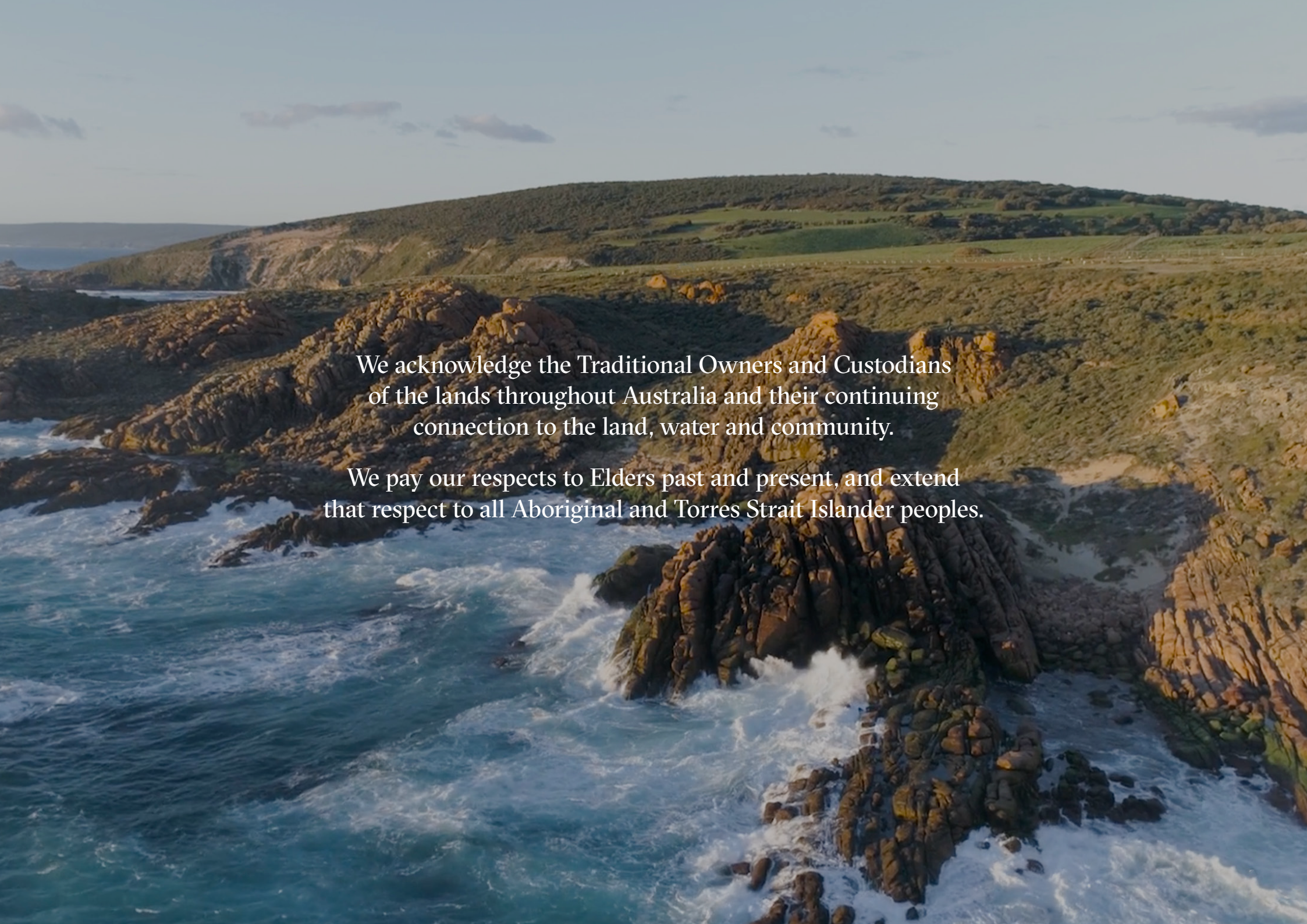




Wine
Australia

Annual Operational Plan 2024–25

An aerial photograph of a rugged coastline. In the foreground, dark, jagged rock formations protrude from the sea, with white foam from crashing waves. The water is a deep blue. In the background, a green, hilly landscape rises from the coast, with a road visible on the ridge. The sky is a pale blue with a few wispy clouds.

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

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

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Wine Australia overview

What we do

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

Our customers

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 and innovation (R&I).

Other customers 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

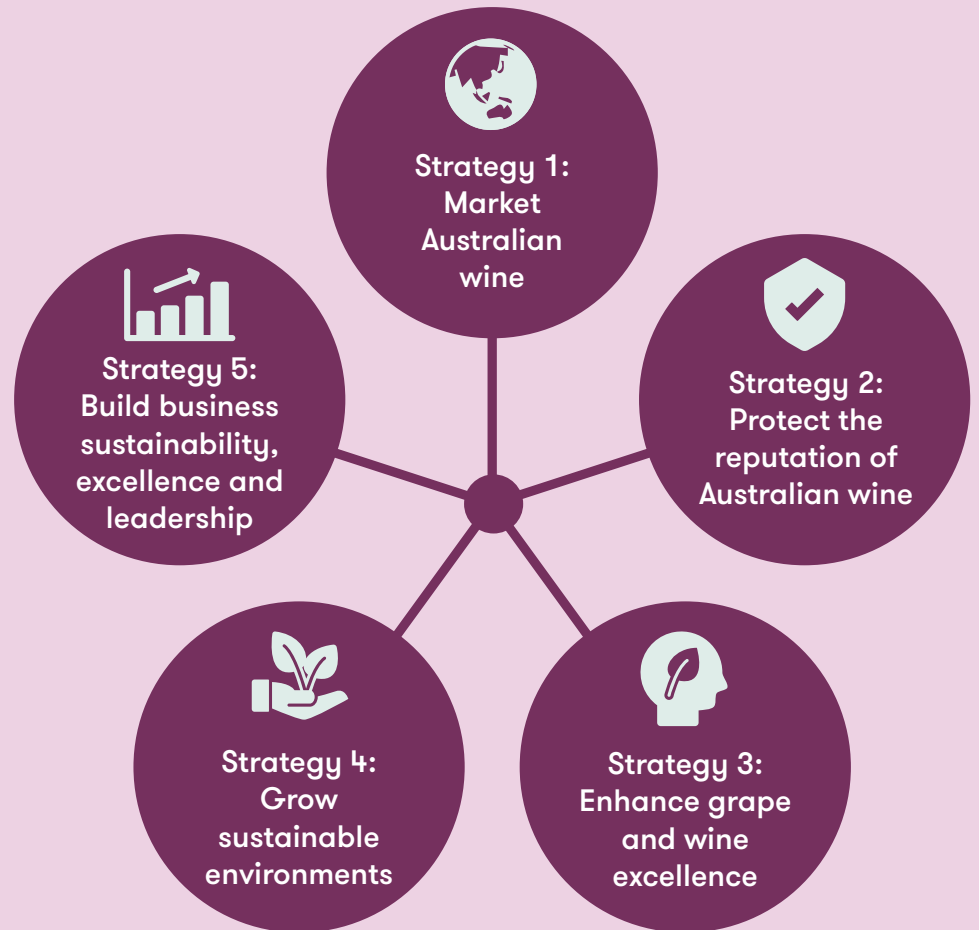
As set by the *Wine Australia Act 2013* (the Act), we:

- 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, and
- promote the sale and consumption of Australian wine, both in Australia and overseas.

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

Business operating conditions for the Australian grape and wine sector remain challenging. However, in the lead up to the commencement of the 2024–25 financial year, there have been some green shoots indicating areas of change and opportunity.

As reported in Wine Australia’s Export Report, Australian wine exports were still below long-term averages in the year ended December 2023, but were increased against the September report. There were signs of improvement. Among the markets in value growth were emerging markets in Malaysia and Thailand, but also established markets in Hong Kong, Singapore and the United Kingdom (UK). The volume of wine to the UK also grew – the first time since mid-2021.

Asia remains a strong region for Australian wine and the announcement in March by China’s Ministry of Commerce of the removal of the duties on Australian wine has brought optimism.

For many wineries, the announcement provided impetus to connect with their importers and buyers in mainland China to keep building these vital relationships. Some wineries were ready to start exporting wine to mainland China very quickly, and Wine Australia was ready with a coordinated set of activities to support wineries to re-enter the market.

While mainland China is a different market now to what it was at the end of 2020, approximately only one third of the size the market was, opportunities remain for Australian wine and new opportunities have emerged. Our aspiration is to ensure that Chinese consumers once again have the option to enjoy Australian wines and believe that over time, Australian wine will again prove a favourite for many wine drinkers in China.

However, we will continue to focus on building a balanced export market portfolio, with activities focused on enhancing our market diversification.

Globally, wine consumption is declining, due largely to a combination of a global economic tightening resulting in less discretionary spending and consumers being more conscious of their health. The ‘health and wellness’ trend is evident in global data with influences on alcohol moderation or abstinence, and premiumisation. Opportunities for product innovation are emerging from these trends and Wine Australia is supporting the sector to respond.

The challenge in the oversupply of red wine still looms over the sector. While this has affected some regions more than others, it poses a significant challenge to all of our sector and to growers in particular. Based on current data, no single market and no single solution is likely to address this challenge and Wine Australia remains committed to support growers and wine businesses across a multi-faceted approach.

In 2023, Wine Australia and Australian Grape & Wine consulted widely across the sector with the development of the *One Grape & Wine Sector Plan*. The intent of the Plan is to support the sector to reset and calibrate, given the challenges of recent years, to better align and coordinate activities across the sector to reach the goals of *Vision 2050* – including that of oversupply.

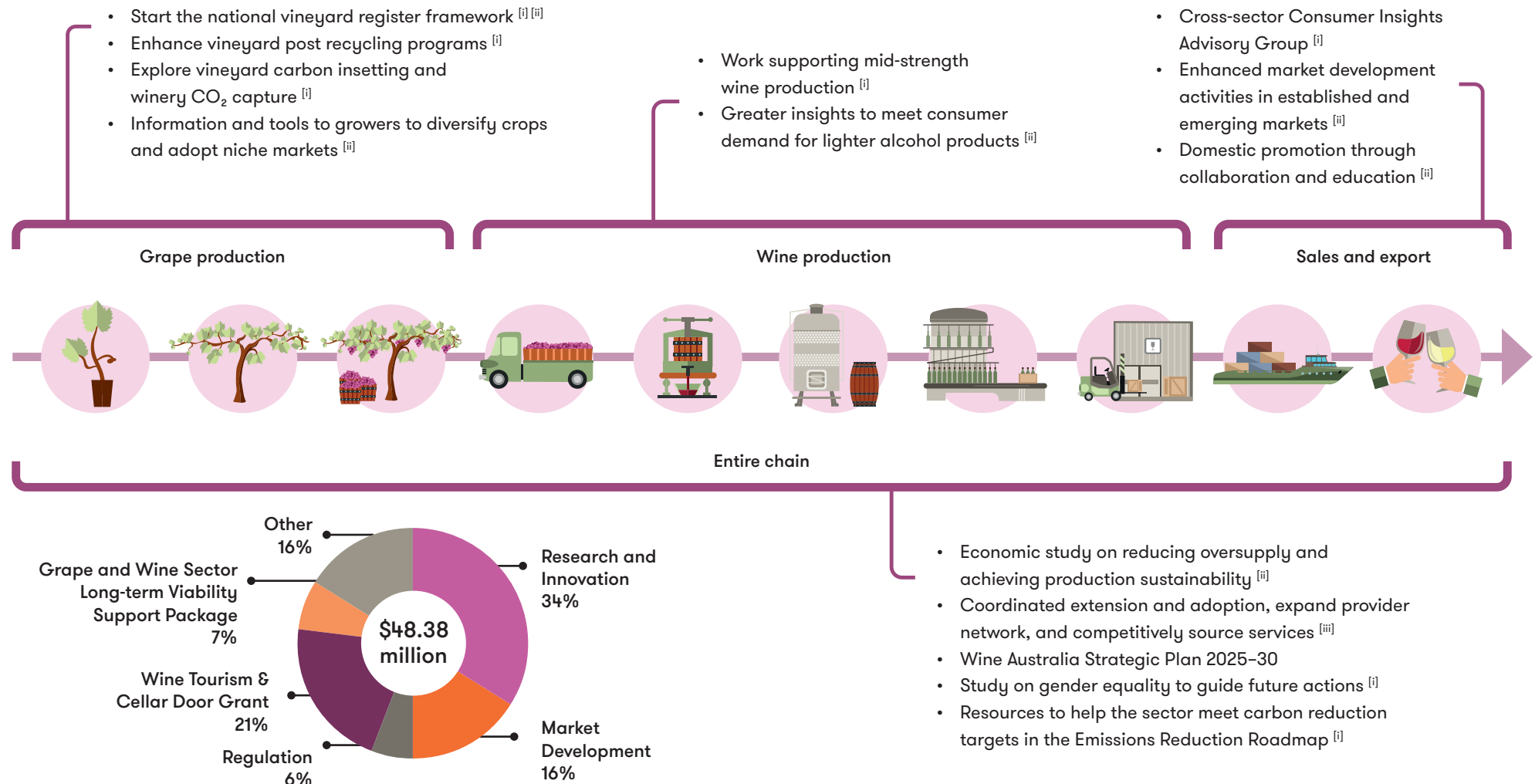
Following the release of the draft *One Grape & Wine Sector Plan*, the Agriculture Ministers established the Viticulture and Wine Sector Working Group to devise solutions that will urgently address the oversupply and support grapegrowers and wine businesses in making decisions. Wine Australia along with Australian Grape & Wine, have taken an active role as members of the working group, ensuring the sector’s needs are prioritised.

