

2018/19 ANNUAL REPORT



WINES OF
WESTERN AUSTRALIA
Extraordinary Regions

WINE INDUSTRY ASSOCIATION OF WA (INC.)

30 January 2020

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Introduction

The Wine Industry Association of Western Australia (Inc.) trading as Wines of Western Australia, established in 1987, is the state's primary organisation of wine producers.

It is our mission to provide a unified, strategically influential voice that creates opportunities for the fine wine regions of Western Australia.

Industry Overview

Wine is a major value adding industry with significant regional economic and employment benefits. In 2016/17 the total value of the WA wine producing community was estimated at \$684 million with a grape value of \$65 million. Regarding market channels, 48% of total value was sold in WA, 40% in eastern Australia and 12% in exports.

The Western Australian wine producing community produces about 42 million litres of wine annually representing just 3% of the volume of Australia's wine production but 8.5% of the value.

WA Wine Industry Vision

As outlined in the WA Wine Industry Strategic Plan 2014 – 24, WA producers have a shared vision of:

“a Western Australian wine producing community that grows sustainably and profitably, built on the reputation of its great fine wine regions”

The pathway to this vision is a unified and strategic influential industry focused on regional fine wines of provenance and authenticity. Producers and Regional Associations are the custodians of their Regional brand.

Wines of WA Charter

WA producers have mandated that Wines of WA should, “provide stewardship of the industry” to create opportunities for producers and the fine wine regions of WA.

From an operational point of view, this service is provided through:

- **Advocacy** to ensure government, at all levels, understands our industry – the benefits we provide to the state economy, particularly in regional WA and the assistance and resourcing we require to further develop our industry.
- **Representation** to ensure the value of industry is clearly understood by government, the community and other complimentary industry sectors. We need to ensure our social license to operate is retained and strengthened. We continue to build strong partnerships with tourism, agriculture and fisheries by developing complimentary market development programs. We need to raise the stature of our industry so that West Australians are truly proud of our wine producing community.
- **Administration** of technical and marketing program funding to provide Regional Associations and producers access to opportunities to improve business practises and market access.
- **Communication** to ensure wine producing community participants are aware of the issues that affect their businesses, enabling them to make informed decisions on the direction of the industry and their individual businesses.

We look forward to working with Producers and Regional Associations in 2019 - 20 on developing a sustainable and profitable future for the WA wine producing community.

Strategic Priorities 2018 - 19

Priority	Priority Issues	Activities and Progress
1. Strengthen industry support for APC Funding Model for WA wine producing community	Ensure all producers value the services delivered by Regions and WoWA via APC fees.	<p>Communications and Regional Forums to discuss industry development and confirm value delivered by Regions and WoWA</p> <p>Assist producers in complying with APC funding model</p>
2. Market Development	<p>Secure funding and resources for export and domestic market development</p> <p>Support wine tourism initiatives and direct sales channels.</p>	<p>Develop Business Case for partnership with federal and state agencies to fund, resource and implement market development programs.</p> <p>Secured \$1 million federal wine tourism grant (IWTG)</p> <p>Assist regions to implement IWTG</p>
3. RDE & Adoption support for fine wine business model	<p>Smoke taint</p> <p>Chemical resistance Improved clonal material (including alternative varieties)</p> <p>Business model innovation</p> <p>Pest and disease management</p> <p>Sustainable viticulture</p>	<p>Support Regions and producers to manage prescribed burns programs. Build stronger relationships with DBCA and OBRM</p> <p>Technical Committee to implement programs to address identified challenges through the Wine Australia Regional Program</p> <p>WoWA to advocate for policy settings and government support to address identified challenges</p>
4. Taxation and Regulation	<p>Ensure taxation regime offers best operational environment for WA fine wine producers.</p> <p>Ensure legislation offers best operational environment for WA fine wine producers.</p> <p>Ensure an enduring social licence for WA wine producers.</p>	<p>Form Tax Working Group to develop an industry ratified position for further taxation reform.</p> <p>Advocate for further amendments to Liquor Control Act to improve access to market, including direct to consumer channels</p> <p>Work with Australian Grape and Wine and other states to ensure aligned and strong communications/advocacy.</p>

President's Report

National Advocacy

Health

At a commonwealth level this past 2018-19 year was dominated by the federal election. WoWA engaged with the major political parties focusing on workable alcohol related health policy.

Issues such as mandatory pregnancy labelling and other broad population-based initiatives, while primarily a national issue, must also be addressed at state and regional level. The intent is unquestioned however, unintended consequences of proposed measures must be clearly understood before policy and legislation is implemented. WoWA will continue to work with Australian Grape and Wine (AGW) to advocate a consistent policy position on this issue.

Working with AGW and Drinkwise, WoWA and Regional Associations have developed responses to policy discussion papers on various health related issues, ensuring that both WA federal and relevant state members understand our position on these issues. Additionally, we have facilitated workshops and forums to inform producers on these issues and to promote proactive programs, such as the Drinkwise cellar door tasting collateral for consumers.

Tax

The tax working group continued into its second year finalising a tax policy position that will be reviewed by all WA producers for ratification. Our focus is a simpler and fairer structure into the future that will support the premium end of the market while addressing some of the concerns around health in a more effective and balanced way.

The Tax Working Group completed its review of a wide range of alternatives in May 2019

following which the group submitted a draft position paper to the WoWA Board for review.

The WoWA Board then resolved to begin a formal consultation process with industry which included a series of regional workshops and opportunities for regions to directly feed into the process.

The results of this will be incorporated into a final draft position paper to be ratified by industry over the next six months.

It is important that the industry is strongly supportive of the final position as it will be impossible to generate national support without a key premium producing state like Western Australia being strongly behind a move away from the current ad valorem priced based structure.

State Advocacy

Legislation and Regulation

Much of the legislation and regulation that has day to day impact on producers and growers is set at state level. WoWA works with Regional Associations to ensure state government and all local members are aware of the specific issues at state level that are important to WA wine growers and producers.

The key legislative/regulatory issues addressed this year were the proposed increases to water licence application fees and Liquor Control Act regulations regarding home deliveries and statutory holiday trading hours. There were also media statements from the state Health Minister regarding the introduction of a Minimum Unit Pricing regime in WA. WoWA will continue to monitor these issues and keep producers informed on developments.

Additionally, we continue to work across state and local government to ensure smoke taint events related to prescribed burning programs do not impact on WA wine growers and producers. It is a delicate balance and we understand the importance of risk mitigation activities. A constant and well informed

conversation with all who implement prescribed burning is imperative to this.

Export Market Development and Wine Tourism

Going forward WoWA will focus on the next challenge which is to gain state government funding support for our Export Development Strategy. It is an ambitious program that is seeking a partnership between industry, state and federal government for funding for a 5-year program to grow our export value. The aims of the partnership are to double the aggregated value of WA wine exports, increase the average price per litre to at least \$12 and increase the number of WA producers who are profitably and sustainably exporting.

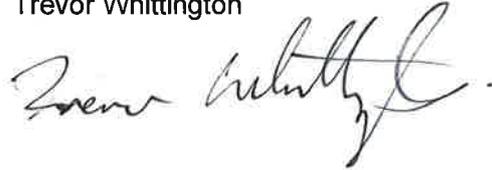
WoWA is currently working with Regional Associations to implement a program to increase visitation and spend by international wine tourists in WA's fine wine regions. Funded by the federal International Wine Tourism Grant (IWTG), the program is currently building capacity and improving service and wine tourism product offerings. The next phase to be implemented over the remainder of 2019 and into 2020 are attraction and promotion tactics aimed at increasing visitation and spend.

Ultimately, our goal should be to build the case for ongoing state and commonwealth support for both wine exports and wine tourism. We don't communicate enough how much value we offer other segments of the economy as brand Australia champions. We help drive national and international tourism and help support regional jobs. WoWA's challenge is to get that message across to both state and federal politicians particularly when there is a state election looming in just over 12 months.

THANK YOU

In closing, I would like to thank Larry and Robin for their tireless work for WoWA on behalf of all State producers.

Trevor Whittington



Chair, Wines of WA

Treasurer's Report

The 2018/2019 Financial Year has been an industrious time for Wines of WA. 2018 was the third vintage for receiving income via the APC Fee for Service Funding model. This process is well bedded down now, and we are pleased with the response by the majority of the industry to get their returns and payments submitted in a timely manner.

During the latter part of 2018 we engaged Paula Henderson to manage and undertake the day to day book-keeping activities for the organisation. The engagement of Paula has also introduced independent oversight on our day to day accounting, and has allowed our CEO, Larry, to focus his skills on advocacy and strategic matters, and the management of the International Wine Tourism Grant (IWTG) funding.

The receiving and management of the International Wine Tourism Grant has added additional complexity to the accounts this year. I thank both Paula and Larry for their time and perseverance as we set everything up, and their ongoing management and reporting relating to the Grant.

Revenues

The majority of our revenue is derived from the APC Fee for Service Levy process. We have finished the year slightly above our budget forecast, and there is additional income of approximately \$12,000 being held by the APC which we can access in a future year should need arise.

From our income we have provided matched funding to the International Wine Tourism income received.

Expenses

In general, the expenses for the Association were in line with our budget projections. There are a couple of minor areas to be noted:

- Computer Maintenance is slightly above budget due to the need to the need to purchase a new computer monitor.
- Hospitality, Travel and Accommodation expenses are under budget. This is mostly due to having less people travelling interstate this year on WoWA matters. Going forward we will still allow a budget of \$18,600. It will not only allow us to be prepared to address any issues that might arise requiring a trip interstate, but also address the matter of Board Member remuneration.
- The legacy of the office printer contract will terminate in November 2019, providing us a saving of \$455.00 per month going forward from then.
- Half of our costs for the Independent Chair and all the costs of Project Management have been covered by the IWTG funds this year. This will continue until the Grant is at completion.
- The increases in wages reflects the salary increase provided to our CEO as of 01 January 2019 in recognition of excellent performance and achievements during the previous 2 years in the role.

Surplus

The net result of the above was the Association reported a surplus for the year. It exceeds our original budget forecast for the year, where we anticipated a loss. As mentioned earlier there has been a lot achieved this year with both our

WoWA operational Funds and those from the International Tourism Grant.

- Tax Working Group project and development of draft position paper.
- Success with the State Water License Matter.
- Smoke/Prescribed Burning improved Communications.
- Education, understanding and information around wine and health issues.
- Completion of Strategic Plans for 8 of the WA Wine Regions.
- Scoop Digital Project - WoWA Website and Regional Associations, along with the comprehensive listing of all WA Wineries via the Scoop Digital Platform. Including translation into Chinese.
- Cellar Door Capacity and Excellence Program.

