

An aerial photograph of a vast vineyard in Australia during the 'golden hour' of sunset. The rows of grapevines are meticulously planted in a grid-like pattern across rolling hills. The warm, low-angle light creates long shadows and highlights the textures of the vines and the surrounding landscape. In the distance, a small farmstead with a blue-roofed building is visible among trees. The overall mood is serene and picturesque, emphasizing the scale and beauty of the wine industry.

Wine
Australia

Annual Operational Plan 2021-22

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

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

Wine Australia overview

What we do

We invest for the Australian grape and wine sector's success.

Our stakeholders

Our funders are grapegrowers through the grape research levy, wine producers through the wine grape levy, wine exporters through the wine export charge, and the Australian Government through its matching funding for investments in research, development and adoption (RD&A) and the Export and Regional Wine Support Package (\$50m Package).

Other stakeholders include those employed by grape and wine businesses; national, state and regional representative organisations; researchers; state governments; wine industry suppliers; the media and our staff.

Our powers and responsibilities

As set by the *Wine Australia Act 2013* (the Act), we:

- coordinate or fund grape and wine research and development, evaluate the investments and facilitate the dissemination, adoption and commercialisation of the results
- control the export of wine from Australia
- promote the sale and consumption of wine, both in Australia and overseas, and
- administer the Export and Regional Wine Support Package.

Measuring success

We measure and assess our achievements against our strategies through key performance indicators (KPIs) and we report against our KPIs at least every six months.

Our strategies



Introduction

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

The China market has effectively closed to Australia in the short to medium term and diversification is in the spotlight. Aligning with Austrade, we will focus our resources to drive penetration in the traditional markets of North America, the United Kingdom (UK) and Continental Europe and diversify into the ASEAN / APAC regions.

The drop in exports impacts levies and export charges resulting in a reduction to marketing funds, smaller campaigns, a changed operational structure and reduced geographical remit in 2021-22.

As such, we need to market smarter, focusing on strategies that drive the most value, optimising our marketing channels, communications touchpoints, and partnerships. Fortunately, while the Australian Government's \$50m Package funding has largely been expended it has left Wine Australia judiciously positioned to deliver marketing outcomes by amplifying the work that's gone before.

We will continue to build the Australian Wine Made Our Way brand, remaining true to its values, distinguishing us from competitors and building loyalty among trade and consumers.

International travel bans during 2020 caused the cancellation of international trade shows, events and in-bound visits. The \$50m package funds intended for these activities were reinvested in a digital platform and marketing ecosystem – Australian Wine Connect – which will be the centrepiece of Wine Australia's marketing initiatives during 2021.

Wine Australia has already taken significant steps during the past financial year to adjust its staffing and activities to match its anticipated funding during 2021-22 reducing staffing globally and particularly in China as marketing efforts focus elsewhere.

Our focus for 2021-22 is to achieve the strongest return for the grape and wine sector by delivering the objectives of our Strategic Plan as effectively and as efficiently as possible. We will meet our sectors' needs while adapting to the changing business and operating environment caused by COVID-19.

A key initiative will be the introduction of the Wine Label Directory, to strengthen the integrity of Australian wine labels and to make it easier for brand owners to detect potentially fraudulent activity. An initiative of the sector, led by Australian Grape & Wine (AGW), the Directory, will be publicly accessible via the Export Label Image Search System (ELISS) from 1 July 2021.

We will continue to work closely with AGW and our stakeholder groups to ensure that our activities remain aligned with sector objectives. We will communicate clearly and consult widely, so that we are aware of the sector's needs and the sector knows how we are contributing. By leveraging the work of our research partners, we will help our sector be sustainable and for Australian wine to be known internationally for stewardship as well as quality.

The bonds and camaraderie of the Australian wine community are stronger than ever, the challenges faced in recent times driving innovation, boldness and excellence.

Strategic Plan 2020–25

Wine Australia is funded by grapegrowers through the grape research levy, by wine producers through the wine grapes levy and by wine exporters through the wine export charge. The Australian Government provides matching funding for the research, development and adoption (RD&A) portion of the levies. Our Strategic Plan details how we will invest this funding over the next five years to help the sector be profitable, resilient and sustainable.

The Plan builds on the improved performance of the sector over the past years, both domestically and internationally. Exports account for around 60 per cent of wine produced and the value of annual exports has increased from \$1.89 billion to \$2.77 billion since 2015. Australian wine holds a 79 per cent value share in the domestic market and, as in our mature export markets, there is a move to premiumisation, with Australians consuming less wine per person and spending more per bottle. As the effects of the responses to COVID-19 flow through the international community, we will ensure that our sector has the most up-to-date information to understand the impacts on grape and wine production and wine demand and exports.

Our five-year Plan was developed in partnership with the peak national membership organisation for the sector, Australian Grape & Wine Incorporated (AGW), following extensive consultation with our stakeholders. The Plan closely aligns with AGW's Vision 2050.

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

Australian wine: enjoyed and respected globally

and its goal as:

Profitable, resilient and sustainable winegrape and wine businesses.

Our Strategic Plan is also informed by the Australian Government's Science and Research Priorities and its Rural Research, Development and Extension Priorities.

Our Plan's five strategies seek to contribute to Vision 2050's five pillars, as detailed in Figure 1.

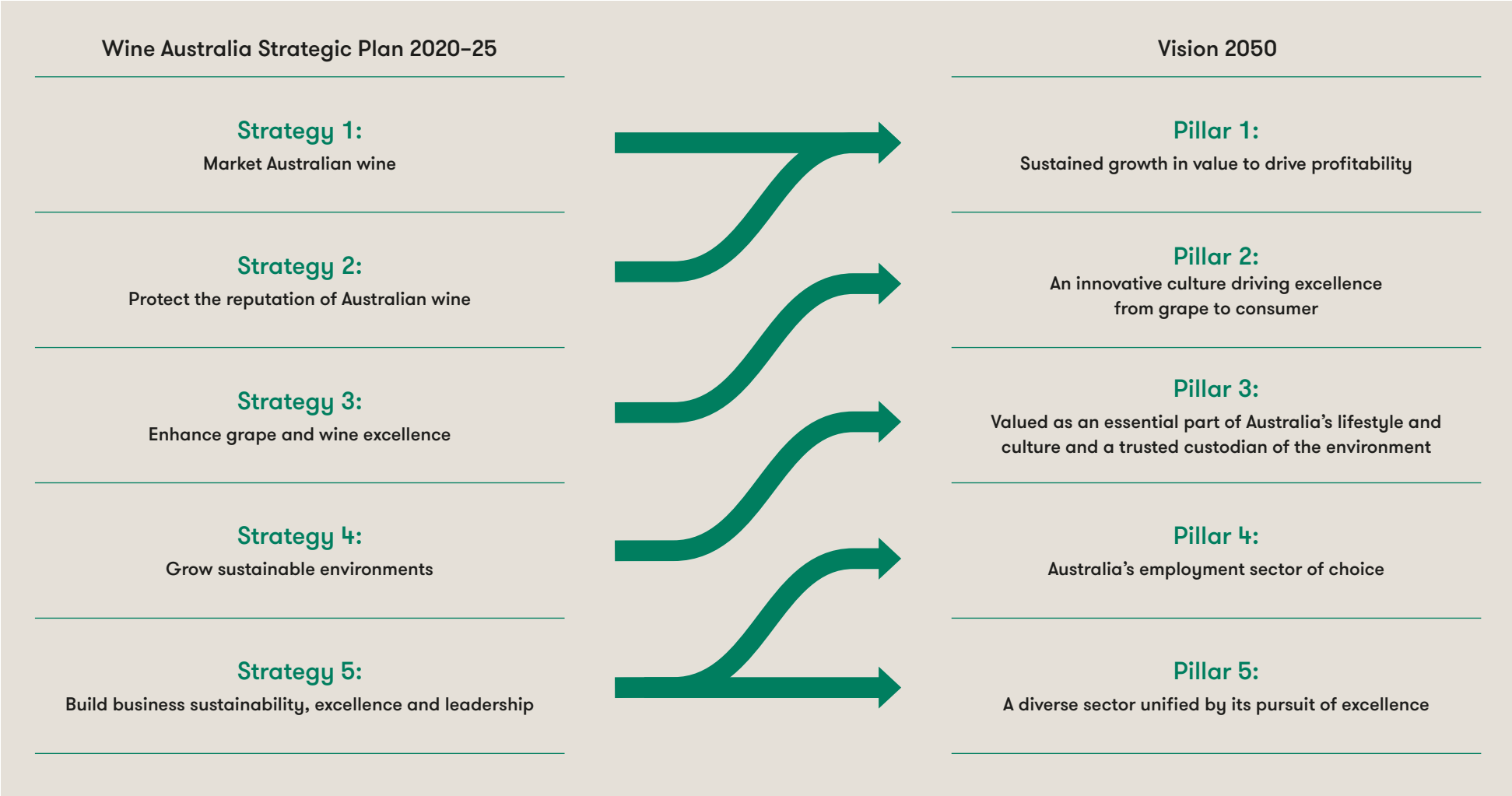
We believe that it is important to measure and assess the effectiveness, efficiency and transparency of our activities, investments and operations. We seek to maximise the return for our investors within the prevailing market conditions. Our measures of success



draw on our market analysis and insights to set ambitious and informed targets. We will measure and report on our achievements against each strategy and on the overarching key performance indicators (KPIs).

The KPIs for each of the five key strategy areas identified in our five-year Plan are identified and addressed in detail for each strategy later in this document.

Figure 1: Wine Australia’s five strategies contribute to the five pillars of Vision 2050.



Strategy 1:

Market Australian wine

We strive to increase the demand and the premium paid for all Australian wine to help Australian wine be enjoyed and respected globally and to build profitable, resilient and sustainable winegrape and wine businesses.

To help grow the profitability of the Australian grape and wine sector, our marketing activities aim to:

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

Our role is to help our winemakers and brand owners put their best foot forward to win a greater share of the global alcohol beverage budget. Australian exporters from all wine regions want to capture a greater market share in our target markets at the following price points:

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

The pandemic and imposition of Chinese tariffs has created a significant step-change in how we market Australian wine globally. Throughout the challenges we have remained flexible and responsive to market conditions, accelerating the planned diversification of the marketing mix to increase commercial promotions and retail partnerships in key markets, and supercharge our social, communications and digital campaigns.

The China market is effectively closed to Australia in the short to medium term and diversification is in the spotlight. Aligning with Austrade, we will focus our resources to drive penetration in the traditional markets of North America, the UK and Continental Europe and diversify into the ASEAN/APAC regions.

The reduction in exports impacts levies and export charges resulting in less marketing funds, smaller campaigns, a changed operational structure and reduced geographical remit in 2021-22.



As such, we will need to market smarter, focusing on strategies that drive the most value, optimising our marketing channels, communications touchpoints, and partnerships. Fortunately, the Australian Government's \$50m Package has positioned Wine Australia judiciously to deliver marketing outcomes by amplifying the work that's gone before.

We will continue to build the Australian Wine Made Our Way brand, remaining true to its values, distinguishing us from competitors and building loyalty among trade and consumers. The interviews conducted and imagery captured across our wine regions will enable us to keep telling Australian wine stories around the world. We encourage our stakeholders to do the same. The bonds and camaraderie of the Australian wine community are stronger than ever, the challenges faced in recent times, driving innovation, boldness and excellence.