Many of the actions identified in the *One Grape & Wine Sector Plan* are urgent and high priority, therefore these have been incorporated into this Annual Operational Plan. Wine Australia’s Strategic Plan 2025–30, which will be developed this year, will reflect the actions and longer-term strategies within the Plan ahead of activities commencing 1 July 2025.

The softening global demand and oversupply is expected to impact on total Australian production from vintage 2024. The anticipated drop in production directly impacts our funding for activities. We estimate this year a vintage of 1.35 million tonnes and exports of approximately \$2 billion contributing – along with Commonwealth funds, grants and other income sources – to a revenue of \$45.01 million for Wine Australia investment. We remain clear on the hurdles facing our grape and wine businesses and are confident that activities and investments planned in 2024–25 will support the sector.

This is the final Annual Operational Plan under Wine Australia’s Strategic Plan 2020–25. The measures of success within this Annual Operational Plan report against the Strategic Plan. However, a guide to the alignment with the *One Grape & Wine Sector Plan* has been provided under each strategy. The six themes of the *One Grape & Wine Sector Plan* are ‘Our place and product’, ‘Our markets’, ‘Our consumers, customers and community’, ‘Our sustainability’, ‘Our people’ and ‘Our systems and infrastructure’.

New key investments 2024–25



[i] Priority area from *One Grape and Wine Sector Plan*

[ii] Australian Government's Grape and Wine Sector Long-term Viability Support Package and Viticulture and Wine Sector Working Group

[iii] Recommendation from Wine Australia's Independent Performance Review 2023

Funding and investment summary





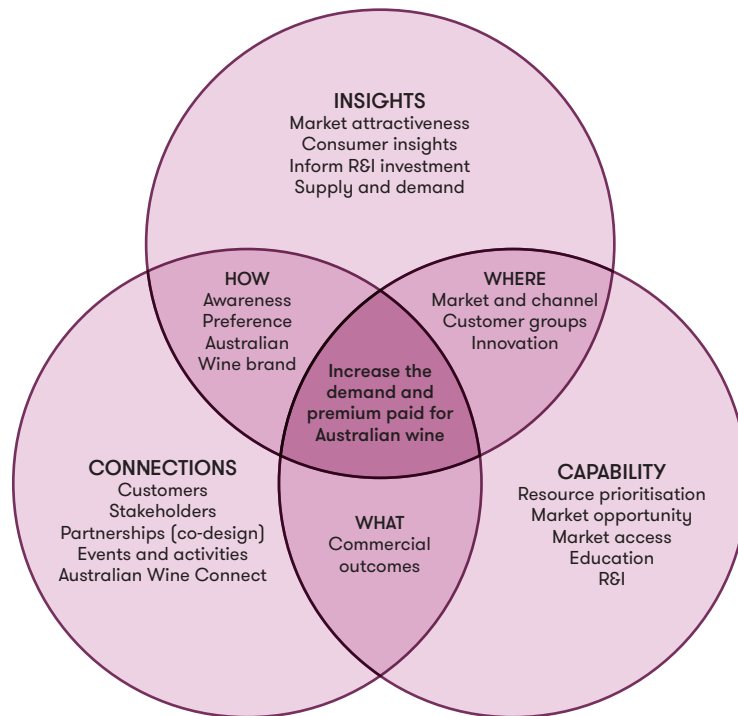
Activities and targets

Strategy 1

Market Australian wine

Our marketing efforts in 2024–25 will continue to be directed toward increasing the demand and premium paid for all Australian wine, as consistent with Wine Australia’s Strategic Plan 2020–25.

As Wine Australia embarks on the final year of the current Strategic Plan, we will also work to embed key outcomes from the *One Grape & Wine Sector Plan* into our short-term activities, and build the foundations that will guide 2025–30 strategic directions. Broadly, our marketing investments cover Insights, Connections and Capability.



Insights

Increased focus on generating relevant and useful insights for the sector will enable better decision making on market attractiveness, consumer wine drinking motivations and behaviours, and ultimately inform research and innovation investment.

- The establishment of a cross-sector Consumer Insights Advisory Group to act as a vehicle for research prioritisation and information dissemination.
- Market attractiveness will be determined through quantitative and qualitative market insights, reflecting the opportunity for commercial and premium wine.
- Specific approaches for each market will continue to be informed and refined by category and consumer insights, direct in-market learnings, sector feedback and alignment with other cross-sector activations and Austrade.
- Innovation projects will be informed and resourced based on market opportunity and anticipated commercial outcomes.

Ratification of the Australia–India Economic Cooperation and Trade Agreement (AI ECTA), will provide opportunities for investment. However, significant sector gains are anticipated to take years to materialise.

Alignment with One Grape & Wine Sector Plan



Our place
and product



Our consumers,
customers and
community



Our
markets



Our
sustainability



Our
people



Our
systems

Connections

A focus on creating both in-person and virtual connections across the sector and markets to build awareness and preference for Australian wine is paramount. These connections will deliver tangible commercial outcomes with annual plans crafted with input from the Joint Marketing Group (JMG).

- We remain focused on building the collective Australian wine brand that is based on the rich regional and individual brand stories that make Australia unique and make our wines adventurous, by nature.
- A combination of in-person and virtual marketing activations in key markets, geared to building the desire for, and the reputation of, Australian wine.
- Continued collaboration with state and regional associations to leverage resources, tell our unique regional stories and maximise outcomes remains a key pillar in our ability to deliver meaningful levels of activity. Further, an extensive calendar of user-pays activities geared to market opportunity will complement long term brand building initiatives.
- Australian Wine Connect has been remodelled to deliver better business matching outcomes and support increasing levels of in-market activations. The digital platform is now free for all export ready wineries.
- Wine Australia will maintain our direct in-market representation in the United States, Canada and United Kingdom and continue to partner with Austrade and its many posts to deliver marketing activations, particularly in the Asia Pacific region.

Capability

Capability building will be designed and delivered to ensure that the sector is well-placed to capitalise on opportunities delivered under our Insights and Connections activities.

- Wine Australia will continue to support growth in Sustainable Winegrowing Australia as a key element of Australian wine's evolved brand positioning and a foundation pillar of the sector's wider ESG aspirations. This has become a market access imperative for Australian wine exporters.
- Education remains a core function as it helps build greater knowledge among trade, media and consumers. Wine Australia's Education Development Managers will continue to engage with leading educators and run trainings and workshops for on and off-premise customers.
- Wine Australia will work with Austrade to leverage our collective resources and expertise to assist wine businesses with ambition to expand their distribution and diversification efforts.

We welcome the decision by China's Ministry of Commerce to remove the duties on Australian wine to mainland China and will work with the sector to rebuild Australia's position as a preferred supplier of wine among Chinese consumers. Notwithstanding, market diversification remains a strategic imperative and we will continue to invest in in-market resources in Asia Pacific, North America and United Kingdom/Europe to focus on delivery and activation of opportunities that align with Insights, Connections and Capability.

Under the Australian Government's Grape and Wine Sector Long-term Viability Support Package, marketing activities in 2024–25 will include support for:

- Country Managers in Japan and China to increase demand for Australian wine in-market
- North America marketing activity to support brand to increase their footprint, and
- Support domestic sales and promote economic activity in regional areas.

Strategy 1: Market Australian wine

Strategic Plan measure of success	Measure of success 2024–25
85 per cent of Tier A ¹ influencers engage with Wine Australia	At least 85 per cent of Tier A influencers actively engage with Wine Australia through marketing events and education, partnerships, programs, communications and social media channels. Increase in positive media sentiment in media coverage and other published content on Australian wine (year-on-year).
The perception of Australian wine increases in Canada, the UK, the US and China ² , by 5 per cent in each market.	Consumer perception of Australian wine increases across Canada, the UK and USA by 5 per cent (from 8.2 to 8.6).
<i>Vision 2050</i> 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.	Increase in bottled FOB average value in Canada, the UK and US (year-on-year). Export value growth in key emerging markets (year-on-year) of Taiwan, Thailand, South Korea, Vietnam, Indonesia, Malaysia, Singapore and Japan. Year-on-year increase in the number of exporters to key markets.
More than 90 per cent of our partners who participate in a Wine Australia promotional activity are satisfied or very satisfied with the activity.	Wineries that participate in Wine Australia marketing campaigns report a 75 per cent or higher satisfaction rating. Wineries that use the Export Ready hub report a 75 per cent or higher value rating for their business.

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, this is no longer considered an appropriate KPI.

Strategy 2

Protect the reputation of Australian wine

One Grape & Wine Sector Plan identified the importance of Wine Australia's regulatory role in protecting the reputation of Australian wine and underpinning the integrity and success of the Australian wine sector. The Plan also identified the priority to provide participants in the sector with information and insights relating to regulation and market access as a means of ensuring compliance and enabling success.

Regulatory activities

The regulatory activities conducted by Wine Australia in accordance with the *Wine Australia Act 2013* (Cth) (Act) and the *Wine Australia Regulations 2018* (Cth) (Regulations) are:

- controlling the export of grape products from Australia as set out in the Regulations, and
- administering the Label Integrity Program (LIP) described in Part VIA of the Act.

The LIP helps to ensure the truth – and the reputation for truthfulness – of Australian wine labels, and the export controls ensure the protection of the reputation of Australian grape products. In 2024–25 we will effectively administer our regulatory functions by:

- maintaining the Wine Australia Licensing and Approval System (WALAS)
- maintaining the online directory of labels exported from Australia Export Label Image Search System (ELISS)
- administering 200+ on-site LIP monitoring inspections
- maintaining the online reporting portal Wine Watch
- maintaining 40+ Export Market Guides
- offering a label opinion service to promote labelling compliance
- maintaining a Licensing and Compliance Guide, and
- conducting an annual analytical testing program, verifying compliance with the Food Standards Code.

Regulator Performance Guide

In 2024–25, we will measure and report our performance in accordance with the Australian Government's Regulator Performance Guide. In doing so, we will:

- adopt a whole-of-system perspective, continuously improving our performance, capability and culture to build trust and confidence in Australia's regulatory settings manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leverage data and digital technology to support those we regulate to comply and grow, and
- be a transparent and responsive regulator, implementing regulations in a modern and collaborative way.

Cost Recovery Implementation Statement

In 2024–25, in accordance with the *Public Governance, Performance and Accountability (Charging for Regulatory Activities) Order 2017*, we will maintain a Cost Recovery Implementation Statement (CRIS) providing information on how we implement cost recovery for our regulatory activities. We will review the Australian Government's cost recovery guidelines.

Alignment with One Grape & Wine Sector Plan



Our place
and product



Our
markets



Our consumers,
customers and
community



Our
sustainability



Our
people



Our
systems

Market access

One Grape & Wine Sector Plan identified the need:

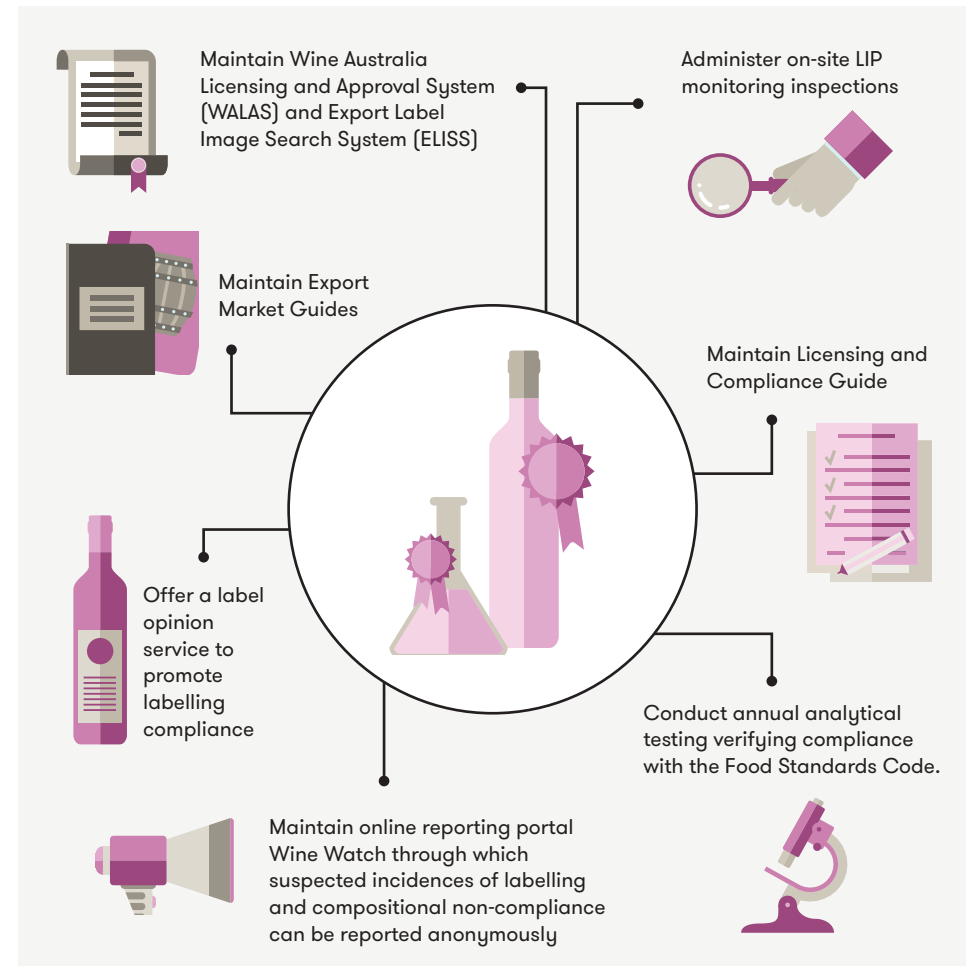
- for the communication of necessary market access information and insights to facilitate success in export markets, and
- to ease technical and non-technical barriers to trade among our existing and emerging markets.