Pippa Nielsen



Treasurer

Chief Executive Officer's Report

As outlined in Strategic Priorities for 2018 -19 our focus for the year prioritised:

- Ensuring improved implementation of the APC funding model for the 2019 vintage
- Further work on taxation policy, establishing a tax working group to develop a WA industry endorsed position
- Ensuring WA producers receive fair access to Federal Export and Regional Wine Support Package through federal international wine tourism grants and export development activities
- Supporting the WA wine technical committee to ensure biosecurity and RD&E priorities are adequately addressed by relevant federal and state government agencies and industry groups

The key activities to achieve these aims were, Advocacy, Representation, Administration and Communication

Advocacy

In 2018-19, Wines of Western Australia advocated for the industry on the following issues:

- Co-hosted with the Minister for Agriculture, a State Parliament House Event for industry and state government and opposition members.
- Continued work with the Tax Working Group which developed a draft position paper for industry review/consultation. The draft position paper has been presented to industry via regional forums.
- Continued engagement with Wine Australia to secure resources to support

export market development for WA wine producers.

- In collaboration with other agricultural industry groups and Regional Associations advocated to maintain current water licence legislation.
- Worked with all Regional Associations and the Department of Biodiversity Conservation and Attractions to establish late season burn-off protocol to ensure late harvested fruit was not affected by prescribed burning.

Representation

In 2018-19, Wines of Western Australia engaged the following government and industry bodies on the following issues:

- Minister for Agriculture and the Department of Primary Industries and State Development and Minister for Tourism and Tourism WA, advocating for increased funding for market development, wine tourism and industry development.
- Supported, Blackwood Valley Wine Show
- Attended Wine Australia and Australian Grape and Wine meetings in Canberra, Sydney and Adelaide

Administration

In 2018-19, Wines of WA administered the following projects on behalf of the WA wine producing community:

- Worked with APC administration and Wine Producers' Committee to refine collection process for FFS collection on the 2019 vintage.
- Compliance requirements for the Wine Australia Regional Program.
- Management of the WA Wine Technical Committee
- Negotiated terms for the WA wine producing community service agreement with Australia Post
- Negotiated terms for the WA wine producing community co-membership arrangement with CCIWA
- Project management/compliance of IWTG.
- Project management of R4R Growers' Group Grant, "Pathways to Premium

Markets”.

Regions and has assisted in developing the Export Growth Partnership Business Case

Communication

In 2018-19, we continued to refine our communications processes, through appointment of strategic communications consultant (see below under staff movements) and the following:

- A weekly e-newsletter which provides non-time sensitive information.
- For urgent, critical information, members receive an email or text message directly from me, sent from ceo@winewa.asn.au
- Eye to eye on a regular basis to share a coffee or a glass wine, depending on the time of day, discussing what you feel are the key issues affecting your business and region.

Additionally, we urge producers to visit www.winewa.asn.au regularly as we post information and upcoming events to the news-blog that feeds directly to the home page.

Finally, the art of communication requires getting the correct message to the right person. This is our biggest challenge as an industry. We continued to work on this in 2018-19. With information collected via the APC process our ability to communicate effectively will continually improve.

Human Resources

While Wines of WA now has one employee, through contracted professional services and formalised working groups, our capacity to deliver value through the fee for service model has been greatly enhanced.

We currently have the following contracted service providers:

- Trevor Whittington as Independent Chair
- Robin Birch as Project Manager of the IWTG
- Agknowledge/Peter Cooke who has provided strategic planning services to

We currently have the following Industry Working Groups:

- Wines of WA Technical Committee which provides oversight of the Wine Australia Regional Program other RDE&A activities and biosecurity issues for WA producers
- Wine Tourism Alliance which provides oversight of the IWTG project, delivering projects to increase visitation and spend by international wine tourists
- Wines of WA Tax Working Group which was commissioned to produce a ratified tax position paper for the WA wine industry. This process is ongoing. A draft position statement is currently undergoing an industry consultation process.
- Export Growth Partnership business case. Comprised of the WoWA Executive Committee, DPIRD and Agknowledge as external consultant, this working group has developed a business to form a partnership between industry, the state government and Wine Australia to resource a collaborative program to improve WA’s wine export performance. The partnership proposal has been formally endorsed by DPIRD and negotiations with Wine Australia are progressing.

National Representation

It is important that WA continues to provide energised and capable people at a national representative level to ensure our state issues are understood and addressed. In 2018-19, WoWA facilitated the following input at national level.

Australian Grape and Wine (AUSTRALIAN GRAPE AND WINE)

Western Australian Board representatives were:

- Alexandra Burt (Winemakers' Federation Executive Council and Small Winery Membership Committee)
- Trevor Whittington/Larry Jorgensen (Small Winery Membership Committee)
- Colin Bell (Vignerons' Committee)

Alexandra is a former Board member and Treasurer of Wines of Western Australia and runs her family's wine business, Voyager Estate.

Trevor is Independent Chair of Wines of WA.

Larry is CEO of Wines of WA.

Colin is a Director of AHA Viticulture.

Wine Australia

In September 2018, Cath Oates was appointed to the Board of Wine Australia. Cath currently operates her family business, Oates Ends and is immediate past President of Margaret River Wine Association. She is currently Vice-President of Wines of WA.

In addition to these formalised positions, Wines of WA has continued to strengthen our relationships with other State and Regional organisations. We will continue to communicate and collaborate with our inter-state partners to advocate collectively where common interests exist.

In closing, I wish to acknowledge the contribution and support of the following people:

- Regional Association Committees who have provided input to the development

of policies and programs to support industry development.

- Producers who have provided input to the development of policies and programs to support industry development.
- The Wine Tourism Alliance, which is a regional, cross-industry committee bringing together a wealth of regional knowledge and energy. While its current remit is oversight of the IWTG, members agree it will be legacy that endures, strengthening the Regional collaboration to develop profitable tourism business in region.
- The Wines of WA Technical Committee, Chair Lee Hasselgrove, Jim Campbell-Clause, David Botting, Steve Partridge Richard Fennessy and Glynn Ward.
- The Wines of WA Board of Directors, and specifically, Independent Chair, Trevor Whittington, Vice President Cath Oates and Treasurer Pippa Nielsen
- Robin Birch, IWTG Project Manager who is deftly managing a complex project that is delivering significant value to WA's wine producing community.

Larry Jorgensen



Chief Executive Officer

Membership and APC Collection Report

The WA wine producing community again utilised the fee for service APC funding model for the 2018-19 financial year. The fees were affected against the 2018 vintage. A fee per tonne was collected from the owner of the fruit at crush and distributed to Wines of WA to provide state-based services and to Regional Associations based on the GI origin of the fruit to provide regionally based services.

WoWA worked with producers, Regional Associations and the APC Wine Producers' Committee, to further refine the collection process in 2018-19.

The aggregated budgeted revenue from APC collections for 2018-19 was \$613,714, based on a 63,5000 tonne vintage. The final reported amounts at 30 June 2018 were \$655,141 and 62,069 tonnes. This represents 107% of budgeted revenue and 98% of budgeted volume. The increase in revenue is due to an increase in smaller volume producers who pay a higher fee per tonne.

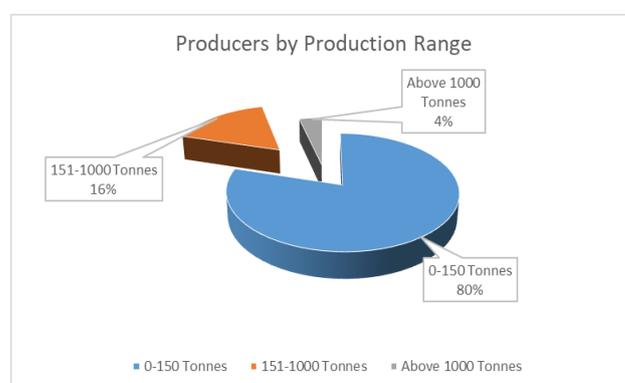
In total, 349 (312 in 2017 and 267 in 2016) producers provided return forms for payment with a further 53 (188 in 2017 and 89 in 2016) lodging "nil" returns. The aggregated figure, 400, is higher than the typically quoted number of 350 active businesses in WA. Nil returns are attributable to smoke-taint events, yearly production decisions to balance inventory and the variety of business models that exist. As the fee is attributable to the owner of fruit at crush, businesses that typically purchase finished or raw wine would not submit a return form for payment.

Industry Production Data

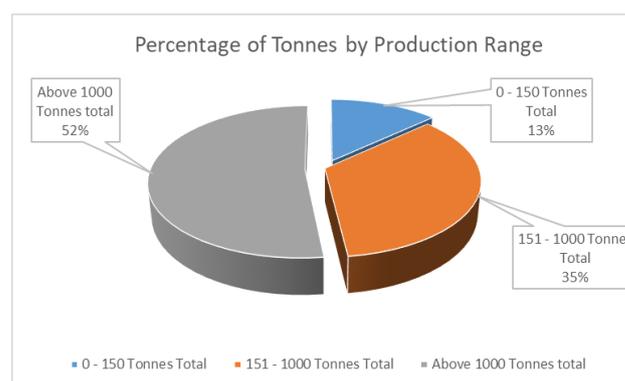
A significant benefit arising from the APC collection is resulting production data. Information collected via the process includes,

GI origin of fruit by variety. This provides an accurate snapshot of production capacity and will be invaluable to producers in determining how to structure their business to best meet market demand. As industry settles into acceptance of the APC, further information can be collected to provide more detail to support business planning. A summary of the data at state level is included in the Appendices. The information will also be provided to all producers and will be archived to the Wines of WA website.

Percentage of Producers by Production Category



FFS Collection by Production Category



Current Producer Member Benefits

Australia Post

Membership entitles access to the Wines of WA alliance with Australia Post whereby members can take advantage of specialised wine handling and delivery services at significantly reduced prices in both the domestic and overseas markets.

Chamber of Commerce and Industry, WA (CCIWA)

Membership permits access to the dual Wines of WA / CCI membership agreement. This provides members with access to the full range of CCI member benefits including: advice and assistance on industrial relations, workplace agreements, worker's compensation, occupational safety and health, industry training, trade, environmental compliance and more.

Affiliate Membership Benefits

Affiliate members receive the following benefits:

- **Receive** regular issues of the WoWA E-newsletter and keeping up to date with all the latest wine producing community news
- Access and notification to **networking** events and workshops with WOWA wine producers and growers
- Access to WA wine producing community Australia Post parcel rates,

RD&E Technical Committee Report

The Wines of WA Technical Committee oversees the development and implementation of the WINE AUSTRALIA Regional Program for WA. The Program provides grants-based funding for R&D projects with specific regional relevance.

