



Australian Government

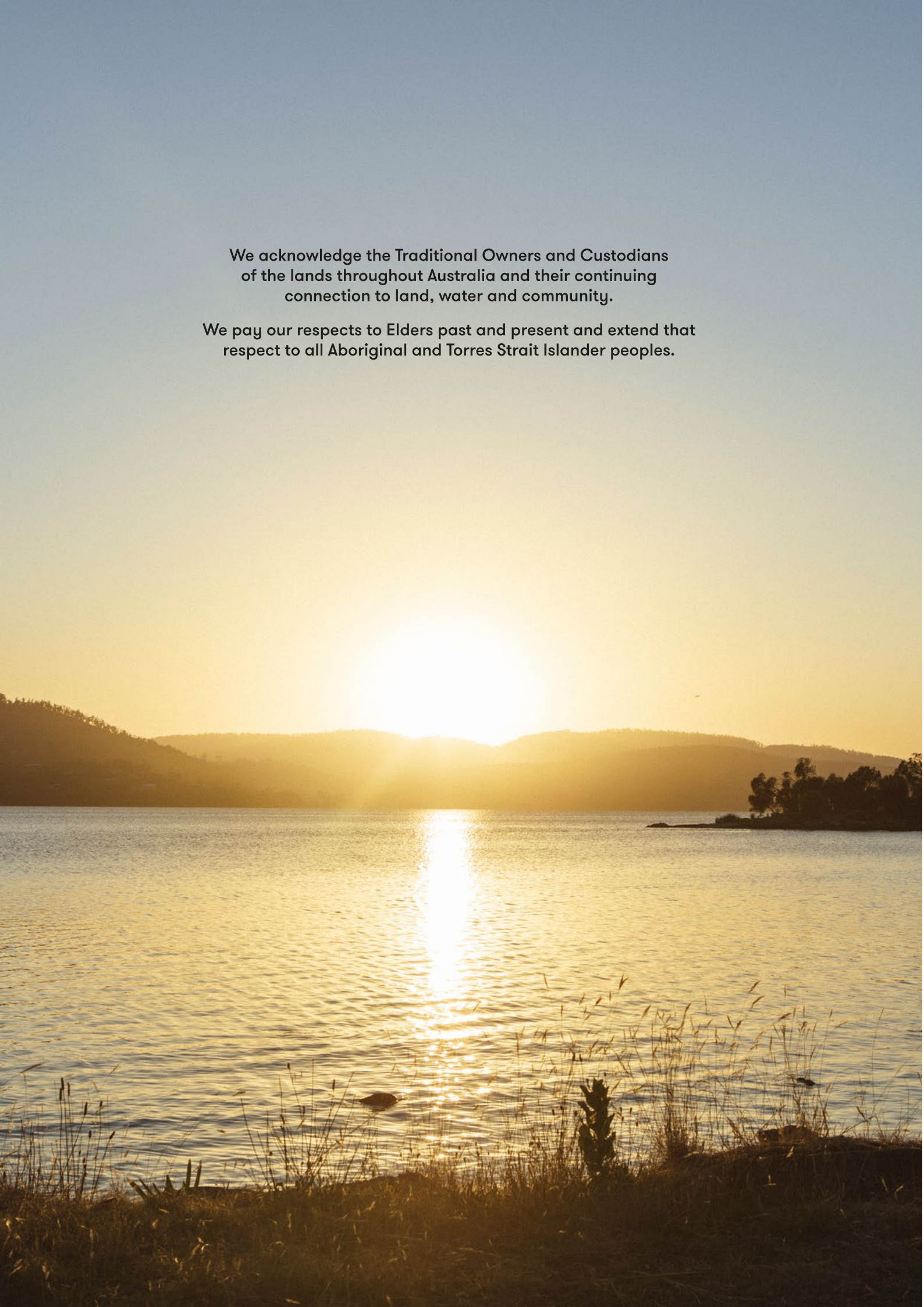
Wine Australia

Wine Australia Annual Report 2022-23



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

We pay our respects to Elders past and present and extend that
respect to all Aboriginal and Torres Strait Islander peoples.



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Australian Government

Wine Australia

30 September 2023

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

Dear Minister Watt

On behalf of the Directors of Wine Australia, I have the pleasure of submitting the *Annual Report 2022–23* for the year ended 30 June 2023.

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 2022–23* and our Portfolio Budget Statements 2022–23.

Yours sincerely

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

Dr Michele Allan AO
Chair
Wine Australia



Year in
review

Chair's Report 2022-23

I am pleased to present Wine Australia's *Annual Report 2022-23* on behalf of the Board and the team.

It would be an understatement to say the past 12 months have been difficult for the Australian grape and wine sector. Lower demand in a complex and changeable international export market, challenging growing conditions with the wettest year since 2011, and sustained high national wine inventories have been among a range of factors that are affecting our sector.

In November 2022, in response to these continued and compounding challenges facing the sector, the Boards of Australian Grape & Wine and Wine Australia collectively identified a need to lead the process of developing a 'One Sector Plan' – to be informed by the sector, for the sector.

This plan is aimed at tackling the immediate issues that are affecting the sector through to 2030, with a view to guiding us from where we are now towards those original longer-term goals around profitability, sustainability, innovation and premiumisation.

The plan will take into account the concerns of people throughout the wine and grape sector to identify key issues that can be targeted to support the sector through this tough time.

Challenging harvests and markets

The 2023 vintage was the lowest in more than 20 years – only 1.32 million tonnes crushed nationally – following a challenging growing season and unfavourable market conditions for grapegrowers and winemakers in many of our regions.

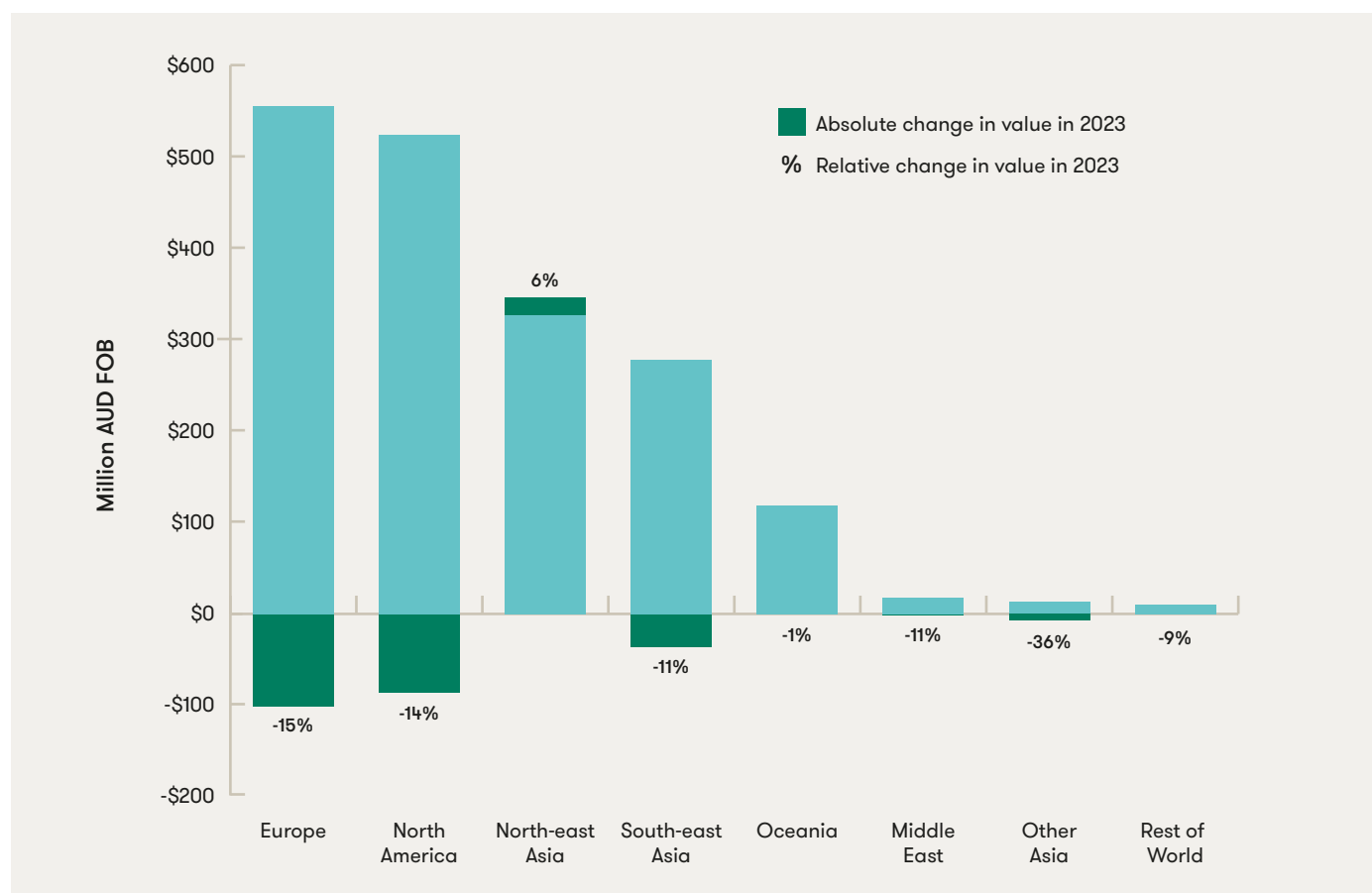
Wine Australia's *Production, Sales and Inventory Report 2022* revealed the national wine inventory was above its long-term average before going into vintage 2023. The report showed the stocks-to-sales ratio for white wine had remained static compared with 2020-21 at 1.52, but for red wine it is estimated to have increased by 35 per cent in 2022-23 to 2.77.

A key contributor to the lowered national crush in 2023 was winery inventory pressures for red wine, which resulted in some yield caps being imposed, uncontracted grapes not being sold and/or vineyards being temporarily taken out of production. The national crush of red winegrapes was estimated to be 711,777 tonnes – a 26 per cent decline on the previous year and 25 per cent lower than the 10-year average of 943,146 tonnes.

Figure 1: Australian winegrape crush and yield 2013-23



Figure 2: Export value growth/decline by region



The decline came mainly from the inland regions, where the crush of red grapes dropped by 30 per cent (the second successive decline in tonnes crushed). Despite the reduced crush, the average price paid for red grapes declined by 21 per cent (the third successive vintage where red grape purchase prices have declined). White winegrapes fared better in terms of prices paid to growers, largely due to them being in higher demand than reds, but still experienced a decline in the average purchase price value of 5 per cent.

In addition, the inclement weather was a major contributor to the reduced size of the harvest this year. Many producers around Australia experienced high rainfall and cool conditions, which helped create ideal conditions for disease, lower yields and ripening challenges, although the cool conditions were also conducive to producing high quality fruit with excellent flavour development. However, there were exceptions, with many regions experiencing higher yields, including the Barossa Valley (up 34 per cent), Margaret River (up 9 per cent) and Yarra Valley (up 18 per cent).

Looking past vintage, performance in export markets continued to be a challenge for the sector overall. In 2022-23, Australian wine exports declined by 10 per cent in value to \$1.87 billion and 1 per cent in volume to 621 million litres (69 million 9-litre case equivalents).

Traditional large markets for Australian wine finished the financial year with declining exports. The UK was the top destination for Australian wine in the 2022-23, but declined by 14 per cent in value and 3 per cent in volume over that period. The US dropped 18 per cent in value and 3 per cent in volume and Canada dropping 6 per cent in value but rising 43 per cent in volume.

Singapore and Hong Kong remain the top markets in Asia and round out Australia's top five destinations for exports. Hong Kong increased by 29 per cent to \$220 million, driven largely by the premium segment of the market, with exports above \$10 per litre growing by 34 per cent in value to that market. Similarly, across Asia, markets like Japan and South Korea saw growth of 19 and 5 per cent in the premium market respectively, despite exports to these markets declining overall.

The outcomes of the export results are partially reflective of broader global trends with market research firm IWSR reporting all wine consumption globally declining 3 per cent in volume in 2022, continuing a long-term decline in per capita consumption. Premium price segments bucked the trend with continued growth, albeit at slower rates than recent years. In contrast, the commercial end (less than US\$10 per bottle) of the global market declined – indicating that consumers are still drinking less but choosing to purchase higher price points. IWSR also reports that consumers are cutting back on alcohol spending as prices rise for food and other necessities. Moderation trends are no longer solely driven by health considerations, but also as a money saving strategy – with consumers choosing to drink less volume, rather than trade down in price points.

These trends are evident in Australia's top export markets of the UK and US, where volume consumed in both the commercial and premium ends of the market declined during 2022, with commercial wine in steeper decline. Australia holds about double the market share in commercial segments compared to premium in these two markets and this is impacting overall export performance.



Marketing

With inhibitory tariffs on Australian wine persisting through 2022–23, market diversification continues to be a priority for Wine Australia. The end of COVID-19 restrictions internationally enabled major trade events like ProWein in Dusseldorf and Vinexpo in Singapore to bounce back strongly from the global hiatus during 2020–22. These showcase events, along with the largest-ever Australia Trade Tasting in London in January 2023, were great opportunities to forge new relationships and strengthen existing ones with international trade.

With Australian Grape & Wine (AGW), we also gained funding from the Australian Government's Agricultural Trade and Market Access Cooperation (ATMAC) Program to support country managers for the growing South Korea and Japan markets. More recently, we partnered with AusCham Vietnam to appoint a market specialist to help build Australia's wine distribution and sales in that market (and more broadly across SE Asia) with additional ATMAC funding. We also worked with the South Australian Government to agree to bring the next International Masters of Wine Symposium to Adelaide in November 2026. This prestigious event is set to attract hundreds of global wine leaders, media and enthusiasts to an immersive program of tastings, experiences and events in South Australia. The potential benefits for other states and regions through this cohort's further exploration while they are here in Australia may also be significant.

Notwithstanding a significantly reduced marketing budget, we are committed to continuing to provide value to the sector through our partnerships with government agencies such as Austrade, hybrid events, online platforms such as Connect, targeted market entry programs and quality data and metrics via the interactive online data hub for wine businesses to use in their own market research. Our market insights team is central to providing the evidence and data that we need to underpin marketing decisions for the Australian wine sector in such a complex and dynamic environment.

Regulation and market access

Wine Australia continues to provide key inspection, verification and advice functions to support the sector in complying with regulatory requirements for the production, sale and export of Australian grape products, ensuring our global reputation through label integrity and adherence to food standards and labelling laws.

Working alongside AGW, Austrade, the Department of Agriculture, Fisheries and Forestry (DAFF), Department of Foreign Affairs and Trade (DFAT) and a range of international bodies, Wine Australia has supported international engagement during the past year, including to progress the side letter on trade in wine included in the Australia–India Economic Cooperation and Trade Agreement (AI-ECTA), continuing to support free trade agreement negotiations between Australia and the European Union, and identifying areas to harmonise the international trade of wine.

We are also monitoring developments in the fast-moving environmental, social and governance (ESG) space, which is likely to have significant implications for market access in the near-term future. The past year has seen the development of an ESG investment plan, which will delineate the large, complex body of work needed to imbed best practice ESG into the Australian grape and wine community. The intended outcome is that through proactive leadership, Australia will not just be able to maintain access but also increase its market share in some countries.

Research and innovation

Wine Australia has transformed the way it works with research partners in recent years and efforts to engage the sector in co-designing and developing projects for maximum impact and value, and to prioritise the areas of greatest identified need, are ongoing.

In the past year, we have made progress towards the goal of net zero carbon emissions via delivery of the much-needed Emissions Reduction Roadmap with practical guidance and tools to help grape and wine businesses manage the transition, and by gaining agreement on targets. The profitability project focussed on the warm inland regions has also seen outcomes such as an online grape trading platform and a joint regional resource appointed to address issues on the ground and in person with businesses in need.

New and ongoing projects across biosecurity, grapevine breeding, no- and low alcohol (NOLO) wines, data sharing and wine production and quality are continuing apace, and the agtech and regional programs have also been revamped in the past year.

We also continued to invest in the Future Leaders program, as well as supporting a range of regional leadership and development programs and sector events that build and disseminate the skills, knowledge, diversity and expertise that is critical for the future of the sector.

This year also saw significant progress on the Improving Market Transparency (IMT) project, an outcome of the ACCC's Wine Grapes Market Study into the winegrape sector. Wine Australia is managing three recommendations of the Market Study: the development of a grape supply and demand digital analytics platform, an industry-owned domestic data sales collection and dataset, and grape price forecasting by an independent third party.

March 2023 saw ABARES, as the independent third party, release the first set of inland grape price forecasts. The supply and demand dashboard is due for completion by October 2023, and the team is working on a three-part strategy to improve domestic market insights: through winery data collection, retail data key indicators, and subsequently providing a total market read.

Customer engagement

Alongside the customer-centric approach implemented under CEO Martin Cole, the customer engagement team has been working on refreshing its strategies to be more data-driven and to streamline our communications. This work will be a process of continuous improvement and cultural, behavioural and operational change.

The focus on engagement with customers was central to our activities throughout 2022–23, and we sought to work with customers throughout the country to inform strategy. Board meetings were held in all three major inland winegrowing regions (Riverland, Riverina and Murray Valley) and customers shared many experiences while we were there – including continued tough operating environments and disease pressure due to a cool, wet spring.

The team has played an important role in delivering the One Sector Plan consultation process, which will result in a plan for all our sector, working together to address shared challenges. The final plan will be released within the 2023–24 reporting period.

Business development and strategic investment

With contracting funding and the need to maintain, if not grow resources and support for the wine and grape sector in a range of areas, Wine Australia is committed to exploring ways to supplement, diversify and leverage existing funding and to attract additional capital through strategic investments, partnerships and a wider range of competitive grant funding schemes.

People and culture

Over the past year, Wine Australia has focused on fostering a customer-centric culture which places customers at the heart of everything we do. Staff and management worked to co-design values and behaviours that will guide decision making and we are proud of how they reflect our supportive, diverse and collaborative culture.

We have trained our staff in facilitation and co-design principles and have set up a Project Management Office (PMO), to help manage key strategic projects. The principles encourage staff to work collaboratively, bring their best and be flexible when delivering on objectives for the organisation and for customers.

The significant reduction in revenue due to the low vintage saw another decrease in funds available for marketing. Because of this, we made the difficult decision to re-structure the team and make several roles redundant. Although this change was difficult, our staff remain engaged and committed to helping and delivering positive impact to the sector.

The organisation

As discussed above, the continued decline in exports coupled with a historically low vintage saw Wine Australia address the changes in revenue through a multi-pronged approach: via strategic drawdown in reserves, changing and postponing activities in research and innovation and marketing, and a reduction in operating expenses and headcount.

For example, in the last three years, the Wine Australia headcount has reduced from 94 in 2020 to 66 in the current year. At the same time, we have added three new members to the SLT in the strategic areas of customer engagement, business development and people and culture.

During 2022–23, Wine Australia recorded an operating deficit of \$5.6 million, compared with a budgeted deficit of \$3.0 million and the analysis of the variation is outlined in the Financial Statements section.

Thanks

In closing I would like to thank the senior leadership team and my fellow Directors for their work and support, and the global Wine Australia team for their dedication throughout this continuously challenging period.

I would also like to thank the Minister for my re-appointment as Chair of the Wine Australia Board. It is truly humbling to see the confidence you have placed in me as Chair of the Board and re-affirms our commitment to the success of the sector.

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

Dr Michele Allan AO
Chair, Wine Australia

Our role and strategic priorities

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

Our role under the Act is to:

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

Our five-year Strategic Plan 2020–25 and our Annual Operational Plan 2022–23 outline our key investment priorities, which are guided by the Australian grape and wine community's priorities.

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 Priorities and National Agricultural Innovation 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 then adoption of research outcomes and best practice.

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

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

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

Our research providers include the Australian Wine Research Institute (AWRI), Charles Sturt University, and other 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.

In 2022, the Australian grape and wine sector, through the Boards of AGW and Wine Australia, identified the need to develop a new collective strategic plan, focused on addressing nearer-term sector challenges through to 2030. Consultation and development of the One Sector Plan began in early 2023 and will conclude towards the end of the calendar year.

