



Wine
Australia

Annual Operational Plan 2020-21

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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

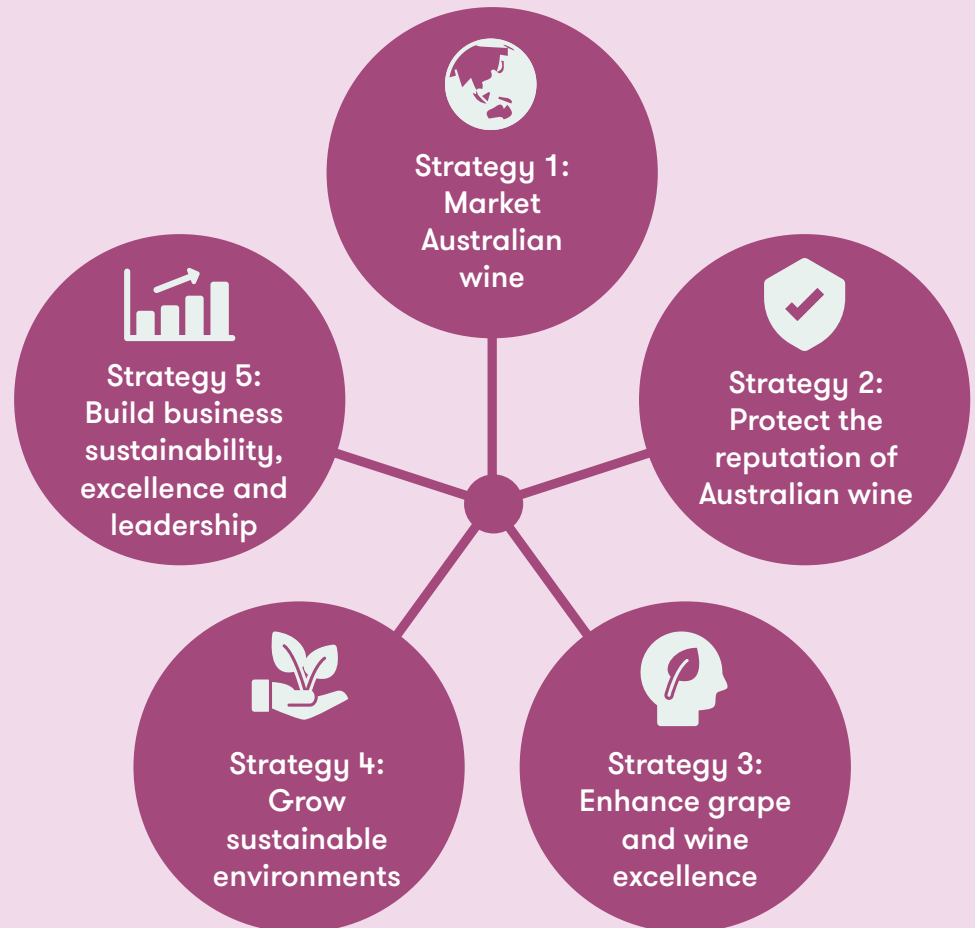
As set by the *Wine Australia Act 2013* (the Act), we:

- 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

This year is the first year of operations under our new five-year *Strategic Plan 2020–25* and the final year of in-market activities funded by the Australian Government’s \$50 million Export and Regional Wine Support Package (\$50m Package).

Over the next 12 months, we understand that the COVID-19 pandemic will continue to create challenges for the grape and wine sector. This Annual Operational Plan (AOP) has been developed to address the current dynamic environment and retain the flexibility to help the sector meet new and emerging challenges. So that we can support grape and wine businesses, we have reduced our operational costs, moved to more cost-effective delivery of activities and we are drawing down on the reserves saved for a rainy day to maximise our investments in the sector’s priorities.

How we promote and market wine, how we protect the reputation of Australian wine, how our researchers conduct their projects and how we help the sector adopt the outcomes of research has changed in response to the risks posed by the pandemic. We haven’t changed what we do but we have adapted and changed how we do it, so that we can continue to provide our key services to support the sector. We are closely monitoring developments and will adapt and evolve our marketing, regulatory, research and adoption activities to manage risks while achieving the best return for our stakeholders.

In 2020–21, we will continue to deliver activities through the \$50m Package, after significant in-market activities were postponed as a result of COVID-19 and the Package was extended to 30 June 2021. This extension allows us to respond effectively to market disruptions and deliver targeted and impactful initiatives this year.

Wine Australia is also actively supporting the new joint collaborative Research and Development Corporation investment vehicle that is being established to address cross-sectoral issues at scale such as climate change.

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 five 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 \$2.91 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.

This growth is also reflected in grape prices; the average purchase price of winegrapes increased for the fifth consecutive vintage in 2019 to \$664 per tonne.

Our new 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:

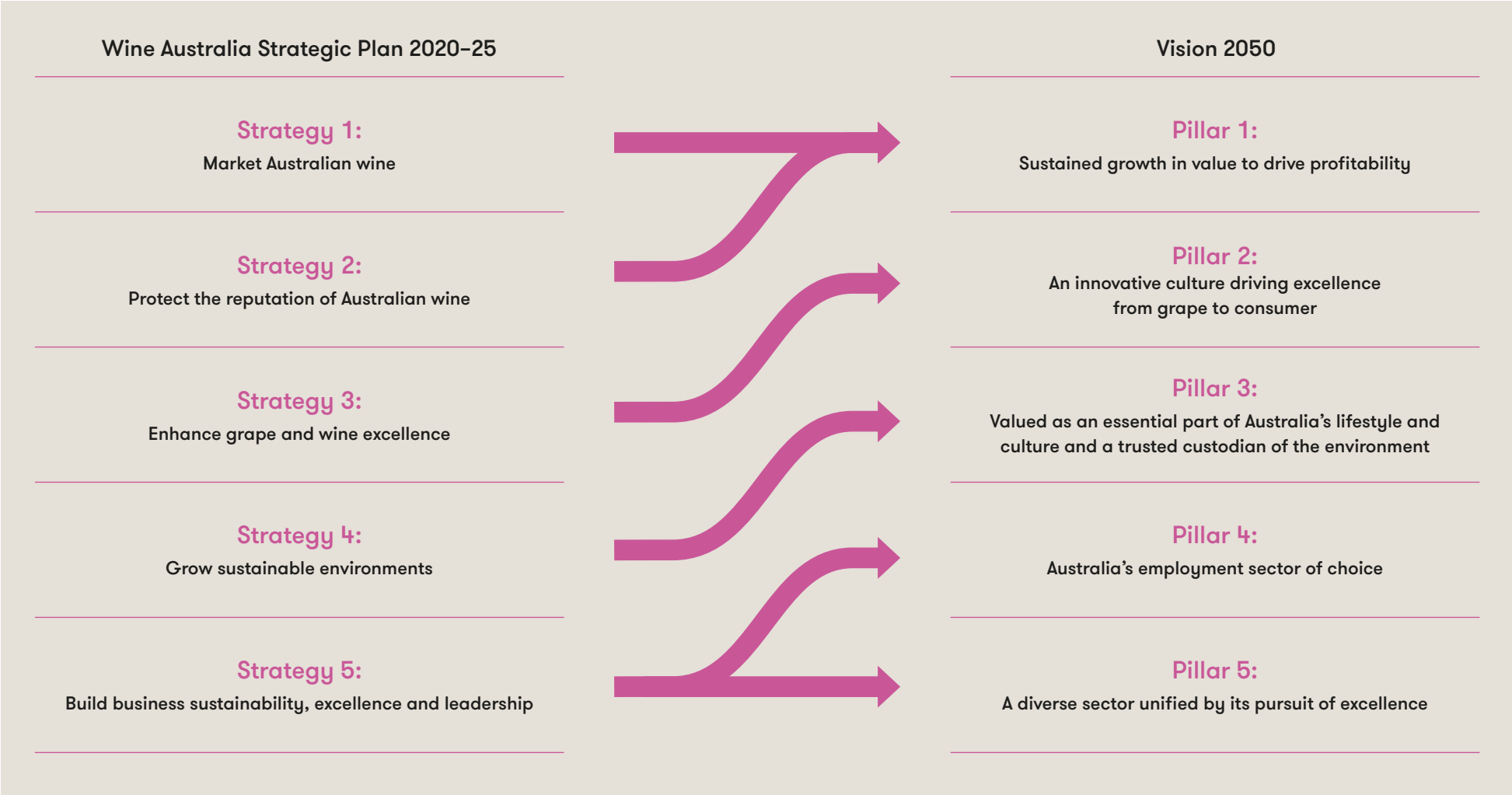
Australian wine: enjoyed and respected globally

and its goal as:

Profitable, resilient and sustainable winegrape and wine businesses.

Informed by *Vision 2050*, our stakeholder consultation and the Australian Government’s Science and Research Priorities and its Rural Research, Development and Extension Priorities, we developed our new Strategic Plan. Our Plan’s five strategies seek to contribute to *Vision 2050*’s five pillars, as detailed in Figure 1.

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



Strategy 1: Market Australian wine

Our marketing activities are designed to support commercial outcomes to grow the profitability of the sector. We help our winemakers and brand owners to win a greater share of the global alcohol beverage budget by improving the perception of Australian wine, creating a platform for their commercial success and facilitating in-market support.

Our activities are grounded in pragmatism and opportunity. Our Market Insights show where Australian wine is under-indexed in our target markets: >RMB200 per bottle in China, >C\$15 per bottle in Canada, >GB£8 per bottle in the United Kingdom (UK) and >US\$11 per bottle in the United States of America (USA). Capturing a greater share at these price points will align with all exporters and deliver the profitability they seek.

Through the Australian Wine Made Our Way brand platform and the Australian Wine Discovered education platform, two enduring benefits of the \$50m Package, we will drive perception change, particularly in the social media, digital and retail channels.

As our emphasis moves from face-to-face promotional channels to social, we will participate in fewer face-to-face activities in 2020–21. We will continue assessing and adjusting our in-market activities with COVID-19 developments.

We look forward to bringing international wine trade and media visitors to our spectacular wine regions when we can, so that we can create a positive and lasting impact with our wines and the people, stories and places behind them.

Strategy 2: Protect the reputation of Australian wine

In 2020–21, we will build on the successful delivery of the new Wine Australia Licensing and Approval System (WALAS) to continue streamlining our export approval process. We will continue helping exporters through our Export Market Guides and by helping producers to comply with labelling and compositional requirements. We will also monitor and report on producers' compliance, including through inspection of records kept under the Label Integrity Program, so that our customers can trust the integrity of Australian wine.



Through \$50m Package funding, we will develop and deliver the Australian wine label intellectual property directory to prevent copycat exports.

To support wine producers, we will investigate new methods of wine traceability and ways to decrease record-keeping red tape. We will work with the Australian Government and AGW to enhance market access by identifying and managing technical trade barriers and providing the technical information to inform negotiations.

Strategy 3: Enhance grape and wine excellence

With our focus firmly on improving grape and wine quality and making the wines people want to drink, we will continue our long-term investments to identify and breed enhanced or new grapevine varieties, clones and rootstocks that suit our environment and consumer tastes. We will continue to build knowledge and encourage the objective measures of grape quality to improve pricing transparency and equity and support continuous improvement by growers. We will also progress the establishment of a national germplasm collection.

Other work will focus on increasing viticultural efficiency and sustainability by developing, testing and commercialising new vineyard technologies and establishing agtech demonstration farms. In winemaking, the focus will be on increasing winery efficiency.

Strategy 4: Grow sustainable environments

We will support the sector's ambitious environmental goals in *Vision 2050* by undertaking the research and benchmarking needed for the sector to establish carbon emissions and waste production targets. 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, and we will map out the investments needed to support the sector's adoption of climate change mitigation strategies.

We will also support research that will allow more efficient and effective water use in the vineyard and initiate research that will reduce chemical use in the vineyard.

Research to allow the sector to more sustainably manage endemic pests and disease and to be better prepared for exotic pests and disease will be continued. And, to help demonstrate its sustainability credentials, we will actively support the sector's Sustainable Winegrowing Australia program.