The Committee also reviews:
biosecurity

- water security
- resource management
- biosecurity issues

Committee Members for 2015 – 16 were:

Lee Hasselgrove – Mure Viticulture (Chair)
 Jim Campbell-Clause – AHA Viticulture
 Dave Botting – Burch Family Wines
 Peter Traeger – Sandalford
 Con Simos – AWRI
 Alec McCarthy - DPIRD
 Mark Gibberd – Curtin University
 Jeremy Galbreath - Curtin University
 Glynn Ward – DPIRD
 Richard Fennessy – DPIRD
 Keith Pekin – Perth NRM
 Michael Considine – UWA
 Larry Jorgensen – Wines of WA

RD&E 5 Year Strategic Plan

In January 2017, the Wines of WA Technical Committee undertook a facilitated strategic planning session to identify the RD&E strategic priorities over the next 5 years. The 2017 - 22 WA Wine producing community RD&E Strategic Priorities Plan (RDESP) is included in the appendices and is available on the Wines of WA website in the Technical Section.

The process included a request for input from all WA producers. The responses were collated reviewed these, noting the frequency of identified issues in determining 5 key focus areas:

- Smoke taint
- Chemical resistance
- Improved clonal material (including alternative varieties)
- Business model innovation
- Pest and disease management
- Sustainable viticulture

The RDESP is the guiding document in determining what issues are addressed by industry through research and extension in partnership with state and federal government agencies.

Wine Australia Regional Program.

The Regional Program is funded through Wine Australia. In each year, the Technical Committee identifies key issues to be addressed through extension programs. The Annual Operating Plan for each year is available on the WoWA website in the Technical section. Program administration is provided by WoWA. DPIRD provides project management through Richard Fennessy.

2018-19 activities

Pest and disease workshops

Objectives

1. Inform growers of the latest understanding of the biology and management of key pests and diseases. Specifically; powdery mildew, downy mildew, Botrytis, sour rot, mealybug, garden weevil and light brown apple moth.
2. Educate growers on the prevalence of chemical resistance in disease populations in WA, Australia and internationally. Enable growers with the tools and strategies on how to best manage disease resistance in vineyards.
3. Promote sustainable practices when managing vineyard pests and diseases.

Status: complete

Evaluation and demonstration of alternative varieties

Objectives:

1. Provide a forum where producers can network with key stakeholders within the value chain specifically focused on exploring the growing alternative variety market (carried over from the 2017-18 Program).
2. Present a selection of alternative varieties that have shown high potential under WA growing conditions.
3. Provide producers with information to support decision-making when

considering investing in alternative varieties.

4. Communicate the potential of alternative varieties to a wide-ranging audience of stakeholders.

Status: ongoing

The 2018/19 season evaluating alternative varieties at the Harvey block experienced challenges of disease and bird pressure. Consequently only 11 of the 22 varieties were harvested, most in very small quantities. These varieties included:

Fiano	6.5kg
Arneis	13kg
Scheurebe	5.5kg
Vermentino	68.5kg
Pignoletto	51.5kg
Harslevelu	32.5kg
Tannat	43kg
Sciacarello	41kg
Graciano	28.5kg
Montepulciano	15.5kg
Carmenere	6kg

Wines will be bottled by the end of July and assessed at the 2019 Geographe wine show in September. Regional presentations scheduled for the Swan Valley/Perth Hills (28 May), Blackwood Valley (12 June) and Geographe (19 June). No further workshops on alternative varieties are planned.

Promoting regional innovative winemaking practices

Objectives:

1. To bring an innovative and leading winemaker from outside the State to discuss and encourage alternative winemaking techniques and philosophies.
2. To strengthen regional collaboration by winemakers sharing technical information with each other.
3. To improve the quality of varietal wines through experimentation and diversification of styles

Status: ongoing

Swan Valley event to feature Coriole (McLaren Vale) winemaker Duncan Lloyd, 28 May.

Margaret River event to feature Wynns (Coonawarra) winemaker Sarah Pidgeon, 9 July.

Great Southern event to feature Pikes (Clare Valley) winemaker Steve Baraglia, tbc August.

Development of the 2019-20 WINE AUSTRALIA Regional Program

The plan was developed through the West Australian wine industries technical committee and WoWA. A committee meeting was held at DPIRD's Bunbury office on the 14th of February 2019 to prioritise regional RD&E issues for the regional program based on the outputs from the 5-year strategic planning process undertaken in January 2017. This prioritisation process also considered feedback from regional associations and direct contact with producers. Though the wine producing regions throughout WA are diverse, the selected activities for 2019-20 program aim to be of benefit to all regions. The committee and Wines of WA would like to acknowledge that there is scope to improve

industry input into the program and are actively seeking greater industry representation and input to the planning process for future regional programs.

Approved Regional Program Annual Operating Plan 2019-20

Virus symposium

Grape vine viruses pose a significant risk to the productivity, quality and sustainability of Australian vineyards. Many within the industry believe this disease is a great threat to our industry, especially when considering the costs incurred in other world wine regions such as Marlborough and Napa Valley due to virus. Therefore, producers have a need to gain better understanding of the complexities of this disease.

Proposed expert speakers include Dr Vaughn Bell (The New Zealand Institute for Plant & Food Research Limited), Dr Fiona Constable (Plant Virologist, Department of Environment and Primary Industries), Dr Cath Kidman (Treasury Wine Estate), Dr Monica Kehoe (Plant virologist, DPIRD) and Alison Mathews (Entomology, DPIRD)

Objectives

1. Increase grower awareness of viruses and their potential commercial impact
2. Provide an overview of latest technologies and methodologies for detecting viruses and practical tips for effective sampling

Budget - \$11,070

Completion date – June 2020

Demonstrating clonal performance

This activity plans to utilise commercial inter-block clonal plantings from a multitude of regions and undertake berry/bunch measurements and small lot winemaking to demonstrate and compare the performance of

selected clones under WA conditions. Varieties targeted will include Pinot Noir, Merlot, Tempranillo and Shiraz; the number of clones per variety will range between three and five.

Objectives

1. Improve producers' knowledge of clonal diversity and those clones which may be preferential under WA conditions.
2. Demonstrate the influence of clone on viticultural performance and wine quality.

Budget - \$13,200

Completion date – August 2020

Demonstrating water additions to high sugar red must

This activity is inspired by the recent AWRI Winemaking Trial Tasting workshop on Cabernet Sauvignon. Specifically demonstrating the impact of diluting high Baume red musts. With an ever-increasing trend of compressed vintages and extreme weather events the management of elevated ripeness of red fruit is becoming a regular practice for Australian winemakers. There is research showing high Baume must's can be managed by diligent additions of water without detriment to wine quality.

Shiraz from Swan Valley and Frankland will be picked at varying maturities and treated with a number of different water dilutions. The same approach will also be taken on with Margaret River Cabernet. These small-lot wines will then be provided to producers in the respective regions to assess via a series of tasting workshops.

Objectives

1. Demonstrate to winemakers' practical techniques to dilute high sugar red must through the permitted addition of water.
2. Provide an opportunity for WA winemakers to taste examples of regional wines that have been diluted to varying degrees.

3. Give winemakers confidence on a practical technique that could be used in years of compressed vintages and heatwaves that produce riper than average fruit.

Budget - \$7,700

Completion date – August 2020

Workshopping collaboration to achieve logistic efficiencies

This activity will present the findings of Incubator Project CUT 1701 ("How can small producers in Western Australia achieve economies of scale efficiencies in logistics and distribution?") in conjunction with industry participants presenting collaborative transportation solutions for wine producers. Specifically, Kristina Georgiou and Dr Jeremy Galbreath (Curtin University) will present their Incubator Project findings. Industry representatives to present collaborative transport options. We expect to include speakers from FedEx and Wine Delivery Australia. Presentations to be held in Swan Valley and Margaret River.

Objectives

1. Inform producers of the findings of the Incubator Project and the relationship to their businesses.
2. Educate producers on industry-based collaborative transportation/shipping solutions and potential pathways to engage.
3. Promote new and innovative business models to drive improved profitability and market reach.