Consultation has been extensive, seeking input from all across the sector. The One Sector Plan will inform Wine Australia's 2025–30 Strategic Plan and ensure that Wine Australia's operational priorities remain fit-for-purpose and address the significant challenges being felt across the sector.

Activities and achievements



Strategy 1

Market Australian wine

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

The strategies and tactics employed to deliver against this objective have evolved in this post-Covid era where the importance of market diversification and risk mitigation has become paramount.

The 2022-23 financial year has been extremely challenging, with the combination of ongoing geopolitical, economic and weather events all impacting on the supply and demand dynamics of the sector and, ultimately, our ability to support it. The resulting outcomes as evidenced by performance measured against Key Performance Indicators (KPIs) suggest that the lack of quantity of investment has had a more significant impact than the quality of activity. Wineries that have engaged with Wine Australia-led initiatives report strong levels of satisfaction, similar to the strong positive media sentiment throughout the financial year.

We have worked closely with our key customers and partners to focus and align our efforts and leverage limited resources aimed at building capability and opportunity for current and future exporters. At the same time, we acknowledge that more needs to be done to protect and grow established markets both in Australia and internationally.

The formation of a cross-sector Joint Marketing Group (JMG) in late 2022 has provided sound advice and direction with respect to the marketing, tourism and promotional priorities of the Australian grape and wine sector and Wine Australia's strategies in addressing them.

Consequently, our marketing mix remained flexible despite current fiscal constraints and responsive to market conditions, enabling the delivery of a variety of marketing activities across multiple channels, with a significant move back to in-person events. ProWein (Dusseldorf) and Vinexpo (Singapore) were our signature events and provided a great platform for wineries looking to re-engage with new and existing customers across Europe and Asia.

Our Explore programs (UK and Canada) helped 55 wineries diversify into these markets. The US Market Entry Program, which continues to grow and receive significant support from State governments, assisted 49 wineries to gain access to the lucrative US market. By the end of the program, more than two thirds of participants secured representation and orders by

30 June, delivering over \$2.8 million in new and/or increased export sales.

Wine Australia, as part of the Food and Wine Collaborators group (Dairy Australia, Meat and Livestock Australia, Seafood Innovation Australia, and Horticulture Innovation Australia) delivered marketing campaigns in four key emerging markets. The aim is to promote Australia's premium produce credentials and assist with potential market access challenges. Indonesia, Thailand and South Korea events have all now occurred with Vietnam scheduled for September 2023. Additional funding has been secured to expand the initiative into other target markets in 2023-24.

Connect will remain a part of Wine Australia's global marketing strategy and intensification and diversification priorities. From 1 July 2023, Connect transitioned to a slimmed-down, free service model to encourage more wineries and regions to become active participants. The 'Explore' section became an online digital catalogue for all our in-person and hybrid events and 'Conversations' moved to YouTube to ensure wider reach of the great video content our global teams produce.

To improve the user experience and after analysis of site analytics and market trends, we have added some new filtering options:

- Event/Program (for wines featuring at trade shows, or in market entry programs)
- Sustainability & Certification
- Seeking Additional distribution in (for wineries who have a distributor in a market but are looking for others)
- Natural & Other wine including vegan, skin contact, preservative free

Wine Australia continues to invest in delivering timely and relevant insights to the sector to build capability, improve decision making on market diversification and intensification opportunities. We use a mix of qualitative and quantitative inputs and work with and through the JMG to leverage our collective knowledge and minimise duplication of effort and cross sector investment.

An evolution of 'Australian wine' positioning is underway that is designed to provide the foundation for regions and brands to tell their unique stories and add depth to our national wine narrative.

Strategy 1: Market Australian wine

Strategic Plan measure of success	2022-23 Achievements	
85 per cent of Tier A ¹ influencers actively engage with Wine Australia.	<ul style="list-style-type: none"> At least 85 per cent of Tier A influencers actively engage with Wine Australia through regular contact and outreach via Australian Wine Connect (and associated) virtual events, Australian Wine Discovered, retail partnerships, trade market programs (i.e. market entry and explore programs) and partnerships (Austrade and FIAL) as well as communications and social media channels Over 1,200 in business-to-business connections made on Australian Wine Connect annually Overall likelihood to recommend Australian Wine Connect and Australian Wine Discovered – Net Promoter Score of 40. Growth in the Australian Wine Connect trade community (year-on-year). Growth in downloads of Australian Wine Discovered resources, assets and tools on (year-on-year). Increase in positive media sentiment in media coverage and other published content on Australian wine (year-on-year). 	
The perception of Australian wine increases in Canada, China ² , the UK and the US by 5 per cent in each market.	<ul style="list-style-type: none"> As measured through the annual Wine Intelligence survey, average consumer perception of Australian wine increases across Canada, the UK and US by 5 per cent (from 8.2 to 8.6) For social media, achieve an average of 4.5 per cent organic engagement rate across our key channels (Instagram, Facebook and LinkedIn). Resulting media coverage from Wine Australia about Australian wine in key markets records predominantly positive or neutral sentiment scores. 	
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.	<ul style="list-style-type: none"> Increase in bottled FOB average value in Canada, the UK & and US (year-on-year). Export value growth in markets where a collaborative agreement with Austrade exists (year on year) – Taiwan, Thailand, South Korea, Vietnam, Indonesia, Malaysia, Singapore and Japan. 	
More than 90 per cent of our partners who participate in a Wine Australia promotional activity are satisfied or very satisfied with the activity.	<ul style="list-style-type: none"> Wineries which participate in Wine Australia marketing campaigns report a 75 per cent or higher satisfaction rating. Year-on-year increase in the number of exporters to key markets. Participants in US Market Entry Program and Market Explore programs commence export. 	

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

2 Since the tariffs imposed on bottled exports to China in November 2020, the focus has been on other markets.

Strategy 2:

Protect the reputation of Australian wine

In 2022–23, Wine Australia continued to maintain its Export Label Image Search System (ELISS) – a publicly accessible library of labels that can be searched to identify potential breaches of intellectual property rights. We maintained and continuously improved our Licensing and Approval System, through which the export controls are administered. There were no interruptions to either online system.

In accordance with the Australian Government Charging Framework, which incorporates the Cost Recovery Guidelines, Wine Australia reviewed its export fees in 2022–23 to ensure that the cost associated with fulfilling its statutory regulatory functions were proportionate to the fees charged in accordance with its Cost Recovery Implementation Statement (CRIS). This resulted in amendments being made to Wine Australia's CRIS.

Following the signing of the Australia–India Economic Cooperation and Trade Agreement (AI-ECTA) on 30 March 2022, we welcomed entry into force of AI-ECTA, which saw the first staged tariff reduction for bottled Australian wine with a cost, insurance and freight (CIF) value of more than US\$5 per 750ml bottle on 29 December 2022. This was followed by a further staged reduction on 1 January 2023.

We participated in an Australia–India Joint Dialogue on Wine – an initiative committed to via a side letter incorporated in the AI-ECTA on trade and production of wine, which resulted in the parties committing to identify opportunities to collaborate on technical and regulatory matters pertaining to wine.

Following the signing of the Australia–United Kingdom Free Trade Agreement (A-UK FTA) on 17 December 2021, on 31 May 2023 we welcomed entry into force of A-UK FTA, which resulted in the immediate elimination of tariffs on Australian wine imported into the UK.

We progressed negotiations pertaining to wine with the European Commission under the Joint Management Committee established by the Agreement between Australia and the European Community on Trade in Wine.

In response to the Government's Statement of Expectations for Wine Australia, Wine Australia finalised its Statement of Intent, which includes reference to the Regulator Performance Guide (the Guide). Wine Australia's Statement of Intent includes quantitative and qualitative information as well as examples that outline specific actions that relate to Wine Australia's performance against each of the three principles set out in the Guide and the Statement of Expectations.

Wine Australia's Statement of Intent is set out below.

- Wine Australia is committed to fulfilling its regulatory functions in a way that upholds the reputation of Australian wine whilst balancing the need to facilitate efficient export systems and processes and minimising the imposition of unnecessary costs on Australian wine producers.
- Wine Australia is committed to engaging meaningfully with AGW as well as the relevant state, territory and regional representative bodies, DAFF, IP Australia, and any other export and intellectual property regulators and policy agencies at the Commonwealth or State levels as necessary to achieve Wine Australia's objectives.
- Wine Australia is committed to engaging in consultation and communication with the bodies listed above to be conducted on an ongoing basis to ensure that Wine Australia's regulatory activities are effective and efficient in delivering against intended outcomes, and that their input is recognised by Wine Australia and addressed in a timely and transparent way.
- Wine Australia regulatory obligations are delivered in accordance with the principles of best practice regulation as outlined in the Guide (including continuous improvement and building trust, risk based and data driven and collaboration and engagement). This includes responding to independent reviews in a way that addresses underlying issues and improves effectiveness and efficiency.
- Wine Australia is committed to ensuring its regulatory processes remain effective and efficient. Where appropriate, Wine Australia implements alternative methods of ensuring compliance (such as education or information campaigns) to reduce the regulatory burden and costs to stakeholders.
- Wine Australia operates with transparency and accountability. Where charging arrangements are in place, Wine Australia ensures it documents and reports key information about the activity in a manner consistent with the Australian Government Charging Framework and the Cost Recovery Guidelines.
- Wine Australia is committed to reducing compliance costs within the context of its regulatory obligations and continues to review its policies and procedures regularly to ensure it considers the impact on business and the community.

Strategy 2: Protect the reputation of Australian wine

	Measure of success 2022–23	Achievements 2022–23
<p>Achieve the six key performance indicators in our Regulator Performance Framework.</p>	<ul style="list-style-type: none"> • We will measure and report our performance in accordance with the Department of Prime Minister and Cabinet's Regulator Performance Guide: <ul style="list-style-type: none"> ▸ 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 ▸ 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, and ▸ Collaboration and engagement – regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way. 	<ul style="list-style-type: none"> • We have demonstrated continuous improvement by continuously reviewing and improving our Licensing and Compliance Guide and our Export Market Guides. • We continue to focus resources on high-risk producers and exporters, with higher risk producers and exporters being inspected for LIP compliance more regularly than others, and high-risk exporters being required to routinely verify label claims for exported products. • The demand for wines of certain variety and origin is contemplated in assessing the risk of misuse of varietal and GI claims. • A portal is maintained through which alleged incidents of non-compliance can be anonymously reported. All allegations of LIP non-compliance are investigated using coercive and compulsory statutory powers.
<p>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>	<ul style="list-style-type: none"> • We will use the results of a consumer survey by Wine Intelligence to establish the benchmark for consumer trust by measuring how many Australian wine drinkers agree with the statement "I trust the authenticity of these wines" in key markets. 	<ul style="list-style-type: none"> • 2023 survey results were distributed in May. • Share of consumers who trust the authenticity of Australian wines: <ul style="list-style-type: none"> ▸ UK – 88% ▸ USA – 83% ▸ Australia – 87% ▸ Canada – 86%
<p>Having assessed three new traceability technologies, including blockchain, and their being available to the sector for adoption.</p>	<ul style="list-style-type: none"> • We will assess at least one new traceability technology and communicate the results, including to the Wine Industry Technical Advisory Committee. 	<ul style="list-style-type: none"> • New traceability technology pertaining to ingredient and energy labelling has been presented and discussed by the Wine Industry Technical Advisory Committee.
<p>Deliver streamlined regulatory process through cooperation with counterpart regulators in export markets.</p>	<ul style="list-style-type: none"> • We will engage with counterpart regulators in import markets to identify opportunities to cut red tape for our exporters and provide case studies in our Annual Report highlighting successes achieved through such engagement. 	<ul style="list-style-type: none"> • We have engaged with regulatory counterparts in India, Vietnam, UK and the EU to identify opportunities to cut red tape for our exporters, including in relation to import of samples (India), analytical parameters (Vietnam), in market processing (UK), and certification (EU). • We participated in an Australia-India Joint Dialogue on Wine – an initiative committed to via a side letter incorporated in the AI-ECTA on trade and production of wine, which resulted in the parties committing to identify opportunities to collaborate on technical and regulatory matters pertaining to wine. • To promote a coordinated approach to global regulatory cooperation, we developed a discussion paper on regulatory changes for wine proposed by the UK Government.

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.

A strong focus this year has been on delivering value for the inland wine regions. A three-year project – a partnership between NSW Wine Industry Association, Riverina Wine Grape Growers Association, Wine Australia, NSW Department of Primary Industries (NSW DPI), Charles Sturt University and Food Innovation Australia (FIAL) – commenced to address productivity and profitability challenges facing winegrape growers in inland regions. Developing a sustainable production model fit for the future is essential not only for individual businesses in these regions, but for the regions and communities in which people in our sector live and work.

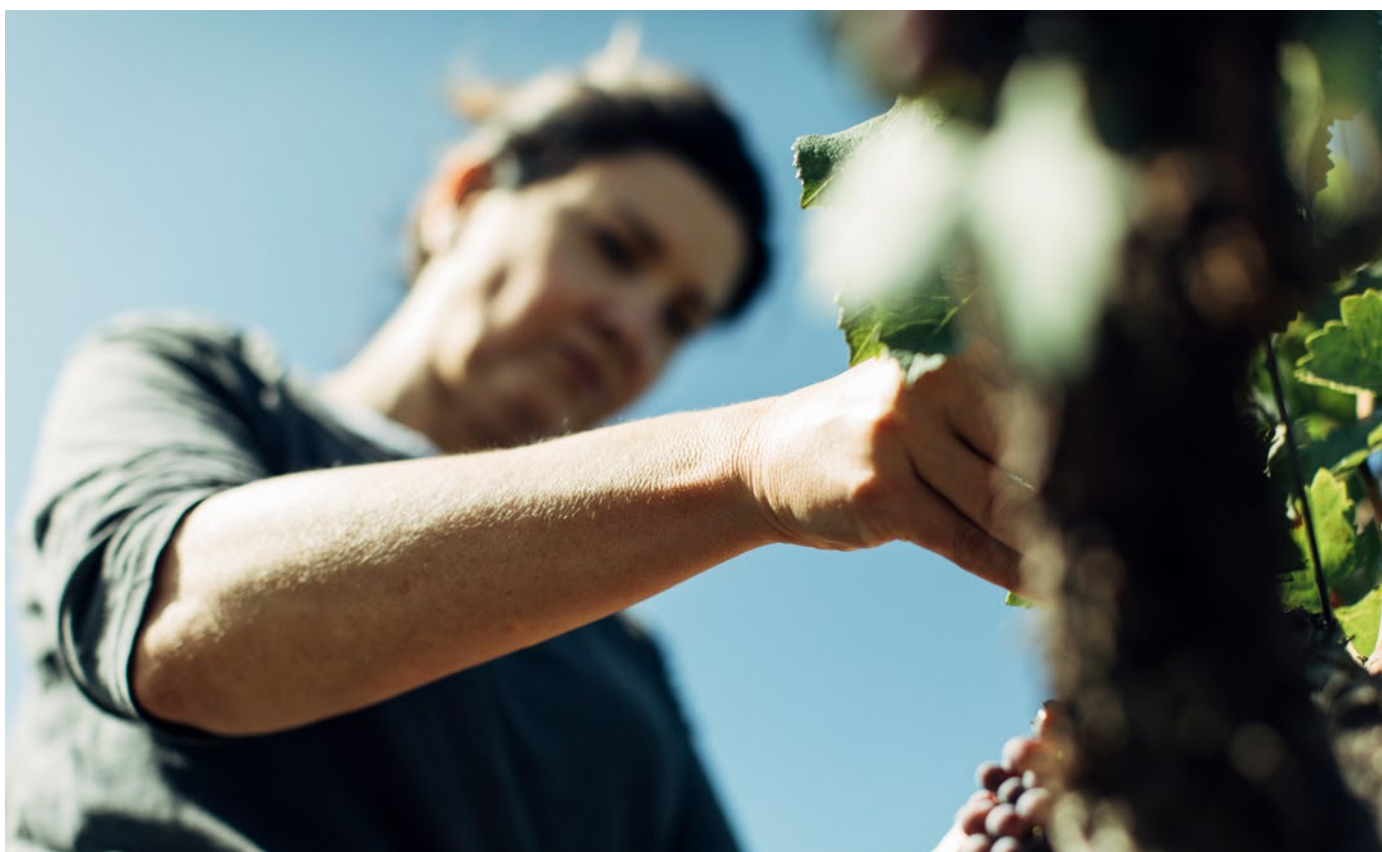
Another area of focus was on incorporating co-design and co-innovation practices for new investments. We partnered with Impact Innovation to upskill our team and that of the AWRI, one of our major research providers, in these new ways of working. This has resulted in several new initiatives developed with the sector and supply chain partners, and with their buy-in, to improve no and low alcohol wine production and enhance other wine production methods.

We also used a co-design and consultation process to better understand the challenges and opportunities that germplasm

supply, clonal selection and grapevine breeding presents to growers and winemakers. We pivoted our new long-term investment in grapevine breeding with the CSIRO to address these. Another significant achievement was the development of an ESG Investment Plan. The Plan provides insights into the grape and wine research and innovation that ought to be invested in, evolution of Sustainable Winegrowing Australia (SWA), whole of industry initiatives pertaining to ESG, and marketing and market insights priorities for the sector to promote and leverage Australia's sustainability credentials.

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

A new insight this year from our long-standing investment in foundational wine knowledge at the AWRI was the surprisingly strong taste impact of L-proline, a grape-derived amino acid that is present in all wines. L-proline adds sweetness and viscosity and has a positive influence on red wine flavour and mouthfeel. Natural L-proline levels could be increased by wine producers through known viticultural techniques; L-proline also has the potential to improve NOLO products as an additive.



Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Measures of success 2022–23	Achievements 2022–23
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.	<ul style="list-style-type: none"> New pathways to evaluation and adoption of conventionally bred scions established. New investments in DNA-free editing of grapevines initiated. 	<ul style="list-style-type: none"> Better ways to evaluate and encourage adoption of conventionally bred scions were determined through sector consultation undertaken with The Growth Drivers and CSIRO. New investment in DNA-free editing of grapevines has been initiated with CSIRO
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.	<ul style="list-style-type: none"> New rootstock breeding investments initiated. Rootstock adoption pathways reviewed and improved. 	<ul style="list-style-type: none"> New investments in rootstock breeding have been initiated with CSIRO. Barriers and enablers to rootstock uptake were determined through sector consultation undertaken with The Growth Drivers and CSIRO.
Four new or enhanced technologies and processes to improve vineyard efficiency and sustainability being available to the sector.	<ul style="list-style-type: none"> Strategy and business plan for sustainability, co-designed and agreed by the sector, including market access requirements, ESG, marketing, certification, metrics, research priorities, investment and governance options. Strategy for digital and data co-designed and agreed by the sector. New initiatives on supply chain optimisation and profitability, sustainability and in digital and data co-designed and launched. Other outputs delivered as contracted in existing investments. 	<ul style="list-style-type: none"> An ESG Investment Plan was developed through sector consultation and with assistance from KPMG. Development of a strategy for digital and data is on hold pending the outcomes of the first stage of the spray diary data ecosystem project. New initiatives in supply chain optimisation have been launched – e.g. the resting vineyards project and others are under development following the completion of the co-design process in the Riverina. Other new initiatives in sustainability and in digital and data are being developed Other existing investments are on track. A highlight is that a project to measure water stress in vineyards has now progressed to commercialisation with product in market.
The supply of genetically diverse and high-health planting material being maintained to the satisfaction of relevant stakeholders.	<ul style="list-style-type: none"> National Grapevine Collection outputs delivered as contracted. Phase 2 of a project to develop and adopt a grapevine standard across the propagation supply chain initiated. 	<ul style="list-style-type: none"> The first stage of the National Grapevine Collection (NGC) project has been successfully completed, the existing collections have been reviewed and a management and investment plan for the establishment and maintenance of the NGC has been developed. The second phase of development of a grapevine propagation standard has commenced.
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.	<ul style="list-style-type: none"> New initiatives led by AWRI on NOLO wine production and on wine production and quality co-designed and commenced Other outputs delivered as contracted in existing investments. 	<ul style="list-style-type: none"> Sector consultation to understand barriers and opportunities in NOLO production and in wine production and quality, undertaken by the AWRI with assistance from Impact Innovation and Wine Australia, has led to several new initiatives Other investments are on track. Highlights are: <ul style="list-style-type: none"> Aeration of fermentations and foliar sprays for fruity thiol formation have been recent AWRI practice change priority project focus topics. Discovering that proline, a naturally occurring amino acid in relatively high levels in wines, enhances texture and taste in red wines. Sensor technology for monitoring fermentation has had proof-of-performance assessments made in field trials with partners.

Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Measures of success 2022–23	Achievements 2022–23
At least three Wine Australia-funded projects having progressed to commercialisation.	<ul style="list-style-type: none">Commercialisation approach and strategy reviewed, and one project progressed to commercialisation.	<ul style="list-style-type: none">Nick Paget of Innovation Catalyst was engaged to review commercialisation opportunities and provide advice on Wine Australia's approach and strategy. This showed that company creation could be contemplated for some initiatives, such as grapevine breeding and innovation in NOLO wine production, and that other project IP should be licensed, sold or made available as open source. Accordingly, project IP from the Vitivisor project has been made publicly available for both non-commercial and commercial use through well-established and searchable open-source repositories.The new 'Impacts' process co-designed with AWRI now provides a standardised approach to progressing projects to commercialisation that have achieved lab-based proof-of-performance through to a partnerships-based model with partners best able to support progression to adoption, including through commercialisation.

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.

This year, we took the first steps towards achieving the grape and wine sector's goal of net zero carbon emissions by 2050. We worked with the sector and Edge Environment to develop an Emissions Reduction Roadmap. It is comprehensive in its approach, includes a baseline, mitigation plan and trajectory through the supply chain across all three emissions scopes. Tools and resources are being developed for grape and wine producers to support their practices and businesses through the transition. Extensive engagement with stakeholders across the entire production chain ensured that the roadmap is not just ambitious, but also clear, practical, and well-supported, with wine businesses and bodies clear on their roles and responsibilities.

We continued to develop resources to help the sector adapt to the climate change we are already experiencing. One of the highlights this year was being able to provide advice on how best to manage vineyards after a fire event. One of the biggest frustrations for growers after a bushfire is not knowing exactly what action to take – and when. We seized this opportunity for trial work to determine the optimal time to begin vine recovery and the best method for winter pruning for recovering vineyards using the fire damaged vineyards left in the wake of the devastating 2019–2020 bushfires. The learnings from that work were made available early in the 2022–23 season and are an enduring resource for the sector.

A number of biosecurity projects came to fruition during the year. A disease monitoring sentinel system, part of a broader project, iMapPESTS, were deployed in a number of winegrowing areas demonstrating their value for the early detection of airborne pathogens and insects and to support grower pest management decision-making.

The third iteration of the Plant Biosecurity Research Initiative, a collaboration with the other 'plant' RDCs was scoped and initiated for another five years. This presents an invaluable collaboration forum for sharing of information and designing cross-sectoral projects addressing issues and knowledge gaps. It also leads a 'Biosecurity Extension Community' supporting a broad range of industry-based advisors in biosecurity extension and a Student Plant Health Network to support early career researchers.

We have also made good progress on a range of environmental sustainability topics: a collaborative project with the timber industry to develop a circular economy for treated timber vineyard posts has commenced and we are collaborating on a cross sector initiative to provide solutions for other farm-based waste such as drip tube and bird net. Our national program to increase adoption of regionally appropriate groundcovers, enhance soil health and increase functional biodiversity continues to grow momentum. More than 400 growers have attended EcoVineyards events across Australia and new resources have been produced to support them to select and plant appropriate groundcovers, enhance soil health and increase functional biodiversity.



Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Measures of success 2022–23	Achievements 2022–23
New knowledge allows the sector to establish a carbon emissions benchmark.	<ul style="list-style-type: none"> Release of a roadmap to zero carbon emissions for the grape and wine sector, which will include a carbon emissions benchmark. 	<ul style="list-style-type: none"> The Emissions Reduction Roadmap was released in September 2023.
New knowledge allows the sector to establish waste production benchmarks.	<ul style="list-style-type: none"> New investments in vineyard waste reduction are co-designed with the sector and started. 	<ul style="list-style-type: none"> A collaborative project with the timber industry to develop a circular economy for treated timber vineyard posts has commenced. End-of-life solutions for CCA vineyard posts are being explored in addition to a national stewardship approach to their management. Wine Australia is collaborating on a cross-ag sector initiative to provide solutions for other farm-based waste such as drip tube and bird net.
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.	<ul style="list-style-type: none"> Investment requirements mapped out and new projects established on climate change adaptation and mitigation strategies that can be adopted by the grape and wine sector. Other outputs delivered as contracted in existing investments. 	<ul style="list-style-type: none"> Investment requirements and new projects in climate change adaptation and mitigation were identified through the ESG Investment Plan and the Emissions Reduction Roadmap. We commenced a collaborative project with industry and tech partners to allow quantification of carbon in vineyards, trees and soils. Work on the smoke sensor network is on track. The network of 100 sensors in NE Victoria has been established and we are working with La Trobe University and industry on commercial potential and expansion of the network to other regions.
A better understanding of vine water use contributes to better irrigation scheduling processes that allow more efficient and effective use of water.	<ul style="list-style-type: none"> New investments initiated through the One Basin CRC. Other outputs delivered as contracted in existing investments. 	<ul style="list-style-type: none"> We are working with industry and the One Basin CRC partners to co-design the first round of projects that will run for the next three years. Research to investigate the potential competition of various vineyard groundcovers with the grapevine for soil moisture is ongoing. Other investments are on track.
Research delivers clear information about the value of soil remediation processes and enhancing functional biodiversity.	<ul style="list-style-type: none"> New knowledge that allows the development of a grower-friendly tool for selection and management of groundcovers. Other outputs delivered as contracted in existing investments. 	<ul style="list-style-type: none"> Initial findings have demonstrated the benefit of planting specific vineyard groundcovers to reduce the incidence of light brown apple moth and subsequent severity of bunch rot. The research is progressing. Other investments are on track.
New and improved practices for sustainable management of endemic pests and diseases are available to the sector.	<ul style="list-style-type: none"> The RD&A gaps in management of viruses and other pests and diseases identified and new projects commenced to address them. Development of an online spray diary and a supporting secure data repository commences. Other outputs delivered as contracted in existing investments. 	<ul style="list-style-type: none"> The RD&A gaps in virus management have been identified and procurement of priority initiatives to fill these gaps is planned in the next few months. We are working with the commercial laboratories to improve accuracy and consistency of grapevine virus diagnostics. Draft specifications and data resources to support a spray diary ecosystem have been published to Github. A proof-of-concept trial has been designed to test the specifications with willing partners. Other investments are on track. Highlights are that a bridging project with SARDI on fungicide resistance is underway, pending the expected commencement of the CRC-SAAFE.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Measures of success 2022-23	Achievements 2022-23
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.	<ul style="list-style-type: none"> Investment requirements mapped out and new projects started on cross sectoral biosecurity innovations that can be adopted by the grape and wine sector. Other outputs delivered as contracted in existing investments. 	<ul style="list-style-type: none"> Investment planning for biosecurity has been completed. A new cross sectoral and multinational collaborative project on Xylella surveillance utilising hyperspectral image analysis will not be initiated until next year because of partner delays. Other investments are on track. The cross-sectoral Viticulture Industries Biosecurity Manual and Industry Biosecurity Plan has been delivered in collaboration with Hort Innovation and Plant Health Australia. e-DNA Detection methodologies for BMSB is on track. The Insect Vectors of Xylella project is progressing with further fieldwork occurring in Victoria, SA and NSW. The project experienced some difficulty with breeding insect colonies for glasshouse trials but this was anticipated and a Spanish researcher with extensive experience was on-site and assisting as part of an exchange. The third iteration of the Plant Biosecurity Research Initiative, a collaboration with the other 'plant' RDC's was scoped and is underway for another five years. This presents an invaluable collaboration forum for sharing of information and designing cross-sectoral projects addressing issues and knowledge gaps, as well as leading a 'Biosecurity Extension Community' supporting a broad range of industry-based advisors in biosecurity extension and a Student Plant Health Network to support early career researchers.
The use of vineyard cover crops and soil remediation practices has increased by 10 per cent.	<ul style="list-style-type: none"> Adoption strategy for vineyard cover crops developed and commenced. 	<ul style="list-style-type: none"> 412 growers attended EcoVineyards events across the target regions of Orange, Margaret River, Langhorne Creek, Clare Valley, Hunter Valley, Yarra Valley, Mornington Peninsula and Adelaide Hills. New extension materials have been produced to support winegrape growers select and plant appropriate groundcovers, enhance soil health and increase functional biodiversity.
The land area dedicated to enhancing functional biodiversity has increased by 10 per cent.	<ul style="list-style-type: none"> Adoption strategy for increasing functional biodiversity developed and commenced. 	<ul style="list-style-type: none"> 412 growers attended EcoVineyards events across the target regions of Orange, Margaret River, Langhorne Creek, Clare Valley, Hunter Valley, Yarra Valley, Mornington Peninsula and Adelaide Hills. New extension materials have been produced to support winegrape growers select and plant appropriate groundcovers, enhance soil health and increase functional biodiversity.
Best-practice irrigation to optimise water use efficiency is adopted by an additional 30 per cent of growers in warm irrigated regions.	<ul style="list-style-type: none"> New practice change investments commenced through One Basin CRC. 	<ul style="list-style-type: none"> We are working with industry and the One Basin CRC leadership team through a process to prioritise the first round of projects, to run for the next three years.

Strategy 5:

Build business sustainability, excellence and leadership

We are continuing to take a far more strategic approach to investments capable of delivering practical research to achieve practice change outcomes, guided by Wine Australia's *Extension and Adoption Strategy 2020–25*.

This includes supporting the valued services of the AWRI Helpdesk, and a wider range of communication channels and extension events for the sector. Many of these occur through AWRI, ASVO and our Regional Program, and are guided by the immediate needs of the regions themselves.

A highlight was the Climate Mitigation Conference CO23, the first industry-wide conference on climate mitigation for the Australian grape and wine sector, held over two days in June 2023. The conference, coordinated by ASVO and supported by Wine Australia, focused on practical ways and innovative solutions to transform how businesses operate to reduce their greenhouse emissions. Sessions covered demystifying certification, tackling emissions throughout the value chain, carbon capture, use, and storage technologies, and a hands-on session on calculating scope 1 and 2 emissions from vineyards and wineries.

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

The National EcoVineyards program is well underway. Through this program we're aiming to increase the use of appropriate

vineyard groundcovers, soil remediation practices and the land area dedicated to enhancing functional biodiversity. The model of participation will provide growers with the knowledge and tools to grow wine grapes with minimal intervention over the longer-term, suited to their regional circumstances. Growers participating in EcoVineyards, as well as those who engage more broadly with the range of resources available from this program, are being given the practical skills needed to demonstrate some of the vineyard management practices required to gain certification status in Sustainable Winegrowing Australia. Visit ecovineyards.com.au.

Wine Australia also continues to invest in programs to help our emerging leaders develop the skills to drive our community forward, to promote career pathways and to support a diverse workforce. Programs continue to expand beyond Future Leaders, to the regionally led and bespoke Next Crop program, and the Wine Industry Mentor Program. In addition, a pilot program supporting youth aged under 35 across the wine sector value chain was undertaken, in conjunction with NSW DPI and NSW Wine.

An exciting opportunity arose during the year to offer women working in the wine sector the chance to undertake a two-year fully funded Diploma of Digital Technologies. Over 60 women are enrolled, exploring how digital technologies can transform the sector through the application of robotics, sensor-based solutions, automation and data analytics. This was made possible thanks to our relationship with Flinders University and with support from the Australian Government Women in STEM Cadetships and Advanced Apprenticeships Program.

We're also doing more, with the sector, to develop career pathways resources and support school-industry partnerships, with new and exciting resources, including a website, videos and a virtual tour all due to come online by the end of 2023.



Strategy 5: Build business sustainability, excellence and leadership

Strategic Plan measure of success	Measures of success 2022-23	Achievements 2022-23
<p>Of levy payers who participate in Wine Australia-supported extension and adoption programs:</p> <ul style="list-style-type: none"> 80 per cent consider them as a good or very good use of levy funds 80 per cent have gained new knowledge or new information to improve their long-term profitability and sustainability 50 per cent intend to make, or have made, changes to existing practices by adopting the outcomes of R&D 80 per cent of those who've adopted agtech have a positive return on their investment. 	<ul style="list-style-type: none"> New arrangements for the Regional Program are co-designed, endorsed and agreed to by participants. Awareness raising and extension activities incorporate behavioural science principles and receive excellent levels of engagement and feedback. Targeted adoption and practice change programs are underpinned by specific, measurable and actionable objectives and metrics of adoption outcomes. 	<ul style="list-style-type: none"> A refresh of the Regional Program was implemented to provide more flexibility, administrative support and a focus on innovation. Our extension provider, AWRI, is taking a co-designed approach to some extension activities, with a behavioural science lens and metrics of adoption outcomes. Targeted programs, such as the national EcoVineyards program, draw on the principles in our Extension and Adoption Strategy, underpinned by clear industry need, engagement, measurement and evaluation. An independent behavioural science company, Evidn is enhancing extension efforts in the Riverland, and supporting industry engagement practices amongst various associations. We have more than 24 sites in the Agtech Program and much adoption from them, including MOG removal harvesters, irrigation management technologies, and autonomous vehicle assessments.
<p>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.</p>	<ul style="list-style-type: none"> Our leadership programs continue to attract excellent candidates and receive positive feedback. A refreshed PhD scholarship program developed with university partners. Resources demonstrating careers and pathways in the grape and wine sector are available online. 	<ul style="list-style-type: none"> Continued excellent execution of leadership programs, including delivery in 2022 of Future Leaders and Next Crop in Greater Victoria and Clare. Future Leaders 2023 has commenced and Next Crop is being held in the Riverina and Tasmania. A youth network project (The Rootlings) was piloted in NSW, in conjunction with NSW Wine and NSW DPI. An open competitive round for PhD student top-up scholarship continues annually. A pilot offering five PhD project-based scholarships with the University of Adelaide is at the mid-way point. Similar project-based programs were under discussion with Charles Sturt University and the University of Adelaide (to continue), but a revision to Wine Australia's budget position for 2023-24 means these schemes will not commence this financial year. Several new school-based resources are already available, along with the Excited 4 Careers in Agriculture Program occurring in Clare and the Barossa. The new <i>Careers in viticulture and wine</i> website, videos and virtual tour will be launched by the end of 2023.
<p>99 per cent of exporters have access to the information and knowledge they need to meet the requirements of the importing country.</p>	<ul style="list-style-type: none"> Review the destination of exports to ensure that exporters' information needs are met by our export market guides. 	<ul style="list-style-type: none"> All exporters have access to Wine Australia's Export Market Guides through the WALAS platform and via Wine Australia's website. Updates to Wine Australia's Export Market Guides are notified via Wine Australia's bi-monthly Exporter News, as are regulatory changes likely to impact upon Australian exporters' ability to access overseas markets.
<p>More than 90 per cent of market insights customers are satisfied or very satisfied with our market insights services.</p>	<ul style="list-style-type: none"> Governance structure, project plan and resourcing are in place for the Improving Market Transparency project. Maintenance and enhancement of dashboards, including consumer insights. 	<ul style="list-style-type: none"> The Improving Market Transparency project governance structure and resourcing have been implemented and the project is tracking to the plan. The Interactive Insights dashboards have been maintained with the latest data. The Export Dashboard was enhanced with the inclusion of a State Dashboard. A gaps analysis is being undertaken on consumer insights to assist in identifying priority areas.

The organisation

Organisational structure and statement on governance

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

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

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

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

Wine Australia abides by the following key principles for corporate governance:

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



The Board

The Board is established in accordance with the *Wine Australia Act*. It must consist of a Chair and at least five, but not more than seven, other Directors. During the reporting period Dr Michele Allan AO served as Chair, commencing 4 July 2020. On 4 July 2023, Dr Allan was reappointed as Chair for another three years.

Information about each Board member's qualifications, knowledge, skills or experience (formal and informal), as well as Wine Australia's Board Charter, can be found at www.wineaustralia.com/about-us/our-board.

The Wine Australia Board is committed to best practice governance and as part of this commitment, undergoes regular external performance reviews. In 2022, the Australian Institute of Company Directors (AICD) undertook an independent review of the Wine Australia Board, including a review of governance procedures and practices, using their Governance Analysis Tool (GAT).

Wine Australia's results from the review were higher than average when compared to benchmarked figures across the full range of assessment areas.

Board Directors

Dr Michele Allan AO (Victoria)

Chair from 4 July 2020,

Deputy Chair from 23 November 2018 to 20 October 2019,

Director from 1 October 2018 to 20 October 2019

Cath Oates (Western Australia)

Director from 1 October 2018,

Deputy Chair from 5 February 2019

Catherine Cooper (South Australia)

Director from 1 October 2018

Frances-Anne Keeler (New South Wales)

Director from 28 August 2020

Mitchell Taylor (New South Wales)

Director from 1 October 2018

John Lloyd (New South Wales)

Director from 22 November 2021

Justin Brown (Australian Capital Territory)

Director from 22 November 2021

Independent Audit Committee Chair

Mr Geoff Knuckey

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

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

Geographical Indications Committee

The *Wine Australia Act 2013* establishes a Geographical Indications Committee (GIC) with its primary role being consideration of applications for new Australian and foreign GIs. The GIC comprises members appointed by Wine Australia, including two members nominated by AGW. In 2022–23 the GIC comprised:

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

The GIC did not meet nor make any determinations of new geographical indications for wine in 2022–23.

Risk management

In 2022–23 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 Audit and Risk Committee and the Board reviewed the framework in 2022–23, 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 regular risk reports to the Audit and Risk Committee. The Audit and Risk Committee reported on risks to the Board after its meetings.

Figure 3: Wine Australia’s risk tolerance



Audit and Risk Committee

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

In 2022–23, Wine Australia’s Audit and Risk Committee comprised:

- Geoff Knuckey (Chair)
- Catherine Cooper
- Mitchell Taylor and
- Justin Brown

Audit and Risk Committee members who are members of the Board do not receive additional remuneration above that due to them as board members. As an external consultant Mr Knuckey received \$8,800 for his expertise and attendance for the reporting period.

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

The functions of the Audit and Risk Committee include reviewing:

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

Wine Australia Board meetings 2022–23

Table 1: Wine Australia Board meetings

Date held	Location
18 August 2022	Griffith, NSW
21 September 2022	Loxton, SA
1 December 2022	Video conference
27 March 2023	Video conference
4 May 2023	Mildura, VIC
21 June 2023	Canberra, ACT

Declared representative organisation

In 2022–23, Australian Grape & Wine was both the declared wine grapegrowers organisation and the declared winemakers association for the purposes of section 5B of the Wine Australia Act.