International travel bans caused the demise of international trade shows, events and inbound visits. The \$50m Package funds intended for these activities were reinvested in a digital platform and marketing ecosystem – Australian Wine Connect – the centre point of all ongoing Wine Australia marketing initiatives.

Australian Wine Connect, launched on 27 April 2021 is a dynamic, always on, virtual platform bringing the global wine community together to build new connections with Australia's wine sector. It will be the focus of trade promotion in 2021–22. There are three main elements:

- **Expo** – hundreds of Australian wineries featuring thousands of wines with powerful search tools providing 24/7 access
- **Explore** – exclusive content of curated collections and conversations to immerse visitors in Australian wine, quarterly and monthly themes, and
- **Educate** – evolving show case of the people, places and processes that make Australian wine far from ordinary, connect conversation featuring keynote presentations, tastings, panel discussions and networking.

Our social, communications and digital campaigns will lead trade to visit Australian Wine Connect. Regular live high-quality virtual events within the site will attract our target audience of global buyers. Once on the site the rich, searchable content will drive trade to connect with Australian wineries.

Working with Austrade and Food Innovation Australia Ltd (FIAL), we will deliver highly targeted business matching services in focus markets. Wineries which are new to exporting or seeking to build capability to enter new markets will be able to access to the new Market Explore programs, the US Market Entry program and online tools and resources from the Growing Wine Exports program.

In the USA and Canada, we will continue to promote Australian wine at the point of purchase through retail and distributor activations and promotions with Liquor boards, independent retailers and national and regional retail chains.

Our planned in-market activities include:

- Continuing retail support in Canada, the UK and the USA to drive category growth and awareness, including through traditional in-store tastings, social and digital promotion and an increased category presence
- Always-on social media sharing stories and delivering key messages of people place and process
- Australian Wine Connect, always on digital global trade business matching platform
- Australian Wine Discovered training, workshops and amplification
- Sustainable Wine Growing Australia (SWA) will become a central marketing pillar of Australian Wine Made our Way, launched internationally.

The Wine Export Grants have been extended to 1 May 2022. There are many eligible marketing expenses wine producers can apply for under the grant – promotional activity, distributor support, social campaigns, sampling and more. www.wineaustralia.com/whats-happening/export-and-regional-wine-support-package/grants.

Our marketing campaigns will always contribute to the ambitious targets Vision 2050 has set for the sector and we will measure them accordingly to understand their effectiveness in achieving our longer-term goals.

Strategy 1: Market Australian wine

| Strategic Plan measure of success | Measure of success 2021–22 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 85 per cent of Tier A1 Influencers engage with Wine Australia* | <p>At least 85 per cent of Tier A influencers actively engage with Wine Australia through regular contact and outreach via Australian Wine Connect (and associated) virtual events, Australian Wine Discovered, retail partnerships, trade market programs (i.e. market entry and explore programs) and partnerships (Austrade and FIAL) as well as communications and social media channels.</p> <p>Over 1,200 in business-to-business connections made on Australian Wine Connect annually</p> <p>Overall likelihood to recommend Australian Wine Connect and Australian Wine Discovered – Net Promoter Score of 40.</p> <p>Growth in downloads of Australian Wine Discovered resources, assets and tools on (year on year).</p> <p>Increase in positive media sentiment in media coverage and other published content on Australian wine (year on year).</p> |
| The perception of Australian wine increases in Canada, China ² , the UK and the USA by 5 per cent in each market. | <p>As measured through the annual Wine Intelligence survey, average consumer perception of Australian wine increases across Canada, the UK and USA by 5 per cent (from 8.2 to 8.6)</p> <p>For paid social media, we achieve an average engagement rate of 20 per cent for Facebook and Instagram.</p> |
| Vision 2050 has set ambitious targets for the sector. Our marketing activities will contribute to achieving these and we will regularly report progress, acknowledging that sales results across markets are the responsibility of exporters. | <p>Increase in bottled FOB average value in Canada, the UK and USA (year on year).</p> <p>Export value growth in markets where a collaborative agreement with Austrade exists (year on year) – Taiwan, Thailand, South Korea, Vietnam, Indonesia, Malaysia, Singapore and Japan.</p> |
| More than 90 per cent of our partners who participate in a Wine Australia promotional activity are satisfied or very satisfied with the activity. | <p>Wineries which participate in Wine Australia marketing campaigns report a 75 per cent or higher satisfaction rating.</p> <p>Participants in US Market Entry Program and Market Explore programs commence export.</p> |

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

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

Strategy 2:

Protect the reputation of Australian wine

In 2021-22 we will maintain our Regulator Performance Framework (RPF) to ensure that we conduct our regulatory functions with the minimum impact necessary to achieve regulatory objectives.

From 1 July 2021, Wine Australia will be required to maintain a public directory of wine labels exported from Australia and, in accordance with the Wine Australia Regulations 2018, exporters will be required to upload copies of labels as a precursor to obtaining approval for the export of packaged products. Exporters will need to make a declaration verifying that they have uploaded the correct labels, and, if a false declaration is made, Wine Australia will be able to take administrative action by considering licence cancellation or suspension.

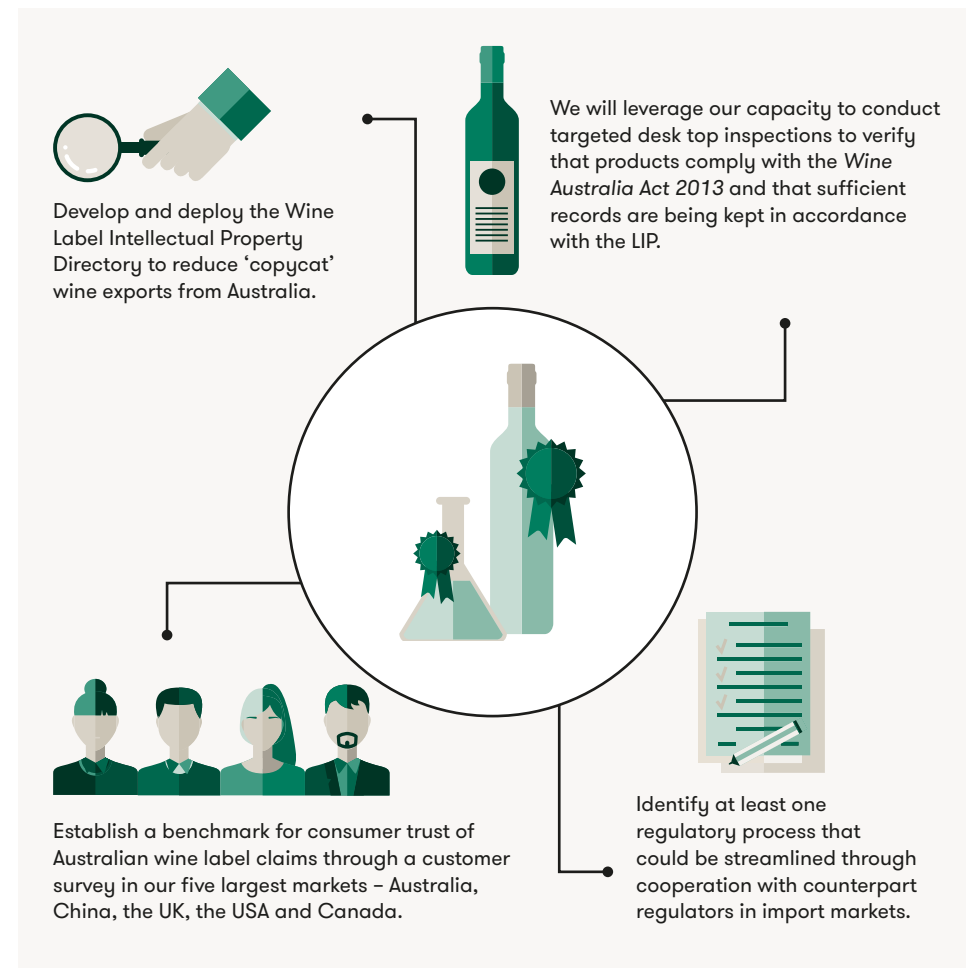
Accordingly, in 2021-22, we will work closely with exporters to familiarise them with changes to the export approval process which is managed through Wine Australia's Licensing and Approval System (WALAS), and to encourage use of the newly developed public Export Label Image Search System (ELISS).

We will continue to work with the Australian government to promote free trade negotiations that might result in Australian exporters obtaining preferential treatment in export markets, and we will monitor potential impediments to trade, with a view to enhancing market access, minimising technical trade barriers to trade, and streamlining regulatory processes through cooperation with counterpart regulators.

Our Label Integrity Program (LIP) helps ensure the truth and the reputation for truthfulness of Australian wine labels.

In 2021-22, we expect the way in which we administer the LIP to be significantly impacted by COVID-19 restrictions, and a significant reduction in revenue derived from regulatory fees as a result of the significant tariffs imposed on Australian wine imported to China.

Priority areas for Strategy 2



Accordingly, we will leverage our capacity to conduct targeted desk top inspections to verify that products comply with the *Wine Australia Act 2013* and that sufficient records are being kept in accordance with the LIP.

In 2021–22, we will promote and monitor compliance with the LIP by:

- inspecting the labels and the LIP records of high-risk exporters prior to granting export approval
- maintaining and promoting our WineWatch portal through which suspected breaches of the *Wine Australia Act 2013* can be reported anonymously
- investigating all alleged breaches of the labelling and record keeping provisions set out in the *Wine Australia Act 2013*
- inspecting the records kept by at least 200 Australia wine producers to verify whether records are being kept in accordance with the LIP, and
- assessing new traceability technologies that seek to incorporate LIP record keeping requirements.

We administer the export controls in accordance with the *Wine Australia Regulations 2018*. In 2021–22 we will ensure effective administration of the export controls by:

- maintaining WALAS to ensure that product composition and label descriptions are automatically reconciled to verify compliance with the Australia New Zealand Food Standards Code and the labelling laws set out in the *Wine Australia Act 2013*, and
- launching a public Export Label Image Search System.