Strategy 5: Build business sustainability, excellence and leadership

Accelerating adoption and allowing growers and makers to benefit from the outcomes of research was a clear message from our stakeholder consultation. In 2020–21, we will focus on facilitating the adoption of existing knowledge to improve winegrape growing, winemaking, exporting and running a wine business. We will invoke a national extension and adoption strategy and use it to guide future planning, adopting innovative approaches to behaviour and practice change. This will include delivering the National Online Wine Tourism Platform and the Growing Wine Tourism and Growing Wine Exports capacity-building programs, and encouraging wine businesses to use Australian Wine Made Our Way resources.

We will continue to encourage evidence-based and data-driven decision-making by collecting, analysing and disseminating global wine sector intelligence and accurate and timely supply and demand information.

In summary

Our focus for 2020–21 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.

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.

Key performance indicators

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) detailed below.

The new, one-year KPIs for the \$50m Package were developed with the Wine Industry Committee to reflect the Package's one-year extension. These new KPIs build on those in the \$50m Package Business Plan and they are ambitious and evidence-based, drawing on our analysis of what is happening in global markets. The overarching Package KPIs are detailed in the table below and ones for each Program are listed in the relevant strategy.

Strategic plan and ERWSP	
Strategic Plan or ERWSP measures of success	AOP measures of success
We improve our stakeholder net promoter score from the benchmark of +12 in 2019.	Wine Australia's net promoter score is higher than +12 in the annual stakeholder survey.
We improve our staff engagement levels from the benchmark of 70 per cent in 2019.	Wine Australia's staff engagement levels are higher than 70 per cent in the annual staff engagement survey.
ERWSP achieves a benefit–cost ratio of 5:1	5:1 benefit–cost ratio (ERWSP KPI 1)
Total export growth \$2.835 billion.	The value of Australian wine exports is \$2.835 billion free on board (FOB) or above for the year to 30 June 2021 (ERWSP KPI 2).
China market value grows to \$1.20 billion.	The value of exports to China is \$1.20 billion FOB or above for the year to 30 June 2021 (ERWSP KPI 2).
USA market value grows to \$420 million.	The value of exports to the USA is \$420 million FOB or above for the year to 30 June 2021 (ERWSP KPI 2).
Wine valued at \$US10 per bottle and above makes up at least 6 per cent of exports to the USA.	Wine valued at \$US10 per bottle and above makes up at least 6 per cent of exports to the USA (ERWSP KPI 2).
Wine valued at CNY90 per bottle and above makes up at least 21 per cent of exports to China.	Wine valued at CNY90 per bottle and above makes up at least 21 per cent of exports to China (ERWSP KPI 2).
Bottled wine has an FOB value of \$7.14 per litre.	By 2020–21, bottled wine has an FOB value of \$7.14 per litre (ERWSP KPI 3).
The average price of wine grapes is \$664 per tonne.	By 2020–21, the average price of wine grapes is \$664 per tonne (ERWSP KPI 4).

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 to 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:

- Mainland China: >RMB 200 per bottle
- Canada: >C\$15 per bottle
- UK: >GB£8 per bottle, and
- USA: >US\$11 per bottle.

Since January 2020, how we promote and market wine internationally has significantly changed in response to the COVID-19 pandemic. We haven't changed what we do but we have changed how we do it. We have developed and framed our marketing investment strategy in this AOP to mitigate the risks identified while continuing to build demand for the Australian wine category. We will be flexible and responsive to in-market opportunities and deliver activities and engagements that are appropriate to the prevailing conditions.

In 2020–21, we will deliver the final in-market activities from Program 1 of the Australian Government's \$50m Package, after many were postponed – along with levy-funded activities – in response to the COVID-19 pandemic. The Department of Agriculture, Water

and the Environment approved an extension of the deadline for activity expenditure to 28 May 2021.

Our marketing strategy will continue to draw upon two enduring benefits of the \$50m Package, the Australian Wine Made Our Way brand platform and the Australian Wine Discovered education platform, as drivers of perception change. Our marketing mix and marketing operational structure have been modified to allow a greater emphasis on digital and social communications and retail partnerships, with a corresponding reduction in some events. This changed emphasis was planned before the COVID-19 pandemic and has been intensified in response to the measures taken to limit exposure to COVID-19.

During a crisis, it is important that brands remain authentic and true to their values. Australian Wine Made Our Way will continue to distinguish Australian wine from our competitors by championing what is unique about our wines, winemakers and winemaking culture and build loyalty with the trade and consumers.

The \$50m Package has allowed us to capture stories, interviews and imagery in our wine regions over the past three years, which we will use to keep telling Australian wine stories around the world, and we encourage our stakeholders to do the same. The bonds and camaraderie of the Australian wine community are stronger than ever, with the challenges already faced in 2020 driving innovation, boldness, passion and excellence. Australia aims to have the most thrilling wine scene and to share it with the world.

Our innovative Australian Wine Discovered digital education platform is shaping the delivery of wine education internationally. Companies and individuals can take ownership of their learning and gain knowledge independently, helping them to thrive professionally and sell more Australian wine. The wealth of free content on Australian Wine Discovered has allowed us to switch our promotional channels from face-to-face to social as we adjust to the impact of COVID-19 on our planned engagements.

This year, we will promote Australian Wine Discovered across all marketing channels to encourage its uptake and use. We will extend our promotions through social channels and use live and online events to teach trade and educators to use the tools and build capabilities to support their businesses and customers.

We will continue to build our digital presence, using social tools to connect with trade and consumers. We will engage with our trade networks, sommeliers, educators and key opinion leaders in the media. When COVID-19-related travel restrictions are lifted, we will bring key influencers to Australia, immersing them in our wine regions, to create a positive and lasting impact. The opportunity to connect physically and emotionally with people, places and culture helps ensure that visitors leave as advocates and ambassadors for Australian wine and share our stories with their audiences.

In the USA, we will promote Australian wine at the point of purchase through retail and distributor activations and promotions with independent retailers and national and regional retail chains. We will help grow people's knowledge about Australian wine and wine regions through educational resources.

Our planned in-market activities include:

- continuing retail support in Canada, China, 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
- continuing to deliver positive messages through social media
- a four-week digital campaign with Condé Nast, partnering with the Bon Appétit lifestyle brand and using their media talent and platform
- Prowine Shanghai in November 2020
- Recognising our Chinese wine community through the China Awards in November 2020
- Australia Trade Tasting in London in January 2021
- ProWein in Dusseldorf in March 2021
- Chengdu CFDF and Top wine shows in March 2021
- the four-city Wine Australia China Roadshow in May 2021.

We are also looking forward to welcoming visitors from the international wine trade and media to Australia from February 2021. Our planned visits include our Sommelier Immersion Program with New Zealand and domestic sommeliers, the China Trade visit, the International Masters of Wine student visit, the US Media visit, the Germany Trade visit, the US Sommelier visit, the China Sommelier visit, and the Australian Wine Discovered educator visit. The timing of these planned visits are subject to travel restrictions.

We are proposing to run a second round of the Wine Export Grants program to help counter the COVID-19 impacts on in-market events. Some \$1 million in unspent funds has been reallocated from Program 1 of the \$50m Package and, in light of the COVID-19 restrictions, the travel requirements of the first round would be removed and eligible expenditure would include promotional activities in any overseas market.

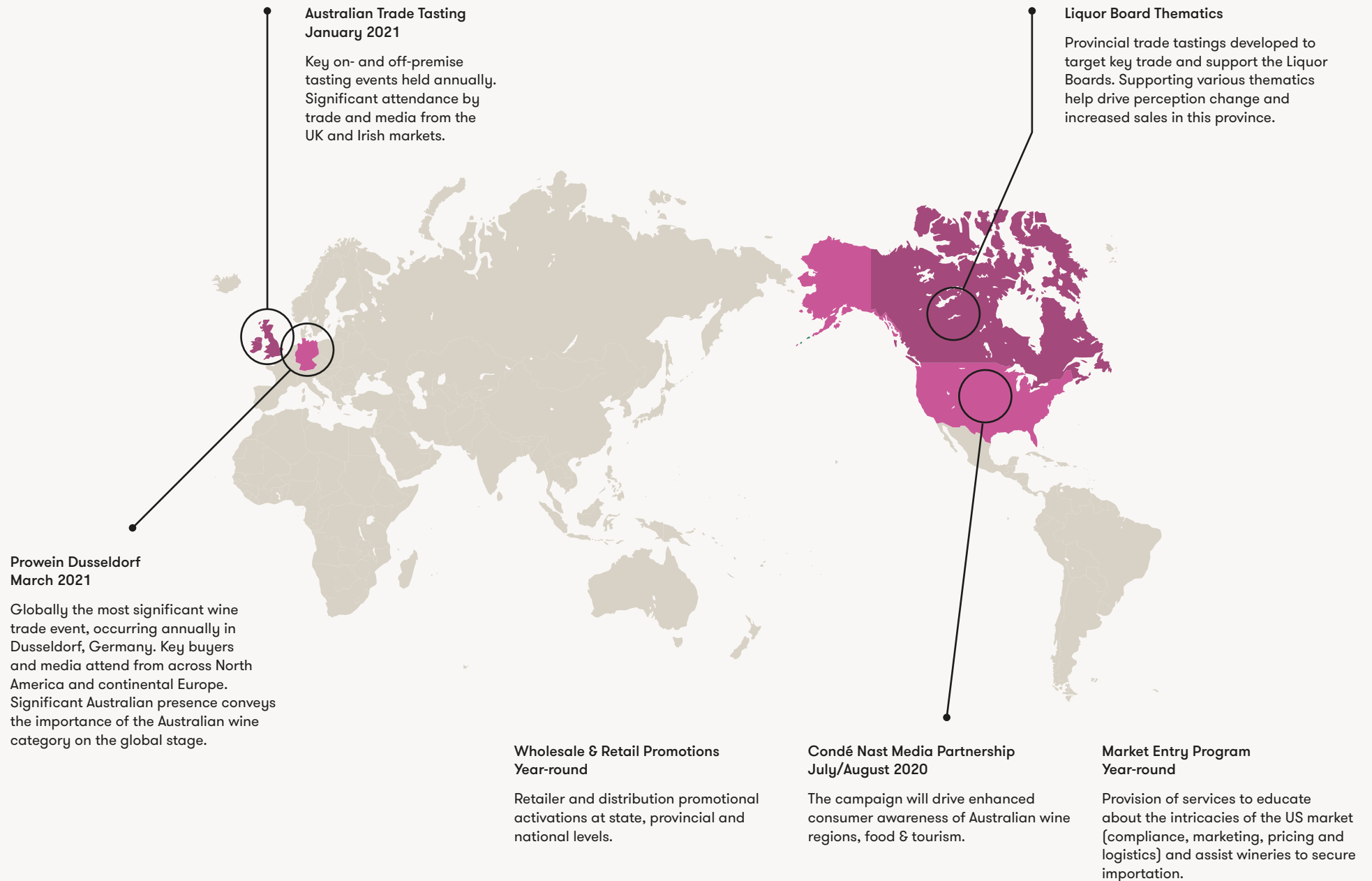
We will continue to administer the two grant programs designed to support the growth in regional wine tourism under Program 3 of the \$50m Package. Due to COVID-19, the 6 projects funded through the International Wine Tourism State Grants and the 21 projects funded through the International Wine Tourism Competitive Grants had the opportunity to extend their delivery to April 2021.