2022–23 Board and external consultants

Table 2: Board and external consultants

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

Management and staff

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

Senior Management as at 30 June 2023

Figure 4: Senior management

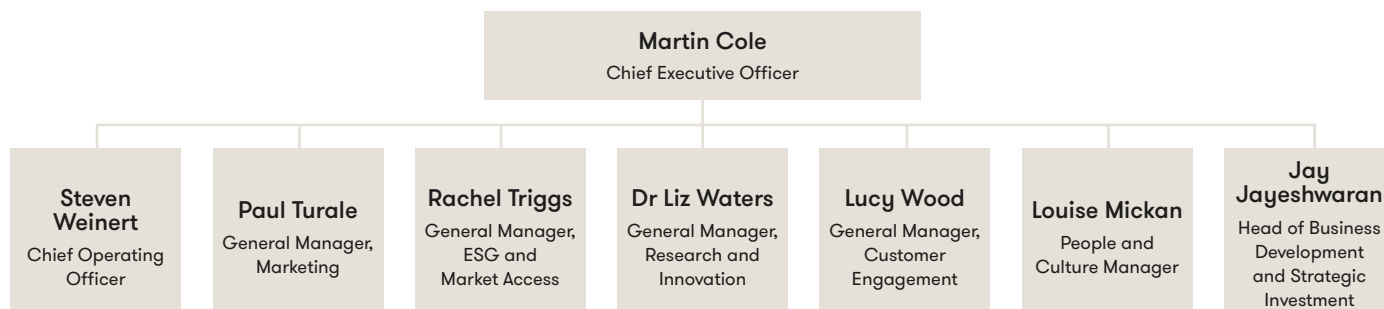


Table 3: Key management personnel remuneration

Name and position title	Term as KMP	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
		Base salary	Bonuses	Other benefits and allowances		Long service leave	Other long-term benefits		
Allan, Michele Chair	Full year	79,760	–	2,215	8,375	–	–	–	90,350
Brown, Justin Board Director	Full year	39,880	–	2,620	4,187	–	–	–	46,687
Cole, Martin Chief Executive Officer (CEO)	Full year	336,605	–	2,246	58,057	2,362	–	–	399,269
Cooper, Catherine Board Director	Full year	39,880	–	434	4,187	–	–	–	44,501
Jayeshwaran, Jay Head of BD and SI	Start date 29/8/22	165,769	–	–	16,056	407	–	–	182,233
Keeler, Frances-Anne Board Director	Full year	39,880	–	–	4,187	–	–	–	44,067
Lloyd, John Board Director	Full year	39,880	–	1,641	4,187	–	–	–	45,708
Mickan, Louise People and Culture Manager	Full year	120,293	–	–	11,733	2,843	–	–	134,869
Oates, Catherine Deputy Chair	Full year	39,880	–	1,199	4,187	–	–	–	45,267
Taylor, Mitchell Board Director	Full year	39,880	–	–	4,187	–	–	–	44,067
Triggs, Rachel General Manager (GM)	Full year	224,082	–	1,377	21,491	9,471	–	–	256,421
Turale, Paul General Manager (GM)	Full year	261,103	–	2,036	25,295	885	–	–	289,319
Waters, Elizabeth General Manager (GM)	Full year	228,886	–	–	22,239	7,360	–	–	258,485
Weinert, Steven Chief Operating Officer (COO)	Full year	301,371	–	1,178	26,173	23,820	–	–	352,542
Wood, Lucinda (Lucy) General Manager (GM)	Full year	136,410	–	–	13,235	644	–	–	150,289
		2,093,560		14,946	227,779	47,791			2,384,076

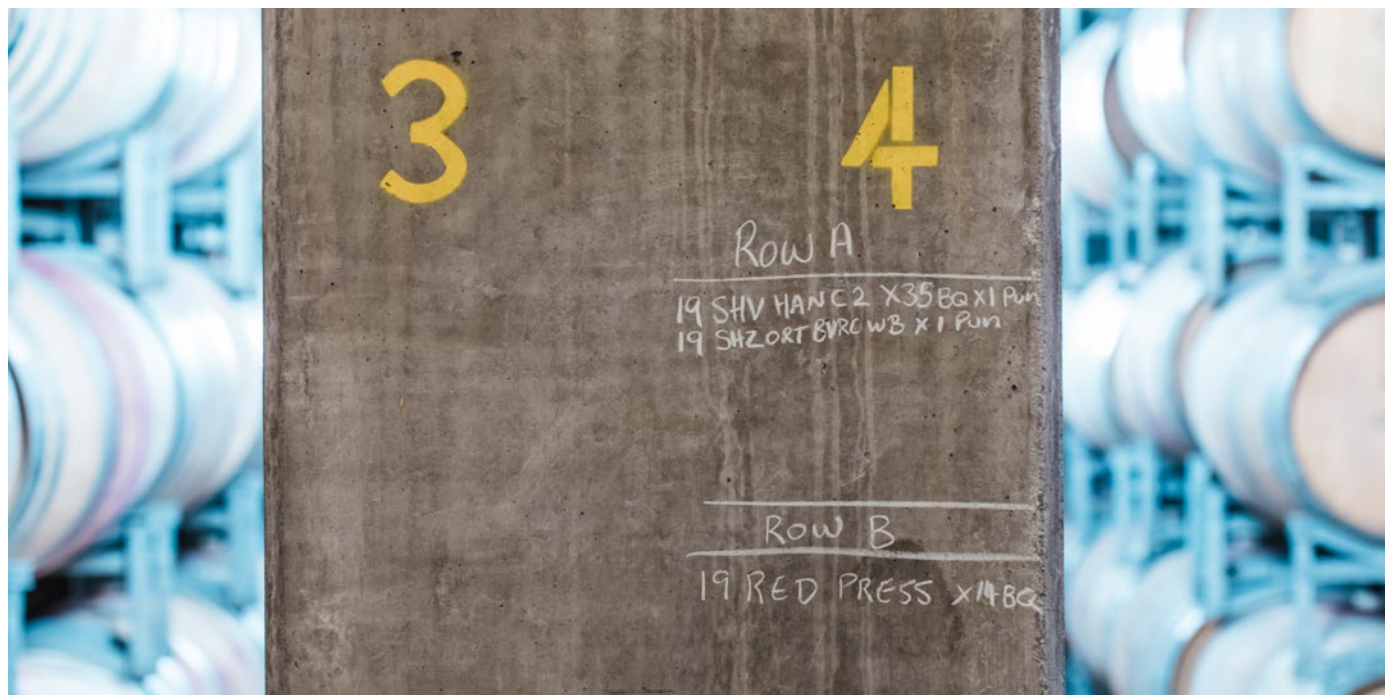


Table 4: Highly paid staff remuneration

Total remuneration bands	Number of other highly paid staff	Average base salary	Short-term benefits			Post-employment benefits	Other long-term benefits		Termination benefits	Total remuneration
			Average bonuses	Average other benefits and allowances	Average superannuation contributions		Average long service leave	Average other long term benefits		
\$245,001 – \$270,000	1	245,230	–	24,453	–	–	–	–	–	269,682
\$270,001 – \$295,000	1	238,869	–	31,395	–	–	–	–	–	270,264
\$295,001 – \$320,000	1	291,008	–	45,647	–	–	–	–	–	336,655

Staff

Wine Australia employed 66 people at 30 June 2023, compared with 64 the preceding year.

Table 5: Staff

	Man/Male		Woman/Female		Non-binary		Prefers not to answer		Uses a different term		Total
	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T	F/T	P/T	
Australia	16	3	22	14							55
UK			3	1							4
USA	4		2								6
Canada			1								1
Total	20	3	28	15	0	0	0	0	0	0	66

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 our responsible Minister was Senator the Hon. Murray Watt MP, Minister for Agriculture, Fisheries and Forestry.

Significant non-compliance issues with finance law

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

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

Ministerial directions and government policy orders

Ministerial direction may be given to Wine Australia by the responsible Minister under section 31K of the *Wine Australia Act*, or by the Finance Minister under section 22 of the *PGPA Act*. No such direction was given in the 2022–23 financial year.

Significant activities and changes affecting the entity

No major decisions or changes were made in the reporting period that affected the entity.

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.

Wine Australia engaged the Australian Institute of Company Directors (AICD) to undertake an independent review of the Wine Australia Board, as part of commitment to best practice governance. Further information is available on page 23.

Obtaining information from subsidiaries

Wine Australia has no subsidiaries.

Indemnities and insurance premiums

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

Work health and safety

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

Disability reporting mechanism

Australia's Disability Strategy 2021–2031 is the overarching framework for inclusive policies, programs and infrastructure that will support people with disability to participate in all areas of Australian life. The strategy sets out where practical changes will be made to improve the lives of people with disability in Australia. It acts to ensure the principles underpinning the United Nations Convention on the Rights of Persons with Disabilities are incorporated into Australia's policies and programs that affect people with disability, their families and carers. All levels of government have committed to deliver more comprehensive and visible reporting under the strategy. A range of reports on progress of the strategy's

actions and outcome areas will be published and available at www.disabilitygateway.gov.au/ads.

Disability reporting is included the Australian Public Service Commission's State of the Service reports and the APS Statistical Bulletin. These reports are available at www.apsc.gov.au.

Grants

In 2022–23 Wine Australia administered Round Four of the Wine Tourism Cellar Door Grant on behalf of the Australian Government. Information on grants awarded through this process is available via GrantConnect at grants.gov.au.

Greenhouse gas emissions inventory

Table 6a: Greenhouse gas emissions, location-based

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (location-based method)	7,624		2,440	10,064
Natural Gas		N/A		
Fleet Vehicles		N/A		
Domestic Flights	N/A	N/A	60,417	60,417
Other Energy		N/A		
Total kg CO₂-e	7,624		62,857	70,481

The table above presents emissions related to electricity usage using the location-based accounting method. CO₂-e = Carbon Dioxide Equivalent. When applying the market based method, which accounts for activities such as Greenpower, purchased LGCs and/or being located in the ACT, the total emissions for electricity are below:

Table 6b: Greenhouse gas emissions, market-based

Emission source	Scope 1 kg CO ₂ -e	Scope 2 kg CO ₂ -e	Scope 3 kg CO ₂ -e	Total kg CO ₂ -e
Electricity (market-based method)	N/A	20,884	2,764	23,648
Natural Gas		N/A		
Fleet Vehicles		N/A		
Domestic Flights		N/A	60,417	60,417
Other Energy		N/A		
Total kg CO₂-e		20,884	63,181	84,065

Performance

Performance principles

In accordance with the Australian Government's Statutory Funding Agreement, in 2022–23 Wine Australia complied with the Guidelines for Statutory Funding Agreements, the Best Practice Guide to Stakeholder Consultation, and the RDC Companion Document.

The SFA obliges Wine Australia to:

- act in accordance with specified Performance Principles and Guidelines and report against the same
- monitor, evaluate and demonstrate performance, including through annual performance meeting with DAFF, and periodic independent performance reviews
- manage funds in prescribed ways, and
- meet other ancillary obligations set out in the SFA.

Performance against the Performance Principles must be monitored and evaluated through processes implemented by Wine Australia. Further, Wine Australia is required to demonstrate its performance against the Performance Principles to levy payers and other stakeholders.

The Performance Principles are summarised as follows:

Stakeholder engagement – Wine Australia must engage stakeholders to identify research, development and adoption activities that provide benefits to the industry.

Balanced portfolio – Wine Australia must ensure research, development and adoption (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. Balanced Portfolio is defined as meaning a Research and Innovation (and extension and adoption, as part of the portfolio) investment portfolio incorporating an appropriate blend of issues of national importance based on government and levy payer priorities that seeks to balance short-, medium- and long-term investments, high- and low-risk, and strategic and adaptive research needs including consideration of regional variations and needs.

Collaboration – Wine Australia must undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.

Governance – Wine Australia must implement 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.

Performance – Wine Australia must demonstrate positive outcomes and delivery of research, development and adoption (and marketing) benefits to levy payers and the Australian community and show continuous improvement in governance and administrative efficiency.

The 'Guidelines' are summarized as follows:

- the Australian Government's Science and Research Priorities
- the Australian Government's Rural Research, Development and Extension Priorities
- the National Primary Industries Research Development and Extension Framework
- the Levy Principles and Guidelines, being the guidelines relating to the introduction of new levies or changes to existing levies
- the Companion to the Research & Development Corporations Funding Agreement prepared by the Department, and
- other guidelines or priorities about which the Commonwealth notifies Wine Australia in writing from time to time.

Wine Australia's adoption of the Performance Principles is demonstrated in Table X.

Table 7: Performance principles

Performance Principle 1 – Stakeholder Engagement	
<p>1.1</p> <p>Strategy prioritisation and development processes include appropriate consultation plans, based on the Best Practice Guide To Stakeholder Consultation.</p>	<ul style="list-style-type: none"> • Wine Australia is supporting the development of the One Sector Plan, which will inform our next Strategic Plan 2025–30. A consultation plan has been developed alongside AGW and with input from Australian Commercial Wine Producers (ACWP). • Following receipt of the Best Practice Guide to Stakeholder Consultation, Wine Australia developed the Stakeholder Consultation Plan, which outlines our strategy and approach to stakeholder engagement.
<p>1.2</p> <p>Demonstrated industry stakeholder engagement in the identification of RD&E priorities and activities consistent with the consultation plan in 1.1.</p>	<ul style="list-style-type: none"> • CEO, management and Board meetings held in the three inland regions in 2022–23, to inform RD&E investment • Wine Australia established the CEO Roundtable Group with the CEOs of the top 20 levy-paying wine businesses, to inform strategic priorities and shape vision. The Group meets bimonthly and held an in-person Summit in May 2023. • Regular CEO appearance at the Board meetings of industry representative organisations. • Joint strategic alignment session held with AGW and Wine Australia Boards held in November 2022 • In-region engagement trips in 2022 across New South Wales, Victoria, Western Australia and South Australia. • Wine Australia is refreshing the Regional Program, Wine Australia’s extension and adoption program for the regions. The new program will commence July 2023 – Wine Australia recently visited the Limestone Coast to listen and provide information towards the region’s strategic planning. • Participation in a discovery phase to support the development of a cross-sectoral environmental accounting platform (Agricultural Innovation Australia’s Know and Show Your Carbon Footprint initiative). • Investment into an AIA-led project which resulted in the development of a common framework for GHG accounting across Australian agriculture. The framework provides best practice guidance for sector-level GHG accounting and helps support sector-level baselines, reporting and communication of a united Australian narrative around emissions. The outputs of this project were incorporated into the development of the Wine Australia Emissions Reduction Roadmap. • Participation in a discovery phase for the AIA Climate Atlas initiative to support climate resilience and adaptation for Australian agriculture, fisheries and forestry. This initiative aims to deliver an online tool that provides interactive data and visualisations related to the forecast long-term impacts of climate change. It takes inspiration from the Australian grape and wine sector’s existing Wine Climate Atlas, released by Wine Australia in 2020.
<p>1.3</p> <p>Demonstrated incorporation of industry stakeholder feedback on RD&E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder.</p>	<ul style="list-style-type: none"> • Following advice from stakeholders at Board meetings and engagement in the three inland regions, we have funded 50 per cent of a Grower Engagement Officer based at Riverland Wine; funded a locally-based position in Griffith, and a similar position in Mildura will be funded from July 2023. These positions will allow for more effective two-way information and knowledge transfer.



2.1

RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets.

- All investments align with our Strategic Plan which aims to foster and encourage profitable, resilient and sustainable Australian winegrape and wine businesses.
- Since the Strategic Plan was approved in June 2020, the operating environment within which Australian grape and wine businesses operate has significantly changed. Last year we therefore deeply consulted with our customers and our representative organisation AGW to assess whether the overarching aim and the strategic plan pillars of our Strategic Plan remained fit-for-purpose and addressed this performance principle.
- The outcome was that under the umbrella of our strategic plan pillars – which were confirmed as fit-for-purpose during our consultation – we have identified 10 priority areas. New activities and investments to address these priorities has commenced.
- Our R&I investments fit within a balanced portfolio of:
 - project term – investments range from short-term projects that will be completed in under two years, to medium-term ones (two to four years), to long-term projects (over four years).
 - different risk categories – low-risk applied R&D, and medium- and higher-risk blue-sky research, where success is less assured but, if it were successful, the outcome would be very valuable to the sector and the sector will be more prepared for future opportunities
 - investment types – strategic, adaptive, capability building and extension
 - geographical focus – with either a national or regional focus
- The balance across these categories is assessed at least annually, and as noted above, we periodically consult with the sector to ensure our investments meet their immediate and longer term needs as well as align to this performance principle.
- We apply the guiding principles of the Australian Government’s RDC Knowledge Transfer and Commercialisation Guide in assessing proposals for new investment. In particular:
 - all new investments have a feasible and effective adoption pathway
 - intellectual property ownership and rights are contractually defined and designed to maximise adoption by levy-payers
 - commercialisation focuses on sector benefit through adoption and on return to Australia
 - publication is encouraged and access to funded work and global grape and wine relevant literature is available through support of the AWRI Library

2.2

Levy payers who participate in RDC supported extension and adoption programs:

- gain new knowledge or new information to improve their long-term profitability, productivity, competitiveness and preparedness.
- intend to make or have made changes to existing practices by adopting the outcomes of R&D

- Monitoring and evaluation metrics across Wine Australia supported extension activities indicate that events overall are delivering value.
- Our most recent metrics are that, on average:
 - at least 75 per cent of attendees at workshops, seminars and webinars rated these events ‘very good’ or ‘excellent’, and
 - at least 80 per cent of attendees intend to make changes to current practices, reassess current practices, seek extra information or discuss with peers about making changes to their current practices
- Recent case studies from our Agtech demonstration site program paint the same picture:
 - Harvesting
 - Vineyard management

Performance Principle 3 – Collaboration

<p>3.1 Completed, current and future R&D including commercialisation opportunities is accessible through the growAG platform.</p>	<ul style="list-style-type: none"> • We have strongly engaged with growAG since its inception. The first-time metrics were released, Wine Australia's listed the second highest number of commercial opportunities on the platform of any RDC and had attracted the second highest number of enquiries. • Our current and completed projects are listed on the site, as are future opportunities. We have received more than 50 enquiries about commercial opportunities. • One of the commercial opportunities – 'Vine Nutrition App' – has successfully attracted a commercial partner and a licensing agreement has been executed.
<p>3.2 Number and quantum of cross-industry and cross-sector RD&E investments available.</p>	<ul style="list-style-type: none"> • Wine Australia is a contributor to Agricultural Innovation Australia and is a partner on their Common Carbon methods \$25,000 in 2022–23 • Wine Australia is a member of the Plant Biosecurity Research Initiative (PBRI), and partners with other plant RDCs, organisations and providers on cross sectoral biosecurity projects through PBRI such as: <ul style="list-style-type: none"> ▸ Brown Marmorated Stink Bug eDNA project (with Hort Innovation) – \$30,000 in 2022–23 ▸ Xylella vectors project (with Hort Innovation) – \$250,000 ▸ ARC Industrial transformation research Hub for sustainable crop protection– Bioclay (multiple partners and RDCs) – \$50,000 ▸ Viticultural Industry Biosecurity Plan (with table grapes and dried fruits) – \$12,000 ▸ Boosting Diagnostic Capacity for Plant Production Industries project – iMapPests – biosecurity surveillance (multiple partners and RDCs) – \$5,000 in kind • Wine Australia is a collaborator on: <ul style="list-style-type: none"> ▸ Electric weed control (with WA DPRID, GRDC, CRDC) – \$30,000 ▸ Primary Industries Education Foundation Australia (multiple industries, promoting agriculture as a career choice) – \$10,000 ▸ Central Queensland University Excited 4 Careers in Ag (multiple partners and RDCs) – \$7,500 in kind

Performance Principle 4 – Governance

<p>4.1 Ongoing oversight, planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes.</p>	<ul style="list-style-type: none"> • 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: <ul style="list-style-type: none"> ▸ ensures a clear and consistent governance and management approach is adopted when developing all Wine Australia policies that enables improved compliance with relevant legislative and regulatory requirements ▸ enables efficient and effective decision making, which incorporates quality assurance and risk management practices, where appropriate ▸ establishes clear accountabilities and delegated authorities for individual roles and groups.
<p>4.2 Demonstrated management of financial and non-financial risk.</p>	<ul style="list-style-type: none"> • Wine Australia maintains a Risk Management Policy and Framework through which financial and non-financial risks are monitored. The Audit and Risk Committee considers new, emerging and developing strategic risks at each meeting, and the Board maintains oversight of the operational functionality pertaining to risk as prescribed in the Risk Management Policy and Framework.
<p>4.3 Relevant policies and procedures adopted and implemented (e.g., privacy etc).</p>	<ul style="list-style-type: none"> • Policies and procedures comply with legislative and governance requirements, including a Privacy Policy. • Internal audit program maintained. • Policies are available to employees via on-line learning platform and the intranet with mandatory employee training program maintained in accordance with annually approved schedule. • Governance registers (for example, gift register, function approval register, policy non-compliance register) reviewed by Audit and Risk Committee as a standing agenda item. • Annual review of Policy Governance and Probity Framework. • Annual review of policy review schedule. • Compliance review and reporting obligations captured in Board and Audit and Risk Committee workplans. • Conflicts of Interest and Material Personal Interests Policies.
<p>4.4 Non-financial resources implemented effectively (Human resources, IT, IP, etc.).</p>	<ul style="list-style-type: none"> • Wine Australia maintain robust on-boarding and off-boarding policies and procedures; an Intellectual Property Management Plan, various IT policies, and a Cyber Security Policy – all of which are reviewed in accordance with the policy review schedule maintained in accordance with the Policy Governance and Probity Framework.