Strategy 2: Protect the reputation of Australian wine

| Strategic Plan measure of success | Measure of success 2021–22 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Achieve the six key performance indicators in our Regulator Performance Framework. | <p>We will measure and report our performance against our regulatory performance framework.</p> <ul style="list-style-type: none"> • We will maintain and promote our WineWatch portal through which suspected breaches of the <i>Wine Australia Act 2013</i> can be reported anonymously and investigate all alleged breaches of the labelling and record keeping provisions set out in the <i>Wine Australia Act 2013</i>. • Through our Label Integrity Program, we will inspect up to 200 producers' records, with a focus on those relating to wine regions and varieties that are in particular demand. • We will maintain WALAS to ensure that product composition and label descriptions are automatically reconciled to verify compliance with the Australia New Zealand Food Standards Code and the labelling laws set out in the <i>Wine Australia Act 2013</i>. |
| 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. | We will use the results of a consumer survey to establish the benchmark for consumer trust in key markets. |
| Having assessed three new traceability technologies, including blockchain, and their being available to the sector for adoption. | We will assess at least one new traceability technology and communicate the results, including to the Wine Industry Technical Advisory Committee. |
| Deliver streamlined regulatory process through cooperation with counterpart regulators in import markets. | We will engage with counterpart regulators in import markets to identify opportunities to cut red tape for our exporters. |

Strategy 3

Enhance grape and wine excellence

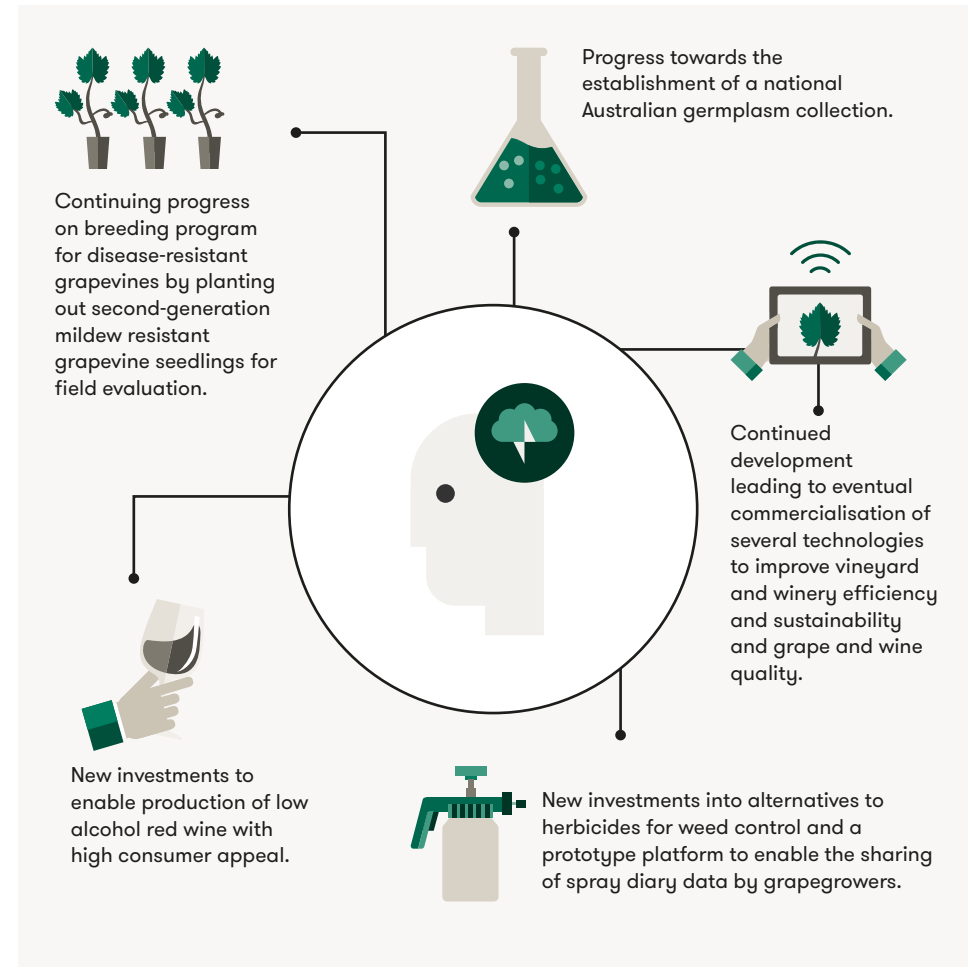
This strategy focuses on building grape and wine excellence. This supports our overarching strategy of helping Australian wine be enjoyed and respected globally and building profitable, resilient and sustainable winegrape and wine businesses.

In 2021–22, we will continue our long-term investment to identify enhanced grapevine varieties and clones, and breed new varieties and rootstocks that suit our environment, and consumer tastes and changing climate. We will also make progress towards the establishment and maintenance of a national germplasm collection as well as towards ensuring the supply of certified, healthy planting material to the sector.

We will work towards increasing viticultural efficiency and sustainability by developing, testing and commercialising new vineyard technologies and establishing agricultural technology (agtech) demonstration farms.

We will continue our focus on increasing winery efficiency through targeted research and by providing practical advice and resources to support the adoption of a range of new methods and strategies to enhance efficiencies and product quality, as well as improving sustainability.

Priority areas for Strategy 3



Strategy 3: Enhance grape and wine excellence

| Strategic Plan measure of success | Measure of success 2021–22 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Four enhanced or new grapevine varieties being available to the sector through plant breeding programs, informed by molecular methods to identify desired genotypic traits such as resistance to powdery and downy mildew. | Existing investment: CSA 1701-1.1, CSA 1701-1.2 and CSA 1701-1.6 and CSA 1701-1.7. <ul style="list-style-type: none"> At least 400 second-generation grapevine selections containing dual powdery and downy mildew resistance loci from different sources established in a no-spray vineyard. Genetic markers available for at least 4 traits in grapes important to wine consumers. Protocols evaluated for transient gene editing delivery systems such as CRISPR/Cas9. |
| 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. | Existing investment: CSA 1701-1.3, CSA 1701-1.4 and CSA 1701-2.1. <ul style="list-style-type: none"> Genetic markers available to use to select for new rootstocks resistant to phylloxera and root knot nematode, and with sodium exclusion. New rootstock breeding lines with potential resistance to phylloxera and nematodes planted in a vineyard for evaluation. |
| Four new or enhanced technologies and processes to improve vineyard efficiency and sustainability being available to the sector. | Existing investment: CSA 1701-1.5, CSU 1702-3, UA 1803-1.1 and UA 1803-1.2. <ul style="list-style-type: none"> ProxiCrop sensors evaluated by potential commercial partner in vineyards to determine irrigation requirement of vineyard. Viticanopy and VitiWeb available for use by sector and a hands-on workshop on VitiCanopy and VitiWeb delivered to industry practitioners. Multi-season validation of data of vine performance, yield, water use and water use efficiency, yield, grape/wine composition and quality from field trials of sensor-driven irrigation vs conventionally scheduled irrigation. A device to measure the onset of berry cell-death evaluated in commercial vineyards. Projects initiated to evaluate alternatives to herbicides for weed control (e.g. weed electrocution, mechanical weeding, groundcovers). |
| The supply of genetically diverse and high-health planting material being maintained to the satisfaction of relevant stakeholders. | Existing investment: AWR 2001, CSA 1701-1.7 and SAR 1701-2.3. <ul style="list-style-type: none"> Field trials of Cabernet Sauvignon clones are successfully established across three diverse climates. A National Germplasm discussion paper for the future management of Australia's grapevine germplasm collections is endorsed by sector stakeholders, investment requirements mapped out and new projects initiated to implement recommendations. Projects initiated to develop a regulatory framework and business case and fill R&D gaps to underpin a new national standard for grapevine propagation material. |
| 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. | Existing investment: CSA 1701-3.1, AWRI projects, CSU 1702-4, UA 1602, UA 1803-1.5 and UA 1803-2.1. <ul style="list-style-type: none"> Most promising sensor technology for vineyard use shortlisted and potential commercialisation partners identified. Yield estimation technology further developed. A prototype platform to enable the sharing of spray diary data by grapegrowers with existing and future diary providers developed. The role of foliar spraying in producing a high-potential thiol communicated to the sector. Knowledge of the drivers of Shiraz wine uniqueness and terroir communicated to the sector. Practical strategies available to the sector to decrease the occurrence or impact of negatively perceived sulfur molecules. The cost of production using existing methods for heat and/or cold stabilisation benchmarked against alternative methods. New molecular tests available to the sector to monitor and control Brettanomyces. Practical advice provided to the sector on the effects of glycosides in alternative products. New project developed on production of low alcohol red wine. |
| At least three Wine Australia-funded projects having progressed to commercialisation. | Commercialisation, as a path to adoption, of at least one: <ul style="list-style-type: none"> novel yeast or bacteria from microbiology investments. product or service from AgTech investments. winery processing innovation. |

Strategy 4

Grow sustainable environments

This strategy focuses on providing knowledge and tools to help growers and producers to be more environmentally sustainable. This supports our overarching strategy of helping Australian wine be enjoyed and respected globally and building profitable, resilient and sustainable winegrape and wine businesses.

In 2021–22, we will continue to work towards achieving the grape and wine sector's goal of zero nett carbon emissions and zero waste production by 2050, by establishing baselines of carbon emissions and waste production in a grape and wine production setting and mapping out a pathway to 2050 for the sector.

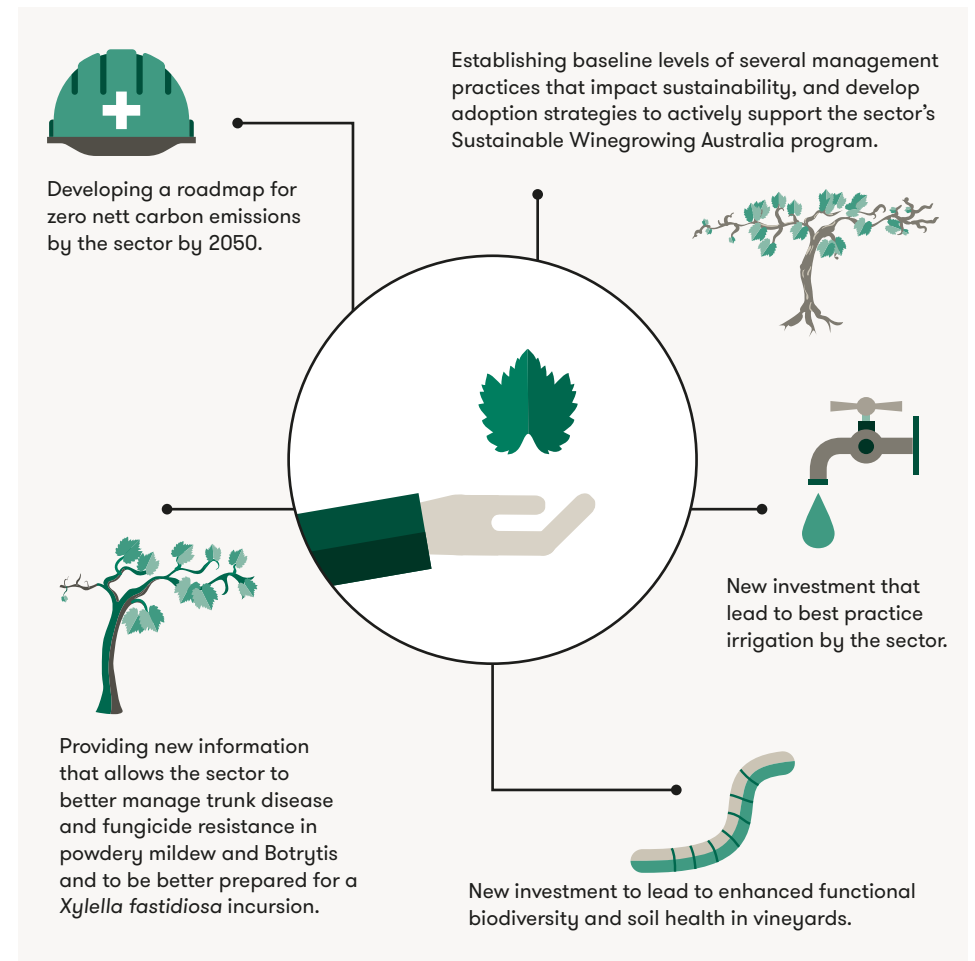
We will also continue to provide the sector with the information it needs to manage the challenges of short-term climate cycles and long-term climate change, including that of increased bushfire risk. We will also begin work to map out the investments required to support the grape and wine sector's adoption of climate change mitigation strategies.

We will continue to invest in research that will allow more efficient and effective use of water in the vineyard, and we will initiate new research that will lead to lower chemical use in the vineyard.

We will continue to invest in research to allow the sector to more sustainably manage endemic pests and diseases, and to be better prepared for exotic pests and disease.

We will actively support the sector's Sustainable Winegrowing Australia program to help the sector demonstrate its sustainability credentials.

