



Riverina
WINE GRAPES
MARKETING BOARD

WINE GRAPES MARKETING BOARD

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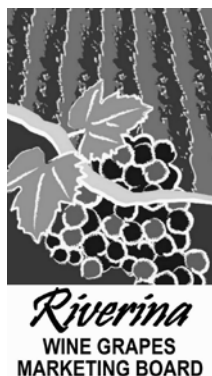
ANNUAL REPORT 2019

City of Griffith and Local Government
Areas of Leeton, Carrathool and Murrumbidgee.

Serving
Riverina
Winegrape
growers
since
1933

WINE GRAPES MARKETING BOARD

Annual Report for 2019



Wine Grapes Marketing Board

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Telephone: 02 6962 3944
Facsimile: 02 6962 6103
Email: board@wgmb.net.au
Website: www.wgmb.net.au
www.riverinawinegrapes.com.au

Board Executive

Chairman

Bruno Brombal
Mobile: 0429 630 465

Deputy Chairman

Robert Bellato
Mobile: 0408 477 210

Staff

Chief Executive Officer

Brian Simpson
Mobile: 0438 388 828
Email: bsimpson@wgmb.net.au

Extension Officer

Brian Bortolin
Mobile: 0401 567 449
Email: bbortolin@wgmb.net.au

Office Manager

Julie McMahon
Email: jmcMahon@wgmb.net.au

Annual General Meeting

Wednesday 24th June 2020
Yoogali Club
YOOGALI NSW 2680
Commencing at 7:00pm

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Wine Grapes Marketing Board 2020 Budget

31	2020 Consolidated WGMB Budget
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Letter to the Minister

9th March 2020

The Hon. Adam Marshall, MP
Minister for Agriculture and Western New South Wales
NSW Parliament House
SYDNEY NSW 2000

Dear Minister

The Wine Grapes Marketing Board, on behalf of all wine grape growers in the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee, has pleasure in presenting the report for the year ended December 31st 2019 for tabling in the NSW Parliament.

This 86th Annual Report on performance, activities and financial results has been prepared in accordance with provisions of the *Annual Reports (Statutory Bodies) Act 1984*, and the *Public Finance and Audit Act 1993*.

Yours sincerely



Bruno Brombal
Chairman

Chief Executives' Report - Brian Simpson

Welcome to the Wine Grapes Marketing Board's 2019 Annual Report of its operations and financial position. This report contains a copy of the minutes of the previous Annual General Meeting that was held Wednesday 26th June 2019 for your information.

In 2019 the Board introduced its Strategic Operations Plan 2020 - 2024 in accordance with the NSW Government's requirements under the *Agricultural Industry Services Act 1998*. Copies of this plan were sent to all growers in October 2019 prior to the meeting to approve the Plan and the 2020 budget and the statutory fees and charges to be applied in 2020.

The 2019 season for growers in the Riverina yielded 323KT (329KT in 2018) of winegrapes were harvested at a regional average purchase price of \$478 (\$399 in 2018). White winegrapes averaged \$385 (an 11% increase on the prior year) and red winegrapes \$586 (a 26% increase on the prior year) according to *Wine Australia's 2019 National Vintage Price Dispersion Report*.

The NSW Government review of the Board operations which began in 2017 continued but has been delayed with findings due to be reported following the NSW Elections in 2019. The delay has continued to be impacted by a major review of the winegrape industry conducted by the ACCC. The Board is still waiting the formal outcome of the Review by the NSW Government, 2.5 years after it commenced.

Please note that the 2020 financial budget has been amended slightly from that which was present in the 2020-2024 Strategic Plan of Operations to comply with Audit requirements. No material change to expenditure has been recorded.

The Board would like to thank those growers that attend the public meetings of the organisation.

Statutory Compliance

The following information is provided to comply with the reporting procedure and prescribed content of the *Annual Reports (Statutory Bodies) Act 1984*.

Application for Extension of Time

The Board did not apply for an extension of time to publish its Annual Report for 2019.

Charter of the Board

The Wine Grapes Marketing Board is an NSW Agricultural Industry Services Committee formed in accordance with the *Agricultural Industry Services Act 1998* under the *Agricultural Industry Services Regulation 2015, Part 2*.

Agricultural Industry Services of the Board

- (a) the development of a code of conduct for contract negotiations between wine grape growers and wineries,
- (b) the development of draft contract provisions with respect to the sale of MIA wine grapes to wineries, including provisions with respect to:
 - (i) The prices to be paid by wineries, and
 - (ii) The terms and conditions of payment to be observed by wineries,in relation to MIA wine grapes delivered to them by wine grape growers,
- (c) the promotion of private contracts for sales of MIA wine grapes to wineries by wine grape growers,
- (d) the collection and dissemination of market and industry information, including the production and publication of indicator prices for MIA wine grapes grown in the Board's area of operations,
- (e) the conduct of research and development into plant health in relation to wine grapes,
- (f) the provision of education and training in relation to wine grape production and marketing,
- (g) the promotion (in association with organisations representing wineries) of wine made from MIA wine grapes,
- (h) the promotion of region industry, including regional winemaking, within the Board's area of operations,
- (i) the representation of the wine grape industry in relation to the matters referred to in paragraphs (a) – (h).

The Board services the requirements of the independent winegrape producers that produce greater than 20 tonnes of winegrapes within its area of operation, The City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee.

Access

The office is located at 182 Yambil Street Griffith NSW.

Telephone: 02 6962 3944; Email: board@wgmb.net.au

Websites: www.wgmb.net.au

www.riverinawinegrapes.com.au

The Board office is open 5 days per week 8:30am-5:00pm Monday – Friday (excluding public holidays and the Christmas and New Year period).

Management & Structure

The Board consists of seven members, five of whom are elected by winegrape growers and two appointed by the elected members of the Board.

Elected members' terms cease 29 November 2021.

The appointed members' terms were due to cease February 2020, advertising was undertaken for the vacancy's and in January 2020 a decision was made to reappoint Dom Schirripa and appoint Steven Barbon to commence duties 3 February 2020.

Board Members during 2019

- Bruno Brombal (Chairman - Executive)
- Robert Bellato (Deputy Chair - Executive)
- Bruno Altin
- Frank Alampi
- Dom Schirripa (appointed)
- Tony Baggio
- Kirsten Dal Broi (appointed)

Meetings of the Board

During the 12 months to 31 December 2019 there were 12 general meetings and 2 public meetings of the Board.

The Board holds its general meetings the second Monday of each month at a time of the day that suits the seasonal operations of individual members of the Board.

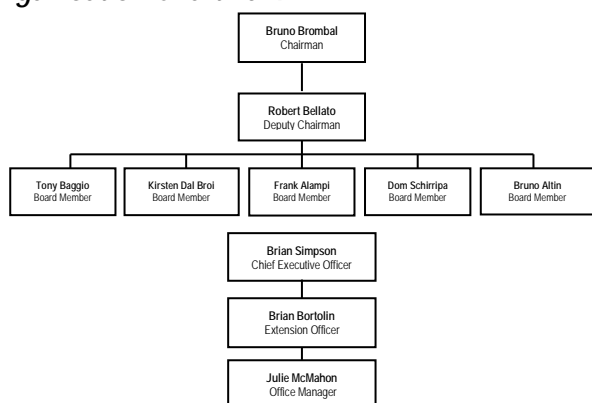
Public Meetings held in 2019 were the Annual General Meeting (June) and the Strategic Planning and Budget setting meeting (November).