To this end, in our 2024–25 activities we will:

- provide information and insights to the sector to enable businesses to make better decisions relating to export diversification and compliance with the regulatory requirements of key export markets
- continue to work with the Australian Government to promote free trade negotiations that might result in Australian exporters obtaining preferential treatment in export markets.
- monitor technical and regulatory developments in the international wine trading environment and disseminate information to the sector regarding the regulatory requirements of key international markets
- via engagement with international fora and cooperation with regulatory counterparts, monitor potential impediments to trade, with a view to enhancing market access, minimising technical barriers to trade, and streamlining regulatory processes, and
- monitor changes and developments in the global regulatory environment pertaining to environmental, social and governance (ESG) and ensure our market access strategy sufficiently addresses subsequent challenges.

This year, Australia assumes the Chair of one of these international fora, the World Wine Trade Group, and Wine Australia will host this group in Adelaide in October 2024, alongside separate regulatory engagements, in collaboration with the Department of Agriculture, Fisheries and Forestry, Australian Grape & Wine and personnel from the Australian Wine Research Institute.

Priority areas for Strategy 2



Strategy 2: Protect the reputation of Australian wine

Strategic Plan measure of success	Measure of success 2024–25
Achieve the six key performance indicators in our Regulator Performance Framework ³ .	We will measure and report our performance in accordance with the Australian Government's Regulator Performance Guide. In doing so, we will: • adopt a whole-of-system perspective, continuously improving our performance, capability and culture to build trust and confidence in Australia's regulatory settings • manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leverage data and digital technology to support those we regulate to comply and grow, and • be transparent and responsive communicators, implementing regulations in a modern and collaborative way.
Establish a benchmark for consumer trust of Australian wine label claims through a customer survey in our five largest markets – Australia, China ⁴ , the UK, the US and Canada.	We will use the results of a consumer survey by Wine Intelligence to establish the benchmark for consumer trust by measuring how many Australian wine drinkers agree with the statement "I trust the authenticity of these wines" in key markets.
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 export markets to identify opportunities to cut red tape for our exporters and provide case studies in our Annual Report highlighting successes achieved through such engagement.

³ Note that the Regulatory Performance Framework implemented in 2014 has been replaced by the Department of Prime Minister and Cabinet's Regulator Performance Guide.

⁴ Due to the tariffs imposed on bottled exports to mainland China in November 2020, this is no longer considered an appropriate KPI.

Strategy 3

Enhance grape and wine excellence

In 2024–25, we will continue to use new gene editing technologies to improve our grapevine breeding program. The program has been co-designed with the sector to achieve maximum impact and is progressing well. To maintain the supply of genetically diverse and high-health planting material, Wine Australia will continue to work towards the establishment of a national germplasm collection. Both of these are long term investments that directly address one of the priority areas of the *One Grape & Wine Sector Plan* – ‘Future proof our supply base’.

The advances that have been made through conventional breeding approaches will remain accessible to the sector, with a strengthened path to market in 2024–25.

We have already met the Strategic Plan measures of success for commercialisation and availability of technologies. In the final year of the current Strategic Plan we will continue to ensure the sector has full access to these and other evolving innovations, such as the smoke sensor network.

We will also improve clarity in our communications so that the sector understands that these innovations are the result of levy funding, as per recommendations 1 and 4d from Wine Australia’s Independent Performance Review 2023.

Alignment with One Grape & Wine Sector Plan



Our place
and product



Our
markets



Our consumers,
customers and
community



Our
sustainability

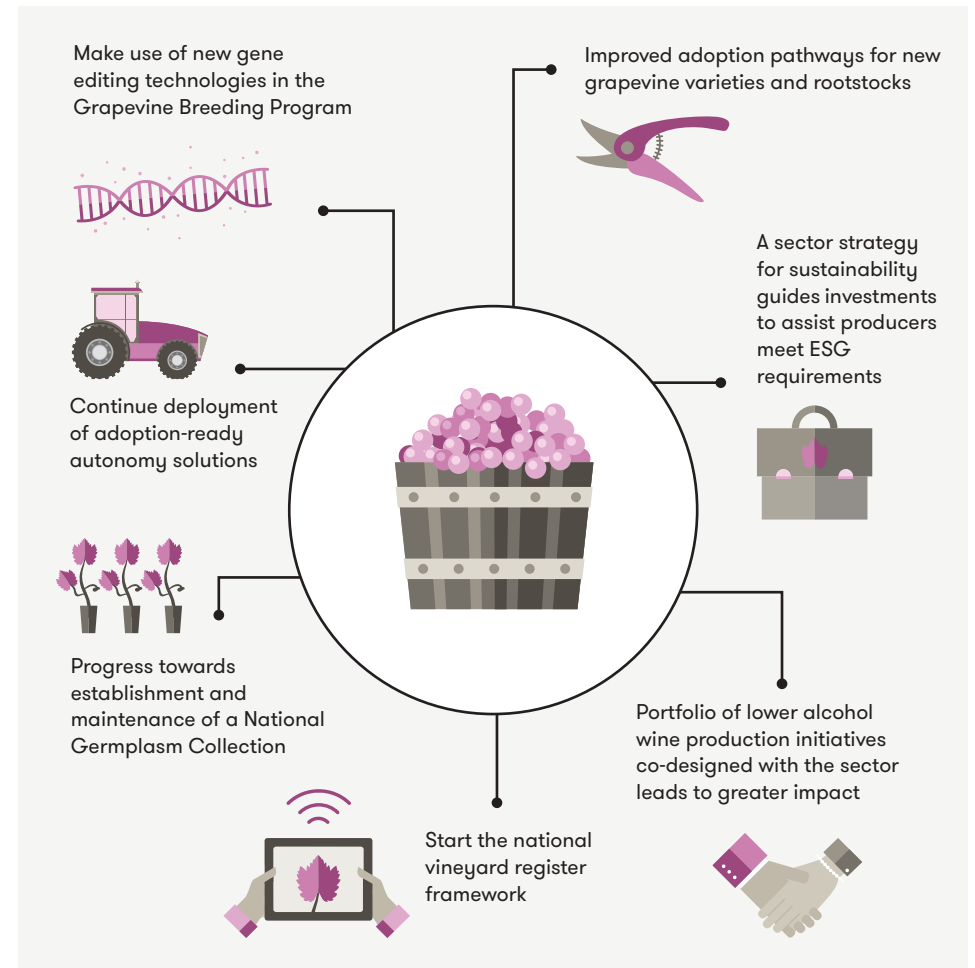


Our
people



Our
systems

Priority areas for Strategy 3



We will commence new investments in sustainable grape and wine production practices, guided by the ESG Investment Plan. The Plan co-designed with the grape and wine sector and other partners in 2023, aims to deliver greater impact and embed key priorities from the *One Grape & Wine Sector Plan*.

This includes:

- a portfolio of work on mid-strength wine production
- start developing a framework for a national vineyard register, and
- continue deployment of autonomy solutions that are adoption-ready in collaboration with sector partners.

Strategy 3: Enhance grape and wine excellence

Strategic Plan measure of success	Measure of success 2024–25
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.	Commercialisation arrangements for first generation, conventionally-bred, disease-resistant cultivars complete, and a framework for pathway to market developed and implemented. Field-evaluation of the second generation of mildew-resistant grapevine varieties continues. New initiatives in DNA-free editing of grapevines, informed by co-design with the sector, progressing.
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.	Commercialisation arrangements for C-series rootstocks are complete, and a framework for pathway to market developed and implemented. Rootstock breeding program of second-and third-generation, durable, pest-resistant and salinity-tolerant rootstocks for Australian conditions continues to progress.
Four new or enhanced technologies and processes to improve vineyard efficiency and sustainability being available to the sector.	Projects started across priority areas identified in the ESG Investment Plan for the sector. Start the framework for a national vineyard register.
The supply of genetically diverse and high-health planting material being maintained to the satisfaction of relevant stakeholders.	National Grapevine Collection outputs delivered as contracted. Projects continue to support the development and adoption of a grapevine standard across the propagation supply chain.
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.	Start work supporting mid-strength wine production. Agtech activities through Regional Program continue to deliver adoption outcomes for sector. Options for modulating flint aromas in wines are shared with the sector. A robust, field-deployable diagnostic solution for the early detection of <i>Brettanomyces</i> in wine is available.
At least three Wine Australia-funded projects having progressed to commercialisation.	Partnerships have been developed to validate and deliver tools to facilitate smoke taint risk management.

Strategy 4

Grow sustainable environments

This strategy focuses on providing knowledge and tools to help grapegrowers and wine producers to be more environmentally sustainable. Activities and new investment are guided by the ESG Investment Plan.

Many of the measures of success set in Wine Australia's Strategic Plan 2020–25 for this Strategy have already been met. One exception is 'Best-practice irrigation to optimise water use efficiency is adopted by an additional 30 per cent of growers in warm irrigated regions'. The unprofitable nature of many grapegrowing enterprises, particularly in the warm irrigated regions, the favourable pricing of water and several consecutive La Niña seasons have meant there have been no compelling reason for growers to change their irrigation practices, nor will there be in 2024–25. We are therefore not proposing any further activity on changing irrigation practices in this final year of the Strategic Plan. Instead, we will continue work with One Basin CRC on their project to investigate incentives and investment instrument opportunities available to irrigators to improve management practices.

In 2024–25, we will deliver resources and tools to help the sector achieve its targets to significantly reduce carbon emissions, in line with the Emissions Reduction Roadmap. We will also continue activities to support recovery and recycling options for treated timber vineyard posts. These directly address priorities under 'Our sustainability' in the *One Grape & Wine Sector Plan*.

Alignment with One Grape & Wine Sector Plan



Our place
and product



Our
markets



Our consumers,
customers and
community



Our
sustainability

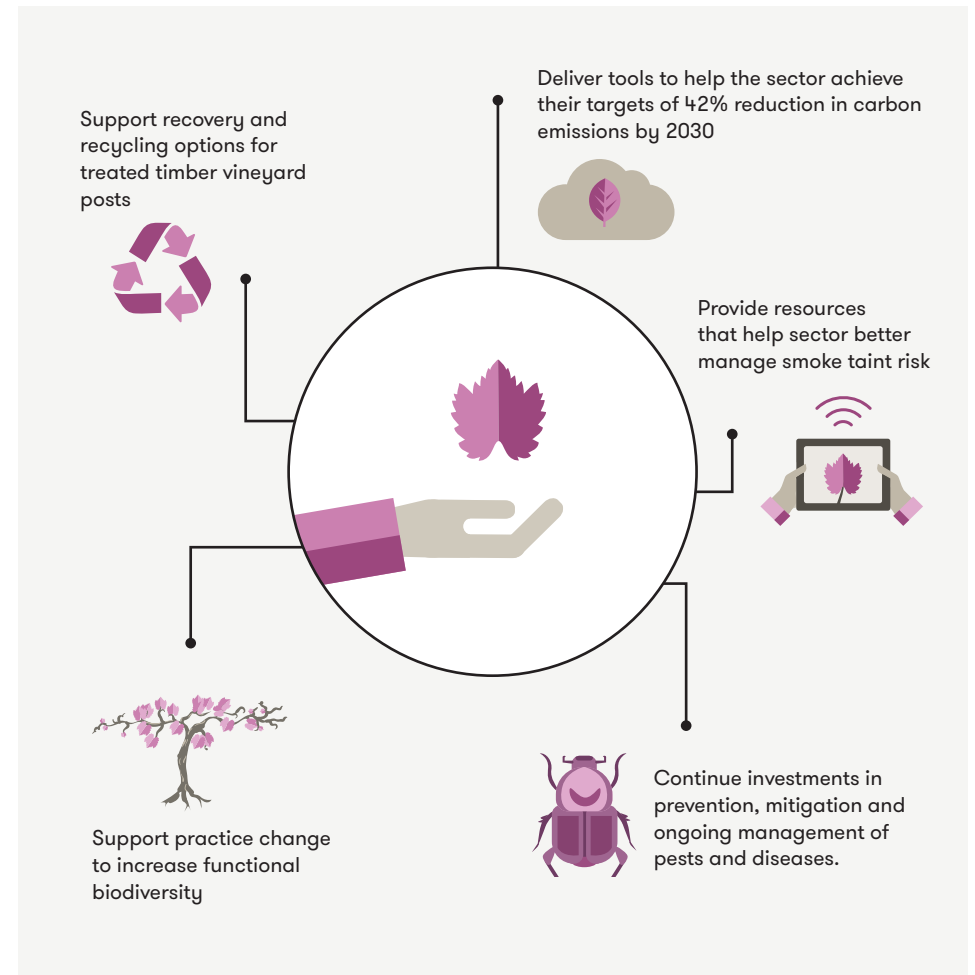


Our
people



Our
systems

Priority areas under Strategy 4



Wine Australia will continue to provide the sector with the information it needs to manage the challenges of long-term climate change, including that of increased bushfire risk. We will explore the opportunities for carbon insetting in vineyards and CO₂ capture in wineries and then invest in new activities if warranted. These address a key priority from the *One Grape & Wine Sector Plan*.

We will continue to invest in research relating to more sustainable management of endemic pests and diseases, such as phylloxera, scale, viruses and grapevine trunk diseases, and in initiatives to better prepare the sector for exotic pests and diseases. In preparation for development of the 2025–30 Strategic Plan, we will commission an assessment of the current and projected cost of pest and disease management in Australian vineyards under the projected climate change scenario.