Strategy 1: Market Australian wine

Strategic Plan measures of success	AOP measures of success
85 per cent of Tier A influencers ¹ actively engage with Wine Australia.	At least 81 per cent of Tier A influencers actively engage with Wine Australia through regular contact and outreach, key communications, the China Trade Specialist program, retail partnerships, webinars and (when able) visits and key large trade events as well as smaller seminars and workshops. Existing relationships are developed and new relationships formed with key in-market wine trade, media and other influencers. The content captured through the \$50m Package is used across all marketing communications and brand touch points. At least 75 per cent of guests indicate a positive perception change toward Australian wine, captured in a post-event survey. At least a 20 per-cent increase in positive sentiment in media coverage and other published content on Australian wine.
The perception of Australian wine increases in Canada, China, the UK and the USA by 5 per cent in each market.	As measured through the annual Wine Intelligence survey, consumer perception of Australian wine increases: • in Canada, to 8.27/10 • in China, to 8.64/10 • in the UK, to 8.22/10, and • in the USA, to 8.06/10. For paid social media, we achieve an average engagement rate of 30 per cent for Facebook and Instagram (ERWSP KPI 5). The tone in 90 per cent of media articles about Australian wine is positive or neutral (ERWSP KPI 6). The Australian Wine Discovered (AWD) education program achieves: • 75 per cent overall satisfaction • a net promoter score of 40 • 110 per cent annual growth in AWD material downloads from www.wineaustralia.com • 140 per cent annual growth in pageviews of AWD materials on www.wineaustralia.com • 20,000 downloads of AWD materials from China mini program • 5 per cent annual growth in AWD contact lists across all markets (ERWSP KPI 7).
Vision 2050 has set ambitious targets for the sector. Our marketing activities will contribute to achieving these and we will regularly report progress, acknowledging that sales results across markets are the responsibility of exporters.	We collect, analyse and disseminate market information regularly.
More than 90 per cent of our partners who participate in a Wine Australia promotional activity are satisfied or very satisfied with the activity.	More than 90 per cent of wineries and distributors who participate in Wine Australia promotional activities report through post-event surveys that they are satisfied or very satisfied with the activity.

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.



Prowine China

A vibrant and growing key trade show in Shanghai, which connects wineries to distributors. Australia's presence includes tastings, master classes and seminars.

China Wine Awards

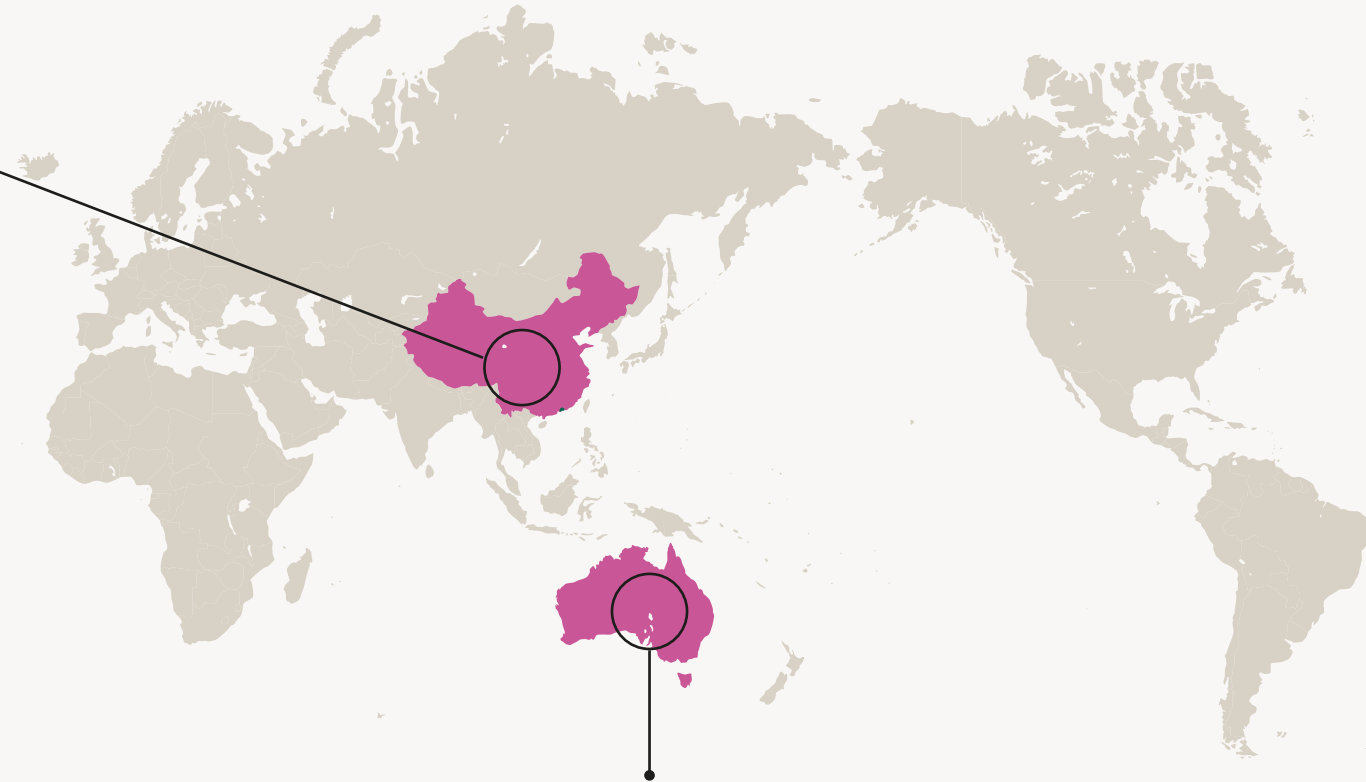
Annual Australian networking event in Shanghai to recognise and celebrate the Chinese wine community's championing of the Australian wine category.

Chengdu Food & Drinks Fair and TWC Fine Wine Showcase March 2021

China's largest and oldest trade fair is held in Chengdu annually. It comprises a hotel show for wine, beer and spirits and an Australian pavilion at the main food and drinks fair. The Australian presence will include exhibition space, tastings, master classes and seminars.

China Roadshow May 2021

Core annual event where Wine Australia travels 80-plus Australian brands throughout China, visiting one tier-one and three tier-two cities. The objective is to drive growth in perception and availability of Australian wines in the Chinese market.



Australia Visits Program

Trade, buyers, media and visitors are rigorously selected and invited to Australia for an immersive wine experience in wine regions and cities. Timing for 2020–21 depends on COVID-19 restrictions.

Australian Wine Discovered

The innovative education platform will continue to be rolled out across all key markets (USA, Canada, UK, Europe, Australia and the Asia Pacific) to support the growth of Australian wines. The program provides substantial resources to wineries, brands, educators, importers, distributors and retailers to support their promotion of Australia and Australian wine regions and wine styles.

Strategy 2:

Protect the reputation of Australian wine

In 2020–21, we will maintain a regulatory framework that provides a solid foundation for maintaining the quality and integrity of Australian wine.

A focus of the new financial year will be familiarising exporters with the new Wine Export Licensing and Approval System (WALAS), which provides exporters with enhanced access and greater flexibility to manage their export and shipping details 24 hours a day.

WALAS better aligns with the export control framework set out in the Wine Australia Regulations 2018 by ensuring labels and Label Integrity Program (LIP) documentation can be uploaded as a precursor to product approval, allowing us to ensure the truth and the reputation for truthfulness of wine labels through targeted label audits.

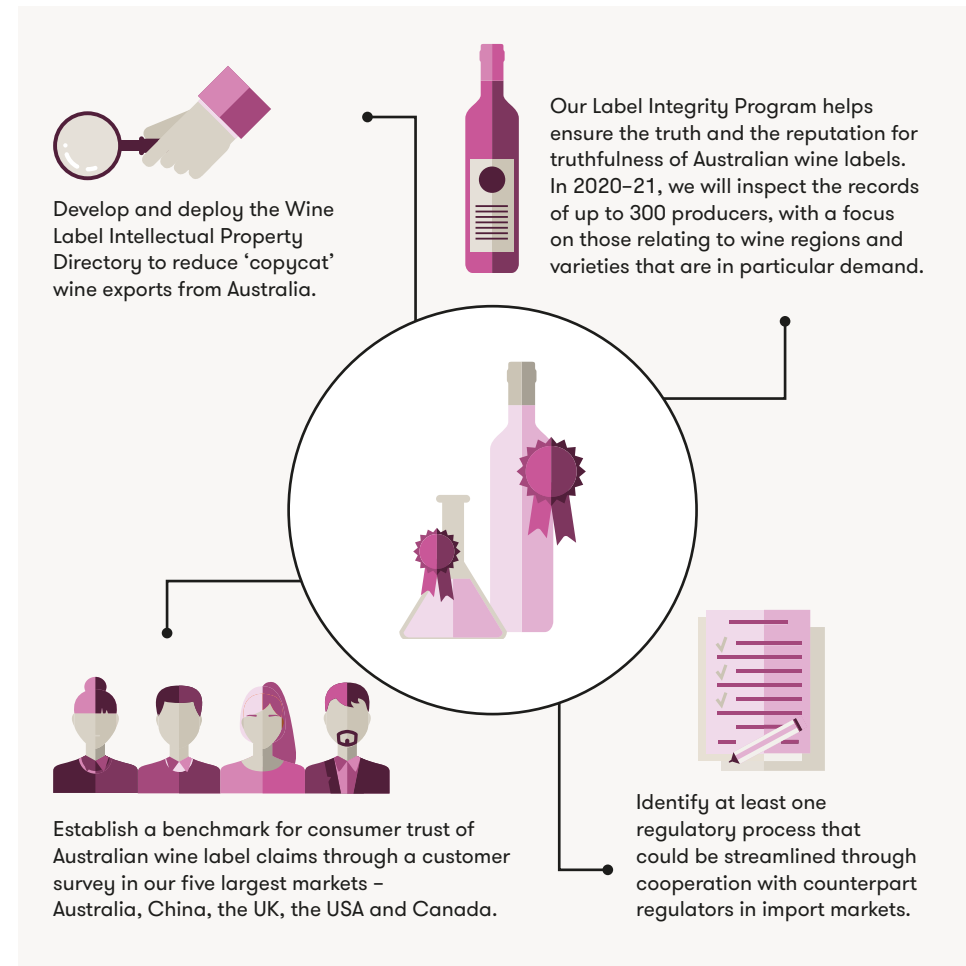
We will develop and deploy the Wine Label Intellectual Property Directory. Funded through the \$50m Package, the Directory was proposed by AGW to reduce the incidence of ‘copycat’ wine exports from Australia.

Changes to the Wine Australia Regulations will require exporters to upload label images to the Directory during the product registration step, and make a declaration that the images are an accurate representation of the labels applied at the shipment certification step. Shipment certification will not be possible without the completed declaration.

The Directory is expected to go live in early 2021 and will be publicly accessible to registered users and searchable by image matching as well as text fields.

We will continue to identify potential impediments to trade, with a view to enhancing market access and minimising technical trade barriers.

Priority areas under Strategy 2



Strategy 2: Protect the reputation of Australian wine

Strategic Plan measures of success

Achieve the six key performance indicators in our Regulator Performance Framework.

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.

Having assessed three new traceability technologies, including blockchain, and their being available to the sector for adoption.

Deliver streamlined regulatory process through cooperation with counterpart regulators in import markets.

AOP measures of success

Through self-assessment endorsed by AGW, we will measure and report our performance against the six indicators that regulators use to measure their performance, namely:

- regulators do not unnecessarily impede the efficient operation of regulated entities
- communication with regulated entities is clear, targeted and effective
- actions undertaken by regulators are proportionate to the regulatory risk being managed
- compliance and monitoring approaches are streamlined and coordinated
- regulators are open and transparent in dealing with regulated entities, and
- regulators actively contribute to the continuous improvement of regulatory frameworks.

We will use the results of a consumer survey to establish the benchmark for consumer trust in the five markets.

Through our Label Integrity Program, we will inspect up to 300 producers' records, with a focus on those relating to wine regions and varieties that are in particular demand.

We will assess at least one new traceability technology and communicate the results, including to the Wine Industry Technical Advisory Committee.