Priority areas under Strategy 4



Strategy 4: Grow sustainable environments

| Strategic Plan measure of success | Measure of success 2021–22 |
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| New knowledge allows the sector to establish a carbon emissions benchmark. | Indicative baseline levels of carbon emissions established for the grape and wine sector from Sustainable Winegrowing Australia (SWA) metrics. |
| New knowledge allows the sector to establish waste production benchmarks. | Indicative baseline levels of waste established for the grape and wine sector from Sustainable Winegrowing Australia metrics. |
| 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. | <p>Existing investment: AGW 1706, CSA 1701-2.2, CSU 1702-5, CSU 1702-7, CSU 1702-8, LTU 2001, SAR 1701 - 2.1, SAR 1701 - 2.2, WA 2000, WA 2003 and WA 2004.</p> <ul style="list-style-type: none"> • A climate mitigation roadmap towards 2050 developed with AGW and tested with the sector. • Investment requirements mapped out and new projects initiated through Agricultural Innovation Australia and other partners on climate change adaptation and mitigation strategies that can be adopted by the grape and wine sector. • New products available through the Bureau of Meteorology to help predict extreme weather events to weekly and seasonal timescales. • Further vineyard evaluation of plant growth regulators and other reagents as tools to delay budburst and therefore harvest. • Project initiated to investigate water use of various vineyard groundcover species and so determine management during periods of reduced water availability. • Improved knowledge available on vineyard recovery from fire damage and development of an imaging tool to rapidly assess fire damage and its spatial variability. • Improved understanding of how smoke taint develops in grapes which have had early exposure to smoke. • Successful deployment of a network of smoke detectors providing continuous, real-time monitoring of smoke dose from fires across wine regions of Victoria. • A predictive system for smoke taint risk which is scalable for the Australian and global wine industries. • Full dataset is available to link smoke dose and grape and wine phenol composition to sensory outcomes in wine. |
| A better understanding of vine water use contributes to better irrigation scheduling processes that allow more efficient and effective use of water. | <p>Existing investment: CSU 1702-9.</p> <ul style="list-style-type: none"> • Practical management options of the irrigation strategy required to maintain vine productivity under a scenario of reduced winter rainfall communicated to the sector. • New investments initiated through One Basin CRC |
| Research delivers clear information about the value of soil remediation processes and enhancing functional biodiversity. | <p>Existing investment: CSU 1702-8.</p> <ul style="list-style-type: none"> • Project initiated to determine the ecosystem services and functional traits provided to a vineyard by certain plant species. |
| New and improved practices for sustainable management of endemic pests and diseases are available to the sector. | <p>Existing investment: UQ 2001, AGW 1710, AWR 1701-4.5.1, DED 2001, PFR 2001, SAR 1701-1.1 and SAR 1701-1.2.</p> <ul style="list-style-type: none"> • A Best Practice Management Guide for the control of viruses in commercial and propagation vineyards available to the sector. • The RD&A gaps in virus management identified and new projects initiated to address them. • A Best Practice Management Guide on strategies to minimise and manage fungicide resistance in powdery mildew and Botrytis in Australian vineyards available to the sector. • New project commenced to develop new and improved tools, technologies and practices for integrated pest management of phylloxera, including the continued evaluation of CSIRO varieties and rootstocks for tolerance to specific strains of phylloxera. • Recommendations available on best practice management of grapevine trunk diseases, including susceptibility of specific clone and scion/rootstock combinations, optimal protection and remedial surgery techniques and the impact of infection in propagation material. |

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| <p>The sector is better prepared to manage incursions of exotic pests and diseases through our support of a wine biosecurity committee that engages all relevant bodies to identify biosecurity risks and develop a plan to mitigate them.</p> | <p>Existing investment: AGW 1710, PHA 1801, HIA 2000 HIA 2001, WA 1812, WA 1907, WA 1909 and WA 2001.</p> <ul style="list-style-type: none"> • Diagnostic capabilities for a range of exotic pest threats of grapevines improved. • The Vineyard Biosecurity Manual 2.0 endorsed and released to the sector and priorities for future work across the viticulture sectors identified. • Progress made towards the development of eDNA capabilities for diagnostics and surveillance of the brown marmorated stink bug (BMSB) in Australia. • Increased awareness among organisational and individual stakeholders of the threat of Xylella and preparedness measures. |
| <p>The use of vineyard cover crops and soil remediation practices has increased by 10 per cent.</p> | <p>Baseline established for current use of vineyard cover crops and soil remediation practices.</p> <p>Adoption strategy for vineyard cover crops and soil remediation practices developed and commenced.</p> |
| <p>The land area dedicated to enhancing functional biodiversity has increased by 10 per cent.</p> | <p>Baseline established for the area dedicated to enhancing functional biodiversity.</p> <p>Adoption strategy for increasing functional biodiversity developed and commenced.</p> |
| <p>Best-practice irrigation to optimise water use efficiency is adopted by an additional 30 per cent of growers in warm irrigated regions.</p> | <p>Baseline established for irrigation practices in warm irrigated regions.</p> <p>Adoption strategy for increasing best-practice irrigation commenced.</p> |



Strategy 5

Build business sustainability, excellence and leadership

This strategy focuses on accelerating the adoption of research outcomes and best practice. This supports our overarching strategy of helping Australian wine be enjoyed and respected globally and building profitable, resilient and sustainable winegrape and wine businesses.

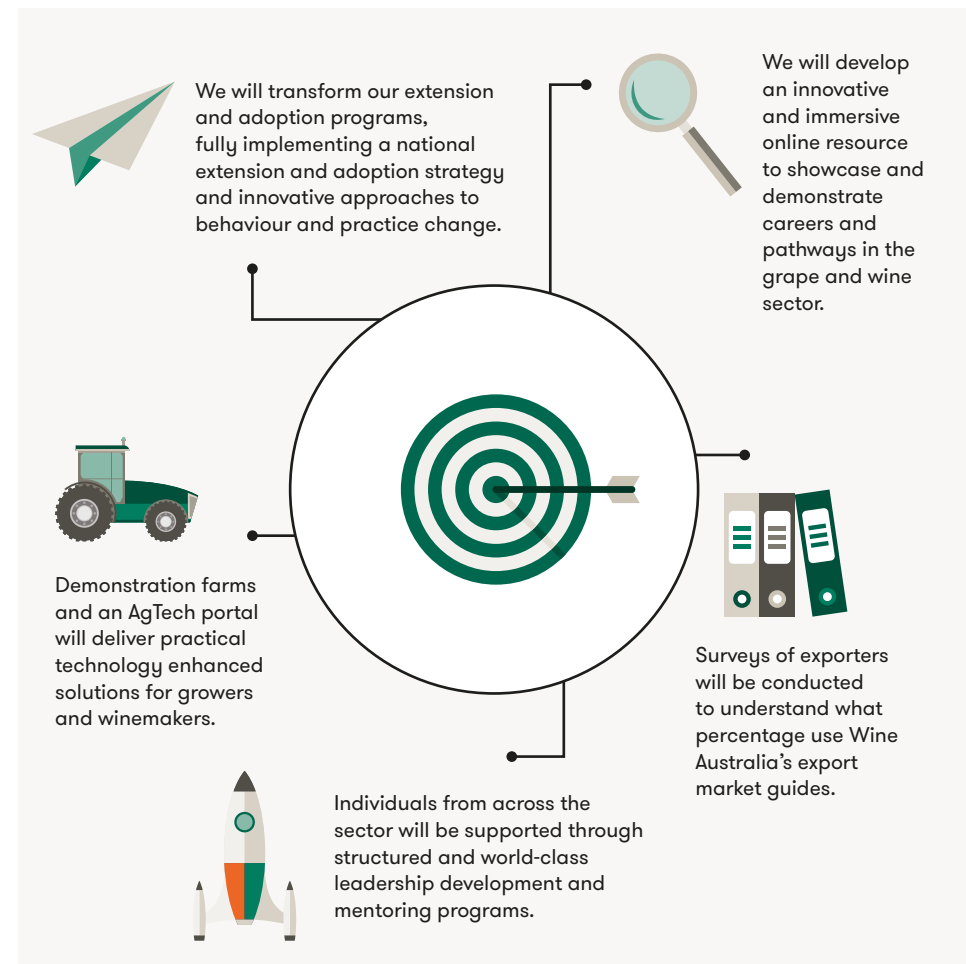
In 2021–22, we will continue to focus on facilitating the adoption of existing knowledge to improve winegrape growing, winemaking, exporting and running a wine business. Our national extension and adoption strategy aims to guide investment and encourage modern innovative approaches to behaviour and practice change across the extension providers we support.

Modules from the Growing Wine Tourism and Growing Wine Exports capacity-building programs, a legacy of the Australian Government's \$50m Package, will be made available on-line for self-paced learning. We will also continue to encourage wine businesses to use Australian Wine Made Our Way resources and wine tourism-related enhancements to the Australian Tourism Data Warehouse, which now allows wineries, accommodation providers and other wine-related tourism operators to categorise their offerings in the national tourism platform.

We will enhance evidence-based and data-driven decision-making in the sector through the Interactive Insights online platform and individual analyst sessions.

We will continue to help develop the leaders of tomorrow – and build the skills of the leaders of today – through regional governance and leadership programs that support a diverse and vibrant wine sector. Our support of the whole-of-sector Wine Industry Mentor Program, a collaboration between Wine Australia, the Australian Society for Viticulture and Oenology, Wine Communicators of Australia and the University of Adelaide will inspire the future generations of wine industry professionals by giving them opportunities to tap into the experiences and insights from the best in their field.

Priority areas for Strategy 5



We will also work with the school, vocational and higher education sectors so that they can promote pathways to the grape and wine sector as a career of choice. A new innovative online virtual reality resource for the sector showcasing contemporary careers and pathways will be developed and available widely for use within schools, education providers and industry.

We will invest in the sector's research capability by supporting postgraduate students and researchers early in their careers, and we will encourage stronger engagement and collaboration with the sector so that their research is relevant and addresses clear sector needs.

We will measure and report on stakeholder satisfaction with the services we provide, and on our effectiveness in achieving our measures of success.



Strategy 5: Build business sustainability, excellence and leadership

| Strategic Plan measures of success | Measures of success 2021–22 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Of levy payers who participate in Wine Australia-supported extension and adoption programs:</p> <ul style="list-style-type: none"> • 80 per cent consider them as a good or very good use of levy funds • 80 per cent have gained new knowledge or new information to improve their long-term profitability and sustainability • 50 per cent intend to make, or have made, changes to existing practices by adopting the outcomes of R&D • 80 per cent of those who've adopted agtech have a positive return on their investment. | <ul style="list-style-type: none"> • AGW's Research Advisory Committee assists Wine Australia and its key extension partners to identify extension and adoption priorities to enhance their relevance. • The national extension and adoption strategy guides investments and activities, drawing on innovative approaches to behaviour and practice change, underpinned by specific, measurable and actionable objectives. • The AWRI helpdesk continues to provide a free-of-charge advice service on technical issues from experienced winemakers, viticulturists and scientists. • Tools and resources enhanced and developed to facilitate practice change. • The Regional Program promotes the adaption and adoption of research outcomes and delivers extension and practical trials that meet the practice change needs of the regions. • AgTech demonstration farms are underway in five regions • At least two AgTech suppliers have progressed with commercial adoption of their technologies and solutions because of the AgTech program. • We provide growers and AgTech developers with a 'one-stop' portal for wine industry AgTech that allows growers to upskill, self-educate and connect with prospective vendors to invest in AgTech. |
| <p>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"> • At least 15 members from across the grape and wine sector participated in the Future Leaders program. • Research capacity maintained by offering support for PhD scholarships, and for early career researchers to undertake regionally focussed research. • Professional development opportunities support alumni across all people development programs. • At least 80 individuals from across the grape and wine sector participated as mentors and mentees in the Wine Industry Mentor Program. |
| <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"> • We will review the destination of exports to ensure that exporters' information needs are met by our export market guides. |
| <p>More than 90 per cent of market insights customers are satisfied or very satisfied with our market insights services.</p> | <p>We will provide up to 100 sessions of individual analyst sessions with our levy-payers over the year.</p> |

Finance

Estimates of revenue

For the financial year 2021–22, we estimate that proceeds from levies will amount to \$19.8 million.