Board Member Meeting Attendance

The following table shows the number of Board meetings held that were available for Board members to attend. Attendance of general and special meetings are noted and the overall percentage attendance of each member. Members' absences were due to approved leave, sickness or other personal commitments.

Member	Meetings attended	Number of meetings	%
Bruno Brombal	14	14	100%
Robert Bellato	11	14	79%
Tony Baggio	10	14	71%
Bruno Altin	14	14	100%
Dom Schirripa	11	14	79%
Frank Alampi	14	14	100%
Kirsten Dal Broi	12	14	86%

Organisation Chart 2019



Board Staff

From 1 Jan 2019 - 31 Dec 2019 staff members were:

- *Chief Executive Officer* - Brian Simpson
 - commenced employment June 2000
- *Extension Officer* – Brian Bortolin
 - Commenced employment January 2017
- *Office Manager* – Julie McMahon
 - Commenced employment October 2015

Summary Review of Operations

There were no significant programs or operations undertaken by the Board during 2019.

Funds Granted to Non-Government Community Organisations

There were no funds donated in 2019.

Legal Change

There was no legal change to the organisation during 2019.

Economic or Other Factors

The Board enters into agency agreements with grape processors to deduct statutory fees and charges from grower payments and forward these to the Board. The agency agreements were well adopted in 2019 with the Board being required to pay 5% (+ GST) of the \$3.90 per tonne to the wineries \$41,265 (\$42,929 in 2018).

Management & Activities

A review of the strategic operations of the Board was conducted by the Board during 2019. This was presented to growers in the *WGMB Strategic Operations Plan 2020-2024 and Operating Budget for 2020* publication, which was made available to all growers. The Plan was adopted at a meeting of growers held in November 2019 at which time the rate for the Board's grower fees and charges was set (\$3.90 per tonne fresh weight) no GST applies to the fee.

Research & Development

The Board did not undertake any specific research and development in 2019.

Human Resources

During 2019 the Board employed 3 permanent staff.

1 FTE x Chief Executive Officer (CEO)

1 FTE x Extension Officer (EO)

0.8 FTE x Office Manager (OM)

Standard personnel policies and practices are in place with all positions being contracted and conditions of employment are in line with national industrial relations policies and practices.

All permanent staff members are engaged on 1-year contracts ending December each year.

Consultants and Research Payments

The Board engaged the services of 2 accountants regionally based that were appointed by the NSW Government in accordance with the *Agricultural Industry Services Act 1998* to act as Authorised Inspectors for the Board for the purposes of ensuring completeness of revenues.

Mr Daniel Davidson, Senior Auditor, HMA Twomey Patterson Audit Pty Ltd, Wagga Wagga NSW.

Mr Collin Harris, Miller Crawford Accounting Services, Wagga Wagga, NSW.

- Authorised Inspections fees 2019 - \$0 (*\$0 in 2018*)

The Board was satisfied that it received reports totalling the sum of all winegrapes produced in the region.

A total of five (5) consultants were engaged in 2019 costing a total of \$7,261 (*\$4,050 in 2018*) excluding GST. The costs include:

- Management Resource Plus – HACCP \$ 1,081
- Correct Food Systems \$ 4,248
- Marketing Solutions Griffith \$ 932
- MIA Valuers \$ 1,000
- Matilla Advisory Services \$ 2,000

Equal Employment Opportunity

The Board did not set any planned outcomes for the previous year in relation to EEO. The Board follows EEO principles when advertising, interviewing and selecting staff.

Total Permanent staff:	3
Percent Women:	33%
Percent Men:	66%

Disability Plans

The Board is not required per *NSW Public Sector Management Act Sch. 1-3* to instigate a disability plan.

Land Disposal

No disposal of property or land occurred within the 2019 Financial Year.

A revaluation of the property and land occurred as at December 2019 as per NSW Audit Office Agents request. Another revaluation will occur in 2022 for the purposes of financial reporting.

Promotion

In 2019 the Board contributed \$27,655 (*\$29,610 in 2018*) in funding to the following functions and promotional activities:

- Riverina Winemakers Assoc. \$20,000
- Griffith City Council Promotions \$ 4,700
- Purchase of Promotional Items \$ 1,851
- Leeton Shire Council Promotions \$ 200
- Datatrax – Tourism Touchscreens \$ 682
- Riverina Wine Collective \$ 222

Sponsorship

In 2019 the Board sponsored the following activities:

- Riverina Field Days \$12,000

Consumer Response

No formal complaints were received from grower's members or the general public in relation to Board activities.

Payment of Accounts

The details of financial performance for each quarter re shown in the following table, it does not include payments to employees, returns to growers, Board members, superannuation funds and the Australian Taxation Office. The Board aims to make 100% of payments to creditors within the terms of payment set out by suppliers.

Number of Days	1 st quarter	2 nd quarter	3 rd quarter	4 th quarter
0-30 days	\$129,124	\$30,919	\$62,862	\$97,783
30-60 days	-	-	-	-
60-90 days	-	-	-	-
90+ days	-	-	-	-
\$ Total	\$129,124	\$30,919	\$62,862	\$97,783
% target	100%	100%	100%	100%
% actual	100%	100%	100%	100%

Time for Payment of Accounts

There were no instances of interest payable on late payment of accounts.

Risk Management & Insurance Activities

The Board is currently insured for members and staff liability and professional indemnity. All assets are insured to their replacement value.

The Board's internal policy on purchasing is for all asset purchases to be recorded on the assets register.

Internal Audit and Risk Management Policy Attestation

On 21st January 2013 the Board received an exemption from the requirements of TPP 09-05.

The Board annually reviews the policies and procedures in place to ensure proper controls in relation to assets, liabilities, receipts and expenses in accordance with *Public Finance and Audit Act, Section 11*.

Disclosure of Controlled Entities

The Board does not have any controlled entities.

Disclosure of Subsidiaries

The Board does not have any subsidiaries.

Multicultural Policies and Services Program

Located in the ethnically diverse Riverina region of NSW, the Board represents fairly and equally the interests of all winegrape growers irrespective of their country of origin. Board members and staff are sensitive to the cultural, social and religious differences of people of varying backgrounds.

All constituted growers within the area of the Board's jurisdiction have the opportunity to contribute to the administration of the Board and the policies by which it functions. They are encouraged to vote at Board elections and meetings as a means of registering their opinion of Board performance, and question decisions and policies. All views are assessed for their constructiveness without bias to race.

The Board is committed to the principles of multiculturalism and will continue its strategies as outlined in the above paragraphs.

Agreements with Community Relations Commission

There are no agreements entered into between the Board and the Community Relations Commission.

