

2020-21 ANNUAL REPORT



WINES OF
WESTERN AUSTRALIA
Extraordinary Regions

WINE INDUSTRY ASSOCIATION OF WA (INC.)

4 November 2021

Contents

Introduction	3
2020-21 Strategic Priorities	4
President's Report	5
Chief Executive Officer's Report	7
Treasurer's Report	10
Membership and APC Collection Report	12
RD&E Technical Committee Report	14
Board of Directors Report	18
Export and Wine Tourism Market Development	19
Wines of WA 2020-21 APC Budget	20
Financial Report 2020-21	21

Appendices

2016 - 20 State Vineyard and Production Data 2017 -
22 WA Wine RD&E Strategic Priorities Plan
2014 – 24 WA Wine Industry Strategic Plan Summary
International Wine Tourism Grant Final Report
Export Growth Partnership 2020-21 Activity Report

Introduction

The Wine industry Association of Western Australia (Inc.) 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 2020-21 the total value of the WA wine industry 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 industry produces about 42 million litres of wine annually representing 4% 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 industry 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 work to ensure our social license to operate is retained and strengthened. We continue to build strong partnerships with tourism, developing complimentary market development programs. We work raise the stature of our industry so that West Australians are truly proud of our wine industry.
- **Administration** of technical and marketing program funding to provide Regional Associations and producers opportunities to improve business practises and market access.
- **Communication** to ensure wine industry 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 2021-22 on developing a sustainable and profitable future for the WA wine industry.

Strategic Priorities 2020-21

Priority	Priority Issues	Activities and Progress
INDUSTRY STRUCTURE AND DEVELOPMENT Build a culture of collaboration with an expectation of success	Assist Regional Associations securing resources/funding to implement strategic plans	Federal wine tourism grant (IWTG), Export Growth Partnership (EGP) and Growers' Group Grant supported Regions to implement strategic priorities. Regional Program funding supported RDE strategic priorities
MARKET DEVELOPMENT Strategic regional collaboration driven by energised producers	Secure Wine Tourism/ Export Market Development funding and resources in collaboration with RAs and producers	Finalised EGP agreement with State government. IWTG funding agreement completed
	Assist RAs to implement regional strategies	Provided funding to Regions to complete various projects across the value chain
	Build partnerships (government, value chain, allied sectors) to support Regional brand development and increase national and international consumer demand	Worked with Tourism WA, Development Commissions, local government and allied sectors to complete IWTG and initiate EGP
SUSTAINABILITY, INNOVATION, RDE&A AND BIOSECURITY All of industry best practise across the value chain	Smoke taint WoWA Tech Committee to actively promote Sustainable Wine-growing Australia to WA producers and support regional initiatives to adopt best practise to achieve international recognition as a world leader in sustainable wine-growing Monitor new planting material resources and availability	Supported Regions and producers to manage prescribed burns programs. Build stronger relationships with DBCA and OBRM In partnership with Department of Primary Industries, Technical Committee implemented programs to address identified challenges through the Wine Australia Regional Program WoWA to advocate for policy settings and government support to address identified challenges
ADVOCACY AND REPRESENTATION Lean, proactive, unified and Influential	Ensure taxation regime offers best operational environment for WA fine wine producers. Ensure legislation and regulation offers best operational environment for WA fine wine producers. Ensure an enduring social licence for WA wine producers.	Shared industry ratified position for further taxation reform with other regions/states. Advocate for further amendments to Liquor Control Act to improve access to market, including direct to consumer channels Worked with Australian Grape and Wine and other states to ensure aligned and strong communications/advocacy.

President's Report

We expected the 2020-21 financial year to be the exit out COVID 19. Instead, we are "learning to live with it". The impact of it cannot be ignored and all businesses have been affected to some degree. This is true for WoWA as well. As our remit is to ensure the best operational environment for WA producers. Restrictions on movement and business operations arising from COVID 19 related restrictions have been significant. While WA has largely returned to "normal" internally, there remain challenges which WoWA continues to address on behalf of WA producers. WoWA engaged consistently with state government, ensuring the interests of WA producers were clearly understood.

We must also reflect on the work plan that WoWA established for 2020-21. Despite the requirement to maintain a watching brief on COVID 19 issues for much of 2020-21, we still addressed our key strategic areas of focus. These are highlighted below.

National Advocacy

Tax

Following industry ratification of the Wines of WA tax position statement in 2019-20, the WoWA Board approved an advocacy strategy to be implemented by WoWA executive. CEO Larry Jorgensen has begun work on this through engagement with regions and states nationally

Wine Industry Structural Reform

Australian Grape and Wine (AGW) Board endorsed a process to assess alternative national industry body structures to create better alignment between industry priorities and investment of industry paid levies. Larry Jorgensen sits on the working committee and has reported on progress to date to the WoWA Board.

Export Market Development and Diversification

The imposition of severe tariffs on Australian wine exported to China required significant input by WoWA to the national World Trade Organisation submission. However, every challenge brings opportunity. In response, the federal government developed the Agricultural Trade and Market Access Cooperation support package (ATMAC). WoWA has worked with AGW in developing the first-year application for support. WoWA provided detail on the WA wine industry partnership with the state government to grow and diversify export markets (see below), assisting AGW to develop an industry informed submission. We expect that in subsequent years, WA will receive direct funding via the ATMAC program.

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.

As in 2019-20, the key legislative/regulatory issues addressed this year were related to COVID 19 restrictions. As the state moved through various levels of restrictions on movement, WoWA worked closely with the Department of Health and Racing, Gaming and Liquor to ensure producers were able to operate as freely as possible. WoWA ensured producers understood clearly what their obligation were so that they could comply while operating their businesses.

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

In 2020-21, WoWA focused on formal approval of state government funding support for our Export Growth Partnership strategy (EGP). The agreement was signed in May 2021. In September 2021, WoWA appointed Hydra Consulting to develop the strategic framework for the EGP. It is pleasing to see that the significant effort by all levels of the WA wine industry over the previous 3 year has produced this result.

The final phase of the International Wine Tourism Grant (IWTG) was implemented in 2020-21. Despite the challenges posed by COVID, a range of on-line and live events were executed, working with South West and Great Southern Development Commissions, Australia's South West, Destination Perth and Tourism WA to support Regional Associations and producers in marketing their wine tourism products to international visitors. The legacy of this program will carry forward as the increased capacity to provide and market wine tourism products will continue to grow as Regions and producers more fully understand the potential of this market channel.

In closing, I would like to thank Larry and Robin for their tireless work for WoWA on behalf of all State producers. I would also like to thank Paula Henderson, who has been our bookkeeper for the past three years. Paula is moving on later this year to focus more on family.

Trevor Whittington



Independent Chair

Chief Executive Officer's Report

As outlined in Strategic Priorities for 2020-21 our focus for the year prioritised:

- Assisting Regions to implement strategic plans and secure funding and resources to implement these
- Secure funding and resources and implement programs for international and domestic market development including wine tourism
- Ensure legislation and regulation offers best operational environment for WA fine wine producers and ensure an enduring social licence for WA wine producers.
- Addressing RD&E priorities through the WA wine technical committee leveraging federal and state government agencies funding and resources

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

Advocacy

In 2020-21, Wines of Western Australia advocated for the industry on the following issues:

- Continued work with the Tax Working Group. An advocacy strategy has been agreed by the WoWA Board and this was implemented in 2020 – 21.
- Continued engagement with the state government and Wine Australia to secure resources to support export market development for WA wine producers. A funding agreement for \$6 million over five years was signed in April 2021
- 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.
- Worked at state and federal level to ensure that COVID 19 related

restrictions were implemented with minimal impact on WA wine producers

Representation

In 2020-21, 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.
- Participated in industry round-table meetings regarding COVID 19 restrictions
- Liaised with government agencies (liquor licensing, tourism, primary industries) on a range of COVID 19 issues ensuring industry was informed on compliance requirements
- Attended Wine Australia and Australian Grape and Wine interstate meetings Administration

Administration

In 2020-12, Wines of WA administered the following projects on behalf of the WA wine industry:

- Worked with APC administration and Wine Producers' Committee to refine collection process for FFS collection on the 2020 vintage.
- Compliance requirements for the Wine Australia Regional Program.
- Management of the WA Wine Technical Committee
- Negotiated terms for the WA wine industry service agreement with Australia Post
- Negotiated terms for the WA wine industry co-membership arrangement with CCIWA
- Project management/compliance of the EGP with State Government
- Project management/compliance of IWTG.
- Project management of R4R Growers' Group Grant, "Pathways to Premium Markets"

Communication

In 2020-21, we continued our regular communications strategy including

- 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 continued to develop www.winewa.asn.au as a highly ranked consumer facing landing site for WA wine through IWTG projects including:

- the localista searchable database was linked directly to the Australian Tourism Data Warehouse which feeds into Australia.com, Tourism Australia's consumer facing platform
- the Wine Adventurer guide to the fine wine regions of WA
- the Wine Exportal, a one stop information shop for WA producers

Human Resources

Wines of WA has one employee however, 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
- Hydra Consulting as Project Manager of the EGP
- Robin Birch as Communications Consultant

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 (WTA) which provided oversight of the IWTG project, and will continue to provide a formal link between industry and tourism partners
- Wines of WA Tax Working Group (TWG) 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 Industry Steering Committee. Comprised of the WoWA CEO, industry representatives and DPIRD, this working oversees and approves the EGP program developed by Hydra Consulting
- Financial Review Committee (FRC) Comprised of the WoWA Executive Committee and Board members, the FRC provides oversight of WoWA's grant funding financial commitments

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 2020-21, WoWA facilitated the following input at national level.

Australian Grape and Wine

Western Australian Board representatives were:

- Cath Oates (Small Winery Membership Committee)
- Larry Jorgensen (Small Winery Membership Committee)
- Colin Bell (Vignerons' Committee)

Cath owns Oates' Ends and is the Wine Australia Board Deputy Chair

Larry is CEO of Wines of WA.

Colin is a Director of AHA Viticulture.

Wine Australia

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.

Cath Oates continued as a Board member of Wine Australia in 2020-21 and is Deputy Chair.

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
- The Tax Working Group and specifically, David Martin whose work in this area over a number of years has been extraordinary.
- The Wines of WA Board of Directors, and specifically, Independent Chair, Trevor Whittington and Treasurer David Bowyer

In closing, I would like to acknowledge:

- the input of Robert Olde who resigned in 2020-21. As Vice- Chair of Wines of WA in Robert contributed significantly to all areas but specifically to the Tax Working Group. We wish him well in his future endeavours

- Our bookkeeper Paula Henderson who will leave us in the coming months. Paula has provided dependable and patient service to Wines of WA over the past three years. We wish her well.