Budget - \$10,000

Completion date – October 2019

Wines of WA Board of Directors 2018-19

Independent Chair

Trevor Whittington (appointed 2017)
trevor.whittington@iinet.net.au

Producer Representatives

0 - 150 tonnes

David Mazza (appointed 2017)
Mazza Wines
david@mazza.com

151 - 1000 tonnes

Robert Olde (appointed 2017)
Latitude 34
Robert.olde@latitude34wineco.com

Over 1000 tonnes

OPEN

Regional Representatives

Swan Valley/Perth Hills/Peel GI

Daniela Tonon (Appointed 2018)
Tonon Vineyards

Geographe GI

Pippa Nielsen Treasurer (appointed 2016)
Vineyard 28
wine@vineyard28.com.au

Margaret River GI

Liz Mencil (Appointed 2018)
Flametree Wines
liz@purplefeet.com.au

Margaret River GI

Cath Oates (Appointed 2018)
Oates Ends
cath@oatesends.com.au

Blackwood Valley/Pemberton/Manjimup GI

Ashley Lekowski (Appointed 2018)
Lost Lake
info@lostlake.com.au

Great Southern GI

Tom Wisdom (Appointed 2018)
Plantagenet Wines
Tomw@plantagenetwines.com

Growers' Representative

Robert Mann (Appointed 2018)
Corymbia
rob@doolette.com.au

Executive

CEO

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Executive Committee

Independent Chair

Trevor Whittington (Appointed 2017)
trevor.whittington@iinet.net.au

Vice Chair

Cath Oates (Appointed 2018)
Oates Ends
cath@oatesends.com.au

Treasurer

Pippa Nielsen (appointed 2016)
Vineyard 28
wine@vineyard28.com.au

CEO

Larry Jorgensen
Wine of WA
+61 448 884 161
ceo@winewa.asn.au

Wines of WA Operational Budget 2018 - 19 APC Services	Budget	Total FFS required	Strategic Plan Reference
Industry Structure and Development		\$50,000	
- Recover APC establishment costs/Assist Regional Associations with APC implementation	\$10,000		SFA 2.1 - 2.3; pg. 25
- Assist Regional Associations with strategic planning, securing resources, funding to implement	\$20,000		SFA 1.1, 1.4; pg. 24
- Develop and implement industry structure for regional collaboration on Federal International Wine Tourism Grant	\$20,000		SFA 1.1, 1.2; pg. 24 SFA 3.3 Pg. 26 SFA 5.1, 5.2 Pg. 30
Market Development and Consumer Interaction		\$85,000	
- Secure resourcing for Regional Associations and producers through Federal Interantional Wine Tourism Grant	\$25,000		SFA 5.2; pg. 30
- Project Management Federal International Wine Tourism Grant	\$30,000		SFA 5.1; pg. 30
- Assist RAs to implement strategy	\$15,000		SFA 5.2; pg. 30
- Establish partnership with state government to grow consumer and market demand	\$15,000		SFA 3.1.2.3 pg. 26
RD&E/Technical		\$10,000	
- Provide Secretariat services to Technical Committee	\$5,000		SFA 4.1 - 4.4; pg. 28 SFA 6.1 - 6.3; p. 31
- Administer AGWA Regional Program	\$5,000		SFA 4.1 - 4.4; pg. 28 SFA 6.1 - 6.3; pg. 31
Advocacy - Legislation/Regulation		\$115,000	
- Maintain/enhance high level relationships with all relevant government agencies and industry stakeholders	\$20,000		SFA 1.3; pg. 24
- Project ManageTax Working Group to monitor WET legislation changes and investigate simpler and fairer taxation models	\$15,000		SFA 10.1, 10.2; pg. 35
- Commission economic modelling to assist advocacy across all issues	\$15,000		SFAs 7 - 10 pgs. 32-35
- Refine communication strategy and investigate online reporting asset to manage controlled burn/smoke taint risks	\$15,000		SFA 8.2; pg.33
- Develop Biosecurity policies, advocate to relevant agencies	\$10,000		SFA 7.1 - 7.4; pg.32
- Work with WFA on wine and health related issues	\$15,000		SFA 9 pg. 34
- Advocate for red tape reduction regarding liquor licensing and other compliance requirements	\$15,000		SFA 9 pg. 34 SFA 5; pg. 30
- Host an annual networking event at state Parliament House	\$10,000		SFA 1 pg. 24
Note that Wines of WA calculates FFS allocation based on a \$100/hour service provision rate			
TOTAL FUNDING REQUIREMENT		\$260,000	

**WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2019**

**Liability limited by a scheme approved under
Professional Standards Legislation**

**WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543**

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**WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543**

COMMITTEE'S REPORT

Your committee members submit the financial report of the WINES OF WESTERN AUSTRALIA INC. for the financial year ended 30 June 2019.

Committee Members

The name of each member of the committee during the year and if different, at the date of the report;

Trevor Whittington (Independent Chair)

Cath Oates (Vice President)

Pippa Nielsen (Treasurer)

Larry Jorgensen (CEO)

Ashley Lewkowski

Robert Mann

David Mazza

Robert Olde

Liz Mencil

Daniela Tonon

Tom Wisdom

Principal Activities

The principal activities of the association during the financial year were:

Advocacy to confirm government, at all levels, understands the wine industry and also ensure the value of the wine industry is clearly understood by government, the community and other complimentary industry sectors.

Administration of technical and marketing program funding to provide Regional Associations and producers access to opportunities to improve business practices and market access.

Communication to ensure wine industry participants are aware of the issues that may affect their businesses.

Significant Changes

No significant change in the nature of these activities occurred during the year.

Operating Result

The profit of the association after providing for income tax amounted to \$5,350.38.

Signed in accordance with a resolution of the Members of the Committee.

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
INCOME			
Events Management		-	(3,618)
IWTG Grant		270,512	-
Grants & Projects		4,000	32,792
Interest Received		836	755
Membership Fees		<u>276,091</u>	<u>286,310</u>
		<u>551,438</u>	<u>316,238</u>
OTHER INCOME			
AGWA Regional Program		3,794	-
Other Income		640	6,364
Wine Education Centre		<u>1,420</u>	<u>-</u>
		<u>5,853</u>	<u>6,364</u>
		<u>557,291</u>	<u>322,601</u>

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
EXPENDITURE			
Accounting & Bookkeeping Fees		9,697	6,546
Bank Charges		1,313	1,326
Collaboration (IWTG)		22,788	-
Computer Expenses		2,463	2,268
Depreciation		-	149
General Expenses		439	73
Insurance		4,376	2,890
Interest		6	-
Loss on Sale of Fixed Assets		-	328
Advocacy & Industry Development		20,765	77,042
Meeting Expenses		5,266	4,913
Postage		330	844
Project Management (IWTG)		43,231	-
Printing & Stationery		5,874	5,213
Project Development (IWTG)		10,300	-
Provision for Annual Leave		1,901	(4,784)
Rent		5,211	2,672
Regional Support (IWTG)		71,457	-
Scoop Project (IWTG)		196,500	-
Integrated Promotion (IWTG)		5,000	-
Subscriptions		9,673	14,673
Superannuation		10,597	10,683
Telephone		3,188	3,290
Travelling Expenses		9,186	15,704
Wages		111,549	117,667
Wine Education Centre Expenses		830	-
APC Establish Cost Writedown		-	37,426
		551,941	298,923
Profit before income tax		5,350	23,678
Profit for the year		5,350	23,678
Retained earnings at the beginning of the financial year		47,210	23,532
Retained earnings at the end of the financial year		52,561	47,210

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

BALANCE SHEET
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	3	416,590	255,133
Trade and other receivables	4	55,471	922
Prepaid Expenses		-	883
TOTAL CURRENT ASSETS		472,061	256,937
NON-CURRENT ASSETS			
Intangible assets	5	2	2
TOTAL NON-CURRENT ASSETS		2	2
TOTAL ASSETS		472,063	256,939
LIABILITIES			
CURRENT LIABILITIES			
Trade and Other Payables	6	409,860	205,673
Borrowings	7	9,642	4,056
TOTAL CURRENT LIABILITIES		419,502	209,729
TOTAL LIABILITIES		419,502	209,729
NET ASSETS		52,561	47,210
MEMBERS' FUNDS			
Retained earnings	8	52,561	47,210
TOTAL MEMBERS' FUNDS		52,561	47,210

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

The financial statements cover WINES OF WESTERN AUSTRALIA INC. as an individual entity. WINES OF WESTERN AUSTRALIA INC. is a not for profit Association incorporated in Western Australia under the Associations Incorporation Act (ACT) 1991 ('the Act').

The functional and presentation currency of WINES OF WESTERN AUSTRALIA INC. is Australian dollars.

1 Basis of Preparation

In the opinion of the Committee of Management, the Association is not a reporting entity since there are unlikely to exist users of the financial report who are not able to command the preparation of reports tailored so as to satisfy specifically all of their information needs. These special purpose financial statements have been prepared to meet the reporting requirements of the Act.

The financial statements have been prepared in accordance with the recognition and measurement requirements of the Australian Accounting Standards and Accounting Interpretations, and the disclosure requirements of AASB 101 Presentation of Financial Statements, AASB 107 Statement of Cash Flows, AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors and AASB 1054 Australian Additional Disclosures.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non current assets, financial assets and financial liabilities.

2 Summary of Significant Accounting Policies

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Impairment of Non-Financial Assets

At the end of each reporting period the association determines whether there is an evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless for goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss , except for goodwill.

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cash flows are discounted using market yields on high quality corporate bond rates incorporating bonds rated AAA or AA by credit agencies, with terms to maturity that match the expected timing of cash flows. Changes in the measurement of the liability are recognised in profit or loss.

Cash and Cash Equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

Revenue and Other Income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the association and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

Interest revenue

Interest revenue is recognised using the effective interest rate method.

Rendering of services

Revenue in relation to rendering of services is recognised depending on whether the outcome of the services can be estimated reliably. If the outcome can be estimated reliably then the stage of completion of the services is used to determine the appropriate level of revenue to be recognised in the period. If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

If the outcome cannot be reliably estimated then revenue is recognised to the extent of expenses recognised that are recoverable.

Revenue from training services is generally recognised once the training has been delivered.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
3 Cash and Cash Equivalents		
CBA Business Transaction A/C	1,572	5,945
NAB Cheque Account	58,721	72,477
NAB Savings Account	138,931	176,710
IWTG Savings Account	202,215	-
IWTG Working Account	<u>15,151</u>	<u>-</u>
	<u>416,590</u>	<u>255,133</u>
4 Trade and Other Receivables		
Trade Receivable	49,991	-
GST Receivable	<u>5,480</u>	<u>922</u>
	<u>55,471</u>	<u>922</u>

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

	2019	2018
	\$	\$
<hr/>		
5 Intangible Assets		
Wines of WA Brand	19,477	19,477
Less: Amortisation	<u>(19,476)</u>	<u>(19,476)</u>
	<u>1</u>	<u>1</u>
Prepaid APC Establishment	37,427	37,427
Less Writedown Expense	<u>(37,426)</u>	<u>(37,426)</u>
	<u>1</u>	<u>1</u>
Total	<u><u>2</u></u>	<u><u>2</u></u>
<hr/>		
6 Accounts Payable and Other Payables		
Current		
Trade Creditors	14,372	11,000
PAYGW Payable	2,148	5,371
Superannuation Payable	1,379	356
Project Advance Payments	374,359	173,244
Provision for Holiday Pay	<u>17,603</u>	<u>15,702</u>
	<u>409,860</u>	<u>205,673</u>
<hr/>		
7 Borrowings		
Current		
Visa Credit Card	<u>9,642</u>	<u>4,056</u>
Total borrowings	<u><u>4 9,642 4</u></u>	<u><u>4,056</u></u>
<hr/>		
8 Retained Earnings		
Retained earnings at the beginning of the financial year	47,210	23,532
Net profit attributable to the association	<u>5,350</u>	<u>23,678</u>
Retained earnings at the end of the financial year	<u><u>52,561</u></u>	<u><u>47,210</u></u>

■

WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543

STATEMENT BY MEMBERS OF THE COMMITTEE

The committee has determined that the association is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

In the opinion of the committee the financial statements as set out on pages 1 to 10:

1. Presents a true and fair view of the financial position of WINES OF WESTERN AUSTRALIA INC. as at 30 June 2019 and its performance for the year ended on that date.
2. At the date of this statement, there are reasonable grounds to believe that WINES OF WESTERN AUSTRALIA INC. will be able to pay its debts as and when they fall due.

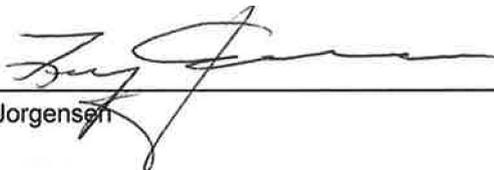
This statement is made in accordance with a resolution of the Committee and is signed for and on behalf of the Committee by:

Treasurer:



Pippa Nielsen

CEO:



Larry Jorgensen

Dated this

**WINES OF WESTERN AUSTRALIA INC.
ABN 23 095 700 543**

CERTIFICATE BY MEMBERS OF THE COMMITTEE

I, Larry Jorgensen of Bellevue, certify that:

- (a) I attended the annual general meeting of the association held on 30th January 2020.
- (b) The financial statements for the year ended 30 June 2019 were submitted to the members of the association at its annual general meeting.