Workplace Health & Safety

No reports of work-related injuries or illnesses were received during the year. There are no proceedings under the *Workplace Health and Safety Act 2011*.

Waste

The Board does not have a written waste reduction policy. All paper that contains information of a non-confidential nature is recycled within the office and then disposed. All cardboard is sent to a recycling centre.

All confidential material is securely shredded and disposed off-site.

Numbers of Executive Officers

The Board currently has one Chief Executive Officer and the position is not receiving a remuneration package greater than or equal to Senior Executive Service level.

Public Access of Information

The Board reviewed its public access policy and publication guide in accordance with *Government Information (Public Access) Act 2009, Section 7, Clause 3*, at its general meeting held in December 2019.

During 2019 the Board received 46 formal requests for information (65 in 2018) under the provisions of the *Government Information (Public Access) Act 2009*. These related directly to growers' own farm details held by the Board (farm maps). No charges or fees were

requested for requests and these were completed within 24 hours of application.

No applications were refused by the Board.

Public Interest Disclosures

No public interest disclosures were made by members of staff or the Board.

No public interest disclosures were received by the Board. The Board does not have a Public Interest Disclosure policy.

All staff are aware of their role in relation to public interest disclosures.

Electronic Service Delivery

Wine Grapes Marketing Board internet site www.riverinawinegrapes.com.au continues to host Board newsletters.

The Board uses email and SMS to communicate with growers during the growing season. Information on meetings and activities are also sent via SMS to growers wishing to receive these.

During 2019 the Board's website www.wgmb.net.au analytics failed and did not record any visitors. In 2020 the Board redeveloped the website with revised tracking codes (5,972 visitors in 2018).

Publication Guide

In accordance with the NSW Office of the Information Commissioner under the *Government Information (Information Commissioner) Act 2009* the Board published a Guide to all material that it publishes and how members and the general public can access this. A copy of the Publication Guide is located on the Board's website and was updated and approved by the Board in December 2019.

Appointed Auditors

The NSW Audit Office appointed Johnsons MME from Albury as its agent for the 2019 Audit.

Annual Reports

The Board produced 350 copies of this Annual Report to enable it to be sent to all constituents and to comply with statutory requirements. Annual reports cost \$5.99 per copy + GST, these were printed locally (\$5.96 + GST in prior year).

Financial Year of the Board

1st January to 31st December.

Riverina Wine Grapes Marketing Board

2018 Annual General Meeting

Minutes of the Meeting held 26th June

2019 commencing at 8:05pm

Yoogali Club, Yoogali NSW 2680

Attendance

30 Constituted Growers:, Jack Torresan, Eric Berton, Glen Bavaresco, Pio Foscari, Tim Bavaresco, Bruno Brombal (Chairman), Bob Bellato (Deputy Chair), John Dal Broi, Kirsten Dal Broi (Board Member), Dom Schirripa (Board Member), Frank Alampi (Board Member), Bruno Altin (Board Member), Mario Arcifa, Lenny Panarello, Giulio Toscan, Agostino Cristafaro, Lawrence Minato, Lawrence Pellizer, John Strano, Mario Foscari, Mitchel Strano, Ross Vecchio, Peter Cremasco, James Cremasco, Pat Sergi, Brian Bortolin (Extension Officer), Mario Foscari, Mitch Bianchini, Sam Mancini, Anthony Vitucci.

Non-Voting attendees: Ezio Arcifa, Valma Berton, Wendy Toscan, Anna Pellizer, Anne Bortolin, Nathan Arcifa, Leo Arcifa, Gloria Brombal, Elda Bavaresco, Judith Bianchini, Steven Torresan, Angelo Bordin.

Board Staff: Brian Simpson (Chief Executive Officer), Julie McMahon (Office Manager),

Guest Speaker: Jim Caddy Chair Inland Wine Regions Alliance

Apologies: Chris Pastro, Steven Barbon, David Rossetto, Joe Maugeri, Tony Baggio (Board Member), Peter Raccanello, Leo De Paoli.

1. Minutes of the previous Annual General Meeting

Copies of the minutes had been included in the Annual Report for 2018 for members.

That the minutes be accepted as a true and accurate record of 27th June 2018 meeting -

MOVED: Eric Berton

SECONDED: John Strano CARRIED

1.1 Business Arising from the Minutes

No business was raised from the previous minutes.

2. Chairman's Report – Bruno Brombal

The Chair welcomed the Mayor of Griffith John Dal Broi and guest speaker Jim Caddy to the meeting.

Major variety tonnages and their comparison with the prior year were discussed with the Board noting that the crop in 2019 was down only 2% on the previous year.

Prices for some fruit is still below cost of production which is disappointing given the market growth. With the temporary price of water sitting at \$500 per ML forward sale for the next season growers may have other options.

The Chair urged growers to discuss pricing with their wineries, negotiate in groups of as individuals. There is a predicted shortage of wine grapes in 2020.

Reminded members of the issues associated with grape spillage in the region. Sought feedback from members if the road signage funded by the Board was assisting. Members agreed that it was and it would be a continued part of the Board's operations.

The review of the Board is still ongoing and is now linked to the timing of the ACCC inquiry into the industry. Thanked those members that attended the meetings held with the ACCC.

Asked growers if they had read the market analysis information that was provided to members at the Riverina Field Day in in the Vine Chat newsletter.

That the Chairman's reported be accepted -

MOVED: Mario Arcifa

SECONDED: Peter Cremasco CARRIED

3. Financial Report – Brian Simpson CEO

The CEO presented the income and expenditure statements as per the Annual Report for 2018. The Board financial position remained in a sound position for 2018. The Board recorded a moderate financial surplus whilst returning to growers an amount of \$1.00 per tonne on fees to growers. Growers were referred to the Annual Report for further detail.

The budget for 2019 is based on the approved levy of \$3.90 per tonne on 220,000 tonnes.

That the Annual Report for 2018 be adopted -

MOVED: Ezio Arcifa

SECONDED: Eric Berton CARRIED

4. General Business

4.1 ACCC Inquiry into the winegrape industry

Members were provided with a review of the inquiry that the ACCC is conducting and the details of the interim report.

Growers raised a number of points in relation to winery colour assessment behaviour and payments.

Chairman Bruno Brombal sought growers' views on the proposed 30-day payments being recommended by the ACCC.

Members agreed that we should aim for 30-day payments and not allow wineries to change payments year by year.

Members also agreed that quality standards should be set in the contract and abide by a standard that is agreed to by industry and ratified by government.

4.2 Guest Speaker – Jim Caddy Chair Inland Wine Regions Alliance

Jim provided members with a thorough overview of the market conditions for Australian winegrapes with a particular focus on China and its value to the inland regions.

5. Other Business

5.1 RMS Heavy Vehicle Meeting in Narrandera.

There was a meeting held in Narrandera recently relating to heavy vehicles. The Board were asked to seek further information.

5.2 Grape Spillage

Members agreed that evasive action by truck drivers caused more spillage than poor driving skills.

5.3 Water Market

Growers advised that the price of temporary water needs to be made clear to wineries and how these relate to winegrape price in the future.

Being no further business, the meeting was declared closed at 9:3pm.