This is based on assumptions including that a crop of 1.9 million tonnes is achieved, and exports of around \$2.2 billion in FOB value, as the quantum of levies and the Wine Export Charge is affected by crop size and export values.

Australian Government matching contributions for RD&A funding for 2021–22 are estimated to be \$13.5 million.

Table 1: Estimates of revenue by source for 2021–22

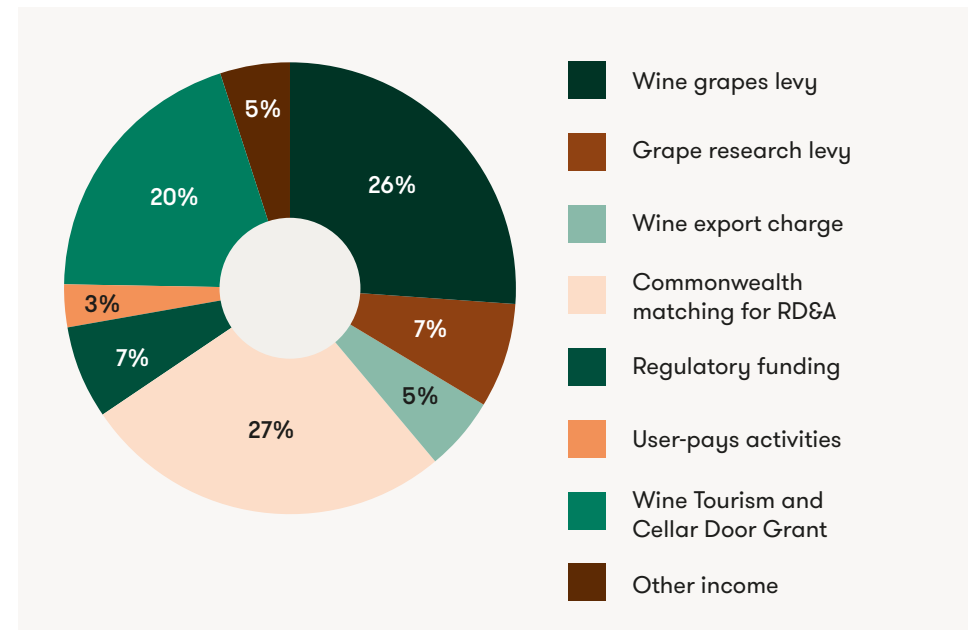
| Source | \$ million |
|------------------------------------|------------------------|
| Levies | |
| Wine grapes levy | 13.30 |
| Grape research levy | 3.80 |
| Wine export charge | 2.69 |
| Commonwealth matching for RD&A | 13.48 |
| Regulatory funding | 3.46 |
| User-pays activities | 1.50 |
| Wine Tourism and Cellar Door Grant | 10.00 |
| Other income | 2.50 |
| Total income | 50.73 |

It is estimated that proceeds from fees and charges will total \$3.5 million and revenue from user-pays activities will be \$1.5 million.

This year, 2021–22, is the final year of the three-year Wine Tourism and Cellar Door Grant administered by Wine Australia. There will be \$10 million available for eligible grants.

Our estimates of this and other revenue are provided in Table 1. Figure 2 indicates the contribution of each revenue source to the total revenue of \$50.7 million.

Figure 2: Estimates of revenue by source for 2021–22



Estimates of expenditure

Our estimates of expenditure for 2021–22 are shown in Table 2 and illustrated in Figure 3. Our expenditure by activity are shown in Table 3 and illustrated in Figure 4.

These figures are indicative only, as changes in our operating environment may require us to vary the total expenditure of specific allocations.

We will invest \$0.8 million to deliver the final year of the \$50m Package, as detailed in Table 4. The Wine Export Grant scheme has been extended to May 2022.

The forecast funding shortfall of \$3.5 million is in line with our approved Department of Finance operating loss for R&D expenditure, in addition to significantly reduced income from regulatory fees and charges.

Our representative organisations will receive funding to support our objectives. In 2021–22, Australian Grape & Wine Inc (incorporating the former Winemakers' Federation of Australia) will receive \$25K to support participation at the International Organisation of Wine and Vine (OIV).

In Tables 5 to 8, we detail our RD&A investments by project term, risk category, research type and geographical focus. Table 9 provides a detailed breakdown of the R&D expenditure estimates against the Australian Government's Science and Research Priorities, and Rural Research and Development Priorities (Table 10).

Table 2: Estimates of expenditure by strategy for 2021–22

| Expenditure | \$m |
|----------------------------------------------------------------------|--------------|
| Strategy 1: Market Australian wine | 6.63 |
| Strategy 2: Protect the reputation of Australian wine | 3.03 |
| Strategy 3: Enhance grape and wine excellence | 11.50 |
| Strategy 4: Grow sustainable environments | 7.50 |
| Strategy 5: Build business sustainability, excellence and leadership | 7.96 |
| \$50M Package | 0.81 |
| Wine Tourism and Cellar Door Grant | 10.00 |
| Support functions | 5.81 |
| Levy collection costs | 0.99 |
| Total expenditure | 54.23 |

Table 3: Estimates of expenditure by activity for 2021–22

| Activity | \$m |
|-------------------------------------------|--------------|
| Research, development and extension | 27.25 |
| Market development - core activities | 1.77 |
| Market development - user-pays activities | 1.50 |
| \$50M Package | 0.81 |
| Wine Tourism and Cellar Door Grant | 10.00 |
| Other | 12.90 |
| Total activity expenditure | 54.23 |

Figure 3: Estimates of expenditure by strategy for 2021-22

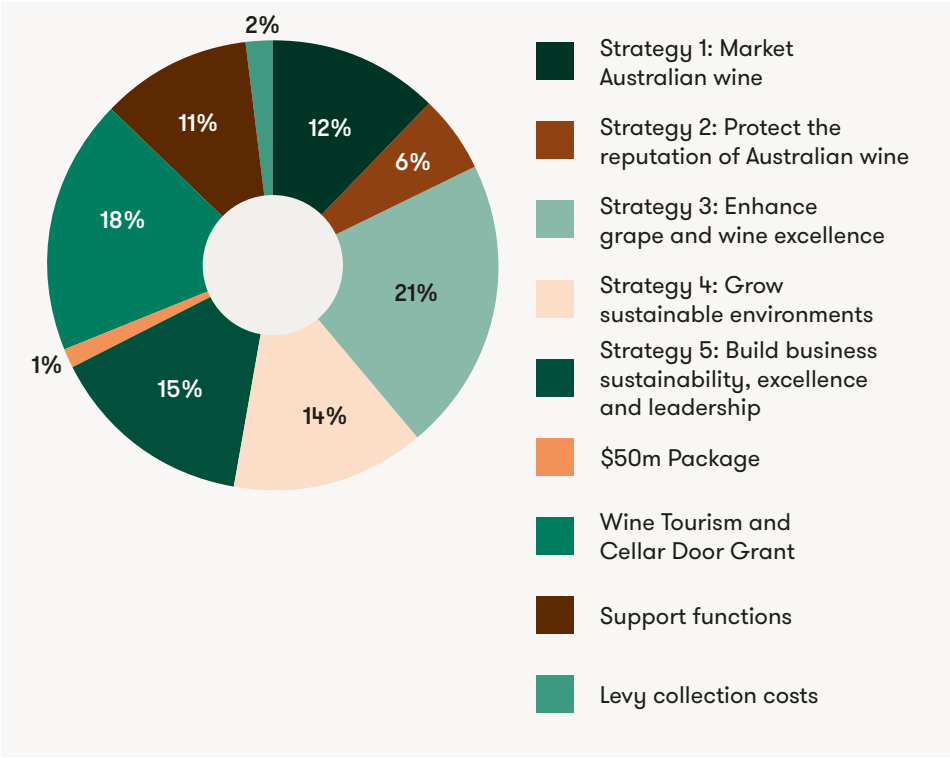


Figure 4: Estimates of expenditure by activity, for 2021-22

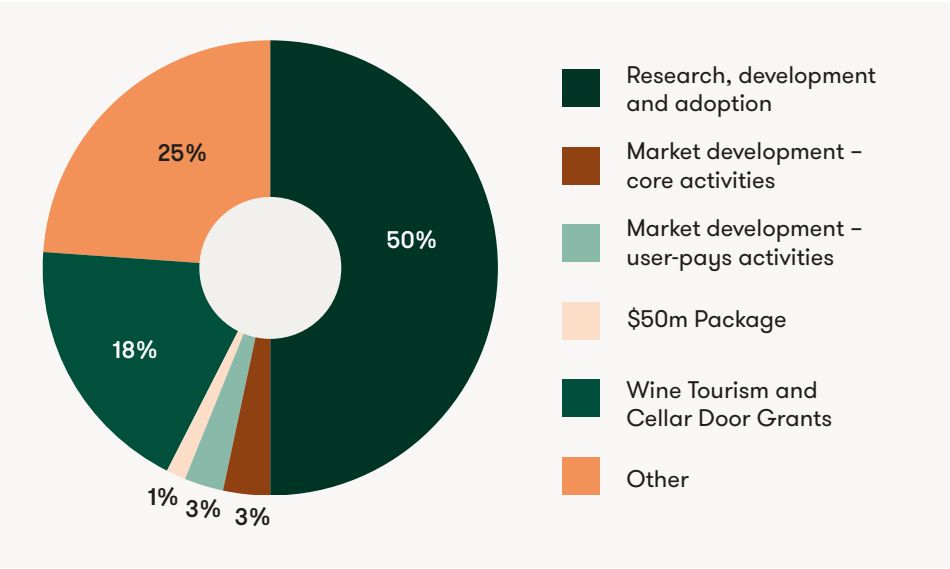


Table 4: \$50m Package – Actual and estimated revenue and expenditure

| | FY17 \$000 | FY18 \$000 | FY19 \$000 | FY20 \$000 | FY21 \$000 | FY22 \$000 | Total \$000 |
|---------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
| Revenue | | | | | | | |
| Package funds | 670 | 17,344 | 15,924 | 16,062 | - | - | 50,000 |
| Interest on Package funds | - | 153 | 291 | 102 | 9 | - | 555 |
| Direct sector contribution - Program 1 | - | 1,680 | 1,222 | 1,204 | 348 | - | 4,454 |
| Direct sector contribution - Program 2a | - | - | 31 | 34 | 1 | - | 66 |
| Total | 670 | 19,177 | 17,468 | 17,402 | 358 | 0 | 55,075 |
| Expenditure | | | | | | | |
| Program 1: Accelerating growth in international demand | | | | | | | |
| China export market growth | - | 5,769 | 5,474 | 3,478 | 1,079 | - | 15,800 |
| USA export market growth | - | 3,212 | 5,609 | 8,206 | 1,148 | - | 18,175 |
| Global export market growth | - | - | - | - | 974 | - | 974 |
| International wine tourism growth | - | 1,500 | - | - | - | - | 1,500 |
| Wine label intellectual property directory | - | - | - | - | 680 | - | 680 |
| | - | 10,481 | 11,083 | 11,684 | 3,881 | 0 | 37,129 |
| Program 2: Creating China-ready businesses | | | | | | | |
| Capability building | - | 342 | 1,573 | 506 | 164 | - | 2,585 |
| Wine export grant scheme | - | 88 | 1,300 | 112 | 250 | 750 | 2,500 |
| | - | 430 | 2,873 | 618 | 414 | 750 | 5,085 |
| Program 3: Capturing growth in wine regions | | | | | | | |
| Grants for state leveraged activities | - | 150 | 2,440 | 1,382 | 508 | - | 4,480 |
| Competitive grants | - | - | 1,333 | 1,094 | 339 | - | 2,766 |
| Wine Tourism Platform | - | - | 90 | 410 | 462 | - | 962 |
| Wine Tourism Advisory Panel | - | - | 12 | 23 | 7 | - | 42 |
| | - | 150 | 3,875 | 2,909 | 1,316 | 0 | 8,250 |
| Program 4: Transforming cider businesses | | | | | | | |
| Transforming cider businesses | - | 65 | 165 | 205 | 65 | - | 500 |
| | - | 65 | 165 | 205 | 65 | 0 | 500 |
| Administration | | | | | | | |
| | 529 | 1,285 | 1,009 | 831 | 396 | 61 | 4,111 |
| Grand Total | 529 | 12,411 | 19,005 | 16,247 | 6,072 | 811 | 55,075 |