Strategy 4: Grow sustainable environments

Strategic Plan measure of success	Measure of success 2024–25
New knowledge allows the sector to establish a carbon emissions benchmark.	Initiatives to help the grape and wine sector achieve targets to significantly reduce carbon emissions have been developed and delivered. A project to revisit the sector's baseline and track progress in emissions reduction has started.
New knowledge allows the sector to establish waste production benchmarks.	Support provided to the sector to investigate the feasibility of stewardship scheme for CCA-treated vineyard posts.
Two (new) tools, technologies or processes are available to the sector to allow it to adapt to and/or mitigate the effects of climate change.	New investments in climate change adaptation and mitigation strategies, guided by the ESG Investment Plan, are co-designed with the sector and started. Other outputs delivered as contracted in existing investments.
A better understanding of vine water use contributes to better irrigation scheduling processes that allow more efficient and effective use of water.	New investments progressing through the One Basin CRC.
Research delivers clear information about the value of soil remediation processes and enhancing functional biodiversity.	Case studies and Best Practice Management Guides are produced on the benefits of soil health, cover crops and functional biodiversity.
New and improved practices for sustainable management of endemic pests and diseases are available to the sector.	New investments in the sustainable management of endemic pests and diseases, guided by the ESG Investment Plan, are co-designed with the sector and new projects commenced. Other outputs delivered as contracted in existing investments.
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.	Investment priorities mapped out and new projects started with a focus on cross-sectoral biosecurity innovations that can be adopted by the grape and wine sector. Other outputs delivered as contracted in existing investments.
The use of vineyard cover crops and soil remediation practices has increased by 10 per cent.	Program to increase adoption of vineyard groundcovers and improved soil management continues.
The land area dedicated to enhancing functional biodiversity has increased by 10 per cent.	Program to increase awareness and adoption of functional biodiversity continues.
Best-practice irrigation to optimise water use efficiency is adopted by an additional 30 per cent of growers in warm irrigated regions.	No additional activity in 2024–25.

Strategy 5

Build business sustainability, excellence and leadership

In 2024–25 we will complete a study on gender equality that will guide future action. This will also address one of the key priorities from the *One Grape & Wine Sector Plan*.

In 2024–25, and in response to the feedback from Wine Australia's Independent Performance Review 2023, Wine Australia will implement a nationally coordinated approach to extension and adoption, broaden the provider base to include more regionally based experts and organisations, and use competitive processes to procure services needed for extension and adoption campaigns. We will focus on facilitating practice change and the adoption of existing knowledge to improve winegrape growing, winemaking, exporting and running a wine business. We will use innovative approaches to behaviour and practice change in all our programs, including those delivered by external providers and through our Regional Program and other initiatives such as the agtech program. This also addresses the *One Grape & Wine Sector Plan* priority to enable practice change.

Evidence-based and data-driven decision-making in the sector will be enhanced through the Market Insights dashboards (Interactive Insights), preparation of regular market reports and analysis, presentations at wine sector forums and individual analyst sessions. These resources are vital to enable the sector to respond to our customers and consumers – another *One Grape & Wine Sector Plan* priority.

Alignment with One Grape & Wine Sector Plan



Our place
and product



Our
markets



Our consumers,
customers and
community



Our
sustainability

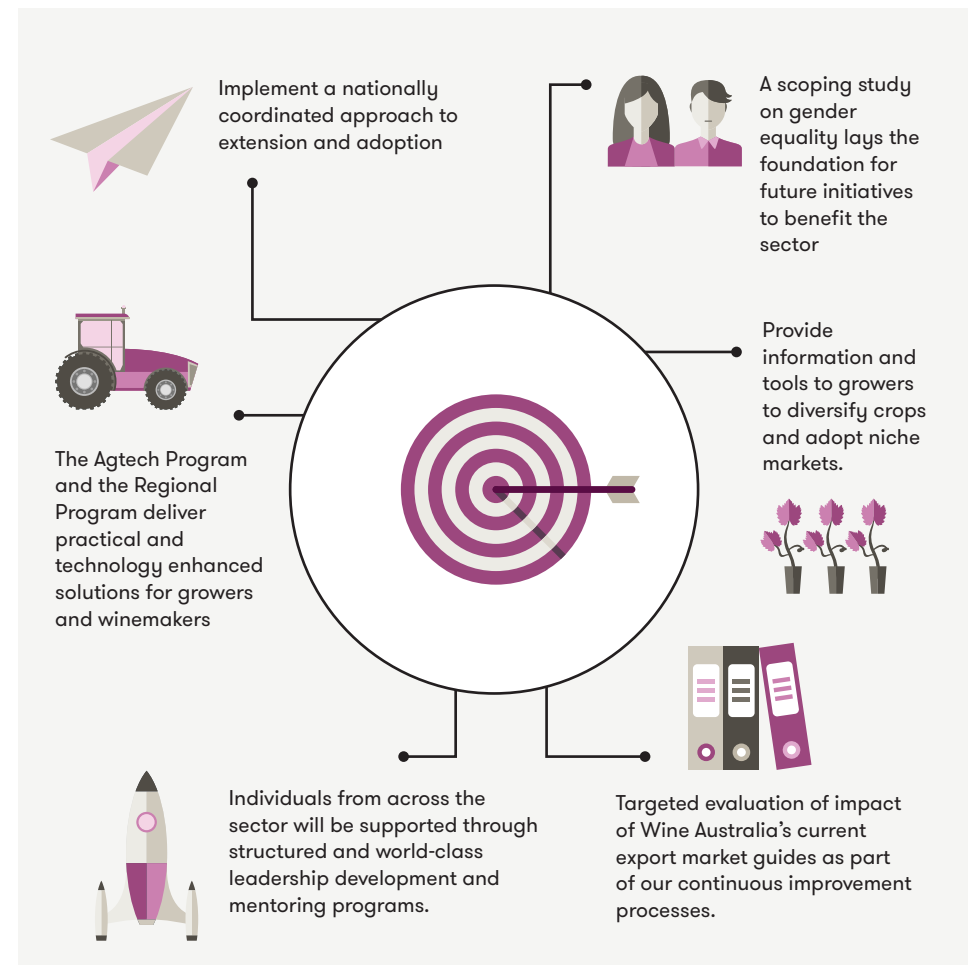


Our
people



Our
systems

Priority areas for Strategy 5



Wine Australia will continue to help develop the leaders of tomorrow – and build the skills of the leaders of today – through both national and regional leadership programs. Wine Australia’s support of the whole-of-sector Wine Industry Mentor Program will continue and the outcomes from a pilot project in NSW building a structured network supporting youth (aged under 35) across the sector will be scaled nationally. This also addresses the *One Grape & Wine Sector Plan* priority.

Wine Australia will continue to work with the school, vocational and higher education sectors as well as Australian Government-funded initiatives addressing workforce and labour issues across agriculture to promote pathways to the grape and wine sector as a career of choice.

The new asset, ‘Careers in viticulture and wine’, an online resource that showcases contemporary grape and wine careers across the sector value chain will be promoted for use within schools, maintained and enhanced. This will be an excellent foundation for future sector initiatives to address another of the key outcomes from the *One Grape & Wine Sector Plan*. Through the Australian Government’s Grape and Wine Sector Long-term Viability Support Package, we will undertake collaborative work to provide information and tools to growers to diversify crops and adopt niche markets.

Strategy 5: Build business sustainability, excellence and leadership

Strategic Plan measure of success	Measure of success 2024–25
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.	Implementation of a nationally coordinated approach to extension and adoption, with a broadened provider base to include more regionally based experts and organisations, and use of competitive processes to procure services needed for extension and adoption campaigns. Regional Program arrangements assessed and opportunities for improvement identified. Targeted adoption and practice change programs are underpinned by specific, measurable and actionable objectives and metrics of adoption outcomes.
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.	Leadership programs continue to attract excellent candidates and receive positive feedback. Resources demonstrating careers and pathways in the grape and wine sector are maintained and available.
99 per cent of exporters have access to the information and knowledge they need to meet the requirements of the importing country.	The destination of exports are reviewed 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.	The Improving Market Transparency project continues to promote transparency of winegrape pricing for growers in the major inland wine regions. The grape supply and demand dashboard is delivered. Interactive Insights dashboards are maintained and enhanced.

Customer engagement

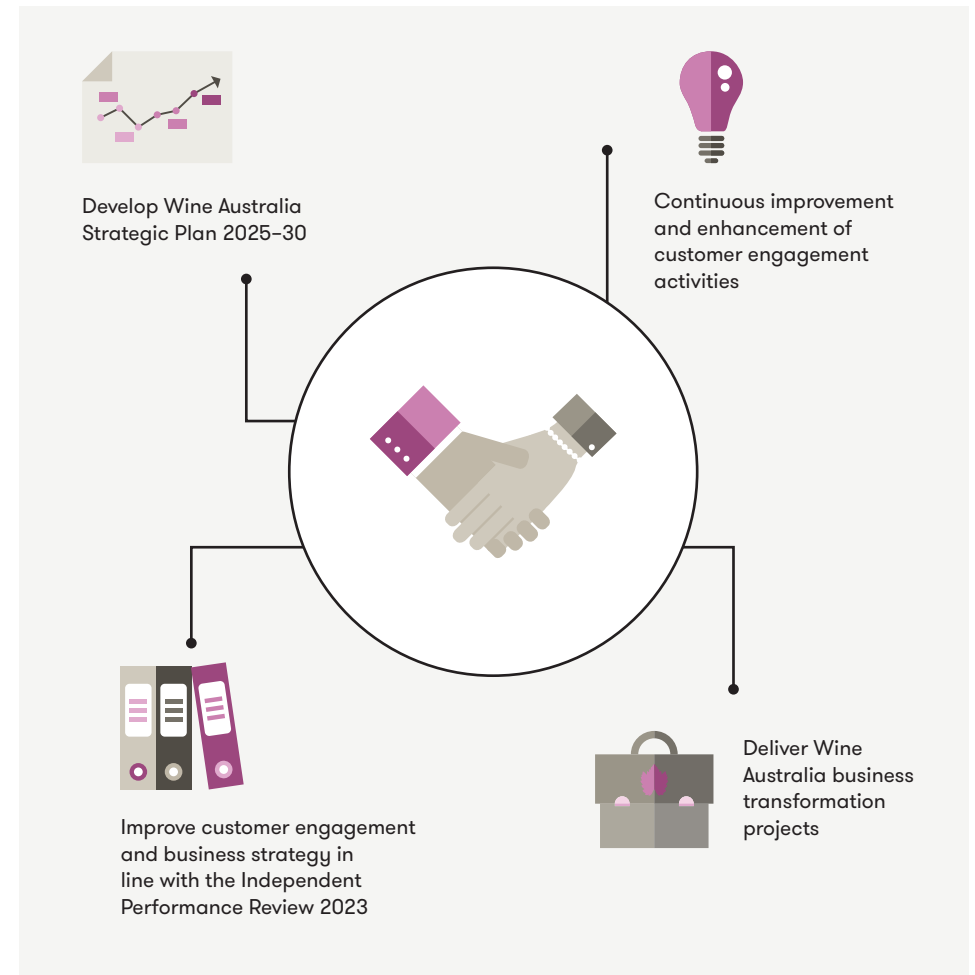
The *One Grape & Wine Sector Plan*, developed in partnership with Australian Grape & Wine, sets out the sector's high-level priorities reflecting consultation in 2023.

This year, Wine Australia will develop our Strategic Plan 2025–30 which will be informed by the priorities identified in the *One Grape & Wine Sector Plan*. Before the new Strategic Plan begins, urgent actions for 2024–25 that Wine Australia can start are outlined in this Annual Operational Plan under current strategic pillars.

In 2024–25, we will also continue improvements to our customer engagement and business strategy in line with the recommendations of Wine Australia's Independent Performance Review of activities between July 2019 and December 2022. The full report and Wine Australia's response is available on our website.



Priority areas for customer engagement



Wine Australia's Independent Performance Review outlined the significant improvements Wine Australia has made to its customer engagement processes, reflected by our customers, spearheaded by new leadership. Wine Australia's Performance Review also noted that Wine Australia has begun to transition to new approaches to achieve more impactful research and innovation (R&I) and enhance Wine Australia's national brand and strategy, and recommended these changes continue.

The *Best Practice Guide to Stakeholder Consultation* that was provided to Wine Australia by the Australian Government in 2021 will continue to inform our overarching Customer Engagement Plan this year. In 2024–25, we will focus on continuous improvement and enhancement of our customer engagement activities, with a strong focus on customer-centric principles.

Key to this enhancement will be the ongoing business transformation projects associated with the Customer Engagement Framework. The Framework provides an overarching organisational structure for how we engage with and communicate to our customers, to ensure that Wine Australia's interactions with the sector are consistent, timely, targeted, valuable and meaningful.

The operating environment for the Australian wine sector continues to face significant challenges as well as new opportunities. We will continue to monitor the operating environment on an annual basis to ensure our strategy is aligned with the needs of the sector.

We have two key performance indicators from the Strategic Plan 2020–25 to measure and assess the effectiveness, efficiency and transparency of our operations:

- we improve our stakeholder net promoter score from the benchmark of +12 in 2019,
- we improve our staff engagement levels from the benchmark of 70 per cent in 2019.

These key performance indicators will be reported on in the 2024–25 Annual Report, the final report in the current Strategic Plan cycle. Activities this financial year will assist towards the achievement of the key performance indicators.