Bruno Brombal CHAIRMAN

NEW SOUTH WALES



An interesting year for the New South Wales wine and wine grape industry. In some senses, we have had a strong year with growth in exports (value) and a strong collegiate industry. We continue to make progress with our relationship with the NSW State Government. On the other side, we have had the recent trio of Drought, Fire and Smoke that has led to a reduced crop in 2020 and also a drop off in tourism across regional NSW. At the time of writing, much is being done to support the wine & wine grape industry. The NSWWIA has produced a Regional Recovery Action Plan in Jan 2020 seeking government support across Tourism, Drought, Fire and Smoke.

The Action Plan aims to:

Accelerate investment in Regional NSW to restart the visitor economy across the State;

Reshape NSW's Emergency Drought Relief Packages to include grape and wine producers;

Assist producers to deal with the unprecedented impact of the bushfire emergency is having an unprecedented impact on the state's wine crop.

Highlights of the year:

- The continued implementation of the ERWSP State Tourism grant (\$2m)
- A strong R.D & E platform including the much stronger emphasis on Biosecurity
- The first year of the NSW Wine Awards being judged and presented at the ICC Sydney (who have just announced that their wine list is now 100% from NSW)
- A new president for the NSWWIA with **Mark Bourne** taking over from Tom Ward.
- Increased membership and revenue and stronger communications with our members.
- Working with members, regional and federal bodies on a number of industry issues such as the ACCC study into Wine Grape Pricing

Angus Barnes, Executive Officer and Mark Bourne, President, NSW Wine Industry Association



INDEPENDENT AUDITOR'S REPORT

Wine Grapes Marketing Board

To Members of the New South Wales Parliament

Opinion

I have audited the accompanying financial statements of Wine Grapes Marketing Board (the Board), which comprise the Statement of Profit and Loss and Other Comprehensive Income for the year ended 31 December 2019, the Statement of Financial Position as at 31 December 2019, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, notes comprising a Statement of Significant Accounting Policies and other explanatory information.

In my opinion, the financial statements:

- give a true and fair view of the financial position of the Board as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (PF&A Act) and the Public Finance and Audit Regulation 2015.

My opinion should be read in conjunction with the rest of this report.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Board in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Other Information

The Board's annual report for the year ended 31 December 2019 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The members of the Board are responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Members of the Board.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

The Board's Responsibilities for the Financial Statements

The members of the Board are responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the PF&A Act and for such internal control as the members of the Board determine is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements the members of the Board are responsible for assessing the Board's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. The description forms part of my auditor's report.

My opinion does *not* provide assurance:

- that the Board carried out its activities effectively, efficiently and economically
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

A handwritten signature in black ink, appearing to read 'SML'.

Min Lee
A/Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

11 March 2020
SYDNEY

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
Carrathool and Murrumbidgee

STATEMENT BY MEMBERS OF THE BOARD

Pursuant to Section 41C of the *Public Finance and Audit Act 1983*, and in accordance with a resolution of the members of the Wine Grapes Marketing Board for the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee, we declare on behalf of the Board that in our opinion:

1. The accompanying financial statements exhibit a true and fair view of the financial position of the Wine Grapes Marketing Board as at 31 December 2019 and its transactions for the year then ended.
2. The statements have been prepared in accordance with the provisions of *the Public Finance and Audit Act 1983*, and the *Public Finance and Audit Regulation 2015*, and the Treasurer's directions.

Further, we are not aware of any circumstance which would render any particulars included in the financial statements to be misleading or inaccurate.



Bruno Brombal
Chairman



Robert Bellato
Deputy Chairman

Dated this day the 9th March 2020

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
Carrathool and Murrumbidgee

STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31 December 2019

31/12/18		Note	31/12/19
\$			\$
	INCOME		
14,259	Other Income	2	7,126
40,971	Interest		44,332
30,000	Grants	3	-
635,233	Fees and Charges on Growers	4	613,503
75	Gain on Sale of Assets		4,390
720,538	TOTAL INCOME		669,351
	EXPENDITURE		
17,129	Audit Fees		17,445
1,291	Bank Fees		1,160
54,328	Board Fees, Allowances & Superannuation		54,491
2,471	Consultancy Fees		9,261
44,292	Depreciation		41,540
8,457	Fringe Benefits Tax		11,367
181,228	Other Administration Expenses	5	177,337
272,563	Salaries, Wages & Superannuation		274,965
31,221	Subscriptions		53,967
7,598	Travelling expenses		15,713
1,459	Employees Leave Entitlements		4,367
29,610	Promotion		27,655
651,647	TOTAL EXPENDITURE		689,268
68,891	SURPLUS/(DEFICIT) FOR THE YEAR		(19,917)
	- OTHER COMPREHENSIVE INCOME		-
	<i>Items that will not be reclassified subsequently to Profit and Loss:</i>		
	- Revaluation increment for Property, Plant and Equipment		121,965
68,891	TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		102,048

The Statement of Profit and Loss and Other Comprehensive Income is to be read in conjunction with the notes to and forming part of the financial statements.

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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STATEMENT OF FINANCIAL POSITION
as at 31 December 2019

31/12/18	CURRENT ASSETS	Note	31/12/19
\$			\$
650,945	Cash & Cash Equivalents	6	124,082
25,506	Trade and Other Receivables	7	44,247
1,300,000	Investments	8	1,800,000
15,110	Prepayments	9	16,115
<u>1,991,561</u>	Total Current Assets		<u>1,984,444</u>
	NON-CURRENT ASSETS		
694,701	Property, Plant & Equipment	10	818,106
<u>694,701</u>	Total Non-Current Assets		<u>818,106</u>
<u>2,686,262</u>	TOTAL ASSETS		<u>2,802,550</u>
	CURRENT LIABILITIES		
61,181	Trade and Other Payables	11	71,055
32,007	Employee Benefits	12	35,013
<u>93,188</u>	Total Current Liabilities		<u>106,068</u>
	NON-CURRENT LIABILITIES		
1,027	Employee Benefits	12	2,387
<u>1,027</u>	Total Non-Current Liabilities		<u>2,387</u>
<u>94,215</u>	TOTAL LIABILITIES		<u>108,455</u>
<u>2,592,047</u>	NET ASSETS		<u>2,694,095</u>
	EQUITY		
212,405	Reserves	13(a)	334,370
2,379,642	Retained Earnings	13(b)	2,359,725
<u>2,592,047</u>	TOTAL EQUITY		<u>2,694,095</u>

The Statement of Financial Position is to be read in conjunction with the notes to and forming part of the financial statements.

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2019

31/12/18	Note	31/12/19
\$		\$
RESERVES		
	Asset Revaluation Reserve	
212,405	Balance on 1 January	212,405
-	Net increase on revaluation of land & buildings	121,965
212,405	Balance on 31 December	334,370
 RETAINED EARNINGS		
2,310,751	Balance on 1 January	2,379,642
68,891	Surplus/(Deficit) for the year	(19,917)
2,379,642	Balance on 31 December	2,359,725
 TOTAL EQUITY		
2,592,047		2,694,095

The Statement of Changes in Equity is to be read in conjunction with the notes to and forming part of the financial statements.