<p>5.1 Impact (cost-benefit) assessment of a broad cross-section of RD&E and marketing investments undertaken annually.</p>	<ul style="list-style-type: none"> • We undertake an annual cost-benefit analysis of randomly selected RD&A projects following the well-established guidelines used within the Australian rural research sector including RDCs, Cooperative Research Centres and some universities. • The results from our most recent cost-benefit analysis were all positive with benefit-cost ratios ranging from 1.28 to 4, based on cost avoidance, prospective increased sales and commercialisation, the results can be viewed at www.wineaustralia.com/research_and_innovation/projects/benefit-cost-analysis-of-wine-australia-r-d-investments-2021-2022.
<p>5.2 Demonstrated consideration of and response to outcomes of monitoring and evaluation processes.</p>	<ul style="list-style-type: none"> • The results of annual cost benefits analysis are a standing agenda item for the Board as part of their review of the impact of Wine Australia's investment of levies • The analyses are also used to cross check whether assumptions about impact made prior to investing were valid. • In those cases where the BCA suggests that the projected impact will be low, a more granular assessment of the project history and management is undertaken to understand whether this was due to poor initial assessment of likely impact, flaws in the project design, poor management or due to the inherent risk in undertaking research. This information is used for continuous improvement of our RD&A program activities and management . • The data is also used by the Council of Rural Research & Development Corporations (CRRDC) to demonstrate the impact, effectiveness and return on investment from the Rural Research and Development Corporations (RDCs).
<p>5.3 Transparent communication to stakeholders (including government) on the impacts and benefits of the RD&E and marketing activities.</p>	<ul style="list-style-type: none"> • Wine Australia Update held in-person in Adelaide and livestreamed in November 2022. • Regular communication via Wine Australia's communication channels – including R&I News, fortnightly emails to states and regions, Wine Australia News, Market Bulletins, Wine Australia's website. • Regular meetings and communication with the Department of Agriculture, Fisheries and Forestry's Wine Policy Unit. • Prompt and transparent reporting via Wine Australia's website.





Statement of Expectations and Statement of Intent

The Minister for Agriculture, Fisheries and Forestry, Senator the Hon Murray Watt, wrote to Wine Australia in June 2023 setting out his expectations for the delivery of Wine Australia’s regulatory functions. The Statement of Expectations provided a set of guiding principles intended to apply across all Research and Development Corporations (RDCs), and placed an SFA obligation on Wine Australia to comply with the directions set out in that guide.

In response, Wine Australia published a Statement of Intent in the 2023–2024 Annual Operating Plan, noting the Australian Government’s priorities and commits to acting in accordance

with regulatory best practice in decision making, operational practices, and communications to ensure effectiveness and efficiency. Wine Australia’s Statement of Intent is available on page 12 (refer to Strategy 2 commentary) Wine Australia is committed to the delivering the Government’s Statement of Expectations.

RMG 128 outlines three principles of regulator best practice, against which regulators are required to report in their corporate plans and annual reports. How Wine Australia meets these three principles is set out in Table 8.

Table 8: Implementation of Principles

Principle	Implementation of Principles	Measure of Success
Principle 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.	<ul style="list-style-type: none"> Monitoring of stakeholder satisfaction through the annual stakeholder survey. Implementation of a consultation plan that has been developed in accordance with Wine Australia’s customers. Development and maintenance of a customer engagement plan. Ongoing interaction with international fora. The undertaking of an annual review of the Cost Recovery Statement. The development and implemented documented stakeholder consultation procedure. Significant changes to the regulatory frameworks follow stakeholder consultation. Significant changes to policies and procedures are communicated to regulated entities via a two stage process of interim, followed by final, determinations. Regular contact with regional wine grape grower and wine producers associations occurs. Maintaining the Wine Australia Licensing and Compliance Guide. Engagement with AGW as the declared representative under the Act to test suitability of the current regulatory environment. Egregious breaches are publicised. 	Reporting against implementation will be undertaken as part of ongoing review of progress against Wine Australia’s Annual Operating Plan.

Table 8: Implementation of Principles

Principle	Implementation of Principles	Measure of Success
<p>Principle 2</p> <p>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.</p>	<ul style="list-style-type: none"> • Maintenance of Wine Australia's risk registry and risk framework. • Board meetings carried out to review risk policy and framework and set risk tolerance. • Encouragement of innovation in data and digital space in the administration of Export Controls and LIP, for example WALAS. • Demonstrated willingness to engage in activities that seek to harmonise trade with trading partners and other domestic regulators. • Maintenance of WALAS and development of LIP. • Maintenance of Wine Watch - an online anonymous reporting tool with Wine Australia investigating all alleged non-compliances reported to it. • Inspections are based on risk profile of having regard to supply and demand issues in specific regions and with certain grape varieties. • Additional information is requested from high-risk exporters (using digital technology such as WALAS to identify such exporters). • Implementing an analysis program which involves random analytical testing conducted to ensure and verify compliance with the Food Standards Code and to identify potential market access risks. • New and emerging regulatory risks are identified through maintenance of an enquiry register. • Maintenance of the exporter news which provides for regular communication to exporters. • Development of a consumer action plan which allows Wine Australia to engage with a raft of people from different sectors. 	<p>Reporting against implementation will be undertaken as part of ongoing review of progress against Wine Australia's Annual Operating Plan.</p>
<p>Principle 3</p> <p>Collaboration and engagement – regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way</p>	<ul style="list-style-type: none"> • Continuous and regular communication with stakeholder through a range of channels to ensure a two-way feedback process and continuous improvement. • Maintenance of the Legislative Review Committee to review any regulatory changes. • Wine Australia engages with the OIV and World Wine Trade Group. • Periodic review of market access risks associated with implementation of regulations. • Wine Australia's customer engagement plan includes a schedule of educational activities and to increase awareness of requirements under the Act. • Maintenance of an email labels inbox in order for Wine Australia to provide free opinions as to labelling compliance. 	<p>Reporting against implementation will be undertaken as part of ongoing review of progress against Wine Australia's Annual Operating Plan.</p>

Performance 2022–23

Annual Performance Statement

This Annual Performance Statement for the 2022–23 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 xx and xx.

Financial overview

During 2022–23, Wine Australia recorded an operating deficit of \$5.6 million.

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

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

Approximately 36 per cent (\$17.3 million) of 2022–23 revenue came from the two levies and the Wine Export Charge and 24 per cent of revenue (\$11.6 million) from the Australian Government matching contributions.

Revenue from regulatory fees made up 6 per cent (\$3.1 million) of income, and activity-based user-pays wine sector contributions to marketing activities made up 7 per cent (\$3.5 million) of total revenue for 2022–23.

Net assets were \$5.5 million at 30 June 2023 and financial assets were \$8.7 million, all of which was cash and receivables. Payables were \$3.9 million.

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

Table 9: Revenue by source 2022–23

Source	Actuals \$m	
Levies		
Wine grapes levy	11.66	24%
Grape research levy	3.28	7%
Wine export charge	2.31	5%
Commonwealth matching for RD&A	11.61	24%
Regulatory funding	3.13	6%
User-pays activities	3.53	7%
Wine Tourism and Cellar Door Grant	10.00	21%
Other income	2.91	6%
Total income	48.43	100%

Figure 5: Revenue by source (percentage of dollar value)

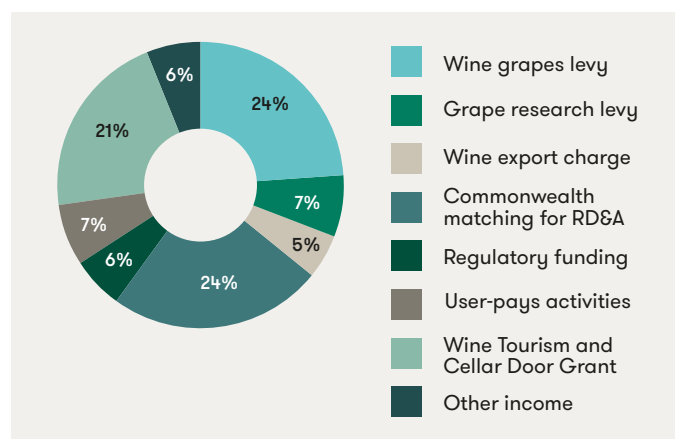
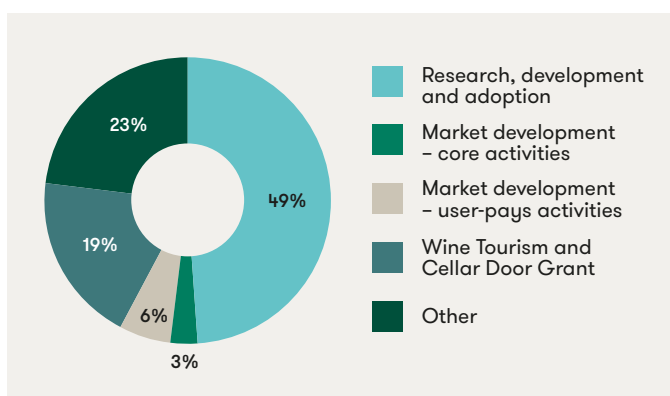




Table 11: Expenditure by activity area 2022–23

Activity	Actuals \$m	
Research, development and adoption	26.70	49%
Market development – core activities	1.63	3%
Market development – user-pays activities	3.04	6%
Wine Tourism and Cellar Door Grant	10.00	19%
Other	12.67	23%
Total activity expenditure	54.04	100.0%

Figure 7: Expenditure by activity area (percentage of dollar value)

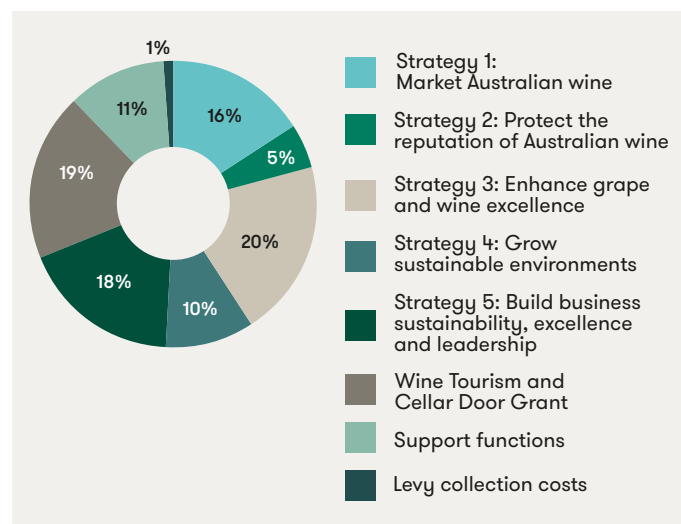


Investment Allocation

Table 10: Expenditure by strategy 2022–23

Strategy area	Actuals \$m	
Strategy 1: Market Australian wine	8.54	16%
Strategy 2: Protect the reputation of Australian wine	2.45	5%
Strategy 3: Enhance grape and wine excellence	11.45	20%
Strategy 4: Grow sustainable environments	5.52	10%
Strategy 5: Build business sustainability, excellence and leadership	9.60	18%
Wine Tourism and Cellar Door Grant	10.00	19%
Support functions	5.73	11%
Levy collection costs	0.75	1%
Total expenditure	54.04	100%

Figure 6: Expenditure by strategy (percentage of dollar value)



A balanced portfolio

Wine Australia's Strategic Plan 2020–25 guides the direction of our activities and expenditure and is informed by ongoing and extensive customer engagement and consultation to ensure alignment with the needs of the sector.

In 2022–23, we were able to develop our research and marketing priorities based on:

- individual and group engagements with levy-paying customers
- monthly meetings with the AGW Board and Executive
- regular meetings with Australian Commercial Wine Producers Board and Executive, and
- teleconferences and face-to-face meetings with state and regional representative organisations.

Wine Australia's strategy, research and marketing priorities are also shaped by input from several of AGW's committees: the Research Advisory Committee, the Wine Industry Market Access Group, the Sustainability Advisory Committee, and the Wine Industry Technical Advisory Committee. The reporting period also saw the formation of the Joint Marketing Group, with representatives from Wine Australia, AGW, and small, medium and large producers from the sector. The Joint Strategy Committee, which governs Sustainable Winegrowing Australia, continued to provide advice to both AGW and Wine Australia on strategy and shared strategic activities.

The Strategic Plan 2020–25 is in turn informed by the grape and wine sector's 30-year plan, Vision 2050, and by the Australian Government's Science and Research Priorities and Rural Research, Development and Extension Priorities (now renamed the National Agricultural Innovation Priorities as of 2022–23).

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

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

Our investments in 2022–23 ranged from short-term projects that will be completed in two years or less, to medium-term (two to four years) and long-term projects (over four years).

Table 12: Investment by project term 2022–23

Project term	Number of projects		Actuals \$000	
Short (<2 years)	57	38%	5,107.3	22%
Medium (2–4 years)	62	42%	9,871.5	41%
Long (>4 years)	30	20%	8,867.1	37%
Total	149	100%	23,845.9	100%

Figure 8: Investment by project term (percentage of dollar value)

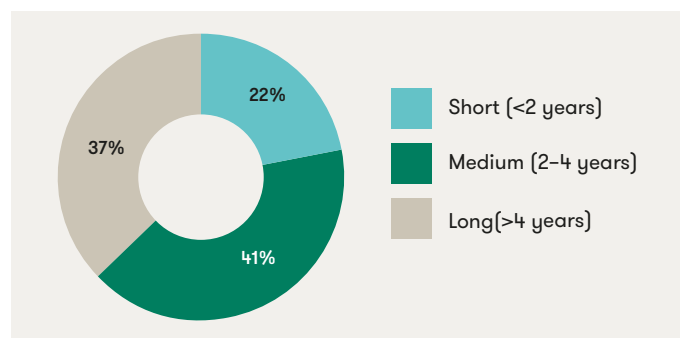
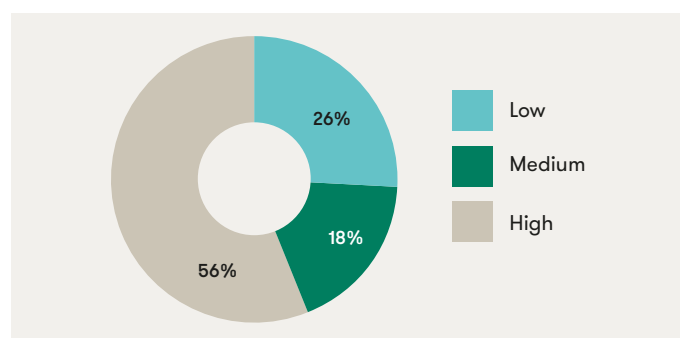


Table 13: Investment by risk category term 2022–23

Risk	Number of projects		Actuals \$000	
Low	80	53%	6,308.5	26%
Medium	28	19%	4,209.5	18%
High	41	28%	13,327.9	56%
Total	149	100%	23,845.9	100%

Figure 9: Investment by risk category (percentage of dollar value)



We also invested across different risk categories: low-risk applied RD&A, and medium- and higher-risk blue-sky research, where success is less assured, but outcomes could be very valuable to the sector.

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

Table 14: Investment by research type term 2022–23

Research type	Number of projects		Actuals \$000	
Extension	40	26%	5,813.3	24%
Capability	49	33%	1,061.8	5%
Strategic	22	15%	12,408.4	52%
Adaptive	38	26%	4,562.4	19%
Total	149	100%	23,845.9	100%

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

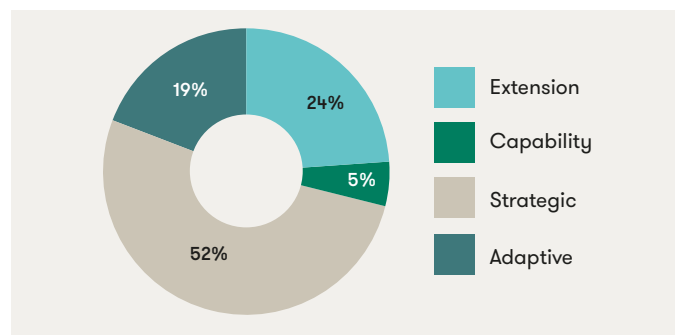
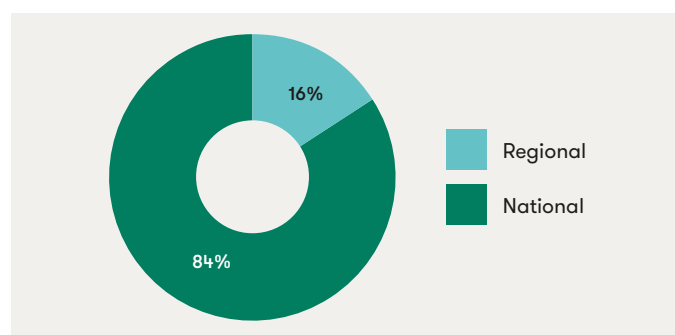
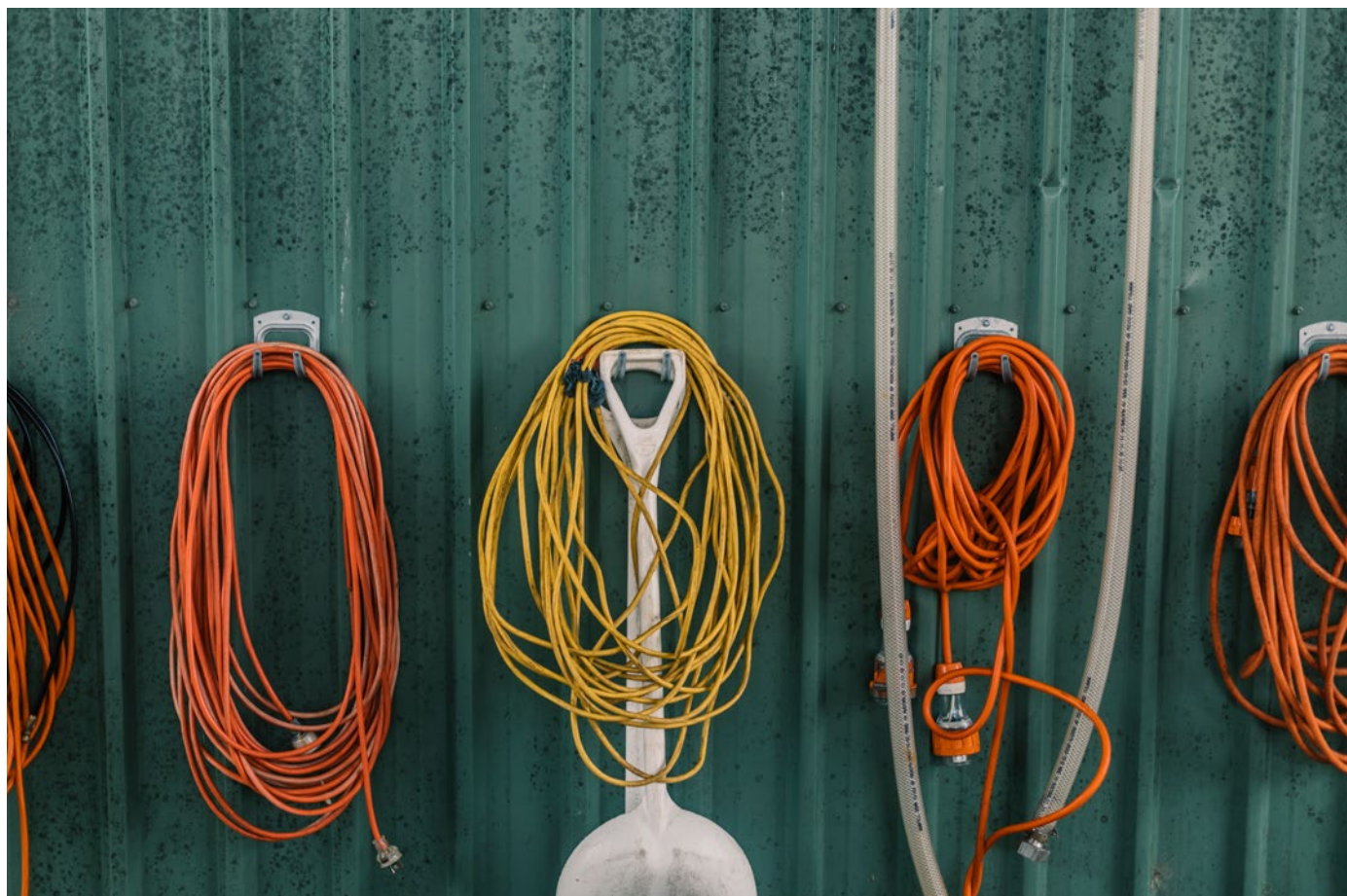


Table 15: Investment by research focus term 2022–23

Geographic focus	Number of projects		Actuals \$000	
Regional	36	24%	3,855.9	16%
National	113	76%	19,990.0	84%
Total	149	100%	23,845.9	100%

Figure 11: Investment by research focus (percentage of dollar value)





Key performance indicators

Wine Australia has 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 2022-23, outcomes were impacted by the continuing effects of the imposition of deposit tariffs on Australian wine imported to China that were introduced in October 2020, as well as extreme weather events, geopolitical instability and economic and inflationary pressures.