Performance Principles

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

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

The Performance Principles are summarised as follows:

1. Stakeholder engagement

Wine Australia must engage stakeholders to identify RD&A priorities and activities that provide benefits to the Industry.

2. Balanced Portfolio

Wine Australia must ensure RD&A (and marketing) priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a Balanced Portfolio.

3. 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.

4. 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.

5. Performance

Wine Australia must demonstrate positive outcomes and delivery of RD&E (and marketing) benefits to Levy Payers and the Australian community, and show continuous improvement in governance and administrative efficiency.

The Department of Agriculture Water and the Environment has provided guidance on how RDCs may target activities and performance against a principles-based approach to accountability and reporting. The document also outlines the general intent of each of the five principles.

The guidelines include:

- (a) the Australian Government's Science and Research Priorities
- (b) the Australian Government's Rural Research, Development and Extension Priorities
- (c) the National Primary Industries Research Development and Extension Framework
- (d) the Levy Principles and Guidelines, being the guidelines relating to the introduction of new levies or changes to existing levies
- (e) the non-binding companion document to the Agreement, and
- (f) other guidelines or priorities of which the Commonwealth notifies Wine Australia in writing from time to time.

Wine Australia intends to provide ongoing reporting against the Principles and its progress against the five key strategies outlined in the Strategic Plan via newsletters, meetings, our website, email and the Annual Report.

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

Regulator performance aspirations

During 2020–21 the Australian Government undertook a review of the regulator performance and reporting, as the existing *2014 Regulator Performance Framework* (RPF) ceases operation on 1 July 2021.

A draft Regulator Performance Guide (Guide) was released for consultation by the Department of the Prime Minister and Cabinet (DPMC), and it is anticipated the new framework will be applied to reporting for the 2021–22 period.

The Guide outlines three Principles of Regulator Best Practice:

1: Continuous improvement and building trust: regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture, to build trust and confidence in Australia's regulatory settings.

2: Risk-based and data-driven: regulators maintain essential safeguards, using data and digital technology to manage risks proportionately to minimise regulatory burden and to support those they regulate to comply and grow.

3: Collaboration and engagement: regulators are transparent and responsive, implementing regulations in a modern and collaborative way.

In line with these Principles Wine Australia will take an evidence-based approach to continuous improvement using:

- (a) Stakeholder engagement and insights and building an ongoing two-way dialogue with stakeholders on performance – in practice this will mean working closely with AGW, regularly meeting with key stakeholders and exporter and undertaking stakeholder surveys to gain broader feedback.
- (b) Monitoring and evaluating performance and using data to provide performance insights and drive continuous improvement. This will mean that we will continuously evaluate our performance as a regulator assessing ourselves against both domestic and external agencies where appropriate.
- (c) Identifying, building and sharing best practice regulator performance. We will work with other RDCs and regulatory agencies to benchmark and gauge Wine Australia's performance against other entities, engaging in communities of practice and capability building within the organisation.

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

In line with Principle 3: Collaboration and engagement we will ensure that we are transparent and responsive, implementing regulations in a modern and collaborative way.



A balanced portfolio

Reflecting our stakeholders' priorities

Our Strategic Plan is informed by the extensive stakeholder consultation undertaken in conjunction with AGW, 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.

In developing our Strategic Plan, we sought to engage with the whole Australian grape and wine community over 12 months so that everyone had the opportunity to contribute. Special efforts were made to ensure that the views of small, medium and large grapegrowers, winemakers and exporters around the country were heard, and there was an impressive level of engagement by stakeholders.

We developed a discussion paper to draw together our thinking about where the sector was in 2019 and the future challenges and strategic imperatives facing it.

To identify key research, marketing and regulatory priorities:

- face-to-face meetings were held with the AGW Board and Executive, and a number of the top 20 wine producers
- telephone meetings were held with the Department of Agriculture, Water and the Environment and a number of the top 20 wine producers
- eight facilitated workshops were conducted in Western Australia, South Australia, New South Wales, Victoria and Tasmania with grapegrowers, winemakers, RD&A providers and state and regional association representatives. These workshops were conducted in concert with AGW (the scheduled workshop in Queensland was cancelled at the request of the Queensland Wine Industry Association because of regional priorities), and
- we publicly invited written submissions from any interested party.

With AGW, we established a Joint Strategy Committee that provided advice to AGW and Wine Australia on the development of *Vision 2050* and the *Strategic Plan 2020–25*. Committee members then reported back to the boards of their respective nominating organisations.

Our investments are aligned with the strategic research priorities of the Australian Government and the Australian grape and wine community. While we receive funding from two separate levies, we do not differentiate between viticultural and winemaking research as the distinction is artificial – viticultural research often has a winemaking outcome and winemaking research often requires viticultural input. Instead, our RD&A investments aim to increase the sector's long-term profitability and sustainability, which benefits all levy payers and the wider community.

Our investments range from short-term projects that will be completed in under two years, to medium-term ones (two to four years), to long-term projects (over four years). We also invest in 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.

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

Table 5: RD&A investment by project term

| Project term | Number of projects | | Budget 2021-22 | |
|--------------------|--------------------|------|----------------|------|
| short (<2 years) | 19 | 17% | \$2.7 | 11% |
| medium (2-4 years) | 25 | 23% | \$3.8 | 15% |
| long (>4 years) | 66 | 60% | \$17.9 | 74% |
| Total | 110 | 100% | \$24.4 | 100% |

Figure 5: RD&A investment by project term

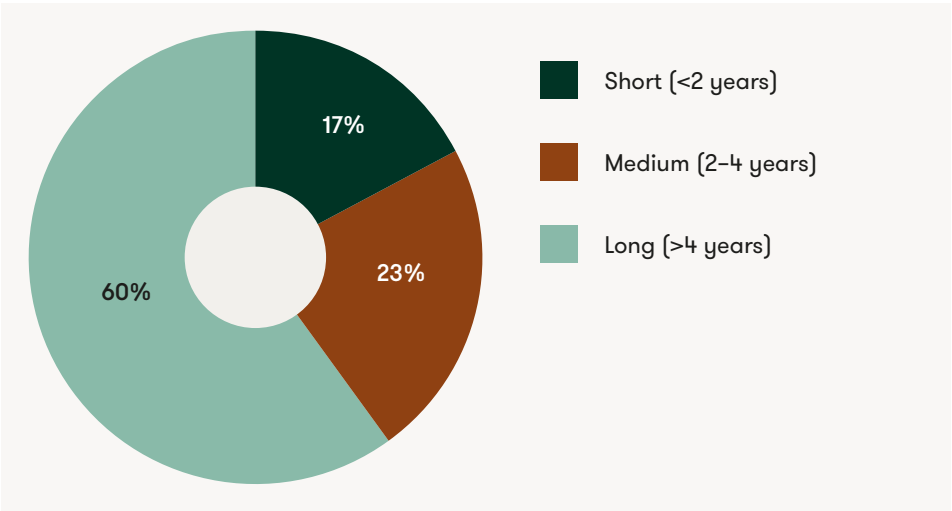


Table 6: RD&A investment by risk category

| Risk | Number of projects | | Budget 2021-22 | |
|--------|--------------------|------|----------------|------|
| low | 45 | 40% | \$6.9 | 29% |
| medium | 38 | 35% | \$8.3 | 34% |
| high | 27 | 25% | \$9.2 | 37% |
| Total | 110 | 100% | \$24.4 | 100% |

Figure 6: RD&A investment by risk category

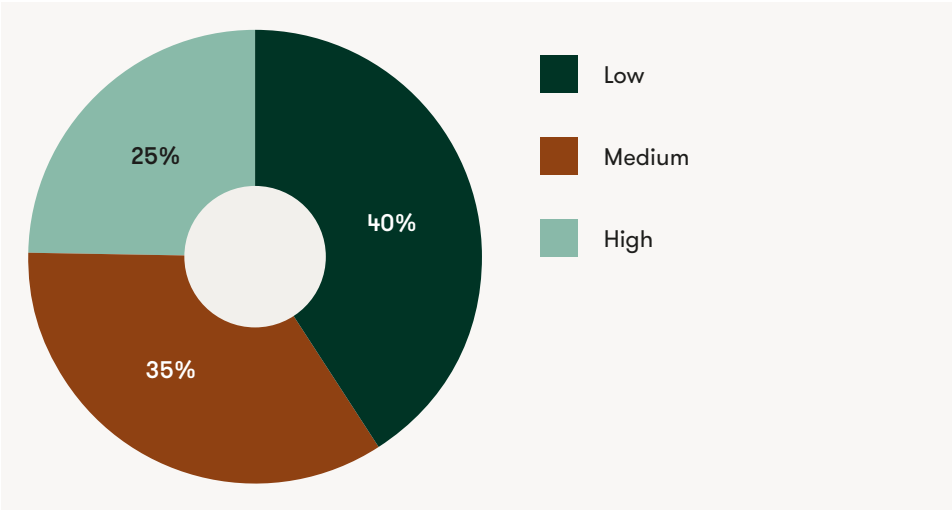


Table 7: RD&A investment by research type

| Research type | Number of projects | | Budget 2021-22 | |
|---------------|--------------------|------|----------------|------|
| Extension | 24 | 22% | \$3.8 | 16% |
| Capability | 11 | 10% | \$1.2 | 5% |
| Strategic | 44 | 40% | \$13.5 | 55% |
| Adaptive | 31 | 28% | \$5.9 | 24% |
| Total | 110 | 100% | \$24.4 | 100% |