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

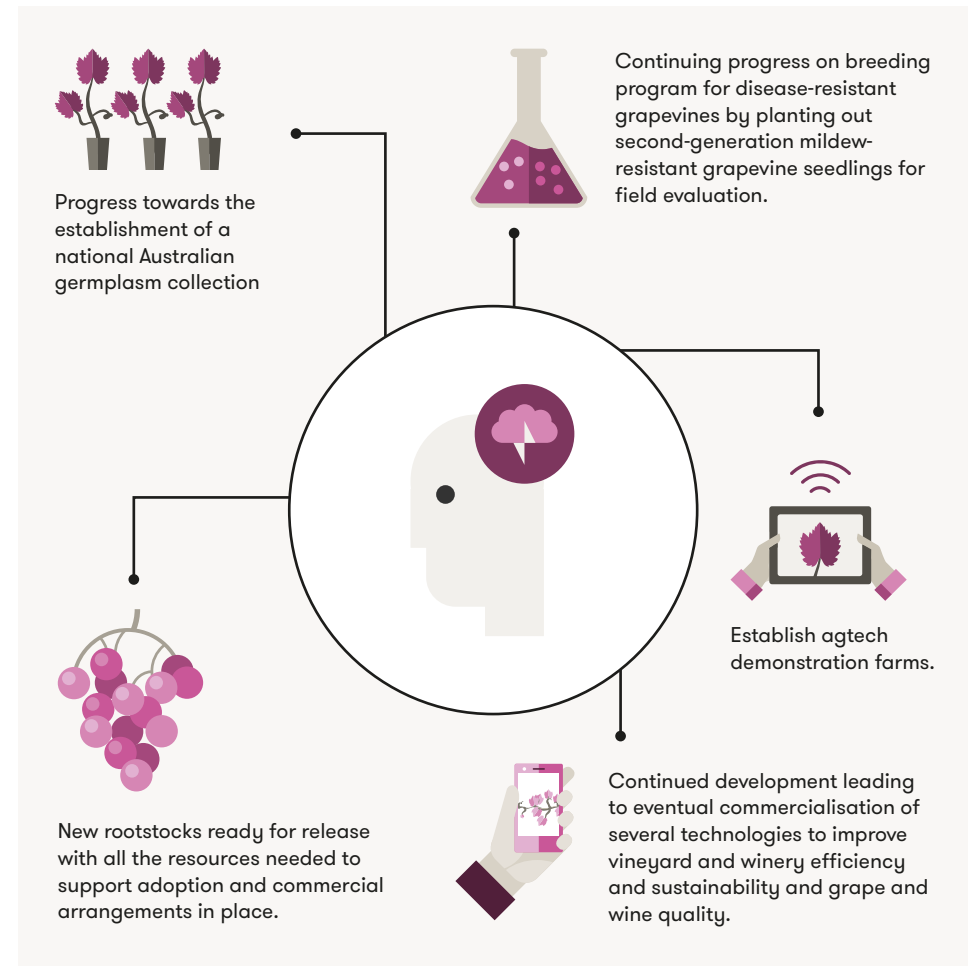
This strategy focuses on building grape and wine excellence. This supports our overarching strategy of helping Australian wine be enjoyed and respected globally and building profitable, resilient and sustainable winegrape and wine businesses.

In 2020–21, 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. We will also make progress towards the establishment of a national germplasm collection.

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 measures of success	AOP measures of success
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 - Planting of at least 200 mildew-resistant winegrape seedlings with two powdery mildew resistance loci (RUN1/REN4) and two downy mildew resistance loci (RPV1/ RPV16) segregating for red flesh and muscat flavour, for field evaluation. - At least 10 microvines and 10 wildtype (tall) female breeding lines containing two powdery mildew (RUN1/REN4) and two downy mildew (RPV1/ RPV16) resistance genes available for future crossings strategies to combine disease resistance and desirable consumer traits.
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 - Commercial arrangements have been agreed for the release of selected first-generation rootstocks to the sector. - Resources to support adoption of rootstocks have been developed. - Markers developed for selecting second-generation, phylloxera-resistant rootstocks are validated.
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 - A commercialisation strategy for VitiCanopy and VitiWeb has been developed and implemented. - ProxiCrop sensors field-tested and successfully used to determine irrigation requirement of vineyard. Pathways for commercialisation of the technology have been developed. - The image library supporting the development of a vine nutrition smartphone app is significantly expanded and the image processing capability of the app further improved. Pathways for commercialisation of the technology have been developed. - Knowledge regarding the effect of factors such as: bunch shading, row orientation, plant water status, and the application of anti-transpirants (including kaolin), on berry cell death is available. A prototype field device for the measurement of berry cell-death is tested.
The supply of genetically diverse and high-health planting material being maintained to the satisfaction of relevant stakeholders.	Existing investment: CSA 1701-1.7 and SAR 1701-2.3 - Cabernet Sauvignon clones are successfully propagated for establishment across three diverse climates in spring. - Winegrape germplasm collections at Irymple and Nuriootpa and embryogenic cultures are maintained. - Protocols for transient gene editing delivery systems, such as CRISPR/Cas9, are evaluated. Project initiated to compile recent surveys of Australian germplasm and make this information available to the sector. The future of grapevine collections in Australia mapped out, based on recommendations of project WGG 1401. Project initiated to identify the deficiencies within, and needs of, the propagation sector to maintain the supply of high-health status material for the wine sector.

Strategy 3: Enhance grape and wine excellence (continued)

Strategic Plan measures of success	AOP measures of success
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: Agtech demonstration farms project, CSA 1701-3.1, AWRI projects, CSU 1702-4, UA 1602, UA 1803-1.5 and UA 1803-2.1 • Agtech demonstration farms have been established in two regions. • Final reports from CSA 1601 and CSA 1602 are published and have shortlisted the most promising sensor technology for further development. Pathways for commercialisation of the technology have been developed. Potential applications of the sensors include: in-vineyard, on-the-go estimation of yield, disease infection and fruit composition. • The role of foliar spraying in producing a high-potential thiol communicated to the sector. • Practical advice provided to the sector on the effects of glycosides in alternative products. • Pathways identified for commercialisation of alternative protein stabilisation strategies, such as use of zeolites. • Practical advice and extension materials about methods to introduce oxygen and the impacts of timing and dose of addition. • New molecular tests for the sector to monitor and control Brettanomyces. • Practical strategies to decrease the occurrence or impact of negatively perceived sulfur molecules. • Project initiated at AWRI on production of lower-alcohol wine. Design of a solution to enable the seamless sharing by growers of spray diary data across multiple platforms.
At least three Wine Australia-funded projects having progressed to commercialisation.	New investment needed • Assessment of the commercialisation potential of existing project intellectual property (IP), such as through the following activities: – a prototype unit for monitoring phenolics in press cycles available for commercialisation – partnerships developed to support commercialisation of a LiDAR-enabled vine spraying unit, and – a partner engaged for deploying zeolites as an alternative to bentonite.

Strategy 4

Grow sustainable environments

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

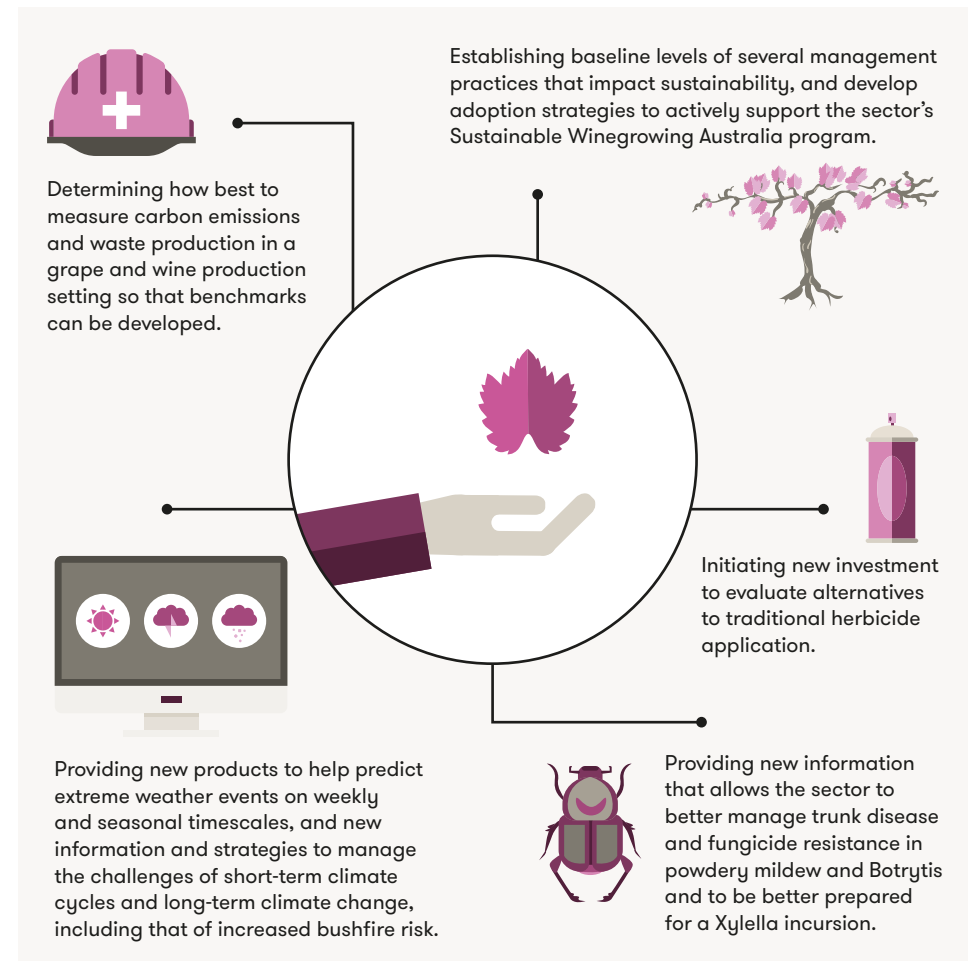
In 2020–21, we will take the first steps towards achieving the grape and wine sector's goal of zero nett carbon emissions and zero waste production by 2050, by determining how best to measure carbon emissions and waste production in a grape and wine production setting so that benchmarks can be developed.

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 disease, 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 for Strategy 4



Strategy 4: Grow sustainable environments

Strategic Plan measures of success	AOP measures of success
New knowledge allows the sector to establish a carbon emissions benchmark.	A project initiated to identify methods relevant to the grape and wine sector to establish levels of carbon emissions.
New knowledge allows the sector to establish waste production benchmarks.	A project initiated to identify methods relevant to the grape and wine sector to establish levels of waste production
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.	Existing investment: AGW 1706, CSA 1701-2.2, CSU 1702-5, SAR 1701 - 2.2 and short-term smoke taint projects • New products are available through the Bureau of Meteorology to help predict extreme weather events to weekly and seasonal timescales. • The 'Climate Atlas' is communicated effectively to the wine sector and informs medium- to long-term planning by grapegrowing regions for adaptation to a changing climate. We understand climate projections for Australia in an international context. • A better understanding of the drivers of vintage compression in different varieties and regions. Availability of practical management options to delay grape maturity. • Improved knowledge on the most effective timing and commercially-acceptable application rates for plant growth regulators to delay harvest. Efficacy and residue data required for the registration and use of naphthalene acetic acid in wine grapes is available. • A preliminary report is available to explain whether soil- or foliar-applied calcium or magnesium can reduce the uptake of berry potassium and therefore improve wine acidity balance in a warming climate. • Strategies ameliorating smoke taint at the winery, including with active carbon, shared with the sector. • Wines made from smoke-damaged fruit from 2020 harvest are fully analysed and available for use in future smoke taint projects. Full dataset is available to link smoke dose and composition with development of smoke taint in grapes and wine. New, long-term project portfolio initiated on smoke taint and vineyard recovery from bushfires. Investment requirements mapped out and new projects initiated on climate mitigation strategies that can be adopted by the grape and wine sector.
A better understanding of vine water use contributes to better irrigation scheduling processes that allow more efficient and effective use of water.	Existing investment: CSA 1701-1.5, SAR 1701-2.1 and UA 1803-1.3 • Performance of different scion-rootstock combinations compared under different irrigation treatments. • Cost-benefit analysis of using sensor-driven irrigation vs conventional irrigation communicated to the sector. • A greater understanding of the irrigation strategy required to maintain vine productivity under a scenario of reduced winter rainfall.
Research delivers clear information about the value of soil remediation processes and enhancing functional biodiversity.	Existing investment: UA 1803-1.4 (until October 2020) • Final report from UA 1803-1.4 is published and documents the impact of undervine canopy crops on soil health and vine performance from a two-year field study. • New project initiated to evaluate alternatives to traditional herbicide application.