The key performance indicators for 2022-23 and outcomes are detailed in Table 16.

Table 16: Performance against Agriculture Portfolio Budget Statements 2022-23 measures

Key performance indicators	Target	Outcome
Wine Australia		
We improve our stakeholder net promoter score from 2019 baseline.	Above +12	<ul style="list-style-type: none"> After dipping to a net promoter score of -9 in 2020-21, Wine Australia returned to a net promoter score of +12 in 2022-23.
RD&A		
Research contracts are actively managed through regular and ongoing monitoring of the research.	100%	
Market Insights customers are satisfied or very satisfied with the services they receive.	>90%	<ul style="list-style-type: none"> During the 2022-23 year, 40 individual analyst sessions were booked by our levy-payers. The 'Ask an Analyst' sessions were heavily promoted throughout the year to encourage usage.
Levy payers who participate in Wine Australia-supported extension and adoption programs consider them a good or very good use of levy funds.	80%	<ul style="list-style-type: none"> The AGW Research Advisory Committee continued to assist in identifying and prioritising extension and adoption priorities. Monitoring and evaluation metrics across Wine Australia supported extension activities with the Australian Wine Research Institute and ASVO indicate that events overall are delivering value - on average at least 75 per cent of attendees at workshops, seminars and webinars rated these events 'very good' or 'excellent' and at least 80 per cent of attendees intend to make changes to current practices, reassess current practices, seek extra information or discuss with peers about making changes to their current practices.

Table 16: Performance against Agriculture Portfolio Budget Statements 2022–23 measures

Key performance indicators	Target	Outcome
Marketing		
Tier A influencers actively engage with Wine Australia.	85%	<ul style="list-style-type: none"> 73 per cent of Tier A influencers actively engaged with Wine Australia through marketing activities. <ul style="list-style-type: none"> Europe, Middle East, Africa: 87 per cent Americas: 71 per cent Asia-Pacific: 36 per cent The pandemic impacted engagement particularly in Asia where borders remained closed and planned activity was moved to 2022–23. 1,205 business-to-business connections made via Australian Wine Connect and its associated campaigns and hybrid events. Trade audience Net Promotor Score (NPS) rating: <ul style="list-style-type: none"> Australian Wine Discovered NPS 64, a 'very good' to 'excellent' score; and Australian Wine Connect NPS 26, a 'good' score. Downloads of Australian Wine Discovered content decreased by 52 per cent due to ongoing reduction in engagement from China and reduced activity in markets due to the pandemic. The tone in 94 per cent of media articles about Australian wine was positive or neutral, an increase of 5 per cent on the previous year.
The perception of Australian wine increases in Canada, China, the UK and the USA.	Increase above 2019 baseline	<ul style="list-style-type: none"> Target is to increase perception above 2019 baseline. The annual Wine Intelligence survey showed the average consumer perception of Australian wine increased in each market from the previous year. The stretch 8.6 key performance indicator was not achieved, due to the continued impacts of the pandemic and reduced activity in market. <ul style="list-style-type: none"> Canada increased from 8.20/8.07 to 8.36/8.33. UK increased from 8.22 to 8.39. USA increased from 8.29 to 8.30. <p>The figures above, given the annual reporting, reflect results from the 2021–22 reporting period, and were reported through the Portfolio Budget Statements in October 2022. For the 2022–23 results, please refer to Strategy 1: Market Australian Wine.</p> <ul style="list-style-type: none"> For paid social media, we achieved a 22 per cent engagement rate for Facebook and Instagram.
Wineries and distributors who participate in Wine Australia events report that they are satisfied or very satisfied.	>90 per cent	<ul style="list-style-type: none"> Average satisfaction rating across marketing campaigns was 87 per cent. <ul style="list-style-type: none"> 73 per cent of participants in the US Market Entry Program have commenced export to the USA or have an agreement to commence export. 19 participants in Explore Canada commenced export or have an agreement to commence export (two programs in 2022–23). Nine participants in Explore UK commenced export (one program held over to financial year 2023). Additional wineries which have participated in the US Market Entry Program and Explore programs have indicated they anticipate commencing export in short to medium-term.
Regulatory Services		
Achieve the six key performance indicators in our Regulator Performance Framework.	Achieved	
Through our Label Integrity Program, we inspect producers' records, focusing on those relating to wine regions and varieties in particular demand.	300 Inspections of records kept under the Label Integrity Program	<ul style="list-style-type: none"> Following the abolishment of the Regulator Performance Framework in 2021–22, we worked with the Department to develop a Statement of Intent in response to a Statement of Expectation issued in accordance with the Regulator Performance Guide published by the Department of Prime Minister and Cabinet. We promoted and monitored compliance with the Label Integrity Program (LIP) by: <ul style="list-style-type: none"> inspecting the records pertaining to more than 1300 labels prior to granting export approval to verify compliance with the record keeping requirements mandated under the LIP and the truthfulness of claims made about vintage, variety, and origin maintaining and promoting our Wine Watch portal through which suspected incidences of non-compliance can be reported anonymously investigating all alleged breaches of the labelling and record keeping provisions set out in the Wine Australia Act and the Australia New Zealand Food Standards Code (FSC) inspecting the LIP records kept by 174 Australian wine producers to verify whether records are being kept in accordance with the LIP, and maintaining WALAS to ensure that product composition and label descriptions are automatically reconciled to verify compliance with the FSC and the labelling laws set out in the Wine Australia Act, and launching and maintaining ELLIS.

Alignment with Australian Government priorities

Our research program investment (including administrative expenses) aligned with the Australian Government's Science and Research Priorities (Table 17) and National Agricultural Innovation Priorities (Table 18).

Table 17: Wine Australia research program spending aligned with the Australian Government's Science and Research Priorities 2022–23

Wine Australia strategies	Food 1.1	Food 1.3	Soil and water 2.2	Soil and water 2.3	Advanced manufacturing 7.1	Advanced manufacturing 7.2	Environmental change 8.1	Environmental change 8.3	Total
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Strategy 2: Protect the reputation of Australian wine	100.0 (0.4%)	25.0 (0.1%)							125.0 (0.5%)
Strategy 3: Enhance grape and wine excellence		5,517.2 (23.0%)			39.1 (0.2%)	761.4 (3.2%)		4,431.0 (18.5%)	10,748.7 (44.9%)
Strategy 4: Grow sustainable environments		2,003.9 (8.4%)	664.7 (2.8%)	636.3 (2.7%)			13.5 (0.1%)	1,343.4 (5.6%)	4,661.8 (19.6%)
Strategy 5: Build business sustainability, excellence and leadership	374.7 (1.6%)	7,371.8 (30.9%)	36.1 (0.2%)	-10.4 (0.0%)	175.5 (0.7%)	113.3 (0.5%)	70.2 (0.3%)	179.2 (0.8%)	8,310.4 (35.0%)
Total	474.7 (2.0%)	14,917.9 (62.4%)	700.8 (3.0%)	625.9 (2.7%)	214.6 (0.9%)	874.7 (3.7%)	83.7 (0.4%)	5,953.9 (24.9%)	23,846.9 (100.0%)

Table 18: Wine Australia research program spending aligned with the Australian Government's National Agricultural Innovation Priorities 2022–23

Wine Australia strategies	National Agricultural Innovation Priorities				Total
	Advanced Technology	Biosecurity	Soil, water and managing natural resources	Adoption of research and development	
	\$000	\$000	\$000	\$000	\$000
Strategy 2: Protect the reputation of Australian wine				125.0 (0.5%)	125.0 (0.5%)
Strategy 3: Enhance grape and wine excellence	4,873.8 (20.4%)	40.4 (0.2%)	239.2 (1.0%)	5,595.2 (23.5%)	10,748.6 (45.1%)
Strategy 4: Grow sustainable environments	2,440.6 (10.2%)	2,161.0 (9.1%)	10.0 (0.0%)	50.0 (0.2%)	4,661.6 (19.5%)
Strategy 5: Build business sustainability, excellence and leadership	1,616.9 (6.8%)	232.0 (1.0%)	850.4 (3.6%)	5,611.4 (23.5%)	8,310.7 (34.9%)
Total	8,931.3 (37.4%)	2,433.4 (10.3%)	1,099.6 (4.6%)	11,381.6 (47.7%)	23,845.9 (100.0%)



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 2022–23 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.¹ 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 AO
Chair of the Board of Wine Australia

27 September 2023

¹ 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 Operating Officer

In our opinion, the attached financial statements for the year ended 30 June 2023 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41(2) of the PGPA Act.

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

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

Signed:

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

Dr Michele Allan AO
Chair of the Board of Wine Australia

Signed:

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

Dr Martin Cole
Chief Executive Officer

Signed:

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

Steven Weinert
Chief Operating Officer
(being the person responsible for the preparation of the financial statements)

27 September 2023



INDEPENDENT AUDITOR'S REPORT

To the Minister for Agriculture, Fisheries and Forestry

Opinion

In my opinion, the financial statements of Wine Australia (the Entity) for the year ended 30 June 2023:

- (a) comply with Australian Accounting Standards – Simplified Disclosures and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Entity as at 30 June 2023 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 2023 and for the year then ended:

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

Basis for opinion

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

Other information

The Accountable Authority is responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023 but does not include the financial statements and my auditor's report thereon.

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

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

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

Accountable Authority's responsibility for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

Australian National Audit Office



Fiona Sheppard
Executive Director
Delegate of the Auditor-General
Canberra
27 September 2023

Statement of comprehensive income for the year ended 30 June 2023

	Notes	Actuals 2023 \$	Actuals 2022 \$	Budget 2023 \$
Net cost of services				
Expenses				
Expenditure on research and development projects	1.1A	23,845,906	24,859,871	22,032,000
Employee benefits	1.1B	9,741,880	8,883,153	8,111,000
Suppliers	1.1C	8,367,433	7,464,671	7,013,399
Grants	1.1D	10,024,119	10,736,342	-
Depreciation and amortisation	1.1E	1,260,158	1,516,651	1,263,000
Finance costs	1.1	21,037	1,940	10,228
Write-down of assets – Bad debts written off	1.1	21,852	8,033	2,000
Net losses from foreign exchange – non speculative	1.1	84,188	34,687	-
Levy collection fees	1.1	753,155	843,454	985,373
Total expenses		54,119,728	54,348,802	39,417,000
Own-source income				
Own-source revenue				
Industry contributions	1.2A	17,255,387	20,168,475	18,544,000
Sale of goods and rendering of services	1.2B	6,686,685	6,691,071	4,816,963
Rental income	1.2C	7,036	19,406	3,000
Research and development contributions and other grants	1.2D	2,300,613	2,965,234	437,038
Interest	1.2E	367,133	21,042	6,000
Total own-source revenue		26,616,854	29,865,228	23,807,000
Gains				
Gains from sale of assets	1.2F	2,200	3,873	-
Total gains		2,200	3,873	-
Total own-source income		26,619,054	29,869,102	23,807,000
Net (cost of)/contribution by services		(27,500,674)	(24,479,701)	(15,610,000)
Revenue from government				
Australian Government matching contributions	1.2G	11,611,072	15,259,494	12,460,000
Other grants from Government	1.2G	10,288,250	10,164,850	150,000
Total revenue from Government		21,899,322	25,424,344	12,610,000
Deficit attributable to the Australian Government		(5,601,352)	944,643	(3,000,000)
Total comprehensive loss attributable to the Australian Government		(5,601,352)	944,643	(3,000,000)

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.

Wine Australia

Statement of financial position

as at 30 June 2023

	Notes	Actuals 2023 \$	Actuals 2022 \$	Budget 2023 \$
Assets				
Financial assets				
Cash and cash equivalents	2.1A	5,388,450	8,664,803	8,170,000
Trade and other receivables	2.1B	3,272,027	5,479,240	6,084,000
Total financial assets		8,660,477	14,144,043	14,254,000
Non-financial assets				
Buildings (Right of Use)	2.2A	918,422	1,238,474	909,000
Minor plant and equipment	2.2A	154,112	145,626	157,000
Other intangibles	2.2A	1,525,701	2,365,929	1,662,000
Other non-financial assets	2.2B	552,680	384,759	314,000
Total non-financial assets		3,150,915	4,134,788	3,042,000
Total assets		11,811,392	18,278,831	17,296,000
Liabilities				
Payables				
Suppliers	2.3	752,183	1,001,939	1,174,000
Research and development contracts	2.3A	2,161,990	1,599,600	3,660,000
Other payables	2.3B	1,010,522	1,946,242	1,946,000
Total payables		3,924,695	4,547,781	6,780,000
Interest bearing liabilities				
Leases	2.4A	947,568	1,244,436	915,000
Total interest bearing liabilities		947,568	1,244,436	915,000
Provisions				
Employee provisions	4.1	1,316,027	1,262,160	1,376,000
Other provisions	2.5A	75,000	75,000	75,000
Total provisions		1,391,027	1,337,160	1,451,000
Total liabilities		6,263,290	7,129,377	9,146,000
Net assets		5,548,102	11,149,454	8,150,000
Equity				
Retained surplus		5,548,102	11,149,454	8,150,000
Total equity		5,548,102	11,149,454	8,150,000

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 2023

	Actuals 2023 \$	Actuals 2022 \$	Budget 2023 \$
Retained earnings & total equity			
Opening balance			
Balance carried forward from previous period	11,149,454	10,204,811	11,150,000
Opening balance	11,149,454	10,204,811	11,150,000
Comprehensive income			
Deficit for the period	(5,601,352)	944,643	(3,000,000)
Total comprehensive income	(5,601,352)	944,643	(3,000,000)
Closing balance as at 30 June	5,548,102	11,149,454	8,150,000

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.

Wine Australia

Cash flow statement for the year ended 30 June 2023

	Notes	Actuals 2023 \$	Actuals 2022 \$	Budget 2023 \$
Operating activities				
Cash received				
Australian Government matching contributions		13,511,307	13,488,768	12,460,000
Other receipts from Government		10,288,250	11,181,335	150,000
Industry contributions		16,614,682	20,730,044	18,544,000
Sale of goods and rendering of services		8,254,504	6,257,553	4,496,126
Rental income		7,740	21,346	2,836
Interest		367,133	21,042	6,000
Research and development contributions and refunds		1,848,564	3,261,757	437,038
Net GST received		1,590,923	2,293,522	1,715,000
Total cash received		52,483,103	57,255,367	37,811,000
Cash used				
Employees		(9,684,250)	(9,415,912)	(7,997,000)
Suppliers		(10,010,532)	(7,488,353)	(8,266,000)
Expenditure on research and development contracts and other grants		(35,640,606)	(37,941,451)	(21,472,000)
Borrowing costs		(21,037)	(1,940)	-
Total cash used		(55,356,425)	(54,847,656)	(37,735,000)
Net cash from operating activities		(2,873,322)	2,407,711	76,000
Investing activities				
Cash received				
Proceeds from sales of property, plant and equipment		2,200	4,637	-
Total cash received		2,200	4,637	-
Cash used				
Purchase of property, plant and equipment		(93,483)	(97,029)	(110,000)
Purchase of intangibles		-	-	(132,000)
Total cash used		(93,483)	(97,029)	(242,000)
Net cash used by investing activities		(91,283)	(92,392)	(242,000)
Finance activities				
Cash used				
Principal payments of lease liabilities		(311,748)	(309,791)	(329,000)
Total cash used		(311,748)	(309,791)	(329,000)
Net cash used by finance activities		(311,748)	(309,791)	(329,000)
Net increase in cash held		(3,276,353)	2,005,528	(495,000)
Cash and cash equivalents at the beginning of the reporting period		8,664,803	6,659,275	8,665,000
Cash and cash equivalents at the end of the reporting period	2.1A	5,388,450	8,664,803	8,170,000

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.

Wine Australia

Notes to and forming part of the Financial Statements for the year ended 30 June 2023

Overview

Objective of Wine Australia

Wine Australia is a Corporate Commonwealth entity.

The objectives of Wine Australia are to:

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

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

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

The Basis of Preparation

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

The financial statements have been prepared in accordance with:

- section 42 of the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015* (FRR); and
- Australian Accounting Standards and Interpretations – including simplified disclosures for Tier 2 Entities under AASB 1060 General Purpose Financial Statements 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.

New Accounting Standards

Adoption of new Australian Accounting Standard requirements

Two amending standards (AASB 2021-2 and AASB 2021-6) were adopted earlier than the application date as stated in the standard. These amending standards have been adopted for the 2022-23 reporting period. In the Australia's financial statements:

Standard/ Interpretation	Nature of change in accounting policy, transitional provisions ¹ , and adjustment to financial statements
AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates (AASB 2021-2)	AASB 2021-2 amends AASB 7, AASB 101, AASB 108, AASB 134 and AASB Practice Statement 2.
AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards (AASB 2021-6)	AASB 2021-6 amends the Tier 2 reporting requirements set out in AASB 1049, AASB 1054 and AASB 1060 to reflect the changes made by AASB 2021-2.

The details of the changes in accounting policies and adjustments are disclosed below and in the relevant notes to the financial statements. These amending standards are not expected to have a material impact on Wine Australia's financial statements for the current reporting period or future reporting periods.

Taxation

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

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 year ended 30 June 2023.

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 2023 are recognised on signing of the contract.

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

Employee benefits

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

Suppliers

Short-term leases and leases of low-value assets

Wine Australia has elected not to recognise right-of-use assets and lease liabilities for short-term leases of assets that have a

lease term of 12 months or less and leases of low-value assets (less than \$10,000). The entity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Grants

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

Finance costs

All borrowing costs are expensed as incurred.

Foreign currency

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

Levy collection fees

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

Note 1.1A: Expenditure on research and development projects

	2023 \$	2022 \$
Public sector		
Australian Government entities	4,430,953	4,249,428
State and territory governments	1,937,021	2,334,225
Universities and Colleges	1,908,856	3,221,462
Private sector		
The Australian Wine Research Institute	8,733,157	11,202,014
Other organisations	6,442,040	3,311,137
Market research costs	393,879	543,670
Rural R&D for Profit Program	-	(2,065)
Total expenditure on research and development contracts	23,845,906	24,859,871

Note 1.1B: Employee benefits

	2023 \$	2022 \$
Wages and salaries	8,710,534	7,840,984
Superannuation:		
Defined contribution plans	615,286	504,300
Defined benefit plans	60,278	40,412
Leave and other entitlements	248,966	215,865
Separation and redundancies	106,816	281,592
Total employee benefits	9,741,880	8,883,153

Note 1.1C: Suppliers

	2023 \$	2022 \$
Goods and services supplied or rendered		
Occupancy costs	48,352	98,560
Contractors	228,424	115,100
Communications	62,730	69,963
Information technology	2,027,927	2,201,287
Marketing costs	4,191,313	3,916,853
Outside services	81,205	74,583
Travel and accommodation	587,227	104,837
Professional fees	457,277	280,836
Publications and subscription	44,776	46,122
Postage and freight	40,817	24,451
Other supplier expenses	462,691	350,327
Total goods and services supplied or rendered	8,232,739	7,282,918
Other supplier		
Short-term leases	-	40,492
Variable lease payments	30,940	42,800
Audit fees	42,000	42,000
Workers' compensation expenses (Comcare)	12,453	12,838
Liability insurance expenses (Comcover)	49,301	43,623
Total other supplier expenses	134,694	181,753
Total supplier expenses	8,367,433	7,464,671

Note 1.1D: Grants

	2023 \$	2022 \$
Wine Export grants	-	736,340
Tourism and cellar door grants	10,000,000	10,000,002
Other grants	24,119	-
Total grants	10,024,119	10,736,342

Note 1.1E: Depreciation and amortisation

	2023 \$	2022 \$
Depreciation:		
Plant and equipment	84,998	58,234
Right-of-use assets and Leasehold improvements	334,932	319,866
Total depreciation	419,930	378,100
Amortisation:		
Intangibles: computer software	840,228	1,138,551
Total amortisation	840,228	1,138,551
Total depreciation and amortisation	1,260,158	1,516,651

Note 1.2: Revenue

Accounting Policy – Revenue

Industry contributions

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

Industry contributions comprise the:

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

Revenue from Government

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

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

Sales of goods and rendering of services

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

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

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

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

Interest revenue

Interest revenue is recognised using the effective interest method.