Larry Jorgensen



Chief Executive Officer
November 4 2021

Treasurer's Report

The 2020-21 Financial Year has been a challenging and complex year for Wines of WA. Despite the uncertainties created from the ongoing COVID-19 pandemic, the Association successfully completed the International Wine Tourism Grant while continuing to deliver its core services of advocacy and representation.

Overview

The summary of the Association's income and expenditure is as follows:

	2021 \$000's	2020 \$000's
Operating activities		
Revenue		
APC Producer Grant Funding	232	267
Membership Fee	9	13
Cash Flow Boost	16	12
Wine Education Centre	8	2
Total Revenue	265	294
Operating Expenditure	(215)	(189)
Net Operating Surplus	50	105
Grant activities		
Grant Income	875	632
Grant Expenditure	(974)	(637)
Net Grant Expenditure	(99)	(5)
(Deficit)/surplus for the year	(49)	100

Operating activities

Revenue from operating activities totalled \$265,000 for the year compared with \$294,000 in the prior year, a reduction of \$29,000. Most of this reduction arose from APC Producer Grant Funding which decreased by \$35,000, driven by the decrease in the total tonnage from Vintage 19 (50,000 tonnes) to Vintage 20 (45,961 tonnes) and the decision taken by the WoWA Board to reduce FFS rates by 5% noting the potential challenges that COVID may have presented to producers.

Overall operating expenditure increased from \$189,000 in the prior year to \$215,000 in the current year. This increase was due to a combination of the resumption in various advocacy and representation activities following the release of several COVID-19 restrictions by

the WA Government, as well as the initial recognition of long service leave for Larry Jorgensen, the CEO. As a result, the net operating surplus of the association decreased from \$105,000 to \$50,000.

Grant activities

Grant activities comprise income and expenditures that relate specifically to various grant programs and are therefore excluded from Operating activities. Net grant expenditure amounted to \$99,000 compared with \$5,000 in the prior year. The increase primarily attributable to the Association's contribution to the International Wine Tourism Grant which, with the exception of a \$7000 shortfall from industry funding, was anticipated as part of the Grant agreement with Wine Australia.

Deficit/Surplus for the year

Although the net result of the above was a deficit for the year, the year-ending cash and equity positions remained strong at \$286,000 and \$104,000 respectfully.

Financial Review Committee

Following the end of the 2020-21 year the Board of Wines of WA set up a Financial Review Committee (FRC). The terms of reference of the FRC are to oversee the financial and risk implications of the Wine Export Growth Partnership (known as the WA Wines to the World Program) which will cover a 5-year period from July 2021 with a total expenditure of \$6 million.

I would like to thank Larry, Trevor and the rest of the Board for the amazing support I have received since joining the Board earlier this year.

David Bowyer

Treasurer

Membership and APC Collection Report

The WA wine industry again utilised the fee for service APC funding model for the 2020-21 financial year. The fees were affected against the 2020 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 2020-21.

The aggregated budgeted revenue from APC collections for 2020-21 was \$557,496, based on a 47,000 tonne vintage. The final reported amounts at 30 June 2021 were \$564,417 and 45,961 tonnes. This represents 100.1% of budgeted revenue and 98% of projected volume. WoWA APC income was budgeted to be \$258,000 with \$260,736 collected.

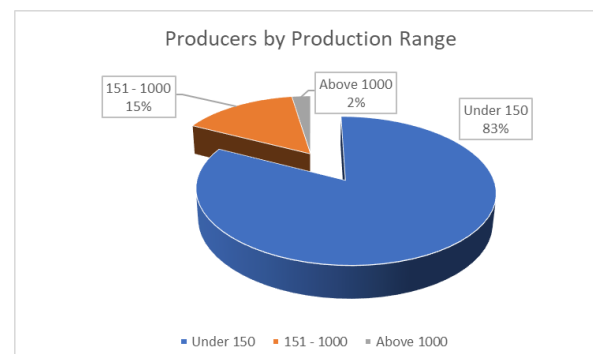
In total, 332 producers provided return forms for payment with a further 78 lodging "nil" returns. The aggregated figure, 408, is higher than the typically quoted number of 350 active businesses in WA. Nil returns are attributable to smoke-taint events, yearly production decisions to balance inventory 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

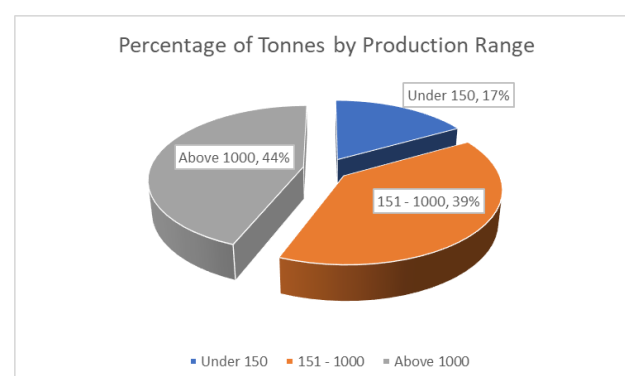
A significant benefit arising from the APC collection is resulting production data. Information collected via the process includes GI origin of fruit by variety. This provides an accurate snapshot of production capacity and will be invaluable to producers in determining how to structure their business 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. The information is 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 industry news
- Access and notification to **networking** events and workshops with WOWA wine producers and growers
- Access to WA wine industry 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 2020-21 were:

Lee Hasselgrove – Mure Viticulture (Chair)
Jim Campbell-Clause – AHA Viticulture
Dave Botting – Burch Family Wines
Con Simos – AWRI
Andrew Taylor - DPIRD
Jeremy Galbreath - Curtin University
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 industry 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 plan will be reviewed in the 2021-22 financial year.

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. It should be noted that as some of the activities involved interstate and international speakers, these were postponed until travel resumes.

2020-21 activities

Virus Symposium

This activity was scheduled for May 2020 but was disrupted due to COVID-19, Limestone Coast and WA are considering presenting this event in May 2021 as an online symposium accessible to the respective regional producers.

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

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

Demonstrating how clonal selection can influence Cabernet Sauvignon wine quality In 2019, a block of mature Cabernet Sauvignon vines in Margaret River were grafted over to 12 clones of Cabernet as part of a Wine Australia funded project. The first crop off these vines is expected in 2021, the activity will involve the harvesting and small lot winemaking of these 12 clones so to have wines available for industry tastings. The more involved Wine Australia project is expected to begin in 2025.

Anecdotally, the clonal diversity of Cabernet Sauvignon in both Margaret River and Western Australia is predominately clone 126 and a mass selection of the local 'Houghton clone'. There are 20 clones/selections accessible to WA producers via public and private collections. The activity aims to improve the knowledge of viticulturists and winemakers on the benefit of clonal diversity while also bringing awareness of the national project beginning in coming years.

Objectives

1. By August 2021 up to 50 WA viticulturists and winemakers will have increased awareness

and knowledge of clones of Cabernet Sauvignon available in WA and their unique attributes displayed in one year from a trial site in Margaret River

2. Up to 90% of attendees of the tasting will understand the benefit of multi-clonal plantings compared to mono-clonal

Progress

Fourteen clones/selections have been bottled, alcohols range from 12.4% to 14.0%. The wines will be presented at a workshop in Margaret River on 18 October 2021.

Biosecurity training

Wine tourism and general tourism into WA wine regions is experiencing significant growth especially in the Margaret River wine region where interstate flights will soon be operating at the nearby Busselton airport. Associated with this increase in regional visitations is the risk to growers of biosecurity incursions of pests and diseases not yet present in WA and also the transmission of pests and diseases between local vineyards.

Research conducted by Vinehealth Australia in 2017 indicated that 44% of female visitors and 28% of male visitors to wine regions expect to be able to walk amongst vines and take photos as part of their wine experience.

Currently very few grape and wine producers in Western Australia have policies or plans on how to mitigate biosecurity risks associated from both public and private entries onto vineyards. This is most obvious by the lack of visible signage at vineyards communicating biosecurity risks and the policies applicable to properties.

This activity will engage Vine Health Australia to conduct workshops in key visitation areas to inform producers on the biosecurity risks and provide tools on how to best manage these risks. The outcome is to have a majority adoption by WA grape growers within key visitation regions of best practices for farm gate hygiene to ensure the health and sustainability of WA vineyards.

This activity addresses the priorities of sustainable viticulture and pest and disease management as identified in the WA Strategic Review conducted in 2017.

Objectives

1. Have approximately 90 WA wine producers develop and execute biosecurity initiatives to mitigate risks associated with visitors to their properties within 3 months of the workshops
2. At least 90% of workshop attendees will have improved their knowledge and skills in addressing biosecurity risks associated with visitors after attending the workshops
3. At least 90% of workshop attendees will consider the workshops to be valuable or very valuable use of Regional Program funds

Outcomes

Craig Elliott from Wine Australia delivered two workshops in Margaret River (17 & 18 August) and one in Swan Valley (20 August). Great Southern event only attracted one registration so was cancelled. Numbers attended in Margaret River was 21 and 8 in Swan Valley.

Key learnings:

1. Producer engagement on matters relating to biosecurity is difficult
2. The WA wine industry views biosecurity as a key priority but this is not shared at the grower level
3. Much can be improved in terms of best practices on WA vineyards to manage biosecurity risks

Workshopping the use of machine harvesters to manipulate bunch architecture

WA growers are beginning to experiment with the potential of managing bunch rots through non-spray methods. One of these techniques is the use of mechanical harvesters over vines post flowering. Harvesters are used to remove trash trapped in the bunches that act as potential inoculum sources and manipulate

bunch architecture, improving airflow and spray penetration.

New Zealand are the leaders of this work and have been successfully utilising and honing this technique for a number of seasons. Viticulture consultant Mark Allen has been a key player in optimising harvester setup for this work. However, as New Zealand growing regions have different climatic conditions and production techniques to south-west WA production, some application differences are likely to be required. With an increasing movement towards more sustainable practices, the use of harvesters to reduce bunch rot severity and incidence will assist growers in reducing the need for fungicide applications.

DPIRD pathologist Dr Andrew Taylor is completing a trial (Incubator Initiative) in WA regions assessing the impact of this technique on the varieties Sauvignon Blanc, Semillon and Chardonnay.

This activity will consist of workshops in at least two WA wine regions with NZ viticulturist Mark Allen sharing his experiences and Dr Andrew Taylor to present his research findings.