Figure 7: RD&A investment by research type

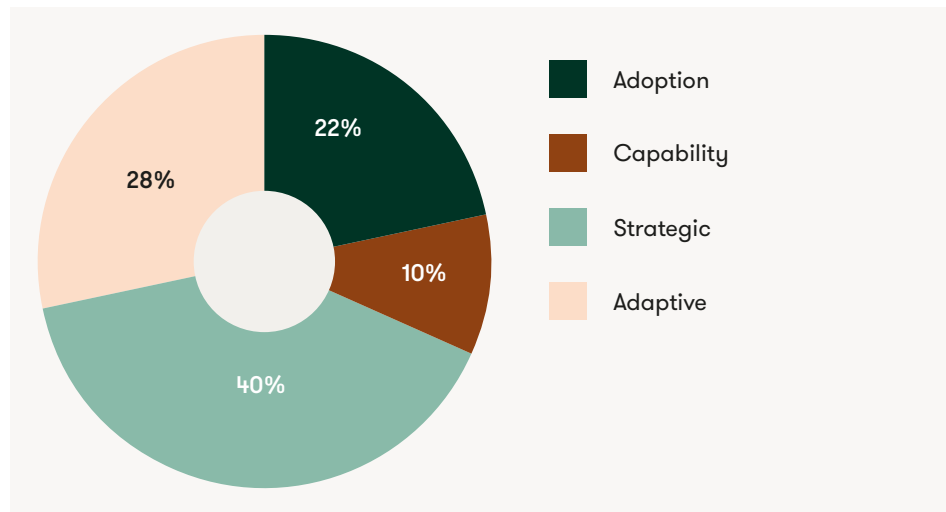
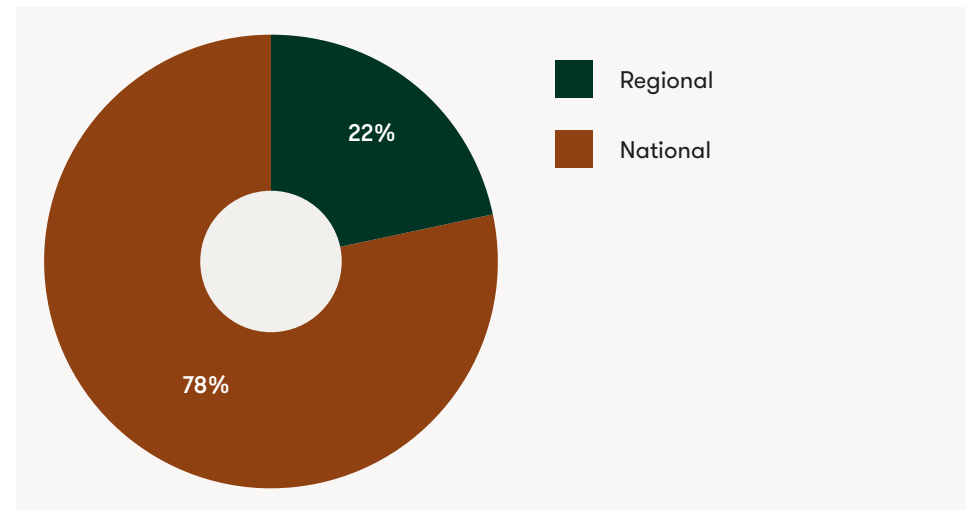


Table 8: RD&A investment by geographical focus

| Geographic focus | Number of projects | | Budget 2021-22 | |
|------------------|--------------------|------|----------------|------|
| Regional | 24 | 22% | \$6.4 | 26% |
| National | 86 | 78% | \$18.0 | 74% |
| Total | 110 | 100% | \$24.4 | 100% |

Figure 8: RD&A investment by geographical focus



Alignment with Australian Government priorities

Table 9: Science and Research Priorities

| Wine Australia strategies | Food 1.1 \$000 | Food 1.3 \$000 | Soil and Water 2.2 \$000 | Advanced manufacturing 7.2 \$000 | Environmental Change 8.3 \$000 | Total \$000 |
|----------------------------------------------------------------------|-------------------------|----------------------------|-----------------------------|----------------------------------------|--------------------------------------|-----------------------------|
| Strategy 2: Protect the reputation of Australian wine | | 287.7 (1.2%) | | | | 287.7 (1.2%) |
| Strategy 3: Enhance grape and wine excellence | | 6979.6 (28.6%) | | 2728.2 (11.2%) | | 9707.8 (39.8%) |
| Strategy 4: Grow sustainable environments | 76.9 (0.3%) | 3234.8 (13.2%) | 507.8 (2.1%) | | 2928.1 (12.0%) | 6747.6 (27.6%) |
| Strategy 5: Build business sustainability, excellence and leadership | 258.0 (1.1%) | 7255.4 (29.7%) | 58.7 (0.2%) | 18.7 (0.0%) | 92.5 (0.4%) | 7683.3 (31.4%) |
| Total | 334.9 (1.4%) | 17757.5 (72.7%) | 566.5 (2.3%) | 2746.9 (11.2%) | 3020.6 (12.4%) | 24426.4 (100.0%) |

Table 10: Rural Research and Development Priorities

| Wine Australia strategies | Advanced Technologies \$000 | Biosecurity \$000 | Soil, water and managing natural resources \$000 | Adoption of R&D \$000 | Total \$000 |
|----------------------------------------------------------------------|-----------------------------------|--------------------------|-----------------------------------------------------------|---------------------------|-----------------------------|
| Strategy 2: Protect the reputation of Australian wine | | | | 287.7 (1.2%) | 287.7 (1.2%) |
| Strategy 3: Enhance grape and wine excellence | 9565.8 (39.2%) | 67.0 (0.3%) | 75.0 (0.3%) | | 9707.8 (39.8%) |
| Strategy 4: Grow sustainable environments | 76.9 (0.3%) | 1363.6 (5.6%) | 5307.0 (21.7%) | | 6747.5 (27.6%) |
| Strategy 5: Build business sustainability, excellence and leadership | 84.9 (0.3%) | | 174.6 (0.7%) | 7423.9 (30.4%) | 7683.4 (31.4%) |
| Total | 9727.6 (39.8%) | 1430.6 (5.9%) | 5556.6 (22.7%) | 7711.6 (31.6%) | 24426.4 (100.0%) |

Risk management

Our risk management framework is aligned with and reflects existing standards and guidance such as AS/NZS ISO 31000:2018 – Risk management – Principles and guidelines.

We engage with risk in our operating environment to deliver programs that are innovative, efficient and dynamic. Our positive risk culture promotes an open and proactive approach to managing risks.

We recognise that it is not possible, nor necessarily desirable, to eliminate all of the risks inherent in our work. Accepting some degree of risk in our business practices promotes efficiency and innovation.

We are willing to accept higher levels of risk when the potential benefits outweigh the negative consequences of the risks. In doing so, we must be able to demonstrate that we have made informed, evidence- and risk-based decisions.

We acknowledge that identifying opportunities and capitalising on those opportunities to improve the overall performance of Wine Australia is a key component of meeting our corporate goals. We have set risk tolerances across six risk categories to guide the ways in which we engage with risk.

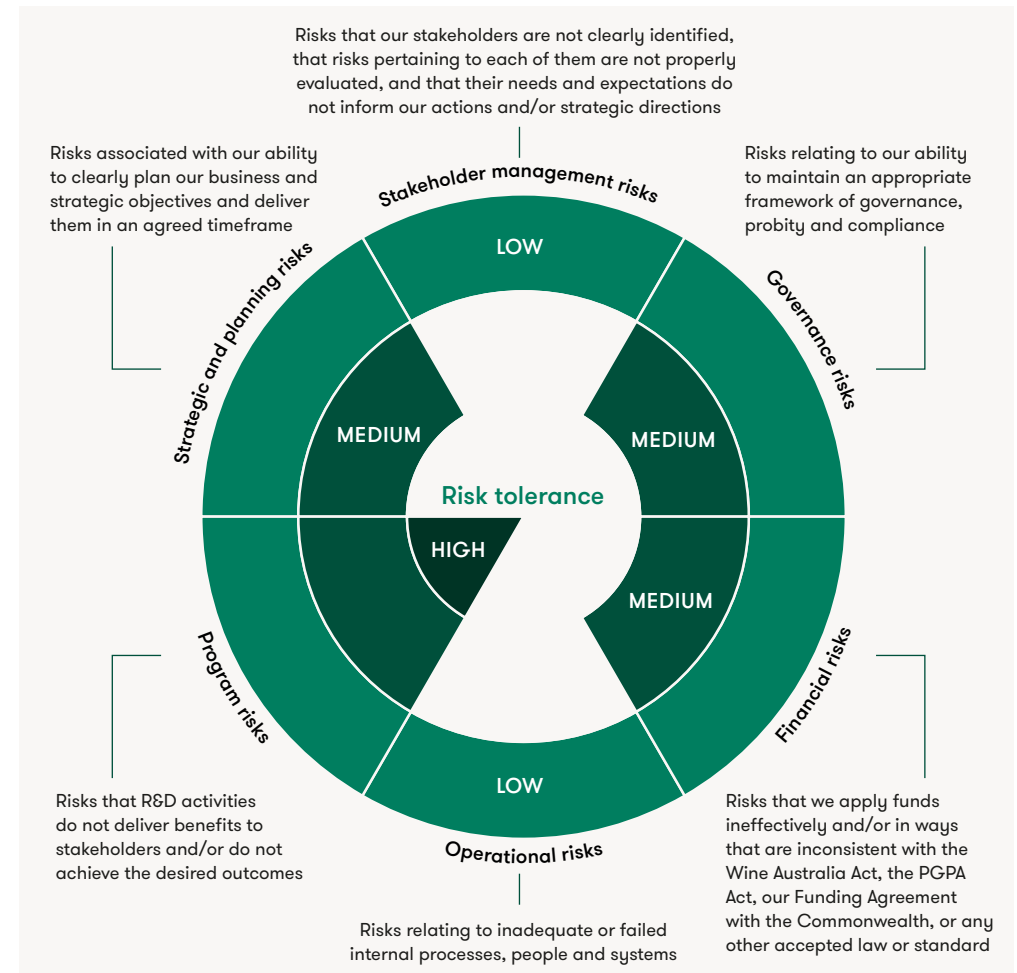
Risk management is a role that is shared across the entire organisation. All employees have a responsibility to identify, assess, report and, where appropriate, take corrective action to mitigate risks that are outside the agreed tolerance levels.

Resources are allocated appropriately to ensure that risk management can continually improve, with the early identification and treatment of potential risk factors.

At an operational level, risk is managed through regular meetings of the Risk Management Committee, which provides risk reports to each meeting of the Audit and Risk Committee.

Risk is included as a standing agenda item at each meeting of the Audit and Risk Committee and reports are provided to the Board periodically.

In 2021–22, we will ensure that our risk tolerance remains fit-for-purpose and we will continually assess strategic and operational risks to ensure that risks are managed in accordance with our established risk management practices.