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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STATEMENT OF CASH FLOWS
for the Year Ended 31 December 2019

31/12/18 Inflows (Outflows) \$	Note	31/12/19 Inflows (Outflows) \$
CASH FLOWS FROM OPERATING ACTIVITIES		
RECEIPTS		
860,473	Wineries & Growers	825,591
33,000	Grants Received	-
36,891	Interest Received	29,831
6,040	Other	5,745
936,404		861,167
PAYMENTS		
(326,793)	Employee Benefits	(329,494)
(274,115)	Payments to Suppliers	(307,280)
(221,214)	Payments to Growers	(212,666)
(822,122)		(849,440)
NET CASH PROVIDED BY OPERATING		
114,282	14	11,727
ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
824	Proceeds from Sale of Fixed Assets	54,772
(21,985)	Payments for Property, Plant & Equipment	(93,362)
-	Payments (proceeds) for Investments	(500,000)
(21,161)	NET CASH USED IN INVESTING ACTIVITIES	(538,590)
NET INCREASE/(DECREASE) IN CASH AND CASH		
93,121	EQUIVALENTS	(526,863)
557,824	Cash & cash equivalents at 1 January	650,945
650,945	Cash & cash equivalents at 31 December	124,082
	6	

The Statement of Cash Flows is to be read in conjunction with the notes to and forming part of the financial statements.

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Wine Grapes Marketing Board (the Board) is domiciled in Australia.

The financial statements were authorised for issue by the Board on 9th March 2020.

Statement of Compliance

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards adopted by the Australian Accounting Standards Board ("AASB"), and in compliance with Section 41B of the *Public Finance and Audit Act 1983*.

The financial statements are for the Wine Grapes Marketing Board as an individual entity.

Not-for-profit status

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with International Financial Reporting Standards (IFRS) requirements. The Board has analysed its purposes, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate the Board has elected to apply options and exemptions within AIFRS that are applicable to not-for-profit entities.

Basis of Preparation

All amounts are rounded to the nearest dollar and are expressed in Australian currency.

The financial statements have been prepared on an accruals basis and is based on historical costs and does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of consideration given in exchange for assets.

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the Wine Grapes Marketing Board.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Changes in Accounting Policies

The following new accounting standards have been adopted for the first time from 1 January 2019:

AASB 15 - Revenue from Contract with Customers

This standard introduces a new model for revenue recognition, based upon the transfer of control rather than the transfer of risks and rewards and replaces AASB 118 *Revenue*. The implementation of this new standard did not materially impact the revenue recognition of any current year or prior year comparative revenue balances.

AASB 1058 - Income of Not-for-Profit Entities

This standard applies to not for profit entities and applies to the recognition of income transactions that are not contracts with customers. The implementation of this new standard did not materially impact the revenue recognition of any current year or prior year comparative revenue balances.

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Changes in Accounting Policies (continued)

AASB 16 - Leases

The core change resulting from applying AASB 16 is that most leases will be recognised on the balance sheet by lessees, as the Standard no longer differentiates between operating and finance leases. The Board has not entered into any lease contracts according the implementation of this new standards has had no impact.

As the above new standards have had no impact on prior year comparative balances there have been no changes to prior year comparative balances.

Other than the accounting policy changes detailed above there have been no further changes in accounting policies adopted for the financial year.

(a) Property, Plant & Equipment

Land and buildings are recorded at their fair value, being the amount for which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the Board to have an independent valuation of land and buildings every three years, with annual appraisals being made by directors.

Plant and equipment are stated at cost less accumulated depreciation (see below) and impairment losses. Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Increases in the carrying amount arising from the revaluation of land and buildings are credited to the asset revaluation reserve, except to the extent that the increase reverses a prior year decrement for that class of asset that has been recognised as an expense, in which case the increase is recognised as revenue up to the amount of the expense. Decreases in the carrying amount arising from the revaluation of Land & Buildings are recognised as an expense, except to the extent that prior increases are included in the asset revaluation reserve, in which case the decrease is debited to the asset revaluation reserve to the extent of remaining increases.

Depreciation

Depreciation is charged to the statement of profit and loss and other comprehensive income on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives in the current and comparative periods are as follows:

Class of Fixed Asset	Depreciation Rate
Buildings	2.5%
Motor Vehicles	20%
Research Equipment	10% - 30%
Office Equipment	6.667% - 40%
Computer Equipment	20% - 50%

Generally, physical assets with a cost of less than \$500 are expensed in the year of acquisition. However, the Board has determined that all items of research, computer and office equipment which are easily transportable, be capitalised regardless of the cost of acquisition.

See Note 10.

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Financial Instruments

Financial instruments, with the exception of trade receivables, are initially recognised at fair value plus or minus transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition financial instruments are measured at amortised cost.

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market and are stated at amortised cost using the effective interest rate method. All receivables at balance date are current and a provision for impairment has been raised for expected credit losses.

(c) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and term deposits with maturity dates of less than 3 months. Bank overdrafts that are repayable on demand and form an integrated part of Wine Grapes Marketing Board's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income is discussed in note 1(h).

(d) Trade and other receivables

Trade and other receivables are stated at cost less impairment losses. Collectability of receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off.

(e) Impairment

The carrying amounts of the Board's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the statement of profit and loss and other comprehensive income, unless an asset has been previously revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through the statement of profit and loss and other comprehensive income.

(f) Employee Benefits

A provision is made for the Board's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and long service leave which will be settled after one year, have been measured at amounts expected to be paid when the liability is settled plus related on costs. Other employee benefits payable later than one year have been measured at the present value of estimated future cash flows to be made for those benefits.

Contributions are made by the Board to an employee superannuation fund and are charged as expenses when incurred.

(g) Trade and other Payables

Payable amounts represent liabilities for goods and services provided to the Board. Trade and other payables are stated at their amortised cost.

(h) Revenue

Fees and Charges on Growers

Fees and charges on growers is measured at the fair value of the consideration received or receivable after taking into account any fees and charges returned to growers. There are no specific performance obligations to be met by the Board in respect to these statutory fees and charges, accordingly this revenue is recognised when the right to raise these fees and charges has arisen, being in the financial year in which the related wine grapes are produced.

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue (continued)

Interest Revenue

Interest revenue is recognised on an accrual basis taking into account the interest rates applicable to the financial assets.

Grant Revenue

For grant revenue where there is an enforceable contract, revenue is recognised when identified performance obligations are met. Where there is no enforceable contract or specific identified performance obligations revenue is recognised when control of the contribution is obtained. Control is normally obtained upon receipt.

Other Revenue

Other revenue is recognised at fair value when performance obligations are met. In most cases this is at a point in time when the related goods or services have been provided.

(i) Income Tax

The Board is exempt from income tax.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of the goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of the GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(k) Accounting Standards issued but not yet effective

A number of Australian Accounting Standards have been issued or amended since the last reporting date and are applicable to the entity but are not yet effective. The Board has assessed the impact of these amendments and they are immaterial to the entity. They have not been adopted in the preparation of the Financial Statements at balance date.