One Grape & Wine Sector Plan alignment

Table 1: One Grape & Wine Sector Plan alignment

OGWSP themes and priorities	AOP strategy	Summary details
Our people		
Improve diversity and inclusion in the sector and in leadership	5: Build business sustainability, excellence and leadership	Complete study on gender equality for future action.
Attract and retain skilled workers	5: Build business sustainability, excellence and leadership	Continue to work with education sectors and initiatives addressing workforce and labour issues across agriculture to promote pathways to the grape and wine sector. Promote and maintain the 'Careers in viticulture and wine' resource.
Develop skilled and capable people	5: Build business sustainability, excellence and leadership	Deliver/support national and regional leadership programs.
Enable practice change	5: Build business sustainability, excellence and leadership	Implement a nationally coordinated approach to extension and adoption, broaden the provider base to include more regionally based experts and organisations, and use competitive processes to procure services needed for extension and adoption campaigns.
Our consumers, customers and community		
Respond to our customers and consumers	1: Market Australian wine 5: Build business sustainability, excellence and leadership	Establish a cross-sector Consumer Insights Advisory Group to act as a vehicle for research prioritisation and information dissemination*. Increased focus on generating relevant and usable insights for the sector*. Continue Market Insights dashboards, preparation of regular market reports and analysis, presentations and analyst sessions to support evidence-based and data-driven decision-making.

Table 1: One Grape & Wine Sector Plan alignment

OGWSP themes and priorities	AOP strategy	Summary details
Our place and product		
Balance supply and demand	1: Market Australian wine	Deliver in-person and virtual marketing activations in key markets, geared to building the desire for, and the reputation of, Australian wine*.
	3: Enhance grape and wine excellence	Continue specific approaches for each market informed and refined by category and consumer insights, direct in-market learnings, sector feedback and alignment with other cross-sector activations and Austrade*. Work with Austrade to leverage collective resources and expertise to assist wine businesses with ambition to expand their distribution and diversification efforts*. Commence the development of a framework for a national vineyard geospatial data repository*.
Improve our wine with innovation	3: Enhance grape and wine excellence	Commence new investments in a portfolio of work on mid-strength wine production. Continue deployment of autonomy solutions that are adoption-ready in collaboration with sector partners.
Strengthening regions to support businesses	1: Market Australian wine	Continued collaboration with state and regional bodies to leverage resources, tell our unique regional stories and maximise outcomes*. Continue building the collective Australian wine brand that is based on rich regional and individual brand stories*.
Our sustainability		
Future proof our supply base	3: Enhance grape and wine excellence	Continue to use new gene editing technologies in our grapevine breeding program. Continue to work towards the establishment of a national germplasm collection to maintain the supply of genetically diverse and high-health planting material.
Putting the industry's ESG and sustainability plans into action	4: Grow sustainable environments	Deliver resources and tools to help the sector achieve its targets to significantly reduce carbon emissions, in line with the Emissions Reduction Roadmap*. Continue activities to support recovery and recycling options for treated timber vineyard posts*.
Embrace sustainability and aim for continuous improvement in practices	4: Grow sustainable environments	Deliver resources and tools to help the sector achieve its targets to significantly reduce carbon emissions, in line with the Emissions Reduction Roadmap*. Continue activities to support recovery and recycling options for treated timber vineyard posts*. Continue to provide information to manage the challenges of long-term climate change. Explore the opportunities for carbon in setting in vineyards and CO ₂ capture in wineries
Promote sustainability responsibly in our marketing efforts	1: Market Australian wine	Continue to support Sustainable Winegrowing Australia as a key element of Australian wine's brand positioning and foundation pillar of the sector's ESG aspirations.
Take sustainability action for our communities	4: Grow sustainable environments	Deliver resources and tools to help the sector achieve its targets to significantly reduce carbon emissions, in line with the Emissions Reduction Roadmap*. Continue activities to support recovery and recycling options for treated timber vineyard posts*.

Table 1: *One Grape & Wine Sector Plan* alignment

OGWSP themes and priorities	AOP strategy	Summary details
Our markets		
Diversify and intensify our international markets	1: Market Australian wine	Deliver in-person and virtual marketing activations in key markets, geared to building the desire for, and the reputation of, Australian wine*. Continue specific approaches for each market informed and refined by category and consumer insights, direct in-market learnings, sector feedback and alignment with other cross-sector activations and Austrade*. Work with Austrade to leverage collective resources and expertise to assist wine businesses with ambition to expand their distribution and diversification efforts*. Maintain in-market representation in the US, Canada and UK and continue to partner with Austrade to deliver marketing activations, particularly in the Asia Pacific region.
Enhance the perception and consumer appeal of our wine	1: Market Australian wine	Establish a cross-sector Consumer Insights Advisory Group to act as a vehicle for research prioritisation and information dissemination*. Increased focus on generating relevant and usable insights for the sector*. Continued collaboration with state and regional bodies to leverage resources, tell our unique regional stories and maximise outcomes*. Continue building the collective Australian wine brand that is based on rich regional and individual brand stories*. Deliver in-person and virtual marketing activations in key markets, geared to building the desire for, and the reputation of, Australian wine*.
Improve international market access	2: Protect the reputation of Australian wine	Provide information to enable businesses to make better decisions relating to export diversification and compliance*. Continue to work with the Australian Government to promote free trade negotiations that might result in Australian exporters obtaining preferential treatment. Monitor potential impediments to trade, with a view to enhancing market access, minimising technical barriers to trade, and streamlining regulatory processes*. Monitor changes and developments in the global regulatory environment pertaining to ESG and ensure our market access strategy sufficiently addresses challenges.

Table 1: One Grape & Wine Sector Plan alignment

OGWSP themes and priorities	AOP strategy	Summary details
Our systems and infrastructure		
Embrace digital, data and tech transformation	3: Enhance grape and wine excellence	Commence the development of a framework for a national vineyard geospatial data repository*.
Enable end-to-end data models	3: Enhance grape and wine excellence	Commence the development of a framework for a national vineyard geospatial data repository*.
Ensure access to information	3: Enhance grape and wine excellence	Commence the development of a framework for a national vineyard geospatial data repository*.
Ensure product integrity and quality	2: Protect the reputation of Australian wine	Provide information to enable businesses to make better decisions relating to export diversification and compliance*. Monitor technical and regulatory developments in the international wine trading environment and disseminate information regarding the regulatory requirements of key international markets. Monitor potential impediments to trade, with a view to enhancing market access, minimising technical barriers to trade, and streamlining regulatory processes*. Effectively administer our regulatory functions. Improve our performance, capability and culture to build trust and confidence in Australia's regulatory settings, manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leverage data and digital technology to support those we regulate.

Finance

Estimates of revenue

For the financial year 2024–25, we estimate that proceeds from levies will amount to \$14.3 million.

This is based on assumptions including vintage 2024 of 1.35 million tonnes and exports of approximately \$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 research and innovation (R&I) funding for 2024–25 is estimated to be \$9.4 million. It is estimated that proceeds from

fees and charges will total \$4 million and revenue from user-pays activities will be \$2.7 million.

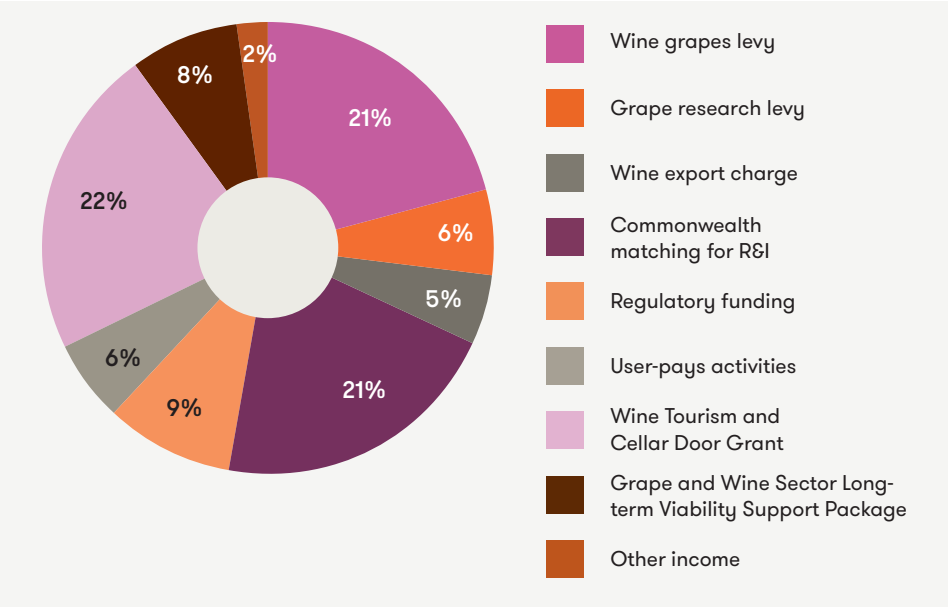
This year, 2024–25, the Wine Tourism and Cellar Door Grant administered by Wine Australia will continue. There will be \$10 million exclusive of GST available for eligible grant recipients.

Our estimates of this and total revenue are provided in Table 1. Figure 1 indicates the contribution of each revenue source to the total revenue of \$45 million.

Table 1: Estimates of revenue by source for 2024–25

Revenue by source	\$m
Levies	
Wine grapes levy	9.23
Grape research levy	2.68
Wine export charge	2.38
Commonwealth matching for R&I	9.40
Regulatory funding	4.04
User-pays activities	2.69
Wine Tourism Cellar Door Grant	10.00
Grape and Wine Sector Long-term Viability Support Package	3.50
Other income	1.09
Total revenue	45.01

Figure 1: Estimates of revenue by source for 2024–25



Estimates of expenditure

Estimates of expenditure for 2024–25 are shown in Table 2 and illustrated in Figure 2. Expenditure by activity are shown in Table 3 and illustrated in Figure 3.

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

The forecast funding shortfall of \$3.4 million.

Table 2: Estimates of expenditure by strategy for 2024–25	
Strategy	\$m
Strategy 1: Market Australian wine	7.70
Strategy 2: Protect the reputation of Australian wine	2.88
Strategy 3: Enhance grape and wine excellence	4.82
Strategy 4: Grow sustainable environments	4.11
Strategy 5: Build business sustainability, excellence and leadership	7.7
Wine Tourism Cellar Door Grant	10.00
Grape and Wine Sector Long-term Viability Support Package	3.50
Support functions	6.78
Levy collection costs	0.89
Total expenditure	48.38

Our representative organisation will receive funding to support our objectives. In 2024–25, Australian Grape & Wine Inc \$75,000 for leadership and participation in consultation activities, as outlined in Wine Australia’s Customer Engagement Plan. Australian Grape & Wine will also maintain sector committees to provide feedback. Finally, Australian Grape & Wine will also facilitate joint engagement with the sector across a range of other forums.

In Tables 4 to 7, we detail our R&I investments by project term, risk category, research type and geographical focus. Table 8 provides a detailed breakdown of the R&I expenditure estimates against the Australian Government’s Science and Research Priorities, and National Agricultural Innovation Priorities.

Figure 2: Estimates of expenditure by strategy for 2024–25

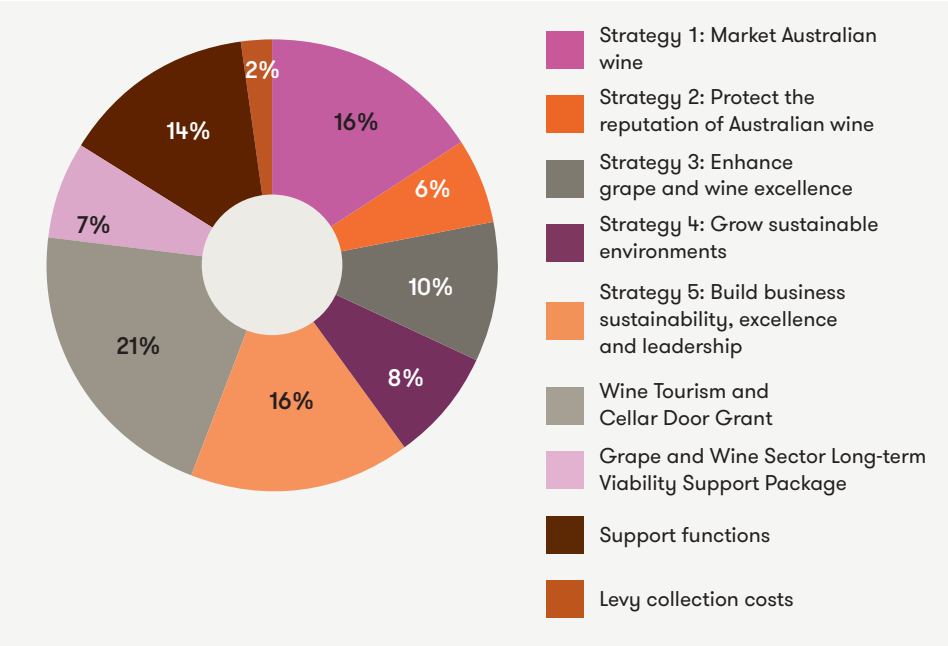
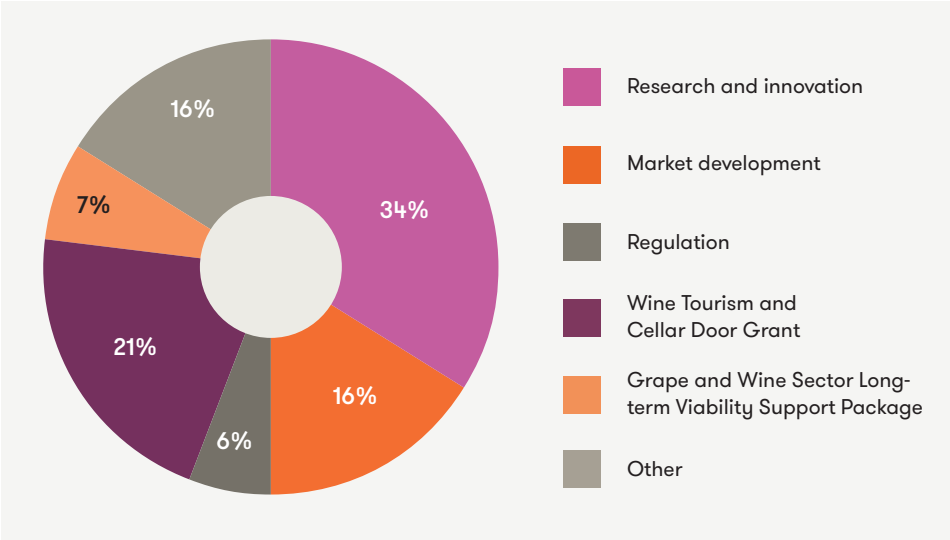