Rental income

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

Sale of Assets

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

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



Note 1.2A: Industry contributions

	2023 \$	2022 \$
Grape research levy	3,283,693	3,982,780
Wine grapes levy	11,659,882	13,677,493
Wine export charge	2,311,812	2,508,202
Total industry contributions	17,255,387	20,168,475

Note 1.2B: Sale of goods and rendering of services

	2023 \$	2022 \$
Rendering of services	6,686,685	6,691,071
Total sale of goods and rendering of services	6,686,685	6,691,071

Note 1.2C: Rental income

	2023 \$	2022 \$
Operating lease		
Sublease	7,036	19,406
Total rental income	7,036	19,406

Note 1.2D: Research and development contributions and other grants

	2023 \$	2022 \$
Collaboration projects	2,196,400	2,292,850
Other	104,213	672,384
Total research and development contributions and other grants	2,300,613	2,965,234

Note 1.2E: Interest

	2023 \$	2022 \$
Credit interest	367,133	21,042
Total interest	367,133	21,042

Note 1.2F: Other gains

	2023 \$	2022 \$
Gains from sale of assets	2,200	3,873
Total other gains	2,200	3,873

Note 1.2G: Revenue from Government

	2023 \$	2022 \$
Australian Government matching contributions	11,611,072	15,259,494
Wine Tourism and Cellar Door Grant program	10,000,000	10,000,000
Improving Market Transparency in Perishable Agricultural Goods Industries Program Grant	198,250	-
Export Market Development Grant	90,000	164,850
Total revenue from Government	21,899,322	25,424,344

Financial position

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

Note 2.1: Financial assets

Accounting Policy – Financial assets

Cash and cash equivalents

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

- a) cash on hand; and
- b) demand deposits in bank accounts with an original maturity of 3 months or less that are readily
- c) convertible to known amounts of cash and subject to insignificant risk of changes in value

Trade and other receivables

Credit Terms for goods and services were within 30 days unless otherwise specified (2022: 30 days unless otherwise specified).

The expected credit loss (ECL) model applies to financial assets measured at amortised cost, contract assets and debt instruments measured at fair value through other comprehensive income.

Trade and other receivable assets and contract assets at amortised cost are assessed for impairment at the end of each reporting period. The simplified approach has been adopted in measuring the impairment loss allowance at an amount equal to lifetime ECL.

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

	2023 \$	2022 \$
Cash at bank	5,387,981	8,664,101
Cash on hand	469	702
Total cash and cash equivalents	5,388,450	8,664,803

Note 2.1B: Trade and other receivables

	2023 \$	2022 \$
Goods and services receivables		
Services	961,583	1,956,658
Total goods and services receivables	961,583	1,956,658
Other receivables		
Australian Government matching contributions receivable	632,425	2,532,660
GST receivable from the Australian Taxation Office	964,546	286,572
Industry contributions receivable	733,500	688,033
Other receivable	3,347	29,485
Total other receivables	2,333,818	3,536,750
Total trade and other receivables (gross) Refer to Note 1.2: Accounting Policy – Revenue	3,295,401	5,493,408
Less expected credit loss allowance		
Services	(23,374)	(14,168)
Total trade and other receivables (net)	3,272,027	5,479,240
Trade and other receivables (net) aged as follows		
Not overdue	3,252,493	5,430,584
Overdue by:		
0 to 30 days	19,534	22,055
31 to 60 days	–	25,605
61 to 90 days	–	–
More than 90 days	–	996
Total trade and other receivables (net)	3,272,027	5,479,240

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

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.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and income at their fair value at the date of acquisition, unless acquired as a consequence of restructuring of administrative arrangements. In the latter case, assets are initially recognised as contributions by owners at the amounts at which they were recognised in the transferor's accounts immediately prior to the restructuring.

Asset recognition threshold – Minor property plant and 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 Leases, 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	2023	2022
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 2023. 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 (2022: 3 to 5 years).

All software assets were assessed for indications of impairment as at 30 June 2023.

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) \$	Leasehold improvements \$	Plant and equipment \$	Computer Software \$	Total \$
As at 1 July 2022					
Gross book value	1,544,501	884,505	651,675	5,518,288	8,598,969
Accumulated depreciation, amortisation and impairment	(306,027)	(884,505)	(506,049)	(3,152,359)	(4,848,940)
Total as at 1 July 2022	1,238,474	-	145,626	2,365,929	3,750,029
Additions:					
Purchase	-	-	93,484	-	93,484
Internally developed	-	-	-	-	-
Right-of-use assets	-	-	-	-	-
Depreciation and amortisation	-	-	(84,998)	(840,228)	(925,226)
Depreciation on right-of-use assets	(334,932)	-	-	-	(334,932)
Disposals:					
Gross book adjustment	14,880	-	(247,066)	(593,240)	(825,426)
Accumulated depreciation adjustment	-	-	247,066	593,240	840,306
Total as at 30 June 2023	918,422	-	154,112	1,525,701	2,598,235
Total as at 30 June 2023 represented by					
Gross book value	1,559,381	884,505	498,093	4,925,048	7,867,027
Accumulated depreciation, amortisation and impairment	(640,959)	(884,505)	(343,981)	(3,399,347)	(5,268,792)
Total as at 30 June 2023	918,422	-	154,112	1,525,701	2,598,235

Note 2.2B: Other non-financial assets

	2023 \$	2022 \$
Prepayments	552,680	384,759
Total prepayments	552,680	384,759
Prepayments expected to be recovered		
No more than 12 months	524,161	366,855
More than 12 months	28,519	17,904
Total prepayments	552,680	384,759

No indicators of impairment were found for other non-financial assets.



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 on completion of milestones and receipt of a tax invoice, 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

	2023 \$	2022 \$
Accrued approved project expenses	2,161,990	1,599,600
Total research and development contracts	2,161,990	1,599,600

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

Note 2.3B: Other payables

	2023 \$	2022 \$
Salaries and wages	31,082	27,319
Prepayments received/ unearned income	979,440	1,918,923
Total other payables	1,010,522	1,946,242

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

Note 2.4: Interest bearing liabilities

Accounting Policy – Interest bearing liabilities

Leases

For all new contracts entered into, Wine Australia considers whether the contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. Once it has been determined that a contract is, or contains a lease, the lease liability is initially measured at the present value of the lease payments unpaid at the commencement date, discounted using the interest rate implicit in the lease, if that rate is readily determinable, or Wine Australia'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

	2023 \$	2022 \$
Lease Liabilities	947,568	1,244,436
Total leases	947,568	1,244,436
Total leases are expected to be settled in:		
Within 1 year	329,739	326,076
Between 1 to 5 years	617,830	918,360
Total leases	947,568	1,244,436

Total cash outflow for leases for the year ended 30 June 2023 was \$332,785 (2022: \$311,731)

Note 2.5: Provisions

Accounting Policy – Other Provisions

Makegood

Wine Australia currently has one agreement 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 2022	75,000	75,000
Additional provisions made	–	–
Amounts used	–	–
Total as at 30 June 2023	75,000	75,000

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

Funding

This section identifies Wine Australia's funding structure.

Note 3.1: Regulatory charging summary

Note 3.1: Regulatory charging summary

	2023 \$	2022 \$
Expenses		
Departmental – Direct costs	2,326,801	2,352,484
Departmental – Indirect costs	1,810,201	1,572,369
Total expenses	4,137,002	3,924,853
External revenue		
Departmental – Sale of goods and rendering of services	3,134,640	3,236,284
Total external revenue	3,134,640	3,236,284
Amounts written off		
Departmental – amounts written off	212	7,950
Total amounts written off	212	7,950

Regulatory charging activities:

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

Regulation 6(1)(a) of the Wine Australia Regulations requires exporters to be licenced; regulation 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, section 8(c) of the Act provides Wine Australia the power to issue certificates required to demonstrate that wine meets the requirements of the market to which Australian wine is exported.

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

Documentation (Cost Recovery Implementation Statement/s) for the above activities is available at www.wineaustralia.com/about-us/performance-and-reporting.

People and relationships

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

Note 4.1: Employee provisions

Accounting Policy

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

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

Leave

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

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

The liability for long service leave has been determined by reference to the work of an actuary as at 30 June 2023. 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.

Note 4.1: Employee provisions

	2023 \$	2022 \$
Leave	1,316,027	1,211,126
Separations and redundancies	-	51,034
Total employee provisions	1,316,027	1,262,160
No more than 12 months	994,600	870,244
More than 12 months	321,427	391,916
Total employee provisions	1,316,027	1,262,160

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



Note 4.2: Key management personnel remuneration

Key management personnel 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 that entity. The entity has determined the key management personnel to be the Directors, Executive Officers and General Managers. Key management personnel remuneration is reported in the table below:

	2023 \$	2022 \$
Short-term employee benefits	2,108,506	1,375,092
Post-employment benefits	227,779	152,714
Other long-term employee benefits	47,791	(27,218)
Termination benefits	-	183,591
Total key management personnel remuneration expenses	2,384,076	1,684,179

The total number of key management personnel that are included in the above table are 15 (2022: 16) and the increase in remuneration from 2021-22 to 2022-23 is driven by the full year impact of selected roles, including the CEO, as well as the transition between team members of specific roles.

The above key management personnel remuneration excludes the remuneration and other benefits of the Portfolio Minister. The Portfolio Minister's remuneration and other benefits are set by the Remuneration Tribunal and are not paid by the entity.

Note 4.3: Related party disclosures

Related party relationships

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

Transactions with related parties

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

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

- Wine Australia Director, Dr. Michele Allan is a Director at CSIRO and Charles Sturt University which both have multi-year research agreements with Wine Australia. The research partners received \$4,430,773 and \$532,480 respectively in funding throughout 2022-23. The agreements were approved in accordance with Wine Australia's procurement policy.
- Wine Australia Director, John Lloyd is a current Director of Meat & Livestock Australia, and is a member of the Governing Council of Charles Sturt University. These research partners received \$85,112 and \$532,480 respectively in funding throughout 2022-23.
- A Wine Tourism and Cellar Door grant to the value of \$51,014 was made to Taylors Enterprises, which Wine Australia Director, Mitchell Taylor, is Managing Director. The grant was approved in accordance with the regulations of the Wine Tourism and Cellar Door Grant program.

There were no balances outstanding at year end.

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 2023, the entity had no contingent assets or liabilities, this being consistent with 30 June 2022.

Note 5.2: Financial instruments

Accounting Policy – Financial instruments

Financial assets

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

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

Financial Assets at Amortised Cost

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

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

Amortised cost is determined using the effective interest method.

Effective Interest Method

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

Impairment of Financial Assets

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

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

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

Financial liabilities

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

Financial liabilities at amortised cost

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

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

Note 5.2A: Categories of financial instruments

	2023 \$	2022 \$
Financial assets at amortised cost:		
Cash and cash equivalents	5,388,450	8,664,803
Industry contributions receivables	733,500	688,033
Other receivables	964,930	1,986,142
Total financial assets at amortised cost	7,086,880	11,338,978
Total financial assets	7,086,880	11,338,978
Financial liabilities		
Financial liabilities measured at amortised cost:		
Suppliers	752,183	1,001,939
Research and development contracts	2,161,990	1,599,600
Total financial liabilities measured at amortised cost	2,914,173	2,601,539
Total financial liabilities	2,914,173	2,601,539

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

Note 5.2B: Net gains or losses on financial assets

	2023 \$	2022 \$
Financial assets at fair value through profit or loss		
Interest revenue	367,133	21,042
Exchange losses	(84,188)	(34,687)
Net gains on financial assets at fair value through profit or loss	282,945	(13,645)
Net gain on financial assets	282,945	(13,645)

Other information

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

	2023 \$	2022 \$
Assets expected to be recovered in:		
No more than 12 months		
Cash and cash equivalents	5,388,450	8,664,803
Trade and other receivables	3,272,027	5,479,240
Prepayments	524,161	366,855
Total no more than 12 months	9,184,638	14,510,898
More than 12 months		
Buildings (Right of Use)	918,422	1,238,474
Minor plant and equipment	154,112	145,626
Intangibles	1,525,701	2,365,929
Prepayments	28,519	17,904
Total more than 12 months	2,626,754	3,767,933
Total assets	11,811,392	18,278,831
Liabilities expected to be settled in:		
No more than 12 months		
Suppliers	752,183	1,001,939
Grants	2,161,990	1,599,600
Other payables	1,010,522	1,946,242
Leases	329,739	326,075
Employee provisions	994,600	870,244
Total no more than 12 months	5,249,034	5,744,101
More than 12 months		
Leases	617,830	918,360
Employee provisions	321,427	391,916
Other provisions	75,000	75,000
Total more than 12 months	1,014,256	1,385,276
Total liabilities	6,263,290	7,129,377

Note 6.2: Budget Variances Commentary

Note 6.2: Departmental major budget variances for 2022–23

Explanations of major variances	Affected line items (and statement)
Industry Contributions Industry contributions comprises the Grape Research Levy (GRL), Wine Grapes Levy (WGL) and Wine Export Charge. For the Portfolio Budget Statements (PBS) October 2022 update, the levy income, which is payable on tonnage, was estimated at the 10-year average of 1.75 million tonnes, however, the actual 2022 vintage was 1.73 million tonnes. There was also a significant amount of levies payable as at June 30 and Wine Australia can only recognise levies that have been collected by the Department of Agriculture, Fisheries and Forestry, but not amounts owed, but uncollected.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Statement of Financial Position – Financial assets
Australian Government matching contributions The maximum Commonwealth matching receivable is capped by both the historic accumulated levies received and by the calculated Gross Value of Production (GVP) each year. Wine Australia exceeded the historic accumulated levy cap and was therefore unable to claim the maximum amount of Commonwealth matching contributions available. The unclaimed amounts can be carried over and claimed in future years, however the historic levy cap still applies.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Statement of Financial Position – Financial assets
Sale of goods and services/Trade and other receivables The Portfolio Budget Statement (PBS) did not include marketing activity income due to the unknown impact of returning to international trade events post the COVID-19 restrictions. Actual expenditure includes major events including ProWein Germany and Vinexpo Singapore which were significant investments and successfully re-activated in market trade events.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Statement of Financial Position – Financial assets
Research and development contributions and other grants Additional income was generated during 2022–23 in relation to new research project contributions from partners. Wine Australia entered contracts where either a third-party contributes towards the project, or the in-kind contribution from the research provider was collected and expensed as part of the project.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Statement of Financial Position – Financial assets
Interest The Portfolio Budget Statement (PBS) was based on interest earned on a minimal cash balance, and at low interest rate in line with the previous year actuals. The actual interest earned was quite significant in percentage and in dollar value towards the end of the year.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Revenue • Cash Flow Statement
Expenditure on research and development contracts/Research and development contracts – payables Due to the significant impact on revenue for the 2023–24 financial year as a result of the reduced 2023 vintage, selected research and development projects were re-negotiated, contracts updated, and execution payments expedited. Wine Australia also activated reduction clauses with partners but continue to progress with strategic priorities into next year, even with the reduced income.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Expenses • Statement of Financial Position – Liabilities • Cash Flow Statement
Employee expenditure/Provisions Variances for employee costs compared to budget included employee contracts that were extended, and several new positions appointed, all due to changing business strategies. There were also two redundancy and termination payments throughout 2022–23, which include statutory notice period and redundancy payments, and all unused leave balances.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Expenses • Statement of Financial Position – Liabilities • Cash Flow Statement
Supplier expenditure/Suppliers payable Supplier expenses were higher than budget for various reasons, however the additional external income from the Wine Australia managed user-pay-activities were invested back into these on-ground trade marketing activities.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Expenses • Statement of Financial Position – Liabilities • Cash Flow Statement
Other grants from Government/Grants The variance in income and expenditure relating to grants was the exclusion of the Wine Tourism and Cellar Door Grant program from the budget. The program had not been contracted to Wine Australia at date of publishing the PBS.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Income • Statement of Comprehensive Income – Expenses • Cash Flow Statement
Levy Collection costs There was a reduction in levy collection costs in 2022–23 as compared to 2021–22. Budgeted levy collection costs are based on previous level of costs. The Department provide an update during the year on the reconciliation and recovery of their levy collection costs, with either returned funds or a balance owing.	<ul style="list-style-type: none"> • Statement of Comprehensive Income – Expenses • Cash Flow Statement
Cash and cash equivalents/Other investments – Deposits at Bank The overall cash balance reflects the greater deficit than budgeted.	<ul style="list-style-type: none"> • Statement of Financial Position – Financial assets • Cash Flow Statement
Other non-financial assets – Prepayments Prepayments include various costs associated with annual subscriptions, upcoming travel, and deposits for marketing events in 2023–24.	<ul style="list-style-type: none"> • Statement of Financial Position – Non-financial assets
Other payables Other payables include income received in advance for 2023–24. Historically these amounts have been large annual partnerships contracts which this year, some are still to be finalised.	<ul style="list-style-type: none"> • Statement of Financial Position – Liabilities

Appendices

Appendix I: RD&A funded projects

Project Number	Title	Funding/returns for 2022-23 \$
Strategy 2: Protect the reputation of Australian wine		
AWR 2203	AWRI Market Access Activities	100,000
WAC 1912	Investigate market access impediments and opportunities for Australian wine by attendance at meetings of the International Organisation of Vine and Wine (OIV)	25,000
Strategy 3: Enhance grape and wine excellence		
AWR 2202-2.1.1	Volatile compound insights: Flavour attributes of current and future commercial significance to growers and winemakers	920,053
AWR 2202-2.2.1	Genetic diversity of Australian wine grapevine germplasm	382,222
AWR 2202-2.3.1	Fermentation management through optimal microbial consortia	834,232
AWR 2202-2.4.1	Addressing production challenges through the management of wine non-volatiles	512,771
AWR 2202-2.5.1	Wine components and interactions influencing the in-mouth sensory properties of Australian wine	811,706
AWR 2202-2.6.1	Transformative microbiological inputs for innovative winemaking	835,426
AWR 2202-3.1.1	Co-innovation design process – No and Low Alcohol wine production	207,871
AWR 2202-3.3.1	Co-innovation design process – Wine Production and Quality	567,501
CSA 2301-1	Enabling technologies for production of improved clones of existing premium winegrape varieties using 'DNA-free' gene-editing	1,507,201
CSA 2301-2	Premium winegrape varieties with improved fungal pathogen tolerance and quality traits through gene-editing	1,684,629
CSA 2301-3	Durable pest resistant grapevine rootstocks and germplasm evaluation	1,239,123
CSU 1702	Strategic Research Agreement	434,299
CSU 2201	Inland Region Profitability Project	200,000
CSU 2301	Botrytis test kit evaluation	70,394
FOV 2201	National Grapevine Collection Coordinator	72,630
FOV 2202	Implementation of a national standard for grapevine certification – Phase 2a	20,600
FOV 2301	Virus testing of the AVIA, CSIRO and SARDI grapevine germplasm collections	19,757
INN 2101	NOLO project developments	56,006
INN 2201	Wine Production and Quality Project (Impact Innovation)	90,767
UA 1602	Understanding the drivers of terroir in the Barossa Valley	688,525
UA Ph2102	The role of polysulfides in the appearance of 'reduced' wine aromas	45,000
UA Ph2103	Driving the image and growth of NOLO wines in Australia and key export markets	45,000
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.	174,138
WA 1908	Assessing the practicality of the robot platforms from swarmfarm robotics	23,333
WA 2002	UA Novation – SAWIDS Agtech Demonstration Sites	29,861
WAC 2013	Agtech Program Work Methodology	25,002
WAC 2113	A prototype ecosystem for sharing spray diary data	1,882
WAC 2205	Project Manager of Profitability and Optimisation Project Phase 1	39,090