Objectives

1. By January 2021 provide over 70 growers with the knowledge of a non-spray method of managing bunch rot through the use of mechanical harvesters post-flowering.
2. By January 2021 extend the research findings from Incubator Initiative on this topic specific to WA conditions involving key varieties via grower workshops.
3. Develop protocols for optimal set up of various harvester brands to maximise bunch trash removal or architecture manipulation by June 2021

Outcomes

A summary of this work will be included in the September 2021 edition of the Wine Industry Newsletter.

Key learnings:

1. Shaking the fruit reduced bunch rot incidence in Chardonnay, Sauvignon Blanc and Semillon.
2. Shaking the fruit reduced bunch rot severity only in Semillon
3. Shaking the fruit caused variation in bunch characteristics, depending upon variety.
4. The time of shaking with regard to fruit development is likely to have impacted on bunch rot incidence and / or severity.

Promoting sustainable winemaking production

The WoWA Technical Committee identified sustainability as a key priority during a strategic review conducted in 2017. Specifically, to reduce the environmental impact and enhance long-term success and resilience by increasing capacity of best practice sustainable land management practices by wine growers and wineries.

The increased capacity to undertake these practices will improve and protect soil condition, biodiversity, water quality and better manage pests and diseases, waste, social and economic impacts through the introduction of an environmental plan and implementation of environmentally sustainable management practices.

With the launch of Sustainable Winegrowing Australia (SWA) in 2019 there is now a national program to assist and support producers to achieve sustainable best practices within their businesses. This activity plans to utilise the resources of this program to encourage adoption, regional benchmarking and optimisation of sustainable practices through a series of regional workshops presented by Mardi Longbottom (AWRI).

Objectives

1. By December 2020, provide over 50 producers with an understanding of the functionality of the Sustainable Winegrowing Australia (SWA) program

including interpretation of data

2. Promote the adoption of SWA, increase membership by at least 25% within WA by June 2021

Outcomes

Workshops completed, Margaret River (29 June) had 30 people attend and Great Southern (21 July) with 6 producers in attendance.

Key learnings:

1. SWA is the ideal platform for wine producers to certify their sustainability credentials and benchmarking with peer producers
2. Support is available via the AWRI and Margaret River Wine Association for producers wanting to join or become certified
3. Case studies presented showed practical means to reduce agrichemicals, power usage and water use

Pruning workshops

Simonit & Sirch is a global consulting and training company in vine pruning and training. They have developed a pruning method that focuses on four principles; branching, vascular flow, cuts and crowns and protective wood. The objective of this method is to ensure longevity and productivity. Due to COVID travel restrictions, this has been postponed until winter 2022

As some of WA's vineyard approach 40 – 50 years of age growers are facing new challenges to manage vine health and maintain commercially viable yielding capacity. Aspects of the Simonit & Sirch method addresses necrotic wood and trunk disease thus important strategies in adopt when pruning old vines.

This activity aims to promote new thinking when considering pruning and to educate growers on

how best to handle older vines to ensure longevity.

Objectives

1. For attendees of the workshops to reassess their pruning strategies and methodologies
2. Present growers with practical techniques to manage and maintain aging vines
3. At least 90% of workshop attendees will consider the workshops to be valuable

Development of the 2021-22 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 5th of February 2020 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 2020 - 21 program aim to be of benefit to all regions.

Approved Regional Program Annual Operating Plan 2021-22

Developing and assessing cellar door experiences

Wineries can attract a diverse range of visitors, each looking for a tailored and unique experience. Using visitor tracking analytics and customer profiling it is possible to develop a wide range of activities and experiences and test their effectiveness and impact on cellar door ROI.

Using insights and techniques developed through their Incubator Initiative project, Dr Ben Thomas and Associate Professor Jeremy Galbreath will deliver a seminar on how wine producers tier their cellar door service offering and maximise the value delivered a range of

customer segments. Topics covered will include:

- Different customer segment profiles
- Ways to tier your service offering
- Effectiveness of each service offering as a revenue stream
- Impact of charging for wine tastings
- Ways to implement data collection and cellar door service offering optimisation

Objectives

1. 50 wine producers will be provided insights into different wine tourist profiles and their behaviours when visiting cellar door
2. 50 wine producers will understand techniques to collect data to develop their own customer profiles
3. 50 wine producers will understand different approaches to developing cellar door experiences to match visitor profiles and increase customer spending

Garden weevil webinar

Garden weevil is an important pest to the key growing regions in Western Australia.

The most effective management tools to control this pest are synthetic insecticides.

Consequently, garden weevil management is deemed a barrier to many growers wishing to be certified organic. This activity aims to provide growers with the latest information from South African researchers using biological agents and also an opportunity to hear from other experts and practitioners on organic techniques that growers could consider incorporating into an IPM strategy.

The webinar will be recorded so stakeholders unable to attend can access the information.

Objectives

1. At least 40 growers will have accessed this planned webinar by June 2022
2. 85% of attendees will have their knowledge improved of the potential of

biological control agents and management practices outside of Australia concerning garden weevil.

Regional winemakers' trial forums

First held in Margaret River in 2015 by the Department of Primary Industries and Regional Development, this forum allows winemakers to come together and share experiences on innovative techniques that aim to improve wine quality or production efficiencies. This forum allows the winemakers to bring in wines from their in-house trials and share their findings with others and also to generate general discussion.

These forums will be conducted in the Swan Valley, Margaret River and Great Southern.

Objectives

1. At least 40 producers will attend these events across the three regions, 90% of which will perceive these tastings as valuable or very valuable use of Regional Program funds.
2. Attendees will share knowledge of innovative vineyard and winery practices by contributing their own wine trials and/or providing opened commentary of the wines as they perceive them.
3. At least 80% of attendees will believe they have improved their knowledge on a certain theme due to these tasting events.

National Coonawarra Australian Cabernet Symposium – Margaret River satellite event

Collaborating with the Coonawarra Wine Association and Limestone Coast, this activity will provide a Margaret River satellite venue to the National Coonawarra Australian Cabernet Symposium so to showcase two of Australia's key Cabernet Sauvignon producing regions and to make this a truly national event.

International and national expert speakers will feature in the program to present the latest in research findings applicable to premium Cabernet sauvignon production.

Objectives

1. Have over 60 WA producers attend and be exposed to the latest international and national R&D concerning the production of premium Cabernet Sauvignon
2. From the information presented, 80% of attendees will consider adopting some of the principles and techniques into their own practices in producing Cabernet Sauvignon
3. 80% of attendees to have found this event valuable or very valuable use of levy funds

Trunk disease survey

As many of WA's vineyards have vines of +30 years of age a significant number are experiencing die back (arm death). DPIRD is regularly contacted by producers who believe they have *Eutypa lata* in their vineyards however *Eutypa* has not been detected in WA and these reported symptoms are likely to be due to *Botryosphaeria*. This activity will offer subsidised testing of symptomatic vines (up to 50 across the state) which provide growers with an identified disease, a better understanding of trunk disease pathogens within WA and consequently better information on how to treat these issues.

Objectives

1. 50+ producers to be provided with specific trunk disease diagnosis and appropriate management options by December 2021.
2. 80% of webinar attendees to have an improved understanding of trunk diseases prominent in WA.
3. 80% of producers contributing samples and webinar attendees to have found this activity valuable or very valuable use of levy funds.

Market Development Support

International Wine Tourism Grant

The activities implemented through the International Wine Tourism Grant (IWTG) completed in June 2021. As with most things, COVID 19 had a significant impact on the IWTG given the main KPIs were to increase visitation and spend in WA by international wine tourists. None the less, a comprehensive body of work was completed across the four main areas outlined in the grant application. These were:

1. Collaboration: Collaborate to better align regional wine tourism investment / programs
2. Product development: Support continuous improvement of the WA wine tourism experience
3. Integrated promotion: Grow visitor numbers and spend using integrated communication strategies
4. Regional support: Develop data and tools to support wine tourism investment. (6.2.1a)

A comprehensive overview of grant activities is included in the appendix.

Export Growth Partnership

The Export Growth Partnership (EGP), with the customer facing project name, “WA Wines to the World” was initiated in 2020-21. The EGP is a five-year partnership between the WA wine industry and the State government. Each partner will contribute \$3 million dollars to support export market development and growth activities. The aims are to double the value of wine exported from WA to over \$100 million, increase the average price per litre to over \$12 and increase the number of WA producers who are successfully and profitably exporting.

In September 2020, Hydra consulting was appointed as project manager on an initial 12-month contract with a brief to:

- Act as a face of the project to build relationships, identify opportunities for funding and sector relationships
- Confirmation of participating partners
- Confirm/validate target markets
- Create and initiate a market development/comms strategy
- Export resource matrix development
- Preferred supply chains identification

A summary 2020-21 outcomes is included in the appendices.

Wines of WA Board of Directors 2020-21

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 and retired March 2021)

Latitude 34

Robert.olde@latitude34wineco.com

Cameron Rhodes (appointed May 2021)

Fermoy Estate

cameronrhodes@fermoy.com.au

Over 1000 tonnes

Mike Calneggia (Appointed 2019)

Calneggia Family Vineyards

mike@cfvwine.com.au

Regional Representatives

Swan Valley/Perth Hills/Peel GI

Garth Cliff (Appointed 2020)

Vino Volta

garth@vinovolta.com.au

Josh Davenport (Appointed 2020)

Myattsfield

myattsfield@bigpond.com

Geographe GI

Ryan Gibbs (Appointed 2020)

Aylesbury Estate

geovit@westnet.com.au

Margaret River GI

Liz Mencil (Appointed first term in 2018 and second term in 2020)

Naturaliste Vintners

liz@purplefeet.com.au

Margaret River GI

Amanda Whiteland (Appointed 2019)

Margaret River Wine Association

amanda@margaretriver.wine

Blackwood Valley/Pemberton/Manjimup GI

Ashley Lewkowski (Appointed first term in 2018 and second term in 2020)

Lost Lake

info@lostlake.com.au

Great Southern GI

Tom Wisdom (Appointed first term in 2018 and second term in 2020)

Plantagenet Wines

Tomw@plantagenetwines.com

Growers' Representative

Robert Mann (Appointed first term in 2018 and second term in 2020)

Corymbia

rob@doolette.com.au

Skills Based Appointment

David Bowyer (Appointed February 2021)

Ferngrove

dbowyer@ferngrove.com.au

Executive

CEO

Larry Jorgensen

Wine of WA

+61 448 884 161

ceo@winewa.asn.au

Executive Committee

Independent Chair

Trevor Whittington (Appointed 2017)

trevor.whittington@iinet.net.au

Treasurer

David Bowyer (Appointed February 2021)