Table 3: Estimates of expenditure by activity for 2024–25

Activity	\$m
Research and innovation	16.69
Market development	7.70
Regulation	2.82
Wine Tourism Cellar Door Grant	10.00
Grape and Wine Sector Long-term Viability Support Package	3.50
Other	7.67
Total activity expenditure	48.38

Figure 3: Estimates of expenditure by activity, for 2024–25



A balanced portfolio

Table 4: R&I investment by project term

Project term	Number of projects		Budget 2024–25 \$m	
Short (<2 years)	24	36%	2.5	18%
Medium (2–4 years)	27	40%	7.1	52%
Long (>4 years)	16	24%	4.1	30%
Total	67	100%	13.7	100%

Figure 4: R&I investment by project term

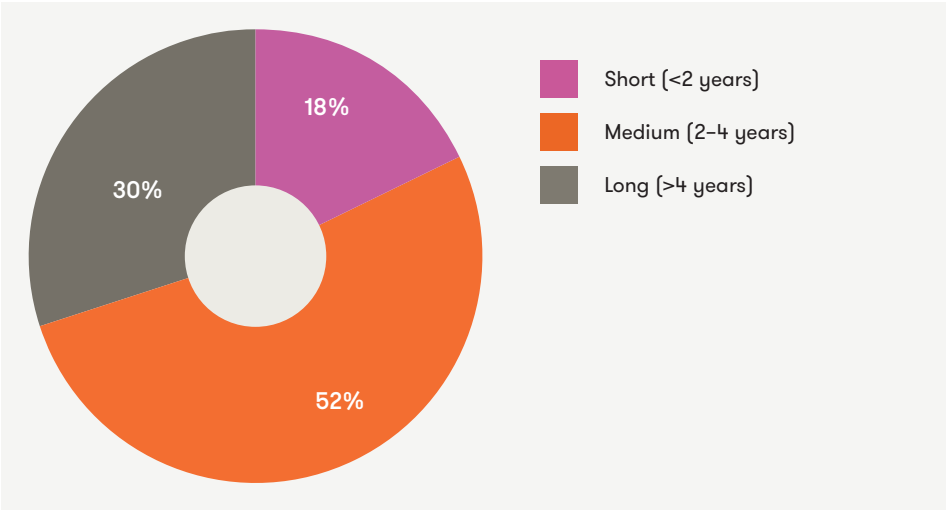


Table 5: R&I investment by risk

Risk	Number of projects		Budget 2024–25 \$m	
Low	34	51%	3.5	26%
Medium	24	36%	7.4	54%
High	9	13%	2.8	20%
Total	67	100%	13.7	100%

Figure 5: R&I investment by risk category

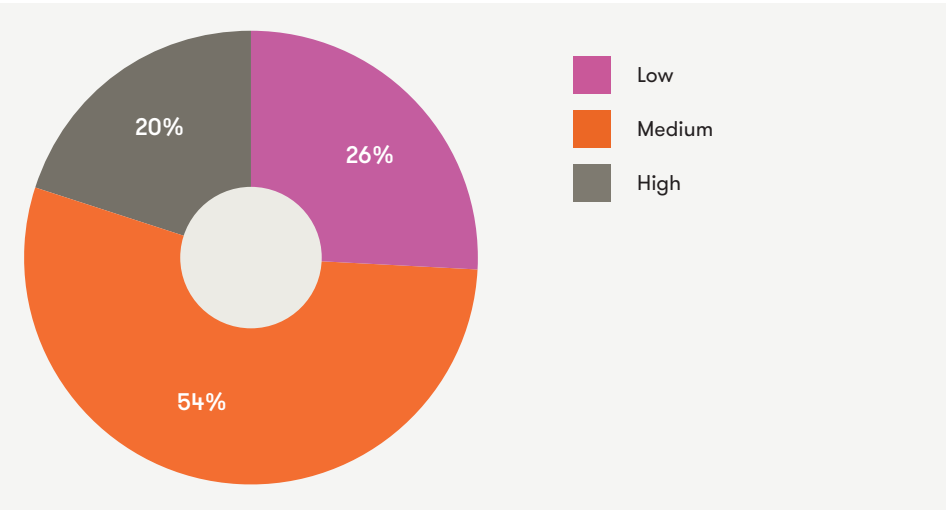


Table 6: R&I investment by research type

Number of projects			Budget 2023-24 \$m	
Extension and adoption	17	25%	2.2	16%
Capability	25	38%	1.1	8%
Strategic	11	16%	7.7	56%
Adaptive	14	21%	2.7	20%
Total	67	100%	13.7	100%

Figure 6: R&I investment by research type

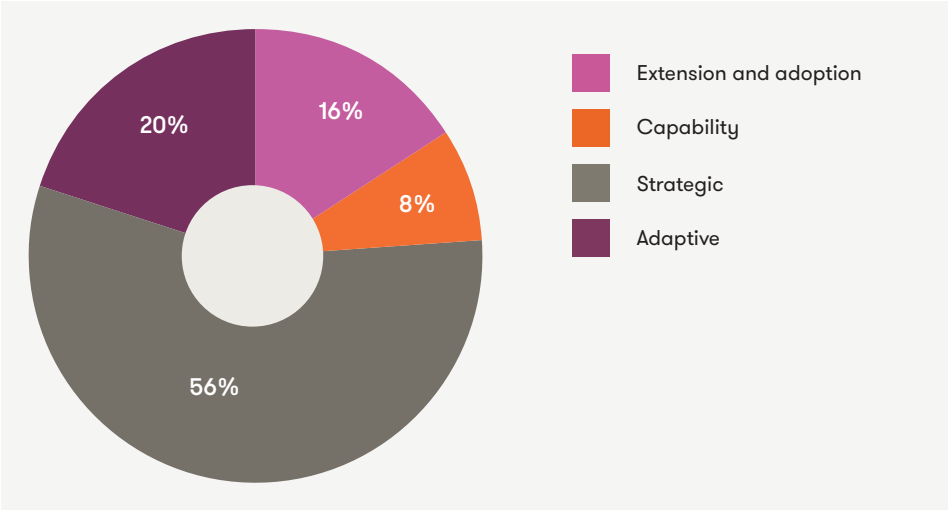


Table 7: R&I investment by geographic focus

Number of projects			Budget 2023-24 \$m	
Regional	18	27%	1.7	12%
National	49	73%	12.0	88%
Total	67	100%	13.7	100%

Figure 7: R&I investment by geographical focus

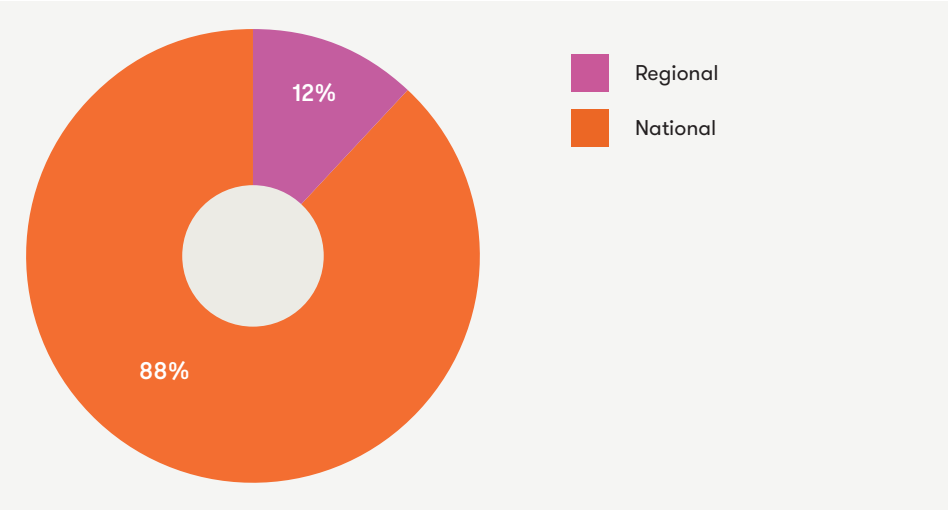
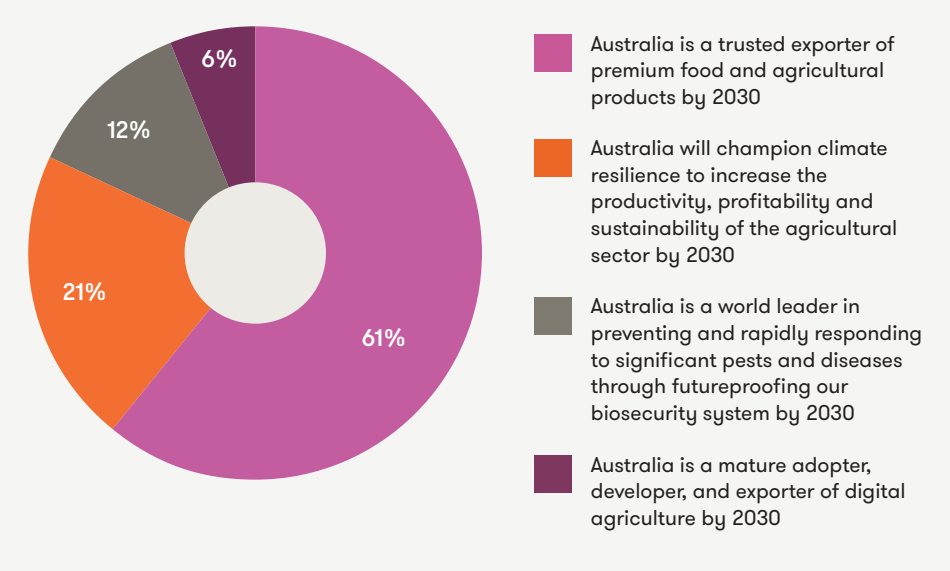


Table 8: National Agricultural Innovation Priorities

National Agricultural Innovation Priorities	Number of projects		Budget 2024–25 \$m	
1. Australia is a trusted exporter of premium food and agricultural products by 2030	30	45%	8.4	61%
2. Australia will champion climate resilience to increase the productivity, profitability and sustainability of the agricultural sector by 2030	22	33%	2.8	21%
3. Australia is a world leader in preventing and rapidly responding to significant pests and diseases through futureproofing our biosecurity system by 2030	8	12%	1.7	12%
4. Australia is a mature adopter, developer, and exporter of digital agriculture by 2030	7	10%	0.8	6%
Total	67	100%	13.7	100%

Figure 8: National Agricultural Innovation Priorities



Statement of Expectation and Statement of Intent

Statement of Expectation



SENATOR THE HON MURRAY WATT
MINISTER FOR AGRICULTURE, FISHERIES AND FORESTRY
MINISTER FOR EMERGENCY MANAGEMENT

MS23-000695

Dr Michele Allan AO
Chair
Wine Australia
PO Box 2733
KENT TOWN SA 5071

Dear Dr Allan

I am writing to you to set out my expectations for the delivery of Wine Australia's regulatory functions. This Ministerial Statement of Expectations is a requirement under the Australian Government's regulatory policy as described in the Department of Finance's Regulator Performance Resource Management Guide 128 (RMG 128).

Ministerial Statement of Expectations

Wine Australia is responsible for administering a diverse range of regulatory functions under the *Wine Australia Act 2013* (Wine Australia Act) and the Wine Australia Regulations 2018, including administering the Label Integrity Program, export controls, the Wine Export Label Directory, and the Register of Protected Geographical Indications and Other Terms.

These important functions protect the reputation of Australian wine and support the industry, which is a key contributor to regional employment and our national economy. An effective regulator of the Australian wine industry, with a commitment to continuous improvement in regulatory capability, will ensure the long-term growth and productivity of the sector.

As the responsible Minister, I will work with my department to ensure legislation governing Wine Australia and the broader wine industry remains effective and fit for purpose. I will also provide an enabling environment for Wine Australia to consistently implement best practice regulation by ensuring you are well informed of the government's policy direction as specific initiatives and strategies are being considered.

I expect Wine Australia to fulfil its regulatory functions in accordance with the principles of regulator best practice, outlined in RMG 128, to embed an approach of continuous improvement and building trust, ensuring regulation is risk based and data driven, and collaborating and engaging with stakeholders where relevant.

I expect Wine Australia to be flexible and responsive to changing circumstances, and ensure their regulatory processes remain effective and efficient. Where appropriate, Wine Australia should consider and aim to improve their processes, reduce the regulatory burden on stakeholders, build collaborative partnerships, and increase trust and public confidence in their operations and Australia's regulatory system. This includes responding to independent reviews and directions from government in a manner that addresses underlying issues and improves effectiveness and efficiency.

Parliament House Canberra ACT 2600 Telephone (02) 6277 7190

I expect Wine Australia to engage meaningfully with Australian Grape & Wine, as the representative organisation named in the Wine Australia Act, as well as relevant state, territory and regional representative bodies. I also expect Wine Australia to engage with the Department of Agriculture, Fisheries and Forestry, IP Australia, and any other export and intellectual property regulators and policy agencies at the Commonwealth or State levels, as necessary, to achieve Wine Australia's objectives and deliver outcomes for Australia's wine industry.

I expect clear and ongoing consultation and communication with stakeholders to ensure that Wine Australia's regulatory activities are effective and efficient in delivering against intended outcomes, and that stakeholders' input is recognised by Wine Australia and addressed in a timely and transparent way.