Strategy 4: Grow sustainable environments (continued)

Strategic Plan measures of success	AOP measures of success
New and improved practices for sustainable management of endemic pests and diseases are available to the sector.	Existing investment: ARC Bioclay project, AGW 1710, AWR 1701-4.5.1, DED 1701, SAR 1701-1.1 and SAR 1701-1.2 • Partnership agreements executed and projects underway in an ARC Research Hub to develop a novel, environmentally sustainable crop protection platform, 'BioClay'. • Information on pest status and levels is provided by a mobile, cross-industry surveillance network. • Knowledge is available on vineyard strategies to manage fungicide resistance in powdery mildew and Botrytis and on the mechanism of resistance in fungal pathogens. • New knowledge is disseminated to the sector on updated disinfestation protocols for phylloxera, new detection tools and the resistance status of commonly grown rootstocks. • Knowledge is available on the efficacy of biocontrol options for trunk disease. Recommendations are available on in-field detection of grapevine trunk disease pathogens and an improved understanding of infection thresholds for grapevine propagation material.
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.	Existing investment: PHA 1801, extended PBRI agreement, new Xylella insect vectors project, new Brown Marmorated Stink Bug (BMSB) project, WA 1812, and WA 1907 • Viticulture Industry Biosecurity Plan and Vineyard Biosecurity Manual 2.0 are endorsed and released to the sector and the Implementation Plan is reviewed. • The Wine Sector Biosecurity Emergency Response Plan is available for consideration by partner organisations. • Increased awareness among organisational and individual stakeholders of the threat of Xylella and preparedness measures. • Field sites and glasshouse and chamber trial facilities are established to determine the native insect vectors of Xylella. • Capacity, tools and co-ordination between sectors for diagnosis of high-priority exotic plant pests is improved. • New project initiated to develop novel technologies for the rapid and sensitive detection of BMSB.
The use of vineyard cover crops and soil remediation practices has increased by 10 per cent.	Existing investment at AWRI and within Wine Australia • Baseline established for current use of vineyard cover crops and soil remediation practices. • Adoption strategy for vineyard cover crops and soil remediation practices developed.
The land area dedicated to enhancing functional biodiversity has increased by 10 per cent.	Existing investment at AWRI and within Wine Australia • Baseline established for the area dedicated to enhancing functional biodiversity. • Adoption strategy for increasing functional biodiversity developed and commenced.
Best-practice irrigation scheduling to optimise water use efficiency is adopted by an additional 30 per cent of growers in warm irrigated regions.	Existing investment at AWRI and within Wine Australia • Baseline established for use of irrigation scheduling in warm irrigated regions. • Adoption strategy for increasing best-practice irrigation scheduling developed.

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 2020–21, we will focus on facilitating the adoption of existing knowledge to improve winegrape growing, winemaking, exporting and running a wine business. We will also develop a national extension and adoption strategy and use it to guide future planning, using modern innovative approaches to behaviour and practice change. This will include delivering enhancements to the Australian Tourism Data Warehouse, the Growing Wine Tourism and Growing Wine Exports capacity-building programs, and encouraging wine businesses to use Australian Wine Made Our Way resources.

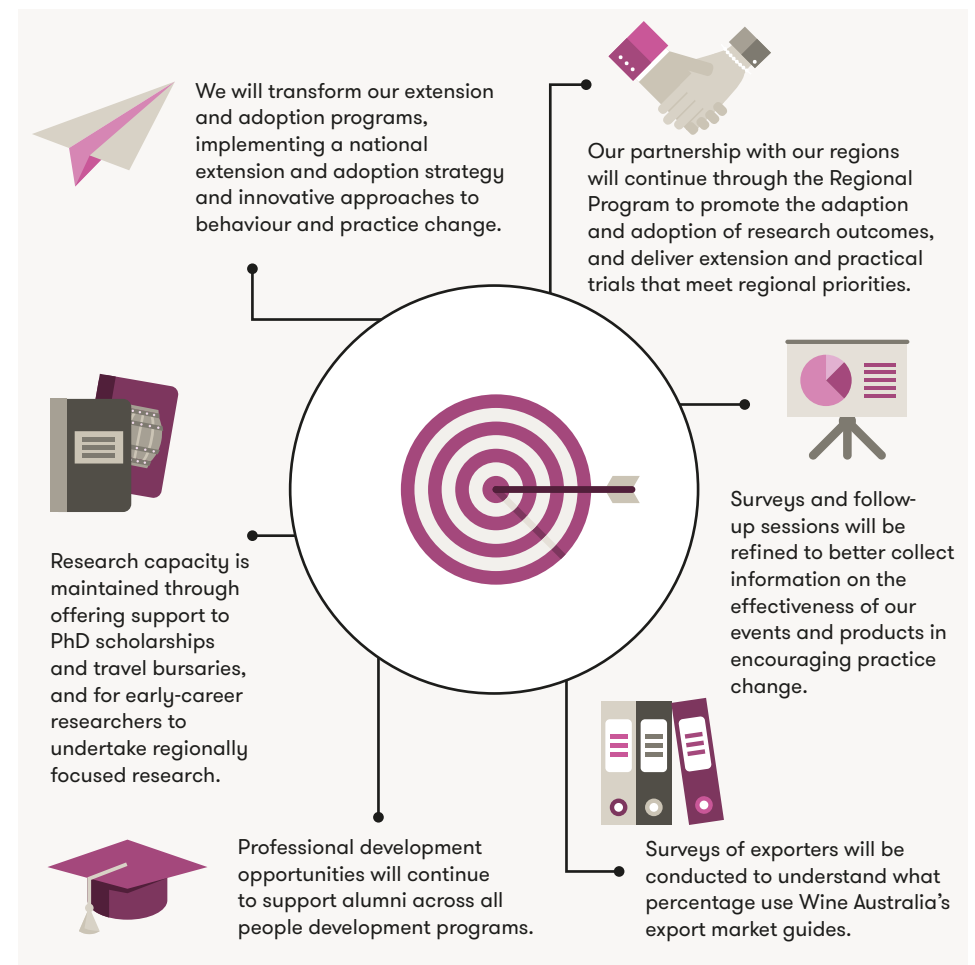
Through the \$50m Package and subject to COVID-19 travel restrictions, we will draw on the Growing Wine Tourism and Growing Wine Exports capacity-building programs to deliver a series of two-day ‘hybrid’ workshops covering wine export and wine tourism training in central locations around Australia. We are also considering an alternative online delivery model for these workshops, to manage any interstate travel restrictions and reduce the financial impost of participation.

Recordings of previous Growing Wine Tourism workshops are also being made available for self-paced learning.

Wine tourism-related enhancements to the Australian Tourism Data Warehouse will allow wineries, accommodation providers and other wine-related tourism operators to categorise their offerings in the national tourism platform. These listings will be able to incorporate translations, multimedia, performance snapshots, reviews and scores, and will be searchable, allowing itineraries to be planned and experiences booked.

We will continue to encourage evidence-based and data-driven decision-making by collecting, analysing and disseminating global wine sector intelligence and accurate and timely supply-and-demand information.

Priority areas for Strategy 5



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. 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.

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	AOP measures of success
Of levy payers who participate in Wine Australia-supported extension and adoption programs: • 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.	• AGW's Research Advisory Committee assists Wine Australia and its key extension partners to identify extension and adoption priorities and plan activities at a national level to enhance their relevance. • The results of an independent review of grape and wine extension will begin to be implemented to achieve the best outcomes for our levy payers. • The national extension and adoption strategy will be used to guide future planning, drawing on innovative approaches to behaviour and practice change. • Our extension partners will be supported to use the best-practice design features from the national extension and adoption strategy. • Extension activities will have specific, measurable and actionable objectives, which will support and enhance the monitoring and evaluation outcomes of each activity. • The AWRI helpdesk will continue to provide a free-of-charge advice service on technical issues from experienced winemakers, viticulturists and scientists. • Extension and education activities will provide participants with a clear promise that attendance will afford them the ability to implement a specific and beneficial practice. • Tools and resources will be developed to facilitate practice change. • Our partnership with our regions will continue through the Regional Program to promote the adaption and adoption of research outcomes, and deliver extension and practical trials that meet regional priorities. • Surveys and follow-up sessions will be refined to better collect information on the effectiveness of our events and products in encouraging practice change. • Agtech demonstration farms have been established in two regions.
More than 90 per cent of participants in people development programs have gained new knowledge and skills to improve their personal and professional leadership capabilities.	• At least 30 members from the grape and wine community will participate in the Next Crop regional leadership program. • Research capacity is maintained by offering support to PhD scholarships and travel bursaries, and for early-career researchers to undertake regionally focused research. • Professional development opportunities support alumni across all people development programs. • Surveys will collect information on the effectiveness and use of knowledge and skills gained from people development programs.
99 per cent of exporters have access to the information and knowledge they need to meet the requirements of the importing country.	• We will review the destination of exports to ensure that exporters' information needs are met by our export market guides.
More than 90 per cent of market insights customers are satisfied or very satisfied with our market insights services.	• More than 90 per cent of market insights customers indicate that they are satisfied or very satisfied with market insights services in our stakeholder survey.

Strategy 5: Build business sustainability, excellence and leadership (continued)**Strategic Plan measures of success****AOP measures of success**

ERWSP Program 2b and 3 targets:

- Wine Export Grant recipients achieve a 3 per cent increase in their collective wine exports in 2020–21 (ERWSP KPI 11).
- The perception of international tourist services, products and experiences achieves a net promoter score of 80 (ERWSP 12).
- There are at least 1100 Australian wineries with active listings on ATDW (ERWSP KPI 13).

ERWSP Program 4 targets:

- 90 per cent of Cider Australia producers participate in developing and supporting the strategy (ERWSP KPI 14).
 - 22 producers export cider (ERWSP KPI 15).
 - Cider export revenue grows to at least \$27 million (ERWSP 16).
-

Finance

Estimates of revenue

For the financial year 2020–21, we estimate that proceeds from levies will amount to \$17.8 million. This is based on assumptions including that a crop of 1.55 million tonnes is achieved, and that exports will continue at current rates of around \$2.9 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 2020–21 are estimated to be \$14.1 million.

It is estimated that proceeds from fees and charges will total \$6.2 million and revenue from user-pays activities will be \$1.4 million.

In the final year of the \$50m Package, we anticipate receiving \$0.98 million from the Australian Government and \$1.68 million from independent sources.

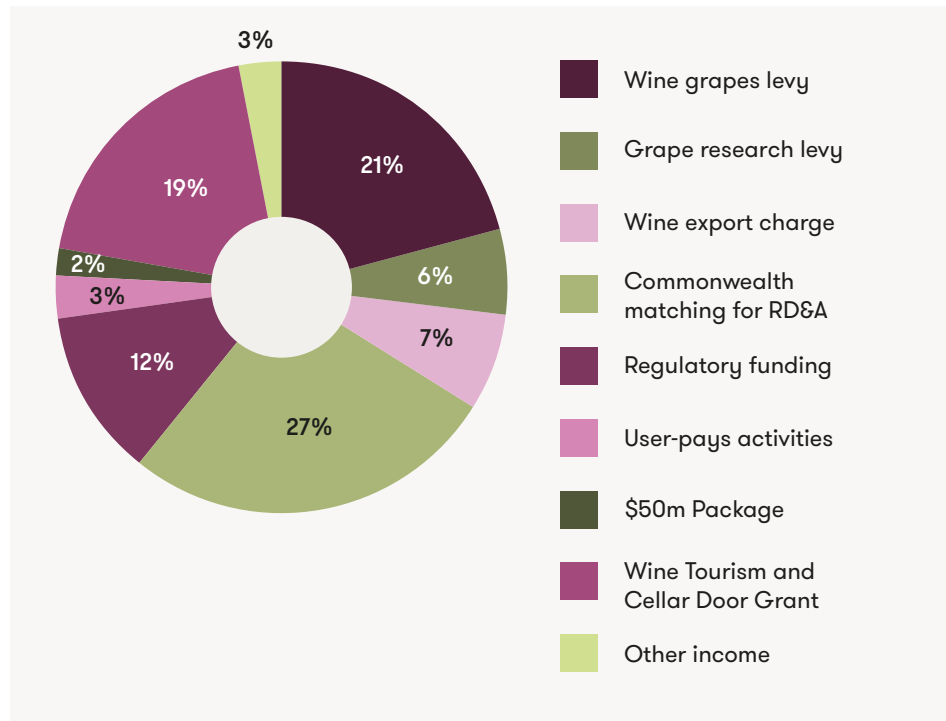
This year, 2020–21, is the second year of the three-year Wine Tourism and Cellar Door Grant administered by Wine Australia. There will be \$10 million available for eligible grants.