Ferngrove

dbowyer@ferngrove.com.au

CEO

Larry Jorgensen

Wine of WA

+61 448 884 161

ceo@winewa.asn.au

Wines of WA Proposed Operational Budget 2020 - 21 Proposed APC Services	Budget	Total FFS required	Strategic Plan Reference
Industry Structure and Development		\$20,000	
- Assist Regional Associations with APC implementation/Provide Secretariat Services to APC Committee	\$10,000		SFA 2.1 - 2.3; pg. 25
- Assist Regional Associations with implementation of strategic planning, securing resources	\$5,000		SFA 1.1, 1.4; pg. 24
- Provide support and administration to industry structure for regional collaboration on Federal International Wine Tourism Grant, export market development and industry development	\$5,000		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	
- Industry co-contribution to Federal International Wine Tourism State Grant (IWTG) projects	\$30,000		SFA 5.1; pg. 30
- Assist RAs to implement regional components of IWTG	\$15,000		SFA 5.2; pg. 30
- Further develop partnership with state government, industry and Wine Australia to grow consumer and market demand/wine tourism	\$40,000		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	\$40,000		SFA 1.3; pg. 24
- Project ManageTax Working Group to monitor WET legislation changes and investigate simpler and fairer taxation models	\$10,000		SFA 10.1, 10.2; pg. 35
- Maintain communication strategy and engagement to manage controlled burn/smoke taint risks	\$10,000		SFA 8.2; pg.33
- Work with Wine Australia on Sustainable Winegrowing Australia program to implement in WA	\$30,000		SFA 7.1 - 7.4; pg.32
- Work with Australian Grape and Wine on wine and health related issues	\$10,000		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
			SFA 1 pg. 24

2020 Wines of WA Production and FFS Estimate									
	Production Volume Category	Average Tonnes Processed	Base Fee	Volume Fee	Charge Per Tonne in Range	Total Membership Fee (ex GST)	Revenue Across Range	Estimated Members in Range	Volume Production Across Range
	up to 2	0.96	75.00	\$0.00	\$0.00	\$75.00	\$900.00	12	11.52
	over 2- 5	2.88	100.00	\$0.00	\$0.0000	\$100.00	\$3,000.00	30	86.4
	over 5 - 10	5.84	165.00	\$0.00	\$0.0000	\$165.00	\$4,125.00	25	146
11	11-29t	14.8	225.00	\$50.00	\$13.1579	\$275.00	\$20,625.00	75	1110
30	30-49	32	475.00	\$23.75	\$11.8750	\$498.75	\$12,468.75	25	800
50	50 - 99	57.92	712.50	\$60.19	\$7.6000	\$772.69	\$30,907.68	40	2316.8
100	100 - 199	116.64	1,092.50	\$94.85	\$5.7000	\$1,187.35	\$29,683.70	25	2916
200	200 - 299	201	1,662.50	\$4.28	\$4.2750	\$1,666.78	\$28,335.18	17	3417
300	300 - 499	305	2,090.00	\$19.00	\$3.8000	\$2,109.00	\$33,744.00	16	4880
500	500 - 749	531.6	2,850.00	\$60.04	\$1.9000	\$2,910.04	\$14,550.20	5	2658
750	750 - 999	765	3,325.00	\$22.80	\$1.5200	\$3,347.80	\$20,086.80	6	4590
1000	1000 - 1999	1210.88	3,705.00	\$220.37	\$1.0450	\$3,925.37	\$31,402.96	8	9687.04
2000	2000 - 3999	2043.6	4,750.00	\$41.42	\$0.9500	\$4,791.42	\$14,374.26	3	6130.8
4000	4000 - 5999	4079.52	6,650.00	\$56.66	\$0.7125	\$6,706.66	\$13,413.32	2	8159.04
6000	6000 - 9999	6100	8,075.00	\$35.63	\$0.3563	\$8,110.63	\$0.00	0	0
10000	10000+	10000	9,500.00	\$0.00	\$0.0000	\$9,500.00	\$0.00	0	0
					Total Revenue		\$257,616.84	289	46908.6

Wines of WA Board of Directors 2020-21
Schedule of Meeting Attendance and Summary of Terms

Board Position	Appointment/ Retirement Date	August	Sept	AGM	Nov	Dec	Feb	Mar	Apr	May	Jun
Skills Based - Independent Chair Trevor Whittington	Re-appointed December 2020	P	P	P	P	P	P	P	A	P	P
Producer Under 150 Tonnes David Mazza - Mazza Wines	Appointed to 2 nd Term October 2019	P	A	P	P	P	A	P	P	A	A
Producer 151-1000 Tonnes Robert Olde - Latitude 34	Appointed to 2 nd Term October 2019. Retired March 2021	P	P	P	P	P	P	N/A	N/A	N/A	N/A
Cameron Rhodes – Fermoy Estate	Appointed to first term May 2021	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Producer Over 1000 Tonnes Mike Calneggia – Calneggia Family Vineyards	Appointed to 1st term December 2019	A	P	P	P	P	P	P	A	A	A
Perth Hills/Peel/Swan Valley Daniela Tonon – Tonon Vineyards	Appointed October 20. Retired October 2020	P	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Garth Cliff – Vino Volta	Appointed to 1 st term October 2020	N/A	N/A	P	P	P	A	P	P	P	P
Geographe Pippa Nielsen – Treasurer – Vineyard 28	Appointed to 3 rd term October 2018 Retired October 2020	P	P	P	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ryan Gibbs – Aylesbury Estate	Appointed to 1 st term October 2020	N/A	N/A	N/A	P	P	P	A	P	P	A
Margaret River Liz Mencil – Margaret River Wine Association	Appointed to 2 nd term October 2020	A	P	P	P	P	P	A	P	P	A
Amanda Whiteland - Margaret River Wine Association	Appointed to 1 st term October 2019	P	P	P	P	P	P	P	P	P	P
Blackwood Valley/Southern Forests Ashley Lewkowski – Lost Lake	Retired October 2020	P	A	P	A	P	A	A	A	A	A
Great Southern Tom Wisdom - Plantagenet	Appointed to 2 nd term October 2020	P	P	P	P	P	P	A	P*	P	P
Skills Based Grower Representative Robert Mann - Corymbia	Appointed October 2020	P	P	P	P	P	P	A	P	P	P
Skills Based Treasurer David Bowyer - Fenrgrove	Appointed January 2021	N/A	N/A	N/A	N/A	N/A	P	P	A	P	P
Executive Chief Executive Officer Larry Jorgensen – Wines of WA	Originally appointed May 2013 Contract re-confirmed March 2021	P	P	P	P	P	P	P	P	P	P
	Meeting Notes								*Tom Wisdom Chaired Meeting		

P	Present
A	Absent
N/A	Not Applicable
	Board Meeting
	Teleconference
	Annual General Meeting

Wine Industry Association of Western Australia Inc.

ABN 23 095 700 543

Special Purpose Financial Report - 30 June 2021

Wine Industry Association of Western Australia Inc.
Contents
30 June 2021

Committee's declaration	2
Committee's report	3
Auditor's Independence Declaration	4
Auditor's Report	5
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12

General information

The financial statements cover Wine Industry Association of Western Australia Inc. as an individual entity. The financial statements are presented in Australian dollars, which is Wine Industry Association of Western Australia Inc.'s functional and presentation currency.

Wine Industry Association of Western Australia Inc. is a not-for-profit incorporated association, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 2, 161 Great Eastern Highway Belmont 6104

A description of the nature of the incorporated association's operations and its principal activities are included in the Committee's report, which is not part of the financial statements.

The financial statements were authorised for issue on 28 October 2021.

Wine Industry Association of Western Australia Inc.
Committee's declaration
30 June 2021

In the Committee's opinion:

- the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements. Accordingly, as described in note 1 to the financial statements, the attached special purpose financial statements have been prepared for the purposes of complying with the Western Australian legislation the Associations Incorporation Act 2015 and associated regulations;
- the attached financial statements and notes comply with the Accounting Standards as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the incorporated association's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the incorporated association will be able to pay its debts as and when they become due and payable.

On behalf of the Committee



Name: Larry Jorgensen
Position: CEO

28 October 2021



Name: David Bowyer
Position: Treasurer
28 October 2021

Wine Industry Association of Western Australia Inc.
Committee's report
30 June 2021

The Committee present their report, together with the financial statements, on the incorporated association for the year ended 30 June 2021.

Committee members

The following persons were committee members of the incorporated association during the whole of the financial year and up to the date of this report, unless otherwise stated:

Trevor Whittington - Independent Chair - Re-appointed December 2020
David Bowyer - Treasurer - Appointed January 2021
Larry Jorgensen - CEO - Originally appointed May 2013 (Contract re-confirmed March 2021)
Robert Mann - Appointed October 2020
David Mazza - Appointed to 2nd Term October 2019
Mike Calneggia - Appointed to 1st term December 2019
Cameron Rhodes - Appointed to first term April 2021
Amanda Whiteland - Appointed to 1st term October 2019
Liz Mencil - Appointed to 2nd term October 2020
Tom Wisdom - Appointed to 2nd term October 2020
Ryan Gibbs - Appointed to 1st term October 2020
Garth Cliff - Appointed to 1st term October 2020
Ashley Lewkowski - Retired October 2020
Pippa Nielsen - Retired October 2020
Daniela Tonon - Retired October 2020
Robert Olde - Retired March 2021

Principal activities

During the financial year the principal continuing activities of the incorporated association consisted of:

- 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.

Operating Result

The deficit of the association after providing for income tax amounted to \$48,511 (Last year Surplus - \$100,119)

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

On behalf of the Committee



Name: Larry Jorgensen
Position: CEO
28 October 2021



Name: David Bowyer
Position: Treasurer
28 October 2021

DIRECTORS:

ROBERT CAMPBELL RCA, CA
VIRAL PATEL RCA, CA
ALASTAIR ABBOTT RCA, CA
CHASSEY DAVIDS RCA, CA

**AUSTRALIAN
AUDIT**



**AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF
WINE INDUSTRY ASSOCIATION OF WESTERN AUSTRALIA INC.**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2021 there has been:

- (i) no contraventions of the auditor independence requirements of the *Associations Incorporation Act 2015 (WA)*;
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

Dated this 3rd day of November 2021

Viral Patel, CA, CPA

Registered Company Auditor number 333615

Director

Australian Audit

DIRECTORS:

ROBERT CAMPBELL RCA, CA
VIRAL PATEL RCA, CA
ALASTAIR ABBOTT RCA, CA
CHASSEY DAVIDS RCA, CA

INDEPENDENT AUDITOR'S REPORT

To the members of Wine Industry Association of Western Australia Inc.

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Wine Industry Association of Western Australia Inc. (the Entity), which comprises the statement of financial position as at 30 June 2021, the statement of income and expenditure, statement of changes in equity and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies and the statement by the Members of the Committee.