Dated this 30th day of January 2020



Committee Member: _____

Larry Jorgensen



Western
Australian
Wine Industry
Strategic Plan
2014–2024

Executive Summary

This Strategic Plan is **the result of a wide-ranging strategic review** of the Western Australian Wine Industry in consultation with industry participants and stakeholders in late 2013. Industry fully supports the plan and gives the state peak body, Wines of Western Australia (WoWA), and Regional Associations, the mandate to implement this bold and ambitious strategy.

Vision

A Western Australian Wine Industry that grows sustainably and profitably, built on the reputation of its great fine wine regions.

Objective

The fine wine regions of Western Australia are recognised as some of the best, most distinctive and pristine in the world.

Pathways to success

A unified, focused, proficient and strategically influential industry.
Regional fine wines of provenance and authenticity.

Mission

Develop a unified, influential voice to create opportunities for the fine wine regions of Western Australia.
Work in partnership with national industry and government bodies to strengthen Western Australia's position as the pre-eminent regional fine wine producing state in Australia.

Charter

Wines of WA provides stewardship of the industry.
Regional Associations are the custodians of their regional brands.

This Strategic Plan sets out an agenda of 10 strategic focus areas with objectives, initiatives and timelines. The strategy will achieve these objectives by working to maximise and align the existing and potential resources of industry and government at the national, state, regional and local levels. The plan ensures a long-term strategic direction while taking immediate action on priority issues. WoWA will establish Working Groups to address the strategic focus areas and develop actions and key performance indicators (KPIs) to pursue the linked objectives.

Strategic focus areas

1. Form a unified industry structure

Industry needs a unified voice to effectively harness and co-ordinate the available resources of industry and government in the best interests of the industry's future.

Industry will form a unified structure with WoWA and Regional Associations.

WoWA and Regional Associations will formalise their roles, responsibilities and relationships.

Core functions include:

- WoWA advocacy, co-ordination of effort, representation and policy formulation.
- Regional Associations promote and market regional brands, identify and address local issues.

Regional Associations will develop strategic and marketing plans in a collaborative manner ensuring resources are utilised efficiently while achieving the greatest impact.

2. Industry-wide funding for state and regional bodies

The organised industry structure needs secure funding to be effective.

WoWA will work with industry to develop an industry-wide secure funding model and canvas its introduction with industry.

3. Grow the demand for regional fine wines in domestic and international markets

The industry will pursue the strategic market development plans of regions in partnership with industry and government. The plans will align with national industry strategies but will focus on regional fine wines and key domestic and emerging Asian markets.

Targets include:

- Doubling exports to \$100 million in the next three years.
- Increasing WA's regional fine wine share of key domestic markets.
- Re-engaging with North American, UK and European markets.
- WA's regional fine wines to become the wine of first choice for WA consumers.
- Greater focus on marketing fine wine regions from Wine Australia Corporation (WAC) internationally over the coming five years.
- A Wine Australia Office in Perth that has export development resources co-funded by WA's federal levies to WAC, the State Government and the WA Wine Industry.

To achieve these targets, industry will seek to extend the WA Wine Industry International Marketing Plan to a value of \$5 million over the next five years and include a domestic strategy that aligns with these targets.

4. Focus on regional fine wine production

Western Australia is predominantly a fine wine producing state.

Industry will work collectively to grow the reputation of our fine wine regions and their capacity to deliver.

Targets include:

- Developing a critical mass of successful producers in each region united behind a clearly articulated regional identity.
- These producers achieve national and international recognition for their wines, which is measurable through show results and other formalised review systems (Parker, Halliday, Langton's).
- Increased and co-ordinated industry-relevant RD&E efforts to improve grape and wine quality, improve winemaking and reduce costs of production.
- Investigating profitable fine wine business models and existing successful fine wine regions around the world that focus on sustainably profitable fine wine production.

5. Expand wine and food tourism

The industry needs to capture the unrealised tourism opportunities and synergies between the food and wine sector for mutual benefit.

Initiatives include:

- Partnering with the tourism and food sectors at state and regional levels.
- Alignment with national industry strategies to expand domestic and international wine and food tourism.

6. Improve engagement with RD&E

The industry needs to make better use of the RD&E resources available to benefit from the rapid adoption of relevant research and innovation.

Initiatives include:

- Collaborative RD&E programs with industry, government and university partners that support the strategic objectives for fine wine production, environment and sustainability, biosecurity and market development.
- Co-ordinated RD&E efforts to build industry capacity in focus areas including grape and wine quality, cost of production, winemaking and pest and disease management.
- Strengthened industry framework to better identify and address state and regional RD&E priorities.

7. Improve industry biosecurity and enhance our clean and green competitive advantage

The industry will develop and implement biosecurity plans in collaboration with government and relevant cross-sector industries.

The plans will pro-actively protect industry's low pest and disease status and enhance its clean and green competitive advantage.

Initiatives include:

- Developing and implementing biosecurity plans for the Western Australian wine industry through the Guard system.
- Undertaking an education campaign to increase industry awareness and participation on biosecurity issues.
- Implementing on-farm biosecurity practices to monitor for pest and disease threats and provide surveillance for early detection and response to potential threats.

- Developing an industry self-funding mechanism for biosecurity and consult with industry on its implementation.

8. Improve industry environmental performance and sustainable use of natural resources

The industry will work to continuously improve its environmental performance, improve access to suitable land and water and adopt practices that lead to the sustainable use of natural resources.

Initiatives include:

- Disseminating information about the community's environmental expectations and government demands for sustainability.
- Facilitating access to tools and resources that assist the wine industry to continuously improve its environmental performance.
- Improving communication and information flow between industry and government on the management and access to limited natural resources, such as suitable land and water.
- Promoting RD&E to support sustainable environmental practices in viticulture and winemaking.

9. Social responsibility and health

The industry and individual grape and wine businesses will pro-actively promote responsible wine consumption in our markets.

Industry will support and engage in relevant public health initiatives at national and state levels, collaborating as required with WFA.

10. Taxation

The industry should continue to work with WFA on tax policy to ensure that profitability for WA businesses is assured under any amendment to the WET system or any future taxation regime.

WA sends more than 50% of our exported wine into Asia and about a third of this is into China.

Pathway to Success

Western Australia is the pre-eminent regional fine wine producing state

in Australia. The industry faces increasing competition from many other Australian regions and the world. This Strategic Plan informs what the Western Australian Wine Industry should now do to ensure a profitable future.

The pathway to success for the Western Australian Wine Industry is through:

- a unified, focused, proficient and strategically influential industry
- regional fine wines of provenance and authenticity.

The Strategic Plan enables the Western Australian Wine Industry to grow in value, profitability and sustainability by building on the reputation of its great fine wine regions. It positions the industry to capitalise on new opportunities to become more profitable, target future growth, encourage investment and achieve the collective goals of the WA Wine Industry.

The industry will work in partnership with industry and government to align and maximise the resources to create opportunities for the fine wine regions of Western Australia.

Through consultation with the wine industry and associated stakeholders a number of priorities and strategic focus areas have been identified that will be the starting point for action.

Fine wine definition

The definition of fine wine in the strategic review was based on the Australian wine industry quality segmentation of grapes and wine developed by WFA. The five segments (A, B, C, D, E/F) are defined on price:

The definition of fine wine includes the A and B quality segments which make up icon, ultra-premium and super-premium wines. There was some debate within the WA industry that under this price definition of quality the domestic price for fine wines is A\$20/bottle and over.

Quality code	Wine quality segment*	Grape price (A\$/tonne)	Domestic retail price (A\$/bottle)	Export FOB price (A\$/litre)
A	Icon and ultra-premium	>2,000	>30	>10
B	Super-premium	1,501-1,999	15-30	7.50-9.99
C	Premium	601-1,500	10-15	5.00-7.49
D	Popular-premium	301-600	7-10	2.50-4.99
E/F	Commercial	<300	<7	<2.50

Bulk wine is allocated to its own quality segment, under \$1/L to E/F, and more than \$1/L to D.

* Adopted from Lokshin, Rabobank

Strategic Framework

Strategic Focus Areas and Initiatives

1

Forming a cohesive industry structure

- Formalise state peak body and regional associations' roles and relationships.
- Compile core principles and policies.
- Develop strategic and marketing plans for each region.

2

Creating funding certainty for the peak body and regional associations

- Develop an industry-wide, sustainable funding model.
- Consult with industry on the structure of a wine industry-specific funding model.
- Canvas industry on introducing an industry-wide funding model.

3

Growing consumer and market demand

- Develop a collaborative marketing plan to increase consumer demand for the fine wine regions of WA in domestic and international markets.
- Double WA wine exports to \$100 million in the next three years.
- Make the fine wine regions of WA the first choice for WA consumers.

4

Focusing on fine wine production

- All wine regions achieve high reputation and high capacity to deliver fine wines.
- Investigate and adopt successful wine business models for WA.
- Investigate fine wine industry regions that focus on quality and value to provide guidance for the adoption of regional fine wine models in WA.

5

Expanding the wine and food tourism market

- Develop collaborative programs with the food, tourism and government sectors.

Strategic Focus Areas and Initiatives

6

Innovative research, development and extension

- Develop collaborative RD&E programs that support strategic objectives.
- Co-ordinate, engage and adopt industry-relevant RD&E.
- Establish a framework to better identify and address state and regional priorities.

7

Enhancing industry biosecurity

- Develop and implement biosecurity plans for the WA wine industry.
- Increase education of biosecurity issues for industry.
- Promote adoption of on-farm biosecurity practices.
- Develop an industry funding model for biosecurity.

8

Environmental performance and sustainable use of natural resources

- Improve understanding of environmental issues and performance.
- Improve access to suitable land and water for viticulture.
- Promote RD&E in sustainable environmental practices.

9

Responsible consumption of wine

- Promote responsible consumption of wine.
- Contribute to the national alcohol debate in line with WFA policies and research.

10

Taxation

- Work towards more ethical and equitable future taxation arrangements.
- Maintain tax rebates for regional communities.

We stand at the dawn of a broader view that generic Australian marketing themes are a thing of the past.

Action

The Strategic Plan to 2024 will guide relationships within the Western Australian Wine Industry and between its industry, government and other partners over the next 10 years. The plan proposes major changes to how the industry is structured and operates in the short and medium term.