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 \$52.09 million.

Table 1: Estimates of revenue by source for 2020–21

Source	\$ million
Levies	
Wine grapes levy	10.85
Grape research levy	3.10
Wine export charge	3.82
Commonwealth matching for RD&A	14.08
Regulatory funding	6.23
User-pays activities	1.35
\$50m Package	0.98
Wine Tourism and Cellar Door Grant	10.00
Other income	1.68
Total income	52.09

Figure 2: Estimates of revenue by source for 2020–21



Estimates of expenditure

Our estimates of expenditure for 2020–21 are shown in Table 2 and illustrated in Figure 3. Our expenditure by funding source 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 \$7.5 million to deliver the final year of the \$50m Package, as detailed in Tables 4 to 8.

The forecast funding shortfall of \$13.2 million is in line with our approved Department of Finance operating loss for R&D expenditure, in addition to further investment in marketing activities.

Our representative organisations will receive funding to support our objectives. In 2020–21, 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 9 to 12, we detail our RD&A investments by project term, risk category, research type and geographical focus. Table 13 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 14).

Table 2: Estimates of expenditure for 2020–21

Source	\$ million
Strategy 1: Market Australian wine	9.41
Strategy 2: Protect the reputation of Australian wine	3.19
Strategy 3: Enhance grape and wine excellence	14.29
Strategy 4: Grow sustainable environments	6.04
Strategy 5: Build business sustainability, excellence and leadership	7.02
\$50m Package	7.49
Wine Tourism and Cellar Door Grant	10.15
Support functions	6.86
Levy collection costs	0.87
Total expenditure	65.32

Table 3: Estimates of expenditure by funding source and total, for 2020–21

Source	\$ million
Research, development and adoption	27.5
Market development – core activities	2.57
Market development – user-pays activities	1.68
\$50m Package	7.49
Wine Tourism and Cellar Door Grant	10.15
Other	15.93
Total activity expenditure	65.32

Figure 3: Estimates of expenditure by activity, for 2020-21

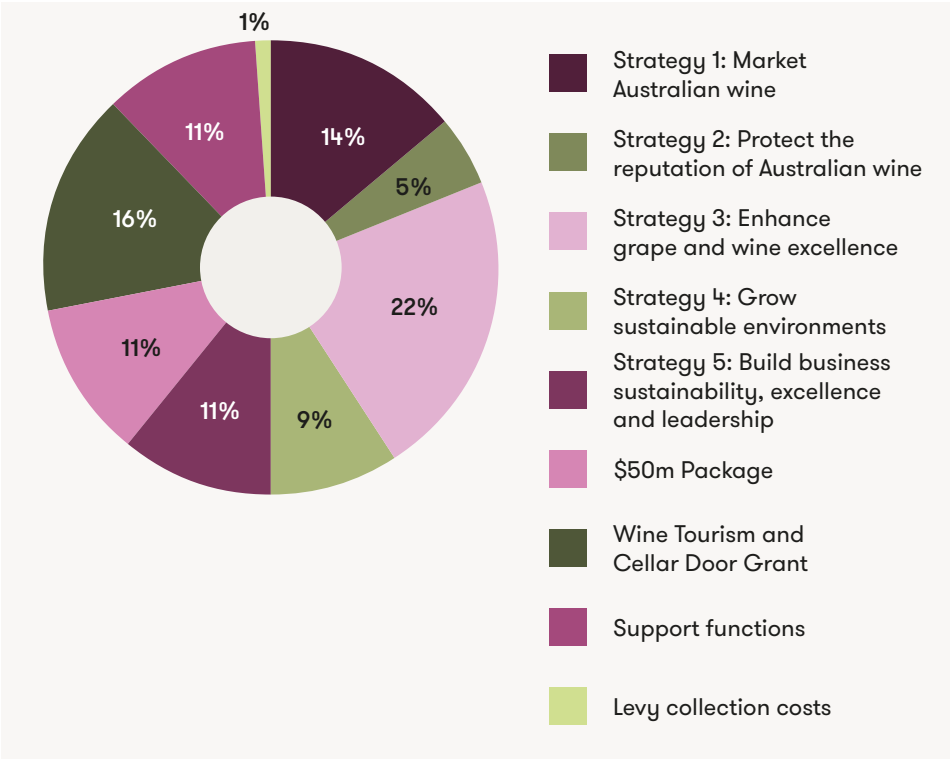


Figure 4: Estimates of expenditure by activity and total, for 2020-21

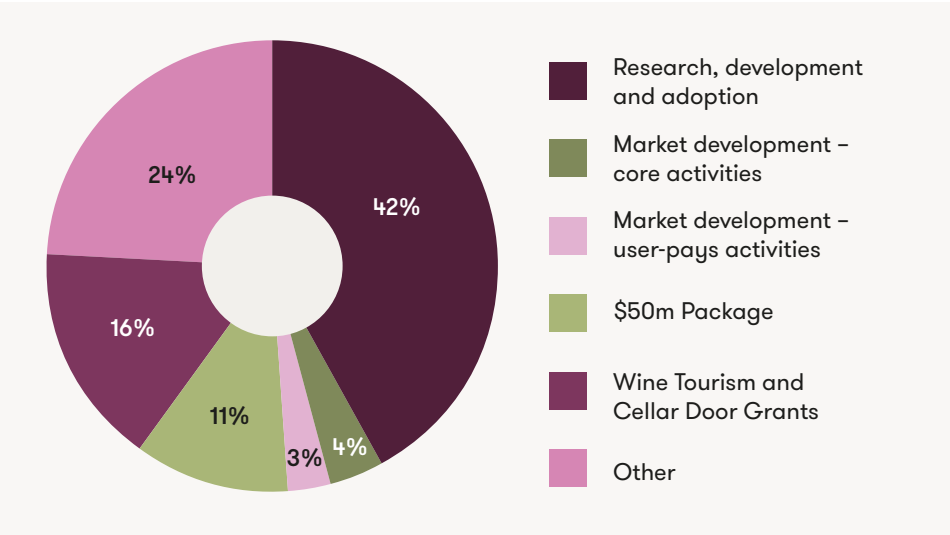


Table 4: \$50m Package – Actual and estimated revenue and expenditure

	FY17 \$000	FY18 \$000	FY19 \$000	FY20 \$000	FY21 \$000	Total \$000
Revenue						
Package funds	670	17,344	15,924	16,062	-	50,000
Interest on Package funds	-	153	291	100	18	562
Direct sector contribution – Program 1	-	1,680	1,222	1,204	944	5,050
Direct sector contribution – Program 2a	-	-	31	34	15	80
Total	670	19,177	17,468	17,400	977	55,692
Expenditure						
Program 1: Accelerating growth in international demand						
China export market growth	-	5,769	5,474	3,452	2,668	17,363
USA export market growth	-	3,212	5,608	8,214	1,163	18,197
International wine tourism growth	-	1,500	-	-	-	1,500
Wine label intellectual property directory	-	-	-	-	550	550
	-	10,481	11,082	11,666	4,381	37,610
Program 2: Creating export-ready businesses						
Capability building	-	342	1,573	521	164	2,600
Wine Export Grant scheme	-	88	1,300	112	1,000	2,500
	-	430	2,873	633	1,164	5,100
Program 3: Capturing growth in wine regions						
Grants for state leveraged activities	-	150	2,441	1,381	508	4,480
Competitive grants	-	-	1,333	1,093	339	2,765
Wine Tourism Platform	-	-	100	410	550	1,060
Wine Tourism Advisory Panel	-	-	2	33	40	75
	-	150	3,876	2,917	1,437	8,380
Program 4: Transforming cider businesses						
Transforming cider businesses	-	65	164	206	65	500
	-	65	164	206	65	500
Administration						
	529	1,285	1,009	834	445	4,102
Total	529	12,411	19,004	16,256	7,492	55,692

Table 5: \$50m Package – Program 1 Budget 2020–21

Activity/event	Grant funds \$000	Direct sector contributions \$000	Total budget \$000
Program 1: Accelerating growth in international demand			
China			
Influencer engagement and education	421	0	421
Major events	1,083	944	2,027
China retail & distributor activations	220	0	220
	1,724	944	2,668
USA			
Influencer engagement and education	960	0	960
USA retail and distributor activations	203	0	203
	1,163	0	1,163
Wine label intellectual property directory			
Wine label intellectual property directory	550	0	550
	550	0	550
	3,437	944	4,381

Table 6: \$50m Package – Program 2a Budget 2020-21

Activity/event	Budget \$000
Program 2: Creating export-ready businesses	
Growing Wine Exports/Tourism hybrid program	164
Wine Export Grant scheme	1,000
Total FY21	1,164

Table 7: \$50m Package – Program 3 Budget 2020-21

Activity/event	Budget \$000
Program 3: Capturing growth in wine regions	
Grants for state-leveraged activities	508
Competitive grants	339
Australian Tourism Data Warehouse enhancements	550
Wine tourism advisory panel	40
Total FY21	1,437

Table 8: \$50m Package – Program 4 Budget 2020-21

Activity/event	Budget \$000
Program 4: Transforming cider businesses	
Craft cider education content development	16
Craft cider marketing collateral development	49
Total FY21	65



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 9: RD&A investment by project term

Project term	Number of projects		Budget 2020-21	
Short (<2 years)	22	19%	\$1.9	8%
Medium (2-4 years)	25	22%	\$4.1	17%
Long (>4 years)	69	59%	\$18.5	75%
Total	116	100%	\$24.5	100%

Figure 5: RD&A investment by project term

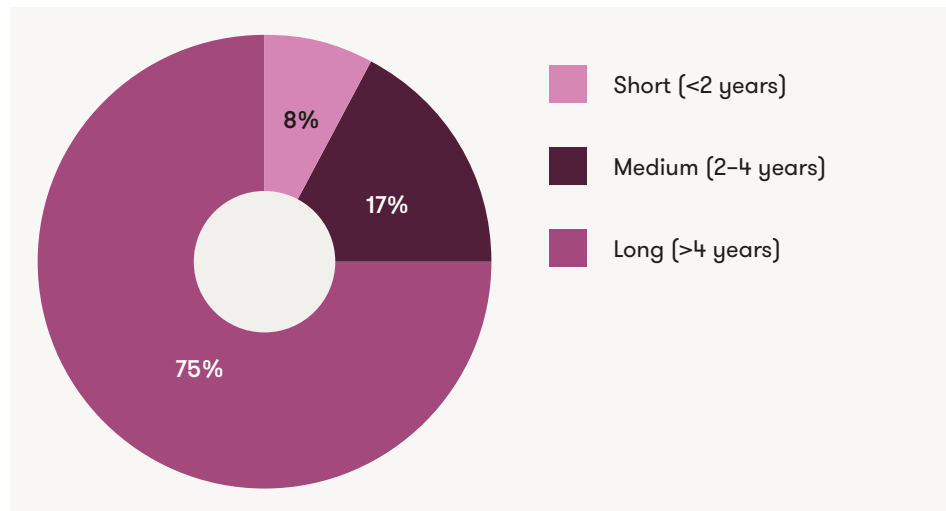


Table 10: RD&A investment by risk category

Risk	Number of projects		Budget 2020-21	
Low	47	40%	\$4.6	19%
Medium	48	42%	\$11.7	48%
High	21	18%	\$8.2	33%
Total	116	100%	\$24.5	100%