(l) Board Activities

The Board is not involved in the buying or selling of winegrapes. In 2015 the Board sought winery adoption of Agency Agreements that they could enter into annually to agree to deduct and forward to the Board statutory fees and charges at a cost to the Board of 5% + GST.

The Board sought the appointment of Authorised Inspectors in accordance with the *Agricultural Industry Services Act 1998* to obtain information from purchasers that did not sign into an Agreement with the Board.

The details of production obtained through this process allow the Board to individually invoice grape producers for the statutory fees and charges when required.

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Fair Value of Assets and Liabilities

The Board measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

In addition, the Board determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

NOTE 2: OTHER INCOME

	31/12/18		31/12/19
	\$		\$
2,711		Reimbursements	91
1,498		Sales	773
532		Sample testing	1,609
750		DPI Vine watch reporting	2,750
8,768		Other	1,903
14,259			7,126

NOTE 3: RESTRICTED FUNDS - RESEARCH FUND

In 2018 the Board received funding from Riverina Local Land Services to investigate bird control measures in the region, namely the Common Starling. The figures shown below are net of GST.

	31/12/18		31/12/19
	\$		\$
-		Balance on 1 January	19,335
30,000		Riverina Local Land Services Bird Program Funding	-
30,000			19,335
10,665		Research Outlays/Program Outlays	396
19,335		Balance at 31 December	18,939

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 4: FEES & CHARGES ON GROWERS

For the 2019 vintage the fees and charges rate was approved by a formal motion of members at \$3.90 per tonne (2018 \$3.90 per tonne was approved, \$2.90 paid following a rebate) being for fresh weight of wine grapes for the purpose of funding the grower approved budget, activities and services of the Board. Charges on growers represent the grower contribution to Board services and activities via the statutory charge.

In late 2019 the Board proposed to its members to return to growers on 2019 production an amount of \$1.00 per tonne on the fees and charges received in 2019 due to an increase in production above budget and surplus funds in its accounts (2018: \$1.00 per tonne returned).

A number of growers received a return of \$3.90 per tonne in 2019 as they produced less than 20 tonnes in the year (101.89 tonnes total - \$397 returned) and in accordance with the legislation are not defined as a constituted grower. The Board is also holding funds from prior year returns to growers that have been hard to locate and contact.

One winery paid to the Board statutory fees and charges on production that was winery fruit and therefore not a constituted grower. The funds totalling \$109 were returned directly to the winery.

The following table shows the fees and charges received and returned during the year:

31/12/18		31/12/19
\$		\$
	- Fees and charges paid by growers (2019 production)	824,334
856,447	Fees and charges paid by growers (2018 production)	1,835
	Levies returned (non-constituted growers) \$3.90 per tonne	
(261)		(397)
(508)	Levies returned \$1.50 per tonne on the 2017 vintage	(519)
(220,445)	Levies returned \$1.00 per tonne on the 2018 vintage	(266)
	- Levies returned \$1.00 per tonne on the 2019 vintage	(211,484)
635,233	NET RECEIPTS Levies Retained	613,503

Fees and charges are recognised at a point in time as opposed to over time. All fees and charges relate to a single operating segment being wine grape growers in the Murrumbidgee irrigation area, accordingly no further disaggregation of this revenue has been disclosed.

No revenue has been recognised in the reporting period from performance obligations satisfied in previous periods nor is there any revenue yet to be recognised in respect to unsatisfied performance obligations (2018: Nil).

At year end there are no contract assets or contract liabilities recognised from contracts with customers (2018: Nil).

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 5: OTHER ADMINISTRATION EXPENSES

Details of the components of this item are as follows:

31/12/18		31/12/19
\$		\$
42,929	Agency Fees	41,265
12,738	Accountancy	13,580
7,855	Advertising, Printing & Stationery	11,999
9,732	Computer Expenses	7,484
1,637	Conferences & Seminars	3,183
14,626	Industry Functions	15,019
15,391	Insurance	14,963
567	Legal Fees	-
9,628	Motor Vehicle Expenses	10,438
15,830	Office Expenses	14,291
15,407	Postage, Telephone & Facsimile	15,191
3,337	Rates	3,368
3,281	Research & Development Function	3,831
10,910	Research Project Payments	5,000
1,750	Reimburse ChemCert Training	1,350
12,000	Sponsorship	12,000
	Staff Training	198
3,610	Sundry	4,177
181,228		177,337

NOTE 6: CASH & CASH EQUIVALENTS

31/12/18		31/12/19
\$		\$
49,048	Administration Account	39,400
601,897	Grower Payments Cheque Account	84,682
650,945		124,082

Refer to note 3 for details of restricted funds.

NOTE 7: TRADE AND OTHER RECEIVABLES

Amounts owing to the Board at 31 December 2019 comprise:

31/12/18		31/12/19
\$		\$
-	Trade Debtors	550
8,243	GST Receivable	11,933
17,263	Accrued Income	31,764
25,506		44,247

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 7: TRADE AND OTHER RECEIVABLES (continued)

Provision for Expected Credit Losses

Current trade and term receivables are non-interest bearing loans and generally on 30-day terms. Trade and term receivables are assessed for recoverability based on the underlying terms of the contract. A provision for impairment is recognised for expected credit losses. These amounts have been included in the other expenses item.

Movement in the provision for expected credit losses is as follows:

31/12/18		31/12/19
\$		\$
	- Opening Balance	-
	- Amount written off	-
-		-

NOTE 8: INVESTMENTS

31/12/18		31/12/19
\$		\$
400,000	Suncorp Bank Term Deposit 605832217	-
400,000	Suncorp Bank Term Deposit 123747875	-
500,000	Suncorp Bank Term Deposit 167456867	-
-	- Suncorp Bank Term Deposit 170050873	400,000
-	- Suncorp Bank Term Deposit 170050474	400,000
-	- Suncorp Bank Term Deposit 170050164	500,000
-	- Suncorp Bank Term Deposit 550042471	500,000
1,300,000		1,800,000

NOTE 9: PREPAYMENTS

31/12/18		31/12/19
\$		\$
15,110	Insurance	16,115
15,110		16,115

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 10: PROPERTY, PLANT & EQUIPMENT

	31/12/18			31/12/19
	\$			\$
		Land & Buildings		
		Freehold Land at:		
	240,000	- independent valuation 31 December 2016	-	
	-	- independent valuation 31 December 2019	320,000	
	<u>240,000</u>		<u>320,000</u>	
		Buildings at:		
	380,949	- independent valuation 31 December 2016	-	
	(18,467)	Less accumulated depreciation	-	
	-	- independent valuation 31 December 2019	408,000	
	-	Less accumulated depreciation	(27)	
	<u>362,482</u>		<u>407,973</u>	
	<u>602,482</u>	Total Land & Buildings	<u>727,973</u>	
	63,588	Office Equipment - at cost	63,588	
	(53,048)	Less: Accumulated Depreciation	(55,434)	
	<u>10,540</u>		<u>8,154</u>	
	77,228	Motor Vehicles - at cost	80,162	
	(18,046)	Less: Accumulated Depreciation	(6,739)	
	<u>59,182</u>		<u>73,423</u>	
	23,960	Computer Equipment - at cost	23,960	
	(19,595)	Less: Accumulated Depreciation	(21,786)	
	<u>4,365</u>		<u>2,174</u>	
	122,402	Research Equipment - at cost	122,402	
	(104,270)	Less: Accumulated Depreciation	(116,020)	
	<u>18,132</u>		<u>6,382</u>	
	<u>92,219</u>	Total Plant & Equipment	<u>90,133</u>	
	<u>694,701</u>	Total Property, Plant & Equipment	<u>818,106</u>	

(a) Land and buildings were revalued by John Carbone, AAPI Certified Practicing Valuer as at 31 December 2019 on the basis of current market value. These assets are classified as Level 2 under the market based direct comparison approach.