Industry will review progress after 6 months and 12 months and revise the plan to include any major changes and improvements. This plan ensures a long-term strategic direction, while allowing action to be taken by WoWA and the Regional Associations on current issues.

Priorities

WoWA as the state peak industry body will pursue specific issues referred to in strategic focus areas, objectives and initiatives included in this document.

Implementation

The proposed implementation plan (see following) indicates the order of priority, industry representational structure and allocation of operational responsibility in pursuing the strategic priorities.

Form working groups

WoWA will form working groups to address the priority strategic focus areas and develop action plans to pursue the linked objectives.

The Working Groups will comprise industry members and draw on other resources where skills and expertise are required to ensure there is capacity to achieve the objectives in each strategic focus area (SFA). Membership will be determined by WoWA and each group will be accountable to WoWA.

There may be issues that have been identified as priorities in the strategic plan that do not require a working group to be formed. It may be possible to combine some of the remaining priority issues into broader themes to be covered by a single working group.

Where a priority is identified and there is an existing industry or government body dealing with the issues, WoWA will nominate someone to participate as a wine industry representative.

Proposed Working Groups are:

1. Industry Structure and Funding (SFA 1 and 2): WoWA and RAs
2. Market Demand and Consumer Interaction (SFA 3, 4, 5 and 10): RAs, WoWA, Industry members
3. Innovation, RD&E, Extension and Biosecurity (SFA 4, 6, 7 and 8): Wine Industry Technical Committee
4. Regulation and Social Responsibility (SFA 9 and 10): WoWA, RAs.

Where cross-overs of priority issues between Working Groups are found, they would collaborate as required.

Review of working groups

WoWA will develop a set of key performance indicators (KPIs) for each Working Group. The progress and continued status of each group will be reviewed by WoWA with reference to these KPIs.

Review of industry strategic plan

The new Wine Industry Strategic Plan will be reviewed by WoWA and RAs at six months and 12 months following its ratification, and annually thereafter. The review will include assessment of WoWA's operations, each Working Group and an update of the priorities to be pursued in the following year.

Implementation Plan

Strategic Focus	Level of representation and priority					
	State		Regional		Local	
	High	Medium	High	Medium	High	Medium
1	Development of Strategy, MOUs; ratify and incorporate to constitution		Develop regional business plans and MOUs			
2	Conduct poll and develop MOUs		Develop regional business plans and MOUs			
3	Advocacy for Funding and Partnerships		Strategy and execution of tactics		Execution of tactics	

Strategic Focus	Level of representation and priority					
	State		Regional		Local	
	High	Medium	High	Medium	High	Medium
4	Moderate process and generate data to develop FWBM criteria		Input to process, define regional identity and foster a critical mass of producers			Input to process, defining regionally-specific expressions of fine wine
5	Advocacy for Funding and Partnerships		Development and execution of tactics		Execution of tactics	
6	Advocacy for Funding and Partnerships			In-region advocacy for relevant research and extension		In-region advocacy for relevant research and extension
7	Advocacy for Funding and Partnerships			On-ground surveillance for incursions and identifying possible threats or practices		On-ground surveillance for incursions and identifying possible threats or practices
8	Advocacy and management of Technical Committee			Support for in-region implementation of best practice operations	Execution of tactics	Support for in-region implementation of best practice operations
9	Develop state-specific policy paper and lobby to ensure contents are implemented			Support for in-region implementation of best practice operations		Support for in-region implementation of best practice operations
10	Develop state-specific policy paper and lobby to ensure contents are implemented			Communicate policy to members, feedback up to state body	Execution of tactics	

5 year priorities

Smoke taint
Chemical resistance
Improved clonal material (including alternative varieties)
Business model innovation
Pest and disease management
Sustainable viticulture

Challenges & Opportunities

Regional winemaking practices
Pest and disease management
Utilising genetics
Poor quality clones

Survey responses

Clonal selection
Smoke taint
Alternative varieties
Organic viticulture
Chemical resistance

Regional Program (Extension) Priorities

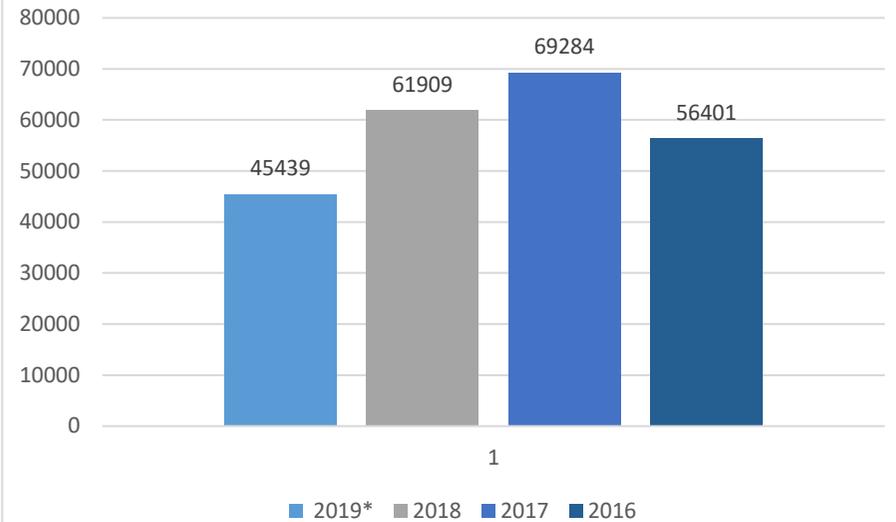
Poor quality clones
Regional winemaking practices
Alternative wine varieties

Incubator (Research) Priorities

Utilising genetics
Pest and disease management
Business model innovation

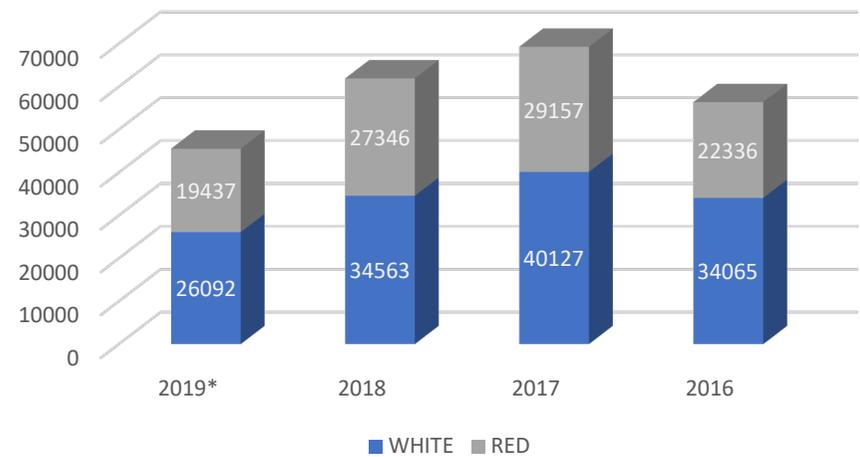
WA ALL VARIETIES 2016 - 19				
	2019*	2018	2017	2016
Total	45439	61909	69284	56401
*note 2019 total based on 80% of total collection				

WA ALL VARIETIES 2016 - 19

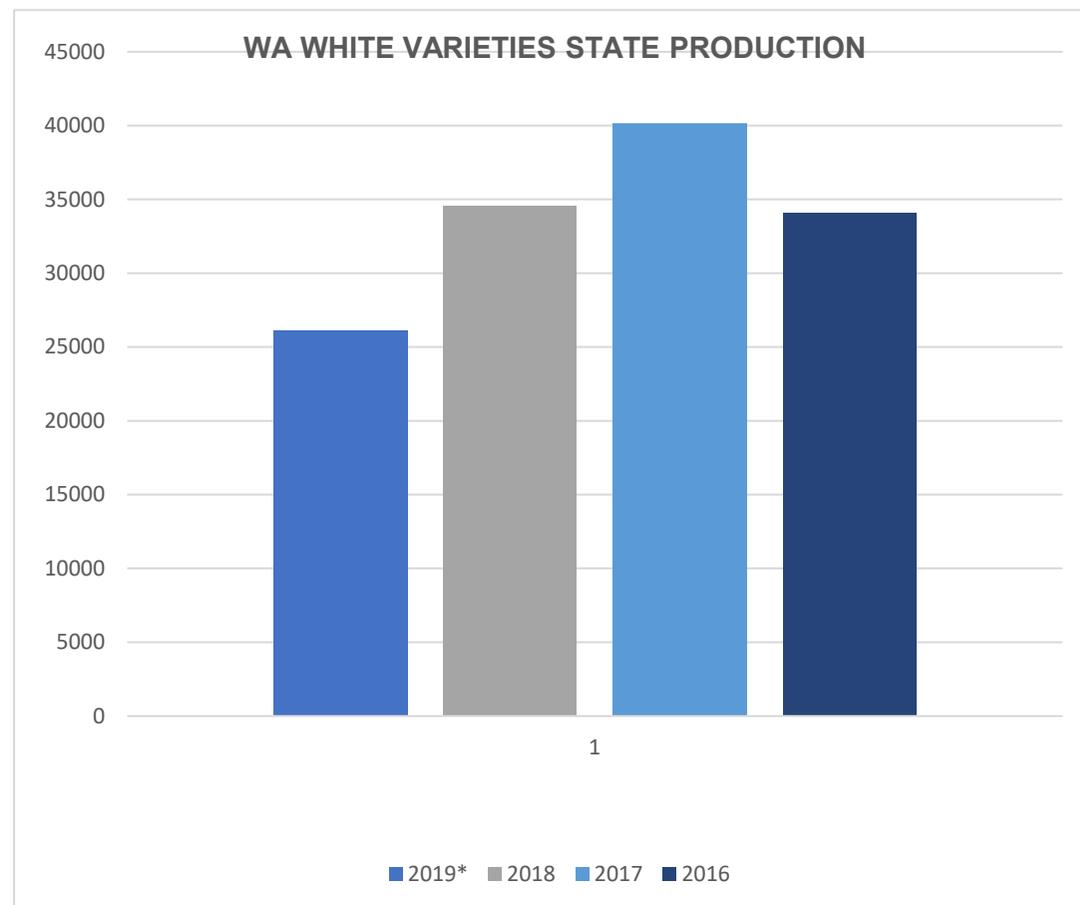


WA RED V WHITE STATE PRODUCTION				
	2019*	2018	2017	2016
WHITE	26092	34563	40127	34065
RED	19437	27346	29157	22336
TOTAL	45529	61909	69284	56401