In performing its regulatory functions, I expect Wine Australia to operate with transparency and accountability. Where charging arrangements are in place, Wine Australia should ensure it documents and reports key information about the activity in a manner consistent with the Australian Government Charging Framework and the Cost Recovery Guidelines.

I recognise Wine Australia has taken steps to strengthen its focus on sustainability, and environmental, social and corporate governance (ESG). Sustainability and ESG is one of the biggest opportunities and challenges facing the agriculture sector more broadly, and it is one of my main priorities as Minister. I expect Wine Australia to maintain its focus on sustainability and ESG, and to continue incorporating these principles in its regulatory functions, to ensure the industry can continue to engage meaningfully with international partners on the issues of sustainability and trade.

RMG 128 requires you, as the Accountable Authority, to report Wine Australia's regulatory performance in accordance with the *Public Governance, Performance and Accountability Act 2013*. This applies for the 2023-24 planning and reporting cycle.

I ask that this Ministerial Statement of Expectations and your Statement of Intent be made publicly available on www.wineaustralia.com and www.transparency.gov.au within three months of receipt of this letter. I also ask they be included as part of Wine Australia's Corporate Plan and/or Annual Report.

Delivering against these expectations will ensure Wine Australia continues to deliver regulatory functions to the benefit of Australians. I look forward to working cooperatively on these important priorities.

I have sent a copy of this letter to Dr Martin Cole, Chief Executive Officer of Wine Australia.

Yours sincerely

MURRAY WATT

7/6/2023

cc: Dr Martin Cole, Chief Executive Officer, Wine Australia

2

Statement of Intent



Australian Government

Wine Australia

Wine Australia's Statement of Intent

The Australian Government's vision is for Wine Australia to be a high performing and responsive corporate Commonwealth entity that implements a principles-based regulatory framework in a way that allows for continuous improvement, reduces for the administrative burden on business, whilst protecting the reputation of Australian wine.

Wine Australia acknowledges that the regulatory framework it implements should be fit-for-purpose and implemented in a way that reduces the regulatory burden on individuals, business, community organisations and customers. In this context, the Government has issued a Statement of Expectations for Wine Australia, which outlines the Government's expectations of the role and responsibilities of Wine Australia. The Statement of Expectations is available on Wine Australia's website.

This Statement of Intent responds to the Government's Statement of Expectations for Wine Australia, which is a requirement under the Australian Government's regulatory policy as described in the Department of Finance's Regulator Performance Resource Management Guide 128 (RMG 128). Wine Australia's Statement of Intent includes quantitative and qualitative information as well as examples that outline specific actions that relate to Wine Australia's performance against each of the three principles set out in RMG 128 and the Statement of Expectations.

Our role

Wine Australia is established in accordance with the Wine Australia Act 2013 (Act). Wine Australia's objects include to control the export of grape products from Australia in accordance with Part 3 of the Wine Australia Regulations 2018 (Regulations) and to enable Australia to fulfil its obligations under prescribed wine trading agreements. The latter of these two objects give rise to Wine Australia's obligation to maintain the Register of Protected Geographical Indications and Other Terms, and to administer the Label Integrity Program (LIP) established by Part VIA of the Act.

The regulatory activities conducted by Wine Australia pursuant to the Act and Regulations are:

- a) controlling the export of grape products from Australia as set out in the Regulations – this regulatory activity also includes ensuring that wines exported out of Australia comply with the blending rules pertaining to vintage, variety and geographical origin, and that they comply with the Australia New Zealand Food Standards Code; and
- b) administering the LIP described in Part VIA of the Act – the purpose of the LIP is to help ensure the truth and the reputation for truthfulness of statements made on wine labels, or made for commercial purposes in other ways about the vintage, variety and geographical indication of wine manufactured in Australia.

A description of Wine Australia's regulatory activities, outputs and processes are listed in Table 1.

Statement of Expectations

Wine Australia notes the Australian Government's priorities and commits to acting in accordance with regulatory best practice in decision making, operational practices, and communications to ensure effectiveness and efficiency. Wine Australia is committed to the delivering the Government's Statement of Expectations. Wine Australia's response is set out after Table 1.

RMG 128 outlines three principles of regulator best practice, against which regulators are required to report in their corporate plans and annual reports. How Wine Australia meets these three principles is set out in Table 2.

Table 1: Regulatory Activities, Outputs and Processes

	Regulatory activity	Outputs	Process of the activity
Export licences	Wine Australia makes decisions about whether to grant, suspend or cancel licences to export grape products from Australia in accordance with Part 3, Division 2 of the Regulations.	In considering eligibility to hold licences to export grape products from Australia, Wine Australia has regard to the matters set out in section 9(3) and 13 of the Regulations which include (without being limited to): • whether the applicant is a fit and proper person • whether the Wine Export Charge is due and payable • whether a licensee exports a grape product in contravention of the Act or Regulations • any matters relating to the applicant that might adversely affect the export trade in grape products, and • any other matter relating to the promotion of the export of grape product.	Compliance with the LIP is monitored through the exercise of monitoring powers under section 39ZC of the Act and requests for records in accordance with section 39ZAA of the Act.
			Offences relating to the sale, export or import of wine with false or misleading description and presentation is monitored through risk-based inspections.
			Compliance with conditions of export are monitored through Wine Australia's Licensing and Approval System (WALAS).
			Revocation and refusal of applications for export approval are monitored through WALAS.
Product inspections and label approvals	Wine Australia makes decisions about whether to approve, refuse, suspend or revoke approval of grape products for export in accordance with Part 3, Division 3 of the Regulations. Wine Australia makes decisions about whether the description and presentation of grape products is false or misleading for the purposes of sections 40C and 40E of the Act. Wine Australia makes decisions about whether record keepers have complied with the LIP.	To grant approval of grape products for export, Wine Australia must be satisfied that the grape product complies with the Code (or that the ways in which the product does not comply will not compromise the reputation of Australian grape products). Wine Australia must be satisfied that the description and presentation of the grape product is appropriate having regard to requirements of the Act, other Australian laws and the laws of other countries. Wine Australia may cancel or suspend licences to export grape products from Australia, apply for injunctions to prevent the sale of non-compliant products, and may pursue criminal penalties for breaches of the Act. Wine Australia must maintain a Label Directory as referred to in the Regulations and must ensure that labels are provided in relation to packaged product prior to granting an export certificate for the relevant consignment.	Compliance with the Code is monitored through WALAS and through risk-based collection of sample tested for compliance with the Code.
			The description and presentation of wine is assessed for compliance through: • inspections of labels and LIP documentation as a precursor to granting product approval • LIP inspections.
			• Risk based inspections of labels are conducted to satisfy Wine Australia that the description and presentation of the grape products are appropriate. • Offences relating to the sale, export or import of wine with false or misleading description and presentation are monitored through risk-based inspections. • Compliance with the Label Integrity Program is monitored through the exercise of monitoring powers under section 39ZC of the Act and requests for records in accordance with section 39ZAA of the Act.
Shipping approval	Wine Australia makes decisions about whether to issue, refuse or revoke export certificates (shipping approval) in accordance with Part 3 of Division 4 of the Regulations.	Wine Australia must be satisfied that a consignment of a grape product has been approved. Wine Australia must refuse to issue as export certificate if it reasonably believes that the grape product cannot lawfully be sold in the country to which it is to be exported.	Approval status of grape products is monitored through WALAS.
			Requests for information are made to verify that laws pertaining to the description and presentation of grape products have been complied with.

Statement of Intent

- Wine Australia's regulatory obligations are delivered in accordance with the principles of best practice regulation as outlined in the RMG 128 (including continuous improvement and building trust, risk based and data driven and collaboration and engagement). This includes responding to independent reviews in a way that addresses underlying issues and improves effectiveness and efficiency.
- Wine Australia is committed to fulfilling its regulatory functions in a way that upholds the reputation of Australian wine while balancing the need to facilitate efficient export systems and processes, and minimising the imposition of unnecessary costs on Australian wine producers.
- Wine Australia is committed to ensuring its regulatory processes remain effective and efficient. Where appropriate, Wine Australia considers improvements to processes and implements alternative methods of ensuring compliance (such as education or information campaigns) to reduce the regulatory burden and costs to stakeholders.
- Wine Australia is committed to engaging meaningfully with Australian Grape & Wine as well as the relevant state, territory and regional representative bodies, the Department of Agriculture, Fisheries and Forestry, IP Australia, and any other export and intellectual property regulators and policy agencies at the Commonwealth or State levels as necessary to achieve Wine Australia's objectives and deliver outcomes for Australia's wine industry.
- Wine Australia is committed to engaging in consultation and communication with its stakeholders to be conducted on an ongoing basis to ensure that Wine Australia's regulatory activities are effective and efficient in delivering against intended outcomes, and that their input is recognised by Wine Australia and addressed in a timely and transparent way.
- Wine Australia operates with transparency and accountability. Where charging arrangements are in place, Wine Australia ensures it documents and reports key information about the activity in a manner consistent with the Australian Government Charging Framework and the Cost Recovery Guidelines.
- Wine Australia is committed to maintaining a focus on sustainability and environmental, social and corporate governance (ESG) and in incorporating these principles into our regulatory functions, to support the Australian wine sector to engage meaningfully with international partners.
- Wine Australia will ensure it conducts its operations and regulates in a manner that is flexible and responsive to changing circumstances impacting the sector.

Table 2: Implementation and Measure of Success of the Three Principles outlined in RMG 128

	Principle	Implementation of Principles	Measure of Success
Principle 1	Continuous improvement and building trust - regulators adopt a whole-of-system perspective, continuously improving their performance, capability and culture to build trust and confidence in Australia's regulatory settings.	• Monitoring of stakeholder satisfaction through the annual stakeholder survey. • Implementation of a consultation plan that has been developed in accordance with Wine Australia's customers. • Development and maintenance of a customer engagement plan. • Ongoing interaction with international fora. • The undertaking of an annual review of the cost recovery statement. • The development and implemented documented stakeholder consultation procedure. • Significant changes to the regulatory frameworks follow stakeholder consultation. • Significant changes to policies and procedures are communicated to regulated entities via a two stage process of interim, followed by final, determinations. • Regular contact with regional wine grape grower and wine producers associations occurs. • Maintaining the Wine Australia Licensing and Compliance Guide. • Engagement with AGW as the declared representative under the Act to test suitability of the current regulatory environment. • Egregious breaches are publicised.	Reporting against implementation will be undertaken as part of ongoing review of progress against Wine Australia's Annual Operating Plan.
Principle 2	Risk based and data driven - regulators manage risks proportionately and maintain essential safeguards while minimising regulatory burden, and leveraging data and digital technology to support those they regulate to comply and grow.	• Maintenance of Wine Australia's risk registry and risk framework. • Board meetings carried out to review risk policy and framework and set risk tolerance. • Encouragement of innovation in data and digital space in the administration of Export Controls and LIP, for example WALAS. • Demonstrated willingness to engage in activities that seek to harmonise trade with trading partners and other domestic regulators. • Maintenance of WALAS and development of LIP. • Maintenance of Wine Watch - an online anonymous reporting tool with Wine Australia investigating all alleged non-compliances reported to it. • Inspections are based on risk profile of having regard to supply and demand issues in specific regions and with certain grape varieties. • Additional information is requested from high-risk exporters (using digital technology such as WALAS to identify such exporters). • Implementing an analysis program which involves random analytical testing conducted to ensure and verify compliance with the Food Standards Code and to identify potential market access risks. • New and emerging regulatory risks are identified through maintenance of an enquiry register. • Maintenance of the exporter news which provides for regular communication to exporters. • Development of a consumer action plan which allows Wine Australia to engage with a raft of people from different sectors.	Reporting against implementation will be undertaken as part of ongoing review of progress against Wine Australia's Annual Operating Plan.
Principle 3	Collaboration and engagement - regulators are transparent and responsive communicators, implementing regulations in a modern and collaborative way	• Continuous and regular communication with stakeholder through a range of channels to ensure a two-way feedback process and continuous improvement • Maintenance of the legislative review committee to review any regulatory changes. • Wine Australia engages with the OIV and World Wine Trade Group. • Periodic review of market access risks associated with implementation of regulations. • Wine Australia's customer engagement plan includes a schedule of educational activities and to increase awareness of requirements under the Act. • Maintenance of an email labels inbox in order for Wine Australia to provide free opinions as to labelling compliance	Reporting against implementation will be undertaken as part of ongoing review of progress against Wine Australia's Annual Operating Plan.

Funding agreement obligations

Background

In accordance with section 35(1c) of the Act, the Minister must enter into a Statutory Funding Agreement with Wine Australia. The Statutory Funding Agreement specifies the terms and conditions for how Wine Australia must operate, consult, expend funds, and report activities. The Act provides that Wine Australia must not spend money that has been paid to it by the Commonwealth unless it does so in accordance with the Funding Agreement.

In May 2020, Wine Australia entered into a Statutory Funding Agreement with the Australian Government for the period 2020–2030. The agreement is managed by the Department of Agriculture, Fisheries and Forestry on behalf of the Australian Government. A copy of the current Statutory Funding Agreement is accessible on our website.

The Statutory Funding Agreement is complemented by:

- RDC Companion Document (developed in conjunction with the 2020–30 Statutory Funding Agreement)
- Wine Australia’s Best Practice Guide to Stakeholder Consultation (provided to Wine Australia by the Minister in December 2021)
- Guidelines for Statutory Funding Agreements (provided to Wine Australia by the Minister in November 2021), and
- RDC Knowledge Transfer and Commercialisation Guide (provided to Wine Australia by the Minister in November 2021).