In our opinion the accompanying financial report has been prepared in accordance with requirements of the *Associations Incorporation Act 2015 (WA)* including:

- a) giving a true and fair view of the Entity's financial position as at 30 June 2021, and of its financial performance and its cash flows for the period then ended; and
- b) complying with Australian Accounting Standards to the extent described in Note 1.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist the Entity to meet the requirements of the *Associations Incorporation Act 2015 (WA)*. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Report

Management is responsible for the preparation and fair presentation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Associations Incorporation Act 2015 (WA)* and the needs of the



members. The responsibility of Management also includes such internal control as management determines is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Yours faithfully,

Viral Patel, CA, CPA

Registered Company Auditor number 333615

Director

Australian Audit

Date: 3 November 2021

Wine Industry Association of Western Australia Inc.
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Grant and Project Income	3	874,512	631,749
APC Producer Grant Funding		232,000	267,300
Membership Fee		9,386	12,722
Cash Flow Boost		16,110	11,814
Interest Income		105	222
Wine Education Centre		7,928	2,045
		<u>1,140,041</u>	<u>925,852</u>
Total revenue		<u>1,140,041</u>	<u>925,852</u>
Expenses			
Grant Expenses	4	(142,215)	(101,651)
IWTG Expenses	5	(832,416)	(535,180)
Employee Benefit	6	(143,589)	(125,925)
Accounting Fee		(6,080)	(7,933)
Bank Fee		(1,188)	(911)
Insurance		(3,429)	(3,456)
Hospitality Expenses		(604)	(5,698)
Memberships		(4,752)	(4,751)
Representation and Consultants		(27,364)	(13,523)
Computer Maintenance and Supplies		(2,569)	(2,319)
Communication and PR		(1,556)	(1,101)
Occupancy		(6,695)	(5,545)
Administration		(2,184)	(5,389)
MV Allowance		(923)	(62)
Travel and Accommodation		(1,588)	(6,657)
Venue Hire and Meeting		(407)	(4,058)
WEC Expense		(5,233)	(1,373)
Other expenses		(5,718)	(198)
Finance costs		(42)	(3)
Total expenses		<u>(1,188,552)</u>	<u>(825,733)</u>
(Deficit)/Surplus for the year attributable to the members of Wine Industry Association of Western Australia Inc.			
	15	(48,511)	100,119
Other comprehensive income for the year		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the members of Wine Industry Association of Western Australia Inc.			
		<u>(48,511)</u>	<u>100,119</u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Wine Industry Association of Western Australia Inc.
Statement of financial position
As at 30 June 2021

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	7	285,561	592,788
Trade and other receivables	8	76,307	198,331
Total current assets		<u>361,868</u>	<u>791,119</u>
Non-current assets			
Property, plant and equipment	9	1,832	-
Intangibles	10	2	2
Total non-current assets		<u>1,834</u>	<u>2</u>
Total assets		<u>363,702</u>	<u>791,121</u>
Liabilities			
Current liabilities			
Trade and other payables	11	4,926	3,527
Contract liabilities	12	220,915	615,472
Borrowings	13	2,935	1,397
Provisions	14	30,757	18,045
Total current liabilities		<u>259,533</u>	<u>638,441</u>
Total liabilities		<u>259,533</u>	<u>638,441</u>
Net assets		<u>104,169</u>	<u>152,680</u>
Equity			
Retained surpluses	15	<u>104,169</u>	<u>152,680</u>
Total equity		<u>104,169</u>	<u>152,680</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Wine Industry Association of Western Australia Inc.
Statement of changes in equity
For the year ended 30 June 2021

	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2019	-	-	52,561	52,561
Surplus for the year	-	-	100,119	100,119
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	100,119	100,119
Balance at 30 June 2020	-	-	152,680	152,680
	Issued capital \$	Reserves \$	Retained profits \$	Total equity \$
Balance at 1 July 2020	-	-	152,680	152,680
Deficit for the year	-	-	(48,511)	(48,511)
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	(48,511)	(48,511)
Balance at 30 June 2021	-	-	104,169	104,169

The above statement of changes in equity should be read in conjunction with the accompanying notes

Wine Industry Association of Western Australia Inc.
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers		891,562	1,007,978
Payments to suppliers and employees		<u>(1,187,980)</u>	<u>(811,209)</u>
		(296,418)	196,769
Interest received		<u>104</u>	<u>222</u>
Net cash (used in)/generated from operating activities	18	<u>(296,314)</u>	<u>196,991</u>
Cash flows from investing activities			
Payments for property, plant and equipment	9	<u>(1,832)</u>	-
Net cash used in investing activities		<u>(1,832)</u>	-
Cash flows from financing activities			
Repayment of borrowings		1,538	(8,244)
Hire Purchase		<u>(10,619)</u>	<u>(12,549)</u>
Net cash used in financing activities		<u>(9,081)</u>	<u>(20,793)</u>
Net increase/(decrease) in cash and cash equivalents		(307,227)	176,198
Cash and cash equivalents at the beginning of the financial year		<u>592,788</u>	<u>416,590</u>
Cash and cash equivalents at the end of the financial year	7	<u><u>285,561</u></u>	<u><u>592,788</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The incorporated association has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

In the Committee's opinion, the incorporated association is not a reporting entity because there are no users dependent on general purpose financial statements.

These are special purpose financial statements that have been prepared for the purposes of complying with the Western Australian legislation the Associations Incorporation Act 2015 and associated regulations. The Committee has determined that the accounting policies adopted are appropriate to meet the needs of the members of Wine Industry Association of Western Australia Inc..

These financial statements have been prepared in accordance with the recognition and measurement requirements specified by the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') 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', AASB 1048 'Interpretation of Standards' and AASB 1054 'Australian Additional Disclosures', as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the incorporated association's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The incorporated association recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the incorporated association is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the incorporated association: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies (continued)

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Membership Fee

Revenue from the membership fee is recognised on receipt basis.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the incorporated association is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the incorporated association's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies (continued)

The incorporated association has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	40 years
Leasehold improvements	3-10 years
Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated useful life of the assets, whichever is shorter.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the incorporated association. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the incorporated association prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the incorporated association's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the incorporated association recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the incorporated association has transferred the goods or services to the customer.

Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 1. Significant accounting policies (continued)

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the incorporated association for the annual reporting period ended 30 June 2021. The incorporated association has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Fair value measurement hierarchy

The incorporated association is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Impairment of non-financial assets other than goodwill and other indefinite life intangible assets

The incorporated association assesses impairment of non-financial assets other than goodwill and other indefinite life intangible assets at each reporting date by evaluating conditions specific to the incorporated association and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

Note 3. Grant and Project Income

	2021	2020
	\$	\$
AGWA Regional program	30,415	45,091
Export Growth Partnership	99,829	-
Project - Growers Grant	26,002	56,560
IWTG Income Account	718,266	530,098
	<u>874,512</u>	<u>631,749</u>

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 4. Grant Expenses

	2021	2020
	\$	\$
AGWA Regional Program	30,415	45,091
Contractor fees - Growers Group	11,971	56,560
Export Growth	99,829	-
	<u>142,215</u>	<u>101,651</u>

Note 5. IWTG Expenses

	2021	2020
	\$	\$
Collaboration	-	14,752
Project Management	-	38,823
Product Development	5	85,973
Integrated Promotion	513,257	242,318
Scoop Project	-	110,250
Regional Support	319,154	43,064
	<u>832,416</u>	<u>535,180</u>

Note 6. Employee Benefit

	2021	2020
	\$	\$
Wages & Salaries Expenses	119,038	115,000
LSL Expense	16,321	-
Annual Leave Provision	(3,166)	-
Superannuation	11,396	10,925
	<u>143,589</u>	<u>125,925</u>

Note 7. Cash and cash equivalents

	2021	2020
	\$	\$
<i>Current assets</i>		
Cash at bank	<u>285,561</u>	<u>592,788</u>

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 8. Trade and other receivables

	2021 \$	2020 \$
<i>Current assets</i>		
Trade receivables	63,249	208,757
GST Receivable	13,058	(10,426)
	<u>76,307</u>	<u>198,331</u>

Note 9. Property, plant and equipment

	2021 \$	2020 \$
<i>Non-current assets</i>		
Office equipment - at cost	<u>1,832</u>	<u>-</u>

Note 10. Intangibles

	2021 \$	2020 \$
<i>Non-current assets</i>		
Prepaid APC Establishment	37,427	37,427
Less: Written down Expense on Prepaid APC Establishment	(37,426)	(37,426)
	<u>1</u>	<u>1</u>
Wines of WA Brand	19,477	19,477
Less: Accumulated amortisation	(19,476)	(19,476)
	<u>1</u>	<u>1</u>
	<u>2</u>	<u>2</u>

Note 11. Trade and other payables

	2021 \$	2020 \$
<i>Current liabilities</i>		
Trade payables	1,030	-
PAYG Withholding Payable	2,400	2,148
Superannuation Liability	1,496	1,379
	<u>4,926</u>	<u>3,527</u>

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 12. Contract liabilities

	2021	2020
	\$	\$
<i>Current liabilities</i>		
AGWA Regional Program	80,789	61,204
Growers Group Grant (R4R)	-	58,717
Growers Grants Industry Co-fun	-	17,285
Export Growth Partnership	140,126	60,000
IWTG	-	418,266
	<u>220,915</u>	<u>615,472</u>

Note 13. Borrowings

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Credit Card	2,935	1,397
Other payroll Liabilities	23,168	12,549
Salary Package - Novated Lease	(23,168)	(12,549)
	<u>2,935</u>	<u>1,397</u>

Note 14. Provisions

	2021	2020
	\$	\$
<i>Current liabilities</i>		
Annual leave	14,436	18,045
Long service leave	16,321	-
	<u>30,757</u>	<u>18,045</u>

Note 15. Retained surpluses

	2021	2020
	\$	\$
Retained surpluses at the beginning of the financial year	152,680	52,561
(Deficit)/Surplus for the year	(48,511)	100,119
Retained surpluses at the end of the financial year	<u>104,169</u>	<u>152,680</u>

Note 16. Constitutional Requirements

Under the Constitution, if the Association is wound up, any property of the Association that remains after satisfaction of the debts and liabilities of the Council and the costs, charges and expenses of that winding up, that property shall be distributed to another incorporated association having similar objects to those of Association for charitable or benevolent purposes. At the date of this report it would appear that there is no intent to have the Association wound up.