WA RED V WHITE STATE PRODUCTION

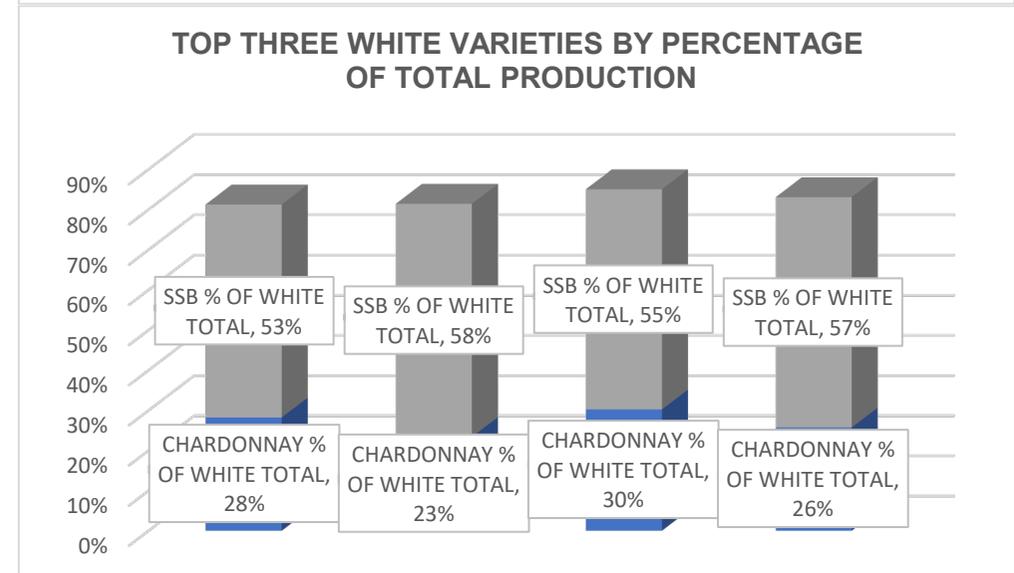
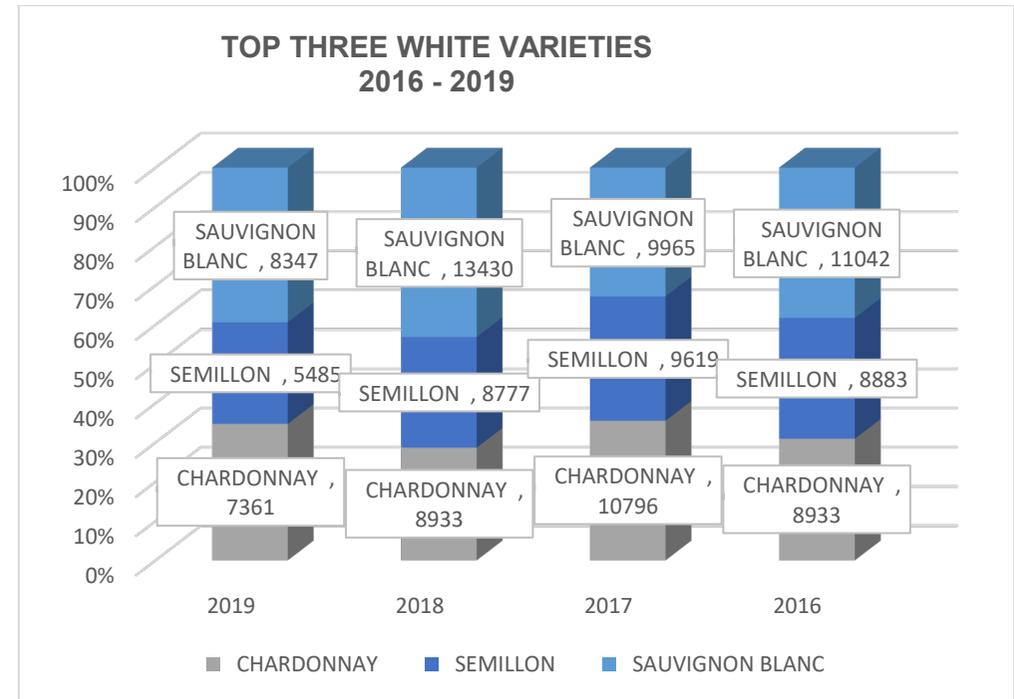


WA WHITE VARIETIES STATE PRODUCTION				
	2019*	2018	2017	2016
ALBARINO			0.78	2
ARNEIS	15	17	11	6
CHARDONNAY	7361	8933	10796	9122
CHENIN BLANC	2098	2305	2274	2543
FIANO	25	45	42	40
GEWURTZTRAMINER	16	53	65	23
GRUNER VETLINER	2			
MUSCADELLE	179	190	249	210
MUSCAT BLANC A PETITS GRAINS	104	49	59	98
PEDRO XIMENEZ	7	14	7	4
PINOT GRIS	236	163	226	179
PROSECCO	14	15	23	
RIESLING	941	1361	1510	1122
ROUSSANNE	1	1	6	18
SAUVIGNON BLANC	8347	11042	13430	9965
SAVIGNIN BLANC	272	224	303	419
SCHEUREBE	4	6	9	6
SEMILLON	5485	8883	9619	8777
TRAMINER		8		4
TREBBIANO	5	4	6	
VERDEJO	28	30	45	7
VERDELHO	642	799	1110	1124
VERMINTINO	38	76	42	41
VIIGNIER	51	129	113	95
OTHER	222	214	180	263
TOTAL	26092	34563	40127	34065
*note 2019 report on 80% of collection				



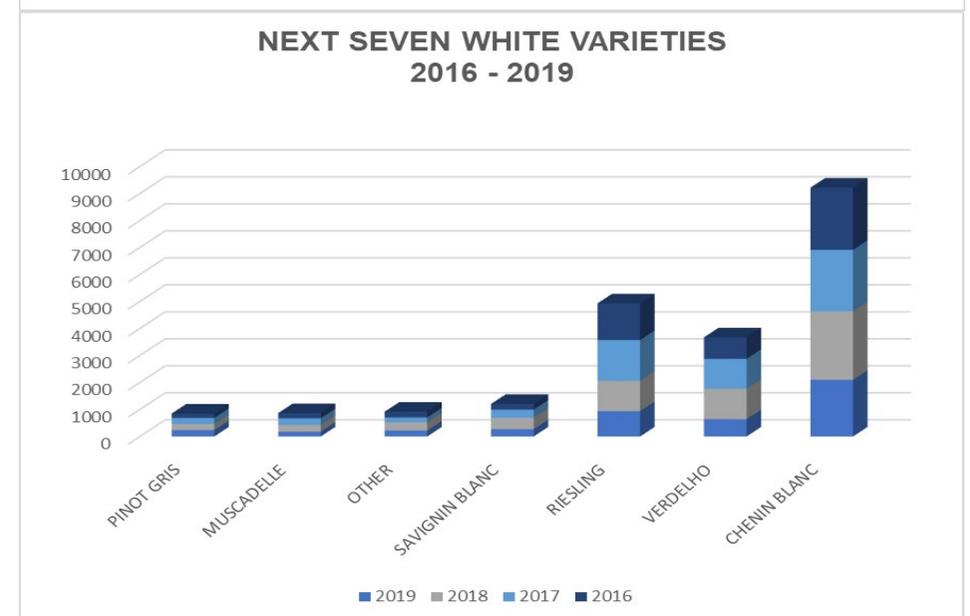
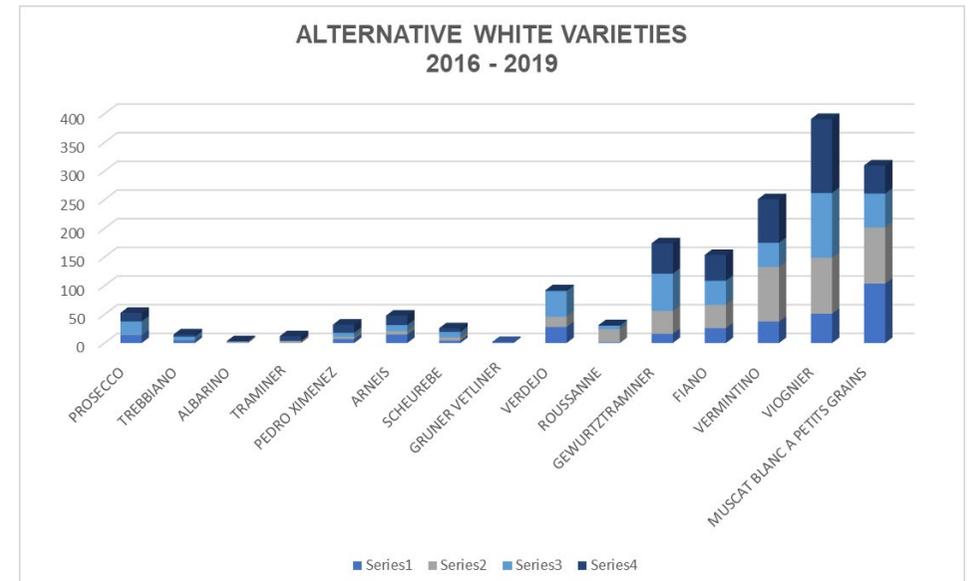
TOP THREE WHITE VARIETIES 2016 - 2019				
	2019	2018	2017	2016
SEMILLON	5485	8777	9619	8883
CHARDONNAY	7361	8933	10796	8933
SAUVIGNON BLANC	8347	13430	9965	11042
TOTAL	21193	31140	30380	28859

TOP THREE WHITE VARIETIES BY PERCENTAGE OF TOTAL PRODUCTION				
CHARDONNAY % OF WHITE TOTAL	28%	23%	30%	26%
TOTAL SSB	13832	22207	19584	19925
SSB % OF WHITE TOTAL	53%	58%	55%	57%
TOTAL WHITE	26092	38263	35737	34752