Appendices

Appendix 1: Current RD&A projects

| Strategy 2: Protect the reputation of Australian wine | | | |
|-------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|---------------------------------------------------------------------------------------------------------------------------|
| AWR 1701-1.3.1 | Supporting market access, safety and regulation | AWR 1701-3.4.1 | Understanding Brettanomyces and its adaptation to control measures |
| AWR 1701-1.5.1 | Collecting and disseminating information on agrochemicals | AWR 1701-3.4.2 | Formation and fate of sulfur compounds associated with negative attributes in wines |
| AWR 1701-5.3.1 | Tracking trends in Australian wine composition and vineyard and winery practices | AWR 1701-4.4.1 | Defining regional variability and uniqueness of premium Australian Shiraz |
| WAC 1912 | Investigate market access impediments and opportunities for Australian wine by attendance at meetings of the International Organisation of Vine and Wine (OIV) | AWR 1701-4.4.2 | Development of tools to verify origin and varietal nature of wines |
| WAC 2001 | Regulatory risk assessment for wine grapes | AWR 1701-4.4.3 | Bioprospecting Australian microbial genetic diversity |
| Strategy 3: Enhance grape and wine excellence | | AWR 1701-4.4.4 | Rotundone and its role in defining terroir in iconic Australian cool climate 'peppery' Shiraz |
| AWR 1701-3.1.1 | Identification and control of volatile compounds responsible for important sensory attributes | AWR 2001 | Clonal mapping of Pinot Noir |
| AWR 1701-3.1.2 | Using glycosides and other flavour precursors for improved wine flavour | CSA 1701-1.1 | Scion genetics and improvement: development of new disease-resistance varieties |
| AWR 1701-3.1.3 | Molecular drivers of wine texture and taste | CSA 1701-1.2 | Scion genetics and improvement: desirable consumer traits |
| AWR 1701-3.1.4 | Managing wine extraction, retention, clarity and stability for defined styles and efficient production | CSA 1701-1.3 | Rootstock genetics and improvement: new improved rootstocks with durable resistance to root-knot nematodes and phylloxera |
| AWR 1701-3.1.5 | Influencing wine style and efficiency through management of oxygen during wine production | CSA 1701-1.4 | Rootstock genetics and improvement - tolerance to abiotic stress |
| AWR 1701-3.1.6 | Winemaking interventions to modulate glutathione status | CSA 1701-1.6 | Regional evaluation of new germplasm - pathway to adoption |
| AWR 1701-3.2.1 | Putting microbial diversity to work in shaping wine style | CSA 1701-1.7 | Enabling technologies and genetic resources |
| AWR 1701-3.2.2 | The relationship between grape juice composition and the progress of alcoholic and malolactic fermentation | CSA 1701-3.1 | New digital technologies for managing winegrape production and quality |
| AWR 1701-3.2.3 | Management and optimisation of the AWRI Wine Microorganism Culture Collection | CSU 1702-4 | The impact of metal speciation on the development, shelf-life and sensory properties of wine |
| AWR 1701-3.3.1 | Objective measures of quality and provenance in Australian vineyards | UA 1803-1.1 | Digital tools for canopy management to increase competitiveness |
| | | UA 1803-1.2 | Cell death in grape berries: causes, consequences, and control |
| | | UA 1803-1.5 | VitiVisor: An information, prediction and advisory platform for viticulture |

| | |
|--------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| UA 1803-2.1 | New and Improved yeast and bacterial starter cultures-novel attributes, process efficiency and wine distinctiveness |
| WA 1908 | Assessing the practicality of the robot platforms from swarmfarm robotics |
| WA 2002 | Agtech demonstration sites - government farms |
| 6556-900 | Agtech demonstration sites - producers |
| 6556-900 | National grapevine propagation material standard |
| 6556-900 | National grapevine collection |
| Strategy 4: Grow sustainable environments | |
| AGW 1706 | Forewarned is forearmed: managing the impacts of extreme climate events |
| AGW 1710 | Improving plant pest management through cross industry deployment of Smart Sensor, diagnostics and forecasting |
| AWR 1701-4.1.1 | Managing the impact of vintage advancement and compression |
| AWR 1701-4.5.1 | Understanding the basis of agrochemical resistance in biotrophic grapevine pathogens |
| AWR 1701-4.3-1 | Characterising genomic diversity in Australia's grapevine germplasm |
| CSA 1701-2.1 | Physiology of root:shoot interactions |
| CSA 1701-2.2 | Adjusting grape berry ripening to suit a changing climate: plant growth regulator-based solutions |
| CSU 1702-5 | Managing wine pH in a changing climate |
| HIA 2001 | Plant Biosecurity Research Initiative |
| SAR 1701 - 1.1 | Grapevine trunk disease management for vineyard longevity in diverse climates of Australia |
| SAR 1701 - 1.2 | Managing fungicide resistance in Australian viticulture |
| SAR 1701 - 2.2 | Managing and modelling vintage compression |
| UA 1803-1.3 | Plant sensor-based precision irrigation for improved vineyard water use efficiency, grape and wine composition and quality, and vineyard profitability |
| UQ 2001 | ARC Research Hub for Sustainable Crop Protection |
| VIB 1901 | Update and review of Viticulture Industry Biosecurity Plan (VIBP) |
| WA 1906 | National Working Party in Pesticide Applications (NWPPA) Stakeholder Contribution |

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|-----------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| WA 1907 | Boosting Diagnostic Capacity for Plant Production Industries |
| WA 1909 | Novel technologies to assist rapid and sensitive detection of Brown Marmorated Stink Bug |
| WA 2001 | Xylella insect vectors |
| WA 2004 | Rapid surveillance and assessment of fire damage in South Australian vineyards for decision making |
| WA 2003 | Rapid surveillance and assessment of fire damage in South Australian vineyards for decision making |
| LTU 2001 | Validation and implementation of an early warning system to reduce smoke impacts from prescribed burns and bushfires on agricultural industries in Victoria |
| PFR 2001 | Best practice management of grapevine viruses in Australia |
| DJP 2001 | Integrated management of grapevine phylloxera: Phase II |
| SSN | NE Victoria vineyard smoke sensor network project |
| SWA | Sustainable Winegrowing Australia |
| | Irrigation Survey |
| | Climate mitigation - Roadmap development |
| | Circular economy for CCA vineyard posts |
| Strategy 5: Build business sustainability, excellence and leadership | |
| ASV 2000 | ASVO Partnership and practice change funding - Collaboration Agreement |
| AWR 1701-2.1.1 | Improving viticulture and oenology practice through extension |
| AWR 1701-2.1.2 | Communication and awareness-raising activities |
| AWR 1701-2.2.1 | AWRI Helpdesk |
| AWR 1701-2.2.2 | Library Services |
| GRP 1701 | Regional Plan - Riverina 2017-22 |
| GRP 1702 | Regional Plan - Greater Victoria 2017-22 |
| GRP 1703 | Regional Plan - Tasmania 2017-22 |
| GRP 1704 | Regional Plan - SA North 2017-22 |
| GRP 1705 | Regional Plan - Murray Valley 2017-22 |

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| GRP 1706 | Regional Plan – Limestone Coast 2017-22 |
| GRP 1707 | Regional Plan – SA Central 2017-22 |
| GRP 1708 | Regional Plan – Greater NSW & ACT 2017-22 |
| GRP 1709 | Regional Plan – Western Australia 2017-22 |
| GRP 1710 | Regional Plan – Queensland 2017-22 |
| GRP 1711 | Regional Plan – Riverland 2017-22 |
| UA 1803-3.1 | Australia's changing competitiveness in global wine markets |
| WA Ph1801 | Exploration of macromolecular complexes in wine using the Vortex Fluidic Device |
| WA Ph1802 | Understanding and managing grape berry heterogeneity in the vineyard to improve Cabernet Sauvignon wine quality |
| WA Ph1806 | Developing and assessing different cordon establishment techniques for long term vineyard management |
| WA Ph1901 | Rootstock effects on grape rachis (bunch-stem) composition and the implications for red wine flavour and aroma |
| WA Ph1902 | Sustaining viticulture: How under-vine (sp. <i>Vitis vinifera</i>) cover crops affect arbuscular mycorrhizal associations, soil organic carbon composition and soil carbon stocks |
| WA Ph1903 | Analysis of the wine glycoproteome and proteome to improve quality and track provenance. |
| WA Ph1904 | Science to inform decision making between synthetic and alternative nitrogen sources in vineyards |
| WA Ph1905 | From Brandewijn (burnt wine) to bush fires: new directions in Australian brandy production |
| WA Ph1906 | Understanding the sensory perception of 'body' in beer and wine |
| WA Ph1907 | The molecular epidemiology and control of grapevine pinot gris virus in Australian viticulture |
| WA Ph1908 | A regional study of the effects of vineyard floor management on soil health, biodiversity and terroir expression |
| WA Ph1912 | Molecular genetic control of grapevine bud fruitfulness |
| WA Ph1913 | Wine production in a changing Australian climate: water addition to musts and the effects on phenolic, chemical and sensory attributes |

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| WA Ph2000 | Implementation of agroecological practices in viticulture: identification of factors that motivate or constrain uptake |
| WA Ph2001 | Engineering biosensors of wine spoilage |
| WA Ph2002 | Engineering biosensors of smoke taint |
| WA Ph2003 | Mitigating taint in wine due to vineyard exposure to bushfire smoke |
| WA Ph2004 | Photocatalytic treatment of winery wastewater using Au clusters deposited mesoporous TiO ₂ |
| WA Ph2005 | Understanding the relative sustainability of harvesting pruned vineyard biomass and the effect on carbon sequestration and disease management |
| WA Ph2006 | Essays in wine economics |
| WA Ph2007 | Comparison of soil, vine, and environmental metrics to optimise vineyard irrigation scheduling |
| WA Ph2008 | Detection of grapevine virus diseases in Australian vineyards using remote sensing and machine learning techniques |
| WA Ph2009 | Genetic basis of salt exclusion in grapevine |
| WAC 2007 | Future Leaders 2021 |
| WAS 1901 | Primary Industries Education Foundation Australia (PIEFA) - Partnership |
| WAS 1902 | Diversity in Agriculture Leadership Program |
| 6556-900 | Incubator Initiative projects |
| 6790-900 | People Development Projects |
| 6670-900 | Extension and Adoption program |
| 6610/6650-900 | PHDs and Travel Bursaries for 21-22 |
| 6710-900 | Project performance evaluation reporting |
| CRRDC | Rural R&D Coporations (RDC Council) |
| AIA | Agricultural Innovation Australia (AIA) |
| 6820-589 | Market insights data purchases |
| 6830-965 | VinSites |
| CIMS | Wine Australia Clarity Investment Management System (CIMS) |

Appendix 2: Glossary

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|---------------|---------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| \$50m Package | Export and Regional Wine Support Package | Non-GM | not Genetically Modified – usually in the context of traditional breeding or selection methods |
| AG&W | Australian Grape & Wine peak sector advocacy organisation | MLA | Meat and Livestock Australia |
| AWRI | Australian Wine Research Institute | OIV | International Organisation of Wine and Vine |
| CRISPR | gene editing technology | PACE | Pesticide adjusted for the canopy environment |
| CSIRO | Commonwealth Scientific and Industrial Research Organisation | PBR | Plant Breeders' Rights – the botanical equivalent of a patent for the developer of a plant variety with specific characters |
| FIVS | Federation International du Vin et Spirit – international alcohol producers forum | RD&A or RDA | research, development and adoption |
| FOB | free on board | RD&E | research, development and extension |
| FSANZ | Australia New Zealand Food Standards Code | R&D | research and development |
| GI | Geographical Indications, place names associated with specific, geographically-defined and regulated grapegrowing regions | the Act | <i>Wine Australia Act 2013</i> |
| GI Committee | Geographical Indications Committee | 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. |
| KPIs | key performance indicators | <i>Xylella fastidiosa</i> | 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. |
| LiDAR | light detection and ranging | | |
| Loci | Latin term for specific location, generally used in the context of specific positions on a DNA strand. | | |
| NWGIC | National Wine and Grape Industry Centre | | |



Australian Government

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Wine Australia supports a competitive wine sector by investing in research, development and adoption (RD&A), growing domestic and international markets, protecting the reputation of Australian wine and administering the Export and Regional Wine Support Package.

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