Wine Industry Association of Western Australia Inc.
Notes to the financial statements
30 June 2021

Note 17. Events after the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while it has been financially positive for the incorporated association up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the incorporated association's operations, the results of those operations, or the incorporated association's state of affairs in future financial years.

Note 18. Reconciliation of (deficit)/surplus to net cash (used in)/generated from operating activities

	2021	2020
	\$	\$
(Deficit)/Surplus for the year	(48,511)	100,119
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	145,508	(158,764)
(Decrease)/increase in trade and other payables	(11,465)	14,080
(Decrease)/increase in contract liabilities	(394,558)	241,114
Increase in employee benefits	12,712	442
Net cash (used in)/generated from operating activities	<u>(296,314)</u>	<u>196,991</u>

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



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	

28 June 2021

Brooke Beale
ERWSP Manager
Wine Australia

Dear Brooke,

Re: WA International Wine Tourism Grant Final Report

Please find following the final report for the WA International Wine Tourism Grant (IWTG). This includes a final budget summary of expenditure and reports on all projects undertaken.

The final expenditure totalled \$2,015,000.

The project included four pillars:

- 1. Collaboration:** Collaborate to better align regional wine tourism investment / programs
- 2. Product development:** Support continuous improvement of the WA wine tourism experience
- 3. Integrated promotion:** Grow visitor numbers and spend using integrated communication strategies
- 4. Regional support:** Develop data and tools to support wine tourism investment

We feel the remit of each of the above has been addressed, noting the ability to grow visitation numbers has not been possible over the previous 15 months. However, WA wine regions have maintained awareness in our key tourism regions (SE Asia/Hong Kong, UK and New Zealand) via digital and print media campaigns and online/virtual activations supported with product in-market. WA is well placed to grow visitation and spend when international travel re-commences.

The legacy of content, digital capacity and wine tourism product will benefit WA regions into the future. This will be further leveraged through greater collaboration in-region and intra-region.

Perhaps the most important legacy is the Wine Tourism Alliance which brings all regions together with Tourism WA, Regional Tourism Organisations regional stakeholders to continually drive product development and build the content and relationships they require to promote WA wine regions to international audiences.

Best regards,

Larry Jorgensen
Chief Executive Officer
Wines of WA



Trevor Whittington
Independent Chair
Wines of WA



David Bowyer
Treasurer
Wines of WA





Strategy	Comments	Expenditure
S1T1 - WoWA will support wine regions to grow international wine tourism and collaborate with state/national agencies and wine, food and tourism sectors to foster alignment.	<p>WoWA provided administrative/project management for all Grant activities for 36 months.</p> <p>This included:</p> <ul style="list-style-type: none"> - a dedicated resource on contract from June 2018 to June 2020 (\$50,000 total) - WoWA CEO and Independent Chair for duration of Grant (totalling 1248 hours @\$93.75 = \$117,000 as per project schedule) 	Allocated expenditure utilised noting WoWA CEO time from June 2020 to June 2021 provided in-kind as grant funding fully utilised. Estimate an additional \$36,000 provided in administrative support.
S1T2 - Establish a legacy for collaboration, this may include a WA wine/food/tourism alliance.	<p>The Wine Tourism Alliance (WTA) was established at the start of the Grant. See Terms of Reference here. The WTA is comprised of regional wine representatives, WoWA, Regional Development Commissions (SWDC), Regional and Local Tourism Organisations (RLTO) and Tourism WA (TWA).</p> <p>The WTA met nine times providing input and oversight of activities and will continue as the collaboration/engagement vehicle for WA wine producers and the above tourism stakeholders. WoWA CEO will meet with TWA, RLTO and SWDC in mid-June to discuss structure and Terms of reference for WTA going forward</p>	<p>Allocated expenditure utilised.</p> <p>Note all WTA participants provided time, travel/accommodation expenses in-kind.</p> <p>Average of 8 people/meeting at \$640 each = \$46080</p>
S1T3 - Develop an over-arching collaboration map identifying gaps, linkages and areas to align.	See collaboration map here	Allocated expenditure utilised



<p>S1T4 - Build greater collaboration across the regional wine tourism sector through alliances, partnerships and initiatives to deliver better experiences for wine tourists.</p>	<p>Completed through Australia's South West Project. Outputs ongoing and will continue into the future but specifically related to this strategy include:</p> <ul style="list-style-type: none"> - Review of audit finding to inform workshop format and specific areas of focus - Development of trade ready/bookable experiences in all regions. These featured in collateral outlined below. - Consumer brochure (The Wine Adventurer) featured on TWA consumer platform – see here - The Wine Adventurer (also translated to Mandarin and Japanese on the WoWA site here - The Wine Adventurer on the Scoop Digital site here - Trade/Media pack – see here - TripAdvisor campaign x 2 – see overview and results here of first campaign. Second campaign completes on 30 June. Note the hub is an evergreen site to be utilised by WA wine producers . - Engagement with trade and in-market TWA offices to build awareness of tools 	<p>Expenditure utilised via ASW project.</p>
<p>S1T5 - Foster inter-regional collaboration and develop in-region alliances to cross promote and extend wine tourism opportunities.</p>	<p>Completed through Australia's South West Project. Outputs ongoing and will continue into the future but specifically related to this strategy include:</p> <ul style="list-style-type: none"> - The Wine Adventurer 10-day itinerary across all eight WA wine regions - The Wine Adventurer trade/media kit - TripAdvisor campaign x 2 - UK promotion in the Times – see placement here 	<p>Allocated expenditure utilised</p>
	<p>A South West/Great Southern Development Commission led initiative which includes:</p> <ul style="list-style-type: none"> - In-bound trade group to 2019 Gourmet Escape in collaboration with TWA – see attendee list here and see itinerary here - 2021 Pinot Picnic festival in Southern Forests – see report here — Margaret River on Tour in Singapore. To be completed by 30 June. Cancelled due to Covid lockdown. Funding allocated to in-region provenance project to 	<p>Allocated expenditure utilised</p>



	<p>develop promotional collateral for international promotion of Margaret River as fine wine tourism destination. See summary here.</p> <ul style="list-style-type: none"> - Truffle Kerfuffle festival in Southern Forests. Deliver TK hampers with Wine Adventurer trade and consumer magazine to 90 key travel trade and media in Singapore. Report to be finalised after event (June 25 – 27 2021) - Support ETS implementation: speakers, VIP tickets, video live-streaming, project management. Awaiting final report. <p>Note that in the original strategy this was to be an in-bound program (as per Gourmet Escape group) but is now focused on implementing domestic events which are delivered virtually to international audiences. As per original strategy, target markets are Singapore/SE Asia.</p> <p>As a result of this realignment, S1T5/T7, S2T7 are delivered as an aggregated set of events/projects.</p>	
<p>S1T6 - Optimise regional wine tourism plans by aligning priorities across regions and supporting regional outcomes.</p>	<p>All eight regions undertook strategic planning supported by Grant funding. Acknowledge conducted workshops with seven (noting Margaret River was provided funding to undertake their own strategic planning process focused on communications/marketing) and produced strategic plans that were subsequently ratified by each region. See outputs here.</p>	<p>Allocated expenditure utilised.</p> <p>Note all strategic planning participants provided time, travel/accommodation expenses in-kind. Average of 9 people/meeting at \$800 each = \$57600</p>
<p>S1T7 - Identify international in-market and domestic in-region (eg. Ni Hao WA) promotional events/trade platforms and partner with agencies to gain international exposure for WA wine regions.</p>	<p>See comments above at S1T5</p>	



<p>S2T1 - Conduct an audit and gap analysis of WA's wine tourism regions to identify the capacity, investment priorities for international wine tourism readiness/commissionable product.</p>	<p>Three service providers were utilised to deliver this strategy:</p> <ul style="list-style-type: none"> - Tourism Research Australia conducted regional audits of the Great Southern and Swan Valley. A review of outputs determined that a greater focus at individual business level would be a better use of remaining funds - Wine Tourism Australia conducted an initial capacity building program and followed these up with mystery shopper reviews of wine tourism businesses in an opt-in process. Results were used to create business specific mentoring sessions. - Remaining funds were allocated to ASW project to inform workshop format and specific areas of focus. - see outputs here. 	<p>Allocated expenditure utilised.</p>
<p>S2T2 - Provide wine tourism experiences, sales skills and QA training and tools at cellar doors. This funding was re-allocated to Regional video series</p>	<p>Project delivered by IMG and WoWA (project management). Regional video series featuring James Halliday WA correspondent Erin Larkin and Fervor Foods founder Paul Iskov. Nine 3-minute videos (two for Margaret River) featuring food and wine experiences in a road trip/Wine Adventurer format were produced. Additional shorter clips for social media placement were also developed. See outputs here.</p> <p>Distribution to date:</p> <ul style="list-style-type: none"> - Distribution to all Regions - IMG in promotions for Gourmet Escape 2021 - Provided to TWA and RTO for use in promotions and social media 	<p>Allocated expenditure utilised.</p>
<p>S2T3 - Build a business case for innovative linked winery experience loyalty programs at cellar door, regional and state levels to drive visits. Re-allocated to ASW project.</p>		<p>Allocated expenditure utilised.</p>



S2T4 - Regional Activities: target in-region food festivals to better promote local regional wines, link events with wine media famils opportunities.	Delivered by SWDC and ASW project. Outputs include: <ul style="list-style-type: none"> - In-bound group for Gourmet Escape, visited all WA regions - Rob Geddes visit alignment to Pinot Picnic, visited all WA wine regions. - TWA food and wine promotional program into UK market – see detail here - TWA/WA Trade Office (WATO) support/promotion of Pinot Picnic in Singapore – see detail here - TWA/WATO support for ETS in Singapore and Malaysia - TWA/WATO support for Truffle Kerfuffle in Singapore and Malaysia 	Allocated expenditure utilised.
Margaret River Wine Region	Branding Video – “Breathless” see here.	Allocated expenditure utilised.
Geographe Wine Region	Development of resources for use in promoting the Geographe Wine Region. Utilising Wine Australia Wine Connect platform and Social Media Platforms, focus on promoting Geographe in the Singapore/UK market. Use collateral developed from Grant funding (ASW digital assets, images and regional video). To be completed.	Allocated expenditure utilised.
	Modernise the re-branding and signage of the Geographe Wine Region.	Allocated expenditure utilised.
	Develop Regional Branding Video, implementing activation in Singapore and UK via Wine Connect. To be completed	Allocated expenditure utilised.
Wine Industry Southern Forests	Photo/video library development and support, web development, social media (supporting the state-wide digital package).	Allocated expenditure partially utilised, noting that funding has been allocated across all three projects.
	Event Development in the Southern Forests. In partnership with the South West Development commission the Southern Forests Food Council, Local Tourism Organisation, create/implement/leverage culinary event festivals. Engagement of neutral wine professional hosts to converge food, wine and target group. This has been completed through: <ul style="list-style-type: none"> - Creation of Pinot Picnic, a regional festival focusing on regional varietal hero Pinot Noir and Southern Forests food and tourism experiences. See project reports here. 	Allocated expenditure utilised, noting that funding has been allocated across two projects