Figure 6: RD&A investment by risk category

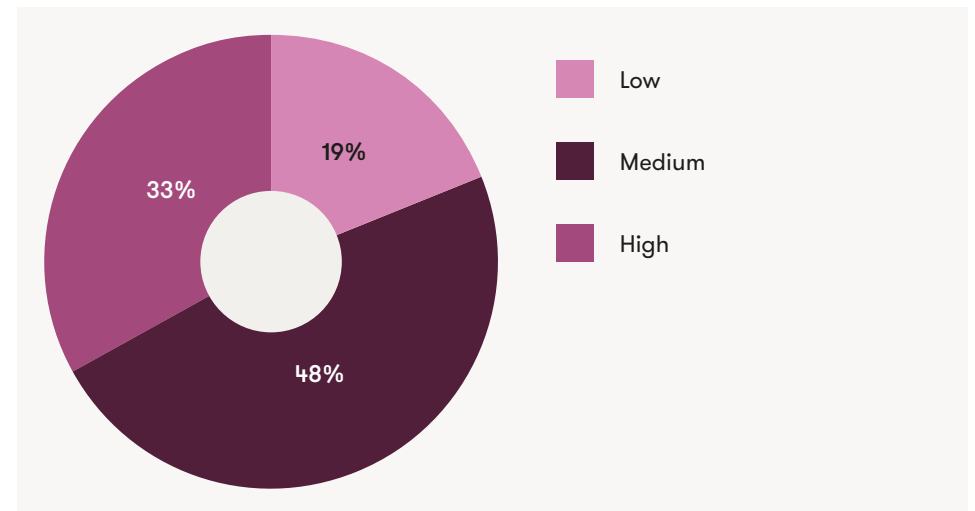


Table 11: RD&A investment by research type

Research type	Number of projects		Budget 2020-21	
Adoption	22	19%	\$3.7	15%
Capability	16	14%	\$0.8	3%
Strategic	49	42%	\$13.5	55%
Adaptive	29	25%	\$6.5	27%
Total	116	100%	\$24.5	100%

Figure 7: RD&A investment by research type

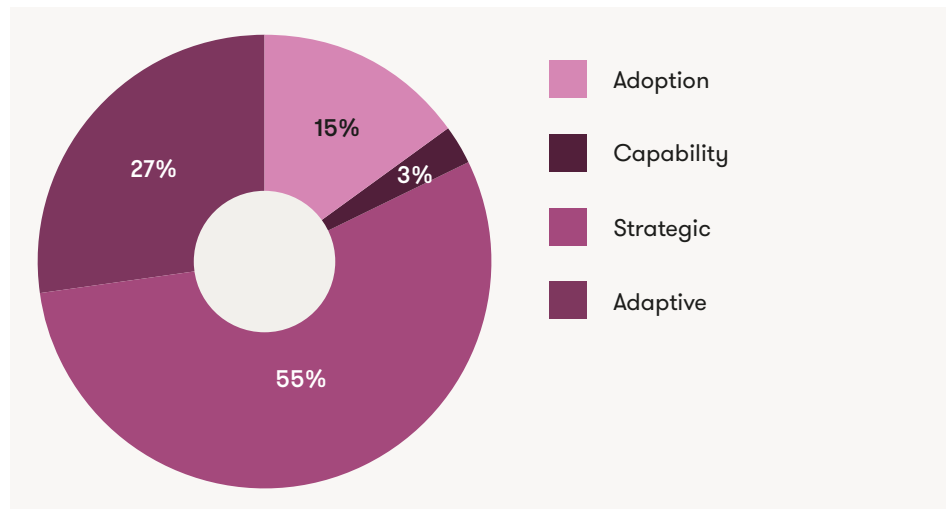
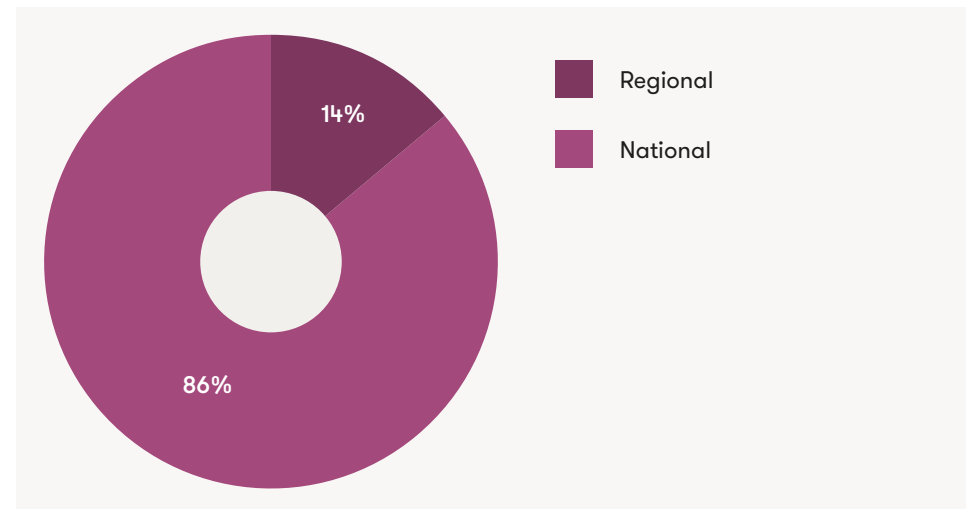


Table 12: RD&A investment by geographical focus

Geographical focus	Number of projects		Budget 2020-21	
Regional	24	21%	\$3.4	14%
National	92	79%	\$21.1	86%
Total	116	100%	\$24.5	100%

Figure 8: RD&A investment by geographical focus



Alignment with Australian Government priorities

Table 13: Science and Research Priorities

Wine Australia strategies	Food 1.1 \$000	Food 1.3 \$000	Soil and water 2.2 \$000	Soil and water 2.3 \$000	Advanced manufacturing 7.1 \$000	Advanced manufacturing 7.2 \$000	Environmental change 8.3 \$000	Total \$000
Strategy 2: Protect the reputation of Australian wine		390.0 (1.6%)						390.0 (1.6%)
Strategy 3: Enhance grape and wine excellence		9413.8 (38.3%)				3827.7 (15.5%)		13241.5 (53.8%)
Strategy 4: Grow sustainable environments		2459.8 (10.0%)	706.7 (2.9%)	279.7 (1.1%)		30.0 (0.1%)	2158.9 (8.8%)	5635.1 (22.9%)
Strategy 5: Build business sustainability, excellence and leadership	745.4 (3.0%)	4221.8 (17.2%)	123.5 (0.5%)	75.5 (0.3%)	43.9 (0.2%)	73.6 (0.3%)	54.6 (0.2%)	5338.3 (21.7%)
Total	745.4 (3.0%)	16485.4 (67.1%)	830.2 (3.4%)	355.2 (1.4%)	43.9 (0.2%)	3931.3 (15.9%)	2213.5 (9.0%)	24604.9 (100.0%)

Table 14: 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				390.0 (1.6%)	390.0 (1.6%)
Strategy 3: Enhance grape and wine excellence	13241.5 (53.8%)				13241.5 (53.8%)
Strategy 4: Grow sustainable environments	30.0 (0.1%)	1768.6 (7.2%)	3836.5 (15.6%)		5635.1 (22.9%)
Strategy 5: Build business sustainability, excellence and leadership	70.7 (0.3%)		209.1 (0.8%)	5058.5 (20.6%)	5338.3 (21.7%)
Total	13342.2 (54.2%)	1768.6 (7.2%)	4045.6 (16.4%)	5448.5 (22.2%)	24604.9 (100.0%)

Monitoring and evaluation

We are committed to providing quantifiable returns on the investments by the grape and wine sector and the Australian Government across our portfolio of activities.

We provide detailed information on how we monitor, evaluate and report return on investment in our Performance Evaluation Framework.

We set clear measures of success through detailed key performance indicators (KPIs) in our Strategic Plan and Annual Operational Plans (AOPs), we regularly measure our effectiveness in achieving these measures, and we report the outcomes in our Annual Reports and Performance Evaluation reports.

To measure our effectiveness, we:

- regularly engage with our stakeholders to seek their input and feedback
- evaluate investment proposals against clear and public criteria
- actively manage, measure and review current projects and activities
- evaluate completed activities and programs of investment, and
- evaluate our performance against our KPIs and our Strategic Plan and AOPs.

We are committed to continuous improvement and we refine our processes and activities based on the outcomes of these evaluations.



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.

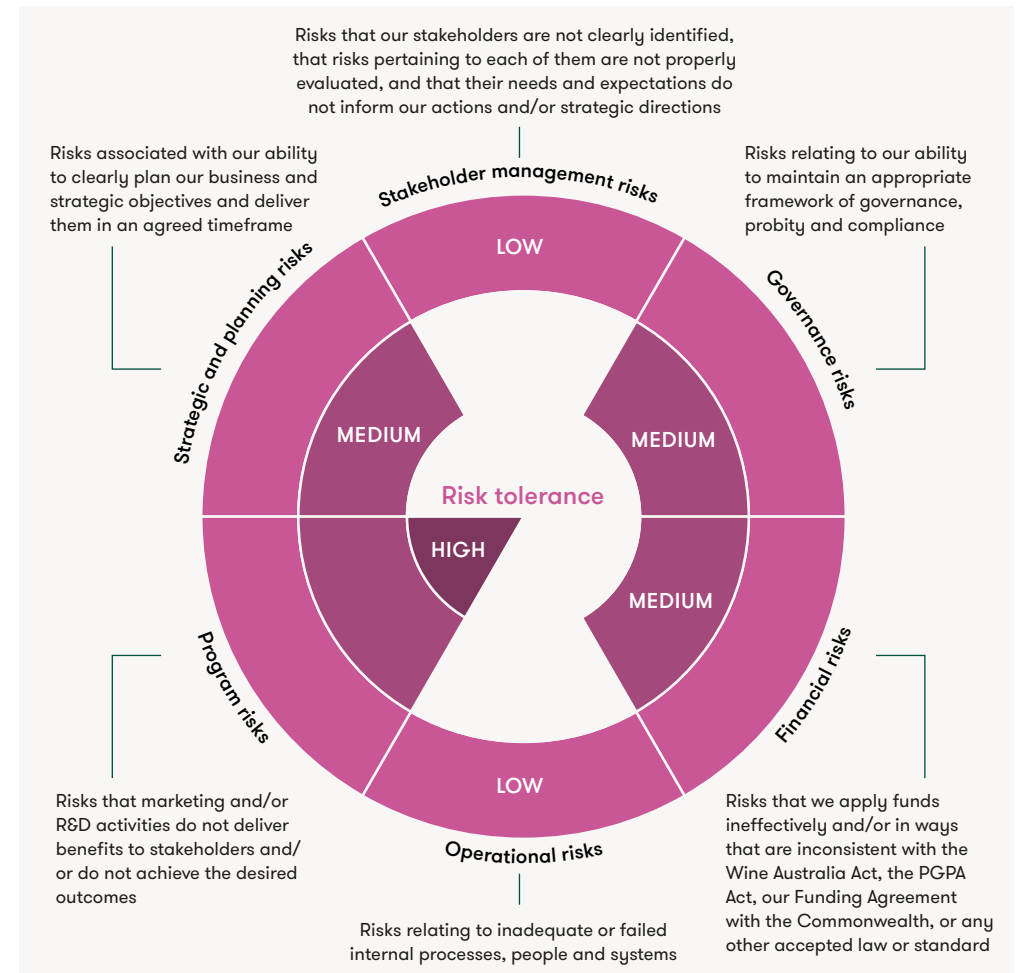
We have set risk tolerances across six risk categories to guide the ways in which we engage with risk.

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 Committee. The Audit Committee reports on risks to the Board at least six-monthly or at the next scheduled Board meeting if new high-rated risks are identified.

In 2020–21, the Risk Management Committee will continually assess strategic and operational risks associated with the COVID-19 pandemic to ensure that we modify and adapt our activities accordingly.