Project Number	Title	Funding/returns for 2022-23 \$
WAC 2206	Consulting services in relation to commercialisation activities associated with Wine Australia projects (Nick Pagett)	4,500
WAC 2207	Riverina Winegrape Growers participation in co-design of the Profitability Project	200,000
WAC 2208	Improvements in grapevine breeding and germplasm supply for the Australian wine sector – The Growth Drivers	178,794
WAC 2210	Spray Diary Project (replacing WAC 2115)	58,753
WAC 2304	Grapevine breeding and germplasm support	4,085
WAS 1903	FOMENT Sponsorship – Principal Partner	30,000
WIA 2201	Collaboration agreement with NSW WIA – Wine Industry Productivity and Profitability Cluster (WIPP cluster)	86,667
Strategy 4: Grow sustainable environments		
AWR 2201	AWRI Australia wine industry life cycle assessment update	13,450
AWR 2202-3.2.1	Co-innovation design process – Sustainability	514,668
DJP 2001	Integrated management of grapevine phylloxera: Phase II	251,085
EDG 2201	Emissions Reduction Roadmap	237,299
ESG P	Wine Australia ESG Investment Plan for the Australian wine sector	415,933
EV 2101	An adoption program for increasing the use of cover crops in vineyards and the planting of species that enhance functional biodiversity	150,000
HIA 2001	Plant Biosecurity Research Initiative Phase II Collaboration and Funding Agreement 2021-2023	34,000
LTU 2001	Validation and implementation of an early warning system to reduce smoke impacts from prescribed burns and bushfires on agricultural industries in Victoria	91,000
LTU 2003	North East Victoria vineyard smoke sensor network	200,500
PFR 2001	Best practice management of grapevine viruses in Australia	2,472
PHA 1801	Review of the Biosecurity Plan and Manual for the Viticulture Industry	18,780
RV 2101	National EcoVineyards Program	486,264
SAR 1701	Strategic Research Agreement	1,199,408
SWA	Support for Sustainable Winegrowing Australia	145,062
UQ 2001	ARC Research Hub for Sustainable Crop Protection	50,000
USC 2301	CCA Post Project	50,000
VIB 1901	Update and review of Viticulture Industry Biosecurity Plan (VIBP)	6,705
WA 1906	National Working Party in Pesticide Applications (NWPPA) Stakeholder Contribution	(5,000)
WA 1909	Novel technologies to assist rapid and sensitive detection of Brown Marmorated Stink Bug	30,000
WA 2001	Xylella Insect Vectors (Co-funded Hort Innovation)	360,000
WA 2201	One Basin CRC Partnership Agreement	150,000
WA 2301	CRC SAAFE – Major Partners Agreement	250,000
WA 2302	What is the best fit for electric weed control in Australia?	10,000
Strategy 5: Build business sustainability, excellence and leadership		
AGTECH	Agtech Program	283,904
AGW 1607	ASVO Sponsorship Agreement	20,000
AGW Ph1604	Locating terroir: understanding businesses' identification with their local environment, place and community	(396)
AWR 2202-1.1.1	Collecting and disseminating information on agrochemicals	235,595
AWR 2202-1.2.1	Improving viticulture and oenology practice through extension and communication	1,146,305
AWR 2202-1.3.1	Helpdesk	1,205,695
AWR 2202-1.4.1	Library and information services	445,662
CRRDC	Council of Rural R&D Corporations	13,417
GRP 1701	Regional Plan – Riverina 2017-2023	125,000
GRP 1702	Regional Plan – Greater Victoria 2017-2023	50,000
GRP 1703	Regional Plan – Tasmania 2017-2023	24,893

Project Number	Title	Funding/returns for 2022-23 \$
GRP 1704	Regional Plan – SA North 2017-2023	50,000
GRP 1705	Regional Plan – Murray Valley 2017-2023	186,861
GRP 1706	Regional Plan – Limestone Coast 2017-2023	50,000
GRP 1707	Regional Plan – SA Central 2017-2023	50,000
GRP 1708	Regional Plan – Greater NSW & ACT 2017-2023	49,940
GRP 1709	Regional Plan – Western Australia 2017-2023	50,000
GRP 1710	Regional Plan – Queensland 2017-2023	25,000
GRP 1711	Regional Plan – Riverland 2017-2023	184,328
GRP 2301	Regional Plan – Greater NSW and ACT 2023-2028	175,000
GRP 2302	Regional Plan – Greater Victoria 2023-2028	50,000
GRP 2303	Regional Plan – Tasmania 2023-2028	25,000
GRP 2304	Regional Plan – SA North 2023-2028	50,000
GRP 2305	Regional Plan – Murray Valley 2023-2028	125,000
GRP 2307	Regional Plan – SA Central 2023-2028	50,000
GRP 2308	Regional Plan – Western Australia 2023-2028	50,000
GRP 2309	Regional Plan – Queensland 2023-2028	25,000
GRP 2310	Regional Plan – Riverland 2023-2028	125,000
IMT	Improving Market Transparency in Perishable Agricultural Goods Industries	202,832
INN 2301	Implementation support for Impact Projects (Impact Innovation)	69,620
Market Research	Market Insights	393,879
People Development	Alumni Support	32,902
People Development	Careers and workshops	18,068
PIN 2201	Pinion Advisory – PIRSA Bushfire Recovery Case Studies (refer PIR 2201)	70,200
UA Ph2101	Use of activated carbon fabrics to mitigate smoke taint in grapes and wine	45,000
UA Ph2104	Examining consumer acceptance of alternative and gene-edited traditional grape varieties	37,500
UA Ph2105	Defining the diversity and the potential applications of yeasts from Australian niches	22,500
WA 2007	Delivery of the Future Leaders Program (Pragmatic Thinking)	215,675
WA IN	Innovators' Network – extension and adoption projects	72,951
WA L2001	Sponsorships – Science and Innovation Awards	19,888
WA Ph1703	Assessing the Suitability of Indigenous Cypriot Grape Varieties for Australia's Challenging and Changing Climate	(1,745)
WA Ph1707	Towards Differential Management to Supply More Fruit at Desired Price Point	(5,472)
WA Ph1804	Characterising the distinctive flavours of Australian Cabernet Sauvignon Wines	(1,514)
WA Ph1904	Science to inform decision making between synthetic and alternative nitrogen sources in vineyards	8,702
WA Ph1905	From Brandewijn (burnt wine) to Bush Fires: New Directions in Australian Brandy Production	9,863
WA Ph1907	The molecular epidemiology and control of grapevine Pinot Gris virus in Australian viticulture	15,499
WA Ph1908	A regional study of the effects of vineyard floor management on soil health, biodiversity and terroir expression	1,450
WA Ph1913	Wine Production in a Changing Australian Climate: Water addition to musts and the effects on phenolic, chemical and sensory attributes	8,800
WA Ph2000	Implementation of agroecological practices in viticulture: Identification of factors that motivate or constrain uptake (Johnson, Anne)	30,672
WA Ph2001	Engineering biosensors of wine spoilage (Cebreco, Ranjith)	16,403
WA Ph2002	Engineering biosensors of smoke taint (Harlington, Alix)	9,568
WA Ph2003	Mitigating taint in wine due to vineyard exposure to bushfire smoke (Huo, Yiming)	16,403
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)	10,000

Project Number	Title	Funding/returns for 2022-23 \$
WA Ph2006	Essays in Wine Economics (Puga, German)	8,775
WA Ph2007	Comparison of soil, vine, and environmental metrics to optimise vineyard irrigation scheduling (Schlank, Rochelle)	11,403
WA Ph2009	Genetic basis of salt exclusion in grapevine (Zhou Tsang, Andres)	4,567
WA PH2100	Developing and applying climate smart and biochar-based innovative technologies for viticulture future in southeast Queensland	15,646
WA PH2101	The Wine Provenance Project: Blockchain-enabled wine labels, a new era for consumer trust?	6,146
WA PH2102	Alternatives to sulfur dioxide for controlling Brettanomyces spoilage in wine	8,312
WA PH2103	Phycosol – A Novel and Integrated approach for sustainable Winery wastewater Treatment for enhancing Circular Economy	14,146
WA PH2104	Inter-vine signalling via plant volatiles	1,521
WA PH2105	Bait lamina probe as a farmer friendly tool for assessing soil biological activity	(10,000)
WA PH2106	Alternate strategies and vineyard practices for reducing the risk of grapevine trunk diseases	9,846
WA PH2107	Vines, Wines and Microbiomes: The impact of fungicides on the phyllosphere microbiome of grapevines used for winemaking	13,837
WA Ph2200	Rapid analytical methods for early detection of smoke taint in grape juice	7,569
WA Ph2201	One vine, two diseases: Interactions of different grapevine trunk disease pathogens within vines	4,419
WA Ph2202	Mobile RNA signalling between rootstock and scion in grafted grapevine	6,225
WA Ph2203	Monitoring Avian Functional Diversity in Vineyards Using Autonomous Recording Units and Deep Learning	7,500
WAC 2011	Benefit Cost Analysis (BCA) of Wine Australia R&D Investments	67,200
WAC 2104	VitiSynth for Australian levy payers	10,000
WAC 2108	Wine Ingenuity	9,450
WAC 2112	Deliver the Next Crop Leadership Program for the Clare Valley Region	40,500
WAC 2116	Angus Barnes – Profitability Project (Riverina and Warm Inland)	15,966
WAC 2201	Careers in grape and wine – video series (ABCX Productions)	50,000
WAC 2203	Virtual reality careers tour	152,300
WAC 2204	SME role for Virtual Reality Project	28,668
WAC 2211	Keith Hayes	16,005
WAC 2214	Riverina Regional Program Pest and Disease Project (Andy Clarke)	60,000
WAC 2302	Deliver the Next Crop Leadership Program for the Tasmania Region	45,000
WAP 2001	Wine Communicators of Australia (WCA) – Wine Industry Mentor Program	20,000
WAS 1901	Primary Industries Education Foundation Australia (PIEFA) – Partnership	10,000
WAS 1902	Diversity in Agriculture Leadership Program	15,000
WAS 2000	Agriculture Innovation Australia (AIA) – RDC joint investment organisation	65,000
WAT 2001	Oral/Poster presentation at the IX International Symposium on Mineral Nutrition of Fruit Crops, Israel, June 27 – July 1, 2021	(314)
WAT 2003	Effects of ethanol, viscosity, tannin and flavour enhancement on sensory properties and consumer perception of ‘body’ in commercial red wine	(739)
WAT 2005	Participation at Pacificchem 2020	(2,036)
YLN	Young leaders network	49,000
		23,845,905

Provider and management codes

AGW	Australian Grape & Wine
AGTECH	Wine Australia Agtech program expenditure
Alumni Support	Supporting ongoing education and network for Future Leader's graduates
AWR	Australian Wine Research Institute
CRD	Cotton Research and Development Corporation
CRRDC	Council of Rural R&D Corporations
CSA	CSIRO Agriculture and Food
CSU	Charles Sturt University
DED	Department of Economic Development, Jobs, Transport and Resources
DJP	Department of Jobs, Precincts and Regions
DPD	Department of Primary Industries (NSW)
FU	Flinders University
GRP	GWRDC Regional Program
LTU	La Trobe University
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 (e.g. Wine Communicators of Australia – Wine Industry Mentor Program and PIEFA – Curriculum development schools)
WAS	Wine Australia sponsorships
WAT	Wine Australia travel bursaries



Appendix II: Glossary

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
AGW	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
CRC	Co-operative Research Centre
CRRDC	Council of Rural Research and Development
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DAFF	Department of Agriculture, Fisheries and Forestry
DFAT	Department of Foreign Affairs and Trade
ELISS	Export Label Image Search System, managed by Wine Australia to help Australian wine producers protect their intellectual property rights.
Epigenetics	the study of changes in gene function that are heritable but not attributed to alteration of the genetic code itself
ERWSP	The Australian Government’s \$50 million Export and Regional Wine Support Package
FIVS	Federation International du Vin et Spirit – international trade body representing the wine and spirits sector
FOB	free on board
FSANZ	Food Standards Australia New Zealand, which administers the Australia New Zealand Food Standards Code
FTAs	Free Trade Agreements
GI	Geographical Indications, place names associated with specific, geographically-defined and regulated grapegrowing regions

GI Committee	Geographical Indications Committee which reviews and creates GIs
GIS	geographic information system generally designed to capture, store, manipulate, analyse, manage, and present spatial or geographic data
IWSR	International Wines and Spirits Record
KPIs	key performance indicators
LAMP	Loop-mediated isothermal amplification (LAMP) is a technique for the amplification of DNA which offers a low-cost alternative to detect certain diseases
LiDAR	light detection and ranging radar
LIP	Label Integrity Program
Loci	Latin term for specific location, generally used in the context of specific positions on a DNA strand.
MAT	moving annual total
NAA	naphthaleneacetic acid (NAA) is a plant growth regulator
NOLO	No alcohol or low alcohol wines
Non-GM	not Genetically Modified – usually in the context of traditional breeding or selection methods
NWGIC	National Wine and Grape Industry Centre
MLA	Meat and Livestock Australia
OIV	International Organisation of Wine and Vine
PACE	pesticide adjusted for the canopy environment
PBR	Plant Breeders' Rights – the botanical equivalent of a patent for the developer of a plant variety with specific characters
PGPA Act	Public Governance, Performance and Accountability Act 2013
RDA or RD&A	research, development and adoption
RD&E	research, development and extension
R&D	research and development
R&I	research and innovation
the Act	Wine Australia Act 2013
the Regulations	Wine Australia Regulations 2018
SNP	single-nucleotide polymorphism – a reference to a single nucleotide that may appear in slightly different places in the genome across different individuals. The differing placements can be used as a guide to different physical characters, resistances or susceptibilities.
SARDI	South Australian Research and Development Institute
SWA	Sustainable Winegrowing Australia
WALAS	Wine Australia Licensing and Approval System
Xylella fastidiosa	The Latin name for the bacteria associated with Pierce's Disease. The exotic-to-Australia pathogen, transmitted by insects, is associated with economically devastating effects in grapevines – the bacteria also causes severe economic losses in citrus and olives.

Appendix III: Compliance Index

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

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

Details		Page No.
Wine Australia Funding Agreement 2020–30		
Contribution to the implementation of relevant industry sector and cross-sectoral strategies under the RD&A Framework		6, 8, 32, 33
The rationale for the mix of projects included in the Balanced Portfolio		38, 39
Report on research extension activities		14–21, Appendix I
Collaboration with industry and other research providers		8, 10, 13, 14, 30–33
Identify sources of income including separate identification of the Levy, the Charge, Commonwealth Matching Payments and other forms of income including Voluntary Contributions		37–39
Full cost of R&D and other activities with costs being allocated in accordance with the Cost Allocation Policy		37–39
Progress in implementing strategic plan including progress against the plan's KPIs		10–25
Bring the KPIs for each program in the strategic plan and AOP together and demonstrate how the deliverables funded advanced the outcomes		10–25
Assessment of the efficiency and effectiveness of investments		10–25, 37–42
Progress in implementing the Guidelines		30–33
• The 'Guidelines' for the Annual Report 2022–23 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		4, 6, 8, 12, 25, 31, 32, 35, 38, 40
Other relevant matters notified to Wine Australia by the Commonwealth by 30 June		n/a
Section	Details	Page No.
Wine Australia Act 2013		
s31K(5)(c)(d)	Particulars of a Minister's direction and any impact of the direction on the operations of the Authority	29
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	23
s38(1)(c)(i)	Grape or wine R&D activities coordinated or funded, wholly or partly during the period	66–69
s38(1)(c)(ii)	The amount spent in relation to each of those activities	66–69
s38(1)(c)(iii)	Which of those activities related to ecologically sustainable development (if any)	17–19, 66–69
s38(1)(c)(iv)	The impact of those activities on the grape industry and wine industry	14–21
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	66–69
s38(1)(c)(vii)	The making of grants under section 10C	54
s38(1)(c)(viii)	Activities in relation to applying for patents for inventions, commercially exploiting patented inventions and granting licences under patented inventions	n/a
s38(1)(c)(ix)	Activities of any companies in which Wine Australia has an interest	n/a
s38(1)(c)(x)	Any activities relating to the formation of a company	n/a
s38(1)(c)(xi)	Significant acquisitions and dispositions of real property (land and buildings)	n/a
s38(1)(d)	Assessment of the extent to which Wine Australia's operations during the period have achieved the Authority's objectives as stated in its strategic plan implemented the AOP applicable to the period	8, 10–21
s38(1)(e)	Assessment of the extent to which Wine Australia has contributed to the attainment of the objects of the Wine Australia Act 2013	Entire report
Schedule 12	Information from its Geographical Indications Committee on its operations	23

Section	Details	Page No.
Public Governance, Performance and Accountability Act 2013		
s39(1)(b)	Include a copy of the annual performance statements	30–42
s43(4)	Include a copy of the annual financial statements and the AuditorGeneral's report	44–65
s46(3)	The annual report must comply with any requirements prescribed by the rules	30–65
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)	44–47
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	28
s17BE(b)(i)	A summary of the objects and functions of the entity as set out in the legislation	28
s17BE (b)(ii)	The purposes of the entity as included in the entity's corporate plan for the reporting period	8
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	28
s17BE(d)	Directions given to the entity by the Minister under an Act or instrument during the reporting period	28
s17BE(e)	Any government policy order that applied in relation to the entity during the reporting period under section 22 of the Act	n/a
s17BE(f)	Particulars of non-compliance with: <ul style="list-style-type: none"> a direction given to the entity by the Minister under an Act or instrument during the reporting period; or a government policy order that applied in relation to the entity during the reporting period under section 22 of the Act 	n/a
s17BE(g)	Annual performance statements in accordance with paragraph 39(1)(b) of the Act and section 16F of the rule	37
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	28
s17BE(j)	Information on the accountable authority, or each member of the accountable authority, of the entity during the reporting period	23
s17BE(k)	Outline of the organisational structure of the entity (including any subsidiaries of the entity)	22, 26–27
s17BE(ka)	Statistics on the entity's employees on an ongoing and non-ongoing basis, including the following: <ul style="list-style-type: none"> statistics on full-time employees statistics on part-time employees statistics on gender statistics on staff location 	27
s17BE(l)	Outline of the location (whether or not in Australia) of major activities or facilities of the entity	8, 22
s17BE(m)	Information relating to the main corporate governance practices used by the entity during the reporting period	22
s17BE(n), s17BE(o)	For transactions with a related Commonwealth entity or related company where the value of the transaction, or if there is more than one transaction, the aggregate of those transactions, is more than \$10,000 (inclusive of GST): <ul style="list-style-type: none"> the decision-making process undertaken by the accountable authority to approve the entity paying for a good or service from, or providing a grant to, the related Commonwealth entity or related company; and the value of the transaction, or if there is more than one transaction, the number of transactions and the aggregate of value of the transactions 	62
s17BE(p)	Any significant activities and changes that affected the operation or structure of the entity during the reporting period	4–7, 29

PGPA Rule Reference	Details	Page No.
Public Governance, Performance and Accountability Rule 2014		
s17BE(q)	Particulars of judicial decisions or decisions of administrative tribunals that may have a significant effect on the operations of the entity	29
s17BE(r)	Particulars of any reports on the entity given by: <ul style="list-style-type: none"> • the Auditor-General (other than a report under section 43 of the Act); or • a Parliamentary Committee; or • the Commonwealth Ombudsman; or • the Office of the Australian Information Commissioner 	n/a
s17BE(s)	An explanation of information not obtained from a subsidiary of the entity and the effect of not having the information on the annual report	29
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)	29
s17BE(taa)	The following information about the audit committee for the entity: <ul style="list-style-type: none"> • a direct electronic address of the charter determining the functions of the audit committee; • the name of each member of the audit committee; • the qualifications, knowledge, skills or experience of each member of the audit committee; • information about each member's attendance at meetings of the audit committee; • the remuneration of each member of the audit committee 	25
s17BE(ta)	Information about executive remuneration	26, 62

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