	<ul style="list-style-type: none"> - Leveraging Truffle Kerfuffle to feature Southern Forests via hampers to tourism trade/media and live streaming wine/truffle experience in Singapore 	
	<p>Increasing the Southern Forests Customer Experience Collaborative planning to grow international wine tourism. Funding not utilised to date. Re-allocated to TripAdvisor State Campaign</p>	Funding not utilised to date. Re-allocated to TripAdvisor State Campaign
Blackwood Region	Research and strategic planning to inform the development of wine tourism strategies, collateral (images, videos, media packs) and align with Local Tourism and ASW to promote region. See project plan here.	Allocated expenditure utilised.
Great Southern Wine Producers Association Inc	Develop resources to promote the Great Southern as a region for wine tourism: support state-wide development of a library of quality images/videos by ensuring quality Great Southern image content (S3T4). See library here.	Allocated expenditure utilised.
	<p>In-market promotions/Events in the Great Southern. Given travel restrictions, this was implemented through:</p> <ul style="list-style-type: none"> - support for events (Taste Great Southern) - promoting - wine tourism experiences via targeted social media/digital PR - Leveraging ETS to feature regional content via live-streaming into Singapore/Malaysia 	Allocated expenditure utilised.
S2T5 - Support tourism operators with current wine industry information, consistent key messages, regional narratives, translations.	<p>Delivered via ASW project. Outputs include:</p> <ul style="list-style-type: none"> - Consumer brochure (The Wine Adventurer) in English, Mandarin and Japanese featured on WoWA website, Scoop.com and TWA consumer platform – see here - Trade/Media pack – see here - TripAdvisor campaigns – see overview and results of first campaign here. Note the hub is an evergreen site to be utilised by WA wine producers . - Engagement with trade and in-market TWA offices to build awareness of tools 	Allocated expenditure utilised.



<p>S2T6 - Work with iconic WA foods and high profile chefs for endorsement of wine and food pairings to promote regional culinary tourism experiences and media coverage.</p>	<p>Delivered via ASW project. Outputs include:</p> <ul style="list-style-type: none"> - Consumer brochure (The Wine Adventurer) featured on TWA consumer platform – see links above - Trade/Media pack – see links above - TripAdvisor campaign –see links above. Note the hub is an evergreen site to be utilised by WA wine producers. - Engagement with trade and in-market TWA offices to build awareness of tools 	<p>Allocated expenditure utilised.</p>
<p>S2T7 - Create an annual international wine tourism event, alongside a wine technical symposium or international wine show event. Note that the ETS was scheduled to run alongside Emergence Creative, an existing regional festival but this was cancelled due to Covid lockdown related risks,</p>	<p>Note that the ETS was scheduled to run alongside Emergence Creative, an existing regional festival but this was cancelled due to Covid lockdown related risks. The event occurred over two days – 13/14 June. See event report here and event website here.</p>	<p>Allocated expenditure utilised.</p>
<p>S3T1 - Build and implement an integrated communication strategy to drive growth of WA wine and culinary tourism.</p>	<p>Delivered through strategic framework provided by Ian Thubron (see here) and ASW project which includes:</p> <ul style="list-style-type: none"> - The Wine Adventurer consumer magazine and trade/media kit - TripAdvisor campaigns - TWA UK wine/food activation see overview here 	<p>Allocated expenditure utilised.</p>
<p>S3T2 - Develop/support consistent messaging to promote WA wine regions to target markets, using Wine Australia geographical indicators. Regional wine and food experiences, assets.</p>	<p>This has been implemented by Scoop and the ASW project as below:</p> <ul style="list-style-type: none"> - Scoop utilising their international/national consumer data-base to feature WA wine and food events and regional/producer stories and events. Leverages the Localista guide and WoWA/Regional Wine Association digital platform. See report here. - ASW outputs including The Wine Adventurer, TWA UK wine and food activation - Regional events including Pinot Picnic, Taste Great Southern, Truffle Kerfuffle and ETS - Further integration with TWA/RTO marketing campaigns will evolve develop as markets open for travel. 	<p>Allocated expenditure utilised.</p>
<p>S3T3 - Partner with a provider to develop a comprehensive suite of fully integrated digital</p>	<p>Completed by Scoop Digital, the platform now includes:</p> <ul style="list-style-type: none"> - See WoWA website for entry point to platform here 	<p>Allocated expenditure utilised.</p>



marketing tools using the latest technologies to promote WA wine tourism across multiple platforms.	<ul style="list-style-type: none"> - the WoWA, Swan Valley, Margaret River, Blackwood Valley, Geographe and Great Southern websites. All sites utilise the Localista Guide (see here) - The platform has mapping and trip building technology and a suite of digital marketing tools. All of the platform is translated to Mandarin. - Note that all 350+ WA producers are now listed in the guide. Only 150 were listed on ATDW when the project started. Localista now links to ATDW and monthly feeds/updates ensure that WA wine tourism products. - See project overview here 	
S3T4 - Identify gaps then partner to develop a digital portfolio of images, video, fact sheets to support media, regional promotion, events, publications, web content.		
	Winery content creation / editing / translation (\$300 each) Completed by Scoop	Allocated expenditure utilised.
	Image / video library shoot / coordination completed by ASW, Regions and IMG Regional Video. Note that all collateral is currently being consolidated into media library. To be completed by 30 June 2021. See ASW developed collateral here.	Allocated expenditure utilised.
	Branding / copywriting / translation for industry websites completed by Scoop	Allocated expenditure utilised.
	Creation of ancillary region-specific content completed by Scoop	Allocated expenditure utilised.
	Content distribution and integration (100+ sites)	Allocated expenditure utilised.
S3T5 - Identify key points of influence for international visitors and implement attraction strategies (airports, in-market media coverage etc.).	<p>Joint project with TWA to develop and deliver a unique international tourism wine experience offering, leading with the Margaret River brand and building exposure for all WA wine regions. See strategy here with list of activities below:</p> <ul style="list-style-type: none"> - 2019 Gourmet Escape In-bound (in partnership with SWDC as noted above) - Tasting Australia with Aiden Quinn featuring Margaret River here and Great Southern here - IMG Regional Videos as noted above see here 	Allocated expenditure utilised.



	<ul style="list-style-type: none"> - OMD was not implemented because of Covid (was scheduled for March-April 2020). Replaced with TripAdvisor and TWA UK activation noted above - Qantas Magazine mixed media campaign see project summary here 	
S3T6 - Explore in-market retail opportunities for promotion/product delivery: visit WA collect wine on return.	Project completed by RooLife concurrently with S4T2. See link to report below at S4T2	Allocated expenditure utilised.
S4T1 - Invest in accessing existing and new research and share information to inform regional wine tourism investment decision making.	Linked to S4T6, noting research on current international tourism trends will need to focus on largely unknown factors. Project to be completed by Stepladder Consulting and will utilise current research on emerging trends to develop a road-map for future investment and product development. Focus will be on regional champions identified in ASW project and on leveraging the assets and linkages to TWA developed by ASW project and other grant activities. See project scope here.	Allocated expenditure utilised
S4T2 - Conduct a supply chain feasibility program for improved/more economical wine delivery options for visitors.	Project completed by RooLife. Note further work/support for other projects delivered including Pinot Picnic/ETS. See report here.	Allocated expenditure utilised.
S4T3 - Enhance the consumer value of wine tourism using digital/social media metrics to identify popular attributes of wine tourism and create actual and perceived value for international wine tourists using digital tools.	Scoop Digital provides regular reports on website traffic through the WA wine platform and its broader network. See report at S3T3.	Allocated expenditure utilised.
S4T4 - Identify/negotiate air travel partners for in-market promotion and packaging of wine and culinary tourism options.	Given lack of air traffic into WA, this activity has been re-allocated to ASW project focusing on tourism trade, TWA/WATO in-market offices and promotions. Link to RooLife Perth Airport app will be leveraged as travel recommendations	Allocated expenditure utilised.



S4T5 - Identify and build a cohort of regional wine tourism champions/leaders to advocate for continuous improvement. Create a virtual creative cluster to support regular contact.	Delivered by ASW. Trade bookable wine tourism experiences have been established in each region and will be utilised as regional champions to lift awareness of travel trade/media, consumers and to lift regional aspirations.	Allocated expenditure utilised.
S4T6 - Manage ongoing monitoring and evaluation of international wine tourism initiatives across regions to inform future investment.	See summary of evaluation with recommendations for further actions to drive development of wine tourism capacity across all WA wine regions.	



19 July 2021

Wine Export Growth Partnership: 'WA Wines to the World' ANNUAL REPORT 2020 - 2021

Overview

WA WINES TO THE WORLD is an industry led \$6 million 5-year program running from July 2021 with 50% matched funding support provided by the Department of Primary Industries and Regional Development (DPIRD). Co-contribution can be from any industry organisation including, but not limited to, Wine Australia, Wines of WA (WOWA), regional associations and wine exporting levy payers (wine producers).

Prior to the commencement of the program, Hydra Consulting was engaged to work with an Industry Steering Group appointed by WOWA to establish the program to undertake the following services:

- Act as a face of the project to build relationships, identify opportunities for funding and sector relationships
- Confirmation of participating partners
- Export resource matrix development
- Confirm/validate target markets
- Preferred supply chains identification
- Create and initiate a market development and communications strategy

In addition, as the engagement of Hydra Consulting was a deliberate effort to accelerate the commencement of the program, \$115,000 was released to early launch activations once it was clear that there were opportunities that should be urgently addressed.