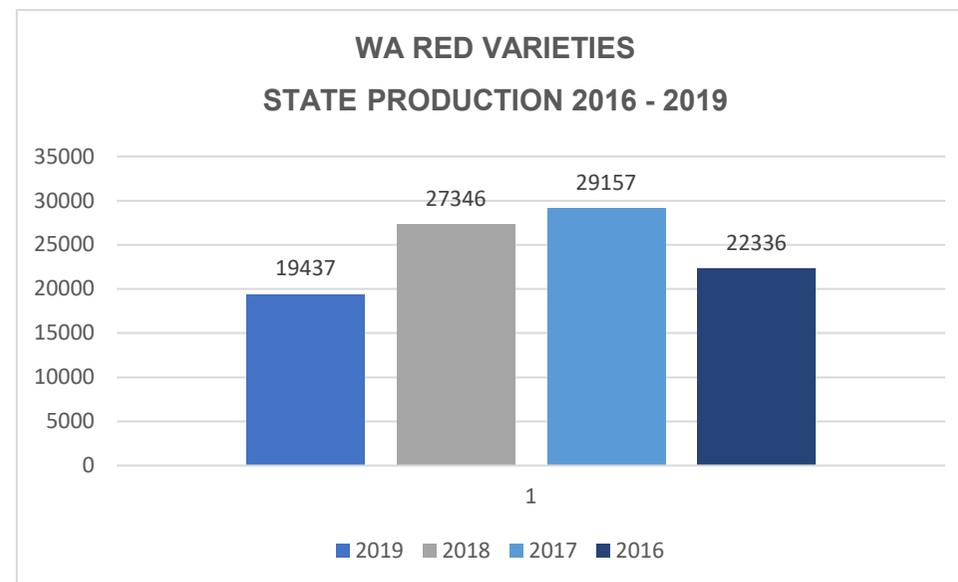
NEXT SEVEN WHITE VARIETIES 2016 - 2019				
	2019	2018	2017	2016
PINOT GRIS	236	226	226	163
MUSCADELLE	179	249	249	190
OTHER	222	303	180	214
SAVIGNIN BLANC	272	419	303	214
RIESLING	941	1122	1510	1361
VERDELHO	642	1124	1110	799
CHENIN BLANC	2098	2543	2274	2305
TOTAL	4590	5986	5853	5246

ALTERNATIVE WHITE VARIETIES 2016 - 2019				
	2019	2018	2017	2016
PROSECCO	14	1	23	15
TREBBIANO	5	1	6	4
ALBARINO	0	2	1	0.50
TRAMINER	0	4	0	8
PEDRO XIMENEZ	7	4	7	14
ARNEIS	15	6	11	17
SCHEUREBE	4	6	9	6
GRUNER VETLINER	2			
VERDEJO	28	18	45	1
ROUSSANNE	1	23	6	1
GEWURTZTRAMINER	16	40	65	53
FIANO	26	41	42	45
VERMINTINO	38	95	42	76
VIOGNIER	51	98	113	129
MUSCAT BLANC A PETITS GRAINS	104	98	59	49
TOTAL	310	435	429	419



WA RED VARIETIES	2019	2018	2017	2016
BARBERA	11	14	17	10
BRACHETTO	2	1	2	4
CABERNET FRANC	119	233	204	193
CABERNET SAUVIGNON	8255	10808	11722	8859
DOLCETTO	4	4	2	
DURIF	8	21	15	8
GAMAY	2	5	2	1
GRENACHE	407	283	240	179
GRACIANO	9	4	8	2
LAGREIN	0	1		
MALBEC	446	840	596	560
MERLOT	1911	2710	2739	2814
MEUNIER	1	1		
MONTEPULCIANO	0	0		
MOUVEDRE	17	57	49	16
NEBBIOLO	25	34	22	18
NERO D'AVOLA	9	6	4	3
PETIT VERDOT	117	231	229	184
PINOT MEUNIER	1	1	1	15
PINOT NOIR	568	839	946	642
SANGIOVESE	48	67	48	39
SAPERAVI	0	2	2	84
SHIRAZ	7087	10448	11703	8064
TANNAT	1	6	1	1
TEMPRANILLO	267	502	479	283
ZINFANDEL	36	63	47	31
OTHER	89	165	79	325
	19437	27346	29157	22336

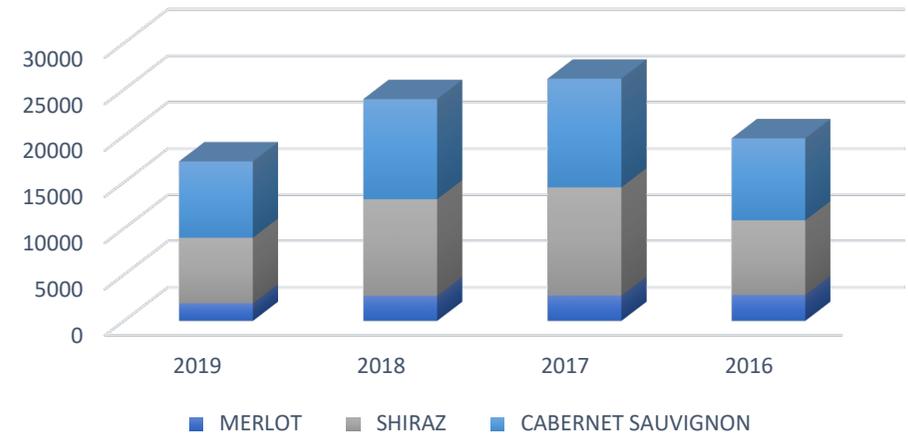
*note 2019 report on 80% of collection



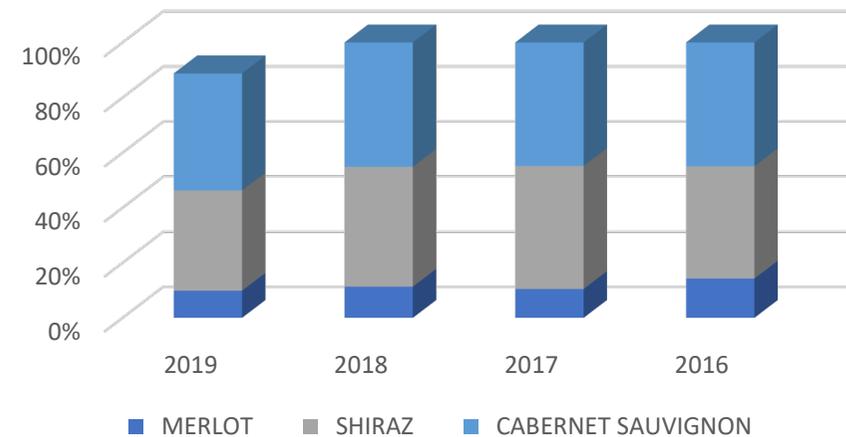
TOP THREE RED VARIETIES 2016 - 2019				
	2019	2018	2017	2016
MERLOT	1911	2710	2739	2814
SHIRAZ	7087	10448	11703	8064
CABERNET SAUVIGNON	8255	10808	11722	8859
TOTAL	17253	23967	26164	19737

TOP THREE RED VARIETIES PERCENTAGE OF TOTAL PRODUCTION				
	2019	2018	2017	2016
MERLOT	10%	11%	10%	14%
SHIRAZ	36%	44%	45%	41%
CABERNET SAUVIGNON	42%	45%	45%	45%

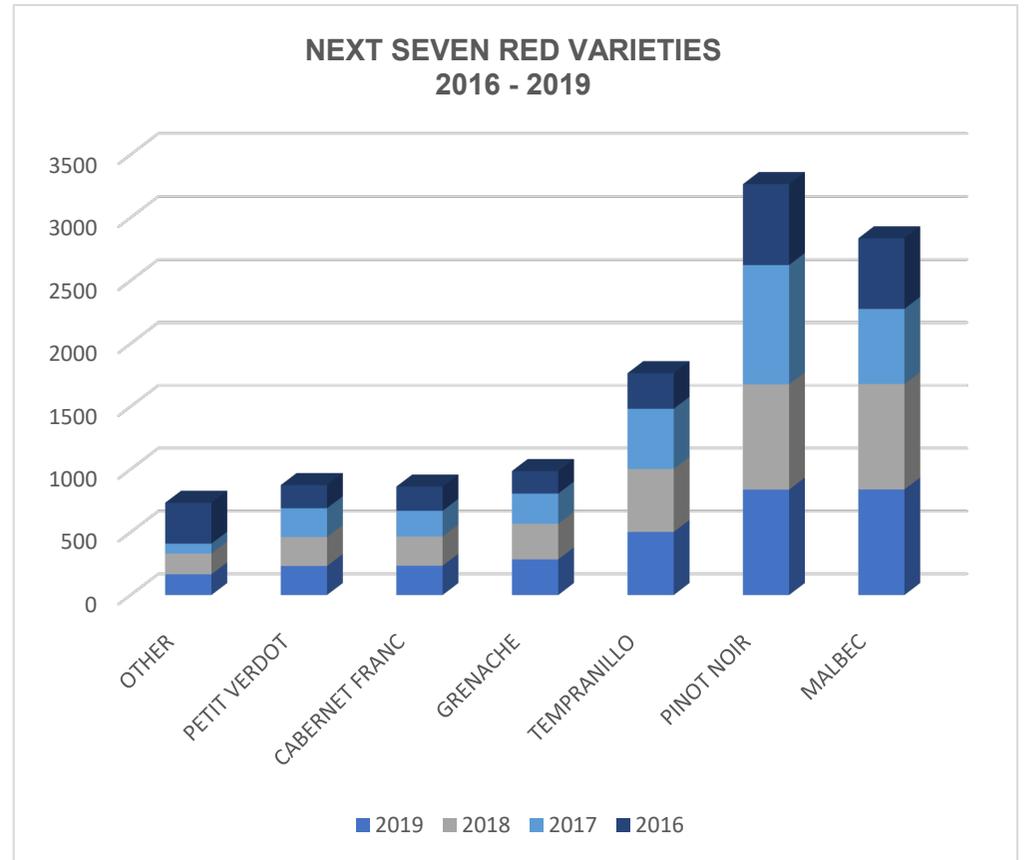
**TOP THREE RED VARIETIES
2016 - 2019**



**TOP THREE RED VARIETIES
PERCENTAGE OF TOTAL PRODUCTION**



NEXT SEVEN RED VARIETIES 2016 - 2019				
	2019	2018	2017	2016
OTHER	165	165	79	325
PETIT VERDOT	231	231	229	184
CABERNET FRANC	233	233	204	193
GRENACHE	283	283	240	179
TEMPRANILLO	502	502	479	283
PINOT NOIR	839	839	946	642
MALBEC	840	840	596	560
TOTAL	3092	3092	2773	2367



WA ALTERNATIVE RED VARIETIES 2016 - 2019				
	2019	2018	2017	2016
BARBERA	14	14	17	10
BRACHETTO	1	1	2	4
DOLCETTO	4	4	2	8
DURIF	21	21	15	1
GAMAY	5	5	2	0
LAGREIN	1	1	0	0
MEUNIER	1	1	0	0
MONTEPULCIANO	0	0	0	0
MOUVEDRE	57	57	49	16
NEBBIOLO	34	34	22	18
NERO D'AVOLA	6	6	4	3
PINOT MEUNIER	1	1	1	15
SANGIOVESE	67	67	48	39
SAPERAVI	2	2	2	8
TANNAT	6	6	1	1
ZINFANDEL	63	63	47	31
GRACIANO	4	4	8	2
TOTAL	287	287	221	156

