.	17,404
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	23,028
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 Ph1909	Chemical markers for authentication of Australian wine	18,391
WA Ph1910	The role of Hydrogen peroxide (H2O2) and Gamma amino butyric acid (GABA) in cell death in grape berry development	13,578
WA Ph1911	Use of membrane filtration technology to achieve protein stability in white wine	3,595
WA Ph1912	Molecular genetic control of grapevine bud fruitfulness	2,696
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 (Johnson, Anne)	10,702
WA Ph2001	Engineering biosensors of wine spoilage (Cebreco, Ranjith)	6,835
WA Ph2002	Engineering biosensors of smoke taint (Harlington, Alix)	6,835
WA Ph2003	Mitigating taint in wine due to vineyard exposure to bushfire smoke (Huo, Yiming)	8,202
WA Ph2004	Photocatalytic treatment of winery wastewater using Au clusters deposited mesoporous TiO2 (Motamedisade, Anahita)	5,702
WA Ph2005	Understanding the relative sustainability of harvesting pruned vineyard biomass and the effect on carbon sequestration and disease management (Pike, Benjamin)	5,000
WA Ph2006	Essays in wine economics (Puga, German)	4,507
WA Ph2007	Comparison of soil, vine, and environmental metrics to optimise vineyard irrigation scheduling (Schlank, Rochelle)	8,202
WA Ph2008	Detection of grapevine virus diseases in Australian vineyards using remote sensing and machine learning techniques (Wang, Yeniu)	8,202
WA Ph2009	Genetic basis of salt exclusion in grapevine (Zhou Tsang, Andres)	3,425
WAC 1908	Design, implement and deliver the Next Crop pilot program for the Langhorne Creek Region	4,500
WAC 1915	Review of Wine Australia's Strategic Partnership Agreement - Ancer Consulting	68,293
WAC 1916	Conduct a bibliometrics analysis of all Wine Australia's research investments	25,000
WAC 2010	Farmers2Founders - Accelerator Bootcamp #2 Program, Ear Trumpet (Dr Daniel Fischl)	55,000
WAC 2011	Benefit Cost Analysis (BCA) of Wine Australia R&D Investments 2019-2020	45,850

Project number	Title	Approved funding 2020-21
WAP 2000	PIEFA – Curriculum development schools	18,000
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
WAT 2000	Oral or poster presentation at International Chemical Congress of Pacific Basin Societies 2020, Hawaii, 15-20 Dec 2020	1,500
WAT 2001	Oral/Poster presentation at the IX International Symposium on Mineral Nutrition of Fruit Crops, Israel, June 27 – July 1, 2021	2,000
WAT 2003	Effects of ethanol, viscosity, tannin and flavour enhancement on sensory properties and consumer perception of 'body' in commercial red wine	2,000
WAT 2004	Oral presentation at Macrowine 2021	2,500
WAT 2005	Participation at Pacifichem 2020	2,500
WAT 2006	Participation at MacroWine 2021 conference	2,466
Grand total		24,596,660

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 Leaders 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 III 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.
Agvet	agricultural and veterinary chemicals
AG&W	Australian Grape & Wine Incorporated, the peak sector member-based organisation
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
CRRDC	Council of Rural Research and Development
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAWE	Department of Agriculture, Water and the 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
EUPHRESKO	European Phytosanitary Research and Coordination
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
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	<i>Public Governance, Performance and Accountability Act 2013</i>
RDA or RD&A	research, development and adoption
RD&E	research, development and extension
R&D	research and development

the Act	<i>Wine Australia Act 2013</i>
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.
SWA	Sustainable Winegrowing Australia
WALAS	Wine Australia Licensing and Approval System
<i>Xylella fastidiosa</i>	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	9-10, 12, 15, 18
The rationale for the mix of projects included in the Balanced Portfolio	18-19
Report on research extension activities	30-42, Appendix I
Collaboration with industry and other research providers	9-10, 12, 15, 18, 30-42,
Identify sources of income including separate identification of the Levy, the Charge, Commonwealth Matching Payments and other forms of income including Voluntary Contributions	16, 63
Full cost of R&D and other activities with costs being allocated in accordance with the Cost Allocation Policy	16-21
Progress in implementing strategic plan including progress against the plan's KPIs	8-9, 11-12, 14, 18, 20-21, 25-45
Bring the KPIs for each program in the strategic plan and AOP together and demonstrate how the deliverables funded advanced the outcomes	25-45
Assessment of the efficiency and effectiveness of investments	13-15, 25-45
Progress in implementing the Guidelines	20-21
<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	9-10, 12, 18
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	56
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	53
s38(1)(c)(i)	Grape or wine R&D activities coordinated or funded, wholly or partly during the period	Appendix I
s38(1)(c)(ii)	The amount spent in relation to each of those activities	Appendix I
s38(1)(c)(iii)	Which of those activities related to ecologically sustainable development (if any)	34-38, 57
s38(1)(c)(iv)	The impact of those activities on the grape industry and wine industry	34-38, 57
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	Appendix I
s38(1)(c)(vii)	The making of grants under section 10C	Appendix I
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	9-10, 34-35
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	11–12, 25–45
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	53

Section	Details	Page No.
Public Governance, Performance and Accountability Act 2013		
s39(1)(b)	Include a copy of the annual performance statements	59–81
s43(4)	Include a copy of the annual financial statements and the Auditor-General's report	61–81
s46(3)	The annual report must comply with any requirements prescribed by the rules	59–81

PGPA Rule Reference	Details	Page No.
Public Governance, Performance and Accountability Rule 2014		
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)	59–62
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	11, 47, 56
s17BE(b)(i)	A summary of the objects and functions of the entity as set out in the legislation	56–57
s17BE (b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	11–12
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	56
s17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	56
s17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	56
s17BE(f)	Particulars of non-compliance with: <ul style="list-style-type: none"> a) a direction given to the entity by the Minister under an Act or instrument during the reporting period; or b) 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	17
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	n/a
s17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	47–55
s17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	47, 54
s17BE(ka)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> a) statistics on full-time employees; b) statistics on part-time employees; c) statistics on gender; d) statistics on staff location 	55
s17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	47

s17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	47, 51–53
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): a) 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 b) 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	57
s17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	6–10, 22–23
s17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	57
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) a Parliamentary Committee; or b) the Commonwealth Ombudsman; or c) 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	n/a
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)	57
s17BE(taa)	The following information about the audit committee for the entity: a) a direct electronic address of the charter determining the functions of the audit committee; b) the name of each member of the audit committee; c) the qualifications, knowledge, skills or experience of each member of the audit committee; d) information about each member's attendance at meetings of the audit committee; e) the remuneration of each member of the audit committee	51–52
s17BE(ta)	Information about executive remuneration	54–55

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