Outcomes

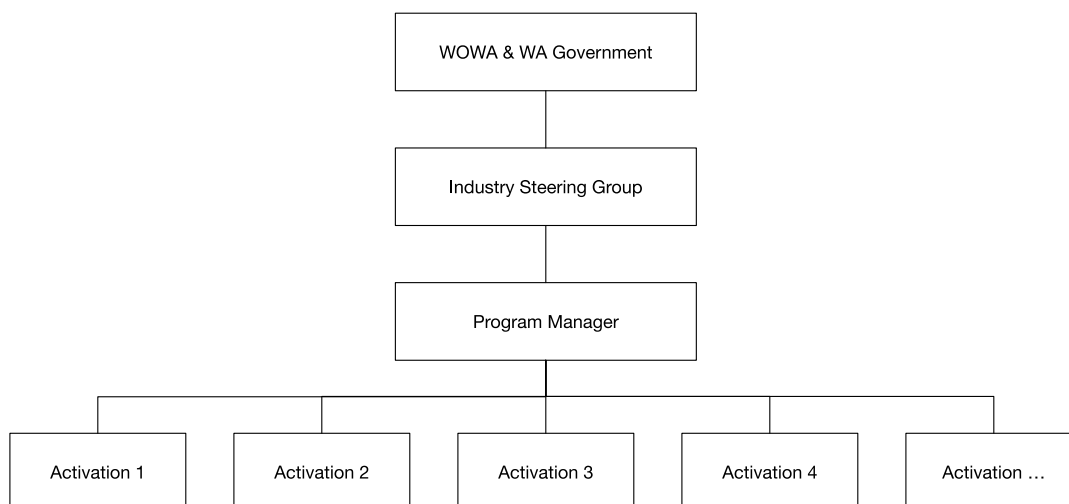
To date WA WINES TO THE WORLD has achieved the following:

- Development of the program through consultation/engagement with industry and stakeholders at all levels – including wine producers, regional associations, WOWA, Wine Australia, Australian Grape & Wine, Department of Primary Industries and Regional Development (DPIRD) which includes South West and Great Southern Development Commissions, WA Govt Trade Offices, Austrade/TradeStart, Tourism WA and private sector service providers.
- Confirmation of 65 participating industry partners at July 7, 2021 with capacity to provide matched funding. This number is continuing to grow as more producers become aware of the program structure and approach to participation.
- Development of the WA Wine Exportal at www.winexportal.info, a website for program participants that currently provides a collation of industry and government resources for exporters, plus information and registrations of interest for all program activations.
- Confirmation and validation of six primary target markets.
- Preferred supply chains identification.
- Created and initiated a market development and communications strategy as a series of activations and a flexible participation model.
- Accessed additional funding through sponsorship for maintaining/upgrading web resources.
- Accessed additional funding through the Entrepreneurs' Programme for US market entry training and resources.

Program structure

The overall delivery model for WA WINES TO THE WORLD is industry participation in a series of activations that are agreed by the Industry Steering Group on an annual basis. These collaborative export market activations are available to any Western Australian wine producer to participate in. Some of these are national activations in which WA WINES TO THE WORLD is enabling a high level of WA participation and influence.

The governance of the program is through an Industry Steering Group appointed by WOWA and the WA Government. The 7-person Industry Steering Group is responsible for overseeing the program, ensuring the whole of the WA wine sector is engaged, and appointing and overseeing the Program Manager, as shown below.



Details of activities

INDUSTRY ENGAGEMENT

Industry engagement activities have included:

1. A WA industry-wide [engagement survey](#) to identify participants, preferred markets, preferred channels and preferred activations – this has been used to build the initial email lists, as a primary input into market identification, selection of preferred supply chains and market activations design.
2. Information sessions about the program (held in Perth, Albany and via Zoom).
3. Dedicated program EDM's through WOWA, as well as EDM's via regional associations and stakeholder organisations.
4. Continuous engagement by the Program Manager with a range of WA, Australian and international stakeholders including wine producers, regional associations, Wine Australia, Australian Grape & Wine, DPIRD, WA Govt Trade Offices, Austrade/TradeStart, Tourism WA and private sector service providers.

The engagement survey asked participants to identify themselves, commit to the program and state preferences for target markets, sales channels and market activations. We have received 65 survey responses from 62 wine producers and 3 regional wine associations. The survey is ongoing and results are being updated as we add new participants to the program.



A detailed summary of responses can be found via the link above. Note that there is good alignment between the survey results and Hydra Consulting's recommendations arising from the Export Market Analysis and Supply Chain Analysis.

WA WINE EXPORTAL

An online resource for Western Australian exporters was established at www.wineportal.info. At launch it contained information for exporters to improve their export journeys and access a range of industry and government resources. It has since been updated to include information about all activations being developed under WA WINES TO THE WORLD. In addition, sponsorship has been obtained from Hillebrand to support keeping the website active and continuously updating and maintaining the information provided to producers.

EXPORT MARKET ANALYSIS

Hydra Consulting has undertaken a detailed Export Market Analysis, based on matching the Western Australian (WA) wine industry with export market opportunity, taking into consideration such factors as producer size, premium pricing, key varietals grown etc. We have taken WA's top 15 export markets by value (using Wine Australia export data for the 12-month period to 30 September 2020) and analysed each against the following criteria:

- Overall market size and volume of Australian wines exported
- Value of WA wine exports, specifically >\$7.50/L AUD FOB
- Export growth performance over the short term (12 months) and long term (5 years)
- WA's % share of total Australian exports (low share = opportunity)
- Level of market participation (number of WA levy payers active within an export market)
- Whether it is a key tourism market for the state/regions
- Whether it is a KOL/influencer market (comprising high profile international wine media)
- Focus markets for primary stakeholders – Wine Australia, Austrade and DPIRD
- Ease of doing business re regulatory and cultural environment
- Preferential tariffs and FTAs in place, and
- Political stability.

Note that, whilst we originally worked on the basis of export data for the 12-month period to 30 September 2020, the figures were checked and adjusted (where material to outcome) against data for the period ending 31 December 2020.

No weightings were applied to the above criteria, as this was considered too subjective, but a simple tally of the final results has been presented to initially 'score' the export markets. That said, China has been immediately dismissed as a potential market given the significance of the temporary tariffs applied, overall political tensions/instability and the government imperative to find alternative export markets.

SUPPLY CHAIN ANALYSIS

Hydra Consulting concurrently conducted a detailed Supply Chain Analysis, to identify the following:

- Most significant sales channels
- Viable alternative sales channels
- Trade, consumer and influencer engagement and activation opportunities
- Specific problems and solutions that exist for each particular market, and
- Examples of key buyers/operators.

It was important that we consider the supply chain directly alongside target markets, especially in the context of COVID-19 and the increased significance of off-premise channels, the meteoric rise of online/eCommerce models, new ways of engaging (more directly) with trade and consumers, challenges with conventional transport, as well as new approaches to logistics, distribution and fulfillment.

APAC MARKET 'DEEP DIVE'

Considering the large number of markets initially identified as potential targets (8), it became clear that we needed to dig deeper to ultimately refine the list and focus resources. At the same time, we felt that emerging APAC markets could represent a unique opportunity for WA wines for the following reasons:

- Smaller emerging markets are less competitive, therefore WA Wines to the World could potentially make a bigger impact in such markets.
- Ability to achieve better return on investment, as a result of the above.
- Ability to work directly with Austrade in priority APAC markets (where considerable investment is being focused through the government's Agribusiness Expansion Initiative).

Given the above, Hydra Consulting has taken a 'deep dive' into the 12 top performing APAC markets (including the 5 Asian markets identified as potential targets in the Export Market Analysis). Here we looked specifically at the following (>\$7.50/L AUD FOB):

- WA wine exports by \$/L
- WA wine exports by 4 key varieties (SBS/SSB, Cabs/blends, Shiraz/Syrah and Chardonnay)
- WA wine exports by 2 key red varieties (Cabs/blends plus Shiraz/Syrah)
- Australian wine exports overall and looking specifically at Cabs/blends, and
- Export growth performance over the short term (12 months) and long term (5 years).

Here we focused on red wine performance, given the need to find alternative market(s) for reds previously destined for China. When looking at Australian export performance in these markets, we narrowed in on Cabernet Sauvignon and its blends purely because of relevance to WA's specific strengths.

FINALISATION OF TARGET MARKETS

The Industry Steering Group subsequently identified the following markets as the priority markets and allocated budgets for 2021/22 as follows. Hong Kong is identified as a target market, but the preferred activation will not be available until 2022/23 so is deferred until that time. Other APAC markets are identified for potential ad hoc activations in the short term.

Market / Description	Total Budgeted Spend	Net Program Cost	Budgeted Net Cost % of Total	Budgeted Share of Spend
Global (relates to all markets)	\$126,390	\$63,195	50%	10.49%
United Kingdom (UK)	\$429,924	\$211,515	49%	35.10%
United States of America (USA)	\$407,051	\$203,525	50%	33.77%
Japan	\$15,224	\$7,612	50%	1.26%
Singapore	\$185,900	\$92,950	50%	15.42%
Canada	\$47,751	\$23,876	50%	3.96%
Hong Kong	\$0	\$0	NA	0.00%
APAC/Other	\$0	\$0	NA	0.00%
TOTAL	\$1,212,240	\$602,673	50%	100.00%



MARKET DEVELOPMENT & COMMUNICATIONS PROGRAM

The market development and communications strategy has been created as a series of activations. The following description documents have been prepared and are linked:

1. [Global market activations](#)
2. [USA market activations](#)
3. [UK market activations](#)
4. [Japan, Hong Kong, Singapore and Canada market activations](#)

The activations have been specifically designed around the existing availability of WA wines in markets and positioning of WA wines in those markets. There are program design elements covering existing exporters, new-to-market opportunities, premiumisation of the WA category, on-trade, off-trade and eCommerce channels and consumer engagement. The off-trade propositions range from specialty retailers to major chains.

PRE-PROGRAM ACTIVATIONS

In addition to identifying 2021/22 activations, we brought forward \$115,000 expenditure into 2020/21 to get the program off to an early start. The early activations commenced before July 1, 2021 and are either underway or complete:

1. Obtaining access and providing support for up to 10 companies to enter Wine Australia's US Market Entry program – commenced.
2. Development of Australian Wine Discovered educational program for the Great Southern Region contracted to Wine Australia – underway.
3. Australian Wine Connect Regional Features for each of Margaret River, Great Southern and Geographe through Wine Australia – booked and commenced.
4. Australian Wine Connect Curated Collections for Margaret River, Great Southern and Geographe – booked and commenced.
5. Australian Wine Connect expo space subsidy for up to 32 WA producers – commenced.
6. Procurement of Wine Intelligence global consumer data for WOWA and communicating to producers – commenced.
7. Initiation of the development of educational assets for the whole of Western Australia by Hydra Consulting and external writers – initiated.
8. A 2-page feature advertorial in Harpers Wine & Spirit (UK trade publication), featuring WA International Wine Competition winners – completed.

CAPABILITY DEVELOPMENT

With additional funding support from the Entrepreneurs' Programme, we were able to provide tailored US market entry/familiarisation training for 16 companies either participating in Wine Australia's US Market Entry Program or who were interested in entering the US market in the next 12 months. Training was delivered via 4 separate Zoom workshop sessions of 2 hours each and participants were provided with extensive support materials post workshop.