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 1701-1.5.1	Collecting and disseminating information on agrochemicals
AWR 1701-5.3.1	Tracking trends in Australian wine composition and vineyard and winery practices
WAC 1912	Investigate market access impediments and opportunities for Australian wine by attendance at meetings of the International Organisation of Vine and Wine (OIV)
Strategy 3: Enhance grape and wine excellence	
6556-900	Agtech and robotics projects
6556-900	Agtech demo farm project
6556-900	Fire Surveillance project
6556-900	Pinot noir clone project
AWR 1701-3.1.1	Identification and control of volatile compounds responsible for important sensory attributes
AWR 1701-3.1.2	Using glycosides and other flavour precursors for improved wine flavour
AWR 1701-3.1.3	Molecular drivers of wine texture and taste
AWR 1701-3.1.4	Managing wine extraction, retention, clarity and stability for defined styles and efficient production
AWR 1701-3.1.5	Influencing wine style and efficiency through management of oxygen during wine production
AWR 1701-3.1.6	Winemaking interventions to modulate glutathione status
AWR 1701-3.2.1	Putting microbial diversity to work in shaping wine style

AWR 1701-3.2.2	The relationship between grape juice composition and the progress of alcoholic and malolactic fermentation
AWR 1701-3.2.3	Management and optimisation of the AWRI Wine Microorganism Culture Collection
AWR 1701-3.3.1	Objective measures of quality and provenance in Australian vineyards
AWR 1701-3.4.1	Understanding Brettanomyces and its adaptation to control measures
AWR 1701-3.4.2	Formation and fate of sulfur compounds associated with negative attributes in wines
AWR 1701-4.4.1	Defining regional variability and uniqueness of premium Australian Shiraz
AWR 1701-4.4.2	Development of tools to verify origin and varietal nature of wines
AWR 1701-4.4.3	Bioprospecting Australian microbial genetic diversity
AWR 1701-4.4.4	Rotundone and its role in defining terroir in iconic Australian cool-climate 'peppery' Shiraz
CSA 1601	New technologies for dynamic canopy and disease management
CSA 1602	New non-destructive technologies for simultaneous yield, crop condition and quality estimation
CSA 1701-1.1	Scion genetics and improvement: development of new disease-resistant varieties
CSA 1701-1.2	Scion genetics and improvement: desirable consumer traits
CSA 1701-1.3	Rootstock genetics and improvement: new improved rootstocks with durable resistance to root-knot nematodes and phylloxera
CSA 1701-1.4	Rootstock genetics and improvement: tolerance to abiotic stress
CSA 1701-1.5	Field trials: new scion-rootstock combinations and evaluation of new technology for improved water use efficiency and reduced costs
CSA 1701-1.6	Regional evaluation of new germplasm: pathway to adoption
CSA 1701-1.7	Enabling technologies and genetic resources

CSA 1701-3.1	New digital technologies for managing winegrape production and quality
CSU 1702-2	Determining thresholds for bunch rot tolerance in wine and detection of unwanted fungal aromas
CSU 1702-3	Vine nutrition
CSU 1702-4	The impact of metal speciation on the development, shelf-life and sensory properties of wine
FU 1902	Semi-automated undervine slasher development
UA 1602	Understanding the drivers of terroir in the Barossa Valley
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
UQ 1601	LiDAR and PACE for vineyards
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.
UT 1601	Taking grapevine yield forecasting into the digital age
WA 1908	Assessing the practicality of the robot platforms from swarmfarm robotics
Strategy 4: Grow sustainable environments	
6556-900	Rural R&D 4 Profit - Round 4 - Boosting national capacity in diagnostics
6556-900	Xylella native vectors project
AGW 1705	Plant Biosecurity Research Initiative
AGW 1706	MLA Contribution Agreement - Rural RnD4Profit-16-03-007 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

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 1702-1	SmartWine
CSU 1702-5	Managing wine pH in a changing climate
DED 1701	Integrated management of established grapevine phylloxera
6556-900	eDNA BMSB project
LTU 1901	Small-scale wine production from bushfire smoke-affected wine regions in Victoria and New South Wales
6556-900	Forment support
6556-900	Virus RD&A
PHA 1801	Review of the Biosecurity Plan and Manual for the Viticulture Industry
SAR 1701	Strategic Research Agreement
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 1701-2.1	Climate adaptation: developing irrigation strategies to combat dry winters
SAR 1701-2.2	Managing and modelling vintage compression
SAR 1701-2.3	The establishment of Cabernet Sauvignon trials in preparation for the evaluation of clonal response to climate and management
UA 1803-1.3	Plant sensor-based precision irrigation for improved vineyard water use efficiency, grape and wine composition and quality, and vineyard profitability
UA 1803-1.4	Undervine cover cropping for healthy and productive soils
6535-900	ARC Industrial transformation research hub - sustainable crop protection (BioClay)
VIB 1901	Update and review of Viticulture Industry Biosecurity Plan (VIBP)
WA 1805	Plant Biosecurity RD&E Strategy
WA 1905	2020 International Year of Plant Health funding agreement
WA 1906	National Working Party in Pesticide Applications (NWPPA) Stakeholder Contribution

Strategy 5: Build business sustainability, excellence and leadership			
6790-900	Alumni travel bursaries and support	GRP 1706	Regional Plan – Limestone Coast 2017-22
AGW Ph1504	A low power flexible sensor network system for viticulture	GRP 1707	Regional Plan – SA Central 2017-22
AGW Ph1604	Locating terroir: understanding businesses' identification with their local environment, place and community, and how this influences wine purchasing decisions and corporate sustainability	GRP 1708	Regional Plan – Greater NSW & ACT 2017-22
AGW Ph1606	Characterisation of the microbiome associated with grapevines and evaluation of endophytic microorganisms as biological control agents of grapevine trunk disease pathogens	GRP 1709	Regional Plan – Western Australia 2017-22
AGW Ph1607	Improving grapevine yield and wine quality through optimised vine nutrition and pruning	GRP 1710	Regional Plan – Queensland 2017-22
6790-900	ASVO support	GRP 1711	Regional Plan – Riverland 2017-22
AWR 1701-2.1.1	The staging and conduct of extension programs	GWR Ph1309	Understanding Australian wine consumers' preferences for sparkling wine
AWR 1701-2.1.2	Communication with stakeholders	6556-900	Incubator Initiative projects
AWR 1701-2.2.1	AWRI helpdesk	6820-589	Market insights data purchases
AWR 1701-2.2.2	Library services	6790-900	Pragmatic Thinking
AWR 1701-2.2.3	Regional program	6710-900	Project performance evaluation reporting
AWR 1701-5.1.1	Efficient administration	6610/6650-900	PhDs and travel bursaries for 2020-21
AWR 1701-5.1.2	Information and knowledge management	6790-900	People Development Projects - career/workforce
AWR 1701-5.2.2	Research services	6790-900	Science and Innovation Awards
6790-900	PhD student Crush attendance support	UA 1803-3.1	Australia's changing competitiveness in global wine markets
CUT 1901	Incubator Initiative - Beyond the traditional wine cellar door: Do tiered cellar door service offerings maximise value for different wine tourist segments?	6830-965	VinSites
6670-900	Extension and Adoption program	WA L1802	Nuffield Scholarship 2018 (Richard Leask)
GRP 1701	Regional Plan – Riverina 2017-22	WA Ph1703	Assessing the suitability of indigenous Cypriot grape varieties for Australia's challenging and changing climate.
GRP 1702	Regional Plan – Greater Victoria 2017-22	WA Ph1704	A systematic approach to understanding wine texture and mouthfeel
GRP 1703	Regional Plan – Tasmania 2017-22	WA Ph1705	Novel approaches to autolysis manipulation and improving efficiencies in sparkling wine production
GRP 1704	Regional Plan – SA North 2017-22	WA Ph1706	Molecular epidemiology and physiology of Shiraz Disease with an emphasis on Grapevine virus A
GRP 1705	Regional Plan – Murray Valley 2017-22	WA Ph1707	Towards differential management to supply more fruit at desired price point
		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 Ph1803	Identification of new precursors and factors affecting varietal thiols and their precursors in grapes and wines
WA Ph1805	Breaking the sugar flavour nexus: producing grapes with less sugar and more flavour
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 Ph1909	Chemical markers for authentication of Australian wine
WA Ph1910	The role of hydrogen peroxide (H ₂ O ₂) and gamma aminobutyric acid (GABA) in cell death in grape berry development
WA Ph1911	Use of membrane filtration technology to achieve protein stability in white wine
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
WAC 1908	Design, implement and deliver the Next Crop pilot program for the Langhorne Creek Region
WAC 1909	Design, implement and deliver the Next Crop pilot program for the Barossa Region

WAS 1901	Primary Industries Education Foundation Australia (PIEFA) - Partnership
WAS 1902	Diversity in Agriculture Leadership Program
WAT 1905	Participation in Macrowine 2020
WAT 1907	Attend International Symposium on Mineral Nutrition of Fruit Crops and contribute to the organisation of the third Beverage Symposium
WAT 1908	Participation at 71st ASEV National Conference 2020 and Laboratory Visits
WAT 1909	Participation at the Joint 18th International Botrytis Symposium and 17th Sclerotinia Symposium, Avignon and associated travel, June 2020

Appendix 2: \$50m Package-funded Program 1 activities

China

Activity	Date	Comments
Influencer engagement and education	Ongoing	The visits program has been postponed and will be rescheduled subject to travel restrictions from February 2021. There is also a June promotion with Watsons and independent retailers to support category messaging for Australian wine.
China Roadshow	May 2021	Originally scheduled for 1 June 2020, postponed to September 2020 then to May 2021. Four-city roadshow visiting Nanjing, Qingdao, Xiamen, Guangzhou. Our planned date of September 2020 was not achievable due to international travel restrictions and participant attrition.
China Food and Drinks Fair (Chengdu) and Hotel Show	March 2021	Originally scheduled for late March 2020 now postponed to March 2021. 2020 investment will be rolled over to 2021.
China Awards	November 2020	We will host a Gala Dinner in Shanghai to celebrate our wine community in China.
Retail and distributor activations	From May 2020	Wine Australia is working with Ole' supermarkets in China across their store network of 60 locations replicating previous activity from June 2019. The promotion format is traditional instore tastings supported by point of sale with Made Our Way branding, gift with purchase and online presence.

USA

Activity	Date	Comments
Influencer engagement and education	Ongoing	Due to COVID-19 and international travel restrictions, a pivot from the original media partnership between Condé Nast was required. Partnering with Bon Appétit lifestyle brand and using their media talent and platform, a socially-led campaign will run over a four-week period to drive awareness and encourage purchase of Australian wine. The funding also includes the visits and education programs that have been postponed and will be rescheduled subject to travel restrictions from February 2021
Retail and distributor activations	Ongoing	Investment to drive category growth and awareness of Australia wines, although on-premise opportunities have been cancelled because of venue closure and restrictions. Wine.com promotions is in conjunction with the South Australian Government through the Department of Trade and Industry. The promotion will feature emails, social and digital promotion and increased category presence on Wine.com home page. The full details and project costings are still being confirmed.

Visits program

We have ten inbound and domestic visits planned between October 2020 and June 2021. The timing of some of these visits was already affected by bushfires and a decision was taken on 8 March to postpone all visits until further notice due to the COVID-19 pandemic.

The current schedule is outlined in the table below.

Visits program			
Country	Visit name	Original dates	New dates
Americas	Market Entry Program (MEP) – UPA Funded	March 2020	April 2021
China	China Trade Visit – ERWSP Funded	February 2020	February 2021
Americas	US Media Visit – ERWSP Funded	March 2020	March 2021
Americas	US Sommeliers Visit – ERWSP Funded	April 2020	April 2021
China	China Sommelier Visit – ERWSP Funded	May 2020	May 2021

Appendix 3: Glossary

\$50m Package	Export and Regional Wine Support Package
ABC	activity-based costing
Agvet	agricultural and veterinary chemicals
AG&W	Australian Grape & Wine peak sector member-based organisation
AWRI	Australian Wine Research Institute
BCA	business-cost analysis
CAGR	compound annual growth rate
CRISPR-CAS9	gene editing technology
CSIRO	Commonwealth Scientific and Industrial Research Organisation
ERWSP KPI	Export and Regional Wine Support Package key performance indicator
FIVS	Federation International du Vin et Spirit – international alcohol producers forum
FOB	free on board
FSANZ	Australia New Zealand Food Standards Code
GI	Geographical Indications, place names associated with specific, geographically-defined and regulated grapegrowing regions
GI Committee	Geographical Indications Committee
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

LiDAR	light detection and ranging
Loci	Latin term for specific location, generally used in the context of specific positions on a DNA strand.
MAT	moving annual total
NWGIC	National Wine and Grape Industry Centre
Non-GM	not Genetically Modified – usually in the context of traditional breeding or selection methods
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
RD&A or RD&A	research, development and adoption
RD&E	research, development and extension
R&D	research and development
the Act	Wine Australia Act 2013
SNP	single-nucleotide polymorphism – a reference to a single nucleotide that may appear in slightly different places in the genome across different individuals. The differing placements can be used as a guide to different physical characters, resistances or susceptibilities.
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.



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Wine Australia is an Australian Commonwealth Government statutory authority, established under the Wine Australia Act 2013, and funded by grape growers and winemakers through levies and user-pays charges and the Australian Government, which provides matching funding for RD&A investments.