MOVEMENT IN CARRYING AMOUNTS - 2018

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2018	594,872	33,338	13,218	74,628	1,702	717,758
Acquisitions	16,949	-	-	-	5,036	21,985
Depreciation	(9,339)	(14,456)	(2,678)	(15,446)	(2,373)	(44,292)
Disposals	-	(750)	-	-	-	(750)
Balance at 31 December 2018	602,482	18,132	10,540	59,182	4,365	694,701

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 10: PROPERTY, PLANT & EQUIPMENT (continued)

MOVEMENT IN CARRYING AMOUNTS - 2019

WDV	Land & Buildings \$	Research Equipment \$	Office Equipment \$	Motor Vehicle \$	Computer Equipment \$	Totals \$
Balance at 1 January 2019	602,482	18,132	10,540	59,182	4,365	694,701
Acquisitions	13,200	-	-	80,162	-	93,362
Revaluation	121,965	-	-	-	-	121,965
Depreciation	(9,674)	(11,750)	(2,386)	(15,539)	(2,191)	(41,540)
Disposals	-	-	-	(50,382)	-	(50,382)
Balance at 31 December 2019	727,973	6,382	8,154	73,423	2,174	818,106

NOTE 11: TRADE AND OTHER PAYABLES

	31/12/18	31/12/19
	\$	\$
	17,140	19,029
Trade Creditors		
	52	2,677
GST Payable		
	5,381	5,343
PAYG Withholding		
	35,572	40,533
Accruals		
	3,026	1,094
Grower Fees & Charges		
	10	2,379
Credit Cards		
	<u>61,181</u>	<u>71,055</u>

NOTE 12: EMPLOYEE BENEFITS

CURRENT

	31/12/18	31/12/19
	\$	\$
	26,745	33,453
Provision for Annual Leave		
	5,262	1,560
Provision for Long Service Leave – current		
	<u>32,007</u>	<u>35,013</u>

NON-CURRENT

	31/12/18	31/12/19
	\$	\$
	1,027	2,387
Provision for Long Service Leave		
	<u>1,027</u>	<u>2,387</u>

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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 13: EQUITY

(a): RESERVES

31/12/18		31/12/19
\$		\$
212,405	Opening balance	212,405
-	Net increase/(decrease) on revaluation of land & buildings	121,965
212,405		334,370

(b): RETAINED EARNINGS

31/12/18		31/12/19
\$		\$
2,310,751	Retained earnings at the beginning of the financial year	2,379,642
68,891	Surplus/(Loss) for the year	(19,917)
2,379,642	Retained earnings at the end of the financial year	2,359,725

Revaluation Reserve

The revaluation reserve relates to land and buildings measured at fair value in accordance with Australian Accounting Standards.

NOTE 14: RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES TO OPERATING RESULT

31/12/18		31/12/19
Inflows		Inflows
(Outflows)		(Outflows)
\$		\$
68,891	Surplus/(Deficit) for the year	(19,917)
	Adjustments for:	
44,292	Depreciation	41,540
(75)	(Gain)/Loss on Sale of Assets	(4,390)
14,587	(Increase)/Decrease in Receivables	(4,240)
(4,081)	(Increase)/Decrease in Accrued Income	(14,502)
(11,974)	Increase/(Decrease) in Payables	9,873
1,459	Increase/(Decrease) in Employee Entitlements	4,367
1,183	(Increase)/Decrease in Prepayments	(1,004)
114,282	Net Cash provided by operating activities	11,727

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 15: FINANCIAL INSTRUMENTS

(a) Significant Accounting Policies

Financial assets and liabilities are recorded at the amount due and payable.

(b) Interest Rate Risk

The Wine Grapes Marketing Board's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rate on those financial assets and financial liabilities, is as follows:

2018	Effective Interest Rate	Variable Interest \$	Fixed Interest Rate			Non-Interest Bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial Assets							
Bank	1.00%	650,945	-	-	-	-	650,945
Term Deposits	2.73%	-	1,300,000	-	-	-	1,300,000
Trade and Other Receivables	-	-	-	-	-	17,263	17,263
		650,945	1,300,000	-	-	17,263	1,968,208
Financial Liabilities							
Payables		-	-	-	-	55,748	55,748
	N/A	-	-	-	-	55,748	55,748

2019	Effective Interest Rate	Variable Interest \$	Fixed Interest Rate			Non-Interest Bearing \$	Total \$
			Less than 1 year \$	1 to 5 years \$	More than 5 years \$		
Financial Assets							
Bank	0.25%	124,082	-	-	-	-	124,082
Term Deposits	2.47%	-	1,800,000	-	-	-	1,800,000
Trade and Other Receivables	-	-	-	-	-	32,314	32,314
		124,082	1,800,000	-	-	32,314	1,956,396
Financial Liabilities							
Payables		-	-	-	-	63,035	63,035
	N/A	-	-	-	-	63,035	63,035

WINE GRAPES MARKETING BOARD
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 15: FINANCIAL INSTRUMENTS (Continued)

(c) Credit Risk

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial instruments is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

At balance date there were no significant exposures to credit risk. The maximum exposure to credit risk is represented by the carrying value of each financial asset in the statement of financial position.

(d) Net Fair Value

All Financial Assets and Liabilities are not traded on organised markets in standardised form. Net fair value is determined with reference to, and as a result is not materially different from the carrying amounts of the assets and liabilities in the statement of financial position determined in accordance with the accounting policies disclosed above.

The fair values together with the carrying amounts shown in the statement of financial position are as follows:

Fair Values	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	2018	2018	2019	2019
	\$	\$	\$	\$
Financial Assets				
Cash and Cash Equivalents	650,945	650,945	124,082	124,082
Trade and other Receivables	17,263	17,263	32,314	32,314
Other Investments	1,300,000	1,300,000	1,800,000	1,800,000
Financial Liabilities				
Trade and other Payables	55,748	55,748	63,035	63,035

(e) Estimation of Fair Values

Securities

Fair value is based on quoted market values at the balance sheet date without any deductions for transaction costs.

Trades and Other Receivables / Payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables / payables are discounted to reflect fair value.

NOTE 16: COMMITMENTS

There was no capital and operating lease commitments as at 31 December 2019 (2018: nil).