Incorporation of best practice principles in governance and reporting

Wine Australia is expected to incorporate the following best practice principles into its governance and reporting:

- the Performance Principles contained in the Statutory Funding Agreement and complemented by the RDC Companion Document developed in conjunction with the 2020–30 Funding Agreement, and the Guidelines for Statutory Funding Agreements provided to Wine Australia by the Minister in November 2021, and
- the best practice principles set out in:
 - Wine Australia’s *Best Practice Guide to Stakeholder Consultation*
 - National Agricultural Innovation Policy Statement, and
 - RDC *Knowledge Transfer and Commercialisation Guide*.

Performance principles

The Statutory Funding Agreement obliges Wine Australia to act in accordance with specified Performance Principles and Guidelines.

We demonstrate our performance against the Performance Principles and Guidelines to levy payers and other stakeholders by reporting against them in our Annual Report.

The Performance Principles are summarised as follows:

Stakeholder engagement – Wine Australia must engage stakeholders to identify R&I priorities and activities that provide benefits to the sector.

Balanced Portfolio – Wine Australia must ensure R&I (and marketing) priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a Balanced Portfolio. Balanced Portfolio is defined as meaning an R&I investment portfolio incorporating an appropriate blend of issues of national importance based on government and levy payer priorities that seeks to balance short-, medium- and long-term investments, high- and low-risk, and strategic and adaptive research needs including consideration of regional variations and needs.

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

Governance – Wine Australia must implement governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent and proper use and management of funds.

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

The KPIs pertaining to the Performance Principles are set out in Table 10.

The Guidelines are:

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

Table 10: Performance Principle KPIs

Performance principle	KPIs
Performance Principle 1: Stakeholder Engagement	1.1. Strategy prioritisation and development processes include appropriate consultation plans, based on the <i>Best practice guide to stakeholder consultation</i>. 1.2. Demonstrated industry stakeholder engagement in the identification of RD&E priorities and activities consistent with the consultation plan in 1.1. 1.3. Demonstrated incorporation of industry stakeholder feedback on RD&E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder.
Performance Principle 2: Research Development and Extension (RD&E) activities	2.1. RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets. 2.1. Levy payers who participate in RDC supported extension and adoption programs: • gain new knowledge or new information to improve their long-term profitability, productivity, competitiveness and preparedness. • intend to make or have made changes to existing practices by adopting the outcomes of R&D.
Performance Principle 3: Collaboration	3.1. Completed, current and future R&D including commercialisation opportunities is accessible through the growAG platform. 3.1. Number and quantum of cross-industry and cross-sector RD&E investments available.
Performance Principle 4: Governance	4.1. Ongoing oversight, planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes. 4.1. Demonstrated management of financial and non-financial risk. 4.1. Relevant policies and procedures adopted and implemented (e.g., privacy etc). 4.1. Non-financial resources implemented effectively (Human resources, IT, IP etc).
Performance Principle 5: Monitoring and Evaluation	5.1. Impact (cost – benefit) assessment of a broad cross-section of RD&E [and marketing] investments undertaken annually. 5.1. Demonstrated consideration of and response to outcomes of monitoring and evaluation processes. 5.1. Transparent communication to stakeholders (including government) on the impacts and benefits of the RD&E [and marketing] activities.

In accordance with our Statutory Funding Agreement with the Commonwealth Government, in 2023–24 Wine Australia engaged an independent consultant to undertake a comprehensive review of our performance against the Performance Principles (and Guidelines) in Section 9.2 of the SFA between July 2019 and December 2022.

The Independent Performance Review made several recommendations, all of which Wine Australia agreed. Many focused on continuing the improvements already identified and started by Wine Australia since the end of the review period. Wine Australia's Independent Performance Review and Wine Australia's response is available on our website.

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

We recognise that it is not possible, nor necessarily desirable, to eliminate 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 those 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.

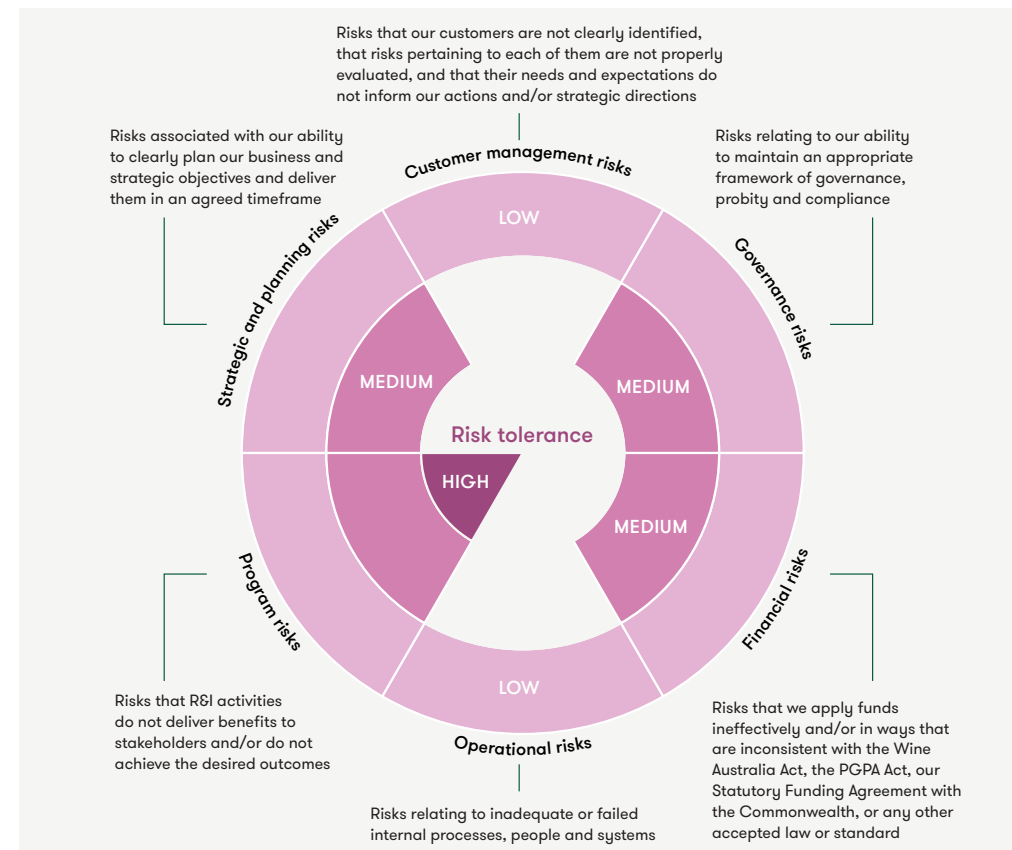
Resources are allocated appropriately to ensure that risk management can continually improve, with the early identification and treatment of potential risk factors.

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.

Wine Australia also has an internal Governance Committee, Information Governance Committee, and Cybersecurity Group to manage risk.

In 2024–25, 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 R&I projects

Strategy 2: Protect the reputation of Australian wine	
AGW	Market access agreement
Strategy 3: Enhance grape and wine excellence	
AWR 2202	AWRI investment agreement
AWRI	AWRI strategic research projects
CSA 2401	Lower alcohol wine production through application of sugar reduction technology to grape juice
WA GVB	Grapevine breeding and germplasm strategic research projects
WA WP	Wine production strategic research projects
WIA 2201	Wine Industry Productivity and Profitability Cluster
FOV 2201	National Grapevine Collection Coordinator
WA AgT	Agtech program
WA 1908	Assessing the practicality of the robot platforms from Swarmfarm Robotics
Strategy 4: Grow sustainable environments	
LTU 2401	Validation and scale-up of a national smoke taint prediction service for the Australian wine industry
SAR 1701	SARDI strategic research agreement
ESG	Strategic research projects
RV 2101	National EcoVineyards Program
WA 2301	CRC SAAFE
SAR 1701 - 1.4	Grapevine scale biology and monitoring in Australian vineyards
WA 2201	One Basin CRC partnership agreement
WA B	Biosecurity strategic research projects
WA S	Smoke strategic research projects
HIA 2301	Plant Biosecurity Research Initiative Phase III Collaboration and Funding Agreement 2023-2028
UQ 2001	ARC Research Hub for Sustainable Crop Protection
USC 2301	Repurposing preservative-treated timber and engineered wood products at end-of-life: a circular approach

Strategy 5: Build business sustainability, excellence and leadership

WA MI	Market insights
WA EA	Extension & Adoption Program
IMT	Improving Market Transparency in Perishable Agricultural Goods Industries
WAC 2408	Agtech video communication
WAC 2212	Future Leaders
WAA 2101	Collaboration to demonstrate a series of agriculture technologies to assist grape growers
GRP 2301	Regional Program plan NSW and ACT 2023-2028
GRP 2305	Regional Program plan Murray Valley 2023-2028
GRP 2310	Regional Program plan Riverland 2023-2028
ASV 2000	ASVO partnership and practice change agreement
WAC 2307	Next Crop leadership program region 1
WA PPL DEV	People development careers and workshops
WA PE	Project performance evaluation
WA PHDs	PhD and Masters by Research scholarship program
HIA 2302	Joint RDC extension project
WAC 2302	Next Crop Leadership Program region 2
WAC 2209	Youth Network - pilot program NSW
WAC 2201	Careers in grape and wine - video series
GRP 2302	Regional Program plan - Greater Victoria 2023-2028
GRP 2304	Regional Program plan - SA North 2023-2028
GRP 2306	Regional Program plan - Limestone Coast 2023-2028
GRP 2307	Regional Program plan - SA Central 2023-2028
GRP 2308	Regional Program plan - Western Australia 2023-2028

UA Ph2105	Defining the diversity and the potential applications of yeasts from Australian niches
UA Ph2104	Examining consumer acceptance of alternative and gene-edited traditional grape varieties
CSU 2401	Scoping study of gender equality in the Australian grape and wine sector
UA Ph2103	Driving the image and growth of NOLO wines in Australia and key export markets
WA AS	Alumni support
CRRDC	Council of Rural R&D Corporations
UA Ph2101	Use of activated carbon fabrics to mitigate smoke taint in grapes and wine
UA Ph2102	The role of polysulfides in the appearance of 'reduced' wine aromas
GRP 2303	Regional Program plan - Tasmania 2023-2028
GRP 2309	Regional Program plan - Queensland 2023-2028
WAS 1901	Primary Industries Education Foundation Australia (PIEFA) partnership
WAP 2001	Wine Industry Mentor Program
WA Ph2200	Rapid analytical methods for early detection of smoke taint in grape juice.
UA 2301	Further Afield travel scholarship
WA Ph2203	Monitoring avian functional diversity in vineyards using autonomous recording units and deep learning
WA Ph2202	Mobile RNA signalling between rootstock and scion in grafted grapevine
WAC 2104	VitiSynth for Australian levy payers
WA Ph2106	Alternate strategies and vineyard practices for reducing the risk of grapevine trunk diseases
WA PH2105	Bait lamina probe as a farmer friendly tool for assessing soil biological activity
WA Ph2201	One vine, two diseases: Interactions of different grapevine trunk disease pathogens within vines
WAS 2000	Agriculture Innovation Australia (AIA)

Appendix 2: Glossary

Agtech	Technologies designed for agricultural purposes
Agtech demonstration site	Vineyard and winery sites where agtech is being evaluated by growers and winemakers and provides opportunities for local producers to view the technologies
AI ECTA	Australia-India Economic Cooperation and Trade Agreement
ATMAC	the Australian Government's Agricultural Trade and Market Access Cooperation grant
Australian Grape & Wine (AGW)	the peak sector member-based organisation
AWRI	Australian Wine Research Institute
CRC	Cooperative Research Centre
CRC SAAFE	Cooperative Research Centre for Solving Antimicrobial Resistance in Agribusiness, Food, and Environments
CRIS	Cost Recovery Implementation Statement
Customer	Wine Australia's stakeholders, including levy and wine export charge paying grapegrowers and wineries
DAFF	Department of Agriculture, Fisheries and Forestry
Department	Department of Agriculture, Fisheries and Forestry
DPIRD	Western Australia Department of Primary Industries and Regional Development
ELLIS	Export Label Image Search System
EMEA	Europe, Middle East and Africa
ESG	environmental, social and corporate governance
growAG	a platform by Agrifutures Australia that connects agricultural research, technologies and commercialisation opportunities

Improving Market Transparency project (IMT)	a three-year project between Wine Australia, Australian Grape & Wine and the Inland Wine Region Alliance with funding from the Australian Government
Interactive Insights	Wine Australia's collection of market insights data dashboards.
KPIs	key performance indicators
LIP	Wine Australia's Label Integrity Program
NOLO	No and low alcohol wines
OIV	International Organisation of Vine and Wine
One Grape & Wine Sector Plan	A plan to help the sector recover from recent challenges and reset the course for future resilience, getting us back on track towards Vision 2050. The <i>One Grape & Wine Sector Plan</i> will inform <i>Wine Australia's Strategic Plan 2025-30</i> , and the subsequent key performance indicators in following Annual Operational Plans
PBRI	Plant Biosecurity Research Initiative
RD&A	research, development and adoption
RD&E	research, development and extension
R&D	research and development
Regional Program	A Wine Australia initiative that supports regional adoption of research and development outcomes
Regulations	Wine Australia Regulations 2018
R&I	research and innovation
SARDI	South Australian Research and Development Institute, a division of Primary Industries and Regions South Australia
the Act	<i>Wine Australia Act 2013</i>
WALAS	Wine Australia Licensing and Approval System



Australian Government

Wine Australia

Wine Australia

Cnr Botanic and Hackney Roads, Adelaide SA 5000

PO Box 2733, Kent Town SA 5071

Telephone: +61 8 8228 2000

Facsimile: +61 8 8228 2066

Email: enquiries@wineaustralia.com

Website: wineaustralia.com

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Wine Australia supports a competitive wine sector by investing in research and innovation (R&I), growing domestic and international markets, protecting the reputation of Australian wine.

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 R&I investments.