NOTE 17: CONTINGENT LIABILITIES

The Board is not aware of any contingent liabilities as at the date of signing off the accounts (2018: nil).

NOTE 18: SEGMENT REPORTING

The Board is based in Griffith, NSW. It derives its income via fees and charges on constituted growers of winegrapes producing greater than 20 tonnes within the City of Griffith and the Local Government Areas of Leeton, Carrathool and Murrumbidgee.

WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 19: RELATED PARTY TRANSACTIONS

During the 2019 Financial Year there were no material related party transactions, other than those noted in Note 20 which were conducted at arm's length.

NOTE 20: KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Board, either directly or indirectly. The key management personnel of the Board comprise the directors and executive management who are responsible for the financial and operational management of the Board. Board directors are all constituted wine grape growers and all pay the statutory fees and charges annually via the processor that they deliver wine grapes to. Board directors also receive any returns made by the Board to growers and in 2019 all Board directors received a \$1.00 per tonne return on the \$3.90 fee paid on their production. These transactions were made at arm's length.

31/12/18		31/12/19
\$		\$
189,026	Short-term benefits	197,360
14,903	Post-employment benefits	15,156
2,094	Other long-term benefits	2,157
206,023	Total remuneration	214,673
8	Total number of executives	8

NOTE 21: FINANCIAL RISK MANAGEMENT

The Board's activities expose it primarily to the financial risks of liquidity, credit and interest rate risk. The Board and senior management are responsible for monitoring and managing the financial risks. They monitor these risks through monthly board meetings where management reports are presented and analysed. The Board does not enter into any derivative financial instruments nor speculate in any type of financial instrument.

(a) Liquidity Risk

Liquidity risk is the risk the Board will be unable to meet its financial obligations as and when they fall due. The Board manages liquidity risk by maintaining adequate cash reserves to ensure sufficient cash is available to settle obligations as they fall due.

(b) Credit Risk

Credit risk is the risk of financial loss to the Board as a result of a customer or counterparty to a financial instrument failing to meet its contracted obligations. The Board's exposure to credit risk is through its receivables balance which is not considered significant.

(c) Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the Board's income or value of its obligations. The Board is exposed to interest rates risk through its deposits with banks. Interest rates and maturities are detailed in note 15.



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WINE GRAPES MARKETING BOARD
for the City of Griffith and the Local Government Areas of Leeton,
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NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2019 (continued)

NOTE 21: FINANCIAL RISK MANAGEMENT (continued)

(d) Sensitivity analysis

The Board has performed a sensitivity analysis relating to the exposure to interest rate risk at balance date. The sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in interest rates:

31/12/18		31/12/19
\$		\$
	Change in surplus	
6,508	Increase in interest rate by 1%	1,241
(6,508)	Decrease in interest rate by 1%	(1,241)

31/12/18		31/12/19
\$		\$
	Change in equity	
6,508	Increase in interest rate by 1%	1,241
(6,508)	Decrease in interest rate by 1%	(1,241)

NOTE 22: SUBSEQUENT EVENTS

No after balance day events are known to exist at the time of signing these statements.

End of Audited Accounts

2020 CONSOLIDATED BUDGET AS PER STRATEGIC PLAN 2020-2024

2019 Budget	2019 Actual	EXPENSE ACCOUNTS	2020 Budget
INCOME			
\$858,000	\$613,503	Charges (\$3.90 per tonne - 220,000 tonnes)	-
-	-	Charges (\$3.90 per tonne – 205,000 tonnes)	\$799,500
\$32,000	\$44,332	Interest from Bank Accounts	\$28,000
\$45,000	\$4,390	Gain/Income on Sale of Assets	\$28,000
\$2,600	\$7,126	Income from Operating Activities (Sundries)	\$4,475
-	-	Grant Income	-
\$937,600	\$669,351	TOTALS	\$859,975
OPERATING EXPENDITURE			
\$7,500	\$13,580	Accountancy Fees	\$15,000
\$3,450	\$5,884	Advertising Activities	\$3,450
\$42,900	\$41,265	Agency Expense	\$39,975
\$23,400	\$17,445	Audit Fees – Statutory	\$17,000
\$2,028	\$1,161	Bank Fees and Charges	\$1,700
\$52,000	\$51,615	Board Fees and Allowances	\$95,000
\$8,600	\$7,484	Computer Expenses	\$7,820
\$2,500	\$3,183	Conferences/Seminars	\$2,500
\$22,000	\$9,261	Consultancy Costs	\$20,500
\$43,306	\$41,540	Depreciation Expense	\$41,000
\$1,000	-	Donations	-
\$7,000	\$11,367	Fringe Benefits Tax	\$8,500
\$12,400	\$15,019	Industry Functions	\$12,200
\$15,700	\$14,963	Insurance	\$16,000
\$1,500	-	Legal Fees	\$4,500
\$12,100	\$10,438	Motor Vehicle Expenses	\$12,000
\$16,500	\$14,291	Office Expenses	\$18,500
\$11,825	\$15,191	Postage and Telephone	\$12,020
\$10,681	\$6,115	Printing and Stationary	\$10,681
\$28,800	\$27,655	Promotion	\$28,000
\$4,047	\$6,708	Provision: Annual Leave	\$4,457
\$2,200	(\$2,341)	Provision: Long Service Leave	\$1,800
\$2,200	\$3,368	Rates	\$4,000
\$1,000	\$3,831	Research Consumable	\$2,050
\$17,000	\$5,000	Research Payments	\$15,500
\$335	-	Return of Statutory Fees – growers < 20t	\$280
-	\$1,350	Reimburse Chemical Certificate Training	-
\$249,951	\$251,318	Salaries and Wages	\$249,858
\$12,000	\$12,000	Sponsorship	\$12,000
\$3,500	\$198	Staff and Board Training	\$4,000
Subscriptions:			
\$10,050	\$8,993	Magazines Subscription for Growers	\$10,050
\$7,250	\$1,600	Irrigation Representation	\$7,350
\$12,000	\$12,000	NSW Wine Industry Association	\$12,000
\$1,100	\$1,375	Sundry Subscriptions	\$1,100
\$30,000	\$30,000	Inland Regions Alliance	\$30,000
\$500	\$4,176	Sundry Expenses	\$5,000
\$26,595	\$26,522	Superannuation	\$32,286
\$14,300	\$15,713	Travelling Expenses	\$17,300
\$719,218	\$689,268	TOTAL EXPENDITURE	\$775,377
\$218,382	(\$19,917)	SURPLUS/(DEFICIT)	\$84,598
BUDGETED CAPITAL EXPENDITURE			
\$75,000	\$80,162	Motor Vehicles	\$69,000
-	\$13,200	Building, Office, Computer & Research Equipment	-
\$75,000	\$93,362	TOTAL CAPITAL EXPENDITURE	\$69,000
\$794,218	\$782,630	TOTAL EXPENDITURE (including capital expenditure)	\$844,377
\$143,382	(\$113,279)	SURPLUS/(DEFICIT) – including capital expenditure	\$15,598

The above 2020 Budget was presented and approved by growers 27 November 2019